ECONOMY, RETAIL AND TOURISM

EMPLOYMENT

OBJECTIVE: To achieve sustainable levels of economic growth and diversity, on previously developed land where possible, to maximise job opportunities for the local workforce, maintain a strong economy and promote regeneration.

Indicators/type of indicator		Targets	On target?
9 core	**Amount of land developed for employment by type and in allocated sites**	Supporting regionally important sectors and clusters. Need to provide a range of sites and premises to support business growth (Regional Spatial Strategy).	
10 core	**Employment development on previously developed land**	Urban focus and regeneration, promotes 60% of all new development on previously developed land (Regional Spatial Strategy).	
11 local	**Land developed for other key employment uses**	Supporting regionally important sectors and clusters. New development should continue to build on Oxford's strengths in education, healthcare and research and development (Regional Spatial Strategy and Oxford Local Plan).	
12 local	**Planning permissions for new Class B1 uses**	Need to provide a range of small medium and large B1 developments to promote a diversity of opportunities for businesses and the local workforce. (Regional Spatial Strategy and Oxford Local Plan).	
13 core	**Employment land supply by type**	Need for range of land and premises for different employment uses (Regional Spatial Strategy and Oxford Local Plan).	
14 local	**Losses of employment land in key employment areas. Amount of employment lost to residential development**	That little employment land is lost so that the sustainable distribution of employment land is not affected. (Oxford Local Plan).	

9. Amount of land developed for employment by type and in allocated sites

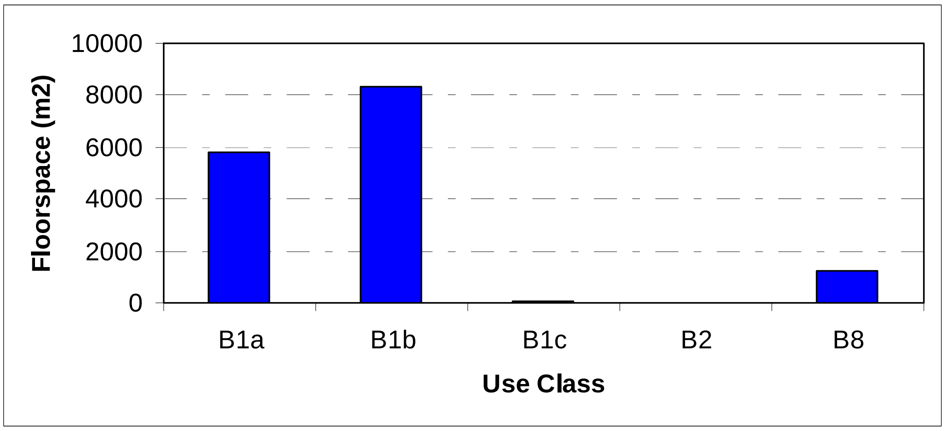
The graph in Figure 21 shows the amount of floorspace developed for employment uses by type. These figures are taken from planning permissions for completed development.

Figure 21: Amount of gross external and internal floorspace m^2 by use class type in 2008/2009 and comparison years

	[5]B1a Offices	B1b Research & Development	B1c Light Industrial	B2 General Industrial	B8 Warehousing	Total
2008/09 gross external floor space m^2	6,117	8,664	38	0	1,265	16,084
2008/09 gross internal floorspace* m^2	5,818	8,339	37	0	1,218	15,412
2007/08 gross internal floorspace m^2	9,406	14,882	2,377	0	2,859	29,524
2006/07 gross internal floorspace m^2	26,938	7,161	2,866	2,055	1,929	40,949

* Gross external area has been reduced by 3.75% to give gross internal floorspace

Figure 22: Amount of gross internal floorspace m^2 developed for employment by type in 2008/09



In total some 15,412 m^2 gross of internal floorspace has been developed for employment uses. This figure has decreased in each monitoring year.

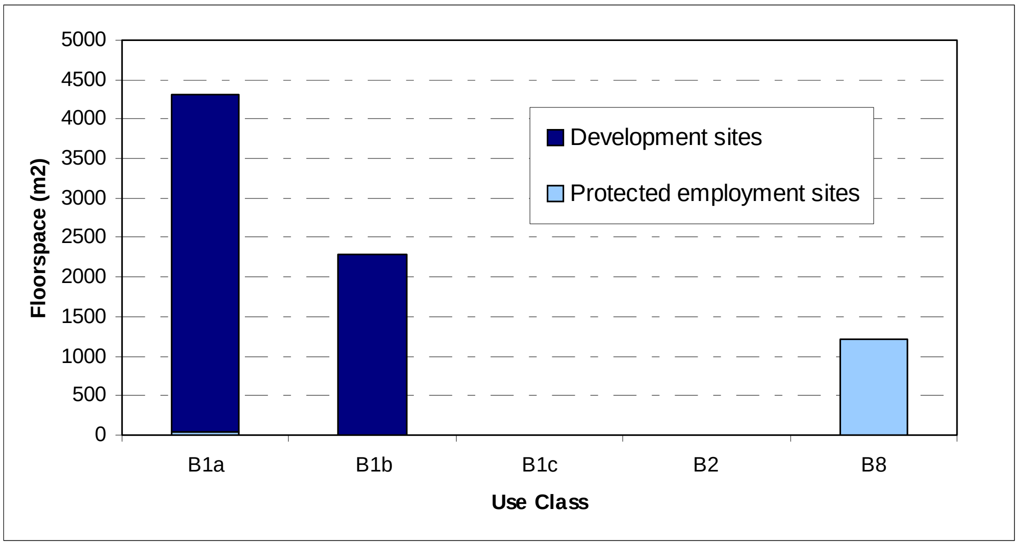
Turning to the type of employment, there has been a relative decline in growth in all employment types, with the greatest decline from 2007/08 being in B1b (although this still represented the largest amount of employment floorspace completed). Nevertheless during the difficult economic climate growth has still continued in Oxford, with development still taking place in all employment uses other than general industrial growth this year, although the growth in B1c (light industrial) has been very small. New employment development provides a good range of job opportunities for the local workforce.

