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1. Introduction and purpose

1.1 Introduction

Oxford is not only one of the UK's fastest growing cities, it is a global success story, competing among the top technology clusters in the world by being a world leading technology cluster. The city is home to a diverse industrial base with around 5,300 businesses providing 133,000 jobs.

The city is home to two world class universities, and one of the best qualified populations in the country, with the highest concentration of knowledge workers.

Over the last six years, the city has experienced a growth of 19.31% in private sector jobs, one of the fastest outside London. Unemployment has been under 1% for a significant length of time. Oxford's Gross Value Added per worker is the seventh highest of UK cities.

It is estimated that Oxford exports £17,950 (16/62 cities) per job with goods accounting for £12,230 (12/62) per job and services accounting for £5,720 (22/62) per job (2014). The city also attracts significant inward investment (FDI).

Oxford is the tourism gateway to the rest of Oxfordshire, annually attracting approximately 7 million day time and staying visitors generating £780 million of income for local Oxford businesses. In terms of overseas visitors to the UK, Oxford is the seventh most visited city for staying visits.

1.2 Purpose of the Oxford Economic Profile

The purpose of this document is to provide a comprehensive economic profile of the city, a snapshot in time, of the evidence base and key data which underpins strategies like the Oxford Economic Growth Strategy, the emerging Oxford Local Plan 2036 and the Oxford Vision 2050. It informs the policy direction, projects, investments and interventions for the city.

Updated regularly, it should also be seen as a starting point for partners and other stakeholders seeking any economic data and context to inform inward investment proposals in the city.

Like the Oxford economic Strategy, this economic profile is overseen and owned by the Oxford Strategic Partnership's (OSP) Economic Growth Steering Group.

1.3 Global and national economic context

The UK, as with other developed economies is well into a period of recovery from the 2008 'Great Recession'. Whilst this recovery was initially slow, the UK growth rate has increased in recent years and was 2.2% per annum in 2016¹, faster than most comparable developed economies. More recently however the growth rates have fallen from 1.5% in 2017 to forecast growth of 1.4% in 2018. UK inflation is forecast to average 2.7% during 2018². The UK employment rate has also risen

¹ Office of National Statistics 2017

² UK Economic Outlook PWC UK (November 2017)

to 75.4%, the highest rate since 1971³. Yet, until very recently the economy has not shown signs of rebalancing towards production and export as far as policy makers have hoped and retains a reliance on consumer spending. In the last 12-18 months however, currency devaluation and global economic growth has boosted manufacture and export. Productivity as measured in output per hour, or per worker still lags behind our OECD competitor economies for example of France, Germany and the US⁴. It has also become more apparent that slow wage growth, regional inequality, pay inequality and fears over job security have created a negative experience of economic growth among much of the population, a sense that growth in GDP overall not benefitting society as it might. This was occurring in the lead up to recession but has persisted since.

A recent report by the World Trade Bank⁵ showed that global trade growth continued to slow for the fifth consecutive year, with 2016 the weakest trade performance since the recent global crisis. It highlighted 'political uncertainty' as a key factor in slowing down trade growth. In the UK the outcome of the EU referendum has resulted in uncertainty for business leading to delays in investment decisions. Consumer confidence has been more subdued, apposition not helped by with high household debt.

The inflation target as set by the Bank of England target rate inflation of 2% has been breached for the first time in long time and this has affected household's disposable income, weakening private consumption and business appetite for investment. The employment rate has been increasing for ten years but we may be nearing the limit of this as market capacity reduces but wages have been static (equating to a real wage decline) and the quality of jobs and type of jobs have been described as low wage and insecure. Underemployment and low productivity now pose real challenges for the UK economy.

It is however expected that exports will continue to grow in the short-term at least, whilst import inflation is easing. It is therefore likely that in the short term, the UK economy will face more uncertainty than any period since the recession. Business investment and foreign investment is likely to be affected both in the short and long-term.

There are signs that both recent economic and social trends have significantly altered the Government's policy stance to the economy with a focus on;

- Reduced focus on deficit reduction as the sole government policy driver with noticeable increase in public investment
- A more interventionist approach to the economy through a place based Industrial Strategy⁶
- A focus on improving productivity
- New efforts to reduce regional growth disparities that have widened in most cases

³ Office of National Statistics 2017

⁴ OECD dataset: Level of GDP per capita and Productivity 2017

⁵ Trade Developments in 2016 Policy Uncertainty Weighs on World Trade (World Trade Bank: Feb 2017)

⁶ Industrial Strategy: building a Britain fit for the future, White Paper 27th November 2017

- A focus on 'inclusive growth' more closely aligning economic and social policy
- Linked to above, there is a recognition that technology and globalisation has in part driven inequalities and played a role in hollowing out labour markets, as low and high skilled jobs become more prevalent
- A need to manage the continued effects of an aging population.

It is uncertain at this stage whether we are entering a new phase of weaker growth and uncertainty, precipitated by political events in the UK and overseas.

1.4 Potential Brexit Implications for Oxford

BREXIT brings new and specific risks and challenges to a range of employers, and the city's key sectors, whilst also presenting some more limited opportunities. Depending on the outcome of negotiations with the EU, it poses huge risks and if not properly managed could cause significant damage to the cities growth and productivity in all sectors of the local economy. This is an issue the OSP Economic Growth Steering Group partners are monitoring closely as the Brexit negotiations progress and its impacts become clearer. Key impacts being monitored include

- Local labour market impacts. 13.1% of Oxford residents who are in employment hold a non UK European passport⁷. In a tight labour market, there are concerns over our ability to attract the required labour and expertise in future
- Trade and export conditions for business - 62% of Oxford's total overseas exports are vehicle manufacturing related so there is a need to secure growth and investment in the sector post Brexit⁸.
- Access to funding and collaboration for science and technology, in 2014-15, 12% of the University of Oxford's research funding came from Europe, providing an income of £67m.
- Ability to attract EU and international workers, students and researchers. 17% of University of Oxford staff and 15% of its students come from the EU⁹. The NHS has a similar reliance on EU workers for nursing, midwifery and specialist clinicians.
- Impact on the domestic and international visitor economy related to exchange rates, international labour availability, and the UK's perceived openness.
- Sector based impacts relating to trading rules and regulatory issues impacting on supply chains and market access (education, research, health, bio-tech, vehicle manufacturing).

In this uncertain environment, partners are also working to ensure the new Industrial Strategy and emerging Local Industrial Strategy contains a focus on Oxford's technology strengths and vital sectors such as vehicle manufacturing in future, and that ensuring adequate labour supply continues to be a focus to enable productive growth.

⁷ ONS, Economic Activity by passport held, November 2016

⁸ Centre for Cities, Cities Outlook, January 2017

⁹ University of Oxford 2016

2. Place: Oxford's economy

2.1. Introduction to Oxford's economy

Oxford's economy is a national asset and unique in its composition. Because of this, it was largely sheltered from contraction during the past recession and is recognised as one of the fastest growing local economies in the UK.

Oxford has a diverse sector mix, and as a focal point for higher education, research and science, is at the centre of one of the top five technology clusters in the world. As a globally known brand, Oxford has major assets which include two leading universities, and cutting edge research in areas including bio-tech, data science, quantum technology and robotics. The city is home to diverse international enterprises including BMW Mini, Oxford University Press, Unipart, Centrica, Amey, Nielsen and TripAdvisor among numerous others. Oxford's economy is broad-based, structurally resilient and provides one third of the county's jobs.

Oxford contributes £7.34bn¹⁰ to the national economy annually and generates £1.15bn in income tax, £226m more than 10 years earlier¹¹. Our private sector job growth of 19.3% over the last 6 years is the fastest outside London¹². Oxford's GVA per worker is the 7th highest of all UK cities and unemployment is at less than 1%. Yet, this does not mean we can be complacent given the range of uncertainties faced nationally and globally.

Oxford faces many growth related challenges, not least ensuring growth in supply of labour, housing and infrastructure continues to keep pace with demand over the long-term whilst retaining its unique heritage and high quality environment.

2.2 Employment in Oxford

Key message: Despite some of the fastest private sector growth in the UK recent years; employment in Oxford is still dominated by the public sector, with education and health being the most significant contributors. These sectors together with the financial and business services sector amount to two-thirds of the workers classified 'knowledge intensive', the second highest in the UK.

In 2015, total employment in Oxford was 121,000¹³ of which 68% were full-time positions and 32% part-time reflecting very similar proportions for the south-east and England as a whole.

Employment in Oxford is dominated by the public sector and in particular the education (reflecting the fact the city is home two global HE institutions) and health 57,000 (47%), which is significantly higher than Oxfordshire as a whole (30%) and the South-East (23%) and nationally (22%). The proportion of jobs in the financial and other business services sector (14.5%) does appear low by

¹⁰ Centre for Cities, 2017, using ONS Productivity Data

¹¹ Centre for Cities, 2016

¹² Centre for Cities, Fast Growth Cities Report, March 2016

¹³ ONS Business Register and Employment Survey 2016

comparison to other areas benchmarked; when it is added to those in the public sector it does amount to some 62% almost two-thirds of total workforce in Oxford, reflecting the importance of the ‘knowledge sector.’ Oxford ranks as 1st on this measure, as compared to the 54 other cities in England, for the percentage (71%) of people working in ‘knowledge intensive activities’.

Figure 1 below highlights the significant overall job growth that has taken place in Oxford, particularly over the last five years. From 2009-14 this growth was the 6th fastest of all UK cities. There was notably a small increase in the last year however, something that will be monitored.

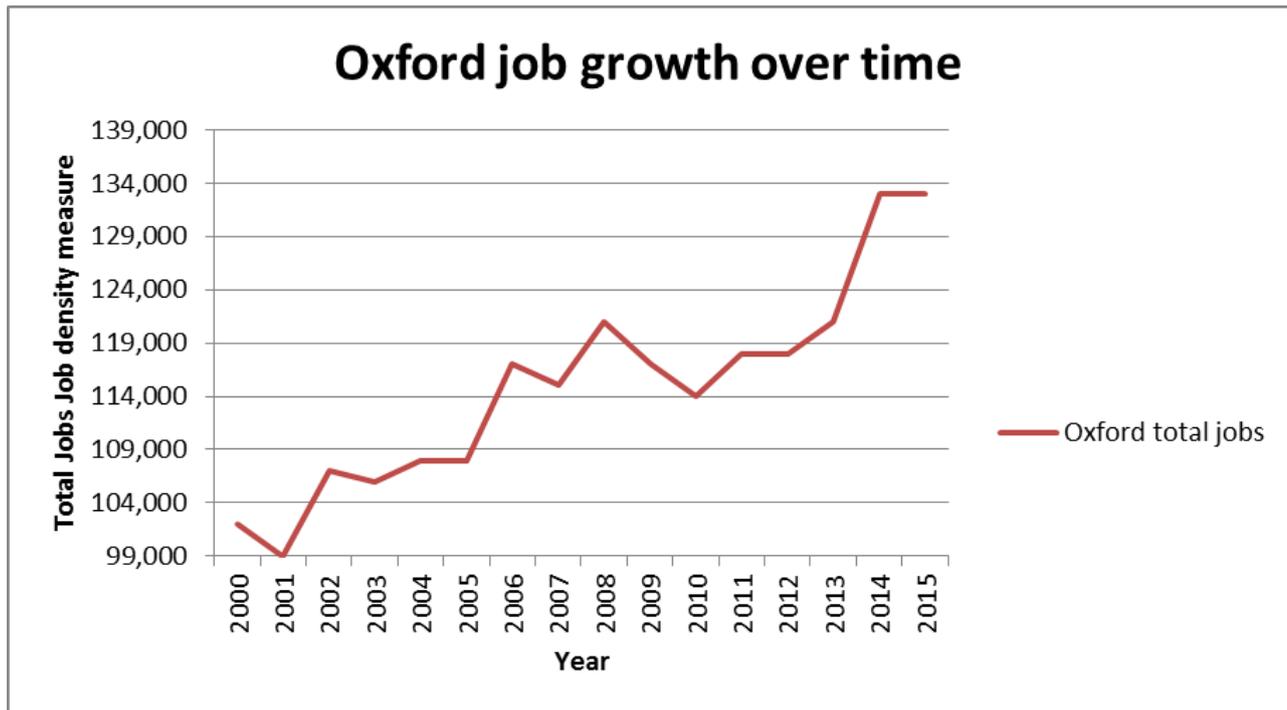


Figure 1, Job growth in Oxford, ONS Job Density (total jobs), 2000-2016

Oxford has a high proportion of the resident population in professional and technical jobs (figure 2 below). The Annual Population Survey shows that some 64.9% of the resident population in Oxford is employed in professional and technical occupations, which is higher than Oxfordshire (58.5%), and significantly higher than the South East (49.9%) and England (45.5%).

Whereas, the figures for the number of the resident population employed in industrial occupations, including skilled trades, machine operatives and elementary occupations are 20.2% in Oxford. By comparison the figures are higher for Oxfordshire (21.5%), the south-east (23.7%) and England (27.3%).

These figures to a degree indicate the dominance of the service sector as compared to the industrial occupations, but once should not forget that the city is home to major international manufacturers like BMW.

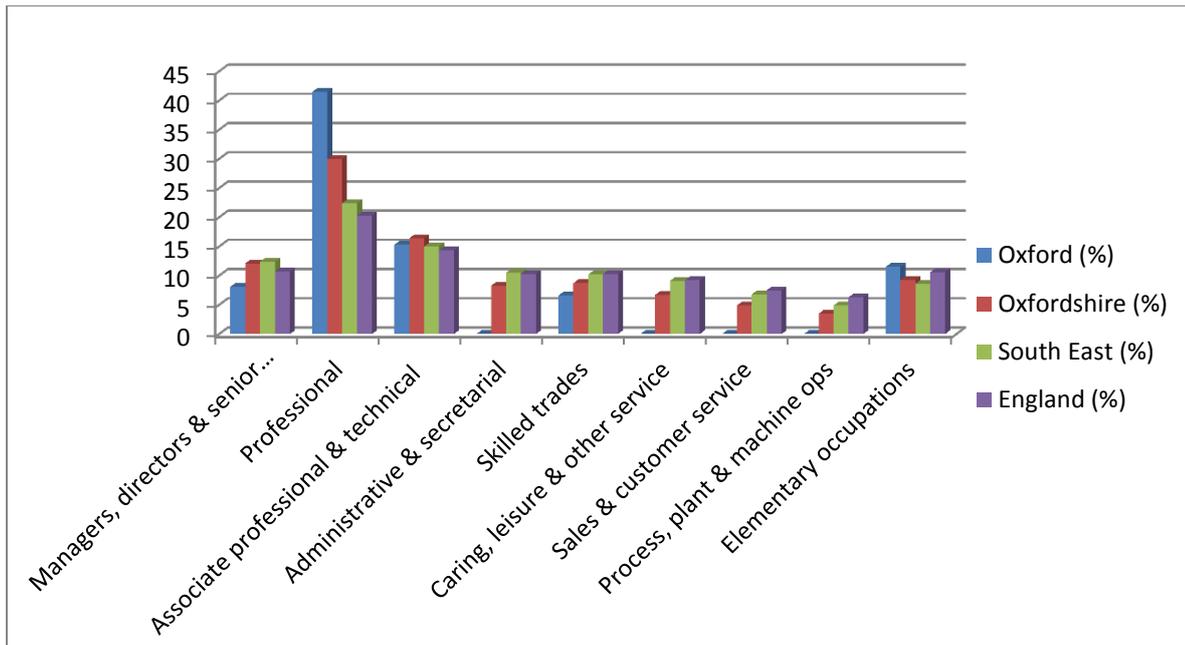


Figure 2: Occupational structure of Oxford’s residents (Jul 2016 Jun 2017), ONS (2015) Annual Population Survey 2016
 NB there are three 4 categories where the sample size is too small for reliable estimate.

Figures 3 and 4 highlight both the percentage and number of employees by sector. The higher proportion of construction jobs 6,000 (5%) reflects the established firms and the amount of new development taking place within the city. Although the proportion of manufacturing jobs - 3.7% (4,500) is relatively low by comparison to other areas this is largely accounted for by the presence of BMW (Plant Oxford), which produces the Mini. One of the strengths in the Oxford economy is its world-class excellence in research, education and health and with this wider diversity brings added resilience to the local economy, further complemented for example by the retail and tourist sectors. The recent redevelopment and opening of the Westgate Shopping Centre will alone create 3,400 new jobs whilst Oxford continues to enjoy a reputation as an important international tourist destination.

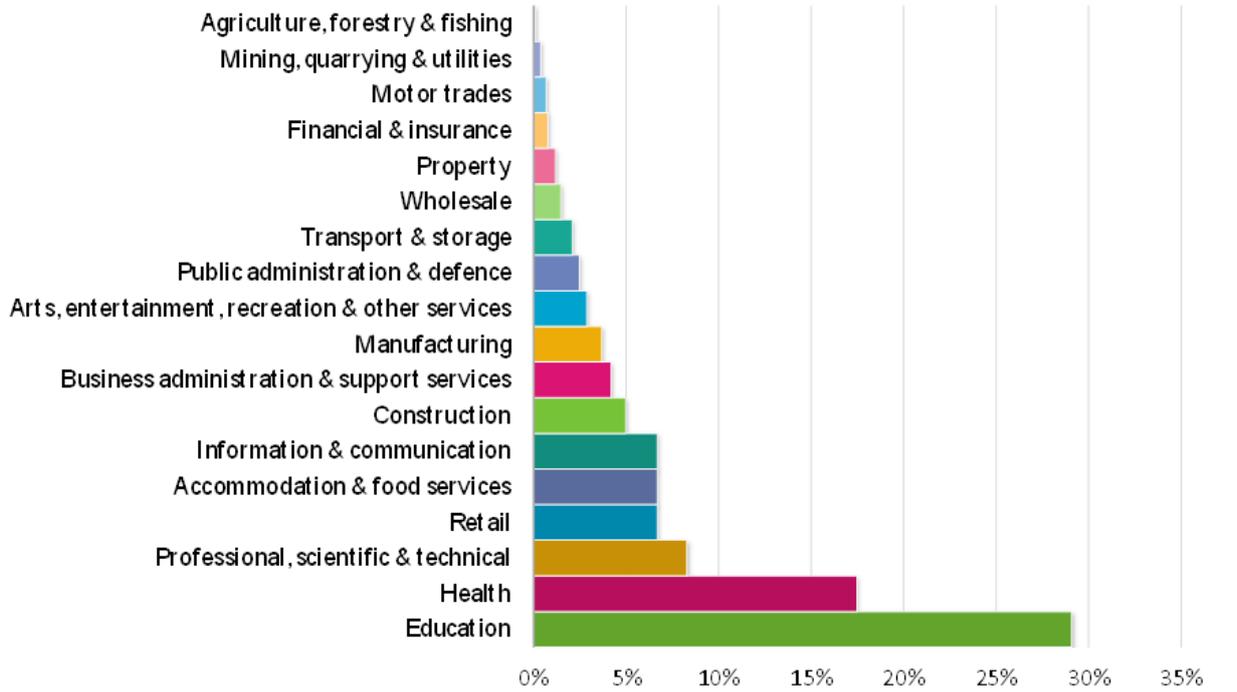


Figure 3 Oxford Sectors of Employment, ONS BRES, 2015 (released 2016)

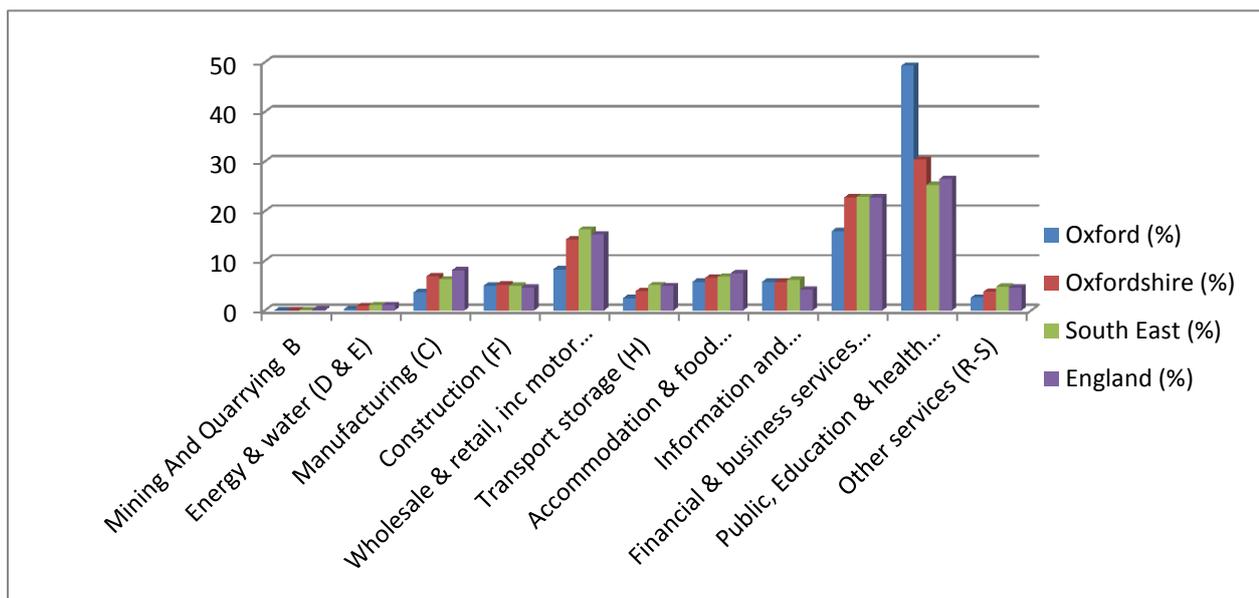


Figure 4, Comparing Oxford's sector mix regionally and nationally; ONS BRES 2016 (released 2017)

Key message: Oxford's economy has a low percentage of manufacturing employees in common with other fast growing cities, Reading and Cambridge (figure 5 below).

