Background Paper F(i): Oxford's Economy

1 Introduction

1.1 The purpose of this background paper is to identify the role played by Oxford's economy in contributing towards the prosperity of the South East region. It highlights the key findings of Oxford's Employment Land Study 2006, undertaken by Nathaniel Lichfield, on the future employment land requirements of the city. This paper also refers to additional evidence prepared by Nathaniel Lichfield in a further study entitled 'The economic role of the Higher Education, Health and Retail sectors in the Oxford Economy 2008. The background paper highlights the importance of building on these key sectors to ensure Oxford's future prosperity.

2 Brief history of Oxford's employment policies

2.1 Oxford has a long established policy of employment restraint that dates back to 1946 when, in reaction to the growth of the car industry, the first Development Plan sought to restrict the growth of industrial employment by making no provision for any additional land for industry. This policy approach was extended in 1972 to apply to the service industry and office development to avoid overstraining Oxford's transportation system and placing excessive pressure on the hard-pressed housing market. The policy was incorporated in the Local Plan, informally adopted in 1986 and in an amended form in the Oxford Local Plan 1991-2001 adopted in 1997, which relied upon restricting the supply of new land for employment purposes.

2.2 The Oxfordshire Structure Plans, since 1974, has also continued this policy of employment restraint in Oxford. In recent times the Structure Plan 2011 adopted in 1998 set out the broad framework for land use policy relating to the local economy. In Oxford the employment restraint policy was continued, with an overall restriction on the supply of new employment land. The City therefore has had to rely largely on land already used for employment or allocated for that purpose. By contrast major employment generating development was directed to the country towns, known as the 'Country Towns' policy. More recently the Structure Plan 2016 was adopted in 2005, which through the discussion at the Examination in Public questioned whether the 'Country Towns' policy should be rolled forward again or a new approach for Oxford is required.

2.3 After nearly 50 years of being contained by a tightly drawn Green Belt, albeit only an Interim Green Belt status until formally confirmed in 1997, and a relatively buoyant economy, it is not surprising that there is little undeveloped land in Oxford, which is suitable for development. Most development in Oxford has had to take place on previously developed land. Oxford has, however, been losing employment land to other uses over several decades, mainly to residential use. This has reflected the demand for additional housing and the high land prices commanded by residential use.

2.4 Oxford's Employment Land study 2004 reviewed land lost from employment. A total of 50 hectares of land formerly in employment use is now no longer available. This has been detrimental to the local economy through a reduction in mixed-use developments; a reduction in sustainability with a loss of local jobs; impact on vitality and viability of the local economy through loss of services and businesses; and an overall lack of diversity of employment opportunities and premises, especially for businesses wishing to relocate or set up within Oxford.

3 Balance between housing and employment

3.1 The principal concern in relation to this issue is that the number of jobs in Oxford is greater than the resident workforce, which is one of the causes of the considerable amount of long distance commuting into Oxford and housing pressures in the City. Whilst historically there has always been an imbalance recent evidence presented by the County Council at the Examination in Public into the Oxfordshire Structure Plan 2016, showed that the position had improved significantly. The table in **Appendix 1** clearly shows that the proportion of jobs to resident workforce has improved since 1971 when the ratio of jobs to resident workforce was 1.76 whereas by 2001 it was only 1.44.

3.2 To a degree it is inevitable that there would be some imbalance given the economic importance of Oxford. Oxford has the highest proportion of large employers in Oxfordshire, with seven of the largest ten. This highlights the importance of these key employers in the health, education and car manufacturing sectors[1].

3.3 These findings are also confirmed by research undertaken in Oxford's Employment Land Study 2006. This used Census data to compare the position in 1991 with that of 2001. An area's self containment rate reflects the proportion of all residents in work who both live and work in it. The findings showed that in Oxford, the self-containment rate in 2001 was 76%, a fall from 84% in 1991, indicating that more residents than before are now working outside the City. The rate for Oxford is much higher than all other districts in Oxfordshire confirming the role of the City as the main employment centre for the County. (**Appendix 2**)

3.4 In relation to the balance between housing and employment the Panel Report into the EIP put the position succinctly. In their view "the actual delivery of housing in the country towns has fallen well below the rates provided for in the Structure Plan, whereas Oxford City has significantly exceeded its planned housing provision. Thus the improvement in the jobs/housing balance in Oxford could be said to have occurred in spite of the strategy (county towns) rather than because of it." (para.2.6)

[1] *An Economic Profile of Oxfordshire* (2004) Oxfordshire Economic Observatory and Oxfordshire County Council

4 Travel to work

4.1 Linked to the housing / employment balance is the issue of travel to work patterns. Savills acted as agents for Magdalen College and Thames Waters' proposal for the 'urban extension' to the south of Oxford. In support of their case, presented at the EIP into the draft South East Plan, they argued that "an Oxford –focussed spatial strategy would allow the economic potential of the city to be achieved, which would warrant an increase in housing to ensure adequate provision of workers". In terms of travel to work issues they also refer to the importance of Oxford as a 'Regional Hub'[2]. Supporting evidence was produced which relied on the 2001 Census data to show that Oxford has:

- the lowest levels of travel to work as measured by the proportion of people who both live and work in the city; and
- the highest proportion of people who travel by sustainable modes.

4.2 This showed there is a justifiable reason to support some growth in both housing and employment in Oxford, since it would provide jobs for local people and where sustainable modes of travel are established and well used. This has beneficial effects in reducing the levels of commuting into the city and the distances travelled, particularly by car, and thereby achieving a reduction in carbon emissions that cause global warming.

4.3 Further supporting evidence is set out in an Economic profile of Oxfordshire, prepared by the County Council. This highlights the following key points:

- in relation to mode of travel to work, it is clear that bus, bicycle and foot account for a greater proportion of journeys in Oxford, compared to the other Districts;
- infact the proportion of people who travel by bus in Oxford is double that for England as a whole;
- car ownership is significantly lower in Oxford city, where a third of households do not have a car, and the proportion of two car households is half that of the rest of the county;
- commuting distances are shorter in Oxford, where over 75% of residents who work, travel less than 10 km.

4.4 In summary there is clear evidence to demonstrate the importance of Oxford, in transport terms, as a Regional hub. The travel patterns of show that Oxford has a high degree of self-containment and that the balance between residents and jobs has significantly improved. Those people travelling to work in Oxford also travel locally, generally within 10km (6 miles). There is also evidence that in travelling to work Oxford residents use a range of sustainable transport modes, particularly the bus but also cycling and on foot. Car ownership within the city is low. Oxford is considered to be a sustainable location that could reasonably accommodate some further growth.

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[2] Regional hubs are defined in the Draft South East Plan as centres where the provision (or potential to provide) a range of multimodal transport services, which support the concentration of land uses and higher order economic, cultural and service activity

5 Drivers for change in policy approach

Oxfordshire Structure Plan 2016

5.1 The Oxfordshire Structure Plan 2016 included policies relating to the economy and in particular those concerning the strategic location of future growth continued the long-standing 'Country Towns' policy, Oxford being expected to rely on its re-use of previously developed land.

5.2 A Panel was appointed to chair the Examination in Public in October 2004. It then put forward recommendations for change for the County Council to consider. The discussion on the economy sought to hear a range of views on whether the proposed policies provided the "appropriate framework to sustain economic prosperity across the county". In relation to Oxford, submissions were received from SEEDA, among others, together with educational, scientific, industrial and business organisations who considered that the policies needed to reflect the 'regional economic importance of Oxford,'[3] and to ensure 'sufficient employment land' is made available.

