Background paper 004

Title: Employment and Inclusive Economy

This paper addresses jobs (including knowledge-based jobs, jobs for unskilled residents, apprenticeships and jobs to support a diverse economy) and considers how best to use land to support and diversify the economy. **It addresses how the Local Plan can best use land to support and diversify the economy while fostering growth in key sectors including science and innovation.** **It considers how best to support local people and businesses access the training and opportunities they need to enable them to prosper.**
Relevant Local Plan Objective(s): • Maximise the benefits of the city's strengths in knowledge, healthcare and education while supporting economic growth in key sectors including science and innovation. • Recognise the valuable contribution that supporting a range of businesses (including SMEs) can make to innovation and economic diversity. Help to create the conditions in which all businesses can prosper. • Create opportunities for everyone in the city to access employment. Support local people giving them access to training, education and apprenticeships to make the most out of new job opportunities created in the city. • Help Oxford to continue in its role as a national and international destination and support the visitor economy by encouraging longer stays and higher spend in Oxford.
Relevant SA Objective(s): 12. To achieve sustainable inclusive **economic growth**, including the development and expansion of a diverse and knowledge- based economy and the culture/leisure/ visitor sector.
SEA theme(s): Population and material assets.

1. Introduction

1.1 This topic paper focuses on Oxford's economy, employment and the importance of research and development, education and skills. Oxford is recognised as a globally known brand. It 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. The city's economy plays a key role within both a wider regional and national context. Despite this, Oxford's level of unemployment is higher than the national average. Although it is a city renowned for education, disparities in education levels do exist and there are examples of areas where there is a deprivation of skills.

1.2 This topic paper provides a brief summary of the relevant national, sub-regional and local plans, policies and programmes that currently exist and are likely to influence change in the future. There is a section on Oxford's economy and its importance to the national economy, which includes some headlines that help to define the economy of the city, its job growth, key and potential emerging sectors. There is a section on Oxford's existing education facilities. This includes some key indicators identifying the importance of these education facilities to both Oxford and Oxfordshire. As part of an assessment of the current situation some of the key challenges and future trends that impact the local economy are identified. The next section explores what would happen without a new plan and the potential issues that the city would face. The final section provides some conclusions and sets out some of the potential sustainability issues which the plan is likely to face.

2. Policy Framework/Plans, Policies, Programmes (supporting Task A1 of Sustainability Appraisal)

National Industrial Strategy: Invest 2035

2.1 The publication of the Government's Green Paper – Invest 2035: the UK's modern industrial strategy – sets out this administration's "commitment to develop a modern, targeted industrial strategy, with the objective of long-term, inclusive, and resilient growth, by spurring investment into all parts of the UK".

2.2 The National Industrial Strategy focuses on "stimulating investment and activity in sectors with the highest growth potential". It identifies eight growth-driving sectors to be prioritised across services and manufacturing. These sectors are based on both existing and emerging strengths and are as follows:

- Advanced manufacturing
- Clean energy industries
- Creative industries

- Defence
- Digital and technologies
- Financial services
- Life sciences
- Professional and business services

2.3 Oxford and Oxfordshire are home to the majority of these identified growth-driving sectors. Driven by the existing presence of two successful universities, and their close ties to research and industry, there is significant potential for Oxford and Oxfordshire to further develop and deliver these nationally important growth-driving economic sectors.

National Planning Policy Framework (December 2024)

2.4 The NPPF gives a clear steer towards supporting economic growth through planning policies and it is clear significant weight should be placed on the need to support sustainable economic growth and productivity.

2.5 The NPPF sets out a requirement for a clear economic vision and strategy, which positively encourages sustainable economic growth having regard to the national industrial strategy and any relevant Local Industrial Strategies and local economic development and regeneration policies. It also sets out that Local Plans should develop policies that help to create the conditions in which businesses can invest, expand and adapt to meet anticipated needs over the Plan period.

2.6 The NPPF sets out a key economic objective which requires policies ‘to help build a strong, responsive and competitive economy’. This aims to ensure 'that sufficient land of the right types is available in the right places and at the right time to support growth, innovation and improved productivity.’ Planning policies are also required to ‘create the conditions in which businesses can invest, expand and adapt’ and to positively respond to the ‘need to support economic growth and productivity’.

2.7 The NPPF highlights the importance of meeting the specific locational requirements of networks and clusters including the knowledge and data driven sectors, creative or high technology industries. National advice also requires a policy approach that ‘should allow each area to build on its strengths, counter any weaknesses’, and address ‘the challenges of the future’. This is considered particularly important where ‘Britain can be a global leader in driving innovation’ and in ‘areas of productivity’ which should ‘capitalise on their performance and potential.’

Planning Practice Guidance (PPG)

2.8 The PPG includes guidance about how local authorities should prepare and maintain an evidence base regarding the economic needs of their area. In working out the business needs for an area, consideration should be given to a range of factors including evidence of market demand; wider market signals relating to economic growth, diversification and innovation; the existing stock of land for employment uses and the recent pattern of employment land supply and losses. It also sets out a method for assessing economic land availability.

Oxford-Cambridge Growth Corridor

2.9 In January 2025, the Chancellor unveiled new plans to deliver the Oxford-Cambridge Growth Corridor that will boost the UK economy by up to £78 billion by 2035, catalysing the growth of UK science and technology. Sir Patrick Vallance has been appointed as the Oxford-Cambridge Growth Corridor Champion to provide senior leadership to ensure that the Government's ambitions are delivered. The Oxford-Cambridge Growth Corridor will provide a clear strategy for the entire region backed by funding for housing and infrastructure. A new growth commission for Oxford was also announced in January to review how nationally significant growth for the city and the surrounding area can be unlocked and accelerated.

Oxford Cambridge Pan-Regional Partnership

2.10 In January 2023, the previous Government confirmed support for the establishment of an Oxford to Cambridge Pan Regional Partnership following a proposal by leaders from local councils, local enterprise partnerships, the Arc Universities Group and the area's transport body – England's Economic Heartland. However, following an announcement in the Autumn Budget, a decision was made by the new Government not to fund the Oxford to Cambridge Pan-Regional Partnership in 2025-26.

PwC Good Growth Cities Index 2024

2.11 PricewaterhouseCoopers (PwC) produce an annual Good Growth for Cities Index. The most recent version of this Index, published in September 2024, which compares 51 UK cities using a number of different metrics, saw Oxford fall from its position as the top performing city (a position it had held since 2017) to tenth place overall (just ahead of Cambridge). The report showed cities across the West of England led the index this year.

2.12 PWC's research said that the public were most focussed on issues impacting their financial well-being, with measures such as income, jobs and housing seeing the biggest increase in importance to the public. This shift in priorities has impacted the performance of cities, with the historically strongly performing cities of Oxford and Milton Keynes seeing the most significant decline in scores, performing less well on income distribution, housing and high streets and shops.

Fast Growth Cities – 2021 and Beyond – Centre for Cities

2.13 The Fast Growth Cities Report 2021 provided an update to a report from 2016. The cities that make up the Fast Growth Cities group (comprises of Oxford, Cambridge, Milton Keynes, Norwich, Peterborough and Swindon) were considered as some of the most successful and innovative places in the UK. The Fast Growth Cities Report focused on six key areas:

- Labour markets, skills an education;
- Businesses and growth;
- High Streets and city centres;
- Housing and planning;
- Transport; and
- The economic impact of the pandemic.

2.14 The report recognises that the Fast Growth Cities group contains some of the UK's most successful cities, many of which (including Oxford) have a significant impact beyond their boundaries.

Oxfordshire Local Enterprise Partnership (OxLEP)

2.15 Oxfordshire's wider economic vision and strategy are contained within several documents produced by the Oxfordshire Local Enterprise Partnership (OxLEP). These include the Strategic Economic Plan (SEP), and its supporting Action Plan, the Local Industrial Strategy (LIS), and Local Investment Plan (LIP). The SEP was first produced in 2014 and was refreshed in 2016. OxLEP recently (December 2023) published a refreshed SEP which to help drive productivity, prosperity and wealth for all whilst accelerating Oxfordshire's transition to net-zero.

2.16 The SEP aims to champion good, sustainable growth that realises a shared ambition that by 2033, people and communities across Oxfordshire will be benefiting from new opportunities which are created sustainably through local enterprise and innovation.

2.17 The LIS was published in July 2019, and it describes Oxfordshire as a global centre of research and innovation, home to a number of world-leading science and technology companies located across business clusters and hubs, forming a hive of knowledge-intensive economic activity. It describes how cutting-edge products and services are solving challenges in healthcare, mobility, energy and communications, meaning Oxfordshire's success is critical to the UK.

2.18 The key sectors and technologies that Oxfordshire excel in have 'global reach', meaning we are a critical driver for UK economic growth. A primary aim of the strategy is to build a global innovation ecosystem in Oxfordshire by 2040. Existing and proposed developments in Oxford are central to this, including the West End.

Oxfordshire Leaders Joint Committee (OLJC)

2.19 The joint committee's purpose is to deliver the aims of the Oxfordshire Strategic Vision, adopted by all six councils. The Oxfordshire Strategic Vision aligns with the ambitions of OxLEP's Strategic Economic Plan (2023) and sets out a set of guiding principles, a set of outcomes to be achieved by 2050, and a definition of "good growth". Taken together, these form an overarching approach to long-term sustainable development in Oxfordshire.

2.20 The OLJC consists of all six Oxfordshire authorities and makes several commitments, including to:

- Coordinate local efforts to manage economic, housing and infrastructure development in a way that is inclusive and maximises local social and environmental benefit.

Oxfordshire's Innovation Engine 2023 – Advanced Oxford

2.21 Oxfordshire's Innovation Engine 2023 reassesses the Oxfordshire's Science and technology ecosystem providing an update from the 2013 Innovation Engine Report – Realising the Growth Potential. The report looks forward, but also back over the past decade to see whether the growth potential has been achieved. The report recognises that despite the challenges associated with collecting reliable economic performance data that Oxfordshire appears to have a thriving and diverse innovation ecosystem. It sets out that while the region's knowledge economy has grown, high and medium-tech manufacturing has declined (although this may be more down to a more mature ecosystem).

2.22 There is a growing stock of innovation space with many new developments in the pipeline which will add much needed capacity into the system in the next five years. Housing and transport continue to be key challenges and need to be addressed. Other infrastructure needs investment too, particularly data connectivity and supply of power.

2.23 The report makes six recommendations if Oxford's innovation ecosystem is to continue to flourish, strengthen and play a pivotal role in making the UK a beacon for science, technology and innovation:

- Strengthen leadership across the region in relation to innovation;
- The City Council and County Council need to work together to develop a much- needed future-looking transport system which is Oxfordshire wide, not just focused on the city of Oxford;
- Grow and diversify the number of risk capital investors operating within the region;
- Develop a new, clear strategy, with collective buy-in, for inward investment into the region. Different players within the ecosystem need to work together to ensure that Oxfordshire is open, coherent and can respond to potential investors;
- Join up nodes of innovation across the region and help internal and external stakeholders to navigate the landscape through better defined pathways and connectors; and
- Develop a suite of communication tools and assets, tailored to the needs of different audiences, which can be used by all players, to tell Oxfordshire's innovation story.

