Oxford Core Strategy Examination Statement of Oxford City Council		www.oxford.gov.uk OXFORD CITY COUNCIL
C/M4/1	**Matter 4 – Employment** **Issue 1 – The balance between homes and jobs**	

i) What is the existing balance between jobs and homes and what is the extent and degree of problems that results ?

The Central Oxfordshire sub-region is shown in the adopted South East Plan (CD 10/1) (CO1 p248). The Panel Report (CD 10/3) on the South East Plan (Para 22.27) confirms that Central Oxfordshire already has a higher number of jobs than resident workers, amounting to some 34,000.

The Background Paper B, Spatial Strategy, (CD5/5) considers the housing / employment balance. It confirms that historically the number of jobs in Oxford has significantly exceeded the resident workforce, resulting in considerable levels of in commuting into Oxford, staff retention and recruitment difficulties for employers and adding to housing pressures in the city. To a degree, it is inevitable that there will be some imbalance given the economic importance of Oxford and that it contains seven of the ten largest employers in the County.

However, the imbalance has narrowed over recent decades, with a surplus of just over 35,000 jobs in 1971, which has reduced significantly to just under 27,000 in 2001. This is also reflected in the ratio of jobs to resident workforce, which shows a decline from 1.76 in 1971 to 1.44 in 2001 (Appendix 1 in the Background Paper F (i): Oxford's Economy) (CD5/14). This highlights the fact that Oxford has been losing land to other uses, mainly residential, over several decades and that the city has often exceeded its planned housing provision.

The Oxford Employment Land Study (ELS) (CD14/27), recognises the issue of in commuting, but notes that in 2001 approximately 14,300 Oxford residents commuted out of the City to work, mainly to other Oxfordshire districts. (Para. 2.32, Table 18). This out-commuting was equivalent to 24% of all employed residents and has increased from 16% in 1991. This position is supported by the self-containment rate for Oxford, which reflects the proportion of all residents in work who both live and work in the city. Whilst the level of self-containment in Oxford is higher than all the other Oxfordshire Districts it has however fallen from 84% in 1991 to 76% in 2001 (Table 19 ELS).

ii) What sort of balance, if any, should the Core Strategy be seeking to establish ? Should it be more explicit on this issue ?

The Panel Report (CD10/3) into the South East Plan (CD10/1) considered that it is still good practice to plan for a broadly similar number of new jobs and houses. This would give residents the opportunity to work locally. The Panel accepted that it is however difficult to achieve an exact balance between jobs and the new labour supply (Para. 6.65 p74). A range of factors make this hard to achieve which include uncertainties over long-term forecasting, nationally lower rates of labour supply; and scope for productivity improvements (Para.6.65).

Looking forward over the Core Strategy period, the main policy context is provided by the Regional Spatial Strategy. The South East Plan acknowledges that Central Oxfordshire is a world-class economy that has the potential to grow. It is a Diamond for Investment and Growth as identified in the Regional Economic Strategy (CD10/5), and Policy CO2 encourages the sub-region to build on its economic strengths. Oxford is also identified as a Regional hub and therefore the focus for new employment development.

The South East Plan (CD10/1) then goes on to provide guidance for Oxford, and specifically states that within Oxford, the overall aim will be to achieve a broad balance between housing and jobs by protecting, as appropriate, existing sites and allocating new land suited to providing for a range of opportunities in accordance with Policy RE3. Options regarding the location, level and form of employment development, including the possible use of the currently safeguarded land at Peartree, will be a matter for local determination (Para 22.9).

In accordance with the South East Plan therefore the Oxford Core Strategy seeks to achieve a broad balance between housing and employment growth. An analysis is set out in the Background Paper B: Spatial Strategy (Appendix 1) (CD5/5). It concludes by saying that employment growth forecasts are subject to considerable uncertainty, but the analysis shows that employment growth in Oxford should be broadly in line with housing growth (para 8.16).

iii) What would this mean in terms of the strategy for jobs, bearing in mind that the RSS sets out a clear minimum target for additional dwellings ?

The South East Plan (CD10/1) acknowledges that the number, location and types of jobs generated over the Plan period is difficult to predict but for monitoring purposes and pending any updated evidence or guidance, a guide figure of a minimum of 18,000 net additional jobs needs to be created within the sub-region from 2006 to 2016. Although this forecast projection has not been split down to District level (Para 22.7).

Policy CO3 sets the scale for housing in Oxford of 8,000 dwellings together with an additional 4,000 dwellings in the South of Oxford SDA. The Spatial Strategy Background Paper (CD5/5) provides some forecasts of total employment growth. This shows that the level of forecast employment ranges from 10,300 – 13,250. The projections include existing commitments as well as growth arising from the Core Strategy proposals. In the period up to 2016, employment growth is estimated to be in the region of 7,350 – 9,750. This reflects the fact that existing B1 commitments from the Local Plan and major retail and services growth in the West End are expected to be completed prior to 2016.

The forecast employment growth for Class 'B' jobs takes into account two time periods up to 2016 and 2026 and produces a lower and upper scenario. Up to 2016 the estimated potential job growth ranges from 2,300 to 4,500, whilst to 2026 this ranges from 4,500 to 7,000 jobs.

