

OXFORD ECONOMIC DEVELOPMENT  
STRATEGY  
2005 – 2020

## Foreword.

The Oxford City Futures study has provided an important first step by providing a fresh appraisal of Oxford's local economic circumstances.

The Council is now looking to develop its relationship with key stakeholders and the business community with this Strategy which draws on the study's assessment and rationale, and to do so on an on-going basis

We, as a Council, fully recognise that a partnership approach is the way to do this as the Council is not in a position take this forward alone and wishes to encourage ownership of a shared agenda. The opportunity to develop a network or similar mechanism with businesses is an exciting prospect in this respect.

The study and this Strategy demonstrate that support for local economic well-being is vital. We can applaud economic success associated with the likes of research and development, scientific application, and car manufacture. However, even with the success which is associated with Oxford we should not rest on our laurels and be complacent about economic performance as it has a critical bearing on Oxford's make-up. We should seek to promote Oxford as a world class economy. Oxford is very much part of a global economy and the need to remain competitive is ever present.

Maintaining diversity of employment prospects is also important across a number of sectors and therefore our approach with this strategy is to support the economy generally and not be too focused on high tech potential. I believe that it is also important to recognise that the opportunity to overcome some of Oxford's social challenges will be best served by a successful and vibrant local economy.

Oxford is widely recognised as an important contributor to the regional economic competitiveness which the South East Region enjoys and there is scope for this to be explored further. The possibility of Oxford becoming a City-Region as part of the regional planning agenda for the South East could provide a stronger platform for this to happen and is an exciting prospect.

This strategy identifies the key building blocks to address economic development prospects in Oxford. It very much reflects the Council's desire to support a healthy and vibrant local economy as a key element of its overall Vision for Oxford.

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Oxford City Council

## Executive Summary : Key Points

- The Oxford City Futures study provides the assessment and rationale underpinning this strategy. It is a separate document.
- “The vision for Oxford’s economic development is to enable the city to realise the economic potential of its world class universities, its knowledge based industries and its unique character in order to promote a stronger economic role within the local, regional, national, and international context. This will be achieved by sustaining local business diversity and by managed economic growth supported by improvements in integrated transport to assist social inclusion, conserve local heritage and secure environmental enhancement.”
- The strategy directly supports a strategic objective of the Council’s overall vision, namely to “Create local prosperity and support full employment”.
- The strategy directly supports the Oxford Community Strategies key theme of “A vibrant and inclusive economy”.
- The study confirms that Oxford is a diverse economy with a healthy population of competitive businesses and has clear potential to accommodate further business investment. The strategy is about supporting economic competitiveness and relates to managed economic growth.
- The strategic objectives have been drawn from the strategic framework suggested by the study. They also relate to a partnership approach for taking the strategy forward.
- The strategy relates to 2005 – 2020 and its seven objectives are:-
  1. Encourage growth in business turnover and productivity
  2. Promote Oxford’s regional and national role
  3. Stimulate and support business investment across key sectors of Oxfords economy in order to maintain both competitiveness and a range of employment opportunities.
  4. To seek a supply of sites to accommodate new investment, and to support small business development
  5. To help businesses to better meet their workforce needs and to improve employment prospects for all
  6. To set-up, support and maintain a partnership approach to developing and delivering the overall strategy

7. To ensure that this Strategy takes proper account of a range of other considerations important to Oxford's well-being.
- The strategy is focused on how the Council, with the help of partner bodies, and involvement of the business community, can support the local economy, economic development, and business competitiveness, and promote employment opportunities and access to them, and continue to develop its understanding of the local economy.