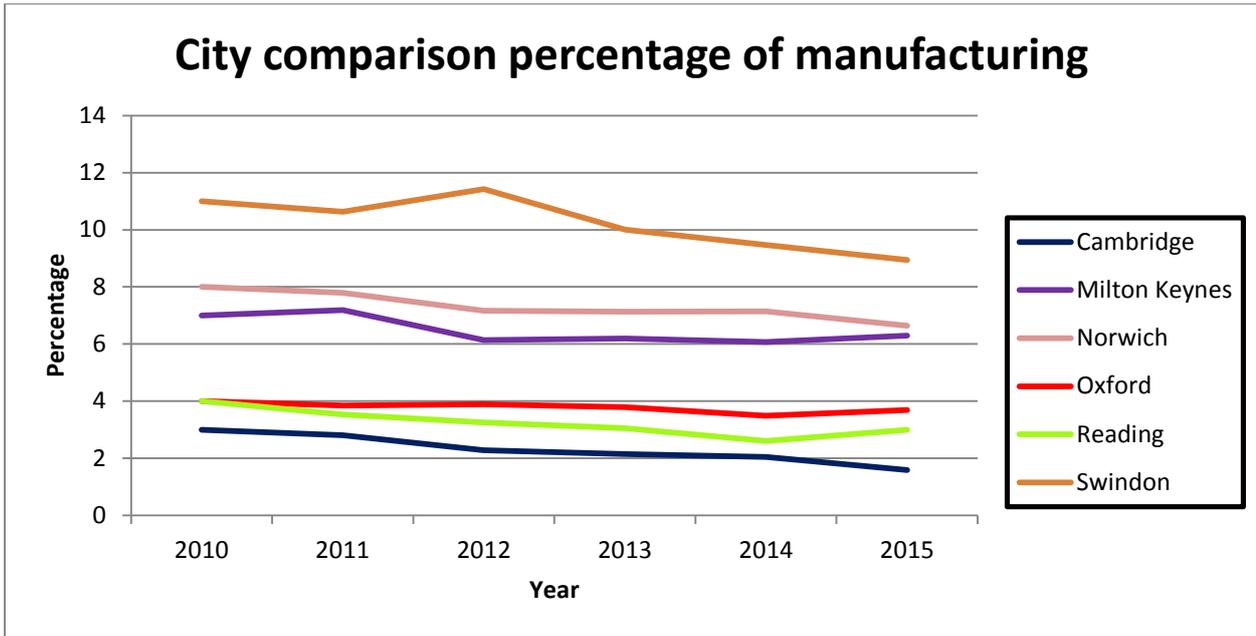


Figure 5, Centre for Cities Data Tool, taken from BRES data, 2016

Key message: In 2015/6 Oxford has the highest proportion of people employed within the public sector with 48%. Cambridge has significantly less at 41%. Norwich, Reading and Milton Keynes and Swindon have a much lower proportion with 26%, 23%, 22% and 18% respectively (figure 6). However none of those cities have two global HE institutions within their geography.

Oxford has the lowest percentage of private ‘knowledge intensive businesses services’ (KIBS) at only 9.7%, less than Cambridge (12%), and Norwich and Swindon who both have 14%. Reading has the highest with 22% followed closely by Milton Keynes (20%). In contrast, much of the knowledge based employment in Oxford is in the public sector, notably education and health.

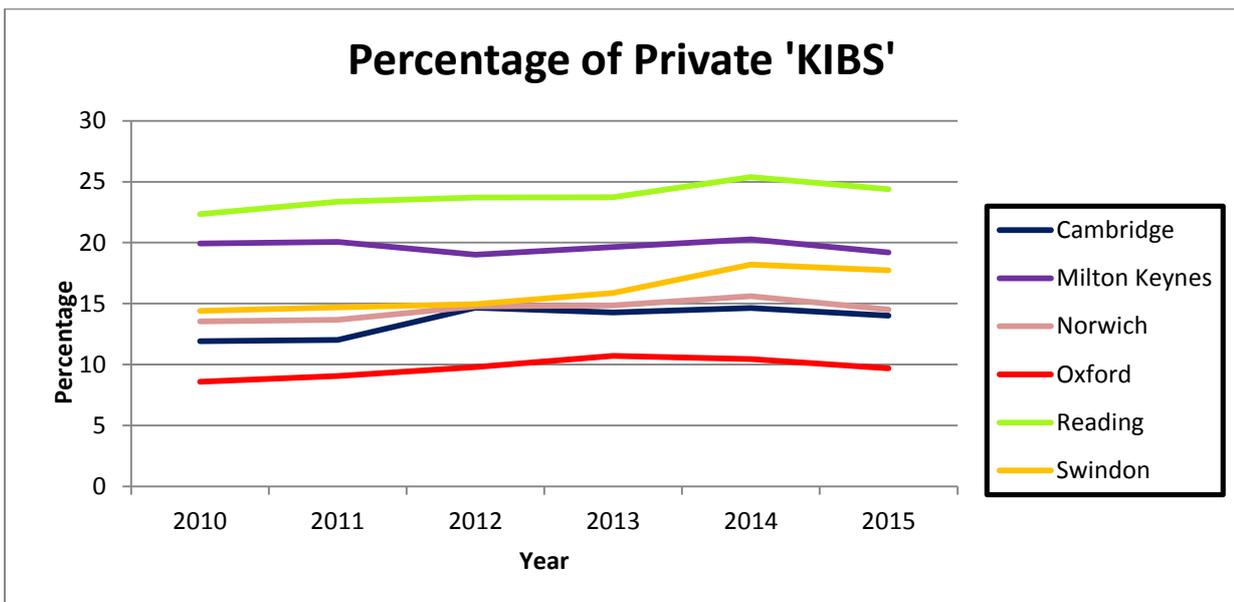


Figure 6: Centre for Cities Data Tool, taken from BRES data, 2016

3. Place: Living in Oxford

3.1 Housing stock

In 2018 there are estimated to be 60,822 dwellings in Oxford¹⁴. Figure 7 below shows housing stock increase in Oxford between 2010 and 2014, as compared to other similar cities. Oxford’s historic growth rate is amongst the lowest of the cities we have benchmarked, with Cambridge showing the greatest increase particularly between mid- 2013 and 2014 rising by over 2.5%. Oxford does however have considerable challenges in meeting housing growth, not least the scarcity of land, the tightly drawn administrative boundary, surrounding green belt, extensive areas of flood plain, together with the legacy of an historic built and natural landscape environment. The Strategic Housing Market Assessment (SHMA) provides the most up to date evidence base to inform future housing growth, which then links in with individual Local Plan housing targets. Oxford is actively seeking to meet its present housing requirement but has a significant ‘unmet housing need’.

The City Council are actively working jointly with neighbouring districts, through the Oxfordshire Growth Board, to meet Oxford’s unmet housing need. The Oxfordshire Housing Market Area Assessment identified a need for 15,000 homes as the agreed figure for Oxford’s unmet housing need to 2031.

A number of major projects are now in the pipeline that should see a much needed increase in housing stock over the next 10 years.

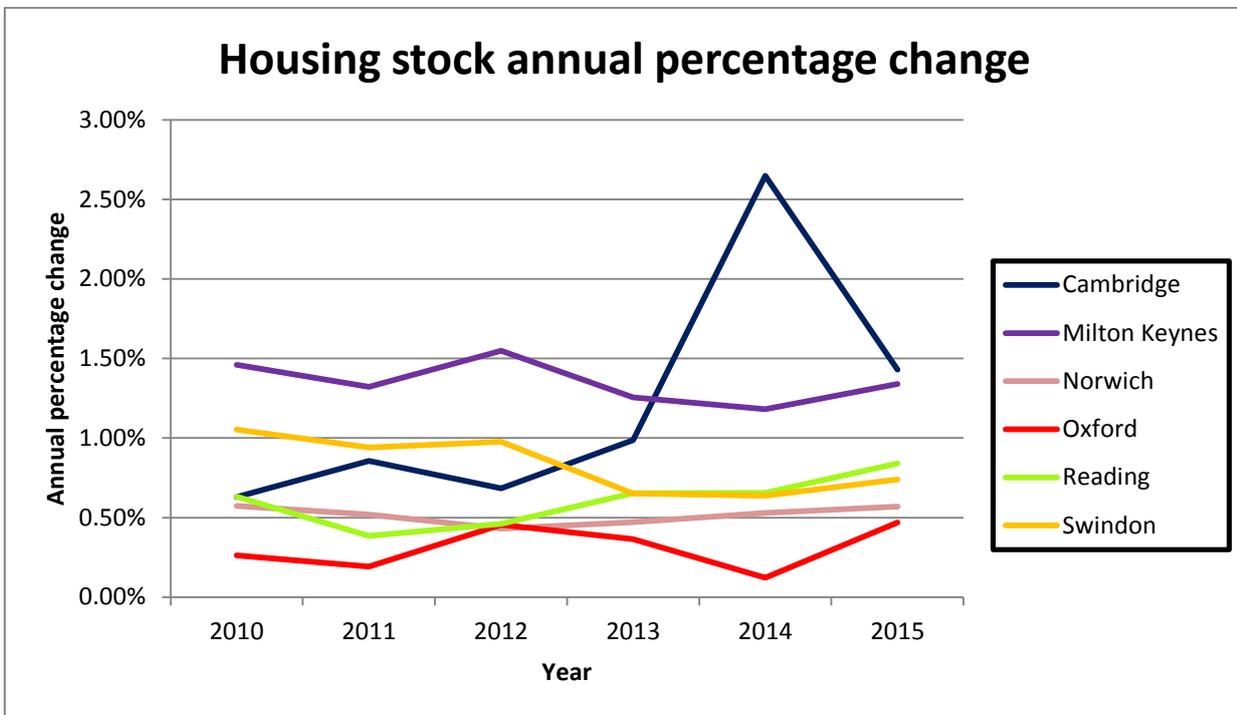


Figure 7: City Comparison of annual Housing Stock growth 2010-2015, DCLG and Centre for Cities Data Tool

¹⁴ Estimate of number of dwellings in Oxford, based on Council Tax figures: Oxford City Council

Oxford and Cambridge stand out, outside of London, as the places with the most significant affordability issues, given the combination of high demand, desirability of place, and strong economies (figure 8 below). However, it is clear that, despite a major injection of stock in Cambridge, affordability has still worsened. From this, two conclusions can be made. The first is that the level of supply increase is not sufficient enough to overtake demand to the point where price increases stabilise. The second is that the number of homes is only part of the solution and intermediate offerings such as key worker housing are required, to ensure places such as Oxford can sustain the services they need to function, where pay is often not high, research, healthcare and education for example. This is why Oxford City Council has established its own housing company to meet the demands of key cohorts of service workers that fulfil a vital need.

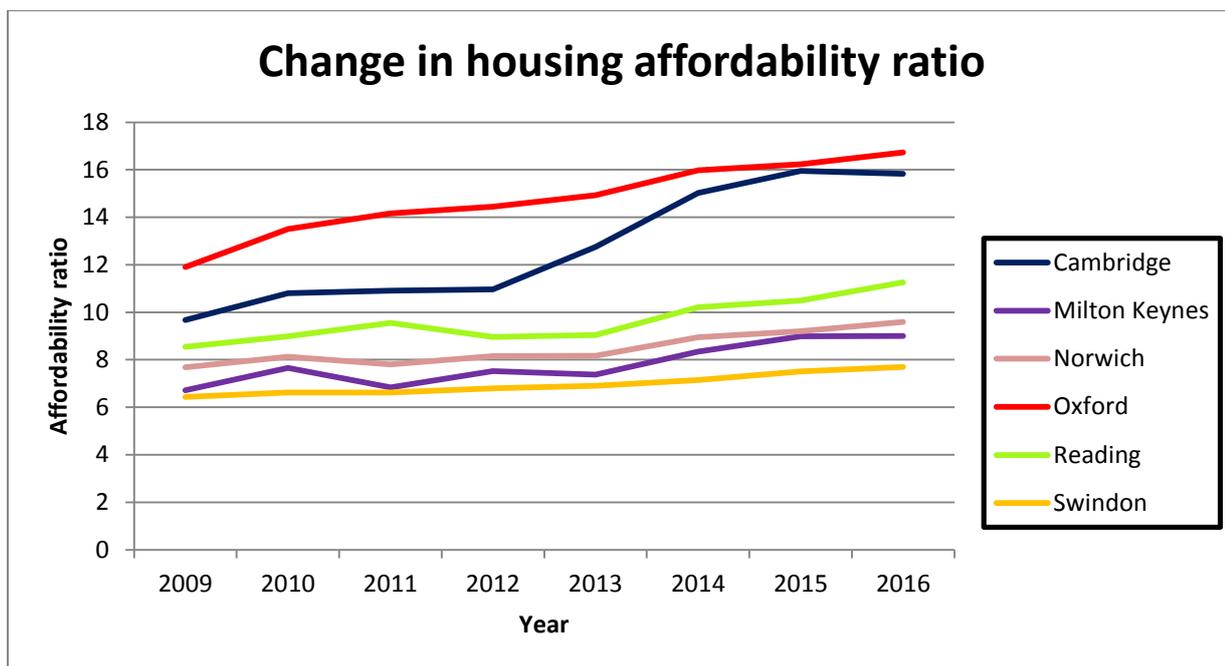


Figure 8, City Comparison of Housing Affordability 2009-2015, Centre for Cities data Tool

3.2 Housing tenure mix

The graph below (Figure 9) provides a summary of the breakdown of dwellings types in Oxford as compared to Oxfordshire and at the national level. This shows that Oxford as a predominantly urban area, has a higher proportion of purpose built flats, slightly more terraced properties and a similar proportion of semi-detached dwellings compared to the County and nationally. The proportion of detached dwellings in Oxford however is generally only about a third of the stock in Oxfordshire and in the UK.

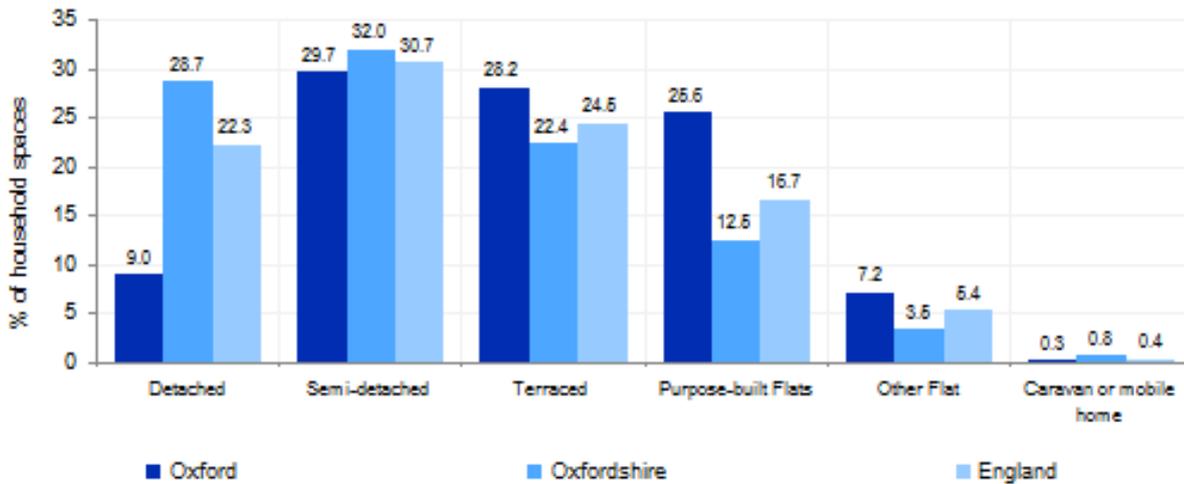


Figure 9: Breakdown of Dwellings by type Source: Census 2011

The dwelling tenure for Oxford as compared to Oxfordshire and at the national level is shown in the graph below. This shows that Oxford has less owner occupied dwellings than the County and nationally but significantly more local authority and housing association rented properties than Oxfordshire.

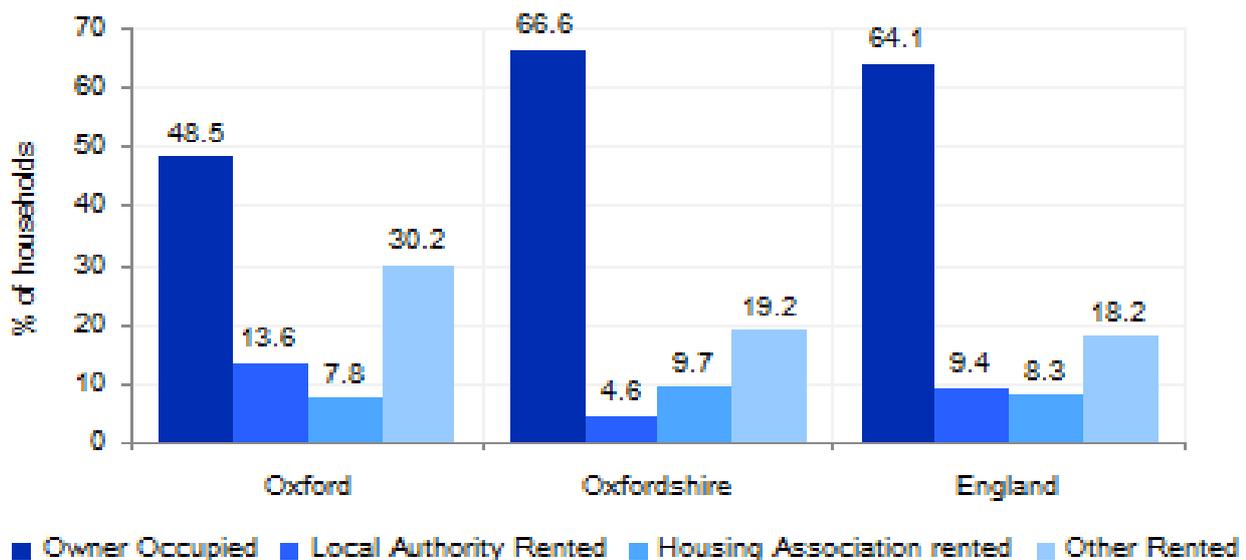


Figure 10: Housing tenure breakdowns, Census 2011

3.3 Housing prices and affordability

Figure 11 below shows that the average house prices in Oxford for all dwellings types as of September 2017 – prices for all types of home are significantly more than for Oxfordshire and nationally. The overall average as of September 2017 is £513,617 versus £293,225¹⁵. The divergence in price between Oxford, the county and England is particularly stark for family homes. Notwithstanding the greater increase in housing stock in Cambridge recently as compared to Oxford, this difference is not as yet reflected in the overall levels of

¹⁵ Land Registry Oct 16 to Sept 17

affordability within the two cities which are amongst the highest in the country and equivalent to 16 times average salaries (figure 8 above).