The graph and table (Figure 23) shows the amounts of each type of employment use B1a/b/c (office, research and development/light industrial), B2 (general industrial) and B8 (warehouse)

[5] Use Classes Order 2005 – See Glossary

developed in development sites. In Oxford, this has been taken to include the allocated development sites and the protected employment sites identified in the Oxford Local Plan.

Figure 23: Level of development in m^2 per use class on development sites in 2008/09



Use class	Protected employment sites in m^2	Development sites in m^2	Total:
B1a	39	4,272	4,311
B1b	0	2,295	2,295
B1c	0	0	0
B2	1,218	0	1,218
B8	0	0	0
Total	**1,257**	**6,567**	**7,824**

A total of 7,824 m^2 of floorspace was completed, of which 84% has taken place on allocated development sites compared to 76% in 2007/08. This reduction reflects the current economic climate.

10. <u>Employment developments on previously developed land</u>

The policy approach in the Oxford Local Plan promotes sustainable development and making the best and most efficient use of existing resources. Employment uses are therefore directed towards the key protected employment sites, allocated sites and mixed-use development sites. These comprise previously developed land, the only exception being the Oxford Science Park and Littlemore Park. In the monitoring period, there was one B1a (office) development of 1,803 sq.m. at the Oxford Science Park. All other developments were on previously developed land.

Figure 24: Amount of employment floorspace in m^2 on previously developed land (PDL) in 2008/09

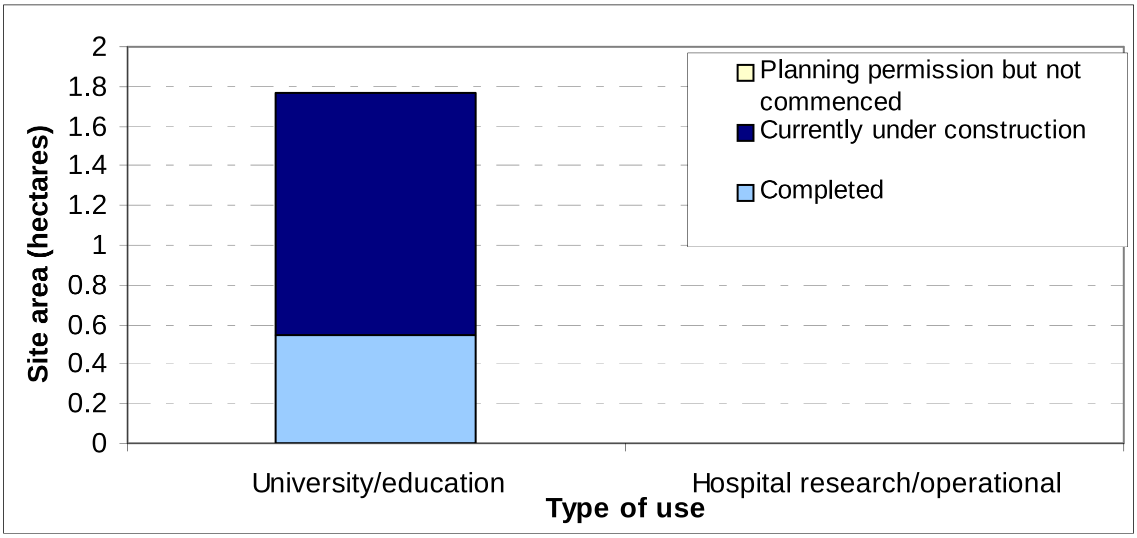
	B1a	**B1b**	**B1c**	**B2**	**B8**	**Total**
Gross employment land	6,117	8,664	38	0	1,265	16,084
% gross on PDL	89%	100%	100%	100%	100%	89%

Oxford has therefore successfully directed new completed development to previously developed land, permitted (outline permissions) or identified green field development sites.

11. Land developed for other key employment uses

This bar chart shows the amount of land permitted, under-construction and completed for B1a (office) and B1b (research and development) uses related to University (education) and Hospital (health) developments.

Figure 25: University and Hospital development in hectares in 2008/09



The importance of education and health sectors in Oxford's economy is recognised as a particular strength to both the local and regional economy. The figures vary considerably each year, rather than showing any particular trend, which reflects the dynamic process of permissions being implemented.

