

Matter 4 - Employment

Issue 1 - The balance between homes and jobs (A)



During the hearing session on the above topic, the Inspector requested that the City Council suggest some wording for Section 3.4 to address the issue of the housing / jobs balance.

Below is a copy of Section 3.4. The City Council proposes the following wording changes shown in red:

3.4 Meeting Oxford's housing and employment needs

Oxford is constrained by its tightly drawn Green Belt boundaries and environmental constraints, including flood plain and nature conservation areas, so it will never be possible to meet all the city's housing and employment needs. Housing need and demand far exceeds the amount of available and suitable land within Oxford, and employment uses struggle to compete against housing developers.

Oxford is a sustainable location for housing because of its well-established bus and cycle networks, and its social infrastructure made up of extensive retail, health, leisure, cultural and community provision. Due to the high need for housing, all opportunities should be explored for delivering housing on suitable sites to meet our targets. However, there is a danger of complacency about the city's economic health. The Central Oxfordshire sub-region, of which Oxford is the hub, forecasts an increase of 18,000 jobs within the period from 2006 to 2016. Oxford, as a focus for the Central Oxfordshire 'Diamond for Investment and Growth', has to make a significant contribution towards meeting these aims and securing the prosperity of the South East. To ensure continuing economic success, key sectors of the economy need to be nurtured and developed through a policy of managed growth (see section 8). This means that a balance must be struck between delivering housing and at the same time providing for Oxford's economy. This is all within the context of providing local health, educational, transport, retail, leisure, community and cultural facilities for existing and new residents.

~~In line with the emerging South East Plan, the proportion of jobs to resident workforce has historically been imbalanced in Oxford, but has improved: in 1971 the ratio of resident workforce to jobs was 1:1.76 whereas in 2001 it was only 1:1.44¹. Taking into account the proposed South Oxford SDA (Policy CS8), which was recommended by the Examination in Public Panel amongst other reasons to help address the housing/employment imbalance in Oxford, the imbalance should improve over the latter part of the Plan period. However, this forecast makes no allowance for employment growth within the SDA, since it is too early to say whether the SDA will include any significant employment allocations.~~

Historically the number of jobs in Oxford has significantly exceeded the resident workforce. Problems that result from the housing / jobs imbalance are considerable levels of in-commuting into Oxford, worsening traffic congestion on the strategic road network, staff

¹An Economic Profile of Oxfordshire (Oxfordshire County Council and Oxfordshire Economic Observatory, Undated)

Oxford City Council - Core Strategy Examination in Public

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 largest ten employers in the county. However, the imbalance has narrowed over recent decades, with the ratio of jobs to resident workforce declining from 1.76 in 1971 to 1.44 in 2001². This reflects the fact that Oxford has been losing employment land to other uses, mainly residential, over several decades and that the city has often exceeded its planned housing provision.

The South East Plan identifies Oxford as a "regional hub", a focus for investment in infrastructure, economic activity, regeneration, affordable and market housing and new major retail and employment development. The SEP seeks to ensure that the balance of jobs and houses at both the sub-regional and main settlement level does not worsen and preferably improves. It 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. It sets a target for Oxford of delivering 8,000 dwellings over the period 2006-2026; this equates to an average of 400 dwellings a year. In terms of employment, the sub-regional target for Central Oxfordshire is a minimum of 18,000 net additional new jobs over the period 2006-2016. The emerging supplementary guidance from the South East England Partnership Board breaks this figure down to a target for Oxford of 7,111 jobs over that period. In addition, an allocation of 4,000 dwellings for the period up to 2026 is made as part of the South of Oxford Strategic Development Area (SDA). One of the reasons for the allocation of the SDA is to help reduce the housing / jobs imbalance.

The Core Strategy seeks to achieve a modest improvement in the imbalance between housing and employment over the plan period. It seeks to do this by delivering significant levels of new housing whilst also providing for growth in particular sectors to support the economy. In terms of housing, the Core Strategy seeks to deliver the SEP target of 8,000 dwellings and to assist in the delivery of at least 4,000 dwellings in the proposed SDA south of Oxford.

