Oxfordshire Economic Assessment

Part Two: Update of evidence, November 2012

Contents

1 Introduction

The Oxfordshire Economic Assessment[1] is a review and analysis of data and evidence relating to the local economy. As such it supports the work of the Oxfordshire Local Enterprise Partnership (LEP) to formulate and deliver their activities but it exists to also provide a resource for use by businesses, the public sector, the voluntary bodies and the public.

This report presents the latest data on Oxfordshire's economy. Part One presents a summary of the main findings and related analysis. Part Two presents the detailed evidence base.

This report updates the economic assessment first published in July 2010 which took an in-depth look at the Oxfordshire economy. Much of this remains relevant and a summary of the key features and challenges identified is set out in Part One.

At present, with a return to recession, any recovery appears challenging, with risks in a number of areas including most obviously, the Eurozone. The Coalition Government is seeking to rebalance the economy and has been clear that growth must come from the private sector with an emphasis on trade and exports and growing medium sized enterprises rather than from the public sector and centrally provided fiscal stimulus. With this as the backdrop, this update attempts to consider:

- What has been the impact of the 2008-09 recession and continuing financial crisis on Oxfordshire's economy and businesses?
- How is Oxfordshire positioned to emerge from recession when the recovery gets underway?

Oxfordshire Local Enterprise Partnership

The Oxfordshire Local Enterprise Partnership (LEP) covers the functional economic area of the county. It is one of the leading LEPs and has been steering the economic development of the county since its launch in March 2011. The LEP's key focus is to create new private sector jobs. The Oxfordshire LEP is increasingly becoming a body which has the ability to allocate funding giving it real teeth to address barriers to growth.

Prioritised programmes of work include:

- Improving the county's connections to fast broadband
- Improving the skills and employability of those in, and about to enter Oxfordshire's workforce
- Maximising Oxfordshire's potential to increase inward investment
- Enabling access to business support and business finance
- Enabling infrastructure needed for growth.

[1] The preparation of a local economic assessment is a duty of county councils (and unitary authorities).

The Oxfordshire LEP has prioritised three geographical areas for growth. Together they form the ‘Oxfordshire Growth Arc’ where with major economic growth housing development is planned over a twenty year period. The Oxfordshire LEP is working with other agencies to align and deliver this growth.

Bicester

A fast growing urban centre where significant quality employment is proposed (15-20,000 jobs) as part of major expansion of the town that could see the town’s population doubled to 60,000 by the 2030s. Much of the development is part of the ‘eco-town’ proposal to the north-west of the town.

Oxford

A world class centre of education, research and innovation with major employment development proposed in the West End of the city, its ‘eastern arc’ and at the ‘northern gateway’ of the city; altogether providing a potential of 10,000 new jobs.

Science Vale

An area of national science and innovation including major business parks/research centres at Harwell Oxford, Milton Park and Culham. An area of 92 hectares covering the two former sites is designated as an Enterprise Zone. Up to 12,000 jobs are planned as part of major development in the area including 13,000 homes.