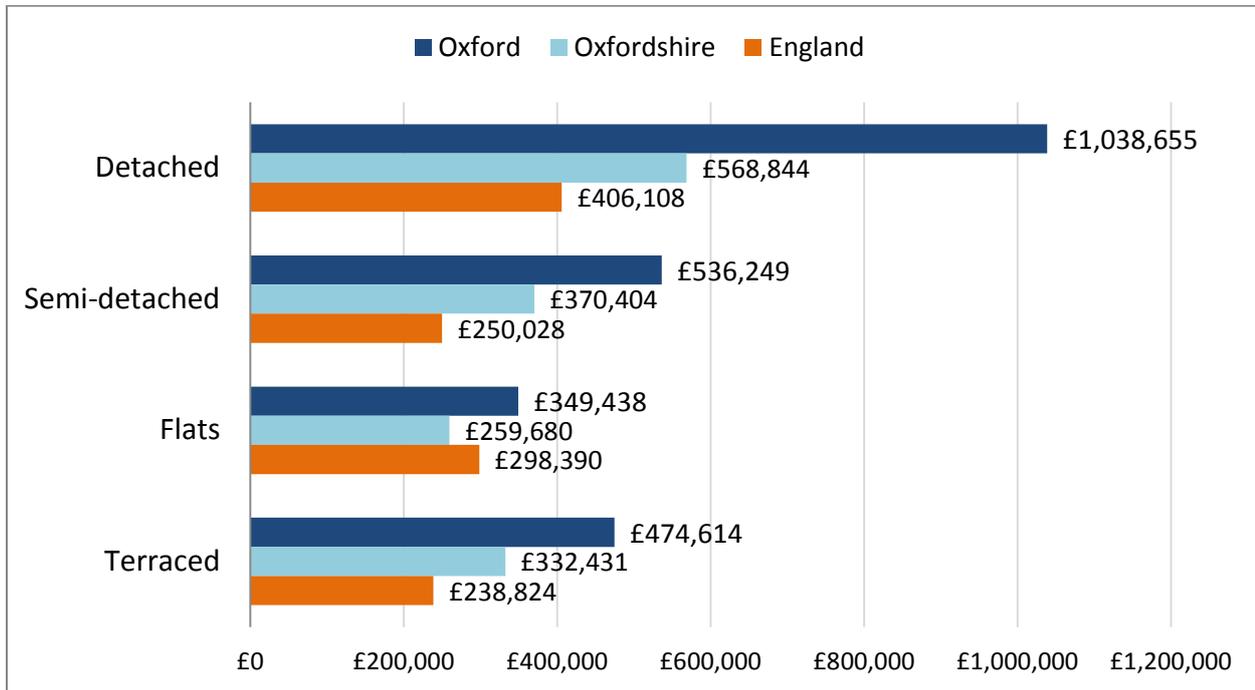


Figure 11: Average property prices by dwelling type, Source: Land Registry/Local Insight Oct16-Sep 17

3.4. Housing land supply

The Oxford Local Plan 2036 has prepared background evidence to assess the need versus the supply of land for housing and employment. The need for housing in Oxford was set out in the Oxfordshire SHMA (2014). National guidance now encourages local authorities to consider both housing and employment land together in a combined assessment, known as the Housing and Economic land Availability Assessment (HELAA). This assessment is supported by the Employment Land Assessment (ELA), which considers the local economy and labour market together with forecast job growth to determine whether sites should be developed for housing and or employment uses.

Almost 500 sites were assessed for their potential for economic or housing uses in the period 2016 to 2036, which are all listed in the HELAA. The key findings from the HELAA identifies that there is potential capacity in Oxford to accommodate around 7,511 additional homes. This means that there is a significant shortfall of sites to meet the identified housing need in Oxford. The City Council is therefore working with the adjoining Oxfordshire authorities and the Oxfordshire Growth Board to address Oxford’s ‘unmet’ housing need. In September 2016 the joint working reached a significant milestone with the local authorities (with the exception of South Oxfordshire) agreeing to each District to accommodate a portion of Oxford’s ‘unmet’ housing needs. The current agreed working assumption is that there will be around 15,000 homes that need to be delivered outside of the city.

3.5. Deprivation

According to the 2015 Index of Multiple Deprivation, 10 of Oxford's 83 Neighbourhood areas ('Super Output Areas') are among the 20% most deprived areas in England. These areas, which are in the Leys, Rose Hill and Barton areas of the city, experience multiple levels of deprivation – low skills, low incomes and relatively high levels of crime.

The 2008/09 recession caused a rise in unemployment which was particularly acute amongst low income groups and deprived areas. Men and women living in relatively deprived areas have a shorter life expectancy than those living in the least deprived areas. After adjusting for housing costs, 25% of children in Oxford live below the poverty line.

In November 2017 Oxford had 7,640 (6.6%) working age residents claiming benefits. Main out-of-work benefits include the groups: job seekers, ESA and incapacity benefits, lone parents and others on income related benefits. This is below the South East and GB Averages of 8.3% and 11%.

3.6 Crime

According to the [English Indices of Deprivation 2015](#), Oxford ranks 90 out of 326 districts on the Crime Domain. Oxford is now less relatively deprived in reported crimes compared to the previous Indices of Deprivation in 2010. Six out of 83 Neighbourhoods in Oxford, however, are amongst the 10% most deprived areas. In the year ending September 2016, the crime rate in Oxford was about the same as the average crime rate across similar areas. As shown in the table below the level of crime in Oxford is very similar to comparable cities such as Cambridge, Brighton and Reading.

City	Crime rate
Cheltenham	66.18
Exeter	68.55
Reading	86.38
Cambridge	87.69
Brighton and Hove	87.73
Oxford	89.68
Southampton	113.50
Bristol	115.11

Figure 12: Comparison of city crime rates, ONS

3.7 Environment

Carbon emissions overall in Oxford have reduced by 27% between 2005 and 2014. According to carbon emissions data released by the Department for Energy and Climate Change (DECC), overall emissions in Oxford have fallen from all sources – commercial, domestic, and transport – since 2005. Whereas domestic and industrial and commercial emissions in Oxford reduced faster than the England average, transportation emissions did not reduce as rapidly. The slower reduction in transportation emissions highlights the need for an improved low carbon transport system, as that is the sector that has seen the least improvement over the last ten years.

4.0 Enterprise and Innovation: Oxford's Economic Performance

4.1 Businesses in Oxford

Oxford is home to 4,865 active enterprises¹⁶, a similar number to the cities of Cambridge and Norwich. The size of businesses already operating within an area provides a useful assessment of the structure of the local economy and also suggests something about the type and size of premises that these businesses occupy. In Oxford the largest proportion of company is micro businesses employing nine or less employees (85%), which is slightly lower than Oxfordshire (89%) and the South-East (90%). See Figure 13.

The proportion of small businesses (11.7%) is slightly higher than Oxfordshire and the South-East. The proportion of medium sized businesses (3.1%) and larger businesses (0.9%) are however almost double the proportion in both Oxfordshire and the South-East, which highlights the importance of Oxford as a location and a centre of employment. Its relatively low business density contrasts to its high job density.

¹⁶ ONS Business Demography 2015, published 23rd November 2016

In considering the numbers of VAT paying enterprises per 10,000 people of working age (figure 14), it can be seen clearly that Oxford has a lower overall density of businesses than these areas. Looking at percentages of business by refined employee band numbers compared against the same areas (figure 15), it is interesting to note that Oxford also has above average numbers of companies in size band 5-9, 10-19, and 20 or more employees than the Oxfordshire and England averages, but significantly less 0-4 employee enterprises. This suggests Oxford relies on above greater proportions of relatively well established SMEs and larger employers, and less on the smallest firms. Section 3.4 on Key Employers and Sectors adds some further insight on the reasons for this.

Key message: Oxford has almost twice the proportion of medium and large sized employers compared with Oxfordshire and the South-East.

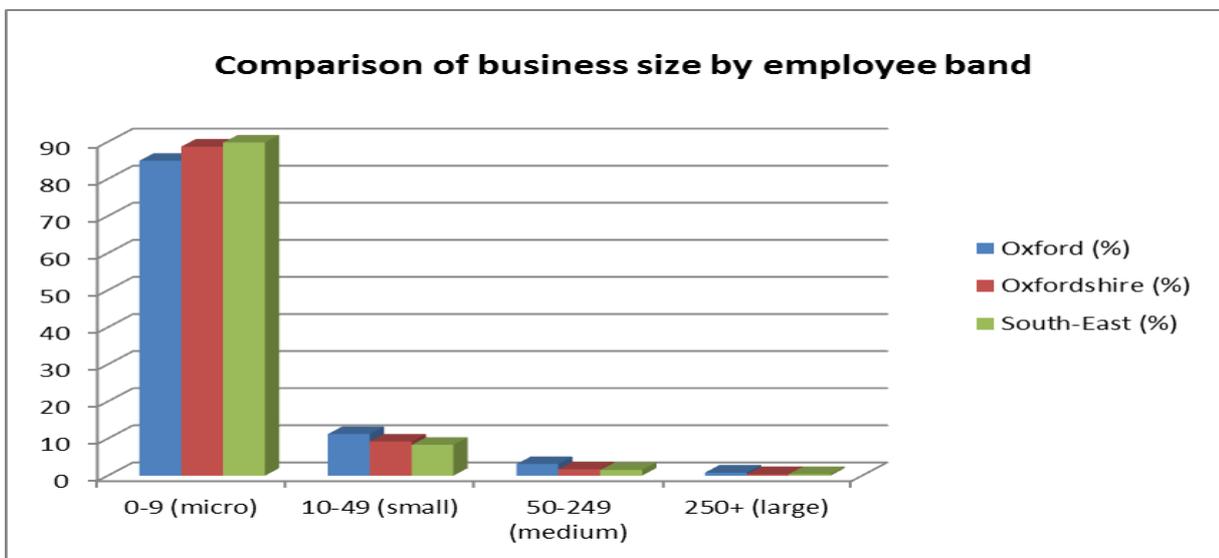


Figure 13: Source: ONS UK Business Activity, Size and Location 2016.

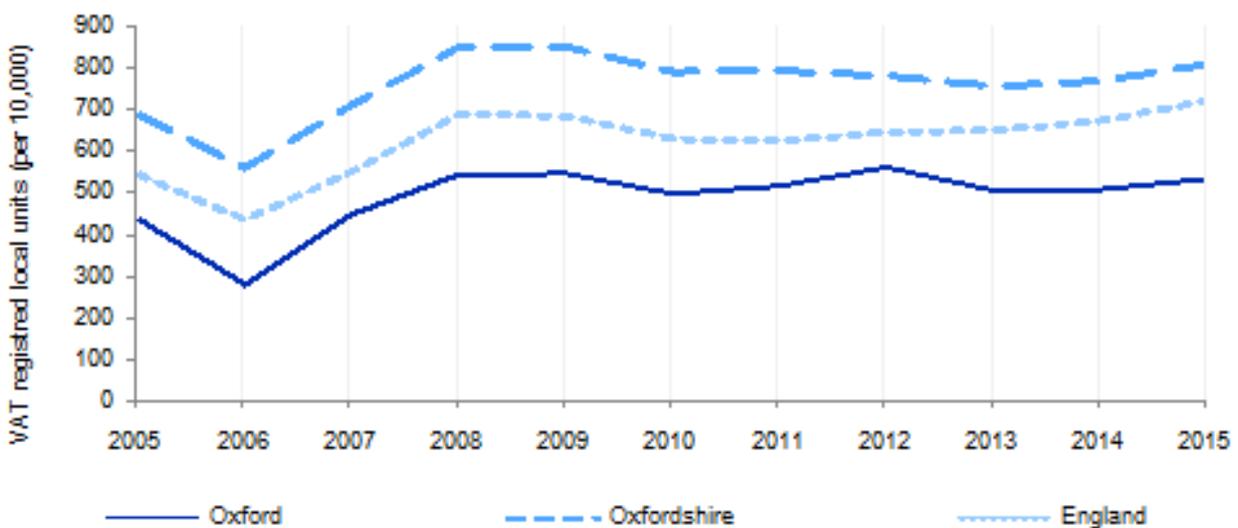


Figure 14: Percentage change in number of businesses (VAT based local units) per 10,000 working age population Source: Office for National Statistics

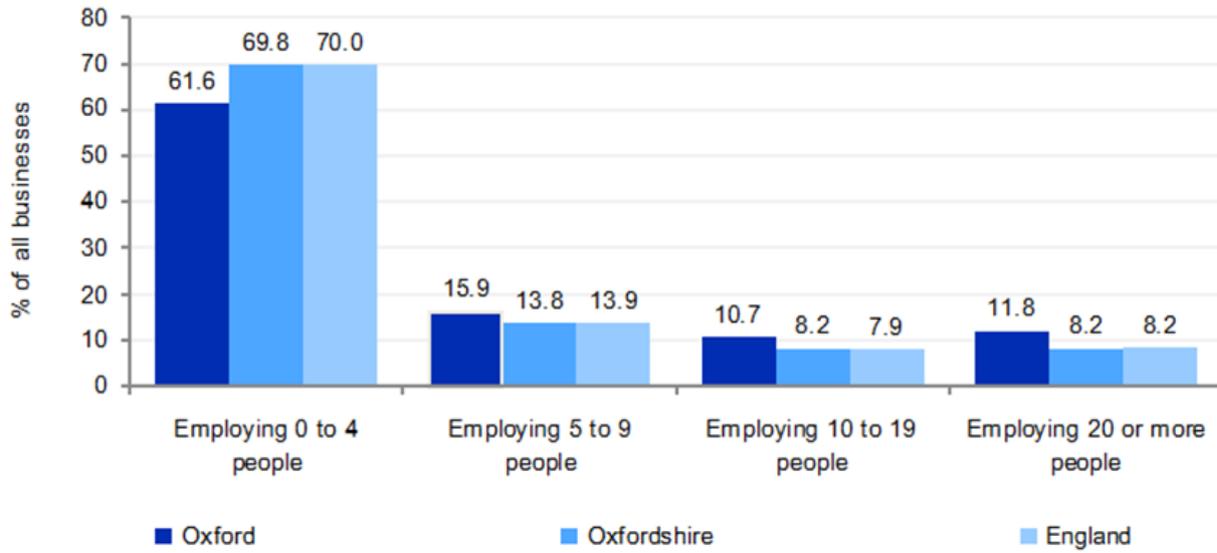


Figure 15: Businesses (VAT based local units) by employment size band Source: Office for National Statistics

Figure 16 below shows the change in stock of businesses per 10,000 people by city from 2010-15. Backing county and England comparisons, Oxford’s relatively low stock of businesses is evident. The stock in Milton Keynes and Reading is around 50% higher.

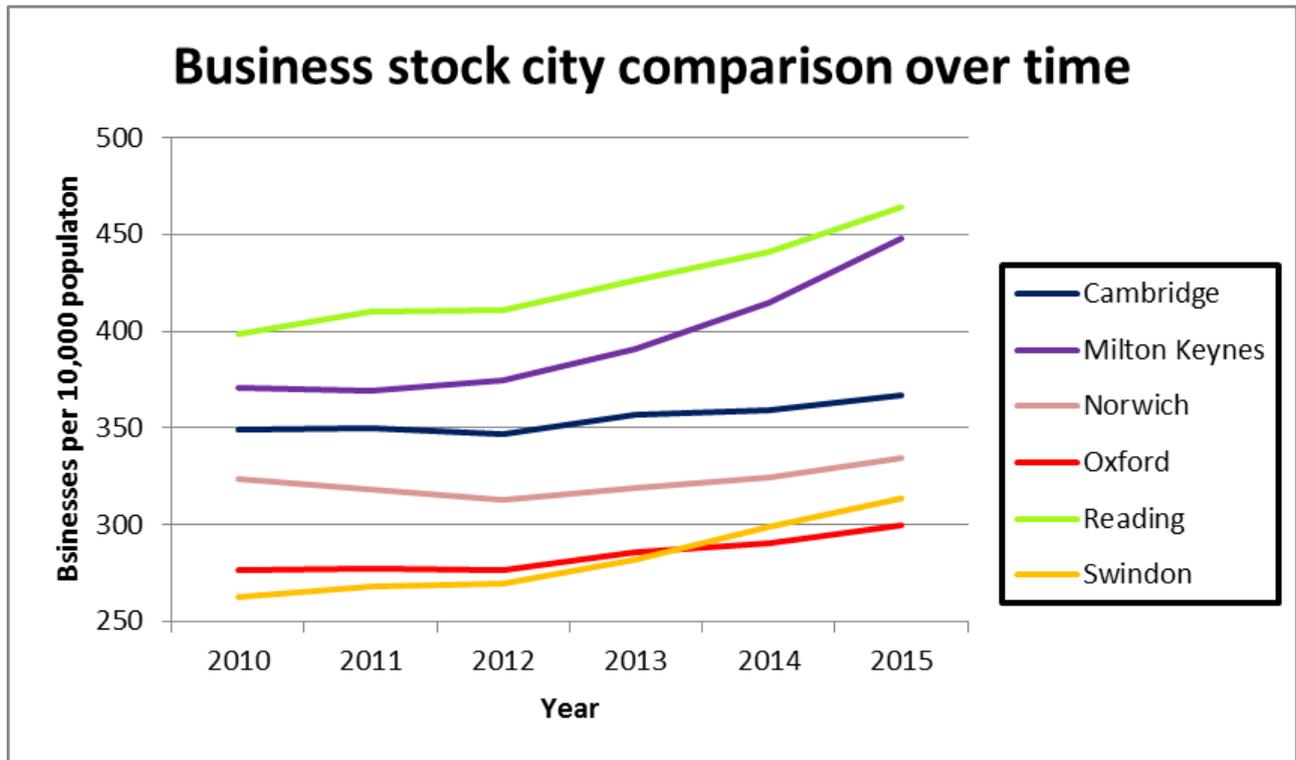


Figure 17: Centre for Cities Data Tool, data from BRES 2010-2016.

4.2 Key employers and sectors

Key Message: Less than 50 employers across Oxford are estimated to provide around 70,000 jobs in the city, over half the employee jobs within the city of Oxford. However, c54,000 of that total are

public sector workers within the universities, health service and local government. That leaves circa 16,000 in the private sector across around 33 private businesses with several growing medium businesses (see figure 13, page 19).

Taking this point further, it means that around 60,000 additional jobs are provided by the remaining 4,800 enterprises based in the city.

A list of employers is detailed in Appendix 1 for information.

Oxford's Sector Mix

Figure 18 below highlights the location quotients of sectors in Oxford, anything above 1, has above national average employee numbers in the sector locally. The dominance of education at over 3 times the national average is striking as is ICT and health employment. Construction and professional, scientific and technical services also feature at national average or above. Tourism and hospitality related sectors also feature well as do creative related sectors.

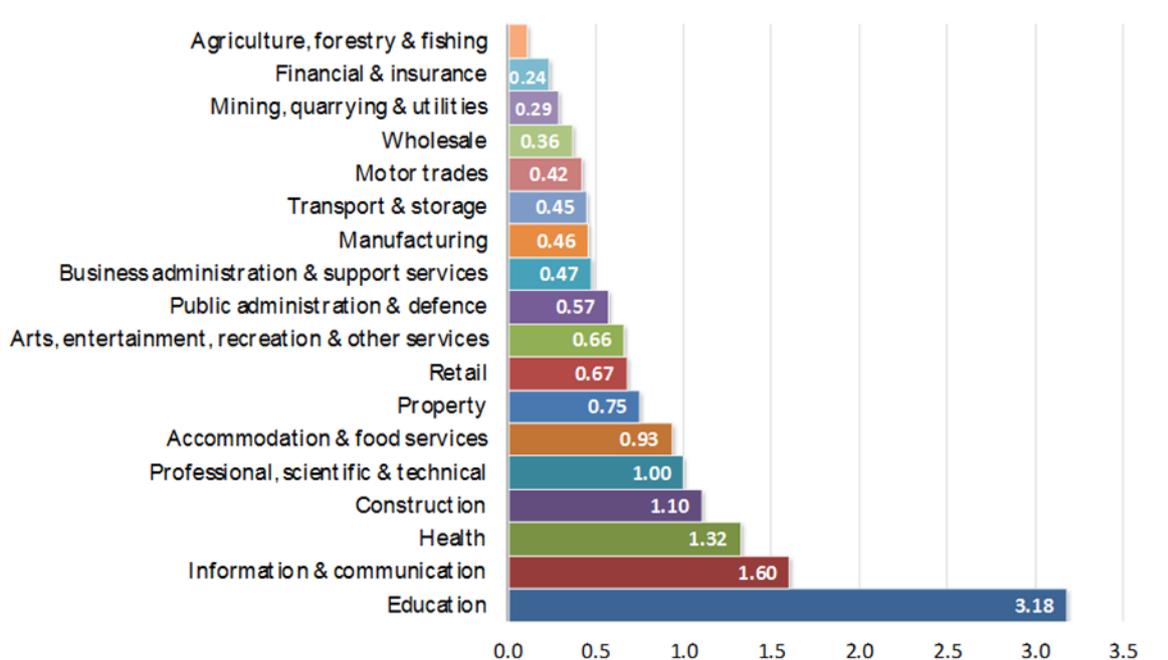


Figure 18: Location Quotients by SIC Sector, Oxford City Council using, BRES, ONS 2016

Higher Education: In 2016, 42,700 students (graduate and postgraduate) attended the city's two Universities with 28,620 undergraduates. Higher education in Oxford accounts for approximately 21,800 jobs, or 19.6% of total employment. The University of Oxford is world renowned and ranked first in the Times Higher Education latest global league table in 2018. Oxford Brookes University is regularly ranked as the best new university in the country, and has earned recognition for the quality of a number of its teaching areas, including: architecture, publishing real estate and hotel management, automotive engineering and computer science. With the unique importance of higher education made clear in Oxford, the impact on the University of Oxford is considered in more detail the next section on major companies/employers.

Bio-tech: Oxford is a major centre for teaching hospitals and home to a cluster of acute and specialist medical organisations which together employ around 14,000 people, or 13% of the total workforce, supporting 2,700 jobs. These assets align closely with healthcare research undertaken at the universities.

The health sector is a catalyst for the region's biotechnology sector. Research by Bidwells and Letscellit in 2015 identified 233 bio-tech companies, considerably more than the 163 identified by Oxford Bio-technology network in 2011. Since December 2014 ten firms have identified over £1Bn in investment. Oxford has numerous strengths in subsectors including drug discovery and development, diagnostics, medical technology and imaging. There are an estimated 7,500 jobs in biotechnology sub-sectors in Oxfordshire. Key companies locally include Oxford Nanopore, Oxford Biomedica, Immunocore, Genzyme, and Sharpe Europe.

