



Executive Summary

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West Oxfordshire Retail Needs Assessment Update

West Oxfordshire District Council
November 2012



WEST OXFORDSHIRE
DISTRICT COUNCIL

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For and on behalf of GVA Grimley Ltd

1. Executive Summary

Background and Key Study Outputs

- 1.1 In June 2012, GVA was instructed by West Oxfordshire District Council to undertake a comprehensive review of retail uses within the District's main town centres in order to provide an update of the 2007 Retail Needs Assessment to inform policy and development management decisions in the District.
- 1.2 The Council is currently in the process of revising its local planning policy and development strategy. The Council's current planning policy is contained within the Local Plan 2011 (adopted 2006) however this policy is soon to be replaced by the new Local Plan for the District. The purpose of this assessment is to provide up to date evidence to inform the preparation of the new Local Plan. This information will also be at the Councils disposal to assist in the determination of relevant planning applications.
- 1.3 To inform the retail needs assessment we commissioned a bespoke telephone household survey, which focuses on retail and town centre issues in West Oxfordshire. We have also provided audits of Witney, Chipping Norton, Carterton, Burford and Woodstock town centres. The study reviews the current status of retail activity in the District, local shopping patterns and flows of expenditure, and identifies the need for new retail floorspace over the plan period to 2029. Over the longer term retail capacity forecasts are increasingly subject to margins of error. As such, the main period of relevance is up to 2019 (the first five years following adoption of the Local Plan) and forecasts after this time are less reliable.
- 1.4 We have used a conventional and widely accepted step by step methodology, consistent with best practice, which draws on the results of the household telephone survey. We have:
- Calculated the total convenience and comparison goods expenditure available within the West Oxfordshire catchment area;
 - Allocated this spend to shopping destinations, on the basis of the household telephone survey of shopping patterns, to provide estimates on current sales and forecasts of future sales;

- Compared the total expenditure for each shopping destination with current retail floorspace to assess sales densities in each shopping destination;
- Building on the baseline position, we have explored the capacity for further convenience and comparison retail floorspace, having regard to the performance of existing floorspace.

Retail Trends, Government Research and Policy

- 1.5 The UK retail industry has undergone a major transformation in recent years. Technological advances and multi-channel retailing (such as click and collect services) are impacting the way we shop. These changes have direct implications on the role and function of town centres, and the impact of these changes have been exacerbated by the recession.
- 1.6 Higher levels of unemployment and central Government spending cuts have increased pressure on disposable incomes. Not only does this limit the extent to which consumers are able to save, but also means that consumers are more considered with their spending decisions – researching their purchases and buying online to ensure they get the best value for money.
- 1.7 Internet sales are expected to continue growing, although at a more modest pace than experienced in recent years. This will maintain pressure on traditional high street, bricks and mortar retailers. The growth of online shopping and the movement towards multi-channel retailing are resulting in retailers cutting back on physical space to improve efficiencies. Retailers are moving towards opening larger flagship stores in strategic locations (including out of centre locations), which are supported by smaller satellite stores and websites. Smaller town centres in non-strategic locations will therefore be likely to be more vulnerable to store closures.
- 1.8 In this context, the traditional high street faces a number of challenges over the development plan period. Emerging trends suggest that town centres will be used more for leisure and social activities, with more bars, restaurants, food outlets and community spaces opening in vacant units, and residential uses becoming more common.
- 1.9 These trends are of major importance to West Oxfordshire’s town centres, which will need to continue to attract local shoppers, as well as tourists, by broadening their non retail

offer. To ensure centres remain viable moving forwards, the Council must seek to maintain and improve footfall levels to increase dwell times which will increase town centre vitality and drive retail and leisure spend through impulse purchases.

- 1.10 Centres within West Oxfordshire are smaller than the surrounding higher order shopping destinations (e.g. Oxford, Banbury and Swindon), and therefore while these centres are currently performing strongly, they are likely to come under continued pressure from these larger centres. Over the plan period, it will be important that the West Oxfordshire centres continue to provide a differentiated retail and leisure offer, tailored to the local catchment and encouraging resident and tourist spend.
- 1.11 The Portas Review (2011) highlighted the challenges facing town centres and made recommendations to tackle the decline of the high street. Portas advised that markets should be encouraged in town centres, affordable town centre car parking should be provided, and the setting of business rates and landlord roles should be revisited. Portas also advocated that communities should be given greater say in the future planning of their town centre and that Town Teams should be used to manage high streets. The Council should bear these recommendations in mind when planning for future retail strategies for the District's town centres.
- 1.12 This report has been undertaken in accordance with the National Planning Policy Framework (NPPF). The NPPF was adopted in March 2012 and sets out the Government's most up to date, consolidated, planning guidance. The policies contained within the NPPF are underpinned by a 'presumption in favour of sustainable development', and as such seek to support sustainable economic growth and support town centre vitality and viability.