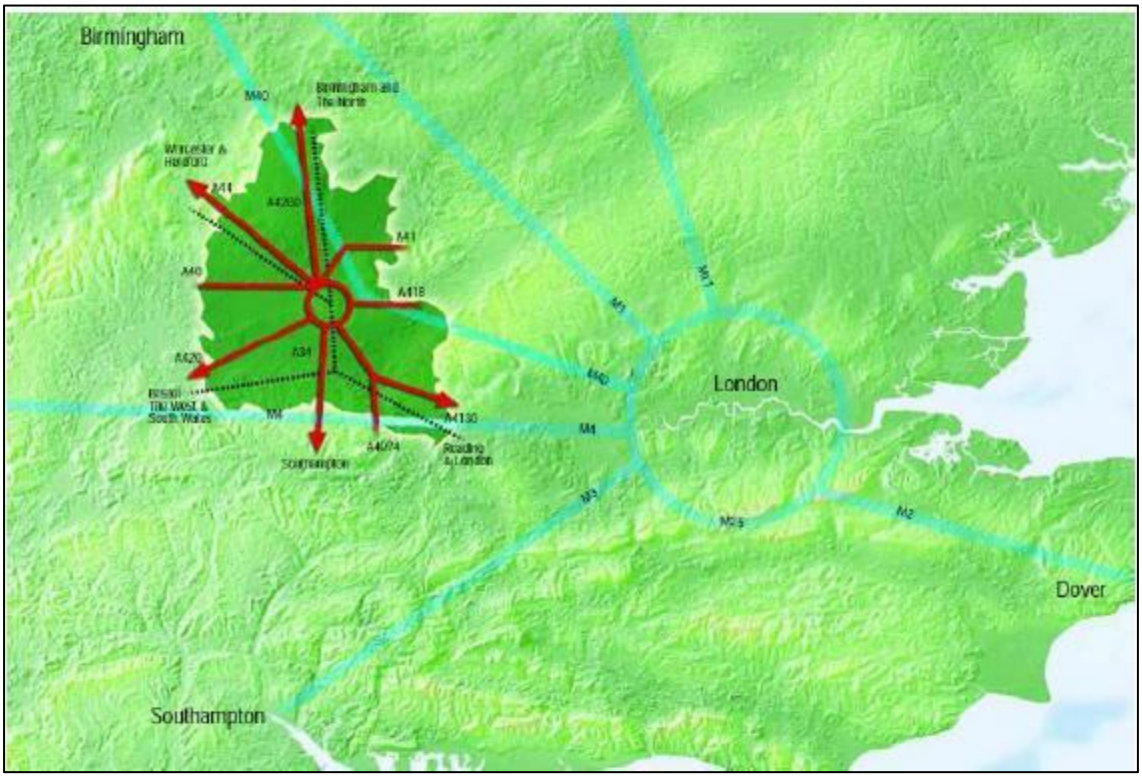
The Oxfordshire LEP works with the Oxfordshire Skills Board and the Strategic Planning and Infrastructure Partnership to deliver these programmes.

Data and analysis in this report focuses, in the main, on the county area covered by the Oxfordshire LEP. Future papers will need to examine each of the spatial priority areas and the rural economy of Oxfordshire.

The first results from the Census 2011 were published in July this year. It showed Oxfordshire had a population of 653,800 people. The roll out of more detailed data is planned through 2012 and 2013. A substantive review of the Oxfordshire economy assessment is planned when all the Census data becomes available.