Vehicle manufacturing: Oxford sits within of a £9bn automotive cluster, dubbed 'Motorsport Valley' and covering Oxfordshire and the Midlands¹⁷. BMW Mini is a major industrial employer and Plant Oxford accounts for nearly half of citywide industrial space. According to BMW, 80% of Minis manufactured at its Cowley plant are exported, playing an important role in the UK's balance of trade.

Since production of new MINI started in 2001, nearly 3 million cars have been made at Plant Oxford. The plant's heritage spans 100 years of automotive manufacturing history, and the Cowley site has become a landmark in the city. BMW, have invested over £1.5 billion in the car plant in Oxford over the past ten years.

BMW Mini is a major part of the UK vehicle manufacturing success story that has seen a turnaround in the fortunes of UK Vehicles production and exporting. Three plants across the UK have a part to play in MINI production - Plant Swindon where body panels and some assemblies are made, Plant Hams Hall which produces petrol engines and Plant Oxford, the heart of MINI, where all the parts are brought together and where the finished car rolls off the production line. There are 4,500 associates currently employed at Plant Oxford. Plant Swindon and Hams Hall together employ around 1,600 people. Between 2012 and 2015 BMW Group invested a further £750 million in its Oxford, Swindon and Hams Hall plants taking investment in UK production to £1.75 billion since 2000. There are approximately 4,000 different parts supplied to Plant Oxford for the production of the MINI. The recent announcement that the electric model MINI will be manufactured in the UK was positive news given doubts raised about vehicle manufacture post referendum.

Three Formula 1 teams are also based within the county. This cutting edge expertise is supported by 4,000 high performance engineering companies in the wider area, providing a range of specialist offerings that enable those engaged in motorsport to compete effectively on the world stage.

The University of Oxford and Oxford Brookes University provide around 2,000 1st and Higher Degree qualifiers in science and technology based subjects. Oxford Brookes University delivers a range of degrees in automotive and motorsport technologies in a £9 million purpose-built Engineering Centre.

Digital and creative (including publishing): There are an estimated 21,000 people employed in digital related sectors in Oxfordshire¹⁸. The larger companies in this sector include Sharp Laboratories of Europe, Oxford Instruments, Sophos and Nominet. There are around 3,000 creative and digital sector businesses in Oxfordshire generating some £1.4bn annually. Notable sub-sectors include cyber security, big data/high

¹⁷ <http://www.the-mia.com/The-Industry/The-Industry>

¹⁸ Digital Oxford 2015

performance computing, digital publishing and the digital gaming industry. Of Oxford's top 100 employers alone, there are 5 publishers and 3 media and or communications businesses.

Amongst the leading gaming companies in Oxford are Rebellion. Natural Motion was founded as a spin-out from the University of Oxford receiving support from Isis Innovation, but has recently relocated away from the city. The company was earlier acquired by social network gaming company Zynga for \$527m and now employs 300 people, 150 of which were based in Oxford. Rebellion is one of Europe's largest independent game developers.

Oxford is the largest centre of publishing in the UK outside of London. The city houses more than 100 publishing businesses providing over 3,500 jobs. There are a number of other significant firms working in both academic and mainstream publishing in a variety of sectors. Oxford University Press (employs 6,000 employees worldwide of which 1,800 are based in Oxford), the university's official printer, is a global leader in academic and research publishing. Other significant firms include Pearson Education, Wiley, Blackwell Macmillan, Elsevier, Osprey Hart, Lion Hudson and the regional headquarters for Newsquest.

Reflecting the importance of this sector, Oxford Brookes University has developed a focus on publishing, housing the Oxford International Centre for Publishing Studies and has research expertise in digital gaming and testing of computer systems.

Tourism Sector:

Oxford is famed for its university heritage, and has numerous other attractions (many of which are linked to the university), including the Ashmolean Museum, Pitt Rivers Museum, University Museum of Natural History, University Botanic Gardens, Sheldonian Theatre, and Holywell Music Rooms. Oxford is the seventh most visited city in the UK by international visitors and tourism gateway to the rest of Oxfordshire.

It is estimated that Oxford welcomed 7 million domestic and overseas visitors in 2016, who contributed £832m of value to the local economy (indirect and induced multipliers). Tourism spending supported 11.3% of the workforce, with over 14,328 tourism related jobs (10,200 FTE), an increase in job numbers from the previous year¹⁹. The growth in visitor footfall has been boosted by the £500m [Westgate Centre](#), opened in October 2017 offering 100 new retailers, creating 3,400 jobs. It clearly broadens Oxford's appeal to a range of visitors.

Oxford is also gateway to a wider county offering including attractions such as Henley-on-Thames – home to the Henley Festival, the UNESCO World Heritage listed Blenheim Palace, and Bicester Village. [Experience Oxfordshire](#) – the visitor promotion and destination management organisation for the city and county provides additional insight and services for the Visitor Economy Sector

Professional and business services sector: In a city with such a diverse business base, it can be overlooked that Oxford has significant capability as a professional and business service headquarters location; located centrally to the UK market, close to national road connections, and benefitting from significant investment in rail locally. Oxford Business Park includes a number of business service companies. Centrica (British Gas Business) in Oxford is one practical example.

The following activities employ over 10,000 people in the city:

¹⁹ Economic Impact of Tourism Oxford 2015 – Destination Research

- Consultancy
- financial
- insurance
- real estate
- legal
- advertising
- administrative and information services.

Moreover, these firms contribute more widely to the success of the local economy by providing competitive and locally available skills and services to other businesses sectors. The major professional firms, such as legal and accountancy, are positioned to provide a lower cost base than London practices as well as compete for local business. Oxford is also home to large companies in specialist sectors including market research, social and economic policy. Firms including A.C. Nielsen SPA Future Thinking, Oxford Economics and Oxford Policy Management and OPP are among many that demonstrate the specialist knowledge base available in the area.

Oxford has a diverse and resilient retail centre with a strong and viable retail offer demonstrated by high occupier demand, which is reflected in high rents and low vacancy rates. A 2016 study by Carter Jonas estimated that the City centre has a total of 106,500m² of retail and service floor space in 420 outlets, evenly split between retail and service space (48,000m² of retail floor space and 49,000m² of service [predominantly financial and leisure] space) with 9,500m² of vacant space. The centre has recently been transformed with the re-opening of the Westgate Shopping Centre providing a further 80,000m² of retail and leisure space, complimenting a wide range of independent shops like Boswells, Silver and Payne, Shepherd and Woodward, The Covered Market and Gloucester Green market.

4.3 Job density (2015)

Key message: Oxford has a high job density, increasing in recent years, which highlights the city's growing role as an important employment hub and its sustainable location for job and housing growth.

Figures 19 and 20 below show job density, which is a measure of the level of jobs per resident of working age (aged 16-64). For example a job density of 1.0 would mean that there is one job for every resident aged 16-64. Oxford has a very high density²⁰ level of 1.17 with more than one job for every resident of working age, which shows the high concentration of jobs within the city as compared to Oxfordshire (0.96) as a whole; and well above both the regional (0.86) and national level (0.83). This demonstrates the job creation potential of the city which clearly shows the importance of Oxford as a centre for employment, and its role in serving the wider area.

²⁰ ONS jobs density 2015

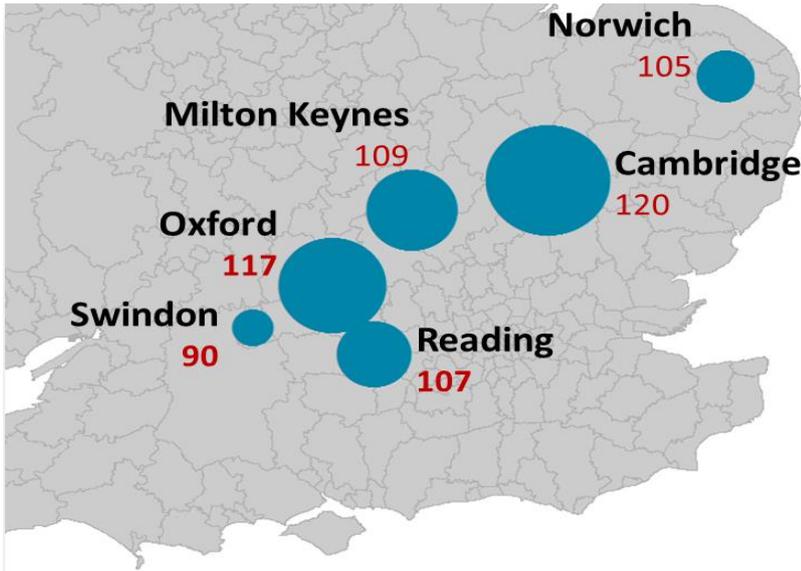


Figure 19 – Job Density against comparable cities, ONS 2016

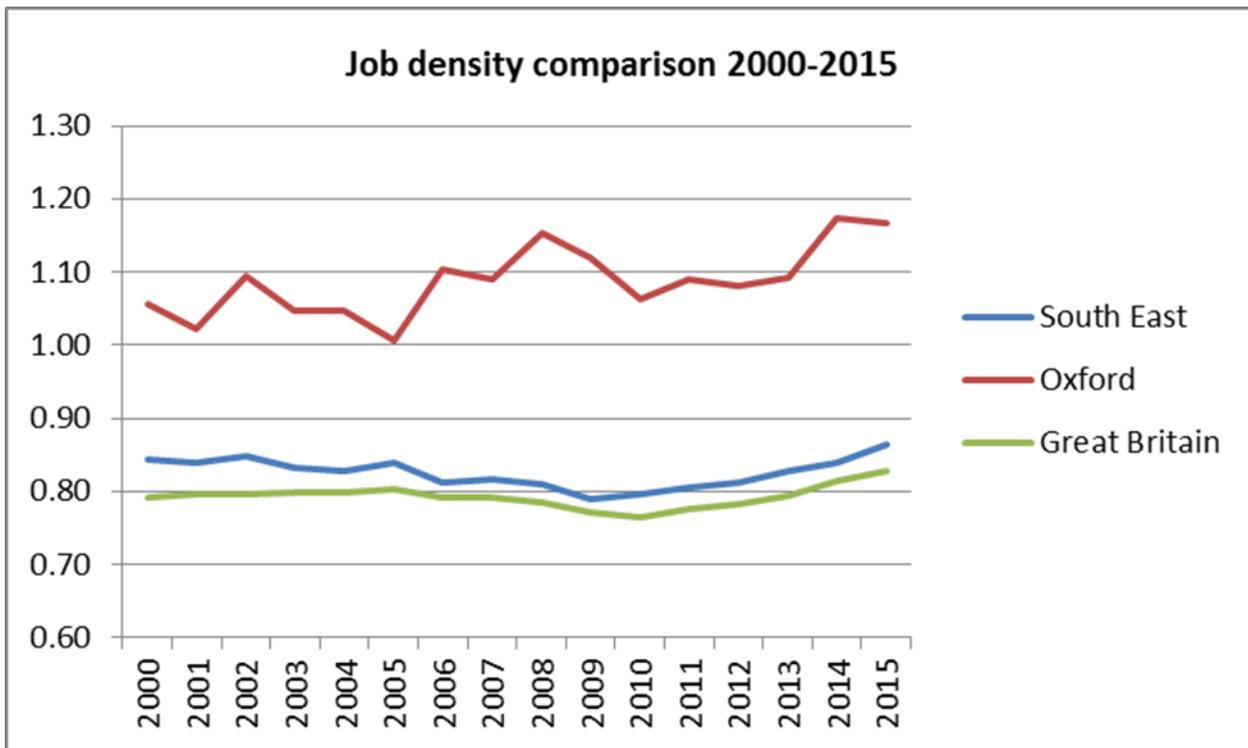


Figure 20: Job density comparison, ONS Job Density 2015 (released 2016)

4.4 Entrepreneurship and University Spin-outs

Key Message: Oxford has a lower number of start-ups per 10,000 population than comparator cities (figure 21 below). This would partly explain the lower number of businesses with 0-4 employees. Looking at the business closure measure per 10,000 (figure 22 below) across the same cities, Oxford has the lowest number of closures. The year 1 survival rate for new businesses is Year 1 business start-up survival in Oxford is 92.4%, roughly in line with UK average.

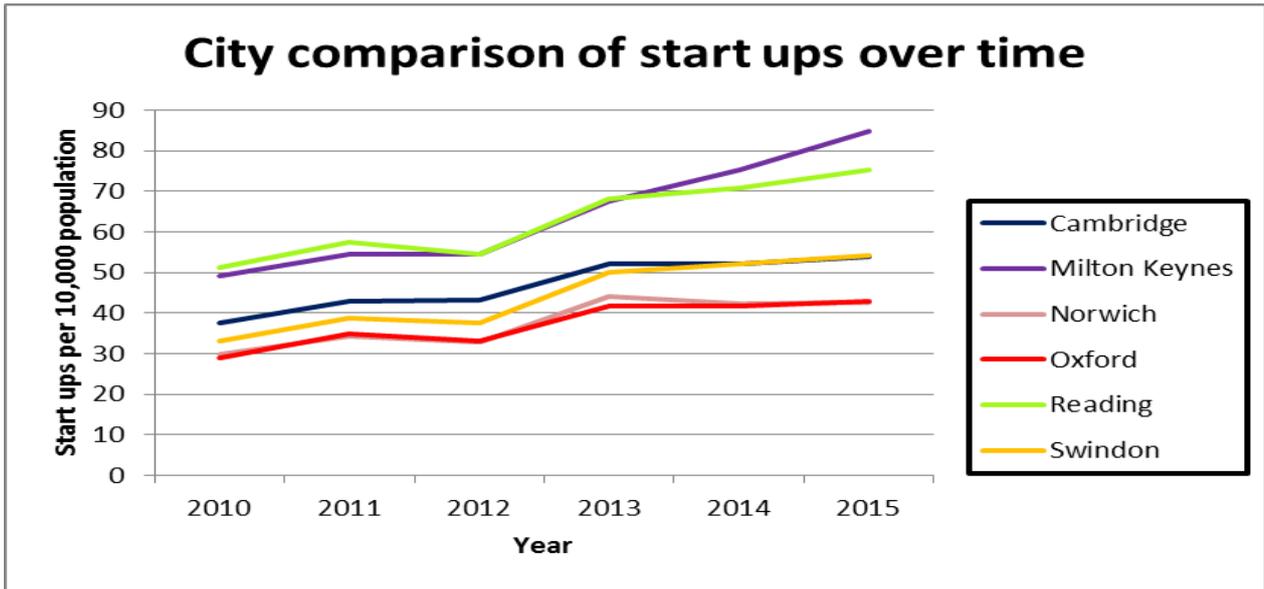


Figure 21: City Centre data tool, data on start-ups from ONS Business Demography, 2016

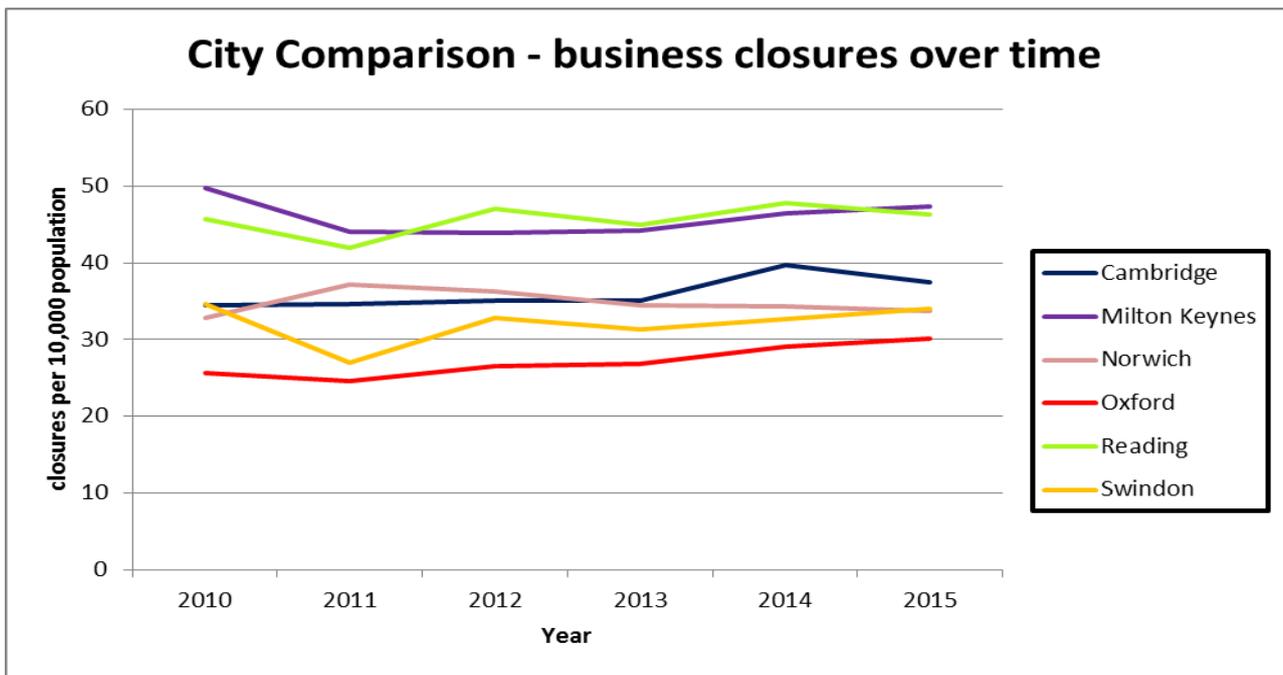


Figure 22: City Centre data tool, data on closures from ONS Business Demography, 2016

The Business Churn rate highlights the difference between business start-ups and business closures as a percentage of the total number of businesses in the city (figure 23 below). Here it can be seen that Oxford is level with Cambridge with a churn rate of 4.28. Generally, it can be seen that the number of deaths correlates to the number of start-ups. There is more churn in Milton Keynes for example, with both high start-ups and deaths rates.

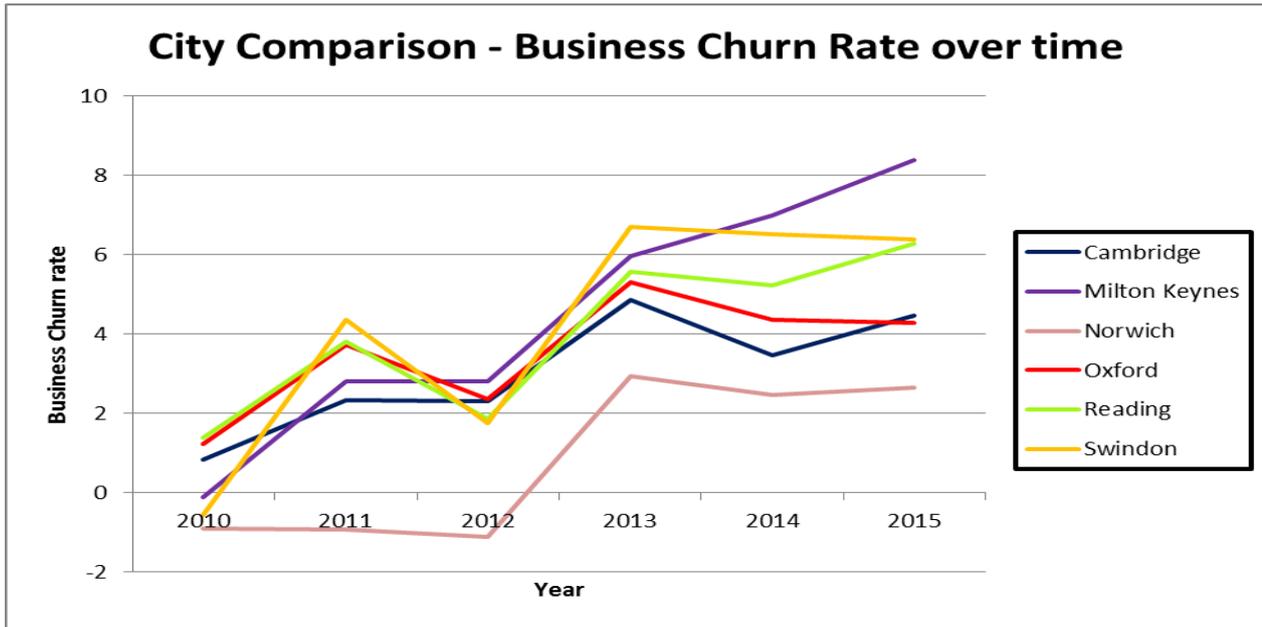


Figure 23: City Centre data tool, data on churn from ONS Business Demography, 2016

4.5 Spin-outs

Where Oxford stands out from its competitors is the acceleration in creation of ‘high growth potential’ spin-outs from academic researchers and student entrepreneurship. In 2016, Oxford University Innovations was responsible for creating 24 companies with a combined £52.6m in early-stage funding last year – setting a company generation record not just for the university or the UK, but also Europe. Newly formed Oxford Science Innovations (OSI) provided £30m of the total investment amount, underlining the university venturing fund’s importance to Oxford’s ecosystem. Indeed, the money marks a quadrupling of investments for spinouts, up from £9.5m in 2015, when OSI supplied £4.45m. They have a capital fund of £580m. Of those 24 new companies, 21 were spinouts, a significant increase over 2015 when OUI generated 10 spinouts. The commercialisation office, meanwhile, also boosted the number of licences sold to 115 and patents filed to 118. These cover a range of fields from aeronautics to big data and virtual reality to regenerative medicine and wireless energy transfer. OUI is expected to produce an even more diverse set in future by tapping into departments including humanities and social sciences.

