

# SUMMARY OF THE OXFORD ECONOMIC GROWTH STRATEGY 2013

## Purpose of the Strategy

The Economic Growth Strategy (EGS) has been agreed and adopted by the Oxford Strategic Partnership (OSP). It seeks to:

- establish a shared narrative on the future direction of the Oxford economy; and
- define clear strategic priorities, objectives and actions for delivering and managing economic growth in Oxford over the next ten years.

The Economic Growth Strategy for Oxford considers how best to maximise the economic role that the city could perform and the necessary enabling actions.

## Oxford – Economy and Place

Oxford is a national economic asset and essential to the future of the UK and the regional economy as a whole. The city contributes £4.7bn to the UK economy - Oxford's GVA per capita is estimated at £30,800, the fifth highest GVA per capita of any city in the UK, and significantly higher than the national average of £20,300. It is the engine of Oxfordshire's economy with the highest levels of business growth. Over one third of Oxfordshire's employment is located in the city. Over half of Oxford's workforce is drawn from outside the city, mainly from the adjacent districts and the rest of the County, which in turn supports additional local employment, services and inward investment.

In 2010, there were just under 111,000 jobs in Oxford. Reflecting the city's role as an administrative and educational centre, public sector occupations account for just over half of total employment in the city, with 55,900 public sector jobs. Finance, I.T. and business and professional services account for a further 21,800 jobs, which underlines the importance of the city as a regional business and service centre. Personal services sectors such as retail (8,600 jobs), accommodation and food and other personal services account for a further 20,000 jobs.

Unemployment is in line with the average for the South East (6.1%), significantly lower than the average for England (8%), but significantly higher than the rate for Oxfordshire as a whole (3.4%). Economic inactivity in Oxford is 21.4%, which is in line with Oxfordshire (21.3%) and the South East (20.8%), though lower than the average for England (23.8%).

The city's strategic infrastructure is also critical to the wider regional economy. The future economic prosperity of Oxford and the prosperity of the County as a whole are closely linked together.

One of the key reasons for the city's success is its diversity. **Oxford is an international brand**, a global seat of **education, learning and research**, a centre of **engineering and scientific excellence**, a world leader in **automotive and advanced manufacturing, publishing, health care and life sciences and an iconic tourist destination**. This diversity has helped Oxford weather the worst of the impacts of the global economic recession.

There is a virtuous circle between Oxford as a high quality economy and Oxford as a high quality place. The quality of life in the city allows Oxford to attract the highly skilled workforce which provides companies investing in the city with the skills they need. These two attributes make Oxford extremely well placed to achieve growth in the new global economic climate.

Yet, there is no room for complacency. Prevailing macro-economic conditions mean that future economic growth in Oxford can no longer be taken for granted. Oxford is competing in a global environment where businesses, researchers and students are internationally mobile. Oxford's "offer" needs to stand up against not only other UK cities such as Cambridge but international competitors such as Boston, Palo Alto, and Sophia Antipolis.

## **Oxford – Opportunities and Challenges**

Ensuring the continued growth of Oxford's economy, with the consequent boost to the prosperity of adjacent districts and the County as a whole, requires enabling development within the city's boundaries, and ensuring that investment in employment and housing developments takes place in adjacent districts and in the County as a whole. Further investments in transport and broadband infrastructure are key to enabling balanced growth.

While there is space for economic growth across the county as a whole, there is also a need to consider how the specific needs of the current and future businesses within the city can best be met. This includes, the aspirations of the two Universities and the need to provide an environment and associated infrastructure to support spin outs and knowledge based businesses that will benefit from spatial proximity to researchers and research facilities. Equally, it is also important to consider the relationship between space for business growth within the city and the wider county, in particular the potential for creating a positive relationship between the city and the new Enterprise Zone, Science Vale, and Bicester. It is clear that these locations have distinct roles, which are not as substitutes, but which can be complementary, and that the region's success depends on investment in each of the centres.

On top of this, Oxford faces some persistent local challenges in the form of pockets of localised deprivation. The problems of deprivation are made worse by the lack of affordable housing, even for those whose incomes are not the lowest. In addition, despite the high proportion of residents with degree level skills, there remain a significant proportion of residents with 'no skills', and educational attainment in some of Oxford's state schools is in the lowest quartile regionally and nationally.

If Oxford is to continue to be a key driver for the regional and national economy it will need to address these main challenges. Failure to do so will see Oxford lose ground and the region lose economic growth to locations that are able to provide high value firms with the business accommodation and infrastructure that they need to be competitive. This suggests that there is a need for sufficient space for business to set up, grow and attract a skilled workforce.