Oxford City Council – Our Strategy 2024-28

2.24 The Council's corporate plan entitled, Our Strategy 2024-28 sets out five key priorities to support Oxford's ambition to continue to be a city that is a world-leading centre of research, innovation and science and a thriving place for independent businesses. One area of focus for the strategy is to support a strong fair economy under which the three priorities for the Council to deliver are as follows:

- Secure, fairly paid, local jobs for Oxford's residents and access to skills and reskilling training
- Using Oxford's unique strengths in a global economy to attract high quality investment
- Supporting development to boost economic activity and deliver benefits for all

Oxford City Council Economic Strategy 2022-32

2.25 Oxford's Economic Strategy seeks to establish a new standard for economic inclusion in the city, underpinned by the strength of an impactful global city, evolving in a way which recognises environmental limits and harnesses the opportunity of a zero-carbon economy. The Economic Strategy highlights Oxford's significant specialisms as:

- Health and Life Sciences; Technology and Digital; Creative Production; Green and Low Carbon; the Visitor Economy; and Social Enterprises and co-operative businesses

2.26 Oxford's Economic Strategy recognises that Oxford's economy has a positive global impact and as a hub of education and knowledge, it has a clear purpose to address many of societies' challenges through science and technology. Oxford City plays a key role developing research and incubating early-stage companies. It is one of Oxfordshire's most sustainable locations to locate employment, due to its critical mass, and connectivity to transport and research assets. It recognises Oxford's physical capacity constraints, and the need to deliver commercial floorspace in such a way that does not compromise wider placemaking, zero carbon and green and sustainability objectives.

2.27 The City's ambition is to ensure that the anticipated growth is of good quality, in the right location, supported by appropriate infrastructure and contributes to an inclusive economy.

Oxford City Centre Action Plan 2021-2030

2.28 The City Centre Action Plan (CCAP) sets out four workstreams, each intended to focus on a different thematic area of work. Each workstream is defined by a series of objectives, under which projects are identified. The four workstreams are:

- Connectivity and access:
  - To be delivered by limiting private vehicles, reducing conflict and congestion and creating spaces for buses, bikes and people;

- Public realm and animation:
    - o To be delivered by improving the public realm and providing events and experiences to animate it and boost dwell times;
- Getting the mix right:
    - o To be delivered by building on Oxford's world-class innovative and creative spirit, enhancing the city centre as a place to live, start and grow a business, visit, and play; and
- Get the basics right:
    - o To be delivered by creating an inclusive, safe, and attractive city centre that mediates and promotes a diverse range of activities and uses.

2.29 The City Centre Action Plan also includes a series of objectives under each workstream. Not all of these can be directly influenced by the Local Plan 2040 as some need to be undertaken in partnership with colleagues, for instance, at the County Council.

Oxford Local Plan 2036 (Extant plan)

2.30 The policy approach for the city's economy seeks to build on Oxford's strengths and ensure the delivery of prosperity and opportunities for all. Oxford is home to many jobs with particular concentrations in the higher education, research and science sectors. The economic performance of the city is influenced by wider sub-regional and national plans. These include Oxfordshire's Strategic Economic Plan (refreshed in December 2023), the Local Industrial Strategy (2019) together with the Oxford Cambridge Pan Regional Partnership (confirmed by Government in January 2023) and the Oxfordshire Housing and Growth Deal (2017).

2.31 Oxford's employment strategy in the Local Plan 2036 seeks to protect the city's existing network of well-performing employment sites, while supporting the release of poorly performing sites to other uses (including housing). Policy E1 categorises the city's network of employment sites according to their importance to the national and local economy. Category 1 employment sites are the city's most important employment sites supporting the national economy or are significant local employers or sectors. Category 2 employment sites provide local services and facilities, whilst Category 3 are generally smaller, less well-performing sites.

2.32 Policy E1 supports the modernisation and intensification of any category of employment site. The modernisation and intensification of any employment site will be supported in principle where it can be shown that the new development makes efficient use of land and does not result in adverse environmental issues. Generally, the approach taken is to resist the loss of employment floorspace at category 1 or 2 sites, but it in the case of poorly performing Category 3 sites, a criteria-based approach is taken which, if satisfied, may allow the release of some or all of the site to other uses such as housing.

2.33 The Local Plan 2036 also provides policy support for the sustainable growth of the city's two universities - Oxford Brookes University and The University of Oxford. This support allows these institutions to maximise the economic, social and cultural benefits they both bring to the city.

2.34 Oxford is also a major centre for teaching hospitals and home to a number of acute and specialist medical research organisations. These medical research organisations link closely with healthcare research undertaken at the two universities. Research and development and teaching uses associated with health and the hospitals is supported in principle given their role as one of Oxford's key sectors. Proposals for new educational, teaching and academic institutions need to show how they support the objectives and wider policies in the Plan.

Employment and Skills Plans:

2.35 The Oxford Local Plan 2036 encourages the use of Employment and Skills Plans or Community Employment Plans to help mitigate the impact of development and support an inclusive economy. Employment and Skills Plans seek opportunities including ensuring local people can access job opportunities arising from development at both the construction phase and once development is in operational use.

Development opportunities

2.36 There are limited remaining vacant plots at The Oxford Science Park and at ARC Oxford (formerly Oxford Business Park). Both these "Category 1" employment sites have seen major development recently bringing forward a large amount of employment floorspace supporting Oxford's key strengths. A number of these recent development proposals are now under construction and due to be completed in the short-term. Some of the city's employment sites contain older buildings that are currently in employment uses. These sites cumulatively have significant redevelopment potential for modernisation and/or intensification within the plan period. Development opportunities are also being realised at Oxford North with a sizeable amount of floorspace being built out under a series of reserved matters planning applications that support an outline granted in 2021. There is also significant scope for the redevelopment of brownfield sites, particularly those in and around the wider West End of the city. Such sites include Oxpens, the 'Island Site', Oxford Station, longer-term opportunities at Osney Mead, and the more immediate opportunities involving the transformation of Botley Road Retail Park.

Employment Land Supply

2.37 Oxford City Council monitoring data shows the changes to the city's economic landscape that have been taking place over the past few years.

2.38 Table 2.1 shows that from the start of the plan-period, there has been significant additional floorspace permitted within the Office and R&D use classes - 144,869sqm additional net

(GIA) floorspace, the majority of which is now under construction and due to complete in the next five years. Since the start of the 2025-26 monitoring year, one additional planning permission has been issued for a net increase of 12,448sqm GIA floorspace for office/ R&D uses at the Eastpoint Business Park (application reference 24/01631/FUL).

Table 2.1 - showing planning permissions granted involving employment-generating uses. All figures expressed as a net increase in sqm (GIA)

Monitoring year	B1/ Eg	B1a / Eg(i)	B1b/ Eg(ii)	B1c/ Eg(iii)	B2	B8
2022/23	282	1,823	2,093	1,349	-12,173*	0*
2023/24	80	29,319	56,482	-343	25,359	0
2024/25	2,230	25,942	27,428	1,558	-615	22,351*
Total	**2,592**	**57,084**	**85,193**	**2,564**	**12,571**	**22,351**

** Linked applications at the site for a series of temporary permissions for open-air storage within the wider Unipart Site. B2 Building demolished (-12,713sqm) under prior approval.

2.39 Table 2.2 shows the total Office/ R&D floorspace permitted (i.e., where a decision notice was issued), within the plan-period to date. Correct at time of writing (i.e., May 2025)

Table 2.2 - Permissions granted (Decision Notice Issued) within the plan period to date – May 2025

Source of supply	Office/ R&D floorspace net (GIA)
Permissions granted between 2022/23-2024/25 *(Decision Notice issued)*	144,869sqm
Permissions granted since 01 April 2025 - to date (01 May 2025) *(Decision Notice issued)*	12,448sqm
Total permissions granted *(Decision Notice issued)*	**157,317sqm**

2.40 A number of ‘live’ planning applications are proposing Office and R&D uses are at various stages of the decision-making process. For instance, four development proposals already benefit from “resolution to grant” planning permission. These schemes, which have already been to planning committee, account for 88,747sqm of the current ‘live’ planning applications. Table 2.3 shows the ‘live’ applications at the various stages of the decision-making process.

Table 2.3 - ‘Live’ applications at the different stages of the decision-making process (May 2025)

Source of supply (May 2025)	Office/ R&D floorspace net (GIA)
Planning committee ‘Resolution to grant’ *(Decision Notice not yet issued)*	88,747sqm
Remaining ‘live’ applications	54,079sqm

(Under consideration)	
Total	**142,826sqm**

2.41 A number of other sources are needed to fully understand the employment supply pipeline for the plan period. Previously granted permissions likely to be implemented within the plan period (e.g., Oxford North) is one such source. Another source that makes up the employment supply pipeline comes from conversations with landowners and developers who are in a position to be able to share future land intentions. This process is being carried out as part of a wider review of employment land in the city.

3. Current situation (supporting Task A2 and A3 of Sustainability Appraisal)

Oxford's Economy

3.1 According to the Labour Market Profile for Oxford, the city was home to 4,915 businesses, collectively employing approximately 126,000 people in 2023. A high proportion of businesses in the city are micro or SMEs (small or medium sized enterprises). In fact, 96% of all businesses in Oxford are micro- (less than 9 employees) or small- (10 to 49 employes) businesses (UK Business Counts, 2024).

3.2 Oxford also has the highest employment rate in the county. The city's importance as an employment location is demonstrated by its job density ratio of 1.13 (2022), which is above the South-East (0.87) and Great Britain (0.87). According to the City Council's Economic Strategy, in 2019 it was estimated that Oxford contributed £6.8bn to the national economy annually.

3.3 The University of Oxford generates more spin-outs than any other university in the country. According to the Oxford University Innovation and University of Oxford Impact Report 2024 - Shaping the Future: Oxford's Innovation Impact, the University has been involved in the creation of more than 300 companies. Research and development, (R&D) is one of the current growth sectors in Oxford linked directly to the Universities and hospitals. The Covid-19 Pandemic and the ground-breaking research on vaccines with the development of the Oxford AstraZeneca vaccine has helped to highlight Oxford's global importance and its contribution to both the national and local economy. The strong links between healthcare in practice and research are critical.

3.4 A Research Report published in 2021 by the Centre for Cities, entitled Fast Growth Cities – 2021 and beyond showed the importance of a section of fast-growing cities, such as Oxford, and the need to build on their respective strengths as a crucial means of achieving future growth. Innovation systems, such as those established within the city comprise business dynamics, skilled labour and innovative outputs such as patents which together provide the platform for delivering economic growth. The 2021 study confirmed that innovative places, such as Oxford, are likely to be the first places to benefit from the ongoing change in the economy, since they are directly involved in the development of solutions or have the right dynamics to adapt their business models.

3.5 Oxford is therefore well placed to help to drive forward national economic growth by supporting the nationally identified growth driving sectors through the ground-breaking research and development undertaken within the city, which benefits from its strong links between the University of Oxford and the hospitals together with key related commercial firms that are established in the city.