## Introduction.

### Oxford City Futures study.

- In early 2004 the City Council commissioned a specialist economic development consultancy to undertake an up to date analysis of the Oxford local economy and its dynamics, the factors affecting it, and how it was likely to change over a 15 year period. This study, which was subsequently entitled “Oxford City Futures”, was also required to consider the potential for economic growth and how this might manifest itself.
- The purpose of the study was to provide a basis for the Council to reassess its role in relation to supporting the local economy, working closely with partners to a common agenda for Oxford, and strengthening links with the business community. The study was also commissioned to help the Oxford Strategic Partnership, the overarching local strategic partnership, develop its approach to supporting a vibrant and inclusive local economy as one of the key themes set out in the Community Strategy.
- The study exercise carried out included a series of stakeholder consultation workshops to specifically invite and encourage business community involvement.
- The study report, which is a separate document, provides the underpinning assessment and rationale in support of this strategic framework. It included a suggested Vision for economic development in Oxford, a series of recommended Strategic Objectives, and an indication of actions to be carried out or developed.
- The Oxford City Futures study confirms that the Oxford economy is a diverse economy with a healthy population of competitive businesses. It compares well with the rest of Oxfordshire, Oxfordshire as a whole, the South East Region, and England, with most economic indicators. Although employment in manufacturing has declined in recent years, this is more than offset by the creation of new businesses which have a higher than normal survival rate. The study took into account a 15 year time frame and identified five sectors as being key to Oxford’s future economic health :- education, retail, health, high technology businesses, and tourism. Manufacturing and distribution activity are acknowledged as playing an important role as they help to sustain diversity of employment opportunity.

- The study also concluded that after considering three possible future options for Oxford's economy, ie economic contraction, status quo based on current trends and policies, or managed economic growth, that managed economic growth is the preferred option. This option means that Oxford recognises the potential to accommodate further business investment and play a key role in helping both the Government and SEEDA achieve raised levels of economic competitiveness in the South East Region. This in turn will strengthen Oxford's case in seeking other improvements to the benefit of the local environment and community, and seeking Government support to do so.
- Managed economic growth comprises three elements. Firstly new economic development which is accommodated by the local planning framework, principally the Oxford Local Plan. Opportunities may also arise from the case being made for an Oxford City-Region to be recognised within SEERA's regional planning framework for the South East.
- Secondly by encouraging the increased productivity and profitability of existing businesses. This does not necessarily manifest itself in physical development but can be key to indirectly safeguarding existing jobs... especially important in the context of a global economy.
- Thirdly by being selective about the type of new investment coming in to Oxford. This means encouraging knowledge economy businesses, businesses within growth sectors, and businesses offering high added value.
- The study also concludes that addressing the recommended strategic objectives cannot be effectively tackled by the Council alone. It recommends that the Council works closely with key partners and with the business community in developing the strategy and actions flowing from this. An Oxford Business Group or similar mechanism is to be considered as a means of coordinating this. This is also seen as a means of maintaining the continued involvement of those businesses partaking in the study consultation workshops as well as encouraging other businesses to engage.

### The Strategy.

- This document sets out the strategic framework for the City Council to support the Oxford local economy and to do so in cooperation with a range of bodies as key economic development stakeholders, business support providers, or promoters of employment prospects. Close interaction with the business community will be an important integral feature and a business group or similar will be developed to help with this as well as taking the strategy forward.

- The Strategy therefore comprises a series of strategic objectives which have been built on the study recommendations, and which will be addressed with a pragmatic partnership approach. The Council will be seeking to address these objectives through a combination of external partner involvement and commitment, and corporate commitment from all Council Business Units.
- Additionally the Council is developing its commitment to a major urban renaissance programme within the City's central area and there is potential to stimulate considerable business investment coming into Oxford as part of this... in terms of both financing the development and occupying floorspace created.
- The study has identified that Oxford has a diverse local economy exhibiting a number of strengths. It is also undoubtedly an important focus in the development of the knowledge economy. This will be a key catalyst for future economic performance and being able to remain competitive in an increasingly global market place. Every encouragement is to be given to this in ways which harness the resultant wealth creation to the benefit of Oxford.
- At the same time the Council recognises that there are businesses not readily regarded as being high-tech or leading edge but which nevertheless comprise parts of the economy providing a necessary service and local employment opportunities. These businesses help sustain economic diversity. Support for them will also be encouraged.