5.3 The City Council, supported by other submissions, objected to the restraint on employment in Oxford, and the potential loss of existing employment land to residential. Concern was also expressed that the Draft Structure Plan had given insufficient recognition to the 'regional economy' section of RPG9, together with Oxford's role as a 'regional hub'. These matters were discussed in detail by the various participants at the Examination in Public.

5.4 The Panel Report concluded that at the centre of the debate on the economy was whether the Structure Plan takes a sufficiently positive approach towards the economy of Oxford. A number of developers and other participants argued that the economic importance of Oxford, and the competitive nature of the world economy, required a much more positive and pro-active planning stance. In relation to the concept of "restraint" the Panel considered that its unqualified use "tends to encourage the idea that all development is invariably damaging and should be avoided as far as possible. It is obvious, however that development is an essential component of sustainable development."

5.5 The Panel recommended a new over-arching policy E1 concerned with the provision of employment. The key elements include the following:

- provide for the requirements of activities which contribute to regional and local priorities for economic development. This includes providing a range of accommodation for small businesses and innovation, skills development, business infrastructure and linkages within the knowledge based economy;

[3] *Draft South East Plan Panel Report* (Aug 2007) The Planning Inspectorate

- be located mainly in or adjoining urban areas or in existing concentrations of employment with good accessibility from residential areas, particularly by non-car modes of transport; and
- that priority should be given to development which supports educational, scientific and technological sectors and responds to the needs of established and emerging clusters within the county.

5.6 Policy E2, which related specifically to Oxford was proposed to be re-worded. Whilst still maintaining the requirement for new development to take place primarily on employment land it also recognised that it could take place in conjunction with redevelopment schemes for mixed-uses incorporating housing, town centre or other facilities. This policy then sought to dovetail with Policy E1 by seeking to provide a range of accommodation for businesses in Oxford and contributing to the diversity of local employment opportunities, whilst maintaining or improving the balance between jobs and resident workforce in the city.

5.7 These changes, proposed by the Panel, were largely accepted by the County Council, and incorporated in the Structure Plan 2016, adopted on 21st October 2005. It represented the start of a significant policy shift from the Country Towns policy coupled with the need for employment restraint in Oxford. This policy shift recognised that for Oxford to maintain and enhance its present economic role and competitive global position some policy change was necessary. This approach would allow some scope for Oxford to build on its economic strengths and continue to make an important contribution to the regional economy.

Regional Economic Strategy 2016

5.8 The Regional Economic Strategy (RES) sets out a vision for the South East to be a “world class region achieving sustainable prosperity.” It recognises that the South East is one of Europe’s most successful regions but faces increasing challenges in the future. These include three key challenges. Firstly the need to remain competitive in the context of a ‘global’ market, secondly increase productivity through the promotion of ‘smart growth’, and thirdly delivering long-term prosperity by securing sustainable development.

5.9 Oxford is identified as a ‘regional hub’ as part of a network of centres of economic activity. There are also eight major concentrations of growth potential, known as Diamonds for Investment and Growth, of which Oxford and Central Oxfordshire is one. These are seen to act as “a catalyst to stimulate prosperity across wider areas, and with the potential for further sustainable growth through targeted investment in infrastructure.“

5.10 The RES provides support for these Hubs and Diamonds in developing and implementing plans to unlock the potential for sustainable growth. This strategy recognises it is important for relatively prosperous and successful economies such as

Oxford to actively promote and plan for growth. In the face of competitive global markets there is in the words of SEEDA this leaves "no room for complacency"[4].

South East Plan 2026 (SEP)

5.11 The South East Plan confirms that over the past 30 years the South East economy has been buoyant, which has resulted in employment growth levels greater than almost all other regions. One of the key indicators of economic success is the amount of Gross Value Added (GVA) expenditure generated per head of population. The GVA for the South East per head is second only to London. Within the South East region the highest growth is being achieved in the Western Corridor and the north and west of the region around Milton Keynes, Oxford and along the M40 corridor.

5.12 The South East Plan identifies the key drivers for change in the region. These include the relationship between London and the South East region, in particular the growth in London's population and workforce. In the wider context it is clear that the region's economy needs to respond to future changes in the global market. There will be significant changes in Information Communications Technology (ICT), which will impact on where people live and work in the South East.

5.13 Regional forecasts suggest that whilst total employment levels will increase, the economically active part of the population will increase less. This could potentially increase the imbalance between jobs and resident workers. The South East is projected to experience a decline in manufacturing and growth in business services, leisure activities, retail, restaurants and hotels. At the regional level therefore there will be a demand for employment sites for office and retail space and less demand for industrial space. However manufacturing as a sector remains of strategic regional importance.

5.14 Key policies therefore require support for regionally important sectors and clusters; a range of employment sites and premises; a skilled labour market; and the promotion of ICT and changing work practices.

Central Oxfordshire sub-region

5.15 The Panel Report on the Draft South East Plan accepted the rationale for the Central Oxfordshire sub-region. The discussion on the spatial strategy at the EIP related to an Oxford focused strategy or a continuation of the 'Country Towns' approach. The Panel recommended that the sub-region should be able to accommodate a higher level of growth. This would include an urban extension for Oxford, which was considered to have positive benefits to the economy and affordable housing. The tone of the Core Strategy policy was also recommended to be made "more upbeat reflecting an aspiration to maintain its world-class status."[5] This approach reflects a similar policy for the Cambridge sub-region, the Panel recognised considerable parallels between the planning issues facing the two cities. Overall the Panel took the view that the polycentric objectives of the strategy should be strengthened, whilst seeking to meet

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[4] *The Regional Economic Strategy 2006-2016* (Oct 2006) Summary page 3 para.3
[5] *Draft South East Plan Panel Report* (Aug 2007) The Planning Inspectorate Para. 22.12

the needs of Oxford ie. they saw no mutual exclusivity between growth in Oxford and in the Country Towns.

5.16 In relation to the distribution of economic growth the Panel considered that in Oxford "some new employment land in addition to the safeguarded land may be needed". This confirms their view that the proposed employment-led development at Peartree (Northern Gateway), supported by evidence set out in Oxford's Employment Land Study, was acceptable. There was therefore a recognition that Oxford should not rely solely on previously developed land. In the longer term however future employment land requirements through for example the proposed urban extension should be determined through the Local Development Framework (LDF) process.

5.17 The other main locations for economic development included the country towns of Bicester and Didcot. Bicester does not have a market profile for high-tech activity and already has a relatively large land supply. The Panel however support the objective of promoting this as a location for spin-off activity linked to the Oxford to Cambridge Arc.

5.18 In addition the Panel supported the stimulation of growth at the established research and business parks between Didcot and Wantage / Grove. This acknowledged the potential at the Harwell campus and scope for intensification opportunities at Milton Park.

Secretary of State's Proposed Changes to the South East Plan

5.19 In relation to the regional economy and Oxford's role within it the following proposed changes are considered to be particularly significant. In support of sustainable economic development a new Policy RE1 is proposed which emphasises the need for the regions' economy to contribute to the UK's long-term competitiveness through policies in Local Development Frameworks. These need to be sufficiently flexible to respond both to global and regional economic changes.