3.6 In 2023, the importance of "Innovation Hotspots" was highlighted by the Centre for Cities in a report entitled Innovation hotspots – clustering the new economy. Hotspot areas, such as Oxford, involve the clustering of businesses and cutting-edge industries. These areas have been more productive and have grown faster since the financial crisis than those areas that do not benefit from clustering.

3.7 The Labour Market profile for Oxford (produced by Nomis) indicates that the total number of jobs in the city peaked in 2018 at 144,000. Since then, the total number of jobs in Oxford had fallen each year to a low of 127,000 jobs in Oxford in 2021. The number of jobs fell most rapidly between 2019 and 2020, where the number of jobs in the city reduced by 9,000. The most recent figures suggest an increase of 4,000 jobs from 2021 levels which means there were 131,000 jobs in Oxford (2022).

Availability of broadband

3.8 Oxfordshire County Council's Digital Infrastructure Programme aims to improve digital infrastructure across the county and their work includes bespoke projects such delivering GigaHubs with Full Fibre broadband including at more remote locations including village halls, GP surgeries, schools and other public buildings. Other important work involves the delivery of gigabit-capable broadband to around 10,000 premises in Oxfordshire and driving to deliver 5G technology in Oxfordshire as part of a wider regional project across England's Economic Heartland.

3.9 Good broadband connections are essential for many highly skilled jobs. Oxford is well covered by superfast broadband connections (speeds of >24Mps).

Employment by type

3.10 Official census and labour market statistics from the Office for National Statistics are provided by Nomis. Nomis provides labour market profiles for local authority areas. Oxford City's labour market profile is available on the Nomis website. The statistics for "Employee jobs" shows a sectoral breakdown of employees in Oxford by Industry. At the time of writing the most recent data is for the year 2023.

3.11 This dataset shows a large number of people are employed both in "education" (38,000) and in the "human health and social work" sector (25,000) in Oxford. These two sectors make up 50% of all employee jobs in the city. By comparison, these two sectors represent just under 23.8% of all employee jobs across the South East and 22.5 of all employee jobs nationally. This is significantly more people than are employed in the next two largest sectors. Employee jobs in "information and communication" (11,000) and "professional, scientific and technical activities" (10,000) together account for 16.6% of total employee jobs Oxford.

Employment levels

3.12 The Nomis website provides statistics about both employment and unemployment levels within Oxford's labour market profile. At the time of writing the most up-to-date information presented on the Nomis website was for the time-period between July 2023-June 2024. This showed that Oxford's unemployment rate at 3.8%, was slightly higher than the national average of 3.7%.

3.13 The Nomis website also provides information on the number of Jobseekers' Allowance (JSA) claimants. This information is also found within the Oxford's labour market profile. It shows that as of November 2024 there were 3,290 people claiming Job Seeker's Allowance or Universal Credit (UC). This represents 2.8% of the working population. This shows a reduction since March 2021 when there were 5,040 claimants representing 4.3% of the working population (i.e., people aged between 16-64 years old).

Micro, Small and Medium Sized Enterprises (Micro SMEs)

3.14 Micro SMEs represent a significant proportion of the city's employment ecosystem. According to UK Business Count data for Oxford (2024), 96% of the city's businesses are micro- (employing up to 9 people – 83.7%) or small- (employing between 10-49 people – 12.3%) businesses.

3.15 Recent increased and sustained high-demand for state-of-the-art research and development (R&D) uses including high-value laboratory and office space, has meant that certain Micro SMEs (including social enterprises, creative and co-operative businesses and local start-ups) have experienced increasing difficulties finding or affording suitable workspaces or premises in Oxford.

3.16 Where suitable premises for these types of Micro SMEs do exist, they are increasingly coming under pressure for redevelopment, and from rising commercial rents across the city. According to Advanced Oxford's Innovation Engine Update (2023), commercial rents have more than doubled since 2016 when prime office rents were £30/sqft (see Figure 2, page 17 for more details). Commercial rent increases are currently being driven by very strong prime laboratory and office markets. According to Bidwells Oxford Office and Labs Databook (February 2025), prime city centre office rents exceeded £60/sqft in December 2024, while prime rents for larger fitted lab space currently command over £78/sqft. Both prime office and laboratory rents are expected to continue to rise at an annualised growth rate of more than 2% per annum for the next five years.

3.17 The dominant type of employment floorspace being proposed and delivered across the city frequently has a large floorplate, which in combination with the prime commercial rents that can command, excludes many business typologies from accessing it. Opportunities to create new premises to support the growth and development of Micro SMEs more generally in the city are restricted by overall land availability and from pressure to deliver other priority uses (e.g., housing) on any sites that do become available. This lack of suitable and affordable premises and workspaces in the city (both existing and proposed) means that many Micro SMEs are at risk of being priced out of the city.

3.18 This is likely to have a negative impact on innovation opportunities, productivity and the overall diversity of jobs in the city. The resulting loss of economic diversity neither benefits the end-users of the high-value, large floorplate uses that are currently dominating provision, nor local people, who many need to travel further (possibly outside of Oxford) to find suitable and affordable premises and workspace.

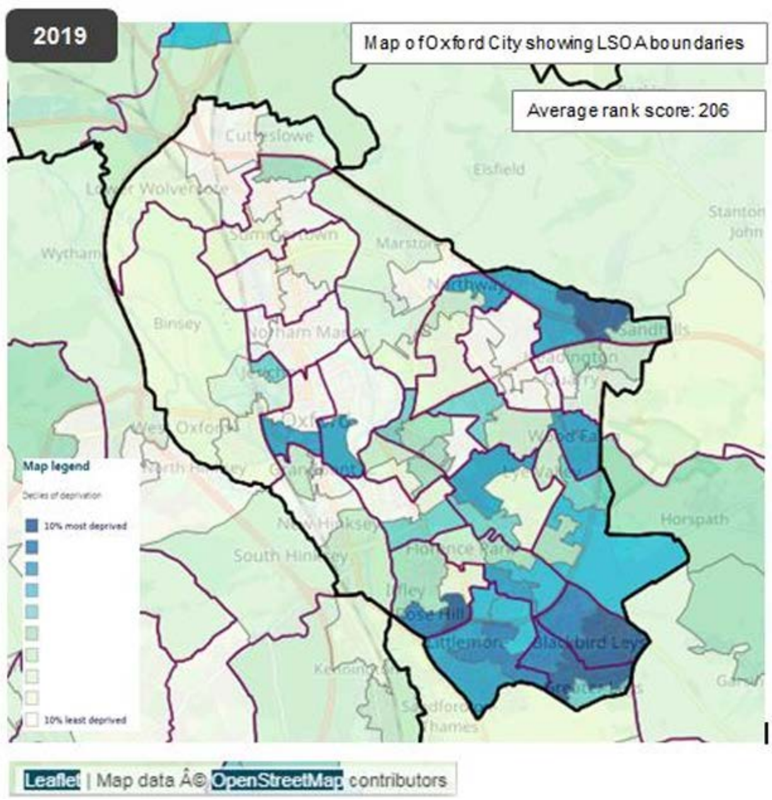
Education and skills

3.19 Oxford can be described as a well-educated city, with a high number of jobs in knowledge-intensive industries attracting workers with higher levels of qualifications. According to the Nomis website, data from the annual population survey (2023), is presented within Oxford's labour market profile. It shows the number of people aged between 16-64 with different levels of qualifications. The highest qualification level on the Nomis website is described as RQF level 4 and above. RQF level 4 is a higher education qualification and, according to the UCAS website, equivalent to the first year of an undergraduate degree, or a Higher National Certificate (HNC). While an RQF level 3 qualification represents A levels or equivalent. The Nomis data shows that 78,200 or 74.3% of Oxford's resident population aged 16-64 has been educated to RQF level 4 and above.

3.20 In 2019, the Government published the latest Indices of Multiple Deprivation. A detailed report – the Indices of Deprivation 2019 Oxford Report is available on the City Council Website. This report sets out that since 2015 children and young people's attainment in Oxford has been improving, and Oxford has become relatively less deprived. The city is, however, the most deprived of the five Oxfordshire Districts and has one Lower Layer Super Output Area (LSOA) within the 10% most deprived areas nationally. There are 9 areas in total within the city that fall within the 20 per cent most deprived areas nationally. A further 9 areas within the city fall within the 20 per cent least deprived areas nationally. This inequality affects parts of the city more than others.

3.21 The Indices of Multiple Deprivation can be broken down into various categories. The Indices of Deprivation 2019 Oxford Report sets out regarding the Educational Skills and Training Deprivation category - which measures the lack of attainment and skills in the local population - the average score ranking for Oxford was 206 in 2019 compared to 171 in 2015 (the last time the Indices of Deprivation were prepared). This shows Oxford is relatively less deprived in relation to the Educational Skills and Training indicator and that there have been improvements between 2015 and 2019. However, there are still significant disparities across the city and 8 LSOA are within the 10% most deprived nationally. State schools across Oxford, particularly in deprived areas, have under-performed compared to regional and national averages.

Figure 3.1 - Map showing levels of education and skills deprivation in Lower Super Output Areas of Oxford – (higher deprivation is marked by darker blue, lower deprivation in light green)



(Source: The Indices of Deprivation 2019 Oxford Report)

3.22 Further analysis of the Educational Skills and Training indictor (see Figure 3.1) shows it can be broken down into two sub-domains. These two sub-domains are designed to reflect the ‘flow’ and ‘stock’ of educational disadvantage within an area respectively. That is, the ‘children and young people’ sub-domain measures the attainment of qualifications and associated measures (‘flow’), while the ‘skills’ sub-domain measures the lack of qualifications in the resident working-age adult population (‘stock’). There are 11 areas in the most deprived 10% nationally for Children and Young People educational attainment compared to only 4 for Adult Skills. Conversely, there are 36 areas that fall within the 10 per cent least deprived nationally for Adult Skills in Oxford compared to 16 for educational attainment for Children and Young People.

4. Likely trends without a new Local Plan (supporting Task A2 and A3 of Sustainability Appraisal)

4.1 In the absence of a new Local Plan, the importance of the role that Oxford plays to the national economy is likely to continue. This is due to the close ties between research and development (in particular, those associated with the University of Oxford and the Hospitals) and the spin-out companies that are generated because of this close relationship. These innovations through research and development are an essential part of Oxford's economy, both locally and nationally. While it is likely that Oxford's key employment sectors (i.e., education and health) would continue to be linked with innovative research and development, the comprehensive redevelopment and regeneration of certain key sites may prove more difficult.

4.2 The new Local Plan provides an opportunity to ensure that sites allocated for employment uses make the best use of land and contribute to wider plan objectives such as sustainable travel, zero-carbon and enabling the co-ordinated delivery of infrastructure to help mitigate the impact of development. However, without a new plan, there is less certainty that these objectives would be realised in a timely and co-ordinated manner. As such there is a risk that the growth of the city may be prevented or delayed from realising its full potential.

4.3 Given Oxford's global status and international recognition, the city would still be likely to continue to attract direct investment projects. However, external uncertainties created by world events such as the on-going war in Ukraine and the recent introduction of Tariffs by the US, and the impacts of Brexit would be likely to continue to have consequential adverse supply-chain impacts.