## The Vision

“The vision for Oxford’s economic development is to enable the city to realise the economic potential of its world class universities, its knowledge based industries and its unique character in order to promote a stronger economic role within the local, regional, national, and international context. This will be achieved by sustaining local business diversity and by managed economic growth supported by improvements in integrated transport to assist social inclusion, conserve local heritage and secure environmental enhancement.”

## Strategic Objectives

This strategy sets out an ambitious set of 7 strategic objectives. It is important to recognise however that they relate to a 15 year time frame and therefore relate to intent over this longer period.

The strategic objectives set out below are very much inter-related and feature some additional elements which recognise the need to develop and maintain mechanisms for coordinating and focusing on a partnership approach, and key supporting work (objectives 6b,6c,6d). A couple of others (objectives 2 and 3a) have also been included which draw on the Oxford City Futures references to undertaking promotion as a key part of follow-on action plan development. Links to the priorities of the South East of England Development Agency’s regional economic strategy, and to the objectives of the Oxfordshire Economic Partnership strategy are also indicated.

These Objectives provide the framework for developing a delivery approach with partners and in liaison with the local business community.

### 1. Encourage growth in business turnover and productivity

This is an over-arching Objective which is underpinned by all of the others. It is about business growth in its widest sense including new physical investment as well as encouraging existing businesses to increase their turnover and productivity. Increasing turnover and productivity will help sustain further economic growth as measured by Gross Domestic Product. By encouraging growth in turnover and productivity businesses will be better

able to remain competitive in a global economy and to safeguard employment levels.

Key elements to this Objective are facilitating the continued development of the knowledge economy, encouraging businesses to embrace new technology, the development of links between the Universities and businesses, and encouraging raised levels of educational attainment.

*This Objective links to the overall approach set out in the 2002 to 2012 regional economic strategy of the South East of England Development Agency, and especially priorities 1 to 6. It also has links with several objectives in the Oxfordshire Economic Partnership (OEP) strategy 2001 to 2005.*

## **2. Promote Oxford's regional and national role**

This objective focuses on promoting Oxford's importance regionally and nationally from a business development perspective. Oxford is already a well recognised international and national brand particularly in terms of academic excellence and tourist appeal but there is scope to promote Oxford much more as a key player in the regional and national economy too.

Development of the knowledge economy, the Urban Renaissance commitment, and the possibility of City-Region status in particular are already emerging as pointers to Oxford's future profile. Oxford can be proud of both its attributes and its potential, and use these to develop more involvement in regional economic affairs. Taking forward the Urban Renaissance is a major initiative affecting the centre of the City and this is being separately addressed in its own right.

*This Objective links to priorities 3 and 9 of the regional economic strategy.*

## **3. Stimulate and support business investment across key sectors of Oxford's economy in order to maintain both competitiveness and a range of employment opportunities.**

This Objective has five elements:-

### **a) Promote Oxford as a location for inward investment**

Promoting Oxford to attract new business investment will help to underpin managed economic growth. Promotion will relate closely to objectives 3c and 3d and will be undertaken selectively in a way which is consistent with the Oxford Local Plan. Scope for other promotional activity may be considered in the longer term should Oxford City-Region status come about.

### **b) Sustain a diverse local economy, adaptable to change**

Sustaining a diverse local economy with a range of business sectors present will help strengthen Oxford's capacity to adapt to future changes in the regional, national, and global economy. Oxford currently has a diverse local

economy which includes a variety of manufacturing and service activities including the important health and education sectors. However employment in the government services sector has declined in recent years and the manufacturing and retail sectors are currently under-represented. Opportunities to support the development of manufacturing and retail activity should be explored in order to maintain economic diversity and the associated range of employment opportunities available to local people.

c) Promote development in high growth sectors and clusters

The promotion of high growth sectors and clusters, which includes business services, education, health, retail, and tourism will be important as they represent sectors which have particular potential for economic growth and, by requiring a range of skills from the labour market, provide a range of employment opportunities for local people.