2 Oxfordshire's location

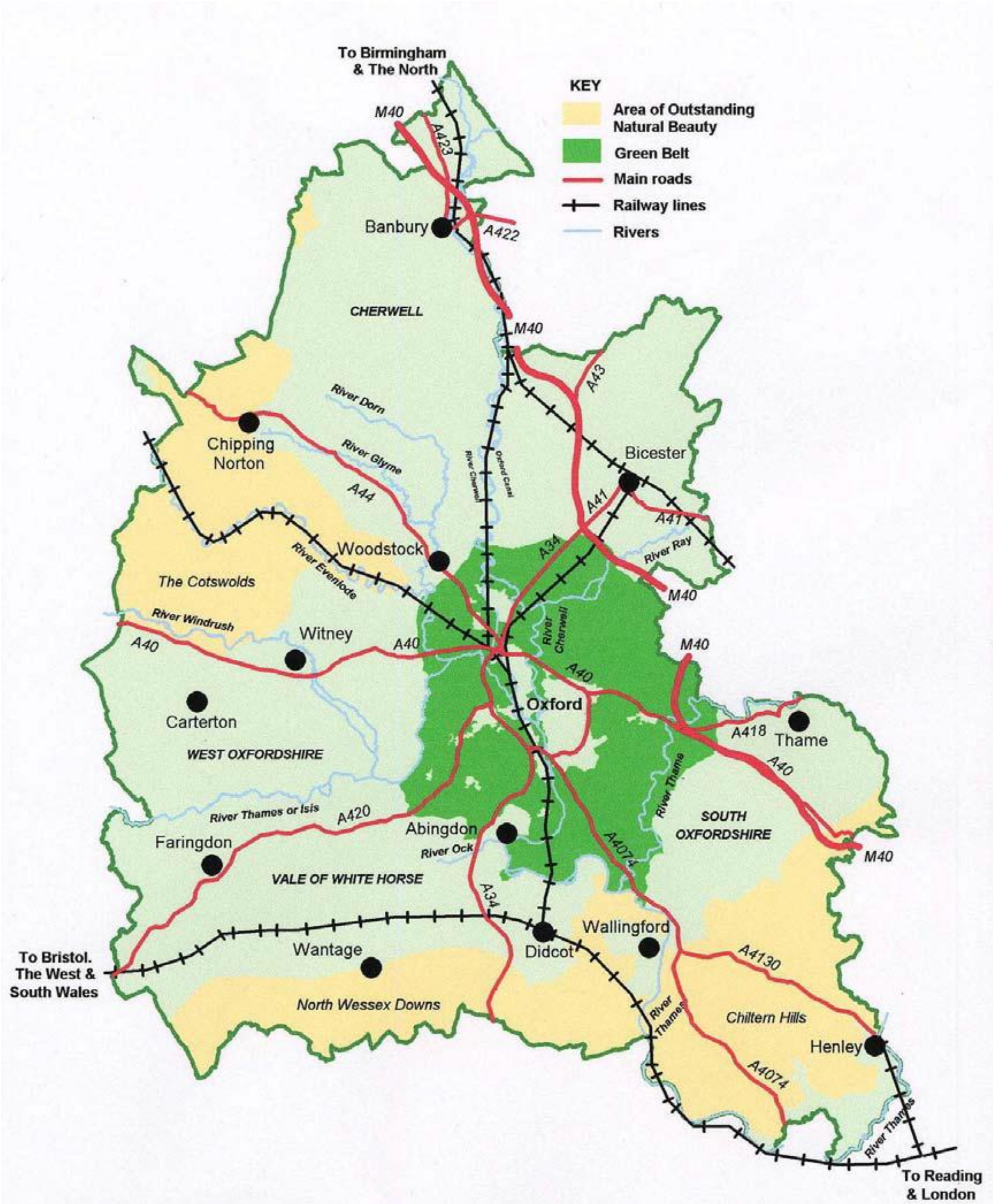
Oxfordshire lies at the north-western edge of the South East region and, with its central location in England, has strong links to London and the Midlands, as well as west to the Cotswold and along the M4 corridor.



Oxfordshire is internationally and nationally accessible by air, road and rail:

- 6 of the 10 largest cities in the UK are reachable from Oxfordshire in under 3 hours by rail.
- London and Birmingham are reachable in under an hour by rail.
- There is easy access to London and Birmingham via the M40 motorway.
- There are 8 international airports within a 3 hour commute (via public transport).

Oxfordshire is south east England's most rural county and a quarter of the land area is within an Area of Outstanding Natural Beauty.


To Birmingham & The North
KEY
Area of Outstanding Natural Beauty
Green Belt
Main roads
Railway lines
Rivers
M40
A423
A422
Banbury
CHERWELL
M40
A43
River Dorn
Chipping Norton
River Glyme
A44
River Cherwell
Oxford Canal
Bicester
A41
A41
River Ray
Woodstock
River Evenlode
A34
The Cotswolds
M40
River Windrush
Witney
A40
A40
A40
M40
Oxford
Carterton
A418
Thame
WEST OXFORDSHIRE
A40
River Thame
River Thames or Isis
A420
SOUTH OXFORDSHIRE
Abingdon
River Ock
Faringdon
A4074
M40
VALE OF WHITE HORSE
A34
Wallingford
Didcot
Wantage
A4130
To Bristol. The West & South Wales
North Wessex Downs
Chiltern Hills
River Thames
Henley
A4074
River Thames
To Reading & London

