Matter 4 – Employment
Issue 3 – Employment land supply

During the hearing session on employment, the Inspector requested that the City Council suggests some wording for section 3.4 to address the issue of the jobs/housing balance.

As a result of the changes the City Council proposes to make to section 3.4 (set out separately), the following consequential change is proposed to section 8.1 (under the heading of Forecast demand and future growth). The new table, shown in red, sets out the sources of available and planned employment provision by location and sector:

8.1 Economy

Oxford's strengths

The strengths of Oxford's economy are in its world-class entrepreneurial universities and hospitals; internationally known research base; high-quality environment and 'brand'; cluster of biomedical and science-based industries, with a good supply of research and development premises and local support network; and highly skilled workforce. Growth in the health sector in Oxford over recent years has been greater than in comparable cities in the UK. Oxford's growth reflects high levels of Government spending in general and its role as a centre for medical excellence and concentration of medical research and specialist facilities. Financial services and tourism have also grown. Manufacturing remains important, principally at BMW (Mini) at Cowley.

Whilst this success is recognised, there is no room for complacency. The greatest threat to Oxford's economy will come from the challenges of the global market and the need to remain competitive. The Draft 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 recognised by the identification of Oxford / Central Oxfordshire as a Diamond for Investment and Growth in the Regional Economic Strategy (RES)[1]

London and the 'Golden Arc' (which includes the Western Corridor/Blackwater Valley, Oxford, Milton Keynes/Aylesbury) represent the real powerhouses of the English economy. In this context Oxford has a key role in promoting the economic competitiveness of the region.

Forecast demand and future growth

Employment growth in Oxford has been constrained due to the shortage of land available and competition for it from a range of uses, especially housing. Oxford has therefore seen existing employment land recycled for new uses, while many former employment sites have

[1] Regional Economic Strategy (2006) SEEDA

been lost and redeveloped for housing. An average of 2 ha per year of employment land was lost to other uses over the five-year period from 2000 to 2005. There is evidence that some firms are leaving Oxfordshire altogether as they grow.

Although the Local Plan allocates 37 development sites that allow some level of employment use as part of the mix of uses, only seven are allocated solely for employment uses. The two main opportunities for further new development are the Oxford Business Park and the Oxford Science Area. The Business Park has the equivalent to about five year's supply at recent take-up rates. The Science Park estimates it will be fully built out within the next four to five years. If Oxford's supply of suitable employment space runs out, and no new land is provided, this would seriously threaten its role as a leading centre of knowledge-based industries.

The Employment Land Study concludes that under a 'business as usual' scenario (i.e. a continuation of past economic and employment trends) there would be a net additional requirement for employment land of at least 13.5 ha and with some flexibility this would be up to 36.5 ha. The net additional land requirement for a 'higher growth' scenario would be in the range 20.5 ha – 47.5 ha[2].

The study recommends the allocation of one major strategic site (Northern Gateway), with provision in the West End, and longer-term allocation within the proposed urban extension. This would result in an estimated increase of 4,500 Class 'B' jobs by 2021. In the longer term to 2026 and beyond, given the limited land supply in Oxford, the potential opportunities for strategic employment growth to meet forecast demand are likely to be outside Oxford's boundary.

The draft South East Plan does specify a requirement for employment growth in Central Oxfordshire. However, it suggests that an estimate of at least 18,000 net additional jobs should be used for monitoring purposes during the 2006-2016 period. This figure will need to be split between the districts in Central Oxfordshire. The draft South East Plan emphasises the need to ensure that the balance between jobs and houses at the sub-regional level is not worsened and preferably improved. It supports the principle of employment growth in Oxford and indicates that development should take place mainly on previously developed land and former safeguarded land or with development schemes for mixed uses incorporating housing, town centre or other facilities.

The table below shows forecast job growth in Oxford by location and sector. The upper and lower job growth scenarios are capacity-based assessments taking into account estimates of employment growth on existing sites, commitments, new allocations and other sectors.

[2] Oxford's Employment Land Study (2006) and: An Economic Case for Peartree (2006) SQW

Forecast Employment growth to 2026 – by location and sector				
Location / sector	**Forecast job growth scenarios**			
	2006-2016 lower	2006-2016 upper	2006-2026 lower	2006-2026 upper
Modernisation of Key Protected Sites[3]	250	2,200	550	2,450
Other Local Plan Allocations[4]	550	550	550	550
Business Park	1,450	1,450	1,450	1,450
Science Park[5]	1,150	1,150	1,150	1,150
West End	800	800	800	800
Northern Gateway	1,000	1,250	3,000	4,000
Total "B" class jobs	**5,200**	**7,400**	**7,500**	**10,400**
Retail and services[6]	2,430	2,650	3,130	3,650
Tourism[7]	120	180	200	250
Health[8]	250	450	450	600
TOTAL OF ALL JOBS	**8,000**	**10,680**	**11,280**	**14,900**

Oxford's employment strategy promotes a policy of 'managed economic growth', which seeks to secure the long-term future of its key sectors, whilst taking account of land supply constraints, and the need to improve the balance between jobs and housing supply. In Oxford's context, managed growth means growth that is appropriately located in Oxford to take advantage of the city's existing 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.

The policy will be delivered by the allocation of one strategic employment site at the Northern Gateway, and the protection and modernisation of Oxford's key employment sites. The West End area of the city centre will provide some employment growth. There is only limited capacity in the West End due to the need to balance all the land uses, which ideally should be located in the city centre.

[3] Includes County Trading Estate, Horspath Industrial Estate, Chiltern Business centre, Fenchurch Court, Harrow Road and Ashville Industrial Estate, Nuffield Industrial Estate, Sandy Lane West, Osney Mead Industrial Estate, Oxford Innovation Centre, and Jordan Hill Business Park. The variation in range takes into account capacity assessments, which will be dependent on the level of modernisation, and the type of potential employment generated.

[4] Includes land rear of Oxford Retail Park, Neilsens and BMW
[5] Includes Littlemore Park and Minchery Farm
[6] Includes Westgate / Queen Street (City Centre), Rest of City Centre, and Blackbird Leys, Summertown, Cowley district centres and Northern Gateway

[7] Includes potential for two hotels one in the West End and one at the Northern Gateway.

[8] Includes outstanding commitments over the last five years, together with an estimate of potential growth on existing sites.

Oxford City Council

27th July 2009