How these sectors evolve and grow will be key to the future development of Oxford's economy. Most of them are important constituents of the City Centre and there is scope for them to be integral to the Urban Renaissance of the City's West End area.

d) Promote development in high productivity sectors and clusters

Oxford has a good presence of businesses in high productivity sectors and clusters, particularly high technology, biotechnology, and advanced engineering. These businesses are key to Oxford maintaining a diverse economic make-up and they provide a basis for promoting further development. As with 3c this promotion embraces helping existing businesses, accommodating new businesses, and supporting initiatives which help particular sectors or clusters as collective groups.

Promoting the profile of Oxford as a location for these types of businesses, which are often leading-edge, means that Oxford is in a strong position if any key players choose to move out of the City.

e) Encourage business networking and technology transfer

Oxford has a number of business networking mechanisms already in place which have emerged and evolved according to demand/interest from businesses. They fulfil a very important role no better illustrated than the links for example between the Universities and businesses in terms of translating scientific innovation into commercial application.

The objective here therefore concerns working with, through, or in support of existing business networks in Oxford in order to promote businesses coming together regarding opportunities and issues of mutual interest.

*This Objective links to priorities 1 to 3 in the regional economic strategy and to OEP strategy objectives 4.1.1, 4.1.2, 4.1.5, and 4.1.7.*

#### 4. To seek a supply of sites to accommodate new investment, and to support small business development

This objective has three elements:-

##### a) Ensure adequate provision of business sites and premises

Here the objective is about having a suitable range of employment sites and business premises available to accommodate new businesses and the expansion of others. Some economic growth may be achieved through existing businesses becoming more operationally efficient and undertaking reinvestment in situ. Nevertheless the availability of sites and premises for new development, and the retention of existing employment sites for employment use, will be important.

In addition to existing Local Plan provisions a number of other opportunities exist to provide further business space including extending Oxford Science Park, the expansion of BMW, and redevelopment as part of the City Centre Urban Renaissance commitment. The Oxford City-Region concept could also present further possibilities.

A review of all available business land and premises in the City, and comparison with potential growth in demand from both indigenous firms and inward investment, is needed to assess the extent to which supply meets demand and to consider if further provision is warranted.

##### b) Assist business start-up and small firm development

Assisting business start-ups and small firm development concerns helping people into business and helping small firms to stay in business and grow. Over 70% of businesses in Oxford employ less than 10 people, and Oxford continues to stimulate a healthy and continuous level of interest from people wishing to start a business.

Business support services exist with the primary purpose of helping these small businesses and they are to be encouraged to continue and provide more of the same. Social enterprises are a category of small business able to benefit from this.

##### c) Support the provision of affordable housing.

Business development may trigger more job opportunities and an increase in the workforce wishing to live in Oxford. Housing in Oxford is at a premium and can be unaffordable for some people starting out on a career path or seeking to move in to the area. Provision of affordable housing is limited by the availability of sites in or near the City. Opportunities to increase the supply of affordable housing with additional sites need to be proactively considered. This might mean in certain instances considering employment sites should

they become available and not have clear potential for continuing to provide employment.

The Objective here concerns the issue of affordable housing being addressed by the Council as part of its Housing Strategy, and with other Oxfordshire Local Authorities, housing associations, and private sector housing partners.

*This Objective links to priorities 1,2, and 12 of the regional economic strategy, and to OEP strategy objectives 4.1.2, 4.1.4, and 4.2.1.*

#### **5. To help businesses to better meet their workforce needs and to improve employment prospects for all**

This objective has three elements:-

##### a) Assist education and skills training to meet business needs

Securing full employment and also allowing existing workers to improve their employment prospects requires an appropriate range of skills within the local labour force. This means that being able to access appropriate education and skills training, and being able to meet business needs, are both important. The objective here therefore concerns relating to the lifelong learning agenda and helping with how training providers can meet business needs.