3 Business and Enterprise

Key findings

- **Oxfordshire has above average employment in education, professional, scientific and technical activities, manufacturing and accommodation and food services. Within these broad groups Oxfordshire has particular strengths in key niche clusters including scientific research and development (bio-technology, space, cryogenics for example), publishing, and vehicle manufacture.**
- **Of Oxfordshire's 27,000 business units in 2010, 89% were micro firms (employing 9 or fewer people).**
- **Data for 2008 shows that larger firms, albeit a small proportion of total firms, employ over half the workforce.**
- **Businesses employed 3,000 fewer people in 2010 than in 2008.**
- **It is estimated that about a third of Oxfordshire's businesses form the 'tradeable' sector, these are export oriented firms.**
- **In 2009 (the latest data available) Oxfordshire's total Gross Value Added (GVA) was £14.2 billion. This represents about 8% of the GVA for the south east region. Oxfordshire's contribution to GVA had increased between 2008 and 2009 but this was due to the growth in public sector.**
- **Oxfordshire was ranked 16th in Great Britain for GVA per person at £22,163 per person.**
- **Oxfordshire has a higher proportion of businesses with a turnover of £49,000 or less compared to the south east average. A higher proportion of businesses in the next income groups (£50K to £249K) would increase business turnover in the county significantly); in turn contributing to the GVA of the county.**
- **Oxfordshire has a higher than average number of businesses for every 1,000 economically active residents.**
- **New enterprises in Oxfordshire have a higher survival rate than average across the South East region and across England as a whole.**
- **More recent data indicates that more businesses started up in 2011 than in the previous year.**
- **Levels of self-employment appear to have decreased.**
- **Oxfordshire had the lowest claimant count of any of the local enterprise partnership areas in April 2012, at 1.8% of the working age residents.**
- **The proportion of claimants unemployed for 12 months or more has increased from 5% in April 2009 to 18% in April 2012.**
- **In May 2012 there were 4,900 notified vacancies in Oxfordshire, of which 56% were based in the financial and business services industries.**
- **There were 1.6 jobs claimants for each unfilled vacancy in May 2012; the lowest since the recession of 2008/09.**

3.1 The broad structure of Oxfordshire's economy

Business by sector

There were 27,000 business enterprises[2] in Oxfordshire in 2011, equivalent to 8.2% of enterprises in the south east, registered for VAT/PAYE purposes.

Table 1 Proportion of enterprises by industry (March 2011)

	England	South East	Oxfordshire SORT column	Oxfordshire compared with averages
Professional, scientific & technical	16.5%	18.6%	20.0%	**above average**
Construction	12.5%	13.5%	11.9%	below average
Information & communication	7.6%	9.7%	9.1%	below SE average
Arts, entertainment, recreation and other services	7.1%	7.5%	8.4%	**above average**
Business administration and support services	7.0%	7.6%	7.4%	similar
Retail	8.9%	7.6%	7.0%	below average
Agriculture, forestry & fishing	5.2%	3.3%	5.7%	**above average**
Accommodation & food services	5.9%	5.1%	5.4%	**above SE average**
Production	6.3%	5.5%	5.2%	below average
Wholesale	5.1%	4.8%	4.2%	below average
Health	4.0%	3.6%	3.5%	below average
Property	3.7%	3.3%	3.2%	below average
Motor trades	3.2%	3.1%	2.9%	below average
Education	1.6%	1.8%	2.2%	**above average**
Transport & storage (inc. postal)	3.1%	2.8%	2.1%	below average
Finance & insurance	2.2%	1.9%	1.5%	below average
Public administration and defence	0.1%	0.2%	0.2%	similar

Source: UK businesses Activity, Size, and Location. ONS Business Statistics Division

- **20% of Oxfordshire's enterprises were in the '*Professional, scientific & technical*' sector**, accounting for the largest number of businesses but also well above the average for England and for the South East.
- Other key business sectors above the regional average were the arts and entertainment sector, agriculture, accommodation and food services and education.