4.6 Productivity and Output

Key message: Oxford total GVA is £7.34bn, the seventh highest per worker of all English cities. It is at a very similar overall level to Swindon and higher than Cambridge and Norwich.

Comparing against other high performing cities, Oxford has relatively high GVA per worker of £60,161 (7th of 62 UK all UK cities)²¹, albeit not reaching the levels of the most productive cities such as Milton Keynes and Reading, 5th and 3rd in the UK respectively (note figure 24).

Another source puts Oxfordshire at the top of a list of most innovative areas. The research showed for example that 27% of respondents had engaged in product or service innovation in Oxfordshire from 2010-2012, more than all other areas. Gloucestershire was second with 26%, Cambridge on 24% and London on 17%. Notably Oxfordshire was top on 4 of 5 innovation measures, also including collaboration, process innovation, and R&D²².

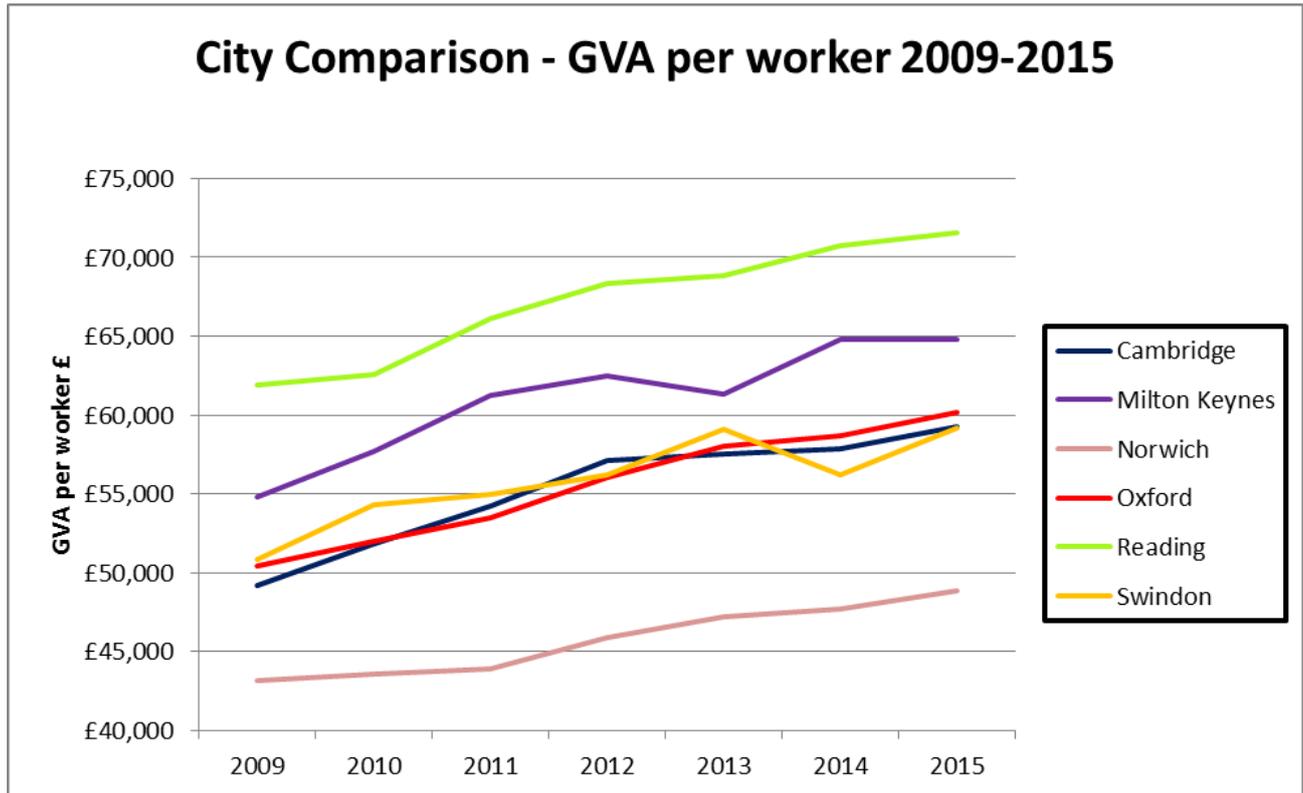


Figure 24: GVA per worker Source: Centre for Cities Data Tool, ONS 2016

Figure 25 below highlights the data for patent applications recorded in 2015. As one measure of propensity to innovate within a local area, this does suggest Oxford is lagging behind its rival Cambridge, whilst still being above the other comparable cities. Yet, the data only records applications, not acceptance, or level of commercialisation.

²¹ Centre for Cities, 2017.

²² Benchmarking Local Innovation, the Innovation Geography of the UK, ERC, 2015.

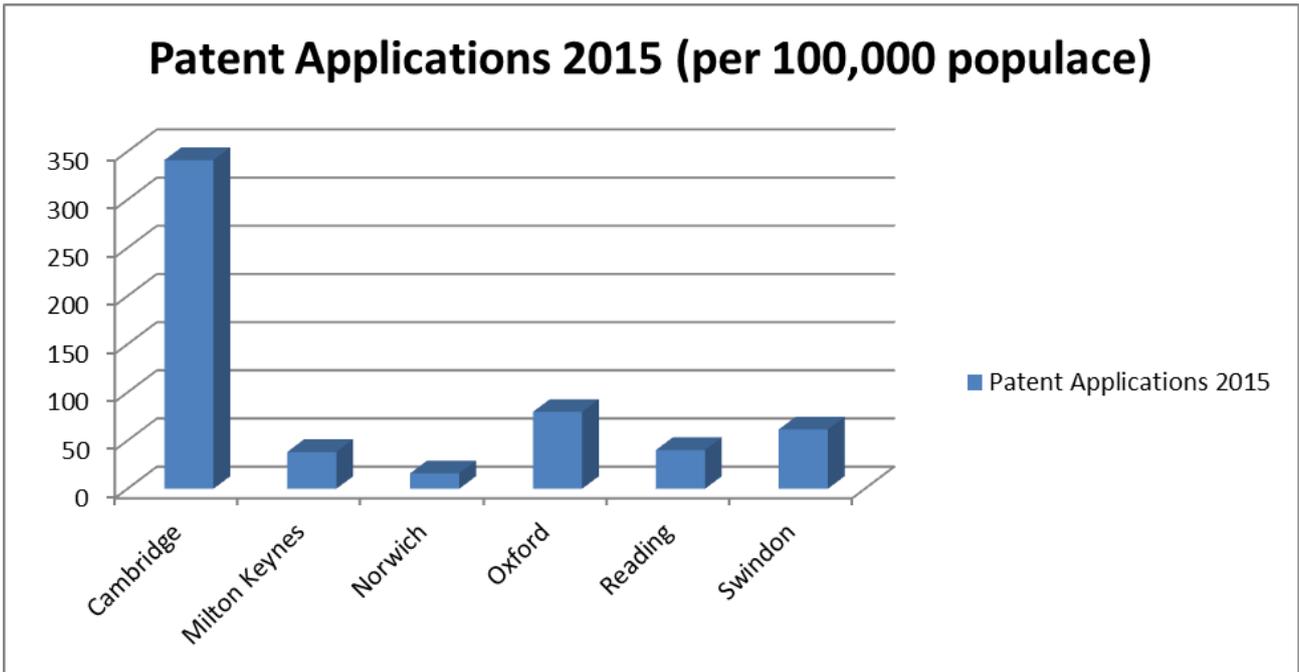


Figure 25, Patent Applications by city 2015, Source: Centre for Cities Data Tool

Key message: What stands out in a city with such a high proportion of public sector workers is the rapid increase in private sector employment over the last 6 years. In the last 6 years, Oxford’s growth of 19.3% (figure 26 below) is the highest of any place outside London. This is a positive structural trend and outstrips the comparator cities. It should be noted that private job growth in Oxford was more negligible in the last year (an increase of 300 jobs) so any signs of this trend plateauing or reversing should be monitored in future.

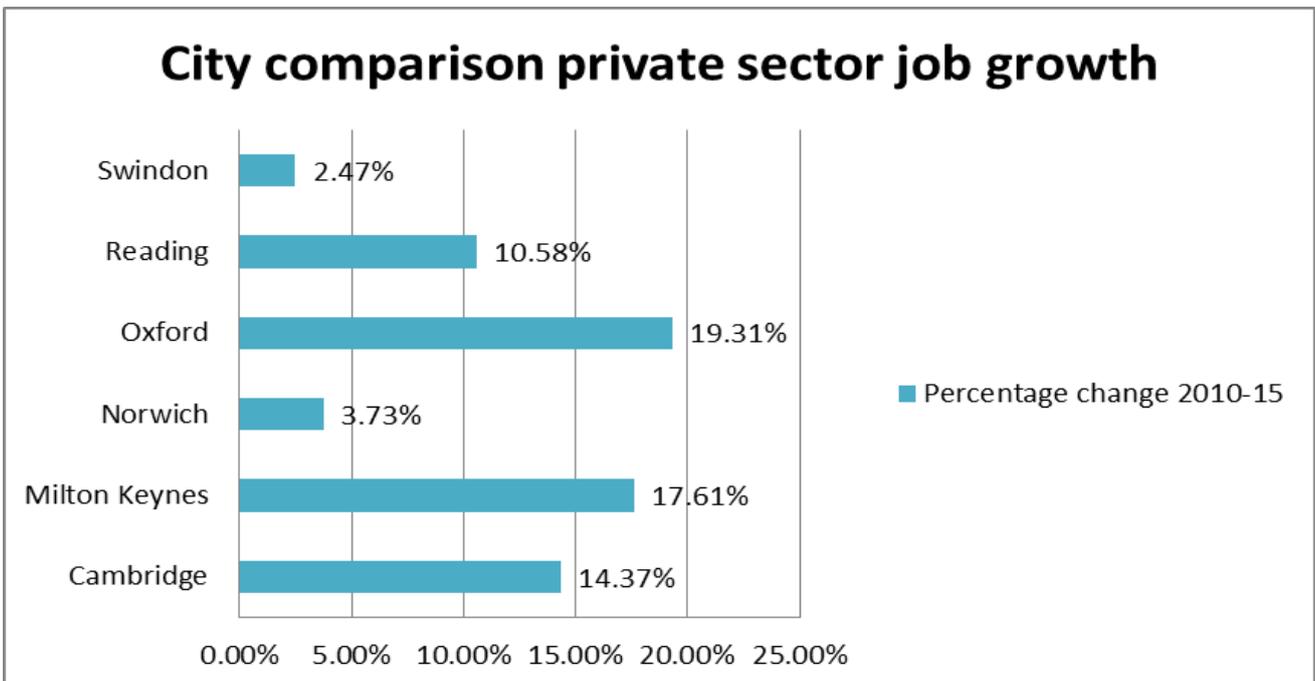


Figure 26, private sector job growth by city, BRES data and Centre for Cities Data Tool, 2010-2015

4.7 Published Reports on Oxford’s Economic Performance

A number of reports are released that aim to monitor the economic performance of places. Some of the highlights of this type of work as relates to Oxford are provided below:

- PWC Good Growth League – Oxford has ranked first for two years running. This survey ranks the importance of growth measures to survey respondents to provide a weighting against actual data
- Fast Growth Cities - The Fast Growth Cities group comprises of Cambridge, Oxford, Milton Keynes, Swindon and Norwich, some of the UK's most successful cities. These cities perform strongly on a range of economic indicators, including productivity and share of knowledge-based jobs
- Ten years of Tax – Oxford had the 4th highest tax increase from 2004-5 to 2014-15 of around 23%, only 15 of the 62 cities are producing more tax than their pre-recession peak.
- Irwin Mitchell UK Power House, 2017 – Oxford placed in the top 3 for GVA Growth
- Enterprise Research Centre – Oxfordshire top of all LEPs and other UK regions based on a survey of 5 innovation measures
- Lambert Smith Hampton Vitality Index – Oxford was ranked 5th in the index based on based on the analysis of 20 datasets, with each location ranked within six separate categories: most productive, fastest growing, most entrepreneurial, best educated, greenest and rising affluence. Oxford's relative position has declined in this index from 3rd a year earlier.

Oxford fares well in these surveys in terms of growth, although those such as LSH and Centre for Cities on growth do caution that Oxford's relative position could decline without significant investment in key supply factors such as commercial property, housing, infrastructure and skills to enable continued growth at levels achieved previously.

4.8 Oxford Innovation Eco-system and Smart Oxford

Oxford is world-renowned for its academic excellence, innovative business culture and for the quality of its built and natural environment. The city and county is one of the best-performing and most innovative areas in England and has unique assets to support growth in the national economy^{23,24}. The Oxfordshire Innovation Engine Report (2016) commissioned by the OxLEP and the University of Oxford recognised the important role that the city plays in innovation and as the engine for growth within the local economy. The consultants SQW have highlighted that 'Oxford is the service centre for the wider economy, it has the fastest growing, best educated workforce and it is the main centre of research and spin-outs in the County.'

Oxfordshire supports an internationally recognised cluster of 'big science' and research facilities, over 1,500 high tech businesses, and a highly skilled workforce. Underpinning Oxfordshire's strong economy and labour market is the area's very particular strengths in higher education and research. This is seen in the county's ability to lead on at least six, and capacity in all, of the 'eight great technologies' identified by Government: big data, space, robotics, synthetic biology, regenerative medicine, advanced materials, agricultural technologies, and energy storage. The

²³ Oxfordshire Innovation Strategy Consultation Draft, 2016

²⁴ Enterprise Research Centre

assets and characteristics of the Oxfordshire high tech economy have been extensively described, notably in The Oxfordshire Innovation Engine report of 2016, and offer huge opportunities for business growth.

4.9 Understanding the Ecosystem

Prioritising and selecting what we do based on a deeper understanding of our strengths

A great deal of work has already been done to better understand elements of the special innovation ecosystem that drives Oxfordshire's economy. These include the Oxford Innovation Engine Report, Invest in Oxfordshire Sector Analyses, and the NESTA network analysis. The aim is to develop an even deeper understanding in order to make sensible evidence-based interventions. A more comprehensive view across the range of innovation activities in Oxfordshire will allow us to provide better support interventions for those areas that are underdeveloped, while also identifying synergies and opportunities for interactions and convergence across disciplines.

Oxfordshire is remarkable for the sheer range of scientific disciplines and business sectors in which there is real strength and depth. Innovation frequently occurs as a result of bridging between different sectors, often as a result of serendipitous interactions. The very richness of the ecosystem underpins an opportunity for innovation that very few places can replicate, while also emphasising the complexity and importance of better understanding our own strengths.

Oxfordshire's Second wave Science and Innovation Audit will highlight our local and regional strengths in areas such as: "Digital Health", "Space-led Data Applications", "Autonomous Vehicles" and "Technologies underpinning quantum computing". There are a wide range of other science and innovation areas that a larger scale audit programme would allow examination of. It should be emphasised that the four areas outlined for the Science and Innovation Audit Programme are not "priorities", but rather four areas of strength among many possibilities that were chosen for this particular audit submission. These four areas -- while distinct -- have significant overlap and points of intersection both locally and nationally, and share a common need to develop connectivity into complementary communities beyond the region and their specific technology sectors.

Oxford's bid to be the European Capital of Innovation Award 2016 was unsuccessful despite reaching the final, but the process of putting the bid together was of great value. All parties involved in pursuing and promoting innovation in Oxfordshire provided input to the bid, and for the first time the breadth of Oxfordshire's innovation eco-system was observed. The bid itself has provided complementary material to OxLEP's new Innovation Strategy and a basis for future activity.

Oxfordshire's innovation landscape is ever-changing; as our strengths and capabilities evolve over time, there is an ongoing need to understand the ecosystem and its effectiveness. Going forward, city and county partners will look for opportunities to collaborate with other groups interested in gathering data both within and outside of Oxfordshire, to learn from to other ecosystems.

4.10 Smart Oxford

The Smart Cities concept has been adopted by multiple cities worldwide. Smart City initiatives aim to improve the management of urban environments through the use of information technology, and the collection, processing, and integration of data across services (for example, transport, healthcare, and energy services). Smart Cities are about making places more ‘liveable’, and enabling every citizen to engage with all the services on offer, public as well as private, in a way best suited to his or her needs.

The characteristics of our natural and built environment combined with the strength of our research and innovation base make Oxford and Oxfordshire an ideal location and testbed for Smart City initiatives. Oxford is a relatively small city, enclosed by rivers and a greenbelt, but within this compact landscape can be found many of the same challenges of a larger city such as environmental, transportation, social and housing problem. But we also have the capacity and capability to develop, test and deploy the technologies that can help address them. In the context of Smart Cities, these challenges become opportunities to use the city as a testbed for new innovations to improve the quality of life for Oxford and the region.

Significant progress has already been made through initiatives such as the [Smart Oxford](#) project, a partnership which brings together representatives from the City and County Councils, Oxford Brookes University, University of Oxford, the LEP, Nominet, Lucy Group and other sectors. The brand ‘SMART Oxford’ recognises Oxford as a centre for developing products and services that use Big Data, Internet of Things, and Robotics. Specific strength lies in autonomous vehicles, digital health and mobile energy. A number of projects have been launched across a range of topics including transport (e.g. Oxbotica), environment (e.g. Oxford Flood Network), energy, broadband and digital.

By capitalising on our research base and engaging innovators and the community, we have the potential to become a leading example for Smart City worldwide. Furthermore, through Smart City projects, we have the potential to realise significant benefits for our local authorities, businesses, and citizens.



A recent survey found that [96% of people in the UK](#) are unaware of a single smart city initiative being run where they live.

With this in mind the Smart Oxford Competition will be launched in March 2017 to find and commission a smart city project that will engage with the wider community and promote Smart Oxford and smart city solutions and bring community engagement and support into our aspirations for Oxford as a Smart City.

4.11 Innovation spaces and serviced start-up and grow-on space audits

In late 2016, OxLEP commissioned SQW to do an audit of innovation related workspace including labs, offices and co-working. Some of the high level findings are below;

- The study identified 48 innovation spaces in Oxfordshire, including 35 existing and 13 planned. This includes five existing science/technology parks and two more planned
- In addition, they identified 11 managed offices, including five in Oxford, and various accelerator programmes with no fixed physical facilities
- The number and diversity of spaces is increasing rapidly – particularly within the city and Knowledge Spine, and in relation to co-working space and specialist facilities (e.g. Oxford Bio-escalator)
- They received responses from 20 out of 35 known innovation spaces, and from 11 out of 13 planned spaces - an overall response rate of 65%
- The most common type of new space planned to be provided is co-working office space
- 18 existing spaces provide a total of **40,185 sqm, 498 units and 177 hot desks**
- In addition 8 of the planned new spaces will offer a total of **12,750 sqm**
- There is evidence of strong demand. Three quarters of respondents had occupancy rates of 80% or above for the last six months, with over half at 90% or above. 10 existing spaces have waiting lists
- Turnover is low: 85% of respondents reported that 12% or less of net lettable space would become available in a typical year.
- This highlighted a need for grow-on space to help move companies on and create space for newer companies. A need for more wet lab, specialist workshop and city centre space was also identified.

VSL & Partners completed complementary research in early 2017 which audited serviced space of all types. The key findings are based on the key figures rather than the analysis of the innovation offering.

- 42 different centres identified throughout Oxfordshire and a total 502,000 sqft space recorded
- 15 serviced office/innovation centres in and around Oxford providing a total of 226,000 sqft of space
- 27 serviced/innovation centres in the rest of Oxfordshire providing a total of 276,000 sqft of space.

The largest providers of serviced office/innovation centre space as follows:-

- Oxford Innovation – 110,000 sqft within 7 centres
- Magdalen Centre, The Oxford Science Park – 72,000 sqft of space within 3 buildings

- Clarendon Business Centres – 54,000 sqft. Space within 4 centres
- 25 centres who we contacted reported occupancy levels of between 85-100% with an average occupancy rate of 92.7%.
- Charging rates varied dependent upon the type of accommodation and services provided. Serviced/innovation centres charging per desk space quoting anywhere from £100 - £375 per desk space per month on flexible three month leasing arrangements.
- Managed office facilities providing fewer services and slightly longer leases charged inclusive rents based on anywhere between £25.00 per sqft and £60.00 per sqft per annum inclusive of rent, rates and service charge. Most companies charged additionally for telecommunications and broadband.
- The average size of an innovation centre in Oxfordshire is 14,000 sqft. 11 centres are provided within prime/Grade A modern office space. 31 are provided in secondary office accommodation.
- There are 65,000 sqft of new serviced/innovation centres being provided in the 12 months.