4.4 Without a new plan in place, it is likely that the demand for significant additional employment floorspace in the city would continue. This floorspace has recently been coming forward at pace on numerous sites across the city. Indications are that the market remains relatively strong, and that supply has not, and is not currently keeping pace with demand. This mismatch between supply and demand has led to higher rents across the city. With this significant demand for floorspace, there is a risk that sites allocated for other uses (e.g., housing) may come under pressure to be developed for employment uses.

4.5 There is also a risk that the benefits of economic growth may not be felt by all. For instance, it is less likely that the development of Oxford's economy would be able to deliver benefits to all without policies in the new plan being in place. This is because there could be less opportunity for local people to improve their skills and training. It is also likely that there would be fewer prospects for SMEs and start-ups to find affordable workspace in the city.

Balancing economic uses, housing and supporting infrastructure

4.6 Ensuring economic growth is sustainable requires the delivery of sufficient new homes; the timely delivery of effective infrastructure; alongside the creation of new jobs. Striking a balance between delivering new homes and employment floorspace is a key strategic issue. Oxford is a small compact city. According to the City Council website, the Geography of Oxford statistics page sets out that Oxford has a total area of 46sq km (17.6sq miles). It is well-documented that there is a shortage of land for housing in the city as well strong demand and the associated impacts on affordability. As such, Oxford is one of the most unaffordable places to live in the country. This lack of suitable housing acts as a barrier to further economic growth.

4.7 The balance between the demand for housing and employment land has changed since the previous plan was being drafted. Since then, demand for certain types of employment uses have increased and current indications are that this is likely to continue. The current mismatch between employment land supply and demand is helping to maintain high prime rents for lab and office space both inside and outside the city centre.

4.8 Commercial rents are predicted to continue to rise, over the coming years. Advanced Oxford's Innovation Engine Report 2023 provided data from key local agents on how rent levels have increased in Oxford since 2016 to 2022 and then forecast future rent levels from 2023-2027. Figure 4.1 shows the change in rent levels (per sqft) comparing office with science parks and fitted laboratories.

Figure 4.1 - showing changes in rent levels (per sqft) comparing city centre office with science parks and fitted laboratories

Year	City Centre Office rents	Science Park rents	Fitted Labs rents
2016	£30.00	£27.00	–
2017	£30.00	£30.00	–
2018	£32.00	£32.00	–
2019	£37.50	£35.00	–
2020	£37.50	£35.00	£55.00
2021	£38.50	£45.00	£60.00
2022	£49.50	£55.00	£75.00
2023(f)	£60.00	£55.00	£76.50
2024(f)	£61.08	£55.99	£77.50
2025(f)	£62.48	£57.28	£78.50
2026(f)	£64.17	£58.82	£79.00
2027(f)	£65.97	£60.47	£79.50

Source: Advanced Oxford Innovation Report 2023

4.9 Bidwells "Oxford Offices and Labs" Databook (February 2025) confirmed the forecasts for prime office rents in December 2024 as £61/sqft, while providing that actual prime fitted lab rents were slightly higher than forecast having reached £78.50/sqft in December 2024.

4.10 Oxford is currently in a somewhat unusual situation (outside of Central London), where the delivery of certain commercial floorspace typologies appears to be more profitable than other traditionally higher value uses, such as housing. As such maintaining a blanket protection of employment sites may not deliver the required outcome to boost the supply of housing over the course of the plan period. This is because the extant employment strategy (as set out above) seeks to protect the city's existing locally and nationally important employment sites for further employment uses, as it was written within the context that these sites were under threat from loss to other higher value uses. Considering the current future without the new plan, it is likely that employment sites would continue to receive protection. A new plan provides an opportunity to investigate the potential for new policy interventions that reflect the evolving economic context in which we find ourselves.

4.11 Employment growth should be appropriately located to take advantage of the city's strengths and help to provide a sustainable distribution of business premises and employment land, to help maintain a range of potential job opportunities throughout the city. Oxford's contribution to the national economy and importance to research and development, e.g., health, makes the city's economy particularly important to protect in these times of on-going uncertainty resulting from wider economic factors including Brexit, the longer-term impacts of Covid-19, and the war in Ukraine.

4.12 It may be necessary to safeguard and protect land to deliver sufficient school places; and to control where educational institutions build more student residences, which could result in the loss of land to other non-residential uses.

Affordable Workspaces

4.13 As set out above, Micro SMEs represent a significant proportion of the city's employment ecosystem. According to UK Business Count data for Oxford (2024), 96% of the city's businesses are micro- (employing up to 9 people – 83.7%) or small- (employing between 10-49 people – 12.3%) businesses.

4.14 Without the Local Plan 2042, any provision of suitable and affordable workspaces and premises for key Micro SME sectors would rely solely on voluntary provision by developers on a site-by-site basis. It is likely that this would result in the increasing erosion of opportunities for certain Micro SMEs to start-up and remain in the city. This could lead to an increase in the number of Micro SMEs at risk of being priced out of Oxford and the associated negative impacts on innovation opportunities, productivity and a reduction in the overall diversity of jobs in the city.

4.15 Recognising the valuable contribution that supporting a range of businesses (including SMEs) can make to innovation and economic diversity and helping to create the conditions in which all businesses can prosper is one of the objectives of the Local Plan 2042. This objective supports the council's ambition to enable a strong, fair economy – one of the priorities set out in Our Strategy 2024-28. Oxford's Economic Strategy 2032 recognises the importance of affordable workspaces in supporting creative activity, social enterprise, co-operative businesses and local start-ups. It sets out that the creation of affordable workspace in the city would enable a more diverse employment base and give opportunities for evolving sectors (including creative production, low-carbon, technology and digital) to develop and grow.

4.16 The production of the Local Plan 2042 offers the opportunity to consider how the introduction of a policy could support Micro SMEs by enabling the creation and delivery of suitable premises and workspace in the city. The Local Plan 2042 therefore can help to address a failing in the market to deliver suitable premises and/ or workspaces for a significant proportion of the Oxfords' business community.

Economic impacts of the Covid-19 pandemic

4.17 The Local Plan 2036 did not anticipate the Covid-19 pandemic. As such it did not contain any directly relevant policies. In the short-term the pandemic affected people's health, well-being and safety. National lockdowns resulted in the closure of schools and Universities and these closures impacted the quality of children and young people's learning experiences.

4.18 The longer-term economic outlook for Oxford remains positive with on-going investment in key sectors supporting life sciences and the knowledge economy at a variety of locations, such as Oxford North, the West End and Botley Road, and in the south of the city, including at The Oxford Science Park and ARC Oxford. Now looking to the future, Oxford appears set to continue to deliver on its key economic strengths and ambitions.

4.19 However, there are on-going social and economic costs of the pandemic which were presented in research undertaken at University College London (published in November 2024). This research presented the health implications of long-covid using a financial metric to understand the economic impacts and potential severity of the issue. The researchers calculated the economic burden of long-Covid, was primarily driven by productivity losses, which averaged £931 per patient over the six-month period. As the ONS recognised that around two million people in the UK have long-Covid the costs associated with days lost could potentially add up to £20billion a year.

Future role of the city centre, office space and home-based working

4.20 Oxford's city and district centres continue to play an important but evolving role in the city's economy. Encouraging people into the city's network of centres will help to preserve and enhance their vitality and viability. A mix of uses, alongside retail, including employment, community uses, residential and student accommodation is likely to help re-vitalise the city's centres and ensure that these areas are re-energised by activity.

4.21 Pressure on city's office stock remains driven by the accelerated growth in science and technology employment. This sector typically takes up more floor space than other sectors – but evidence suggests that the science sector can adapt to all property types. Existing industrial and retail units can be a more flexible and cost-effective solution for a low-cost fit-out. Recent redevelopments along the Botley Road are an example of this where some of the older retail units have been repurposed as flexible lab-enabled office space offering a flexible mix of office and R&D workspaces.

4.22 There is also potential for repurposing vacant spaces within the city and district centres. This brings social benefits in terms of increasing activity and footfall within the city and district centres as well as helping to drive innovation and economic growth. This approach may benefit vacant spaces in the city and district centres. In the city centre, regular surveys are undertaken of vacant units. The most recent survey data (2024) showed that out of 383 surveyed units 75 were vacant (19.5%). In 2023, out of 383 surveyed units, 77 were vacant (20.1%). In 2022, out of 397 surveyed units, 96 were vacant (24.1%). Redevelopment opportunities do account for some vacancies however the percentages broadly align with a national post-Covid picture that shows higher city centre vacancy rates than were experienced before the pandemic.

Retention and recruitment of staff

4.23 One of the biggest challenges Oxford faces arises from a mismatch between new homes and jobs. The city's growing economy and associated jobs growth in key sectors such as R&D and labs is resulting in an increased pressure on the availability of housing and services (and on Oxford's already constrained transport network). This homes/ jobs mismatch has also led to affordability and housing issues in the city. These issues represent the concerns most consistently raised by Oxford's businesses in relation to staff retention and recruitment.

4.24 As Oxford is one of the most unaffordable cities in the UK, housing affordability issues also result in over-crowding issues and poor health outcomes. Opportunities to build sufficient new homes within Oxford itself to address this mismatch are limited by the city's size (Oxford is only 46sqm/ 17.6sq miles); its natural and heritage assets (including over 1,500 listed buildings); flood plain; and Green Belt (which covers more than a quarter of the city's total area).

4.25 The mismatch between homes and jobs has resulted in Oxford having the highest net inflow of commuting workers in the Oxfordshire region. The Office for National Statistics has produced an online visualisation tool for origin-destination data entitled Visualising People Flows available on the Office for National Statistics website. This shows that for the Census 2021, there were 28,342 workers recorded as commuting into Oxford out of a total of 92,047 workers aged 16 and over.

4.26 The Census 2021 figures reflect working from home patterns under restrictions imposed by the Covid pandemic. As such, the data does need to be treated with a degree of caution. However, a direct comparison with the Census 2011 data shows a reduction in in-commuting since 2011. The 2011 Census recorded 45,852 workers commuting into Oxford for work out of a total of 88,258 workers living and working in the city. Besides the obvious environmental pressures, commuting generates its own costs which can be significant particularly when they involve long journeys. These are often borne directly by the employee, particularly if they are on temporary or agency-based contracts.

4.27 Oxford City Council's website provides some additional transport statistics from the 2021 Census. This data shows that within Oxford, the most popular mode of transport was active travel (walk or cycle) with 38.8% of commuters choosing this method, while 38.2% of commuters arrived by car or van. This is significantly lower than the 2011 Census figure of 66.8%.

4.28 Finding a way to assist employers with recruitment and retention problems can support the Local Plan objectives in three ways: economically (helping productivity of employers and local investment); through housing (including by providing affordable housing); and sustainability (giving people the opportunity to live closer to place for work; through increased energy efficiency measures; and by through the associated reductions in emissions).