5.20 Amendments are also proposed to Policy RC.2 supporting 'nationally' and regionally important sectors and clusters, and promoting collaborative working between local authorities, economic partnerships and the business community.

5.21 Amendments to Policy RE3, concerning employment and land provision, Local Development Documents are required to plan for future employment land and premises to ensure a flexible supply is available. These assessments should be informed by Employment Land Reviews.

5.22 A new policy RE5 is introduced to encourage 'smart growth', in the more economically buoyant parts of the region the focus should be 'on raising the level of innovation, creativity and global competitiveness.'

5.23 Policy TC.1 relating to the strategic network of town centres, identifies Oxford as a 'Centre for Significant Change'. This emphasises the need for the city to take a pro-active stance towards seeking to accommodate future economic growth. It specifically relates to a range of town centre uses, which contribute to the economy such as employment, retail, offices and leisure.

Oxford City Futures Study (July 2004)

5.24 This study was commissioned by the City Council and carried out by consultants SQW. It provided an analysis of the potential for growth in the local economy. The study showed that Oxford has a diverse economy that compares well with the rest of Oxfordshire, the South East region and England on most indicators.

5.25 One of the strengths of the Oxford economy was the importance of the knowledge-based sector, which acts as a catalyst for the economic performance of the region. The potential weakness however was the competition from the global market. The study recognised that despite Oxford benefiting from an established cluster in the knowledge based sector, there was no room for complacency if its economic potential is to be realised.

5.26 The study concluded by proposing an economic strategy for Oxford, which promoted 'managed economic growth' as the preferred approach. The provision of an adequate supply of employment land is a key component of this approach.

Oxford's Employment Land Study (March 2006)

5.27 This study was commissioned by the City Council to inform the Local Development Framework and the Economic Development Strategy. It was carried out by consultants, Nathaniel Lichfield. The study provided a robust assessment of Oxford's existing land supply in the context of forecast employment growth. Two economic growth scenarios were considered based on past trends (business as usual) and a slightly higher growth rate. A range of options were then assessed according to the forecast demand and the amount of land required to meet this need.

5.28 The study highlighted the strength of Oxford's economy which included its world class entrepreneurial universities and hospitals, and internationally known research base and 'brand'; its cluster of biomedical and science based industries, with a good supply of R & D premises and local support network; and a highly-skilled workforce. However, there are weaknesses, such as limited labour supply, and employment land supply, the inability of its higher technology firms to grow in the City, strong pressures on employment land from competing uses and strong reliance on one major employer in the industrial sector.

5.29 Oxford has a reasonable supply of employment space, which includes a Business Park and Science Park, together with industrial estates and incubator units. However, the supply of modern office accommodation and R & D premises is limited to a few key locations. The City centre has a large amount of office space but most of this is older second hand quality. The amount of industrial space in Oxford is limited compared to other Districts. Existing firms such as BMW and Unipart account for a large proportion of employment numbers and land supply in the manufacturing sector.

5.30 In relation to future land supply the consultants considered the preferred long term approach should be to plan for Option 4. This would require the allocation of one reserve site and some land within the 'urban extension'. The short to medium term allocation would be based on the reserve site, with additional land coming forward in the longer-term.

5.31 It is considered that Oxford's Employment Land Study is a thorough piece of work and a robust piece of evidence. DTZ recently carried out an audit of Employment Land Reviews on behalf of SEERA and used Oxford's as an example of good practise[6]. They found that it was an "example of good practise in geographical coverage"; an "example of good practise in approaches to qualitative appraisals" and "good practise in producing scenarios for future requirements."

5.32 The Inspectors examining the South East Plan also found that the evidence provided in the Employment Land Study was robust; at paragraph 22.21 they state: "From this evidence we are persuaded…". The Oxford Employment Land Study is one of very few directly referenced in their report.

Economic case for the development of land at Peartree (November 2006)

5.33 This study commissioned by Goodmans (Arlington) was undertaken by SQW Ltd in July 2006. It assessed the opportunity for Oxford to realise its potential and make a significant contribution to the sustainable growth of its knowledge based economy. The key findings of the study are that:

- Oxford is a unique asset to the South East and the UK
- Growth in the high-tech sector requires a growing and supportive high-tech cluster
- High-tech growth must not lead to complacency
- Oxford requires balanced growth
- Oxford would benefit from a greater range of property provision; and
- Location of growth (concentrated versus dispersal)

5.34 It concluded that there was a strong economic case for the development of land at the Peartree site. The evidence, outlined above, supported in principle an unrestricted B1 use in this accessible location, which is required to enable the medium and long-term growth of the high-technology cluster in Oxford. It confirmed that Oxfordshire would benefit from a focused approach to economic development in a balanced way that meets the needs of all its citizens.

[6] *Employment Land Review Audit* (July 2006) DTZ and SEERA

6 Profile of employment in Oxford

UK economic performance

6.1 Research[7] (August 2004) carried out by Experian (**Appendix 3**) showed Britain to have one of the most divided economies in Europe. Prosperity, in terms of GDP and employment growth, being greater in the South as compared to the North and Midlands. The study forecasts that in the long-term, the UK is expected to remain among the fastest-growing economies in Western Europe and is forecast to have 17% of Western Europe's total share of GDP by 2014. Robust growth in the service sector is likely to provide the largest impetus for growth.

6.2 The main headline of relevance to Oxford however was that "Berkshire, Buckinghamshire and Oxfordshire was the fastest-growing region in the UK for GDP between 1998 and 2003, with annual average growth topping 4.4%. The region is also forecast to become the "fastest growing region in Europe over the next five years." The region is also forecast to become the "fastest growing region in Europe over the next five years." (**Appendices 3 and 4**)

Oxfordshire

6.3 The Oxfordshire Economic Observatory has assessed Oxfordshire's performance in relation to the national and regional picture and in comparison to its neighbouring counties. The Gross value added (GVA) per head in Oxfordshire was £22,300 in 2005, which was 15% more than the average for the South East (£19,400) and 22% more than the average for England.

6.4 However, Oxfordshire's economy still generates significantly less GVA per head than its immediate neighbours, Berkshire and to a lesser extent Buckinghamshire. GVA per head in Berkshire was at 31% significantly above the Oxfordshire level in 2005, which has largely been the case over the last five years. The growth in GVA per head in Oxfordshire has been comparable with neighbouring counties, such as Berkshire and Buckinghamshire but faster than that of Warwickshire or Wiltshire. Gloucestershire has shown a significantly faster growth than Oxfordshire since 2000. (**Appendix 5**)

Growth of small businesses

6.5 Statistics on VAT registrations and de-registrations provide an important measure for the rate of new business start-ups in the economy. The annual rate of VAT registrations in Oxfordshire when expressed in relation to population was above both the English and regional averages. In Oxfordshire, the rate for new VAT registrations is highest in the rural districts of South Oxfordshire and West Oxfordshire, but is significantly lower in Oxford City. (**Appendix 6**)

6.6 The stock of VAT registered enterprises in Oxfordshire shows an overall percentage growth of just under 12% between 2001 and 2006, which is slightly above the average

[7] *South Outpaces North as UK economy is among most divided in Europe* (Aug 2004) Experian

for the South East and England. Whilst this position is broadly reflected between the Oxfordshire districts it is clear that there are considerable differences in relation to the stock as a whole. Some Districts such as South Oxfordshire (6,785) and Cherwell (5,440) have significantly more businesses than Oxford (3,435). Whilst to a degree this reflects the predominance of larger firms in Oxford it is however important for Oxford's economy to provide suitable sites for new businesses to operate from, otherwise they will seek to locate outside the city (**Appendix 7**).