5. People: Oxford's Workforce

5.1 Labour supply

In Oxford the number of residents economically active is 94,500²⁵, which expressed as a proportion of the total number of residents of working age is 84%, which very similar to Oxfordshire (83.1%) but higher than the South-East (81%) and England (78%). The proportion of people self-employed in Oxford (12.0%) is slightly less than Oxfordshire (12.8%) and does largely reflect the number of medium and large firms based in Oxford (see figure 27 below); but is similar to the South-East (12.3%) and higher than England (10.6%) as a whole.

²⁵ ONS Annual Population Survey – Aug 2016- Sept 2017

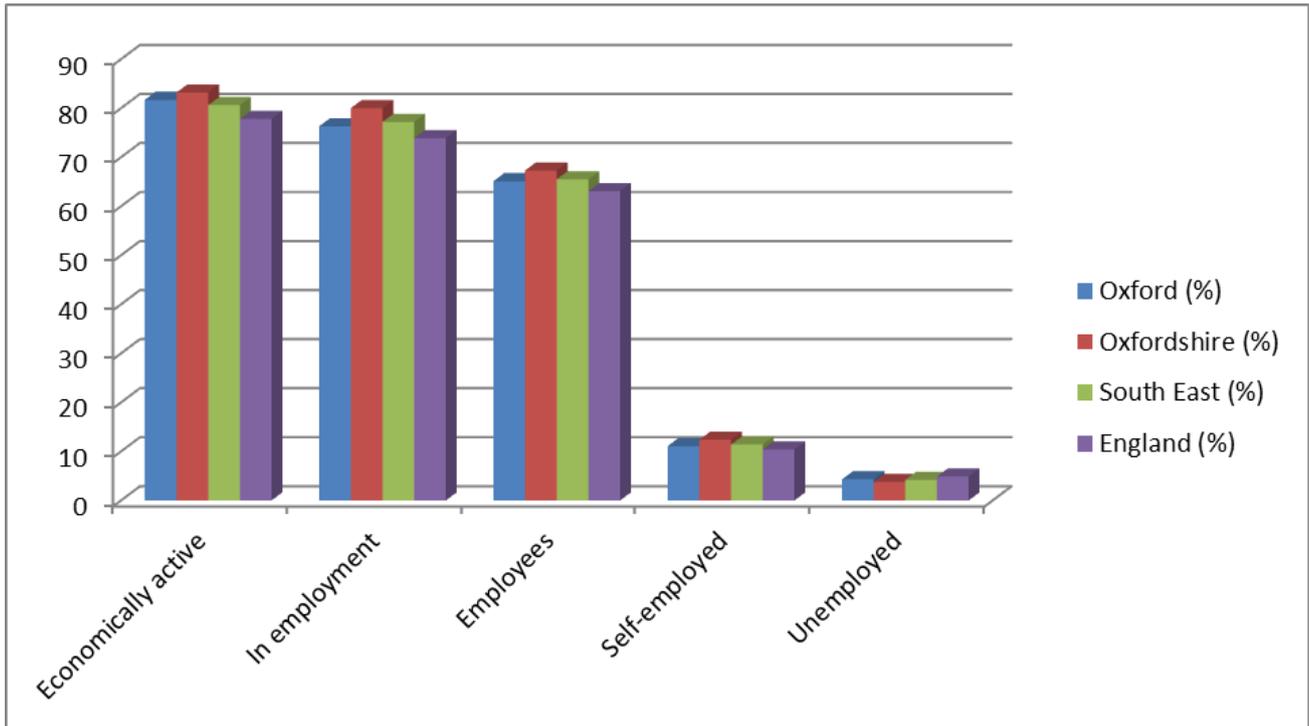


Figure 27, Employment comparisons, ONS Annual Population Survey 2015 (Sep 15 to Oct 16)

5.2 Earnings by residents and workers

Key message: The average weekly earnings for Oxford’s workforce is higher than that of the South East and nationally.

In 2017, the average (median) gross weekly earnings for residents²⁶ in Oxford was £631.6, which is similar to Oxfordshire and £34 higher than the South-East, £79 higher than those for GB as a whole.

In 2017, the average (median) gross weekly earnings for residents in Oxford was £632, which is the same for Oxfordshire as a whole but is £35 higher than the South-East and £79 higher than for England as a whole.

The contribution of Oxford’s workforce to the national economy is highlighted in The Oxford Profile 2016²⁷ 8th for annual full-time earnings (£30,400).

²⁶ ONS Annual survey of hours and earnings – residents analysis 2016

²⁷ Oxford Profile 2016: Summary of key facts about Oxford (Oxford City Council)

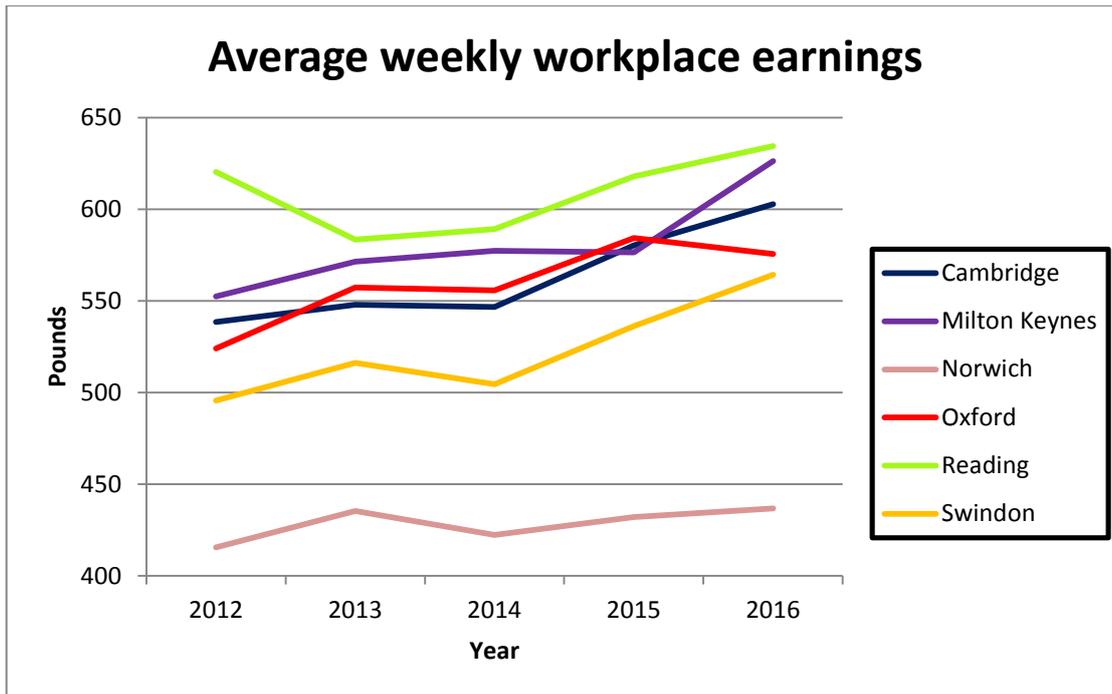


Figure 28, ASHE, 2012-2016, adapted from Centre for Cities Data Tool

Key message: The average weekly workplace earnings in the graph above assess Oxford against comparable cities. Oxford’s earnings have increased in recent years but is still below both Cambridge and Milton Keynes. It is now only slightly higher than Swindon but significantly higher than Norwich. Reading has however consistently had the highest earnings of all comparable cities.

5.3 Qualifications

Key message: Oxford has a high proportion of the population that is qualified to a high level, alongside Cambridge. But this does mask the areas of the city where people have low or no qualifications and the poor performance of the Oxford’s state schools.

The Annual Population Survey 2015 (Figure 29 below) shows that 63% of the working age population are qualified to at least NVQ4 level (HND, degree and higher degree qualifications or equivalent) and above, which is higher than Oxfordshire (52%) and significantly higher than the South East (40%) and England (37%). This shows that the local labour force in Oxford is highly qualified reflecting the importance within the city of ‘knowledge-intensive businesses’. But conversely these broad figures do mask the challenges faced within the city particularly in the ‘pockets’ of deprivation which include significant numbers of people with no qualifications. In addition the attainment in state schools within the city is below the national average with GCSE attainment ranking Oxford 30th out of 54 cities according to the Oxford Profile 2016.²⁸

²⁸ Oxford Profile 2016: Summary of key facts about Oxford (Oxford City Council)

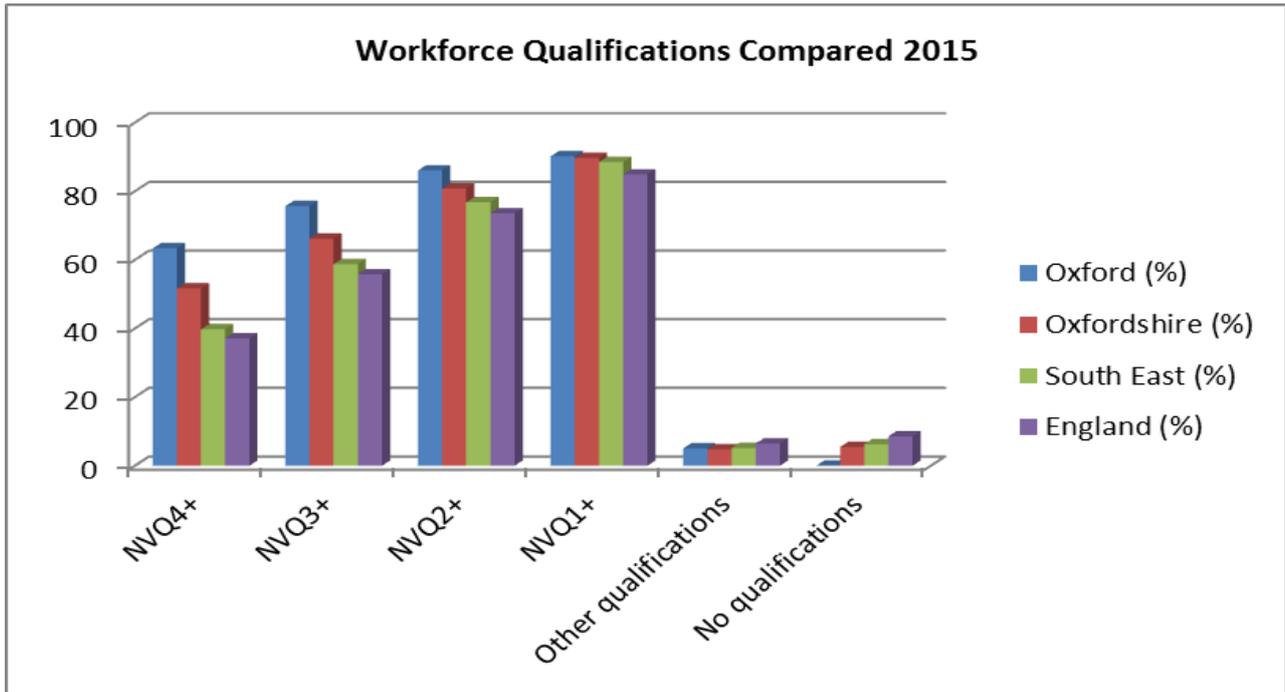


Figure 29: ONS Annual population survey 2015 (Jan – Dec 2015) one sample size too small for reliable estimate

Oxford was ranked 2nd, as compared to the 54 other cities in England, for the percentage (43%) of people within the city with degree-level qualifications. In overall terms Oxford has only 4% of the resident population in unemployment, being ranked 52nd. 22% of the population possesses no or low qualifications and is ranked 54th.

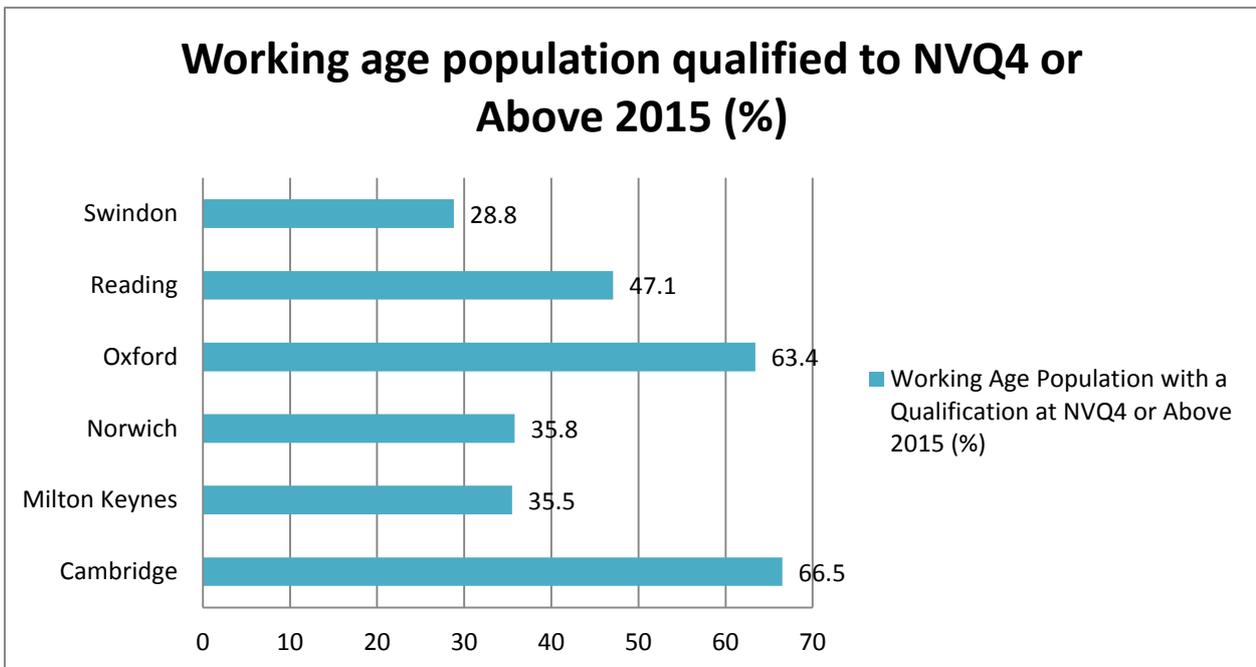


Figure 30, City comparison of highly qualified population, ONS Annual Population Survey

Figure 30 above shows that in 2015 Cambridge had the highest proportion of their working age population qualified to NVQ4 or above with 66.5%, followed closely by Oxford with 60.4% Reading had 47.1%, whilst

there is then a significant gap to the other cities (Norwich, Milton Keynes and Swindon) that had about a third of their population with higher qualifications.

5.4 Unemployment

Key message: The claimant count, figure 31 below assesses Oxford against comparable cities. This shows Oxford, like other places to have decreased to record lows, the second lowest of the comparable cities. The numbers of people making a claim for unemployment benefits in Oxford is 985²⁹, which represents 0.9% of the resident population of working age, which is slightly higher than Oxfordshire (0.6%) and comparable with the South-East (1.1%). The national level is however double at 1.8%.

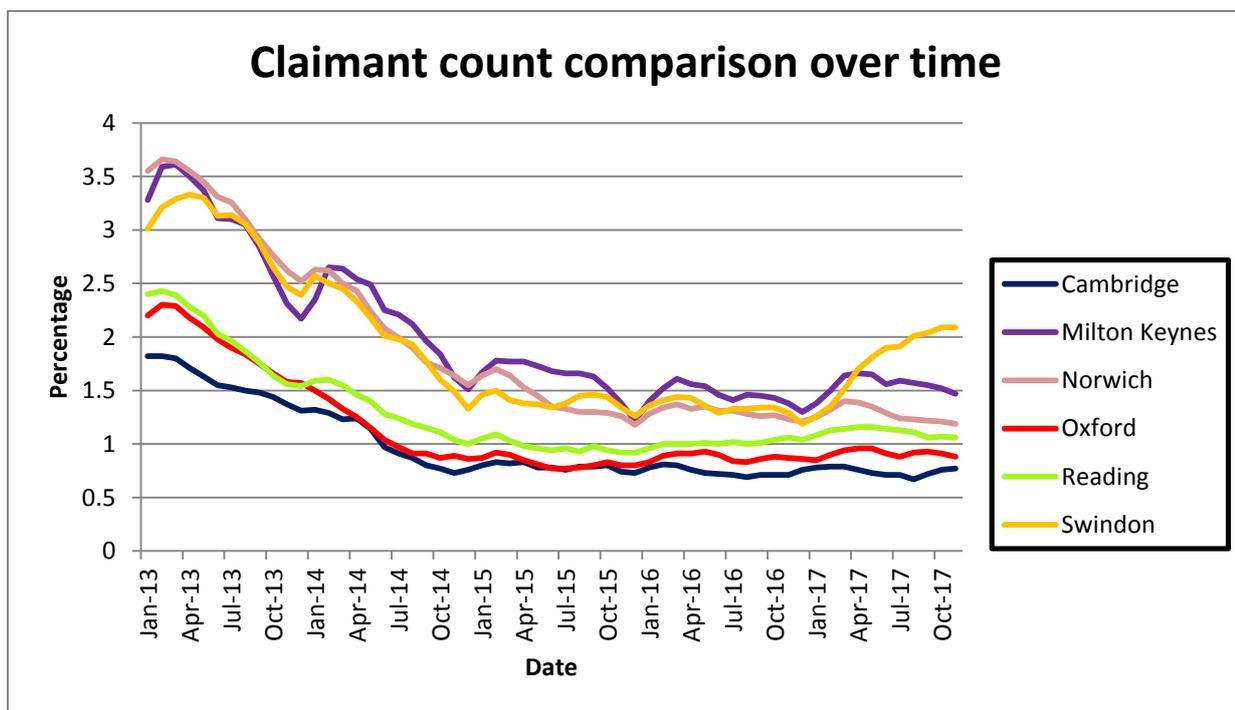


Figure 31: City comparison of claimant count over time, ONS, Centre for Cities Data Tool

Key message: Oxford has a lower level of ‘Main Employment Support Allowance’ claimants than the South-East and significantly lower than the national figure. The figure is higher in certain neighbourhoods.

The numbers of people of working age population within the city claiming ‘main out of work benefits, such as JSA and ESA, is however greater at 7,460³⁰ people; which in Oxford is 6.6%, compared to South East (8.3%) and GB (11.0%). These figures for the city as a whole do not reflect the spatial differences within Oxford which has ‘pockets’ of deprivation where 10 out of 83 neighbourhoods being amongst the 20% most deprived in England.

²⁹ ONS Claimant Count (January 2017)
³⁰ ONS Main Benefit Claimants (Nov 2016)

5.5 Educational attainment

Key message: Oxford has significantly lower state school educational attainment levels than Cambridge and Reading. Figure 32 below shows that of the comparable cities, Milton Keynes has the lowest percentage of pupils achieving 5 GCSEs but followed closely by Swindon, Oxford and Norwich. Cambridge has the highest proportion of pupils achieving this standard with Reading very closely behind.

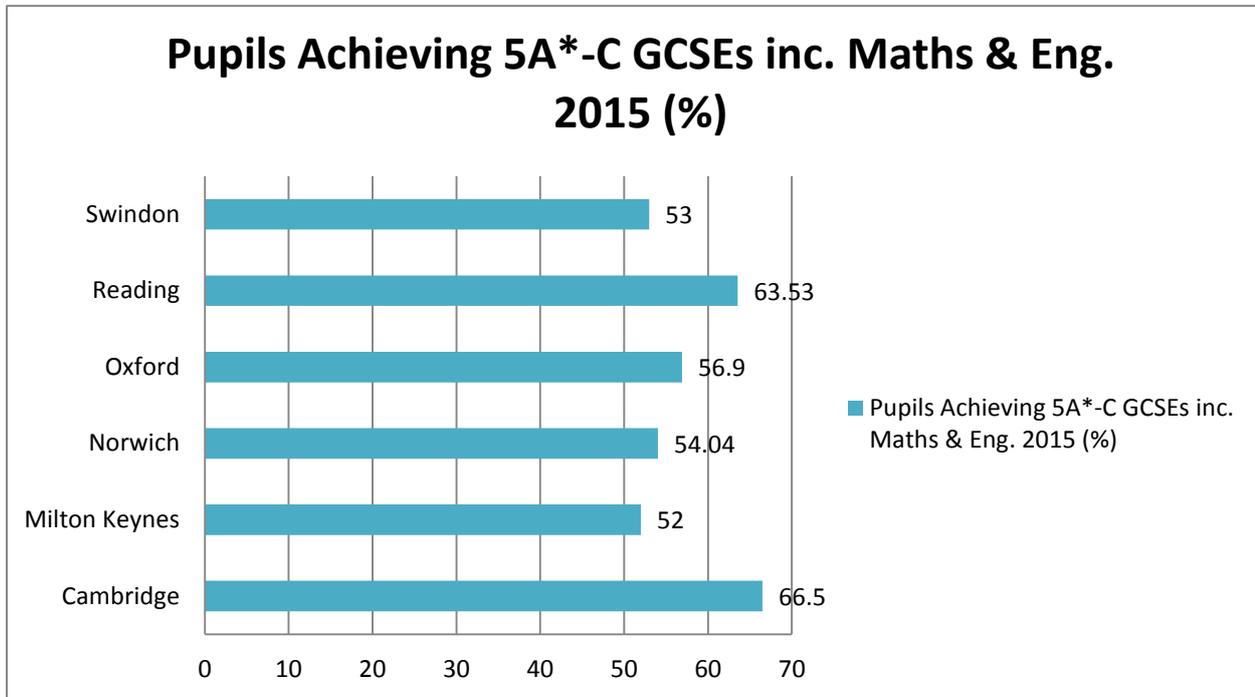


Figure 32, City Comparison of education attainment, Dept. for Education, 2015

6.0 Connectivity

6.1 Travel to work commuting patterns

Key message: Over ten years between 2001 and 2011 there has been an increase in the number of inbound commuters travelling from outside the district to work in Oxford by car for most of the journey. Within the city commutes made mainly by bicycle, on foot or by bus have all increased. More people commuting from Oxford to other destinations are travelling by train or bus than in 2001.