While growth needs to be managed carefully, in order to ensure it is sustainable and balanced, Oxford offers a unique combination of factors for businesses which are not replicated elsewhere, particularly the immediate links and proximity to research excellence, which are essential to leading businesses. The three designated locations for growth in the County – Oxford, Science Vale and Bicester – complement one another.

## **Economic Vision**

Growing the city's knowledge economy will be driven by the two Universities, Oxford's large private sector employers, and existing smaller science and technology based companies. These Universities, and companies, often working together will continue to invest in research, continue to develop innovative products and services, and continue to focus on global markets. This growth will be further enhanced by new companies starting up and spinning out from the Universities.

Yet, Oxford's growth aspirations will not be realised without addressing the serious constraints imposed by Oxford's infrastructure. Workable solutions must be found to accelerate the pace of house completions – including allocating additional sites, ensuring that there is a long term supply of land to accommodate employment growth, and on on-going investment to improve the performance of the transport networks serving the City. Given that very many residents in Oxfordshire work in Oxford, finding solutions to these challenges will bring significant economic (and financial) to the County as a whole.

As part of the process of building this Economic Growth Strategy, business, university, and voluntary organisation leaders and City and County Council members and officers worked together to build a vision of Oxford's economic future:

#### **Oxford ...**

***...is the City which offers the UK's most prosperous, resilient, diverse, globally competitive knowledge-based economy;***

***...is home to two Universities, strong multi-national companies, and a wide range of small companies known for their world leadership in research, development and innovation and these are prime drivers of future economic growth;***

***...seeks and welcomes global investors and businesses serving global markets – which provide real economic benefits for the City's and the County's residents and businesses;***

***...enables and supports the growth of new start-up/spin-out ventures;***

***...strengthen its position as Oxfordshire's primary retail centre and as a top international tourist destination;***

***...ensures that young people gain the skills needed to access to jobs in the city through their enrolment in the City's high performing schools;***

***...offers a readily available supply of homes for sale, and for rent, at prices which those working in Oxford can afford; and***

***..is demonstrating, in practice, how best to promote economic growth and establish Oxford as a truly sustainable City.***

#### **The Eleven Elements of the Growth Strategy**

There are eleven main elements of the growth strategy to realise this Vision for Oxford's economy. These elements are based upon the economic analysis contained within the report and supporting economic narrative, the extensive interactions with stakeholders throughout the strategy development process, and consultations with partners and the OSP. Oxford's stakeholders - working together through Oxford Strategic Partnership and with the Local Enterprise Partnership (LEP) and the Strategic Planning and Infrastructure Partnership (SPIP) – should consider how best to undertake these actions. All of these build on Oxford's existing economic strengths and the “generally agreed narrative” about Oxford's future. Many of the required actions build from established City and County Council policies and LEP priorities, but require more focused implementation.

However, there are also opportunities which require the City Council, the County Council, adjoining District Councils, and the Universities, to take some bold initiatives which could truly ensure Oxford's long term prosperity. The foundation for this must be a shared commitment to economic outcomes that will benefit residents of the city, the adjacent districts, and the county as a whole. This must

reflect a shared understanding of the economic narrative and recognition that a step change in partnership working across all the organisations is required.

The eleven elements are as follows:

- 1. Expanding Oxford's knowledge economy using the global connections of Oxford's Universities and major/large employers to attract new companies, and promote new start-ups;**
- 2. Supporting the growth of existing employers including large, global companies, high value small and medium sized enterprise, the Universities, and the health care sector;**
- 3. Ensuring sufficient supply of employment land;**
- 4. Strengthening Oxford's city centre retailing offer;**
- 5. Expanding the value of Oxford's tourism across the region;**
- 6. Continuing to improve education and skills attainment to support future economic growth opportunities;**
- 7. Increasing, the annual rate of housing development in locations which are easily accessible to the city centre and other main employment areas by cycle, bus, and rail;**
- 8. Ensuring on-going investment in broadband infrastructure;**
- 9. Addressing the environmental challenges and opportunities presented by economic growth;**
- 10. Investing in the physical and transport infrastructure to enable economic growth; and**
- 11. Securing an effective partnership for implementation and 'single team' delivery for Oxford.**

#### **Further Information**

A copy of the Oxford Economic Growth Strategy and the accompanying Oxford Economic Narrative can be downloaded at <http://www.oxford.gov.uk/osp>.

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