6.7 Oxford's Employment Land Study has assessed the importance of some of the smaller protected employment sites in contributing to Oxford's economy. Paragraph 6.10 in particular states "there are other smaller and less clearly economically important sites that typically play an important indirect role in local economies." These accommodate services, such as printing, small scale distribution, repair of vehicles or equipment, etc that support the functioning of the local economy and the efficient operation of the larger ones. The study confirms that "the more such sites are lost, with little scope to relocate their occupants within the city, over time the local economy may start to function less efficiently, with fewer local services and key services having to be brought in from longer distances."

Employment growth

6.8 The Annual Business Inquiry (ABI) for 2006, was published by the ONS in December 2007, and provides the latest data on employment growth. Oxfordshire shows an overall increase in the rate of growth during the period from 2001 to 2006 of 4.4% compared to 3% nationally and only 0.1% for the region. In relation to the Oxfordshire Districts there has been a relative decline in employment growth during these five years in South Oxfordshire and Cherwell but marginal increases in the Vale of the White Horse and West Oxfordshire. The most significant overall increase being in Oxford, where it has risen from 98,300 in 2005 to 106,200 in 2006 (**Appendix 8**).

Key sectors and clusters

6.9 Oxford has a world class reputation in the educational and health sectors. This includes the two major Universities and leading hospitals, such as the John Radcliffe and the Nuffield Orthopaedic. There has been a significant growth in the health sector in Oxford over recent years, which is greater than comparable cities in the UK. Oxford's growth reflects high levels of Government spending in general and the City's pre-eminent role as a centre for medical excellence and concentration of medical research and specialist facilities. Employment numbers have therefore increased accordingly. This sector (Public Administration, Health and Education) now represents the largest sector in Oxford accounting for just over 44,000 jobs (**Appendix 11**).

6.10 In recognition of the overall growth in the service sector, Banking, Finance and Insurance now represents over 25,000 jobs. The importance of Oxford as an established tourist destination, and the recent increase in the number of new hotels and restaurants in the city means that this sector now accounts for some 17,000 jobs. Finally manufacturing still has an important presence in Oxford with just over 9,000 jobs, however the majority of these are accounted for by BMW and through the international success of the Mini which is made only in Plant Oxford.

Knowledge-Intensive businesses

6.11 The growth and fostering of the knowledge-based businesses are important to Oxford's economy. The South East Plan acknowledges the role played by the knowledge based economy and in particular its relationship to the educational, scientific and technological sectors. The importance of these clusters in developing the prosperity of the sub-region is also recognised by identifying Oxford / Oxfordshire as a Diamond for Investment and Growth in the Regional Economic Strategy (RES).

6.12 These businesses however cover a range of activities, which in general fall within the Class B1 use. For example high tech firms could include publishing, printing and the manufacture of communication and or medical equipment. High Tech services include businesses involved in telecommunications, computers, and research and development. Other knowledge-based services include firms concerned with finance, insurance, legal activities, business and management consultancies. These are defined by the SIC codes.

6.13 In the global context however recent evidence[8] shows that a number of areas in the United Kingdom, including the South-East, are becoming less competitive in the knowledge economy. The 'World Knowledge Competitiveness Index' published in July 2008, compares the world ranking of the south-east in both 2005 and 2008. The South-east has dropped nineteen places to only 74th position since 2005. By comparison London has fallen significantly forty-six places to 102nd . The only region to have improved their position being the East of England, which has risen eight places to 54th position.

Employment and economic inactivity rates

6.14 Employment rates, (as a percentage of working age residents in employment) for Oxford (68.8%) are significantly below those for the South East (78.5%) and nationally (74.3%). The difference however is even greater in comparison to the overall figure for the county (80.5%) and the other Districts, which range from South Oxfordshire (80.1%) to West Oxfordshire (87.8%). To a degree however this does reflect the relatively high proportion of students in Oxford's large resident population (**Appendix 9**).

6.15 The Inactivity rates, shown in **Appendix 4**, are expressed as the percentage of working age residents unemployed. Oxford (27.2) has a significantly higher rate than the South East (18.0%) and nationally (21.4). The difference is even greater when comparing the position with other Districts, which range from South Oxfordshire (16.1%) down to West Oxfordshire (9.7%) (**Appendix 9**).

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[8] World Knowledge Competitiveness Index 2008

Claimant count unemployment

6.16 The monthly claimant count shows the number of people claimant unemployed as a proportion of the resident working population. The latest figures for Feb 2008, show the percentage of people unemployed in Oxford (1.4%) is the same as that for the South East (1.4%), which is lower than the national position (2.2%). Unemployment in Oxford is higher than al the other Districts in Oxfordshire, which ranges from Cherwell (1.0%) to the lowest West Oxfordshire (0.6%) (**Appendix 10**).

National Deprivation Rankings of Oxfordshire Districts

6.17 The table clearly shows that, whilst Oxford's economy is relatively buoyant, there are pockets of deprivation within the city. Oxford has significantly more areas of deprivation than other Oxfordshire Districts. Oxford has improved slightly in the rankings since 2004 but still lies as the 155th most deprived District out of 354 in England (compared to 144th in 2004).

6.18 Of the 404 super output areas (SOA's) in Oxfordshire only 12 are ranked in the most deprived 20% in England on the Index of multiple deprivation (2007). However 10 of these (SOA's) are located in Oxford city. Deprivation tends to be concentrated in certain areas of the City, and is particularly associated with lack of qualifications and skills, low incomes and child poverty (**Appendix 11**).

7 National and local policy context

7.1 Development of the Core Strategy has had regard to the following key policy documents. A summary of the relevant aspects to these documents is given.

Planning Policy Statement 1 (PPS1): Delivering Sustainable Development (ODPM, 2005)

7.2 PPS1 sets out the Government's key objectives for the planning system. It clearly states that sustainable development is the core principle underpinning planning. Sustainable development should be delivered through an integrated approach with spatial planning at its heart. Development Plans need to promote global sustainability and address the potential impacts of climate change. Policies should therefore encourage patterns of development, which reduce the need to travel by private car.

7.3 The broad objectives of social cohesion and inclusion should encourage access for all members of the community to jobs. Sustainable economic development requires a strong, stable, and productive economy that aims to bring jobs and prosperity for all. Local Authorities therefore need to ensure that suitable locations are available for industrial, commercial, retail, public sector (eg. health and education) tourism and leisure developments, so that the economy can prosper. Development Plans are also required to take into account relevant regional economic strategies.

Planning Policy Statement 6 (PPS6) (ODPM, 2005)

7.4 PPS6 advises local authorities to steer development which attracts large numbers of people to centres that reflect the scale and catchment of the development proposed. This sequential approach prefers existing centres first, then edge-of-centre, and out-centre locations. It emphasises the importance of making the most efficient use of land in centres, to support sustainable transport choices, and the need for accessibility by a choice of modes.