Convenience Goods

- 1.13 Our review of existing convenience goods (e.g. food and groceries) provision in West Oxfordshire identified a reasonable level of convenience goods coverage in the three main towns. The majority of these stores are located within town centre locations. There are two main out of centre foodstores (Sainsbury's and Lidl) which draw a significant proportion of convenience goods market share, both located in Witney.
- 1.14 Based on our analysis, we estimate that the combined turnover of the main convenience goods provision within the District is approximately £159.6m (which represents 53% of total

turnover from the survey area). Within the District (Zones 1, 2, 3, 5, 6, 9, 10 and 11), existing stores retain £152.9m of generated spend, which equates to a strong retention rate of 69% within these zones.

- 1.15 The results of our analysis indicates that several of the stores in West Oxfordshire are overtrading compared to company averages, in particular, the Waitrose and out of centre Sainsbury's in Witney, the Co-op in Chipping Norton and the Aldi in Carterton, with the majority of the other stores performing broadly in line with company averages. It is not necessarily undesirable for stores to trade at above company average levels, and overtrading does not inevitably result in a need for further foodstore provision.
- 1.16 Based on constant market shares, the performance of existing foodstore provision and forecast growth in population and expenditure, and taking into account existing commitments the study identifies capacity to support 3,234 sqm net across the District by 2014, rising to 3,832 sqm net by 2019, increasing to 4,681 sqm net by 2024, and again to 8,504 sqm net by 2029. We consider that this capacity is sufficient to support an additional foodstore, or a combination of smaller format stores and extensions in the District over the development plan period.
- 1.17 The Council must identify sufficient sites in sequential locations to accommodate this need, although it is noted that the above capacity figures do not take into account current proposals for a Morrison's store at Carterton of 2,182 sqm net which is expected to reduce the forecast capacity at both Carterton and Witney. The proposed Morrison's store will re-distribute existing shopping patterns towards Carterton, resulting in more sustainable shopping patterns, and will also be likely to alleviate overtrading at foodstores in Witney.
- 1.18 The table below sets out the indicative convenience goods capacity identified for the three main centres in the District up to 2029. The main period of relevance is up to 2019 and beyond this forecasts are less reliable.

Table 1.1: Indicative Locational Split: Convenience Goods Capacity (sqm)

Centre	2014	2019	2024	2029
Witney	1,579	1,939	2,472	5,978
Chipping Norton	230	272	349	416
Carterton	509	629	793	947

Source: GVA, Appendix 1, Tables 13, 14 and 15

Comparison Goods

- 1.19 The results of the household telephone survey show that Witney is the most dominant comparison goods (e.g. clothes, jewellery and electrical items) shopping destination in the District, with an overall market share of 34% from the survey area, and has a 69% retention rate within the Witney zone. Witney town centre is found to be performing exceptionally strongly, with a high sales density for a centre of this size. Chipping Norton and Carterton provide less of a comparison shopping role (although we note that Chipping Norton does have a strong proportion of comparison shop units), as both these centres cater primarily to the convenience goods market and due to their smaller scale, serve a smaller, localised catchment area. The centres within West Oxfordshire face strong competition for comparison goods from higher order centres in the wider sub-region (in particular Oxford, Banbury and Swindon).
- 1.20 Based on the current market shares of the main town centres in the District, and after taking into account existing commitments, the study identifies that there is not capacity arising for comparison goods floorspace in the District up to 2014, however by 2019 there is capacity to support 3,987 sqm net, increasing to 8,732 sqm net by 2024, and increasing again to 13,685 sqm net by 2029.
- 1.21 The table below sets out the indicative comparison goods capacity identified for the three main centres in the District up to 2029.