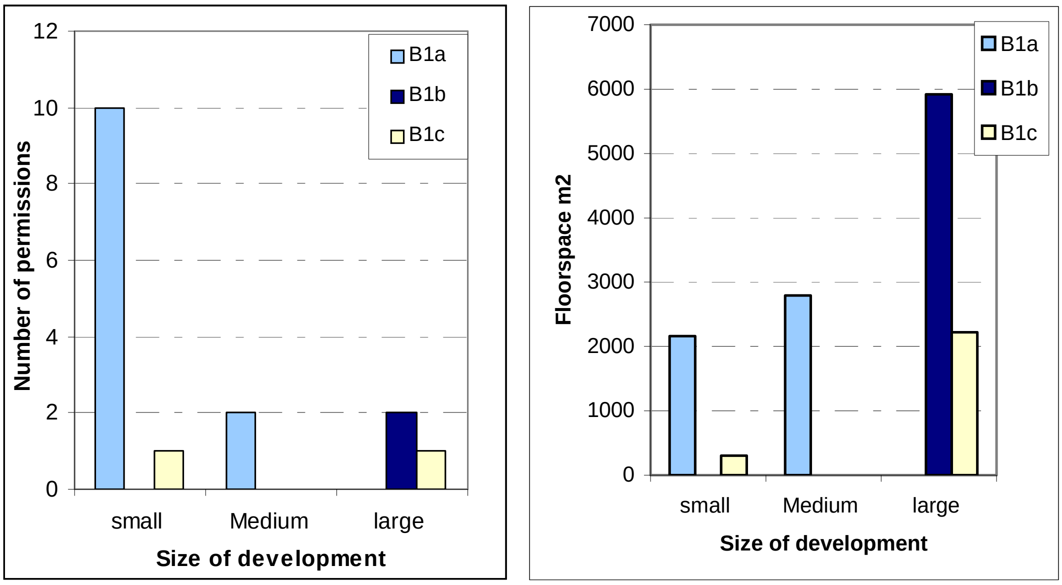
In the current monitoring year, there were no new hospital research facilities completed, commenced or granted permission. New University research development was completed in South Parks Road. There is still on going University development in that area, including a development granted permission in the current monitoring year.

There continues to be significant development in this important sector, although there has been a decrease in developments on the previous monitoring year. During this period the proposal by the University of Oxford for a new Book Depository were refused permission on appeal.

12. Planning permissions for new class B1 uses

These bar charts show the amount of floorspace and the numbers of developments granted planning permission for small (under 500m^2), medium (over 500m^2 – 1500m^2) and large (above 1500m^2) developments for B1a (office), B1b (research and development) and B1c (light industrial) uses.

Figure 26: Planning permissions for Class B1 uses by type, by gross floorspace m^2 and by number in 2008/09



In line with previous monitoring years, the office (Class B1a) sector has seen the greatest number of permissions, the majority of which are on small sites. However in relation to floorspace the most significant contribution (as in the previous monitoring year) is from research and development (Class B1b) uses within the large site size.

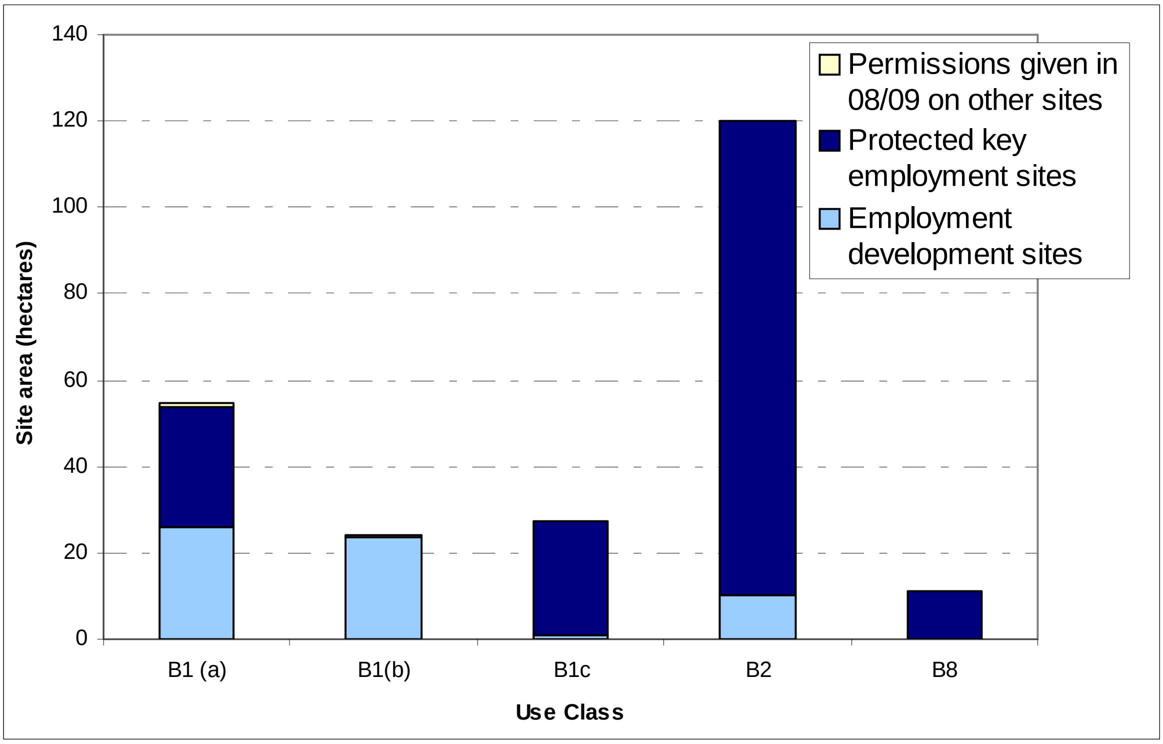
13. Employment land supply by type

Figure 27 shows the amount of employment land (hectares) available for development on employment land.