5. Options for Local Plan 2042 policies

5.1 The analysis set out in the previous sections of this background paper indicates that the Local Plan 2042 should include a set of policies to address employment land needs and that support the inclusive economy. This will not only be important for delivering upon the Local Plan 2042 objective of supporting economic growth in key sectors of science and technology, but also for helping to create opportunities for everyone in the city to access to employment. The Local Plan 2042 therefore includes proposed policies in response to the following topics:

- Addressing employment land needs
- Making the best use of employment sites
- Allowing housing on employment sites
- Location of new employment uses
- Warehousing and Storage uses
- Community Employment and Procurement Plans
- Affordable Workspaces
- Visitor Economy

5.2 For each topic, options for the approach that could be taken for the Local Plan 2042 policy have been considered, and these 'options sets' are set out in tables on the following pages. The tables identify potential positives of the approach, as well as the potential negative or neutral impacts that could arise depending on the approach taken and that have helped inform the preferred position set out for the Regulation 18 consultation.

5.3 Additionally, the options sets have been considered in light of their specific sustainability impacts through a high-level screening against the 12 sustainability criteria forming the assessment process for the separate Local Plan Sustainability Appraisal (explained in greater detail in the main Sustainability Appraisal report).

5.4 Where there is potential for a significant sustainability impact to arise from an option, or where there are significant differences in impacts between potential options, the Council has screened the options set in for a detailed appraisal in the main Sustainability Appraisal report. A summary of this screening process is included at the end of each options set table.

Policy options set 004a-1:(draft Policy E1) Addressing employment land needs

5.5 The city's current employment strategy for meeting identified employment land needs (as set out in the Oxford Local Plan 2036) sought to protect the city's most important existing employment sites and supported the development of additional land for employment uses as part of a mixed-use strategic allocation at the city's northern gateway. Now known as Oxford North, this site is delivering 87,300sqm of commercial floorspace to support the knowledge economy, alongside residential development, at the northern edge of the city. Previous economic evidence showed that Oxford's continued policy of economic restraint was appropriate.

5.6 Post-pandemic, the city has seen increasing demand for high-value employment floorspace (such as R&D, lab-space and flexible lab-enabled office accommodation). Oxford's employment land supply is in a strong position with a significant amount of high-value, high-demand floorspace permitted in the last five years. The majority of this permitted floorspace is coming forward at pace and likely to be delivered in the early part of the plan period. This strong supply position aligns with the established and escalating demand for this type of floorspace. The employment strategy option set considers several approaches as to how Oxford could address its identified employment land needs for the plan period.

Table 5.1 - Policy options set 004a-1: Employment Strategy – how the plan addresses employment land needs

Option for policy approach	Potential positive consequences of the approach	Potential negative/neutral consequences of the approach
Option A Attempt to meet employment needs, but prioritise other uses, in particular housing, rather than employment, even if employment needs cannot be met in full within the city, recognising that existing sites in lawful commercial use cannot be changed from that use against the landowner's will, so intensification on those sites is appropriate.	It is not possible to truly 'balance' housing and jobs, because it is not realistic to assume the majority of people will live their lives confined by Oxford's boundaries, there are benefits to an overall approach focusing on allocating new sites for housing and focusing on an approach of intensification and modernisation at existing employment sites (as opposed to allocating new employment sites through the Local Plan) in the city at the current	This approach could mean that some employment needs might need to be met outside the city. If this was the case a strategy for meeting those needs across Oxfordshire would ideally need to be agreed through joint working. If that does not happen, there will not be a strategic approach to meeting those needs.

	time. This would help reduce problems created by significant in-commuting. Also, employers have reported significant difficulties attracting and retaining staff because of a lack of housing and its expense. To help current employers maintain their success may require a focus on new site allocations for housing and potentially allowing elements of existing employment sites to be converted to housing.	
Option B Focus employment strategy on meeting all identified employment land needs within Oxford's boundary. Do not seek to prioritise other uses if employment need cannot be met. Actively investigate ways to meet employment land needs within the city through providing appropriately located employment land/ new sites (if required).	Oxford's economy makes an important contribution locally, regionally and nationally, and this approach acknowledges that strength and focuses on it. Meeting our identified employment land needs within the city boundary would mean that there would be no cross-boundary issues for employment land. A wide range of jobs would be supported under this approach. This is because the Plan would actively seek to meet all employment land needs (not just focusing on Oxford's key strengths but	This strategy could result in schemes for employment land being promoted across the city. Such schemes could come forward at the expense of other priority uses (e.g., housing). A shortage of housing in the city, and its expense, has been previously reported by employers as one of the key reasons that they have for having difficulties attracting and retaining staff. Depending on the level of need identified, this approach could have adverse impacts on housing delivery, which may have cross-boundary implications requiring a strategy to be agreed through joint working.

	This would allow a wide variety of entry points into the labour market, helping to overcome issues such as labour market exclusion, both actual and perceived.	If that does not happen, there will not be a strategic approach to meeting those needs. There are also implications for transport and travel. This option could potentially result in increased in-commuting.
Option C Let the market decide the most appropriate employment land uses to deliver and actively support new locations for employment development if there is market demand for these spaces. Rely on the Framework (NPPF) and other policies in the plan to determine applications for employment land in the city.	Oxford's economy makes an important contribution locally, regionally and nationally, and this approach acknowledges these economic strengths and would focus on them by supporting key sectors (such as laboratories/ flexible lab-enabled office accommodation). The office/ lab market is generally considered to be strong and resilient in Oxford. Current market conditions support delivery across the city. A market-led approach would provide flexibility to changing market conditions which could respond quickly and enable other land uses to be delivered (e.g., housing) across the city if market conditions were to change.	This approach could result in schemes for employment land being promoted across the city. There is a risk that schemes could come forward at the expense of other priority uses (e.g., housing). As such, this approach could have potential cross-boundary implications for housing. It is likely that lower-value, lower density employment-generating land uses (e.g., industrial/ warehousing) would not be able to afford to be in Oxford. As such, these uses may not be brought forward within the city. It is likely that these uses would be delivered outside the city boundary, which may have cross-boundary implications requiring a strategy to be agreed through joint working. If that does not happen, there will not be a strategic approach to meeting those needs.

Initial sustainability appraisal screening of options sets
Is there only one option or are there various options we could take? a or b or c **High-level screening conclusion? -** Unlikely to have significant sustainability impacts **Screened in for detailed appraisal?** No **Rationale:** These options have already been considered holistically as part of the wider growth strategy alternatives appraisal. While there are some minor negative effects likely on the SA objective for green spaces resulting from Option B, and potential uncertainties around whether homes or employment land would be delivered resulting from Option C, any likely effects are not considered significant.

Policy options set 004a-2 (draft Policy E1): Making the best use of employment sites

5.7 Traditionally, Oxford has protected its employment sites to prevent losses to higher value uses. In the past such uses have been residential in nature. More recently, higher value land uses in the city have been related to research and development and the importance of delivery of these uses has been prioritised nationally through incentives and linkages to increases in productivity. Oxford's economic strategy encourages the city to build on its key strengths in life sciences, research and development, while aiming to meet the city's overall employment needs in a way that enables a diverse economy.

5.8 Given the high demand for high value floorspace in the city, well-performing employment sites that support the city's local economy or provide important local services may come under pressure for redevelopment. Given the permissive changes outlined within Use Class E of the Use Classes order, there may be limited protection that can be afforded to these sites through the planning system. However, there is an opportunity to provide protection for locally important employment sites outside of Use Class E (i.e., those in Use Class B2).

Table 5.2 - Policy options set 004a-2: Making the best use of employment sites

Option for policy approach	Potential positive consequences of the approach	Potential negative/neutral consequences of the approach
Option A – existing OLP2036 approach	Continuing to provide protection for the city's most important employment sites is	The continuation of this policy approach could result in a lack of support for the

Seek to meet employment land needs through appropriate modernisation and intensification of the city's employment site network. Protect the city's most important employment sites, which are named in the plan, from loss to other uses. Allow the loss of poorly performing sites to other priority uses e.g., housing).	likely to continue to support a focus that aligns with Oxford's key strengths and support the local economy. Has the potential to support the delivery of sustainable transport solutions as intensification opportunities are at known locations. This approach allows the loss of poorly performing employment sites to other uses (e.g., housing). Supporting housing delivery can help to reduce barriers to economic growth.	some of the city's Category 3 employment sites. Although poorly performing in economic terms, some of these sites can provide a social value by adding economic variety, diversity and low-cost/ affordable workspaces which can benefit Oxford's economy.
Option B Seek to meet employment land needs through appropriate modernisation and intensification of the city's employment site network. Outside the city and district centres, protect a range of important employment sites that support the local and regional/ national economy. Include criteria-based approach to the loss of employment sites. Take a flexible approach to the continued use of existing employment sites in highly sustainable locations (i.e., city and district centres). Consider inclusion of criteria to support decision-making process.	Continuing to provide protection for the majority of the city's network of employment sites is likely to help to ensure a continued diverse network of employment sites remain in the city. This can help maintain a range of employment opportunities are available. Taking a flexible approach to the continued of employment sites in sustainable locations could enable the delivery of other appropriate uses (e.g., housing/ other town centre uses) in some of the city's most sustainable locations.	Not protecting employment sites inside the city and district centres would let the market decide on the most appropriate uses in these locations. This could potentially lead to uncertainty and potential difficulties in planning for and meeting employment land needs in these areas.

Option C Rely solely on national planning policy/ other policies in the plan	This option would provide flexibility for landowners/ developers to respond quickly to market conditions and is likely to support the continued growth of high-value, high-demand uses such as R&D.	Important sites that contribute to the city's economy could be lost as this approach would not actively protect employment sites. The market would ultimately decide on the most appropriate employment uses for the city. This could result in more high-value, high-demand employment uses being delivered and would ultimately lead to uncertainty and increased difficulties in planning to meet the city's identified employment land needs.
Option D Protect all employment sites to support meeting identified employment land needs. Do not support the loss of employment uses on any existing employment site. Encourage intensification and modernisation of employment sites across the network.	Continuing to provide protection for the city's network of employment sites is likely to help to ensure a continued diverse network of employment sites remain in the city. This would help to deliver a broader selection of employment sectors than those associated and aligned with Oxford's key strengths.	As all employment sites would benefit from protection under this option, there would be no scope for their loss to other uses other than through permitted development. Including protection for all existing employment sites could result in employment opportunities coming forward on poorly performing or poorly located employment sites which could otherwise be redeveloped for other uses (e.g., housing)

Initial sustainability appraisal screening of options sets
Is there only one option or are there various options we could take? Options a) - d)

High-level screening conclusion? - the options are similar to each other from a sustainability perspective and are unlikely to have significant sustainability impacts
Screened in for detailed appraisal? - No

Rationale: No – all options align broadly with national policy. The effects of Option A on the SA Objectives are likely to be broadly neutral as this option takes forward the current Local Plan 2036 approach. Option B, while similar to option A could enable a wider range of uses, including priority uses such as residential development to come forward in sustainable locations such as the city and district centres. This could have minor positive impacts on certain SA objectives (e.g., housing), but would ultimately depend on the implementation of specific sites based on landowner interests. Option C could have minor positive or negative impacts on certain objectives such as different aspects of economic growth and housing. This option would ultimately lead to the determination of development proposals being guided solely by national policy which may cause increased uncertainty in the decision-making process.

Finally, Option D would broadly strengthen the protection of all employment sites across the city which could have minor negative impacts on housing delivery.