7.5 The advice in PPS6 applies to a range of main town centre uses and includes retail, leisure, offices, arts, culture and tourism. It highlights the need for new office accommodation to be informed by forecasting of future employment levels at the regional level. The physical capacity of centres to accommodate new office development and the town centre's role in the hierarchy are considered to be important factors in planning for new office development. The advice however recognises that local planning authorities may need to make choices between competing development pressures in town centres and should use the allocation of new sites to secure their strategy for strengthening and improving the performance of the centre.

Consultation Paper on new Planning Policy Statement 4: Planning for Sustainable Economic Development (PPS4) (DCLG Dec 2007)

7.6 PPS4 emphasises the importance of economic growth in generating wealth and raising living standards. Planning is seen to play a key role in effecting economic growth through its influence over two key drivers, productivity and employment. The Government's key policy outcomes from economic development are to raise productivity; maximise job opportunities for all; build prosperous communities by improving economic performance of regions and cities; and deliver sustainable development.

7.7 Planning policies are required to be flexible and able to respond to the economic challenges from global competition and technological advances. The principal objective being to sustain and create employment and prosperity. A good range of sites for economic development, and good supply of land and buildings are considered to be key to offering a range of opportunities for creating new jobs in large and small businesses.

7.8 In planning positively for economic development local authorities are required to ensure that the policy strategy takes into account the local character, the different locational requirements of businesses, and supports existing sectors. In relation to larger office developments, in accordance with PPS6 preference should be given to town centres. But there is however a recognition that market demand will influence office location. Local circumstances therefore should be taken into account.

7.9 The policy framework has to recognise the needs of business, facilitate a supply of land which will be able to meet the differing needs of business and expected employment needs of the whole community, but flexible enough to respond to changing demands. Efficient and effective use of land is also required to reflect changing working practices and local circumstances to ensure sustainable development.

Planning Policy Guidance Note: 4 Industrial and commercial development and small firms (ODPM 2001)

7.10 PPG4 sets one of the Government's key aims to encourage continued economic development in a way which is compatible with its stated environmental objectives. It requires Development Plans to provide greater certainty for industrial and commercial developers and local communities about the type and location of future development. Policies need to ensure sufficient land is available to provide choice, flexibility and competition for the needs of business. Optimum use should be made of potential sites and existing sites in inner cities and other urban areas.

Employment Land Reviews: Guidance Note (ODPM Dec 2004)

7.11 This document provides useful guidance on the preparation of Employment Land Reviews. It sets out advice on how to assess the demand for and supply of land for employment. Guidance is provided to allow local authorities to assess the suitability of sites for employment development and the need to safeguard the best sites in the face of other higher value competing uses.

7.12 The advice and methodology was used to inform Oxford's Employment Land Study (March 2006). SEERA recently commissioned DTZ to undertake audit of employment land reviews in the South East. This study has been highlighted as an example of best practise (add more details).

Oxford Local Plan 2001-2016 (OLP) (Adopted November 2005)

7.13 The current Oxford Local Plan is important as the Core Strategy builds on many of its policies. Section 8.0 of the OLP sets out policies concerning employment developments as they relate to Oxford's economy.

7.14 Policy EC.1 seeks to promote sustainable employment, this aims to build on Oxford's existing employment strengths within the context of employment restraint. It seeks to limit employment growth from major developments to only those which could demonstrate important benefits to Oxford and its workforce, whilst not adding to pressures on housing and transport.

7.15 Policies EC.2-EC.5 provide the 'cascade approach' to employment-generating uses and sites in Oxford. This suite of criteria based policies seek to protect a range of key employment sites for either their existing use or potential for modernisation. Non-protected employment sites are firstly encouraged to be modernised for alternative employment uses. Policies EC.4 and EC.5 provide the framework for assessing the suitability of these sites to be lost from employment use and their potential change to other land uses.

7.16 Policy EC.6 is concerned with promoting employment diversity, through for example a mix of employment uses. This serves to encourage a range of employment opportunities. Whilst Policy EC.7 aims to encourage small businesses in recognition of the important contribution they make to Oxford's economy.

7.17 Policy EC. 8 relates to employment training provision, whilst Policy EC.9 seeks to direct warehousing uses to the ring road where need exists and no alternative sites are available.

West End Area Action Plan (WEAAP) (Adopted June 2008)

7.18 Section 5 of the WEAAP is concerned with the promotion of a vibrant and successful West End. Policy WE21 seeks to restrict the amount of new commercial office accommodation in the West End to an additional net floorspace of 15,000-20,000 sqm. This was considered to be the right level bearing in mind the surplus of office accommodation already in the City centre and the need to ensure the West End development provided an appropriate mix of other uses including residential, cultural and hotel uses. Office and research and development uses were considered to be more suited to an out-of-centre location, such as the Northern Gateway, which had sufficient land to accommodate these uses in one large employment-led development. Policy WE22 supports a new joint public sector office development at Oxpens.

7.19 The Inspectors Report was received in April. Subject to some changes the document was found to be sound. She recommended that the lower level of the threshold (15,000) for commercial offices was appropriate, together with some changes to the text to add clarity. The Inspector's Report, together with an officers report was taken to Full Council for adoption on the 30th June 2008.

8 Oxford's employment land supply

Present position

8.1 Oxford's Employment Land Study 2004 prepared by consultants Nathaniel Lichfield provided a thorough assessment of the present supply of land in Oxford. This showed that overall Oxford has a greater proportion of office premises and a much smaller proportion of industrial premises than other Districts in the county. Infact Oxford contains almost 30% of the total office stock in the County, but comparatively little warehouse space, only 13%. Although Oxford has the second largest amount of manufacturing industrial space, some 55% of this is made up of one firm BMW.

8.2 In assessing the type of employment by floorspace it is clear that manufacturing uses (Class B1 and B2) represent the largest space user at 44%, with offices at 28%, warehousing at 24%. Research and development accounts for only 4% of all employment space, but this does not include hospitals and universities. In order however to fully understand the position the study breaks the data down to size bands which shows that a significant proportion (60%) of Oxford's office space is in units above 1000 sqm, reflecting the importance of the larger units in the Business Park and Science Park. It also shows the high proportion of the industrial space that a few firms (such as BMW & Unipart) account for.

Main employment areas

8.3 Whilst there are some 20 main industrial areas in Oxford, the majority of the floorspace lies within a small number of sites. The largest spatial grouping is to the south-east of the city. A significant proportion of Oxford's industrial and warehousing space is made up of large units. Of these BMW and Unipart account for a significant proportion of the total floorspace. In relation to commercial office uses and research and development (Class B1 a & b) 65% is in out-of-centre locations, whilst 35% is within the City centre. Of the floorspace in the out-of-centre areas, 58% lies in two main areas, the Business Park and the Science Park.

Land availability

8.4 Employment land in Oxford is largely made up of protected sites and development sites. The protected sites include the large employment areas, such as Business Parks and Industrial Estates, which in total amounts to some 210 ha of land on 40 sites. The Employment Land Study carried out a detailed review of these sites.

8.5 There are 37 allocated Development Sites in the Oxford Local Plan,which allow some level of employment use. However only 7 are allocated solely for employment uses. These sites are largely made up of undeveloped parts of existing sites which have some limited capacity available. The amount of land available is however limited to just under 30 ha, which is broadly equivalent to 7-8 years supply at recent take-up rates. The Study concluded that "this shortage of good quality development sites reflects the fact that a city such as Oxford will have very few undeveloped areas within its tightly defined boundaries with good potential for employment uses." [8]

8.6 The two main opportunities for further new development include the Oxford Business Park and the Oxford Science Area. The Business Park has some 8.4 ha of undeveloped plots (of which nearly 3 ha has detailed planning permission), estimated to be equivalent to about 5 years supply at recent take up-rates. The Science Park has approximately 7.7 ha of undeveloped land remaining, 3.5ha of these with full planning permission. With only 4 uncommitted plots left, at current rates of take-up, the Science Park estimates it will be full within the next 4-5 years.

