

# Local Plan 2040 Preferred Options

## Inclusive Economy background paper

### 1. Introduction

This background paper focuses on the inclusive economy. It has been written to support the Preferred Options Document which looks at a range of options for how best to help realise the city's local and wider economic aspirations.

Oxford has an important role in the regional and national economy, and it has a well-developed reputation as a global economic and knowledge centre. However, there is a recognition by the council that this level of growth and prosperity does not extend to all communities and sectors of the wider economy in the city. A different approach will be required to address this imbalance and the Preferred Options present potential means by which planning policy can contribute to the achievement of this objective.

The Council published its Issues consultation for the new Local Plan in the summer of 2021. The consultation included an Employment, economy, education and skills topic paper. This document sets out the relevant national, regional and local policy context; as well as highlighting some potential approaches. For the preferred options stage two separate topic strands have been identified and addressed in separate background papers. The Employment and Economy background paper addresses potential policy approaches towards supporting the city's and regions economic strengths and growth aspirations. The Inclusive economy strand addresses how the wealth generated by the city can be distributed across the city's communities in such a way that all residents are able to share in its benefits.

This background paper should be seen as a continuation of the previously published material, with updates to the relevant policy context as appropriate, with an outline of the potential policy approaches that are further expanded upon in the preferred options document. This paper also sets out a summary of the feedback we received from the 2021 consultation and as there were no policies in this area in the previous plan, there will be no monitoring analysis included.

### 2. Context including feedback from Issues Consultation

#### 2.1 Feedback received from 2021 Issues consultation

Feedback from the summer consultation was varied, reflecting the broad scope of the issues consultation. In the Issues Paper, the inclusive economy was addressed in the question relating to inequalities. Most of the comments received tended to address issues such as housing affordability and the provision of community services, with no specific references to economic matters.

## 2.2 Updates to national/local policy context since 2021 issues consultation

### *NPPG references*

In relation specifically to the economy and employment the PPG advises that a Housing and Economic Needs Assessment should be undertaken. The Economic needs assessment should consider the type of employment land needed; future employment trend forecasts and its location<sup>3</sup> within its functional economic market. Within the context of a Local Industrial Strategy an assessment should be made of the stock of employment land together with its loss over recent years and future supply. This should be informed by forecasts of future employment and land requirements and their relationship to the locational needs of key sectors / businesses and emerging sectors.

### *NPPF references*

The NPPF makes it clear that the purpose of the planning system is to contribute to the achievement of sustainable development. The economy has a key role to play in achieving 'sustainable development'. Paragraph 20 states that: Strategic policies should set out an overall strategy for the pattern, scale and quality of development, and make sufficient provision for:

a) housing (including affordable housing), employment, retail, leisure and other commercial development;.... c) community facilities (such as health, education and cultural infrastructure). The focus of the policy approach towards the economy should seek to 'build a strong, competitive economy' and create the conditions in which businesses 'can invest, expand and adapt'.

Economic growth and productivity should be supported. Local areas are encouraged to build on its strengths particularly where Britain is a global leader (paragraph 80). This will require ensuring that 'sufficient land of the right type' is available (paragraph 8). The policies need to be set within a 'clear economic vision and strategy' for the local area, which positively promotes sustainable economic growth and is aligned with any Local Industrial Strategy (LIS). Strategic sites should be identified for future investment and potential barriers to growth highlighted and addressed. A flexible approach is required to meeting future needs and respond to change (paragraph 81). The policy framework is required to 'recognise and address the specific locational requirements of different sectors.' Provision needs to be made for clusters or networks of knowledge and data-driven, creative or high technology industries. Storage and distribution uses should be sited in accessible locations (paragraph 82).

Chapter 8 of the NPPF focuses on healthy and safe communities, suggesting that 'it is important that a sufficient choice of school spaces is available to meet the needs of existing and new communities. Local planning authorities should take a proactive, positive and collaborative approach to meeting this requirement, and to development that will widen choice in education. They should: a) give great weight to the need to create, expand or alter schools through the preparation of plans and decisions on applications; and b) work with schools promoters, delivery partners and statutory bodies to identify and resolve key planning issues before applications are submitted.' (paragraph 94).

To provide the social, recreational and cultural facilities and services the community needs, paragraph 93 of the NPPF sets out that planning policies should: plan positively for the provision and use of shared spaces, community facilities (such as local shops, meeting places, sports venues, open space, cultural buildings, public houses and places of worship) and other local services to enhance the sustainability of communities and residential environments; take into account and support delivery of local strategies to improve health, social and cultural wellbeing; guard against the unnecessary loss of valued facilities and services particularly where these would reduce the community's ability to meet its day-to-day needs; ensure that established shops, facilities and services are able to develop and modernise and are retained for the benefit of the community; and ensure an integrated approach to considering the location of housing, economic uses and community facilities and services.