Policy options set 004a-3 (draft Policy E1) - Housing on Employment sites

5.9 Given Oxford's long-standing housing availability and affordability issues, which have often been cited by employers as key barriers to attracting and retaining staff, we are considering the introduction of a permissive approach to housing delivery across the city's employment site network. Delivering new homes in Oxford is an important aspect of addressing these known barriers to economic growth.

5.10 It is important to ensure that any approach that supports new homes on existing employment sites does not need lead to situation where it undermines the ability of sites to deliver employment floorspace required to meet the Oxford's identified employment land needs .

Table 5.3 - Policy options set 004-a3 - Housing on Employment sites

Option for policy approach	Potential positive consequences of the approach	Potential negative/neutral consequences of the approach
Option A – existing OLP2036 approach Does not specifically allow an element of housing delivery on existing employment sites.	If Oxford was unable to meet its identified employment land needs in the city, it would be important to ensure that existing employment sites were not further diversified for other uses.	Not all landowners/ developers of employment sites would necessarily want to bring forward housing on their sites, however some large key institutions representing significant employers in the city (e.g., hospitals – 19.8% of the city's workforce was employed in the health sector in 2023 according to Nomis). This approach could undermine efforts to house hospital staff on their own sites, which enables the recruitment and retention of key workers, some of whom would otherwise struggle to live in the city.
Option B Allow an element of housing delivery on existing employment sites (if other policy requirements are met (e.g., around flood risk).	Locating housing and jobs in close proximity to one another can bring benefits for local services and facilities. It also has the potential to deliver more homes within Oxford city. This may help Oxford to meet its housing need and provides flexibility to respond to changing circumstances and values over time (even if owners/ developers are not interested in delivering housing to their sites at the present time).	It will be important to ensure that any housing that does come forward on the city's employment site network does not prejudice Oxford's ability to meet its identified employment land needs otherwise a strategy for meeting those needs across Oxfordshire would ideally need to be agreed through joint working. If that does not happen, there will not be a strategic approach to meeting those needs.

	Certain sites, such as Old Road Campus (where important research linked to science and innovation takes place), and the hospitals (which are important for health care treatment and research), need to be supported to both continue to contribute to the economy, and where appropriate, to investigate opportunities to house key workers who may otherwise struggle to remain in the city.	It will be important to ensure that, if housing is allowed to be delivered (through a permissive approach) across the city's employment site network, that it is not to the detriment of the important contribution that Oxford's economy makes locally, regionally and nationally.

Initial sustainability appraisal screening of options sets
Is there only one option or are there various options we could take? a or b **High-level screening conclusion? -** the options are similar to each other from a sustainability perspective. Unlikely to have significant effects **Screened in for detailed appraisal? -** No **Rationale**: These options have been assessed within the wider context of the growth strategy alternatives appraisal. They do not require further detailed appraisal as they are only likely to have minor positive or negative neutral or negligible effects. Option A is likely to have broadly neutral effects on all SA objectives as it would maintain the current Local Plan 2036 policy approach. Option B could have some minor positive effects on SA objectives such as housing and transport-related objectives as supporting additional homes in the city across all employment sites could help to address housing and commuting issues however the amount of new homes that could be delivered would likely depend on implementation as it would not be possible to mandate new homes without landowner agreement.

Policy options set 004a-4 (draft Policy E1): Location of New Employment Uses

5.11 Given Oxford's limited land availability and the importance of delivering other priority uses in the city (in particular, housing), it is important to ensure that new employment uses are supported in appropriate locations across the city.

5.12 There are a number of areas of the city where business and innovation sectors are clustered. These sites play an important role individually, and collectively they contribute to economic growth nationally, regionally and to the local economy. These include the Oxford Science Park; ARC Oxford (formerly Business Park); Old Road Campus; the Hospital sites; Oxford Science Area and Keble Road; the Radcliffe Observatory Quarter; Oxford North (which is now being built out); and the West End regeneration area.

Table 5.4 - Policy option set 004a-4: Location of New Employment Uses

Option for policy approach	Potential positive consequences of the approach	Potential negative/neutral consequences of the approach
Option A Support new employment uses (through modernisation and intensification) at existing employment sites and sites specifically allocated for employment uses in the plan only. Do not allow any new employment-generating uses outside of these locations (i.e., do not allow the loss of existing housing sites to employment-generating outside the city and district centres). Allow new employment uses in the city and district centres (subject to their role and function).	This option would retain the geographic focus of locating new employment-generating uses in existing centres and specified employment locations. Continuing to focus new employment-generating uses in existing employment locations can bring connectivity and infrastructure benefits. Restricting new employment-generating uses to existing employment sites can support housing delivery in the city by limiting pressure to bring forward housing sites for high-value, high demand employment uses (e.g., R&D)	This approach would continue to support employment-generating uses within existing sites only. This could result in more development being pushed towards the southern edge of the city which includes the locally important Garsington Road cluster as well as key city employers such as the Science Park, ARC Business Park, Unipart site and Mini Plant Oxford. While significant strides have been made towards re-opening the Cowley Branch Line to passenger trains, this area is currently poorly served by public transport, and active travel routes. If by restricting the locations where new employment-generating uses are

		acceptable in the city, this results in constraints to its future supply, this could increase the demand for high-value employment uses. This could result in pressure to redevelop lower-value employment sites to try and keep up with the demand for higher value uses.
Option B As Option A (above) but rather than restricting new employment-generating uses to existing sites, instead allow new employment uses, in a limited number of suitable specified locations (e.g., adjacent to exiting employment sites) Depending on the location, there may be merit in requiring certain sites to bring forward a mixed-use expansion including residential).	As above except this approach would enable key clusters to expand and continue to support Oxford in building on its economic strengths. If Oxford is unable to meet identified employment land needs in the city, this approach may provide a pragmatic way forward which could help support the delivery of additional housing and employment land.	Given Oxford's small size and limited opportunities for new development, actively supporting the creation of additional employment land in the city could negatively impact the delivery of other uses including housing and much-needed affordable housing.
Option C Rely solely on national policy and other policies in the plan (e.g. hierarchy of centres) to determine proposals for new employment floorspace in the city.	Recent changes to the NPPF strengthen support for economic growth and specifically mention laboratories as a key sector to stimulate the economy. This market-driven option is likely to support the delivery of high-value, high demand uses (e.g., R&D/ lab). This is an important sector, which would support national economic objectives.	Outside of the city and district centres, where Class E employment uses would be supported as "town centre uses", the plan would not provide any policy guidance on the location of new employment-generating uses. As a small, compact and constrained city, although Oxford is an inherently sustainable location for development and there could be increased pressure to deliver employment-generating uses in the city. However, this increased

		pressure would be likely to be limited to unallocated sites that would need to comply with national policy. An absence of local policy in this instance could potentially increase uncertainty over where new employment uses could be delivered, if the strength of the commercial market was to soften in relation to the housing market over the plan period.

Initial sustainability appraisal screening of options sets
Is there only one option or are there various options we could take? a or b or c **High-level screening conclusion? -** the options are similar to each other from a sustainability perspective. Unlikely to have significant effects. **Screened in for detailed appraisal? -** No **Rationale:** These options have been considered more widely within the context of the growth strategy alternatives appraisal. Detailed appraisal of these options is not required. Options A and B are similar. The effects of Option A are likely to be neutral against all SA objectives as this option would carry forward the current (LP2036) approach. Option B could have potential minor negative effects depending on the precise location of any expansion and factors such as the environmental quality of any land taken for development, but the precise nature of any effects undertaken at this stage would depend on implementation and would ultimately require more detailed site-specific assessment, which would be subject to a separate appraisal against the SA Framework. Option C would be likely to result in uncertainty in the decision-making process which could result in some minor negative effects on certain SA objectives (e.g., certain aspects of economic growth could be weakened but it is unlikely this objective would be significantly impacted upon by these locational uncertainties. It could ultimately involve more resources at the development

management stage as each site would need to be assessed on a case-by-case basis to work out whether the location was suitable for employment uses.

Policy options set 004b (draft Policy E2) Warehousing and Storage Uses

5.13 New large scale B8 uses are usually low-density and do not generally make an intensive land-use. As a small, compact and constrained city, there are numerous competing pressures for land in Oxford. This means that there is often a need to make the best, or most efficient use of any land that comes available. As such, new B8 uses are not always the most appropriate use for land within the city. Freight consolidation can support Oxford's transition to a zero-carbon future. One of the actions highlighted in the Zero Carbon Oxford Partnership roadmap and action plan was to pilot freight consolidation around the edge of Oxford. This is to help deliver a successful transition to Zero Carbon living. It is important that the Local Plan 2042 does not prevent this taking place.

Table 5.5 - Policy options set 004b: Warehousing and Storage Uses

Option for policy approach	**Potential positive consequences of the approach**	**Potential negative/neutral consequences of the approach**
Option A – Existing approach New B8 uses on sites not already lawful use are only allowed where the use is essential to the operation of a Cat 1 site Loss of B8 uses generally supported unless B8 use is essential for the ongoing support of a Cat 1 site.	This option would prioritise employment land in the city for more efficient and intensive land uses. By restricting B8 uses to support the operational requirements of the city's most important (Category 1) employment sites ensures that new B8 uses are delivered in way that supports and enables the continued or enhanced operation of employment sites with clear links to wider economic aims as set out in national policy.	Limiting B8 uses to Category 1 sites can preclude the legitimate expansion needs of suitably located local businesses that make a positive contribution to the economy by providing jobs to local people.

Option B Where new B8 uses are allowed would be widened to enable support for the continued operation of locally recognised employment sites and those that support the national economy. Loss of B8 uses would generally be supported unless the B8 use is essential for the ongoing support of sites on which new B8 uses are allowed.	This option would support a wider range of employment sites to deliver B8 uses which could enable local businesses to expand and remain in Oxford, which can provide key services and support local jobs. This would align with national economic objectives relating to the continued growth of existing employment sites.	This approach would reduce the priority given to other uses that support the local, regional and national economy. It could bring B8, which often generates transport by HGV and LGV, into unsuitable areas. It allows this use which does not make best use of limited land.
Option C (in combination with option a) or b)) Introduce a specific exemption to enable the pilot of a suitably located freight consolidation centre	This option would enable LGV/ HGV freight to be moved to electric delivery vehicles, e-bikes and cargo-bikes at the edge of the city, rather than petrol and diesel LGVs and HGVs moving into residential areas and the city centre for deliveries. This would help to deliver City Council and partners' zero carbon partnership aims to decarbonise last mile deliveries in the city.	Any relaxation would need to be carefully managed to ensure it does not open up the potential for significant new storage facilities that do not make efficient use of land and that may not be well located in terms of the road network and avoiding congestion.
Option D Further restrict new B8 uses so they are generally not supported at all.	Further restriction of this inefficient land use could provide more land for priority uses.	Restricting B8 uses further in the city may result in potential difficulties for employment sites that rely on some B8 for their continued operation.
Option E		

Rely solely on national policy and other policies in the plan to assess applications for B8 uses in the city.	Could see an increase of B8 uses on a range of sites in the city, providing services and jobs.	Would neither actively restrict nor promote B8 uses in the city and would allow market forces to dictate the demand for B8 uses. This approach could reduce the priority given to other uses that support the local, regional and national economy.