Figure 27: Employment land supply by type in hectares
Source: Oxford Local Plan for land supply and data on planning permissions granted / under construction in 2008/09

	B1a	B1b	B1c	B2	B8	Total
Employment development sites (ha)	26.15	23.66	1.15	10.43	0	61.39
Protected key employment sites (ha)	27.81	0	26.01	109.56	11	174.37
Permissions in 08/09 on other sites (ha)	0.83	0.38	0	0	0	1.21
Total gross employment land supply in hectares (ha)	54.79	24.04	27.16	119.16	11	236.97

Figure 28: Employment land supply by type in hectares



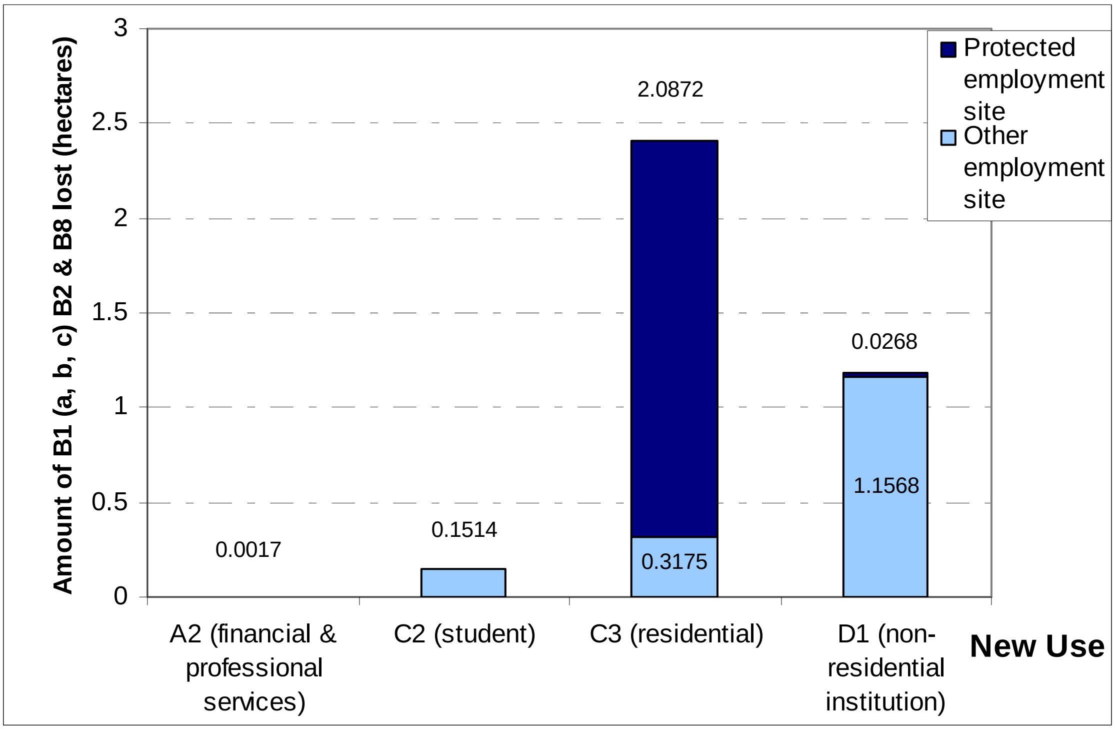
The total supply of employment land in Oxford still relies principally on land identified as protected employment sites and a limited supply of allocated sites, identified in the Oxford Local Plan, and the emerging Core Strategy. The key protected employment sites include industrial estates and areas such as Oxford Business Park and the Oxford Science Park, together with sites occupied by key major employers. Land in Oxford is a scarce resource, subject to significant constraints and in demand from a range of competing uses. The City Council have therefore adopted a sustainable approach to employment land encouraging the protection and modernisation of existing brownfield sites. It aims to provide a diverse range of sites to suit different types of employment and therefore maximise opportunities for the local workforce.

The Employment Land Study (March 2006) was undertaken by consultants on behalf of the City Council to assess the supply of employment sites in Oxford in relation to the projected future long-term demand. The study provides an important evidence base for the future employment land requirements, and serves to inform the Local Development Framework, in particular the emerging Core Strategy and Site Allocations Development Plan Documents. The findings of the study will also be used to update the Economic Development Strategy and positively respond to government guidance requiring local authorities to undertake employment land reviews.

14. Losses of employment land in key employment areas. Amount of employment lost to residential development including loss from development sites and protected employment sites

There has been a net loss of employment land (hectares) in Oxford over recent years. This has occurred mainly on development sites but also a small amount on protected employment sites. In Oxford this has been taken to include allocated sites and protected employment sites, as identified in the Oxford Local Plan.

Figure 29: Loss of employment land in Oxford in hectares including loss on protected employment sites in 2008/09



Oxford has a tightly drawn Green Belt with a limited land supply, a relatively buoyant economy and a significant demand from a range of competing land uses. Oxford has therefore been recycling land to other uses for several decades. Since 1985 Oxford has lost about 50 hectares of land from employment generating uses to other uses.

During this monitoring period, 3.86 hectares were lost to other uses, which is more than the previous 2 monitoring years where 0.78 ha and 1.3 ha were lost respectively.

Figure 29 shows that the main loss was to residential use. A large proportion of this was the redevelopment of the Eagle Iron Works, Walton Well Road that was allocated as a site for redevelopment in the Oxford Local Plan with a small proportion of the site retained for employment use. This accounts for the rise this particular year so the overall trend remains the same.