[2] Enterprises registered for Value Added Tax (VAT) or pay as you earn (PAYE) purposes. The threshold for VAT is £77,000.

Jobs by Sector

There were 311,900 employees[3] in Oxfordshire in 2010 (the latest available data). The top three industry groups were: education (16%), health (12%) and the professional, scientific and technical industries (10%).

Employees in Oxfordshire 2010

Industry	England	South East	Oxfordshire		
	% of total	% of total	Count	% of total	Oxfordshire vs South East
Education	9.7	10.5	50,900	16.3	**above average**
Health	12.9	12.6	38,300	12.3	below average
Professional, scientific & technical	7.2	7.8	32,200	10.3	**above average**
Retail	10.3	10.4	29,700	9.5	below average
Manufacturing	8.8	7.2	24,600	7.9	**above average**
Accommodation & food services	6.6	6.7	21,600	6.9	**above average**
Business administration & support services	8.2	7.5	18,800	6.0	below average
Information & communication	3.9	5.3	15,200	4.9	below average
Arts, entertainment, recreation & other services	4.7	4.7	13,800	4.4	below average
Construction	4.3	4.8	12,900	4.2	below average
Wholesale	4.3	5.0	12,800	4.1	below average
Public administration & defence	5.6	4.4	12,700	4.1	below average
Transport & storage (inc postal)`	4.7	4.2	9,100	2.9	below average
Motor trades	1.7	2.0	6,100	2.0	similar
Financial & insurance	4.0	3.3	5,400	1.7	below average
Property	1.4	1.5	4,000	1.3	below average
Mining, quarrying & utilities	1.1	1.3	3,600	1.2	below average
Agriculture, forestry & fishing	0.7	0.8	200	0.1	below average
Column Total	100	100	311,900	100	