Table 1.2: Indicative Locational Split: Comparison Goods Capacity (sqm)

Centre	2014	2019	2024	2029
Witney	56	3550	7616	11,868
Chipping Norton	-59	318	768	1,231
Carterton	-94	15	142	274

Source: GVA, Appendix 2, Tables 13, 14 and 15

Witney Town Centre

- 1.22 Witney has a particularly good comparison shopping offer, maintaining a strong market share for a centre of this size and achieving a very high sales density. The centre benefits from the recently extended Woolgate shopping centre and the new Marriotts Walk shopping centre which provide a range of modern format shop units as part of an extension to the town centre.
- 1.23 In and out of centre foodstores in Witney draw a strong market share from across the study area, and achieve good sales densities which indicate the stores are performing well and they provide competition to foodstores outside the District (for example foodstores in Abingdon and Kidlington). We anticipate that if the application for a Morrison's foodstore in Carterton is granted consent and implemented, this store would clawback trade from Witney, thereby reducing the convenience goods capacity arising in the town and diverting trade from the overtrading stores in Witney. This trade diversion would support more sustainable shopping patterns in the District, and increase the retention of convenience goods market share within the Carterton area.
- 1.24 Our analysis of the centre identifies that Witney is performing very strongly as a vital and viable town centre. This is corroborated by the findings of the household and in centre surveys which identified that local residents and visitors to Witney have a very high level of satisfaction with the town centre, particularly in relation to the range of multiple retailers and independent shops and the attractive quality of the historic urban environment.
- 1.25 Respondents to the household telephone survey highlight that the free car parking provision in the town centre is popular and is a key attractor to the town centre in comparison to other competing centres which do not provide this facility. We understand there are concerns that the town centre car parks are reaching capacity at peak times.

We recommend that effective car parking management in the town centre is developed to limit the opportunity for commuters to take advantage of the free parking, whilst still providing free car parking to shoppers and tourists to encourage these visitors to spend time in the town centre, increase dwell times and support local shops.

1.26 Over the development plan period Witney is likely to face continued pressure from competing centres outside the District, most notably Oxford city centre. If the Westgate shopping centre extension is implemented in Oxford it will be crucial for Witney to continue to improve its comparison goods offer to retain its current market share. There are options for the organic growth of Witney town centre and the opportunities arising at the Woolgate Centre and Welch Way should be pursued to secure future investment in the centre.

- We recommend that the Council should start to plan for the phased development of strategic sites at the Woolgate shopping centre and land off Welch Way which are capable of accommodating the identified retail capacity to reinforce the role of the town centre.

Chipping Norton Town Centre

1.27 Chipping Norton town centre provides an attractive historic shopping environment and our findings show there is a good mix of quality comparison, convenience and service operators, supplemented with street markets and high end independent retailers. The comparison goods shopping role appears to be supported by the main food shopping function the centre currently provides.

1.28 Convenience goods retailing is the main attractor to the town centre, demonstrated by 86% of respondents to the in centre survey stating that the main purpose of their visit is to undertake food shopping. Foodstores in the town centre are currently performing strongly, drawing a strong market share in the local catchment area, with a strong level of trade retention. The two main foodstores in the town are achieving good sales densities. The evidence demonstrates that this is the strongest and most cited reason for visiting Chipping Norton town centre and therefore we consider the foodstores are a key footfall driver in the town. This function is supporting the other comparison shops and services in the centre as people undertake linked trips in addition to their food shopping.

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- 1.29 For a centre of its size, Chipping Norton has a reasonable retail provision of mainstream multiple retailers, however the comparison goods role the centre offers is more limited in comparison to Witney. Chipping Norton currently serves a relatively localised catchment area, with the majority of respondents undertaking their main comparison goods shopping in the higher order centre of Banbury.
- 1.30 Despite a more limited range of comparison retailers in Chipping Norton, the quality of operators is good, attracting local people, as well as tourists and visitors. Results from the Chipping Norton Neighbourhood Plan survey indicate that local residents like to support local shops and we consider this is a key strength of the centre. If this function were to erode we expect that visitations rates could drop which would consequently result in a detrimental impact on Chipping Norton town centre. Therefore the retail and leisure offer should be protected and consolidated over the plan period to ensure the continued health of the centre. A co-ordinated town centre marketing strategy to retain trade in Chipping Norton as proposed by the 'Experience Chipping Norton' Town Team is a positive step.
- 1.31 One of the key issues in the town is the availability of car parking. Although we anticipate that the current lack of car parking spaces may in part be addressed through the planned expansion of the Co-op and extra parking spaces, there will be a continued need to identify further opportunities for additional car parking provision where appropriate.
- 1.32 Taking into account the proposals to extend the Co-op, our assessment has identified no significant capacity arising to support large scale retail development for convenience and comparison goods over the development plan period. Councils are required to allocate a sufficient range of sites to meet identified retail needs in town centres, however we consider that the Council does not need to identify significant development sites beyond Chipping Norton town centre to accommodate the retail needs arising over the plan period.
- The key recommendation for Chipping Norton is that the small capacity arising for retail floorspace would be best delivered within the town centre to maintain its vitality and viability. There is scope to provide a better range of shops in the town centre to create a stronger food and non-food retail offer. Due to the constrained nature of the town centre, it will be crucial that the Town and District Council is proactive in bringing