Office for National Statistics (ONS) data for 2006 shows Oxford's population was 149,100; the working age population was 107,300 and the number of economically active persons was 79,900³. This equates to 53.6% of the total population being economically active. Research undertaken for the City Council by Fordham Research forecast that the average household size in Oxford will drop from 2.63 in 2006 to 2.38 in 2026.⁴ This is in line with predicted national trends. Using population, labour supply and household size data it is possible to estimate the potential increase in Oxford's workforce over the Core Strategy period taking into account the projected housing growth. The table below shows the figures for housing delivery (including an allowance for the SDA) and the associated additional workforce over the period of the plan.

	<u>2006/7- 2010/11</u>	<u>2011/12- 2015/16</u>	<u>2016/17- 2020/21</u>	<u>2021/22- 2025/26</u>	<u>Total</u>
<u>Additional housing numbers</u>	<u>3,178</u>	<u>3,081</u>	<u>3,634</u>	<u>2,850</u>	<u>12,743</u>
<u>Numbers of additional economically active</u>	<u>4,054</u>	<u>3,930</u>	<u>4,636</u>	<u>3,636</u>	<u>16,256</u>

² An Economic Profile of Oxfordshire (Oxfordshire Economic Observatory and Oxfordshire County Council, 2004)

³ Labour Market Profile: Oxford, Office for National Statistics (see www.nomisweb.co.uk)

⁴ Balance of Dwellings Study: Final Report, (Fordham Research, July 2007), paras 8.19-8.20

Oxford City Council - Core Strategy Examination in Public

In terms of employment growth, the Core Strategy provides for in the range of 11,000-15,000 jobs over the plan period; this would be consistent with the emerging SEP guidance figure of 7,111 jobs for Oxford to 2016. The table below indicates how this target can be met through a combination of modernising and/or extending existing sites, implementing existing Local Plan allocations, and developing the strategic sites at the West End and Northern Gateway.⁵

	<u>2016</u>		<u>2026</u>		<u>Total</u>	
	<u>Lower</u>	<u>Upper</u>	<u>Lower</u>	<u>Upper</u>	<u>Lower</u>	<u>Upper</u>
<u>Total of all jobs</u>	<u>8,000</u>	<u>10,680</u>	<u>3,280</u>	<u>4,220</u>	<u>11,280</u>	<u>14,900</u>

In combination, the policies for delivering housing growth and promoting managed economic growth will both strengthen Oxford's position in terms of it's designation as an area of significant growth and importantly will result in narrowing the imbalance between houses and jobs further. (This forecast makes no allowance for employment growth within the SDA, since it is too early to say whether the SDA will include any significant employment allocations.) This is illustrated in the table below:

	<u>2006</u> (Base line)	<u>2016</u> (low job growth)	<u>2016</u> (high job growth)	<u>2026</u> (low job growth)	<u>2026</u> (high job growth)
<u>Number of economically active</u>	<u>79,900</u>	<u>87,884</u>	<u>87,884</u>	<u>96,156</u>	<u>96,156</u>
<u>Number of jobs</u>	<u>101,900</u>	<u>109,900</u>	<u>112,580</u>	<u>113,180</u>	<u>116,800</u>
<u>Ratio of jobs to economically active</u>	<u>1.27</u>	<u>1.25</u>	<u>1.28</u>	<u>1.18</u>	<u>1.21</u>

Given that the existing imbalance will not worsen over the first half of the plan period, and may slightly improve, it is not considered that a specific phasing policy is required for the Core Strategy.

To deliver an adequate level of housing and employment, strategic locations for development have been identified. These are considered centrally important to the delivery of the strategy for the city over the period to 2026. Development of strategic sites close to areas in need of regeneration should seek to ensure that the new developments are well integrated physically and functionally with the existing urban fabric, and also attract investment that stimulates regeneration to benefit deprived communities. The strategic locations for development in Oxford are: West End, Northern Gateway and land at Barton. The proposed South Oxford SDA would be outside the city boundary, but it is important to the spatial strategy because of its location immediately adjoining the city, its role in providing housing for the city and the need to integrate services and facilities. The potential site of land at Summertown would support the spatial strategy but is not fundamental to the delivery of the strategy.

Oxford City Council
27th July 2009

⁵ A more detailed breakdown is provided at Section 8.1