Oxfordshire County Council’s Research and Intelligence Team, the District Data Analysis Service and Oxford City Council carried out some detailed analysis of commuting patterns by mode of travel in 2011 comparing the latest information from 2011 with the previous Census in 2001. The tables below show the travel patterns of behaviour and modes of transport used both in Oxford by comparison to the surrounding districts and within Oxfordshire as a whole. The travel assessment for Oxford is then analysed in further detail according to three scenarios, inbound, within Oxford and outbound.

2001	Oxford	Cherwell	S Oxon	Vale WH	West Ox	Oxfordshire
In commuters	40,051	19,953	21,636	21,793	10,363	47,043
In-district commuters	38,538	35,531	22,808	26,879	24,031	214,540
Work from home	5,068	6,779	7,883	6,241	5,796	31,767
No fixed place	2,115	3,017	3,345	2,604	2,511	13,592
Live & work in area	45,721	45,327	34,036	35,724	32,338	259,899
Out commuters	14,470	24,952	32,712	24,170	18,112	47,663
Net commuters	25,581	-4,999	-11,076	-2,377	-7,749	-620
Employed residents	60,191	70,279	66,748	58,984	50,450	307,562
People working in area	85,772	65,280	55,672	57,517	42,701	306,942
% of employed residents who work in areas	76%	65%	51%	60%	64%	85%
% of people who work in area and live there	53%	69%	61%	62%	76%	85%

2011	Oxford	Cherwell	S Oxon	Vale WH	West Ox	Oxfordshire
In commuters	45,852	23,206	23,654	24,754	11,833	57,447
In-district commuters	42,406	34,879	22,358	22,228	24,437	221,160
Work from home	7,431	8,727	10,709	7,970	7,901	42,738
No fixed place	4,395	5,459	5,635	4,794	4,579	24,862
Live & work in area	54,232	49,065	38,702	37,992	36,917	288,760
Out commuters	16,013	26,184	32,012	25,654	20,159	48,170
Net commuters	29,839	-2,978	-8,358	-900	-8,326	9,277
Employed residents	70,245	75,249	70,714	63,646	57,076	336,930
People working in area	100,084	72,271	62,356	62,746	48,750	346,207
% of employed residents who work in areas	77%	65%	55%	60%	65%	86%
% of people who work in area and live there	54%	68%	62%	61%	76%	83%

Figure 33: Travel patterns (origins and destinations) 2001 and 2011, ONS Census and Oxfordshire County Council

Inbound: There has been an increase in the number of inbound commuters travelling from outside the district to work in Oxford by car for most of the journey.

- Between 2001 and 2011 the number of commuters driving to work in Oxford from outside the district has increased from 27,700 to 30,600 (+10%)
- Two-thirds of commuters travelling to Oxford arrive by car

Within Oxford: Commutes made mainly by bicycle, on foot or by bus within the city have all increased, whilst car commuting has stayed at a similar level to 2001

- Between 2001 and 2011 the number of people commuting by bicycle or on foot has increased by almost a third (+32%), bus use for commuting within Oxford increased by 11%
- So in 2011, 68% of journeys were made by sustainable means, up from 62% in 2001

Outbound: More people commuting from Oxford to other destinations are travelling by train or bus

- Around half of outbound train commuters are travelling to work in London
- The number of commuters travelling out of Oxford by car remain almost unchanged since 2001 (9,800 journeys) in 2011, 62.5% of all outbound commuters.

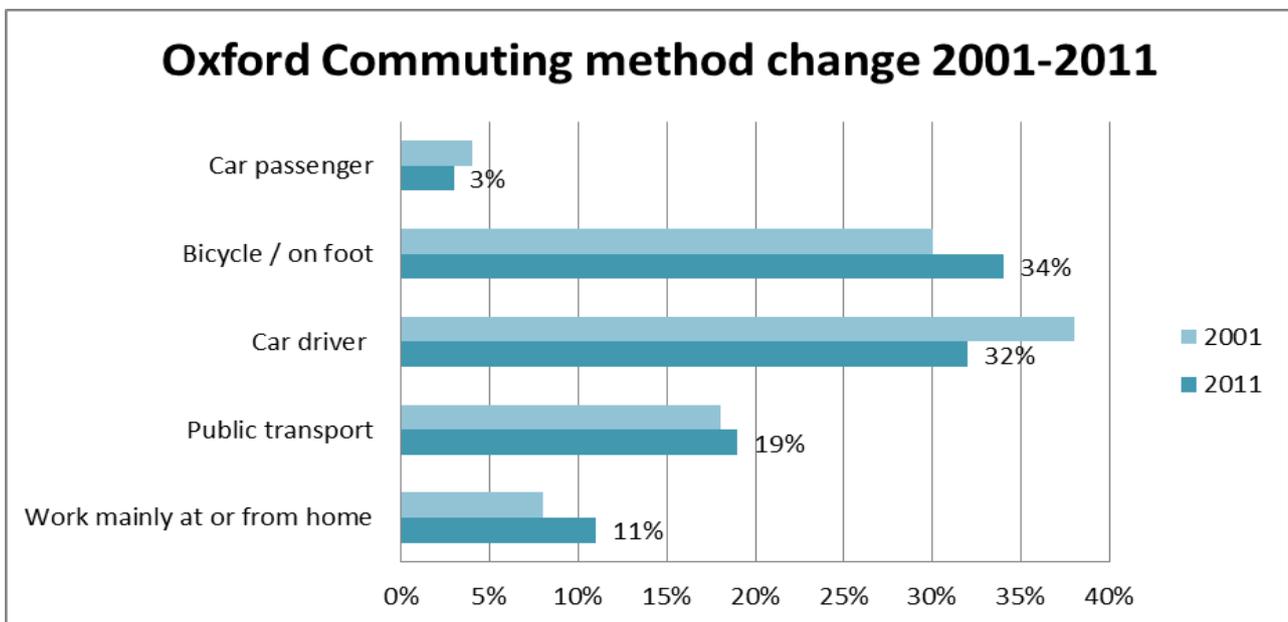


Figure 34: Travel to work by Oxford residents in employment 2001-2011, Source: 2001 Census and 2011 Census

Key message: Oxford residents increased their use of sustainable transport, with greater use of the bicycle or on foot and public transport. The table above shows how Oxford residents in employment travelled to work in 2001 as compared to 2011. There has been an increase in the proportion of people working from home (figure 34).

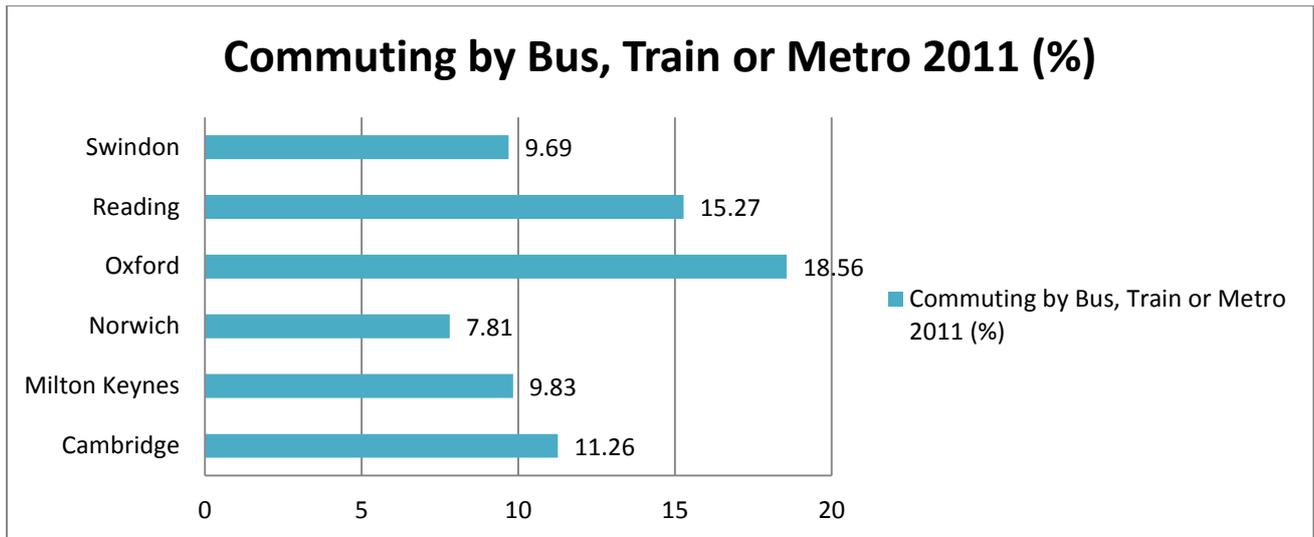


Figure 35: City comparison of commuting by public transport, Census 2011, Centre for Cities Data Monitor

Key message: The graph above (Figure 35) shows that Oxford has the highest proportion of people commuting to work by public transport greater even than Reading and Cambridge and almost double that of Milton Keynes, Swindon and Norwich.

6.2 Investment in Regeneration and Infrastructure

A recent assessment of major projects and investment either currently being undertaken or committed in the future shows the scale of planned development in Oxford. Taking into account employment, housing and other key capital projects, the estimated development value in the city will amount to £4bn, through the development of some 5 million sqft of commercial floorspace, which will create around 22,500 new jobs together with 7,330 new dwellings. Sites such as Barton Park, Oxpens, Northern Gateway, Oxford Station, and Osney Mead Innovation Quarter are key elements of this overall programme, supplemented by a range of urban extensions.

Superfast broadband has the highest coverage in Cambridge (84%), followed closely by Oxford (81%). Reading (76.5%), Milton Keynes (72.8%) and Swindon (70.4%) have a similar coverage. The city with the lowest coverage of the comparable cities is Norwich within only 68%).

Further investment in mobile Broadband and next generation 5G will be important in future for Oxford to realise its Smart City ambitions (see below)

An ambitious Oxford Transport Strategy and county wide Infrastructure strategy has been agreed whilst representations to the National Infrastructure Commission have highlighted the key infrastructure requirements to support projected growth of homes and employment in and around Oxford. The highlights of this requirement in the city are below;

- Fast and full delivery of East-West Rail and linked network enhancements.
- Delivery of the Oxford Station Development Masterplan and opening of the Cowley branch line. Relief of the A34 and associated roads, including junctions to A420, A40, A44.

- Enabling faster delivery of a range of ambitious urban extensions to enable a step change in housing delivery.
- Mass Rapid Transit, Park and Ride and cycle network investments as essential elements of strategic infrastructure.
- Adequate attention to accompanying utilities (telecoms, water, power).
- Accompanying investment in a range of community infrastructure (skills, schools, health, public space, Oxford Flood Alleviation Scheme).
- Continued collaboration and planning across the key organisations across the corridor, without the creation of additional regional structures.
- A focus on 'smart' future proofed infrastructure corridor-wide and in cities.

7. Employment Land supply and space

7.1 Employment land assessment (ELA)

Key message: The HELAA, published in 2016, identified capacity for additional economic uses, which comprises approximately 300,000 sqm of B1 (offices); around 92,000 sqm of B2/B8 (Industrial); and 200,000 sqm (leisure and community uses).

The Employment Land Assessment (ELA) assessed 118 employment sites and areas for their performance, quality and intrinsic characteristics. Oxford currently has 1,030,728 sqm of office (B1) floorspace and 151 ha of industrial land (B2, B8). This includes all occupied land as well as vacant sites and buildings and sites with planning permission. Most of the vacant land has proposals for development, including planning permission, and is expected to be built out in the short-term.

The best performing location for office uses (B1) were the City and District centres together with Headington (Hospitals) and the South-East (Oxford Business Park and Science Park); whilst out-of-centre locations near the ring road were performing well for road transport access. The industrial uses scored well for strategic access, near to the ring road, together with servicing and parking facilities. Finally, the report highlights that there is an undersupply of employment premises and land to meet the forecast demand in Oxford to 2036, something that will be addressed through Local Plan and cooperation with neighbouring authorities.

7.2 Property market review

The ELA considered the supply and demand for office and industrial space in Oxford, but as part of the wider Oxfordshire Property Market Area (PMA). This report uses information from responses to a questionnaire and property market reports from local agents, together with the findings of the Oxford Business Survey 2015. Firstly it is evident from the assessment of the 'drivers for growth' that the city has been performing well according to a range of economic indicators over recent years and the expectation is that this will continue.

In Oxford's case the forecasts suggest that population will increase significantly to 180,000 by 2031, the demand for housing rise to a requirement of 24,000-32,000 by 2031 and that the number of jobs will increase by 24,000. There is a recognition both within the Strategic Economic Plan (SEP) and supporting evidence in the Oxfordshire Engine for Growth (OEG) that all the key growth areas within the Property Market Area (PMA) including Bicester and Science Vale have a role to play as part of the 'Knowledge Spine.' However it does appear evident from the OEG report that whilst Bicester and Science Vale have major plans for growth, that greater emphasis in the future should be placed on ensuring that 'Oxford has to grow to fulfil its role within the high-tech economy.'

The second issue is how this employment development can take place within the context of some key challenges ahead such as limited land supply, tightly drawn administrative boundaries, and a Green Belt both around the city and reaching as 'fingers' within the urban area of Oxford.

It was shown that over the years the property market has largely responded to the constraints in Oxford with very little new office development coming forward within the City centre and more provision for medium and larger sized offices being built at the Business Park and Science Park in out-of-centre locations. It does now appear however that the scale of employment growth that is forecast is significant and whilst some of this growth will be accommodated in the form of the recycling and intensification of existing land supply it will be important to create a 'pipeline' for additional supply of office space if the city is to play its role as a fast-growing city and generate more economic growth.' This is recognised by local agents who confirm that 'demand for quality offices in the 2,500 to 4,000 sqft bracket in Central Oxford continues to rise underpinned by steady rental growth.' Whilst this may present challenges in the short-term, within the medium to long-term some major new sites within the City centre, such as Oxpens, the Station site and Island site will present opportunities for new office space. The Science Park Old Road, Churchill site and the Northern Gateway will provide other opportunities in out-of-centre locations specifically for growth in key sectors associated with science and research and development. Within the Property Market Area (PMA) evidence from the agents suggest that there is now a 'severe shortage of office buildings of 20,000 sqft and larger in Oxfordshire.'

A recent assessment of Oxford's office market was undertaken by Savills in March 2017. This research showed that Oxford's office leasing take-up reached 208,000 sqft during 2016, in line with the long-term annual average, which included AC Neilson's 45,000 sqft lease at Oxford Business Park. The consultants view is that '*the Oxford office market is forecast to see take-up reach a record 500,000 sqft during 2017, driven by large out-of-town requirements.*' The expectation is that the recently opened 'Oxford Parkway, along with the £110m of funding for the east-west rail link between Oxford and Cambridge will improve accessibility to the City centre and out of town markets.' There does however remain a shortage of good quality office space in the City centre, with '*only 5,000 sqft of Grade A space remaining.*' Whilst out of town space is also limited to only 55,000 sqft. Savills confirm that the stock of space has decreased '*over the last two years, a large volume of secondary office space has been converted to either student accommodation or residential, rather than kept for refurbishment.*' Rents for office space have increased and are likely

to continue into 2017. Grade A office space is £30 per sqft and expected to rise to £31.50. Two main reasons for rise, firstly refurbished office space achieves £27.50, which is similar to new build. Secondly, Oxford is attractively priced compared to other UK cities, for example Cambridge has higher rents at £36 per sqft.

In the case of industrial space demand appears to be steady but any growth constrained by the limited opportunities available. It is important however for space of a good standard to continue to be provided by the market to ensure that a diverse range of businesses can operate within the city to support the local economy and the supply chain for key sectors. To a degree the property market has already responded through the regeneration and redevelopment of existing sites, such as Horspath Industrial Estate, Ashville Way, the new Trade Centre in Sandy Lane and the redevelopment of the former Post Office Sorting Depot. Other established industrial locations such as Osney Mead and the Oxford Business Centre (Oxpens) are however likely to be regenerated but as part of the growth of key sectors, such as research and development and teaching associated with the University of Oxford.

Whilst the supply side of this assessment does need to be seen in the context of the wider Property Market Area (PMA) equally it is important for the city to have some industrial uses. For example one of the older established industrial estates Osney Mead is currently at the early stages of Master Planning work to create an 'Innovation Quarter.' This positive approach to regeneration principally for research and development together with associated teaching for the University of Oxford is welcomed in principle, since it provides much needed employment space and helps to build on one of the city's key growth sectors. This will however inevitably over time result in the displacement of existing business / service uses which are important in providing services and facilities as part of the support infrastructure that allow for the proper functioning of the local economy. Whilst some businesses may choose to relocate outside the city within the wider PMA other businesses who have longer associations with Oxford and an established local market / client base may well ideally wish to remain within the city, so some alternative employment sites do need to be provided to respond to demand and offer them this opportunity.

8. Oxford’s economic future

8.1 Population and economic growth forecasts

Key message: Oxford’s population will increase significantly to 180,000 by 2031, the demand for housing will rise to a requirement of 24,000-32,000 by 2031 and that the number of jobs will increase by 24,000. Longer-term population forecasts for the city suggest this will rise to 181,211 in 2035 and then 191,931 in 2040. Figure 35 below shows the extent of recent population growth between 2009 -2015 with comparator cities, Cambridge showing the greatest change, followed by Oxford and Milton Keynes.

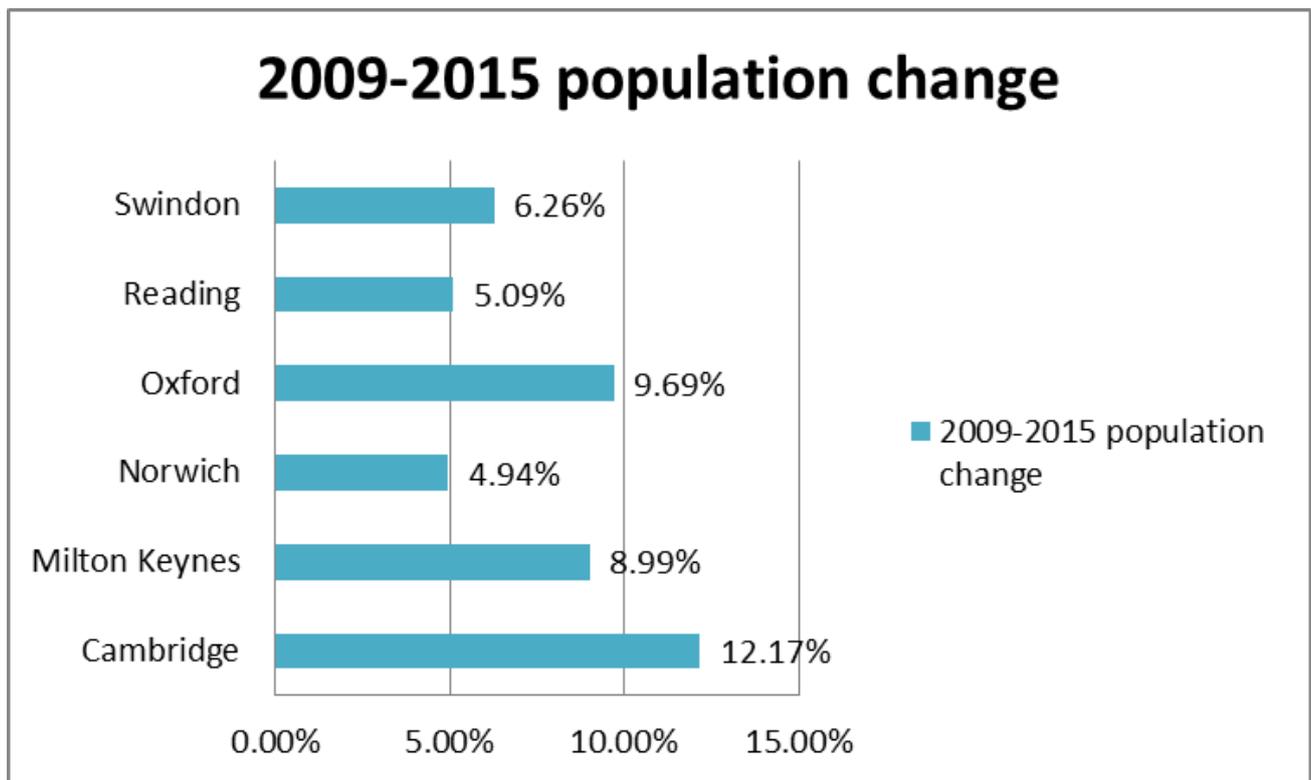


Figure 35: City comparison of recent population change: ONS Mid-year estimates and Centre for Cities Data Tool

8.2 Economic forecasting report to inform the Oxfordshire Strategic Economic Plan (SEP) and Strategic Housing Market Assessment (SHMA) (Feb 2014)

This study provides evidence of population growth and economic forecasting to inform the Oxfordshire Strategic Economic Plan (SEP) and Strategic Housing Market Assessment (SHMA) (SQW and Cambridge Econometrics) (Feb 2014). The timeline for these projections is to 2031. The forecasting was based on the Cambridge Econometrics Local Economic Forecasting Model (LEFM). This comprised baseline projections (trend-based jobs assessment) these look at the last 15 years and assumed will continue; Alternative population-based projections which set out a baseline population projections; and planned economic growth, these reflect policy influences on economic growth (City Deal, EZ, and planned infrastructure investment).