8.7 Nathaniel Lichfield assessed the take-up rates of employment land. The long-term position showed that over the last 6 years there was an annual average take-up of approximately 7 ha for all types of employment land in Oxford, including university and hospital uses. In relation to just B1 – B8 uses, however, the take-up rate has averaged 3.8 ha. The majority of this completed space was on the Business Park and Science Park, which together averaged almost 2 ha annually over this 6 year period. Over a

[8] *Oxford Employment Land Study* (Mar 2006) Nathaniel Lichfield

longer period of 10 years the completion rate for these two Parks averaged almost 3 ha per annum.

8.8 In the future it may be necessary to provide employment space to replace land lost to other uses. Between 1985-2004, employment land lost to other uses in Oxford averaged 2.5 ha p.a, falling to 2 ha p.a over the last 5 years. The consultants predict that as the larger sites are redeveloped this rate may reduce to 1 ha p.a, which reflects the lack of availability of these sites. This shows that there should not be a reliance on previously developed sites coming forward but new employment land allocated to meet future identified need.

9 Forecast demand for land

Regional forecast

9.1 The South East Plan Panel Report considered a range of job forecasts for the Central Oxfordshire Sub-region. The Regional Assembly proposed 90% of their dwelling based projection, which would amount to 16,600 jobs. This estimate was significantly less than the University of Warwick' job forecast model, which estimated some 23,000. This compared with Experian's trend based figure of 18,000 jobs. Having considered these alternatives the Panel recommended that the job growth estimate of 18,000 should be used for monitoring during the 2006-16 period.

Employment land study

9.2 Forecasts of employment growth for a range of sectors in Oxford up to 2021 was prepared for the City Council by Cambridge Econometrics. These forecasts reflect the 'business as usual' assumptions that past economic and employment trends, and relationships between the local area and the region with regard to outputs in different economic sectors, will continue in the future. These forecasts do however take no account of constraints in labour or land supply in Oxford. The figures were extrapolated to estimate job growth up to 2021. The results showed that future job growth in Oxford would be almost entirely in the office (B1) based sector, with only modest growth in distribution and a significant decline in manufacturing employment. The net result being an estimated growth of 10,910 (Class B) jobs to 2021, which is equivalent to some 11% of current employment in the city. This would amount to some 7,500 jobs to 2016.

9.3 The consultants also considered a 'higher growth' scenario. This assumed only a modest increase above the current forecasts, which amounted to an increase of 1% in employment growth annually in the office sector (this would be 16% during 2005-2021 period), together with a comparable reduction in the rate of decline of industrial jobs. The forecast increase in jobs to 2021 would therefore amount to a further 13,300. On this basis the projected increase in jobs to 2016 would be 9,150.

Land Requirements

9.4 Oxford's Employment Land Study 2004 (ELS) used these employment growth forecasts to estimate the amount of land required. This is based on the type of jobs likely to be required, the potential floorspace generated and therefore the land necessary to meet this demand. A range of other factors were taken into account such as the need for some new small industrial units (1-1.5 ha), the amount of land already committed for development, the potential contribution from the West End (2 ha in total), and the possible contributions from mixed-use developments.

9.5 In summary the ELS concluded that taking into account the 'Business as Usual approach there would be a net additional minimum requirement of 13.5 ha and with some flexibility it should be 36.5 ha. The 'Higher Growth' scenario would require a minimum of 20.5 ha and with flexibility added in this would require some 47.5 ha. It is normal practise to allow for some additional amount of land supply within forecasts of need to take account of changing circumstances and the loss of existing land. This is referred to 'flexibility'.

9.6 The study considered five alternative options, as follows:

- **Option 1** comprised no new sites coming forward and loss of existing sites
- **Option 2** comprised no new sites but the retention of existing sites together with a limited allocation in the West End
- **Option 3** the allocation of one reserve site (Peartree), together with the West End
- **Option 4** the allocation of one reserve site (Peartree) together with employment land within the proposed 'urban extension' and the West End allocation.
- **Option 5** the allocation of two reserve sites (including Peartree) together with the employment land within the proposed 'urban extension' and the West End allocation.

9.7 It was recommended that for the long-term, provision should be made for Option 4, which would require the allocation of one reserve site together with provision within the proposed urban extension. This would amount to 37.5 ha together with provision in the West End, and result in an overall increase of some 8,500 jobs. In the short to medium term provision should be made on the basis of Option 3, which requires the allocation of one reserve site in addition to the West End. This should result in a net increase of some 4,500 jobs.

9.8 The Core Strategy policy approach relies principally on Option 3, which includes the allocation of the safeguarded land at Peartree, to be delivered through the Northern Gateway Area Action Plan as the main new addition to the future land supply up to 2021. In the long term to 2026 it is proposed that any future requirement for further land would need to be met by the provision of new employment land as part of the 'urban extension,' although clearly at present this lies outside the City Council's administrative boundary.

10 Site options and selection

10.1 PPS6 was formally published in 2005 and replaced PPG6 (1996). Its title 'Planning for Town Centres' makes it clear that the policy advice relates to a range of town centre uses, and not merely retail. The promotion of sustainable development is recognised as the 'core principle underpinning planning.'[9] The Governments' key objectives seek to plan for the growth and development of existing town centres by focusing development in these centres. Para 1.8 sets out the main town centre uses, which directly apply to the advice in PPS6. This includes uses such as retail, leisure (entertainment and indoor sports facilities), offices (both commercial and public bodies), arts, culture and tourism.

10.2 In promoting growth and managing change PPS6 provides advice on site selection and land assembly. Para.2.28 requires local authorities to select sites according to set criteria, which include the following: need; appropriate scale, sequential approach, impact on existing centres, and accessible locations. Firstly, the issues of need and scale are fully justified in Oxford's Employment Land Study 2004.

10.3 In relation to the sequential approach land in Oxford has historically, and still is, in scarce supply. The City is constrained by both environmental factors and its historic legacy. In environmental terms, Oxfords land supply is restricted by the Green Belt, the Flood Plain and its tightly drawn administrative boundaries. In these circumstances the limited land that is available is not only in short supply, but in demand from a competing range of uses. Oxford, over the years, has therefore had to rely on recycling its existing land supply. In fact this is particularly true of its employment land.

10.4 The strategic Development Plan policies of both Structure and Local Plans have actively promoted policies of 'employment restraint'. New employment development having to be accommodated on existing employment sites, through modernisation and regeneration. In practice there has been only very limited new additions to the employment land supply, whilst significant amounts of employment land has been lost to other uses, principally residential. An analysis of planning permissions[10] shows that between 1985-2003 some 40.7 ha of employment land was lost to other uses, the majority of which was to residential use. During this period it the loss of employment land averaged 2.5 ha p.a., which fell to 2 ha. p.a over the five year period from 2000 to 2005.