Source: ONS Business Register and Employment Survey

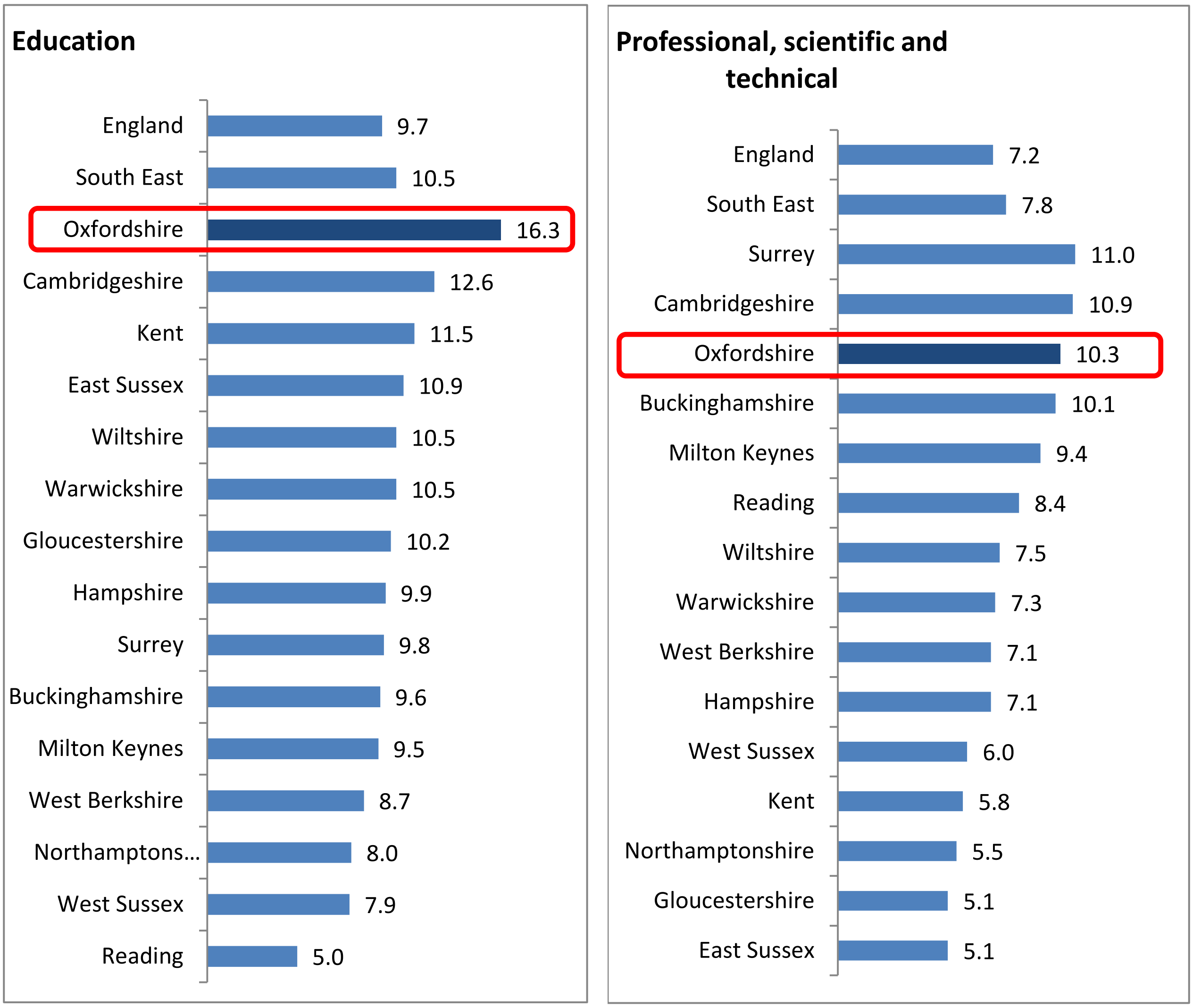
- **Oxfordshire has an above average number of people employed in four industry groups *when compared to the regional average. They are:***

[3] This figures includes both full-time and part-time jobs and excludes the self-employed, people on government supported schemes and HM forces.

education; professional, scientific and technical activities; manufacturing and accommodation & food services

In comparison with statistical neighbours[4], Oxfordshire has the highest proportion of employment in education, (reflecting the presence of the two universities in particular) and, a relatively high proportion in professional, scientific and technical activities (although lower than in Surrey and Cambridgeshire).

Figure 1 Percent of total number of employees (2010)



Source: ONS, Business Register and Employment Survey.

[4] Oxfordshire's statistical neighbours are defined by the Office for National Statistics. They are those local authorities which are closest to Oxfordshire in their socioeconomic characteristics.

The knowledge Intensive sector

Oxfordshire's economic structure is typically characterised by the presence of what is known as 'knowledge intensive sectors'.

As it suggests, knowledge intensive sectors are those services and industries where the production and use of knowledge is key. Such industries are more likely to employ graduates, create innovation and economic growth. In the Oxfordshire context, with the presence of two universities and a research hospital, and their intricate links with the local economy, it includes education and health. Taken together the KIS in Oxfordshire include: professional and business activities, scientific research and development, high-tech and medium high technology manufacturing[5], information and communication technologies, education and health.