forward complex town centre sites where possible, with future retail development directed towards the town centre in the first instance.

Carterton Town Centre

- 1.33 Carterton town centre is a more modern centre, which performs a more functional and convenience based role, catering to the day to day shopping needs of a localised resident population. Due to the nature of the town centre environment, Carterton is less constrained than the historic town centres of Witney and Chipping Norton and therefore has the physical capacity to accommodate future retail and leisure proposals.
- 1.34 The town centre currently has a good convenience goods offer, benefiting from two foodstores which are performing reasonably strongly. Due to the predominant convenience goods role that the centre provides, results from the household survey show that local shoppers who do visit Carterton undertake trips to the centre regularly.
- 1.35 We are aware of the Morrison's application to develop a foodstore in the SW Quadrant. Although the scale of store is larger than the floorspace capacity arising for convenience goods, we consider that a store of this size could claw back trade from Witney to encourage shoppers in the Carterton zone to shop locally and support sustainable shopping patterns, whilst improving the qualitative food offer in the town. It will be important for any proposal on this site to provide strong linkages and connectivity to the retail core of the town centre to encourage accessibility between the site and the existing shops.
- 1.36 In relation to comparison retail, Carterton has a below average representation of non-food shops in the town centre, which currently provide a mid to low end retail offer. The centre also lacks a varied choice and range of comparison goods retailers, and provides only a limited number of multiple retailers. The centre falls within Witney's catchment area and therefore competes for market share with Witney.
- 1.37 The provision of an enhanced range and choice of comparison goods retailers in the town should be a priority for the Council over the development plan period. There is scope for the town to improve its comparison goods offer to retain a higher market share within the Carterton zone. A realistic strategy should be developed to identify physical site opportunities within the SW Quadrant and include demographic profiling and retailer demand to test the commercial interest in the area and secure future investment from

comparison goods retailers following the resolution to grant planning consent for the Morrison's development. We note that Carterton submitted a Portas Town Team bid, which although unsuccessful has secured some funding which could support the development of the future town centre strategy for Carterton.

1.38 There is also scope to enhance the leisure offer in the centre through the provision of restaurants and bars to increase the number of people visiting the centre for daytime and evening eating and drinking and to increase dwell time in the centre which will help support town centre shops.

- The key recommendation for Carterton is to develop a strategy to capture investment from comparison retailers following the resolution to grant planning consent for a Morrison's supermarket in the SW Quadrant area (subject to signing a S106 Agreement). To improve the retail offer in the centre design work should be undertaken to establish site opportunities, and commercial soft market testing and demographic profiling will enable the centre to attract new comparison retailers to invest in Carterton.

Burford and Woodstock

1.39 Burford and Woodstock are currently performing well in their roles in the retail hierarchy as secondary town centres, meeting the day to day needs of local residents. The centres have low vacancy rates, and a good mix of essential services and top up food shops. Both of these centres provide high end, luxury comparison goods shops, which cater to both residents and tourist visitors. Burford and Woodstock both have a very high quality historic environment which provides a pleasant shopping experience.

1.40 We do not consider there is a need to plan for new retail development in these centres, and the development plan strategy should seek to resist the loss of shops in these towns. The vitality and viability of these centres should be maintained over the forthcoming development plan period, aiming to protect existing retail units, while encouraging investment to maintain the attractive shopping and leisure destination these centres offer.

- We recommend that Burford and Woodstock should maintain the centre's provision of local shops and services to meet local needs and that the current problems with car parking in both of these centres need to be addressed over the plan period to

ensure that the centres are accessible to local residents and visitors to maintain levels of footfall to support local shops.