Employment growth forecasts are subject to considerable uncertainty, as recognised in the South East Plan (CD10/1), but the figures do show that the projected growth in jobs is generally in broad balance with the housing targets. The latest figures for 2006 from Nomis, set out in the Background Paper B Spatial Strategy, Appendix 1 (CD5/5), show that the number of economically active residents amount to 79,900 compared to the total number of jobs of 101,000. This shows the surplus of jobs to residents has further reduced to 22,000, which equates to a ratio of 1.28.

iv) How does this equate with the desire to "manage economic growth", the regional, strategic role of the City and the promotion of the economic prosperity of the area ?

In Oxford's context 'managed economic growth' means growth that is appropriately located in Oxford to take advantage of the city's strengths, e.g. spin-out companies related to the universities, hospitals and medical / scientific research, rather than growth that could be located in any UK city. This policy aim is to secure the long-term future of its key sectors, whilst taking into account the land supply constraints, and the need to ensure the balance between jobs and housing supply, does not worsen.

Oxford is a regional hub and is at the centre of the Diamond for investment and Growth. The contribution made by Oxford's economy is important at both the regional and national level.

This broad policy approach accords with Option 3 in the Employment Land Study 2006 (CD14/27), which forecast that it would generate a gross increase of Class B jobs of around 4,500. However, the actual increase in employment depends to a large extent on the precise mix of uses and the density of development that can be accommodated at the Northern Gateway strategic site, which will be determined through the Area Action Plan for the area.

v) Should the Core Strategy set out more explicitly how it would seek to achieve a better balance ?

The Core Strategy does set out amongst its aims, to provide the development required to meet Oxford's needs, ensuring an appropriate balance of housing and employment growth, in the context of other competing land uses. The forecast growth in housing and employment is described in Section 3.5, which shows how this will be provided spatially through the 'place-shaping' of Oxford. The spatial strategy does then identify the three key planks in the delivery of the Core Strategy; which specifically includes meeting Oxford's housing and employment needs. This section allocates key strategic sites, which will play a fundamental role in seeking to deliver the amount of housing and employment land required. The supporting text in the Core Strategy, and in particular Section 3.4 addresses the balance between jobs and housing. The thematic approach adopted by the Core Strategy in the subsequent sections provides further advice and supplementary policies to maintain a balanced housing supply and strengthen the prosperity of Oxford's economy.

vi) How in practise could the number of jobs and number of homes be brought into a better balance ?

The balance between jobs and houses has improved over recent years, as explained in this statement. There is however four keys ways in which the balance could be further improved. This could potentially include increasing housing provision at the district and sub-regional level; through the allocation of an urban extension' South of Oxford; not to delay housing delivery; and the allocation of the Northern Gateway as a new strategic employment-led development.

In relation to housing provision, the Panel Report (CD/10/3) on the South East Plan (CD/10/1) recommended the highest increases in housing numbers for locations where labour shortages are the greatest. The Draft Plans' housing provision for Central Oxfordshire of 34,000 dwellings was increased to almost 40,100. A significant proportion of this increase, 82%, was targeted in Oxford with an additional 1,000 dwellings proposed within the city to take account of its Growth Point status, together with a further 4,000 dwellings proposed as part of an 'urban extension' to the South of Oxford. The urban extension would involve a review of the Green Belt boundaries. The South East Plan recognises that there are 'exceptional circumstances' to justify a review, one of which is that this would improve the job / housing imbalance (Para.22.18).

Turning to the proposed ‘urban extension’ the Panel supported additional residential development to the south of Oxford through the SDA since spatially it is located in close proximity to existing key sources of employment, such as the Science Park, Business Park and BMW (Para.22.69). This increase in the labour supply also fits with the need for Oxford itself to be ‘allowed to grow physically and economically in order to accommodate its own needs, contribute to those in the wider region and help maintain its world-class status (Para.22.5). This is recognised in the City Council’s Core Strategy (p.48), which states that whilst the urban extension is outside the City’s boundaries it would be in close proximity to Oxford’s urban area. It would therefore ‘increase the supply of housing close to where people work, so helping to reduce the need to travel.’

Oxford’s Employment Land Study (March 2006) (CD14/27), as part of the assessment of existing employment sites showed that 81% of the main employment areas of the city are located in the southeast of Oxford. By comparison only 0.9% of main employment areas are located to the northwest of Oxford. There are very limited sites available to accommodate economic growth and maintain its world-class status. The allocation of the Northern Gateway at Peartree will make a positive contribution to spatially redressing the lack of employment opportunities to the north of the city.

The Spatial Strategy Background Paper (Appendix 1) (CD5/5), shows the spatial distribution of jobs in Oxford. The distribution of potential jobs (Class B) is fairly evenly spread across the city. Some 39% of all employment growth is expected in the Cowley / Blackbird Leys area, through mainly modernisation of existing employment sites. Whilst in the Summertown area, which includes the Northern Gateway, this would include some 31% of employment growth. The remaining 30% of employment growth is estimated to take place within the City centre.