- **55% of Oxfordshire's employees work in the in knowledge-intensive sectors, totaling 177,900 out of a total of 311,900 employees. Employment in these sectors continued to grow over the period 2008 to 2010, (from 165,500 in 2008, 52.5% of the workforce).**

- **This is above the South East average (50%), with employment in education, publishing and scientific research & development significantly above the regional average.**

3.2 Employment sector changes, 2008 to 2010

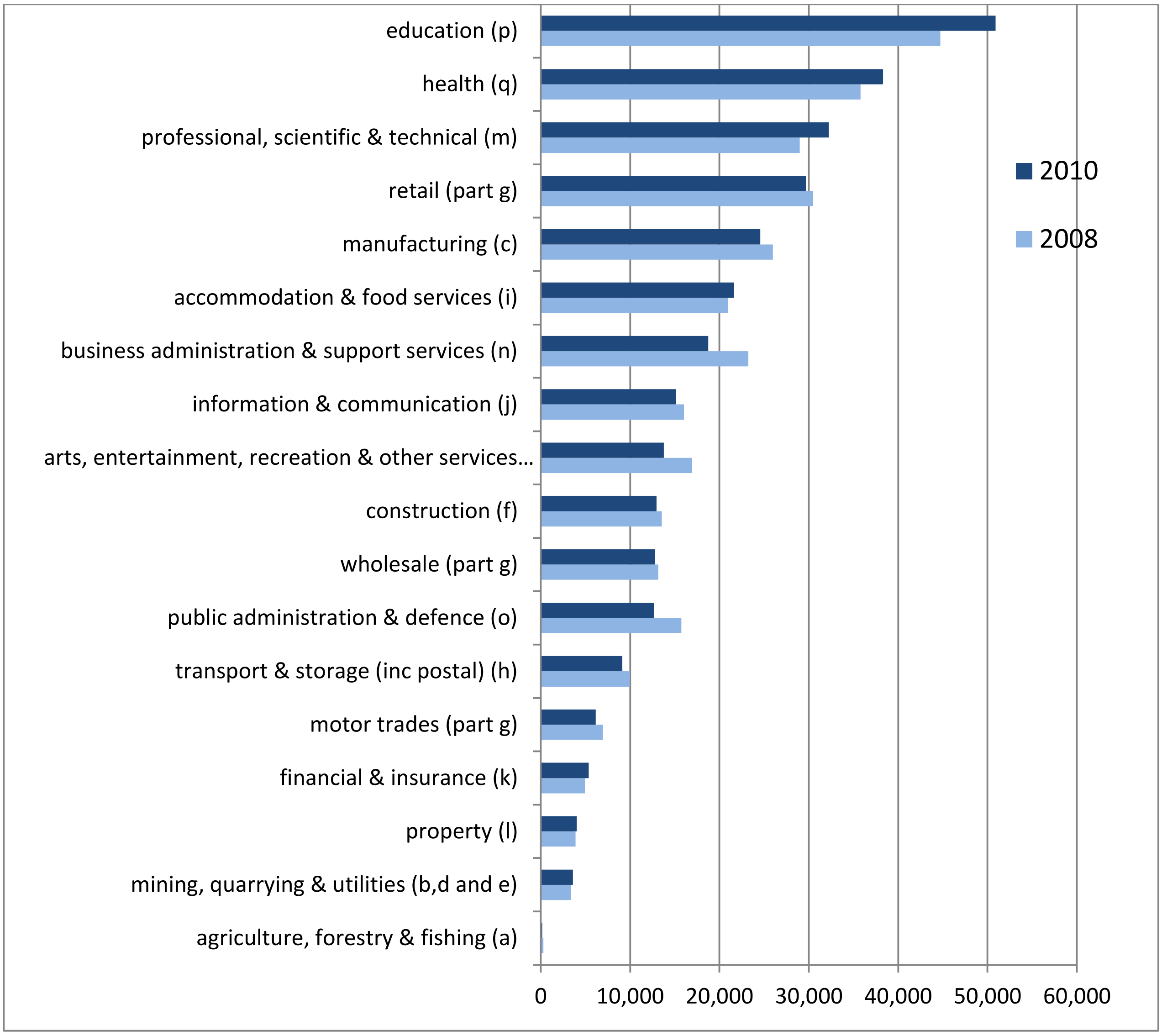
Businesses in Oxfordshire employed 3,000 fewer people in 2010 than in 2008.