### **2.3 Local/Regional context**

#### *Oxfordshire Local Industrial Strategy (OLIS)*

The Local Industrial Strategy<sup>1</sup> was produced by the Oxfordshire Local Enterprise Partnership (OxLEP). It describes Oxfordshire as a global centre of research and innovation, home to several world leading science and technology companies that are located across business clusters and hubs, forming a hive of knowledge-intensive economic activity. It describes how cutting-edge products and services are solving challenges in healthcare, mobility, energy and communications, meaning Oxfordshire's success is critical to the UK. The OLIS is underpinned by three guiding principles: Invest in Oxfordshire, deliver for the UK; Oxfordshire – the UK's 'innovation engine'; and Global Oxfordshire, Global Britain. The key sectors and technologies that Oxfordshire excel in have 'global reach', meaning we are a critical driver for UK economic growth post-Brexit. A primary aim of the strategy is to build a global innovation ecosystem in Oxfordshire by 2040. Existing and proposed developments in Oxford are central to this, including the West End.

#### *Oxford Economic Strategy (2022 – 2032) and City Centre Strategy (2022)*

The Council has identified that Oxford needs a more inclusive economy in which wealth is distributed across our communities and where all residents can share the benefits of growth. To help to achieve this the City Council will implement a new inclusive Economic Strategy to increase the opportunities for disadvantaged groups to have a fair share in the city's economy and reduce its impact on the environment, while also setting out a plan for delivering the types of different employment space needed to support a more diverse economy. The Council will also seek to build closer partnerships with the universities to boost productivity in the city's economy and extend economic opportunities to a wider range of Oxford's citizens. A city centre strategy, current under development, will also be implemented to support independent retailers, enhance the Covered Market, widen the cultural offer, support more temporary uses of empty properties and encourage longer stays by tourists.

---

<sup>1</sup> [Oxfordshire Local Industrial Strategy \(2019\)](#)

### *Oxford Local Plan 2036 (adopted June 2020)*

The policy approach to Oxford's economy seeks to build on Oxford's strengths and ensure the delivery of prosperity and opportunities for all. Oxford is home to many jobs with concentration in the higher education, research and science sectors. The economic performance of the city is however influenced by wider sub-regional and national plans. These comprise Oxfordshire's Strategic Economic Plan and more recently the Local Industrial Strategy together with the Oxford/Cambridge Arc/Growth Corridor of the Housing and Growth Deal.

Employment and Skills Plans: A requirement for employment and skills plans was deleted from the Local Plan 2036 through the Examination process, with the Inspector noting in their report that this was an undue burden on businesses, and contrary to the NPPF, although also noting: "there is of course merit in encouraging links between the business community and the local authority in the area of skills development....." The Oxford Local Plan 2036 therefore encourages their use to mitigate the impact of development - seeking opportunities to ensure that local people can access job opportunities arising from development at both construction and end phase of development.

### *Oxford Context - Employment by type*

The city has a large number of people employed in Education (36,000) and in human health and social work (22,000), which is twice as many as in the next largest sector, which is wholesale and retail trade, repair of motor vehicles and motorcycles (11,000), and professional, scientific and technical activities (10,000)<sup>2</sup>.

### *Oxford Context - Employment levels*

Despite employing around 121,000 people, Oxford has an unemployment rate that is above the national average of 4.6%, with the most recent estimate indicating this at 4.9% for the period (January 2020 to December 2020)<sup>3</sup>. In addition; the number of Jobseeker's Allowance (JSA) claimants plus those who claim Universal Credit (UC) who are out of work is currently 5,080 or 4.8% of workers as of March 2021<sup>4</sup>. This compares to 2,100 and 2.0% of workers as of last March.