The report provided an analysis of job growth by district, based on the Planned Economic Growth forecasts, compared with land allocated for development by district (taking into account that not all jobs locate on B Class land). The report states that *“it appears that there is sufficient land allocated in all districts, except South Oxon”* and that according to the employment baseline projections *“Oxford is still projected to see one of the largest absolute increases in jobs (5,000) among the Oxfordshire districts over 2021-31”* (Fig.2.4).

Growth is driven in all districts by ‘accommodation & food services’ and ‘financial & business services sectors.’ But in Oxford growth is likely to come from the Government services (education and health), distribution (retail) and accommodation and food. The key sectors identified as likely to stimulate growth above trend in Oxford include, University of Oxford (research) 2,000 additional jobs and Brookes University; Bioscience 1,500 jobs, Health sector (2,500 jobs); engineering sector 1,000 jobs; and retail 1,000 jobs. Whilst there will be competition from surrounding areas such as Reading and London the consultants considered that the strength of the Oxfordshire economy is such that it can withstand this pressure. *“The potential commercial exploitation of R & D undertaken in the County by both public and private sectors, and the growth potential of firms in some key sectors, all suggest that competition from surrounding areas will not adversely affect employment growth”*. They do however refer to the impact of constraints such as infrastructure and the labour market.

In the case of Oxford the report states that *“there will be significant growth of employment in education (university related), bioscience and healthcare and retail”*. There is also likely to be an increase in corporate R & D linked to the Universities, the most likely being biomedical, engineering and computing, but with a slight decline in publishing. The estimate is that this will generate growth of 8,100 jobs above trend all of which would be accommodated within existing employment-generating sites (though most not on B Class land).

8.3 Planned Economic Growth Forecasts and Capacity of allocated sites

Planned Economic Growth Forecasts (PEGF) compares the Planned Economic Growth forecasts by District (Oxford 24,300 jobs) with capacity on sites that are allocated or proposed to be allocated for development within the period of the relevant local plans. This table also shows the PEGF forecasts adjusted to include only those likely to locate on B class land, to make the figures comparable with the capacity of allocated sites. This involves assumptions about the proportion of jobs in each main sector locating on B class land. In Oxford’s case the jobs likely to be on Class B land 11,000 jobs, which can be accommodated on the capacity of the allocated sites, which would be 18,500.

The forecasts relate employment sites and job capacities to individual sites within the Districts. For Oxford this includes a range of sites these include those within the City Deal and key employment sites. For example these include the Bio-escalator; Old Road Campus; Radcliffe Observatory Quarter; Northern Gateway; District centres: and those allocated in the Sites and Housing Plan.

In conclusion, therefore taking all the sites in Oxford together the total gross site area amounts to 208 ha, of this it is estimated that the net amount of land that would be used for employment would be 68 ha (land), which would be developed to provide 363,920 sq. m (floorspace gross), 294,736 sq. m (floorspace net) creating some potential 18,487 (jobs). Other sites such as Osney Mead, the Science area, Radcliffe Observatory Quarter and the redevelopment of the Westgate Shopping Centre could potentially add some further floorspace and jobs in the future.

8.4 Oxfordshire Housing and Growth Deal

In 2016, the Government instructed the National Infrastructure Commission (NIC) to undertake a review of the potential for growth in the geographic corridor containing Oxford, Milton Keynes and Cambridge. Sitting at the Western end of the arc, Oxfordshire has a major role to play in delivering on the Government's ambitions for this area, and beyond. The NIC's final report was published in late 2017. This housing deal will be an important step towards realising the housing growth potential of this part of the arc. The deal with Government which was announced in the Autumn Budget Statement will require Oxfordshire's six local authorities to produce a county-wide joint statutory spatial plan, and to plan for and support the delivery of 100,000 new homes by 2031.

The Deal will see an additional £215 million of investment over the next five years to build infrastructure, support the delivery of new homes and boost economic productivity across the county. The ambitious and comprehensive investment programme will help deliver sustainable development with a focus on quality of place and more affordable housing. It will be overseen by the Oxfordshire Growth Board, working in partnership with the Homes and Communities Agency, the Highways Agency and other partners.

The Growth Board wants the five-year deal to be the first stage in a sustained partnership with Government to secure the ongoing investment needed to deliver properly planned growth and economic development over the coming years. This will support councils to achieve the ambition of 100,000 new homes across the county over the period 2011-2031, as identified through the 2014 countywide Strategic Housing Market Assessment and Local Plans.

The Government recognises the importance of Oxfordshire's knowledge intensive economy for UK plc with two universities and unique research institutions. It has committed to work with OxLEP to develop a Local Industrial Strategy (LIS) to back Oxfordshire's world class science and innovation assets and identify and grow new sectors. Support will also be provided to help scale up high-growth companies, to identify and address specific skills needs and to attract further investment and expansion of the Science Vale and Didcot Enterprise Zones.

Under the terms of the deal the Government will provide Oxfordshire's six local authorities with £60 million of funding for affordable housing, £150 million of funding (£30m for five years) for infrastructure improvements that will benefit existing communities and unlock new development

sites. Oxfordshire councils are already committing in excess of £340 million to infrastructure and housing investment over the period.

Government will also provide £5 million in capacity funding to help meet the costs of taking the investment programme forward. This will include the development of a Joint Strategic Spatial Plan, providing a county-wide integrated planning framework to guide the sustainable growth.

8.5 Latest Population Growth Forecasts

Interim population forecasts (November 2016) have been prepared by Oxford County Council's Research and Intelligence Unit and released for internal use in January 2017. The release is based on the current expectations about what level of growth is likely within each district, including apportionment of Oxford City's undeliverable housing growth requirements. The 'interim' status is due to concerns about the validity of the ONS population data for Oxford City.

Forecast estimates are available for each year to 2040. The population of Oxford in 2015 was estimated to be 162,094, which is expected to rise to 168,924 by 2020. In 2025 the population of the city is then forecast to increase to 175,099 and by 2030 will reach 181,605. Over the next 10 years the population is expected to increase to 181,211 in 2035 and then by 2040 will rise to 191,931.

Milton Keynes, Oxford and Cambridge have shown the fastest growth in population in recent years, highlighting the reason for such dramatic projections. As has been demonstrated previously, Oxford is within a distinct phase of rapid population growth.

Policy context

8.6 National Industrial Strategy The Government have recently published a White Paper Industrial Strategy: building a Britain for the future (November 2017). The aim being to build a modern industrial strategy to build on economic strengths to enable all parts of the country to succeed, helping to deliver a high-skilled, competitive economy that benefits people throughout the UK. The strategy sets out a long-term plan to boost the productivity and earning power of people throughout the UK. It focuses on five key foundations which include ideas, people, infrastructure, business and place. This will be delivered through 10 pillars designed to support business and promote economic growth. The principle objectives of this 'modern industrial strategy', as set out in the White Paper, are that it needs to:

- build on our strengths and extend excellence into the future;
- close the gap between the UK's most productive companies, industries, places and people and the rest; and
- make the UK one of the most competitive places in the world to start or grow a business.

8.7 National Planning Policy Framework (NPPF)

The NPPF condenses all planning policy statements into a single all-encompassing planning framework with the intention of making the planning system less complex and more accessible. The National Planning Policy Framework was published and came into effect on 27th March 2012.

The NPPF describes the Government's vision for building a strong, competitive economy and sets a requirement for the planning system to support economic growth. It encourages local authorities to 'set out a clear economic vision and strategy', 'identify sites for local and inward investment' and 'support existing business sectors' and 'plan positively for key clusters' and 'identify areas for regeneration, infrastructure provision and environmental improvement.'

8.8 Strategic Economic Plan (SEP)

Oxfordshire's Strategic Economic Plan (SEP) has been developed by the Local Enterprise Partnership (OxLEP) in partnership with the business community, academic institutions and the Local Authorities and was submitted to Government on the 31st March 2014, prior to a published refreshed SEP in January 2017. This sets out the long term vision and ambitions for economic growth in the county. The scale, ambition and deliverability of the SEP will form the basis of Growth Deal negotiations with Government and determine Oxfordshire's allocation from the Local Growth Fund (LGF). The overall vision for the Oxfordshire Strategic Economic Plan is that by 2030 "Oxfordshire will be recognised as a vibrant, sustainable, inclusive world leading economy, driven by innovation, enterprise and research excellence."

In addition to the thematic focus the Strategic Economic Plan focuses on priority localities of in the Oxfordshire Knowledge Spine, which include Bicester, Oxford and Science Vale. These complementary priority areas together form the focus for economic development in the area. In relation to Oxford there is recognition that there needs to be continued investment in developing the critical infrastructure necessary to realise the full potential of its world-class education, research and innovation that underpins growth.

The Oxfordshire Local Enterprise Partnership (OxLEP) has been recognised by the UK government as one of the most effective and highly performing LEPS in the country, and the Enterprise Research Centre described Oxfordshire as the 'most innovative' region in the UK, it is in the top 10% of partnerships nationally, and has already leveraged millions of pounds worth of investment in innovation in Oxford.

A refresh of the SEP was undertaken by the consultants SQW on behalf of OxLEP, which included extensive consultation with stakeholders and residents. As a result of the consultation and further research undertaken new strategies were developed relating to skills, innovation, culture and heritage and natural resources and the environment. The study reflected the changes to Oxfordshire's economic well-being but a commitment to sustainable growth. An 'economic route

map' was developed and agreed which supported the economic performance of the OxLEP area through the management of economic growth to ensure it is sustainable and inclusive.

8.9 The Oxfordshire Innovation Engine Report (2013, updated 2016)

This report was commissioned by the Oxford and Oxfordshire Local Enterprise Partnership together with the University of Oxford. The report seeks to identify ways to realise the growth potential of "Oxfordshire's high tech cluster of businesses, research establishments and support providers". It acknowledges the step forward taken through the City Deal and the strategy in developing the vision for the 'knowledge economy spine' but, in the view of the consultants (SQW), "it does not place sufficient emphasis on the crucial economic role of Oxford." (para. 7.22). The report recognises that 'Oxford is the service centre for the wider economy, it has the fastest growing, best educated workforce, and it is the main centre of research and spin-outs in the County'.

The consultants make out a clear case for the growth of Oxford (para. 7.23) which states that "Oxford has to grow to fulfil its role within the high tech economy." It recognises that further development of housing, accommodation for University and corporate research, and supporting activities, beyond existing plans, to the north and south of the existing urban area. SQW consider the 'greatest potential for sustainable growth is to the north of the city around Begbroke, the new Northern Gateway (Peartree) and the planned new rail station at Water Eaton.'

An update to the Oxfordshire Innovation Report was recently published in May 2016. The purpose of the update was to consider recent changes, in particular whether the constraints that were identified in the Innovation Engine Report were being addressed and the areas of growth potential realised. The overall conclusion from this review is 'that real progress has been made over the last few years. This has included:

- strong economic growth in Oxfordshire and an extraordinary scale of new investment in high-tech firms;
- more productive relationships between research and business communities;
- much improved access to risk capital and more specialist business space for high tech firms; and
- greater collaboration between local public sector organisations and stronger engagement with the Government to support and positively manage growth.

Whilst the consultants recognise that there are still significant issues to address, notably the cost and supply of housing, road congestion, the need for a stronger business voice and better, more consistent articulation of the 'Oxfordshire growth story' across private and public sectors. However the 'direction of travel is strongly positive.'

8.10 Oxford Local Plan

The Local Plan at present comprises the Core Strategy (adopted 14 March 2011), which is the overarching document that sets out the vision, spatial strategy and core policies to 2026. It also includes the Sites and Housing Plan (adopted Feb 2013), which allocates sites for development for housing, employment and other uses together with updated housing policies. In addition there are three adopted Area Action Plans, which include the West End AAP (June 2008), Barton AAP and the Northern Gateway AAP (June 2015). There are some 'saved policies' from the Local Plan 2016, which are still in operation.

The adopted Oxford Local Plan 2016 together with the recently adopted Core Strategy has supported sustainable employment growth, building on Oxford's key economic strengths. A suite of policies, known as the 'cascade approach', used a set of criteria to protect a range of key employment sites for either their existing use or for redevelopment and modernisation. The non-protected employment sites were encouraged to be modernised for alternative employment uses; but subject to satisfying certain criteria could be released for other uses such as residential development.

This policy approach to the economy and the importance of ensuring an adequate provision of employment land has been taken forward in the Core Strategy which promotes 'managed economic growth'. Policy CS27 therefore 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 the context of Oxford this means growth that is appropriately located in Oxford to take advantage of the city's strengths, such as spin-out companies from the universities and hospitals and medical / scientific research, rather than growth that could be located in any UK city. Policy CS27 clearly states that 'managed economic growth will be delivered through the allocation of land at the Northern Gateway and the West End, and the protection and modernisation of key employment sites.'

8.11 Key protected employment sites

Policy CS28 aims to safeguard Oxford's employment land supply. Whilst it relates to all employment sites the policy does relate to both key protected sites and non-protected sites. The key protected employment sites are located through-out the city and comprise strategically important larger sites together with a range of small and medium sized sites. The aim is to provide a sustainable distribution of business premises and employment land, to maintain a range of potential job opportunities throughout the city. Retaining key employment sites serves to reduce commuting to work, as well as improving access to local jobs for different sectors of the community. The provision of a range of different sized sites is considered to be vital to meet the needs of small and medium sized businesses.

The Oxford Employment Land Study (March 2006) provided the background evidence base for the use of employment land set out in policies CS27 and CS28 in the Core Strategy. The smaller sites often contain businesses that meet local needs and are less likely to be found on the City's large

employment sites. They may offer lower-skilled jobs and skilled manual work, which are important to particular sectors of the population. Retention of these sites therefore meets social as well as economic needs.

The consultants in their review of these sites recognise in Para. 6.12 that:

‘there is not an indefinite number of employment sites in the City and the more which have no strong protection and face development pressures for other uses, the less likely it appears that a reasonable portfolio of different types of sites can be maintained in the future.’

The study also recognises the essential role these key protected sites play as part of the City’s employment land supply. The consultants state: ‘the inherent value of a site as an employment location is important rather than just its current condition or occupants’ (Para.6.13).

This balanced approach to safeguard key employment sites but allow the release of non-protected sites was fully tested and supported by the independent Inspectors at the two Local Plan Inquiries. In fact the employment policies in the Core Strategy were tested by two Inspectors during a lengthy examination where the balance between housing and employment was the key strategic issue. The Inspectors found that the strategy was sound and struck the right balance between competing uses

These policies have been successfully delivered through a balanced approach to the use of employment land; which has been responsive to both employment and housing needs. Given the shortage of land in Oxford this has required the protection of a range of key employment sites, such as the Business Park and the Science Park; which aims to safeguard existing businesses but allow for their modernisation and expansion.

In the context of both the Core Strategy policies (CS27 and CS29) together with the Economic Growth Strategy it is considered that the range of key protected employment sites should be either protected for their existing use or modernised as part of the City’s employment land supply for an alternative Class B use. These sites are considered to make an important contribution to Oxford’s economy and if lost to other uses, such as residential, would seriously threaten the city’s future economic growth.

8.12 Local Plan 2016-2036

The City Council has now started to produce a new Local Plan for Oxford. The Local Plan is important because it will shape how Oxford develops. It will set out how the city will look and feel; it will guide new developments to the right locations while protecting and improving the environment and people's quality of life; it will deliver the new homes, businesses, jobs, shops and infrastructure needed to support the growth of Oxford over the next 20 years; and it will be used in determining planning applications and to guide investment decisions across the city. The City Council want to make sure that Oxford continues to be a successful and attractive city; the kind of place people enjoy living in, working in and visiting.

The Preferred Options were subject to public consultation in June / July 2017, a summary of the responses received is being compiled and will be reported to City Executive Board early in 2018. Subject to the response from CEB detailed policies will then be formulated and the Draft Submission of the Local Plan consulted upon in June / July 2018. Formal submission of the Plan is expected to take place in December 2018, with Examination in the Spring of 2019.

The new Local Plan 2016 will supersede all plans and policies except the adopted Area Action Plans.

8.13 Oxford's Economic Growth Strategy (OSP Jan 2013)

The City Council and its partners have sought to take a proactive approach to Oxford's economy by working in partnership with key stakeholders and business. The Oxford Strategic Partnership (OSP) commissioned consultants (Shared Intelligence) to develop an Oxford Economic Growth Strategy (OEGS). The consultants produced two key documents, which included a paper setting out the economic profile for the city together with a second document that focused on the strategy itself. This analysed the City's strengths and weaknesses and through active engagement with all interested parties developed a clear vision for the future, which at its heart seeks to avoid 'complacency' but build on Oxford's strengths to ensure the city continues to make its important contribution to the national economy.

The OEGS defines its role "*Oxford is a national asset and essential to the future of the UK and the regional economy as a whole.*" The productivity and competitiveness of the city is clearly expressed in its contribution to the national economy, Oxford 'contributes £6.8bn to the UK economy, which is the fifth highest GVA per capita of all UK cities, significantly higher than the national average. Oxford is the 'engine of Oxfordshire's economy' with the 'highest levels of business growth.' Amongst the recommendations are the following three that are important to the delivery of Oxford's economic success;

- expand the knowledge economy and promote new start-ups;
- support the growth of existing employers; and
- ensure a sufficient supply of employment land.

The Economic Growth Strategy was approved by the Oxford Strategic Partnership (OSP) in January 2013 and an Action Plan setting out how and when the key recommendations and actions emerging from the strategy are currently being implemented with progress regularly reported to a sub-group of the OSP, the Economic Growth Steering Group. Some of these actions will also form part of the new Corporate Plan for the City. The OEGS also links through to the work of the Oxfordshire Local Enterprise Partnership.

Appendix 1 – Oxford’s largest employers

Organisation	Sector and activity	No. Employees
University of Oxford (including colleges)	Higher education	16,200
Oxfordshire County Council	local authority for Oxfordshire providing transport, education and social services.	15,900
Oxford University Hospitals NHS Foundation Trust	Oxford's main provider of healthcare, research, teaching and training.	10,730
Oxford Health NHS Foundation Trust	Health and social care	6,250
BMW (UK) Manufacturing Ltd.	Manufacturers of the Mini	4,500
Oxford Brookes University	Higher education institution	2,580
Oxford University Press	Publishing	1,800
Oxford City Council	Local Authority for Oxford city	1,150
Unipart Group of Companies	Logistics, automotive parts and accessories companies	970
Oxfam	International aid and development charity	900
Activate Learning	Further education provider	850
Centrica (British Gas Business)	Energy provider selling to businesses	800
Amey	Infrastructure support service provider	700
Oxford Bus Company	Public transport provider	600
Nielsen	Market research, information and data	450
Blackwell UK	Retailer - academic and specialist book seller	500
Wiley	Publisher	430
Stagecoach	Public transport provider	400
Four Pillars (De Vere / Principal)	Hoteliers	360
Dragon School Trust	Private school	300
TripAdvisor	Reviews and data	300
Grafton Merchanting	Builders merchants HQ	270
Oxford Biomedica	Bio-technology - gene and cell therapies	300
Oxfordshire Clinical Commissioning Group	NHS - health services buyer	250
Helen and Douglas House	Charity - hospice and children and young adults	225
Symm	general and specialist building, joinery, cabinetry, and decoration	210
Oxford Archaeology	independent archaeology and heritage practice	200

Mogford Group	Hotels and Restaurants	200
UYS Ltd	Manufacturer of Automotive Components	180
Mogford	Hospitality	200
Nominet	Website domain registration and IoT R&D	160
Rebellion	Gaming company	150
Opus Energy	Business energy supplier	150
Oxford Policy Management	International development consultancy	140
OPP Ltd	OPP is part of the Myers-Briggs Company and one of Europe's largest business psychology providers	140
Sharp Laboratories	Electronics technology and R&D	125
Boswells	Retailer	120
Knights	Law firm	100
Blake Morgan	Law firm	100
Genzyme	Healthcare and Life Sciences company	70
Total Estimated Employees		69,960