Conclusions – Employment

The current economic climate has been challenging but Oxford's economy has shown its strength and diversity by responding positively. Whilst the overall amount of employment floorspace coming forward for development during this monitoring period has been less than previous years, it has still significantly added to the range and type of employment available in Oxford. It is clear over recent years that Oxford has successfully built on its established economic strengths in the knowledge based economy.

This year a significant proportion of the increase in floorspace has been within the research and development (Class B1b) sector, which is key to the future success of Oxford's established knowledge-based cluster. There continues to be new development in the University (education) sector, which plays an important role in Oxford's economy. This development is part of the sustained investment within this sector over recent years and is part of a long-term rolling programme.

This new development has taken place on previously developed land, the majority of which has been on protected employment sites. Overall the amount of land lost from employment use has been more than previous years, and redeveloped principally for residential use.

RETAIL			
OBJECTIVE: To monitor the amount of new retail, office and leisure development, not only in Oxford overall, but also in the city centre and district centres, and to assess the vitality and viability of these centres.			
Indicators/type of indicator		**Targets**	**On target?**
15 core	**New retail, office and leisure development including that in town centres**	Need to focus development in the city centre and district centres. Aim to provide a range of A1, A2 and B1 and D2 uses (Regional Spatial Strategy).	
16 contextual	**Market and vitality indicators**	Local Plan targets for A1 use on designated frontages in the city and district centres should be met.	

15. New retail, office and leisure development including that in town centres

As Figure 30 shows, there was a total of 8,698 m^2 gross additional internal floorspace for office, retail and leisure development. The principle office developments include sites at the Science Park, some regeneration within the city centre and the former Eagle Iron Works site at Walton Well Road.

Figure 30: Office and leisure completions in m^2 compared to previous years

	Retail (Class A1)	**Finance/ professional service (Class A2)**	**Office (Class B1a)**	**Leisure (Class D2)**	**Total**
2008/09 gross external floorspace	2,548	666	6,117	0	9,331
2008/09 gross internal floorspace*	2,239*	641	5,818	0	8,698
2007/08 gross internal floorspace*	2,306*	398	9,406	2,781	14,891
2006/07 gross internal floorspace*	1,643*	197	26,938	2,230	31,008

*sales space excluding areas like store rooms

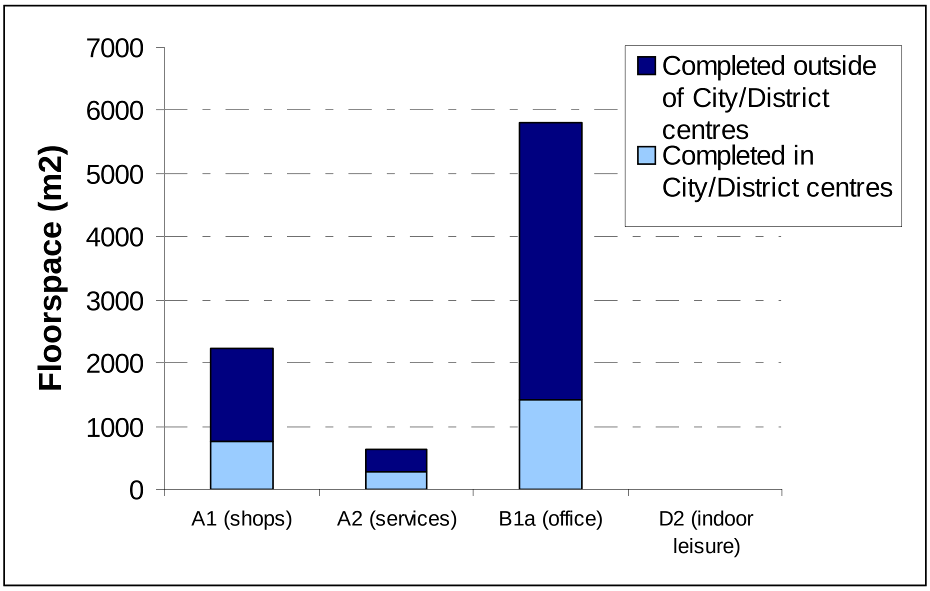
Whilst the amount of floorspace for retail (Class A1) has decreased slightly compared to last year it is still more than the total three years ago. This development has taken place mainly at Lamarsh Road and Summertown District shopping centre.

In relation to office development, the amount of financial and professional (Class A2) completions has increased compared to previous years but is still a relatively small total. There has however been a significant further decline in the level of development completed within the office sector (Class B1a), compared to previous years, particularly since 2006/07. Of the limited amount of floorspace completed in this monitoring year the majority, some 30%, relates to one permission on the Science Park.

There has been no further leisure (Class D2) development during this monitoring period. This partly reflects market demand, and the limited opportunities available in Oxford.

Overall in assessing the performance of the three sectors, the most significant growth has continued to be in the office sector (B1a) but this represents less than previous years; whilst retail continues to make a contribution.

Figure 31: Amount (floorspace m^2) of completed retail, office and leisure developments in city/district centres in 2008/09



The trend over the last three years shows the greatest amount of completions have taken place in the office (Class B1a) sector. This year whilst the overall amount has been less at just over 5,800 m^2 (gross internal floorspace) completed, it still represents the greatest proportion of completions. The majority of this additional floorspace is in out-of-centre locations, which again reflects the location of the key employment sites at the Science Park and Business Park.