10.5 The two main employment sites, with land available, highlight these approaches. Firstly the Oxford Business Park was built on recycled land being formerly part of the Rover Plant. This site is nearing completion with only an estimated 4 year supply of land available for new development. The Oxford Science Park represents one of the few recent additions to Oxford's land supply. However, even this was a legacy of a boundary change, being formerly part of South Oxfordshire District. The supply of land available on this site is now very limited with only a 5 year supply available. These two recent developments show that the historical location of principle employment generating sites has been in out-of-centre areas.

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[9] *Planning Policy Statement 6: Planning for Town Centres* (2005) ODPM
[10] *Oxford Employment Land Study* (2006) Nathaniel Lichfield

10.6 Not only has land supply and potential opportunities been a key determining factor influencing the location of employment uses but also the difficulties of accessing the City centre and the availability of parking. There are also significant constraints in a city like Oxford, such as Conservation issues relating to the heights of buildings and the need to preserve key views within the City centre.

10.7 The opportunities for locating significant new employment uses within existing centres, have therefore been very limited. This is evident even in the case of office developments where there has only been one example in the past ten years of a new purpose built office scheme, which is in Park End Street. Whilst the four existing District centres have some office accommodation, their capacity to retain and attract more growth in also limited. The principle development opportunities rely on Cowley centre (Templars Square), Summertown and the new District centre at Blackbird Leys. In terms of providing the amount of land required for new employment use within these District centres, taking into account their mixed-use role, they do not have the necessary capacity. The Core Strategy policy approach therefore considers District centres to provide a supporting role only.

10.8 In searching for new sites for future employment growth the principal opportunities have been those areas identified in the adopted Oxford Local Plan 2001-2016 as 'safeguarded land.' There are three areas of safeguarded land, at Barton, PearTree and Summertown. Both Barton and Peartree are out-of-centre locations and therefore in sequential terms have equal status, whilst Summertown is edge-of-centre.

10.9 Summertown, although perhaps sequentially preferable was, by reason of its smaller size, and its location adjoining schools and residential properties, considered to be more suited to residential development as opposed to employment. The Employment Land Study did however assess Summertown as a potential employment site but scored it the lowest of the three areas of safeguarded land (26). Employment growth was considered appropriate, as part of a potential mixed-use option, on the largest site at Barton. However given the demands from other uses, not least residential, employment was only considered as one of a number of alternative options.

10.10 By contrast Pear Tree was considered to be the Preferred Option for accommodating future employment growth. The site was both large enough and less suited for other uses, such as residential. The Employment Land Study scored it the highest for employment development (34). In these circumstances the most appropriate site for further employment use.

11 Spatial strategy

11.1 The spatial strategy for the location of employment in the Core Strategy uses the Employment Land Study as the evidence base. In terms of potential sites for additional employment land, this clearly sets out the options, which are realistically confined to the City centre (West End) and three sites identified as safeguarded land.

11.2 The West End already has a significant amount of existing surplus office accommodation, although its quality is poor. The regeneration of the West End was always envisaged to be a mixed-use development but clearly residential led. Some additional employment growth is supported in the WEAAP. This encourages limited commercial office development (15,000 sqm threshold), together with a further 20,000 sqm for Civic offices. This overall policy approach for Oxford was supported by the market view that the demand for further major offices growth in the City centre was limited.

11.3 Therefore in view of the surplus amount of office accommodation already in the City centre, the aims and objectives of the West End Area Action Plan, and the practical constraints for being able to provide significant amounts of land and a range of different premises, the spatial strategy being pursued in the Core Strategy is for out-of-centre locations as the principle means of future land supply.

11.4 In the absence of any large brownfield sites being available the options rest with the safeguarded sites. These are the only significant areas of land that are available to meet the needs of a range of uses. Oxford needs are more housing and employment. Barton is considered suitable for housing, Summertown has some potential for housing in the long-term, the only real suitable option for employment is at Peartree as part of the Northern Gateway. This overall spatial strategy does reflect both the findings of the Employment Land Study and the outcome of public consultation.

12 Summary

12.1 Oxford's employment policy in the Core Strategy promotes 'managed growth'. This seeks to build on Oxford's main strengths in key sectors such as education, hospitals, bio-science, research and development and knowledge-based businesses. These clusters, although well established in Oxford, need support if they are to continue to make a significant contribution to the national, regional and local economy.

12.2 The Oxford Employment Land Study, carried out by Nathaniel Lichfield and commissioned by the City Council, provides the evidence base for Oxford's future employment needs. The study warned that if Oxford's supply of suitable employment space runs out, and no new land is provided, this could seriously threaten its role as a leading centre of knowledge based industries. The consultants advised that Oxford should guard against complacency and take steps to ensure it remains competitive. The study identified the 'safeguarded land' at Peartree as the principle opportunity to provide additional land to meet Oxford's future employment needs. The West End area of the City centre would also provide some, albeit limited, complementary employment growth.

12.3 This overall policy approach conforms with Oxford's role as a Diamond for Investment and Growth, which is promoted by SEEDA as part of the Regional Economic Strategy

(RES). It also reflects Oxford's importance within the Central Oxfordshire sub-region, which was considered by the Panel at the Examination in Public into the South East Plan. The Panel recommended that the Core Strategy policy for the sub-region should in Oxford's case be "more upbeat reflecting an aspiration to maintain its world-class status."

12.4 The Core Strategy requires the protection and modernisation of its existing employment sites, which has traditionally been the case. The safeguarded land at Peartree is the only site, which is suitable and available and is therefore the preferred location to accommodation future employment needs in the short to medium (2011- 2021) term. In the longer-term (2021-2026) the prospects for accommodating further growth will rest mainly with the proposed 'urban extension' to the south of the city. Magdalen College and Thames Water are actively promoting an extension to the Science Area.

12.5 The key protected employment sites vary in size and location throughout the urban area of Oxford. Their existing use and potential for modernisation offer the opportunity for a broad range of uses including B1, B2 and B8 together with appropriate Sui Generis activities, which generate significant employment.

12.6 The City centre and District centres have limited scope for accommodating further employment growth. The City centre through the WEAAP is promoting further commercial offices (15,000 sqm) together with Civic offices of 20,000 sqm. The District centres will continue to provide a supporting role. The Core Strategy seeks to retain existing office accommodation and other Class B uses, unless it can be shown by a criteria based policy that it cannot reasonably be justified. Opportunities for new employment growth will be assessed in detail through the Site Allocations DPD, however the main potential rests with Cowley Primary District Shopping centre (Templars Square and John Allen Shopping centres), Summertown District centre and new Blackbird Leys District centre. The only available sites at present have already been identified through the adopted Local Plan.

12.7 The allocation of the safeguarded land at Peartree provides the principle opportunity for the 'knowledge based businesses' and those related to key sectors in Oxford to relocate and expand. The use of this land will be guided by the criteria set out in the Core Strategy policy. It therefore positively builds on Oxford's key economic strengths and meets the aims of both the emerging South East Plan and Regional Economic Strategy, which require the city to fulfil its role as the centre of Oxford's Diamond for Investment and Growth.