##### b) Assist full employment across the local workforce

The objective here concerns promoting economic growth or economic activity which can help with social inclusion by encouraging job creation across the full range of occupations and skills within the existing labour force. This would seek to keep unemployment to a minimum, spread the benefits of increasing prosperity across the community, and help to address the needs of regeneration pockets in the City.

##### c) Promote flexible working and reduce commuting

The objective here concerns raising the awareness amongst employers that flexible working practices can help them to make better use of available labour resources, and can help to spread the journey to work peaks. It also concerns encouraging businesses to introduce green travel plans, lessening commuter pressures and helping to improve the working environment in which they are located.

*This Objective links to priorities 4 and 5 of the regional economic strategy and to objectives 4.1.3 and 4.3.1 of the OEP strategy.*

#### **6. To set-up, support and maintain a partnership approach to developing and delivering the overall strategy**

This objective has five elements:-

a) Support and help develop existing business networking and partnership arrangements

A number of business networking and partnership arrangements already exist which have either an Oxford focus or the Oxford dimension is a key component. The objective here therefore concerns recognising this, supporting these arrangements, and helping where appropriate. It is recognised that links with business networks or partnerships will help the Council to relate better to the business community generally.

a) Establish an Oxford Business Group or similar mechanism

The objective here concerns setting up a mechanism to provide a focus for involving businesses and key stakeholders/partners in discussing relevant issues, and determining what actions can be addressed and by whom.

The mechanism will also have scope for improving interaction between the Council and businesses generally and for helping the Oxford Strategic Partnership to develop its key theme of supporting a vibrant and inclusive economy in Oxford.

b) Coordinate Council support for the strategy

The Council will seek to provide corporate commitment to this strategy via support across all Business Units. Many of the Business Units are able to subscribe to one or more of the strategic objectives to some degree in terms of what they currently address and in future years will be able to consider how they can add further to this through reviewing and updating their Business Plans.

This corporate commitment is important in demonstrating to partners that the Council fulfils a key role in taking the strategy forward. A mechanism for coordinating Business Unit involvement in subscribing to the strategy and implementing actions flowing from this will be needed.

c) Maintain an understanding of the effect of local economic change, and an awareness of Government policy relating to economic development and business issues.

The objective here concerns keeping abreast of factors likely to affect the local economy, changes to the local economy, and how Government policy can be interpreted to support the local economy.

The understanding and awareness provides a basis for lobbying and informing others to focus resources towards local needs and opportunities.

d) Identify, develop and monitor a range of performance indicators.

It is possible for a range of published information concerning economic performance together with other information relating to local delivery to provide a set of indicators as a useful context against which to consider and guide development of this strategy.

The objective here therefore is to agree both a set of indicators to be monitored, and a method of undertaking this monitoring, with partners.

*This Objective is about putting support mechanisms in place for the other Objectives, rather than linking specifically with either the regional economic strategy or the OEP strategy. Nevertheless it does have links to priorities 2 and 8 of the regional economic strategy and to OEP strategy objectives 4.1.5 and 4.3.2.*

**7. To ensure that this Strategy takes proper account of a range of other considerations important to Oxford's well-being.**

This strategy relates to Oxford's economic well-being but it is recognised that it needs to be considered alongside transport issues, heritage issues, and community issues. It needs to work from a balanced perspective of sustainable development which acknowledges that policies/proposals need to be sustainable in economic development or business terms as much as in social and environmental terms.

It is in this particular context that the Council's corporate commitment will play a key role. Business Units across the Council engage with the above issues and will be in a position to advise/respond accordingly where they relate to particular elements of the economic development strategy.

*This Objective links to priorities 9 to 13 of the regional economic strategy and to OEP strategy objectives 4.2.1 to 4.2.4.*