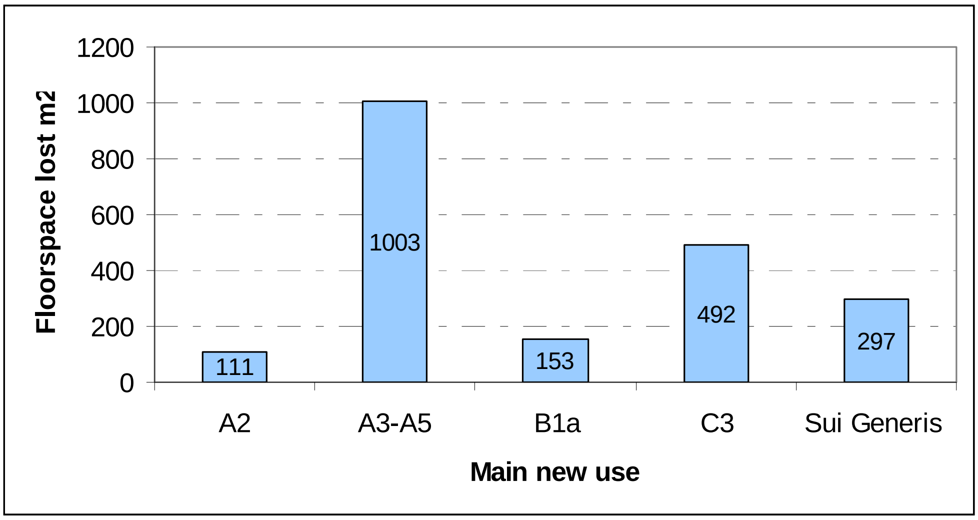
The amount of completed retail (Class A1) floorspace is less than last year and has taken place largely in out-of-centre locations. A Certificate of Lawfulness for a mezzanine at Lamarsh Road accounts for a significant proportion of the out-of-centre completions.

There has been an increase in the amount of completed development in the service (Class A2) use, although the overall total is still relatively low compared to other sectors. The majority of new development has taken place in city and district centres.

In conclusion, although the majority of completed development has taken place in out-of-centre locations, particularly in the case of office (Class B1a) uses, this reflects that the principal opportunity for the city centre is the West End, and that the Area Action Plan was only adopted this monitoring year.

16. Market and vitality indicators

Figure 32: Amount of retail floorspace m² lost to other uses in 2008/09

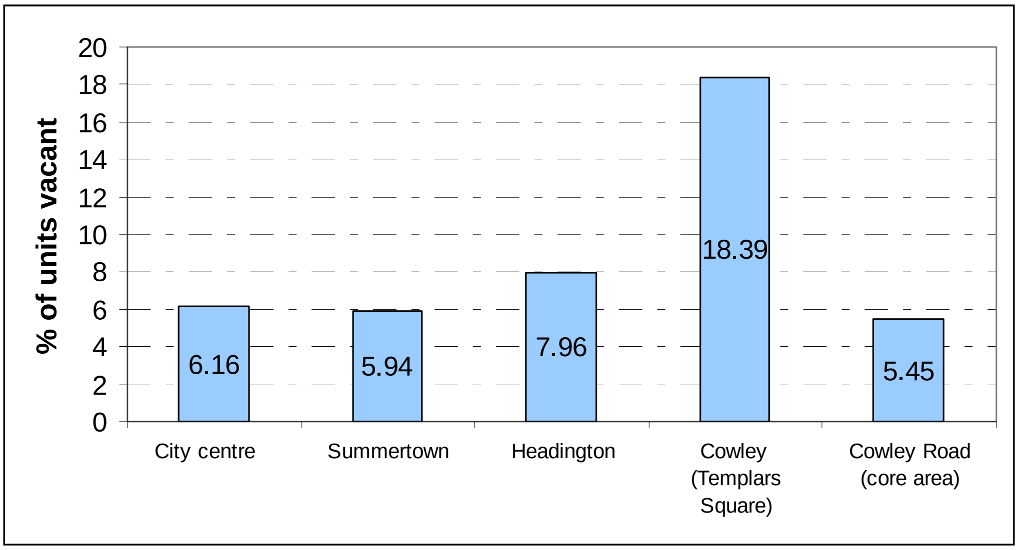


Oxford has continued to loose some retail (Class A1) floorspace, totalling 2,056 m^2 in 2008/09. Whilst cumulatively this has an impact on the total amount of retail floorspace, on an annual basis the rate is still relatively low for Oxford as a whole, and does reflect the dynamic change in the market. The new uses introduced include principally food and drink (Class A3-A5) and residential (Class C3) uses. The future redevelopment of the Westgate Shopping Centre, will significantly increase the supply of retail (Class A1) floorspace in the city centre.

This information provides important background evidence to monitor future changes in the level of floorspace lost from retail (Class A1) use and the change in the mix of uses. It will serve to inform the overall strategic approach to policy formulation within the Local Development Framework.

Vacancy levels

Figure 33: Vacancy levels in city and district centres in January 2009
Source: Oxford City Council survey, March 2009



One of the key market indicators that measure the vitality and viability of existing centres is vacancy levels. The economic climate during the monitoring period has been particularly difficult for all service sectors of the economy, but not least the retail sector. However in the city centre, the Primary Shopping Frontage (Policy RC.3) still has only just over 6% of all the units vacant, which reflects a similar proportion to last year, showing that the city centre continues to remain healthy and is performing well.