Appendix 1

Resident workforce and jobs

	1971	1981	1991	2001
Resident workforce	46,230	48,881	47,750	61,267
Jobs	81,320	80,361	79,365	88,240
Excess jobs over resident workforce	35,090	31,480	31,615	26,973
Ratio of jobs to resident workforce	**1.76**	**1.64**	**1.66**	**1.44**

Source: An economic profile of Oxfordshire, Oxfordshire County Council and Oxfordshire Economic Observatory

Appendix 2

Self-containment rates for Oxfordshire Districts

District	**% of residents working in own District**
Cherwell	64%
Oxford	**76%**
South Oxfordshire	51%
Vale of White Horse	60%
West Oxfordshire	64%
Oxfordshire	85%

Source: Oxford's Employment Land Study 2004, Appendix 4 Table 19

Appendix 3

Past Regional Economic Performance (GDP and employment growth)

Past performance (top and bottom five regions)	Average annual percentage change 1998-2003	Rank in the EU
GDP growth		
Berkshire, Bucks and Oxfordshire	4.4	10
Inner London	3.8	20
Kent	3.8	22
Surrey, East and West Sussex	3.4	28
Hampshire and Isle of Wight	3.4	30
Leicestershire, Rutland and Northants	1.6	149
East Riding and North Lincolnshire	1.6	154
Cumbria	1.5	158
West Wales and the Valleys	1.4	169
Tees Valley and Durham	1.1	189
UK	2.7	-
FTE employment growth		
Inner London	2.5	16
East Wales	1.9	33
Berkshire, Bucks and Oxfordshire	1.8	37
Essex	1.7	40
Merseyside	1.7	41
Derbyshire and Nottinghamshire	-0.2	194
Tees Valley and Durham	-0.3	197
Cumbria	-0.4	154
Leicestershire, Rutland and Northants	-0.5	201
Herefordshire, Worcestershire and Warks	-0.6	203
UK	0.9	-

Source: Experian May 2004

Appendix 4

Future Regional Economic Performance (GDP and employment growth)

Past performance (top and bottom five regions)	Average annual percentage change 2004-2009	Rank in the EU
GDP growth		
Berkshire, Bucks and Oxfordshire	4.0	1
Bedfordshire, Hertfordshire	3.5	5
Surrey, east and West Sussex	3.4	7
East Anglia	3.4	8
Inner London	3.4	9
Northumberland, Tyne and Wear	1.9	145
Merseyside	1.9	153
Tees Valley and Durham	1.7	168
Highlands and Islands	1.4	201
Cumbria	1.0	208
UK	2.9	-
FTE employment growth		
Berkshire, Bucks and Oxfordshire	1.4	13
Inner London	1.1	24
Outer London	1.1	26
East Anglia	1.0	29
Gloucestershire, Wiltshire and N. Somerset	0.9	32
Highlands and Islands	-0.2	202
Northumberland, Tyne and Wear	-0.2	205
Merseyside	-0.2	206
Tees Valley and Durham	-0.3	207
Cumbria	-1.0	211
UK	0.6	-

Source: Experian May 2004

Appendix 5

Gross Value Added per Head, Oxfordshire and neighbouring Authorities

Area	2000	2005	% growth 2000-2005
England	14,350	18,267	27.3
South East	15,218	19,434	27.7
Oxfordshire	17,265	22,277	29.0
Geographic Neighbours			
Berkshire	22,743	29,235	28.5
Buckinghamshire (including Milton Keynes)	17,946	23,227	29.4
Gloucestershire	14,509	19,665	35.5
Northamptonshire	14,998	18,506	23.4
Warwickshire	14,790	17,748	20.0
Wiltshire (including Swindon)	15,558	19,157	23.1

Source: ONS, estimates of local GVA, released 14 December 2007. The table shows estimates of workplace-based GVA, which allocate income to the area in which commuters work.

Appendix 6

Annual rate of new VAT registrations

Area	VAT registrations per 10,000 resident adults 2004	2005	2006
England	40	39	39
South East	44	43	43
Oxfordshire	47	42	45
Oxford City	**27**	**24**	**26**
Cherwell	50	43	45
South Oxfordshire	61	57	60
Vale of White Horse	45	44	46
West Oxfordshire	58	49	53

Source: BERR, Enterprise Directorate (formerly DTI Small Business Service)

Appendix 7

Stock of VAT registered enterprises in Oxfordshire

Area	End of 2001	End of 2005	End of 2006	% Growth 2001-2006
England	1,521,285	1,635,845	1,670,500	9.8
South East	281,050	300,905	306,920	9.2
Oxfordshire	22,695	24,835	25,370	11.8
Oxford City	3,085	3,350	3,435	11.3
Cherwell	4,805	5,315	5,440	13.2
South Oxfordshire	6,140	6,650	6,785	10.5
Vale of White Horse	4,305	4,735	4,815	11.8
West Oxfordshire	4,365	4,785	4,890	12.0

Source: BERR, Enterprise Directorate (formerly DTI Small Business Service)

Appendix 8

Employment in Oxford and other Oxfordshire Districts

Local Authority	Agricul-ture & fishing	Energy & water	Manuf-acturing	Const.	Dist, hotels & rests.	Transport & comm-unication	Banking Finance & insur-ance	Public Admin Health & Educ.	Other Serv-ices	Total
Oxford	**85**	**319**	**9,303**	**2,035**	**17,091**	**3793**	**25,326**	**44,206**	**4,024**	**106,182**
Cher-well	899	197	9,210	2,823	17,791	4591	11,884	14,211	3,147	64,753
South Oxon.	156	30	3,935	2,352	13,931	1766	16,153	9,295	4,119	51,737
Vale of White Horse	360	466	5,672	2,926	11,422	1913	15,748	11,995	4,069	54,571
West Oxon.	128	266	5,556	2,107	9,272	1329	7,694	7,356	3,384	37,092
Oxford-shire	*1,628*	*1,278*	*33,676*	*12,243*	*69,507*	*13,392*	*76,805*	*87,063*	*18,743*	*314,335*

Source: Annual Business Inquiry 2006

Appendix 9

Employment and economic inactivity rates for working age residents

Area	**Employment rate** (% of working age residents)	**Inactivity rate** (% of working age residents)
England	74.3	21.4
South East	78.5	18.0
Oxfordshire	80.5	16.7
Oxford City	68.8	27.2
Cherwell	85.2	12.6
South Oxfordshire	80.1	16.1
Vale of White Horse	83.9	14.9
West Oxfordshire	87.8	9.7

Source: ONS Annual Population Survey (Feb 2008)

Appendix 10

Claimant count unemployment

Area	**Feb 2007 Number**	**Feb 2007 %**	**Feb 2008 Number**	**Feb 2008 %**
England	812,546	2.6	705,185	2.2
South East	82,753	1.6	69,827	1.4
Oxfordshire	4,465	1.1	3,697	0.9
Oxford city	**1,743**	**1.6**	**1,474**	**1.4**
Cherwell	1,023	1.2	865	1.0
South Oxfordshire	696	0.9	553	0.7
Vale of White Horse	554	0.8	429	0.6
West Oxfordshire	449	0.7	376	0.6

Source: Office for National Statistics, monthly claimant count data. Percentages show the number of claimant unemployed as a proportion of the mid-2006 resident working age population.

Appendix 11

National Deprivation Rankings of Districts in Oxfordshire

Local Authority District	Deprivation Ranking ID 2000	Deprivation Ranking ID 2004	Deprivation Ranking ID 2007
Oxford City	**168**	**144**	**155**
Cherwell	293	274	276
South Oxfordshire	331	332	333
Vale of White Horse	334	339	341
West Oxfordshire	332	347	349

Source: DCLG Indices of Deprivation 2004 & 2007; ODPM Indices of Deprivation 2000