Initial sustainability appraisal screening of options sets
Is there only one option or are there various options we could take? a or b (in combination with c) or d or e **High-level screening conclusion? -** the options are similar to each other from a sustainability perspective. Unlikely to have significant effects. **Screened in for detailed appraisal? -** No **Rationale:** Two of the options (Option A and B) seek to restrict the location of new B8 uses to certain existing employment sites, while one option (Option D) does not seek to support new B8 uses at all in the city. Option D (further restriction) is likely to have a minor negative impact the SA objective for economic growth as not supporting new B8 uses at all in the city may result in difficulties for sites that rely on an element of B8 for their continued operation. While not having a policy could lead to uncertainties about future delivery of B8 uses on sites where they may be needed, this is unlikely to have a significant effect. Option C is a supplementary option and is considered in-combination with Options A and B. This option would be likely to deliver minor positive benefits which wider carbon reduction objectives. Option A would have a likely minor negative effect on economic growth as far as local supporting locally recognised employment sites, but this would be balanced out by a likely minor positive effect supporting nationally important sites and significant local employers. Option B (in combination with Option C) would be likely to have a minor positive effect on economic growth as it would support the widest selection of employment sites and could support existing businesses to expand, while remaining in Oxford. This can support local jobs and services.

Policy options set 004c (draft Policy E3): Community Employment and Procurement Plans

5.14 Community Employment and Procurement Plans (CEPPs) have an important role to play in securing opportunities that arise from new development. In the operational phase of development, agreements to secure a proportion of the longer-term workforce or supply chain locally or commitments to community education and outreach can ensure ongoing benefits. In the construction phase they can provide opportunities for local people to be employed in the building industry (e.g. through apprenticeships/ training/ making links to local schools and colleges) or secure commitment from the developer to procuring material and labour locally. Another option is to commit to paying employees the Oxford Living Wage and only using contractors who pay this higher level than the National Living Wage.

Table 5.6 - Policy options set 004c: Community Employment and Procurement Plans

Option for policy approach	**Potential positive consequences of the approach**	**Potential negative/neutral consequences of the approach**
Option A Introduce a policy requiring applicants to submit a Community Employment and Procurement Plans alongside major development proposals, which also looks at the potential for engagement with training and education.	Would introduce a partnership mechanism for securing community benefits from major development projects. Would help deliver the aims of the Economic Strategy and implement part of the linked Action Plan.	This could be seen as an unnecessary or onerous requirement of developers.
Option B Encourage applicants to submit a Community Employment and Procurement Plans alongside all major development proposals but do not make this a policy requirement.	A voluntary approach would be flexible but applicants could still be encouraged to embark on CEPPs to provide opportunities for local people as they saw fit.	The voluntary approach is limited in scope and potential contribution that could be made. Measures set out in TAN are only presented as advice and guidance, no obligation to implement and no mechanism to monitor or enforce.
Option C Do not encourage or require applicants to submit a Community Employment and Procurement Plans.	Increased flexibility for applicants.	Removing encouragement from supporting text of plan may actively discourage applicants to submit Community Employment and Procurement Plans.

Initial sustainability appraisal screening of options sets
Is there only one option or are there various options we could take? a or b or c **High-level screening conclusion? -** the options are similar to each other from a sustainability perspective. Unlikely to have significant effects.

Screened in for detailed appraisal? - No

Rationale:
The options most directly influence criterion 12. Economic growth, by providing for greater amounts of employment opportunities within the city. They are possible impacts on other criteria in the SA framework indirectly where these have a relationship to economic growth (e.g., accessible services/facilities, inequalities). Option a would be likely to have a minor positive impact by providing access to education and employment opportunities to local people. Option b as a continuation of the status quo, is likely to have neutral impact, whereas option c would be a retrograde step as the plan would not actively encourage skills and training opportunities. Overall, this option set is unlikely to have significant effects and therefore can be screened out from further assessment.

Policy options set 004d (draft Policy E4) – Affordable workspaces

5.15 Oxford's economic successes have brought with them unforeseen challenges. Post-pandemic, the city has seen significant and increasing demand for high value employment land uses (such as R&D and flexible lab-enabled office development). This relatively new and high demand for these high-value land uses, coupled with a constrained land supply and a need to deliver other priority uses such as new homes in the city, has resulted in increased pressure to redevelop lower value premises across the city's employment site network.

5.16 A need for affordable workspaces to support certain identified sectors of Micro SMEs has been created by a combination of rising rents, high demand for larger-floorplate, high-value land uses, a lack of physical space in the city, and increasing land values have resulted in a failure in the market to provide suitable accommodation for a range of businesses and enterprises that can contribute to and support the economic diversity of an area. Oxford City Council's Economic Strategy highlights some of the key sectors that require these spaces. It also sets out the importance of providing affordable workspaces for the 'inclusive economy' i.e., to support creative activity, social enterprise, co-operative businesses and local start-ups in the city. The following options were considered.

Table 5.7 - Policy options set 004d: Affordable workspaces

Option for policy approach	**Potential positive consequences of the approach**	**Potential negative/neutral consequences of the approach**
Option A Introduce a policy requirement to deliver affordable workspaces on larger commercial development sites (in use Class E)	Likely to be the approach which would secure the most affordable workspace and help facilitate an inclusive and diverse economy.	Depending on the requirements of any future policy, this approach may be considered onerous. It will need to be backed up by appropriate viability evidence.
Option B Introduce text in the local plan encouraging employers to deliver affordable workspace in the city.	Allows the market flexibility to determine the type of employment space provided.	This could be a missed opportunity to address the issue of unaffordable workspaces in the city. Not providing support for affordable workspaces in the

		plan would not help to secure and deliver these types of spaces. As such the wider benefits from economic growth linked to Oxford's key sectors in science and innovation, would not be realised by all the city's residents.
Option C Do not incorporate the concept of affordable workspace in the Local Plan.	Leave the market to determine the type and amount of employment space to be provided across the city.	This could be a missed opportunity to address the issue of unaffordable workspaces in the city and therefore to help secure the benefits of a strong, fair and inclusive economy.

Initial sustainability appraisal screening of options sets
Is there only one option or are there various options we could take? a or b or c **High-level screening conclusion? -** the options are similar to each other and are unlikely to have significant sustainability impacts **Screened in for detailed appraisal? -** No **Rationale:** While the policy may have economic and social value benefits, in land-use terms, development is happening anyway and is likely to be needed to support the delivery of affordable workspace on qualifying sites.

Policy options set 004e-1 (draft Policy E5): New Tourism and Short Stay Accommodation

5.17 Oxford's visitor economy makes an important contribution to jobs in the city. It is therefore important to support new and existing tourism and short stay accommodation in appropriate locations so that visitors to the city are encouraged to spend more time (overnight stays) and increase spend to support the local economy. Longer stays can reduce the numbers of "day-trippers" as high volumes of these types of visitors adversely impact traffic congestion and associated air quality issues.

5.18 This option sets look at locations for new tourism and short stay accommodation

Table 5.8 - Policy options set 004e-1: New Tourism and Short Stay Accommodation

Option for policy approach	Potential positive consequences of the approach	Potential negative/neutral consequences of the approach
Option A Allow new sites for tourism and other short-stay accommodation in the city and district centres, on allocated sites and on Oxford's main arterial roads only.	Approach would continue to encourage new short-stay accommodation in sustainable and accessible locations. Likely to benefit Oxford's economy through supporting a higher percentage of Oxford's visitors to stay overnight. Potential to enhance the vibrancy of the city and district centres by allowing tourist accommodation to be located here.	Potential for increases in traffic along arterial roads and potential risk that this use could become dominant in locations supported by the policy.
Option B Allow new short stay accommodation in the city and district centres, and on allocated sites only.	Approach would continue to encourage new short-stay accommodation in sustainable and accessible locations and provide control over which sites outside of these areas were appropriate to deliver short-stay accommodation.	May increase pressure for town centre uses in city and district centres and reduce variety of uses in these locations. Would reduce the number of locations where tourist accommodation is deemed appropriate, and it may not be possible to meet needs.

	Potential to enhance the vibrancy of the city and district centres by allowing tourist accommodation to be located here.	
Option C Support new short stay accommodation anywhere in Oxford.	Would increase potential locations where short stay accommodation is deemed appropriate. This is likely to encourage overnight stays in Oxford which is likely to have positive benefits for the city's visitor economy.	Allowing short-stay accommodation across Oxford could result in sites being developed that are poorly located in terms of potential traffic impacts or could have negative impacts on residential amenity, for example. Could result in more accommodation being provided where other priority uses (e.g., housing) would have been appropriate.
Option D Outside of the city and district centres, seek to resist new short-stay accommodation anywhere in the city.	May support the delivery of other priority uses (e.g., housing) in locations outside the city and district centres	May increase competition for land for tourism and short stay accommodation with other main town centre uses within the city and district centres. This could lead to a less diverse offer of tourism and short stay accommodation as higher land values in some centres would lead to the delivery of higher value accommodation (e.g., hotels) only.
Option E Do not include a policy on new short stay accommodation in the city. Instead rely on national policy to delivery new short stay accommodation in the city.	Hotels are included within the list of 'Main town centre uses' set out in Annex 2: Glossary (NPPF, December 2024). As such	Hotels are included within the list of 'Main town centre uses' set out in Annex 2: Glossary (NPPF, December 2024). As such

	impacts of this option are essentially very similar to Option B (above).	impacts of this option are essentially very similar to Option B (above). Short-stay accommodation is not generally considered a suitable use outside of the city and district centres unless identified need shows otherwise. This approach may lead to uncertainty regarding where new accommodation would be supported and could lead to applications outside of sustainable accessible locations.

Initial sustainability appraisal screening of options sets
Is there only one option or are there various options we could take? a or b or d or e **High-level screening conclusion? -** the options are similar to each other from a sustainability perspective and are unlikely to have significant sustainability impacts **Screened in for detailed appraisal? -** No **Rationale:** Option A maintains the current locational approach supporting new tourism and short stay accommodation in a variety of accessible locations across the city. This would be likely to result in a neutral effect on all the Sustainability Objectives. Option B proposes a more limited selection of locations. By reducing the acceptable locations for new tourism and short stay accommodation it could have a minor negative effect on the visitor economy although the overall impact on the SA objective for economic development would be likely to remain positive. Option C would enable new tourism and short stay accommodation opportunities to be delivered across the city. This option could result in this type of accommodation being delivered in less accessible locations which could have minor negative impacts on local amenity and transport-related objectives. Option D is the most restrictive option and would only support new tourism and short stay accommodation in the city and district centres. This would be likely to have minor positive effects associated with housing outside of these locations, but it would increase competition within the city and district centres where land values may be higher, which may result in a focus on high-value accommodation. This may not achieve wider aims associated with the visitor economy of encouraging longer stays and increased spend in the city. Finally, not having a policy

could lead to uncertainty over locations where new tourism and visitor accommodation would be supported. This may result in competition with other priority uses.