The emerging Core Strategy 2026 defines Oxford's retail hierarchy, which comprises five District shopping centres. This includes Cowley centre as a Primary District Centre, together with Cowley Road, Headington and Summertown. A new District centre is also proposed for Blackbird Leys. The health of the existing centres are set out below as follows:

The Cowley Road (core area) has the lowest vacancy rate at 5.4%, which shows a fall from last year's level of 7%. Whilst the actual number of vacant units is comparable to other district centres, it appears high as a proportion of the relatively small number of the total number of units that form the heart of the Cowley Road. Cowley Road is however fortunate in having an extensive range of other Class A uses extending along the street which lies within a secondary shopping frontage (Policy RC.5).

The Summertown District Shopping frontage has the second lowest vacancy rate at 5.9% this monitoring year. The vacancy level has therefore risen slightly from last year which was only 4%, but still shows the continuing strength of this shopping centre and the good range of uses. The addition of Marks and Spencers food hall does appear to have positively strengthened Summertown.

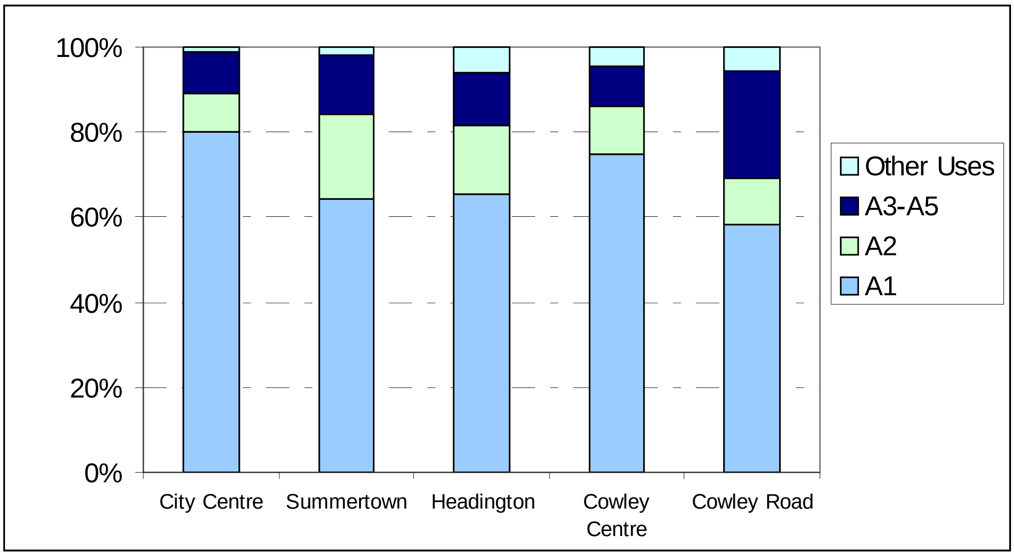
Headington has a vacancy rate at 7.9%, which is very similar to level last year's figure of 8%. There does however still remain a relatively high proportion of charity shops.

The Cowley centre (Templars' Square) has the highest vacancy level of 18.3%, which has increased again from last year's figure of 16%. Clearly the overall percentage of vacant units has now reached a cause for concern. To a degree however it does reflect the current economic climate but also the individual characteristics of the centre which has a high proportion of A1 (retail) uses within the centre, and the relative lack of other Class A uses.

The city centre and the district centres are generally still performing well and appear healthy with a good level of vitality and viability. Whilst the level of vacancies within each district centre continues to vary, this is often a reflection of the individual characteristics of the centre. It will however be important to monitor the position particularly in the Cowley centre (Templars' Square). The emerging Core Strategy 2026 promotes the shopping centre as a Primary District centre. It acknowledges the opportunities to undertake some master planning of the centre, possibly through a future Supplementary Planning Document, to explore in more detail potential development sites within the centre as a whole, which could accommodate further growth. The issue of the appropriate mix of uses within each centre will be assessed in detail as part of the Development Management Development Plan Document when this document is produced, and alternative options for each centre proposed.

Vitality

Figure 34: Percentage of A1 (retail) uses and other Class A uses in the city centre and district centres in January 2009
Source: Oxford City Council survey January 2009



	Local Plan target for A1 on designated frontage	Actual A1%	Actual A2%	Actual A3-A5%	Actual other uses%
City Centre	75%	80.10	9.00	9.96	0.94
Summertown	65%	64.36	19.80	13.86	1.98
Headington	65%	65.49	15.93	12.39	6.19
Cowley Centre	65%	74.71	11.49	9.20	4.60
Cowley Road	65%	58.18	10.91	25.45	5.46
Blackbird Leys	-	-	-	-	-

The second indicator is diversity, which is an important measure of the vitality of a centre. It also provides an indication of the role of the centre and its attractiveness to shoppers. This indicator recognises the important role that retailing plays in the centre but assesses the range of other uses available, which contribute to its vitality and viability. The mix of uses is significantly influenced by the policies in the Oxford Local Plan relating to the defined shopping frontages within each centre. In the case of the city centre, the proportion of A1 (retail) uses within the primary shopping frontage remains high, which reflects its important role as a sub-regional shopping centre, and as a Centre of Significant Change in the South East Plan. Any additional Class A uses are directed towards the secondary shopping locations, to ensure that a diverse range of uses is satisfied.