### *Oxford Context - Education and skills*

Oxford can be described as a well-educated city and with a high number of jobs in knowledge-intensive industries the city attracts workers with higher levels of qualifications. In 2020, **62% of Oxford's residents** between the ages of 16-64 **had degree level qualifications or above**, this is much higher than the average for Britain of **43.1%**. Conversely, **6.6% had no qualifications**, which is closer to the UK average of 6.4%, but higher than that of the South East (4.9%)<sup>5</sup>. In recent years children and young people's attainment has been improving and Oxford has become relatively less deprived. The city is however the most deprived of the five Oxfordshire Districts and has one Lower Layer Super Output Area (LSOA) within the 10% most deprived areas nationally<sup>6</sup>. There are 9 areas in total within the city that fall within the 20 per

---

<sup>2</sup> Source: [NOMIS – Employee jobs](#)

<sup>3</sup> Source: [NOMIS – Labour Supply– Oxford \(2020\)](#)

<sup>4</sup> [Ibid.](#)

<sup>5</sup> Source: [NOMIS – Qualifications – Oxford \(2020\)](#)

<sup>6</sup> [Indices of Deprivation 2019 – Oxford Report](#)

cent most deprived areas nationally. A further 9 areas within the city fall within the 20 per cent least deprived areas nationally. This inequality affects parts of the city more than others.

Regarding Educational Skills and Training Deprivation, the average score ranking of 206 in the Indices of Deprivation (IoD) 2019 compares to 171 in the IoD 2015 and therefore Oxford is relatively less deprived for Educational Skills and Training. However, there are still significant disparities across the city and 8 LSOA are within the 10% most deprived nationally.

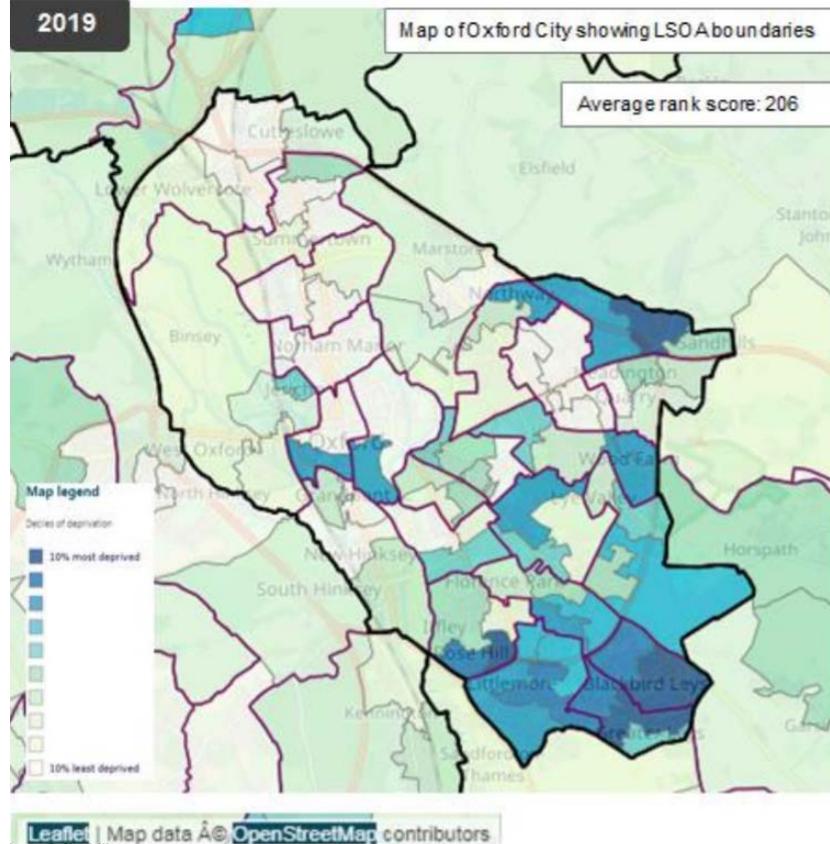


Figure 1: Levels of education and skills deprivation in Lower Super Output Areas of Oxford<sup>7</sup> - - higher deprivation is marked by darker blue, lower deprivation in light green.

Furthermore, looking at the two sub domains of Educational Skills and Training deprivation (Figure 1), there are 11 areas in the most deprived decile nationally for Children and Young People educational attainment compared to only 4 for Adult Skills. Conversely there are 36 areas in the 10 per cent least deprived nationally for Adult Skills in Oxford compared to 16 for educational attainment for Children and Young People<sup>8</sup>.

### 3. How are current Local Plan 2036 policies performing?

#### 3.1 Analysis from 2020/21 Authority Monitoring Report (AMR)

At the end of 2021, the Council published its first AMR reporting upon performance of policies within the Local Plan 2036 since its adoption in 2020. As the policies had not been

<sup>7</sup> [Ibid.](#):p16

<sup>8</sup> [Ibid.](#)

in force for a full year as at the time of the reporting period, the amount of monitoring data was somewhat limited. The economic policies contained in the Plan related to employment sites, the impact of the Universities, tourism and the vitality of centres. These topic areas are outside the scope of this paper and will be addressed separately in the Economy and Employment background paper.