Policy options set 004e-2 (draft Policy E5): Existing Tourism and Short Stay accommodation

5.19 Short stay accommodation helps meet the needs of tourists and other visitors, including business travellers and travelling researchers. Availability of sufficient short-stay accommodation may help to encourage tourists to stay for longer and help contribute to the success of businesses and the economy, but it also has impacts, including that it competes with other uses, and travel impacts. There may be reason to protect it, but where it is located is important in managing impacts and not all existing provision will be optimal. This final option set considers whether to include a policy supporting the expansion of existing short stay accommodation and protecting existing accommodation or not.

Table 5.9 - Policy options set 004e-2: Existing Tourism and Short Stay Accommodation

Option for policy approach	**Potential positive consequences of the approach**	**Potential negative/neutral consequences of the approach**
Option A Do not include a policy protecting existing short-stay accommodation in the city and instead rely on other policies in the plan and national planning policies.	This option would mean that Oxford is reliant solely on market forces to protect its existing stock of short stay accommodation. Whilst providing flexibility for developers, it would not necessarily help the city to achieve its wider tourism aims and objectives.	Could provide uncertainty for existing short-stay accommodation owners and occupiers. May not effectively promote Oxford's visitor economy by encouraging more overnight visitation.
Option B Allow the expansion of existing short-stay accommodation providing certain criteria are met.	Likely to provide support for Oxford's visitor economy by protecting existing facilities and allowing their appropriate expansion.	Inclusion of criteria which must be met before a loss will be permitted (such as viability, marketing etc.) would ensure that

Seek to protect existing accommodation and allow loss only if specified criteria are met (i.e., by providing viability evidence or if the location is not one where new short stay accommodation would be allowed).	It is important to seek to prevent the loss of existing visitor accommodation to other uses because tourism is an important contributor to the day and evening economy of the city.	existing sites that function poorly are not prevented from being redeveloped.

Initial sustainability appraisal screening of options sets
Is there only one option or are there various options we could take? a or b **High-level screening conclusion? -** the options are similar to each other and are unlikely to have significant sustainability impacts **Screened in for detailed appraisal? -** No **Rationale:** As these are existing sites, from a sustainability perspective whether to include policy guidance supporting appropriate small-scale redevelopment or changes or use, or not, is unlikely to result in significant effects on the any of the sustainability objectives.

6. Conclusions including key sustainability issues

6.1 Growth is likely to continue in the key sectors of Oxford's economy – e.g. education, research and development and healthcare. However, some of the key corporate objectives set out in the City's Economic Strategy in 2022-32, in particular those in relating to building an 'inclusive economy' are likely to need policy interventions if they are to be achieved successfully. Continuing with the current policy framework is unlikely to help achieve these aims. As such, the economic prosperity brought to the city by increasing jobs in Oxford's key sectors is unlikely to be shared fully with local residents, which would help to reduce inequalities and poverty. This is because the jobs that could potentially arise from this growth may be inaccessible to many local people if the training and skills gap is not addressed.

6.2 The extant Local Plan 2042 seeks to supported good growth by protecting key employment sites either for their existing use or for their redevelopment for continued employment uses through modernisation and intensification. This was because of their importance to the local and national economy and due to the risk of their loss to other uses. Given the high demand for certain types of employment (e.g., office/ R&D) floorspace in the city, the Oxford Local Plan 2042 build on the strengths of the extant approach and has developed options and policies involving employment land, and supporting Micro SMEs as well as looking to provide access to jobs, training and apprenticeships.

Key sustainability issues for the Local Plan to address:

- Employment in the city remains high and likely to continue growing;
- The city's economic potential is being constrained by a lack of availability of suitable and appropriate housing. Some employers have reported difficulties attracting and retaining staff because of these issues;
- It is unlikely that new strategic sites will be identified for employment development. As such, it will be important that sufficient employment floorspace is available throughout the city's network of existing employment sites. This is to help ensure that Oxford can meet any identified employment land needs;
- The focus for new employment development in Oxford is likely to continue with an approach of redevelopment (including modernisation and intensification) and renewal of existing sites;
- A strategy that enables appropriate levels of employment growth while encouraging the delivery of much-needed housing is key to ensuring that Oxford grows in a sustainable manner;
- Employment growth in Oxford is most likely to continue in the key sectors of healthcare and STEM, especially those involving R&D;
- Micro SMEs make up a significant proportion of the businesses in Oxford and support innovation opportunities, productivity and while contributing to economic diversity.

Certain sectors are struggling to find suitable affordable premises (existing and proposed) in the city.

- Without appropriate skills & training, jobs in Oxford's key sectors are unlikely to be accessible to local people;
- State schools across Oxford, and particularly in deprived areas of the city, generally under-perform compared to regional and national averages;
- Due to changes in shopping habits, (e.g., the increase in on-line retail), the city and district centres need to remain the focal point of the city. Uses other than retail can increase footfall and support vitality and vibrancy in these inherently accessible parts of Oxford. Non-retail opportunities emerging in city's centres include co-working spaces, R&D and more;
- Ensuring expanded and robust digital infrastructure is available in as many settings as possible to align with the expectations and flexibility of hybrid working. This will enable people to have the opportunity to work or study in numerous locations across the city;
- Small scale brownfield development across the city may increase pressure on existing school places and will not in itself provide new school sites.

Preferred approaches for the Local Plan 2042

6.3 Section 5 identified that there were a number of topics that the Local Plan 2042 could implement policy to address which relate to the economy (including the visitor economy), economic development, and supporting a range of jobs and training opportunities. Under each of these topics, there were various options for policy approaches which could be taken, with differing impacts and these were presented in tables to better facilitate comparison between them. Taking into account the various impacts arising from the options, the preferred approach to be taken for each topic, and set out in the main Regulation 18 consultation document, is as follows:

Employment Strategy – Draft Policy E1

6.4 Draft Policy E1 combines the preferred approaches from four options sets. Each options set considers a discrete element of the policy. The four options sets are as follows:

- 004a-1: Addressing employment land needs
- 004a-2: Making the best use of employment sites
- 004a-3: Housing on Employment sites
- 004a-4: Location of New Employment Uses

6.5 The preferred approach for each option set is set out below:

004a-1: Addressing employment land needs

6.6 The preferred approach for the Local Plan 2042 policy is to take forward **option A**. This is because it was considered important to align the employment strategy with the plan's strategic focus to prioritise housing delivery (which supports the economy by helping to address long-standing barriers to economic growth relating to housing supply and associated affordability issues in the city). This option would enable employment development to take place on existing sites which would help meet identified employment land need while also supporting the delivery of much needed housing.

004a: Making the best use of employment sites

6.7 The preferred approach for the Local Plan 2042 policy is to take forward **option B**. As set out above, the plan's strategic focus is to prioritise the delivery of housing as it helps to address barriers to economic growth. However, in a compact, constrained city, such as Oxford, with current strong demand for certain employment types, protecting the city's most socially and economically important or "key" employment sites for continued employment use and supporting their appropriate intensification and modernisation forms a key element of the preferred approach. In highly sustainable locations (i.e., the city and district centres), flexibility is important to ensure the on-going viability and vitality of the city's centres. This means that smaller sites in the city and district centres will not be protected for on-going employment uses.

004a-3 Housing on Employment Sites

6.8 The preferred approach for the Local Plan 2042 policy is to take forward **option B**. This option aligns with the plan's strategic focus to prioritise housing. The preferred approach recognises the importance of housing delivery but also the value that existing businesses and sites bring to the city. As such, housing proposed on the city's network of key employment sites must not undermine the continued operation or integrity of successful businesses and employment sites. The preferred approach includes wording to that effect.

004a-4: Location of New Employment Uses

6.9 The preferred approach for the Local Plan 2042 policy is to take forward **option A**. Limiting the acceptable locations for new employment-generating uses in a constrained city such as Oxford broadly aligns with the plan's overall strategy to prioritise housing. Focusing new employment-generating uses towards existing areas of employment can help to overcome existing accessibility issues and bring connectivity to support existing employment clusters through the delivery of key infrastructure projects (e.g., re-opening of the Cowley Branch Line to passenger trains).

Warehousing and Storage Uses – Draft Policy E2

6.10 The preferred approach for the Local Plan 2042 policy is to take forward a combination of **options B and C**. New warehousing and storage (B8) uses often involve large-scale developments that do not make an intensive land-use. As they do not always make the best use of available land, they are not always the most appropriate use for land within the city. It is important to support appropriately located B8 uses where they support the ongoing needs of businesses in the city. Option B supports B8 uses at a slightly wider range of employment sites than is currently allowed. This means that local businesses who operate on important locally important employment sites will also be able to deliver small-scale B8 uses to support jobs and continued employment-related uses on identified sites. Option C helps support the Council's wider net zero ambitions to decarbonise 'last mile' deliveries in the city.

Community Employment and Procurement Plans (CEPPs) - Draft Policy E3

6.11 The preferred approach for the Local Plan 2042 policy is to take forward **option A**. Community Employment and Procurement Plans (CEPPs) have an important role to play securing opportunities that arise from new development. CEPPs can help businesses by addressing skills shortages locally through supporting appropriate training, apprenticeships and providing other commitments local both at the construction and operational phases of development. The preferred approach is to include a policy requiring CEPPs to be submitted alongside applications for qualifying developments.

Affordable workspaces – Draft Policy E4

6.12 The preferred approach for the Local Plan 2042 policy is to take forward **option A**. Including a policy requirement to deliver affordable workspaces helps key sectors (including those identified through the City Council's Economic Strategy), that make a vital contribution to the diversity of the economy. Suitable workspaces and premises to support the 'inclusive economy' can help foster creative activity, social enterprise, co-operative businesses and local start-ups in the city. Including a policy requirement to support the delivery of affordable workspaces in the Oxford and help facilitate an inclusive and diverse economy.

Tourism and Short Stay Accommodation – Draft Policy E5

6.13 Draft Policy E5 combines the preferred approaches from two options sets. Each options set considers a discrete element of the policy. The two options sets are as follows:

- 004e-1: New Tourism and Short Stay Accommodation
- 004e-2: Existing Tourism and Short Stay Accommodation

6.14 The preferred approach for each option set is set out below:

004e-1: New Tourism and Short Stay Accommodation

6.15 The preferred approach for the Local Plan 2042 policy is to take forward **option A**. This supports new tourism and short stay accommodation on allocated sites and at a variety of accessible locations across the city. It also helps deliver the city's wider visitor economy aims to encourage longer stays and increased spend in the city. The draft policy includes locational requirements that set out where new tourism and short stay accommodation in the city would be acceptable and supported through the planning process.

6.16 Focusing new tourism and short stay accommodation towards inherently sustainable highly accessible locations helps to reduce reliance on the private car and supports public transport and other non-car modes. It also aligns with the plan’s overall strategy to prioritise housing as it reduces the pressure to locate new tourism and short stay accommodation on sites more suitable for housing.

004e-2: Existing Tourism and Short Stay Accommodation

6.17 The preferred approach for the Local Plan 2042 policy is to take forward **option B**. Supporting the appropriate expansion of existing tourism and short stay accommodation helps achieve the wider visitor economy aims and can also protect local amenity. The inclusion of criteria relating to the loss of tourism and short stay accommodation provides clarity about what is expected of applicants in a range of different circumstances.