In the case of the district centres, and in particular the defined district shopping frontages, there still continues to be a reasonable mix of uses, with retail (Class A1) continuing to underpin these centres. Cowley centre (Templars' Square) still has the highest proportion of A1 (retail) uses, although other uses have increased in recent years. Both Summertown and Headington have maintained a predominance of A1 (retail) uses, but clearly the loss of any further retail uses would breach the threshold set out in the Oxford Local Plan. Although the level of A1 (retail) uses in the Cowley Road is the lowest, this reflects the relatively small number of units within the core area. The remainder of the commercial properties along the Cowley Road frontage are defined as secondary shopping frontage and as such include a higher proportion of other Class A uses.

It is clear from these contextual indicators that the city centre and district centres still appear to be in a relatively healthy position. Whilst the percentage of retail remains high at the Cowley centre (Templars' Square shopping centre) there remains concern about the high level of vacancies.

Conclusions - Retail

Whilst there has been a relative decline in the amount of office (Class B1a) floorspace, compared to recent years, there is still an increase in this sector which makes the most significant contribution to the overall growth. The retail (Class A1) has remained comparable to the previous year.

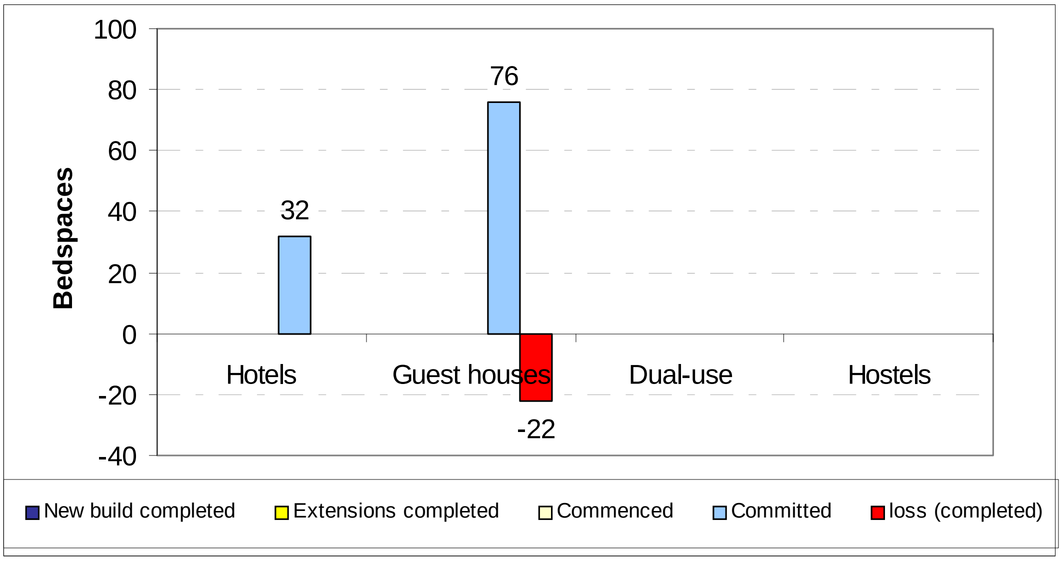
The majority of this new completed office development has taken place in out-of-centre locations, at the Science Park.

The city and district centres are generally performing well. Whilst retail continues to underpin these centres there remains a good diversity of uses. The current level of vacancies for the Cowley centre (Templars' Square) has continued to increase to the point now where it does raise concerns. The Core Strategy encourages future retail growth at the Cowley centre, these development opportunities are proposed to be taken forward within the context of a master planning framework for the centre as a whole. The mix of uses will be considered in detail as part of the new Development Management Development Plan Document to be produced.

TOURISM			
OBJECTIVE: To have a good range of accommodation and attractions for visitors and residents to enjoy and to encourage tourists to stay longer and spend more.			
Indicators/type of indicator		**Targets**	**On target?**
17 local	**Supply of short-stay accommodation**	Retain the existing stock of tourist accommodation and support the provision of additional accommodation in a range of appropriate locations and to encourage longer stays in Oxford (Regional Spatial Strategy and Oxford Local Plan).	
18 local	**Supply of new cultural and arts facilities**	To enhance the supply of cultural and arts facilities for the benefit of residents and visitors.	

17. Supply of short-stay accommodation

Figure 35: The number of bed-spaces gained or lost, by type of short stay accommodation in 2008/09



Planning permission has been granted for an additional 108 hotel and guesthouse bedspaces in 2008/09. No additional hotel or guesthouse bedspaces were completed in the monitoring year, but there has been a loss of two guesthouses, both to residential use, (loss of 22 bedspaces).

18. Supply of new cultural and arts facilities

There has been just one small extension to a nightclub in St Clements completed in the monitoring year (a suigen use class). Importantly, there have been no losses in the economic downturn conditions. The refurbishment of the Ashmolean Museum continued in 08/09 with new galley and exhibition space due to open in November 2009. Whilst the main building works to an extension to the Pitt Rivers museum was completed in 07/08, the internal building works to improve public exhibition space and education facilities continued in 08/09 with the re-opening of the museum in May 2009.

Conclusions – Tourism

This overall pattern of development has taken place within the principal aim of the Oxford Local Plan and the City Council's Tourism Strategy to promote long-term sustainable growth of the tourism sector. There has been an increase in permitted short stay accommodation but a small loss in terms of completed developments.