#### **4. What does all this mean?**

The importance of the key sectors to Oxford and the wider regional and national economy is clear. However, there is a diversity of sectors and geographic spread of economic activity that performs a vital role in the life of the city. While they are nominally of lower value than the life sciences and R&D sectors, their importance to Oxford is not only in terms of their functional roles, but also their contribution to the sense of place and social life of various communities across the city. While there are areas of the city that are particularly prosperous, there are still areas where deprivation, poverty and low educational attainment are endemic and at comparable with the worst areas nationally.

The common theme in these scenarios is persistent inequality, whereby prosperity exists alongside relative deprivation, with the gap between both situations getting increasingly wider. The absence of a strategy will result in an imbalanced with a low level of resilience to future challenges – such as climate change - as well as unexpected events – such as pandemics or economic recession.

One of the City Council's four priorities is to enable an inclusive economy. To achieve this objective, creating an environment where such activities can operate and thrive within the city's boundaries, without being displaced from the communities within which they operate is important. Specific sectors with growth potential have been identified in the City's Council's Economic Strategy 2022-2032, although these are applicable across all levels of economic activity irrespective of complexity or value. The new Local Plan can support this ambition by helping to deliver different types of employment and economic spaces that are accessible in all respects to supporting a more diverse economy.

To address inequalities and build resilience it is important to provide employment opportunities and training that are accessible to all communities that make up Oxford. It is also important to upskill the local populations' labour force, which will help ensure a more flexible and productive workforce and drive improvements in productivity and overall life outcomes. While some aspects of the council objectives are beyond the scope of planning, it is possible to harness local plan policies to encourage added social value to development schemes which can bring about the desired outcomes.

#### **5. Potential approaches for policy options**

##### **5.1 Community Employment Plans**

New development offers a significant opportunity to secure real benefits for the local community beyond those directly related to the use provided. The construction phase of a development offers the chance for local people to be employed in the building industry;

Community Employment Plans (CEPs) can make provision, for example, for apprenticeships and training or links to local schools and colleges. Similar mechanisms can be used to secure commitment from developers to procuring material and labour locally, keeping the income in the local community, which then gets recycled in local shops and services. This approach can also be extended into the operational phase of development with agreements to secure a proportion of the longer-term workforce or supply chain locally, for example. Another option is to commit to paying employees the Oxford Living Wage and only using contractors who pay this higher level than the National Living Wage.

The approach in the OLP 2036 was to provide guidance and encouragement for developers to include these in their schemes. The proposed approach will be to make them a policy requirement for qualifying schemes. The City Council is keen to make sure that every opportunity to secure community employment training and procurement benefits from new development is explored and pursued where possible. Much of this will be employer-led and the approach taken will vary according to the size of the scheme, the type of development, and the long-term ownership/management regime.

## **5.2 Affordable Workspaces**

The recently published Oxford Economic Strategy 2022-32 highlights the importance of affordable workspaces that support creative activity, social enterprise and co-operative businesses and local start-up as one of its guiding principles for an inclusive city. Affordable workspaces are defined as spaces provided at less than market rates for specific social, cultural and economic development purposes. Depending on how they are implemented, they could provide educational outcomes or cultural/social value.

Affordable workspaces:

- Could encourage SMEs, creative industries etc. in mixed use developments;
- Are Secured through planning obligations;
- Make allowance for temporary or meanwhile uses.

Affordable workspace provision can be in the form of affordable office space (now Use Class E(g)(i) - old Use Class B1a), which is intended for flexible use for multiple end users e.g., hot-desking and shared facilities, in some circumstances space provision can be provided in the form of R & D or light industrial. They can be provided by securing a percentage of floorspace from qualifying development proposals and can be made openly available or dedicated to named sectors, industries, non-profit organisations, members of deprived communities or clusters. The management of premises can be through a registered provider, or by developer/owner as part of Corporate Social Responsibility initiatives or an inclusive package as part of community employment plans.

Providing affordable workspaces for these types of businesses is likely to help diversify the city's economy which can help to bring more equitable growth and prosperity to the city. The affordable workspace secured should be provided on-site and be designed to meet a local need for office, light industrial or research and development workspace. There may be different routes to how it is made available. It will be important to have some management of which businesses take up the space, to ensure it does meet the identified needs and objectives, an option may be for the City Council to manage an approved list of affordable workspace providers who will lease and manage it.