- The greatest overall decrease was in the *business, administration and support service* sector, whilst the greatest percentage decrease was in the agriculture sector.

- Employment in the *education* sector increased by 3,000, or 14%, and in the *professional, scientific & technical* sector increased by 11.2%.

Figure 2 Change by sector, 2008 to 2010

[5] The hi technology and medium hi-technology sector in Oxfordshire includes the manufacture of components for spacecraft, computers, electronic components, pharmaceutical products, vehicles, and medical instruments.



Source: ONS Business Registration and Employment Survey, Dec 2011

The employment changes in Oxfordshire during 2008 to 2010 do not always mirror those happening nationally and regionally.

- The number of people employed in the *education sector* in Oxfordshire increased by 13.8%, compared with just 3.0% across the South East and 1.0% nationally.
- Employment in the *professional, scientific & technical* and the *financial & insurance* sectors has increased by 11.2% and 8.8% respectively, compared with a decrease in both sectors nationally.
- In contrast, employment in the *public administration* and *agriculture, forestry & fishing* sectors in Oxfordshire has fallen at a rate significantly above that seen across the region or nationally.

3.3 Oxfordshire's key business sectors and niche clusters

There is not always hard data available (from national datasets, for example) to study all sectors of the economy - this is more so when niche clusters are examined. Some of these niche clusters may appear to employ few people compared to other industries but are high value in terms of the revenue they generate, the new technologies they enable or the supply chain processes they set in train. The following section is based on local knowledge and information, web based research and to a lesser extent, anecdotal information.

Scientific research and development

This sector includes biotechnology and the natural sciences and engineering but does not include manufacture.

Employees in research and development

	2008	2010	Change Nos	Change %
Cambridgeshire	8795	10851	2056	23
Hertfordshire	6226	6487	261	4
Oxfordshire	**5974**	**6057**	**83**	**1**
Camden	6128	5426	-702	-11
Bracknell Forest	4389	4516	127	3
Kent	4495	4506	11	0
Hampshire	4662	4382	-280	-6

Source: BRES

- Oxfordshire has the third highest concentration of research and development workers in the country with just over 6,000 people employed in this field alone. According to the national survey, there was little growth in this sector between 2008 and 2010 compared to Cambridgeshire which grew by 23%.

Compared with areas across Europe, the Oxfordshire, Berkshire, and Buckinghamshire area has the thirteenth highest proportion of people employed in research sectors of the economy, and the third highest of areas in the UK (below only Inner London and North Eastern Scotland).

Table 2 Employment in research sectors, European comparators

NUTS	Region name	Value	Rank*
UKM5	North Eastern Scotland	4.58	1
UKI1	Inner London	3.4	2
NO06	Trøndelag	3.12	3
NO01	Oslo og Akershus	3.08	4
AT13	Wien	3.07	5
CZ01	Praha	3.06	6
SK01	Bratislavský kraj	2.76	7
FI1A	Pohjois-Suomi	2.72	8
BE1	Région de Bruxelles-Capitale/Brussels Hoofdstedelijk Gewest	2.71	9
PT17	Lisboa	2.57	10
IS00	Ísland	2.35	11
FI18	Etelä-Suomi	2.35	12
UKJ1	Berkshire, Bucks and Oxfordshire	2.28	13
UKH1	East Anglia	2.17	14

*ranking is out of 265 NUTS2 areas with data. Source Eurostat data, March 2011 data.

In 2010, the gross domestic spend on research and development was £26.4bn, an increase from £25.9bn in 2009. The south east region contribution to this was £5.6bn, the highest regional spend in the UK. Business enterprise carried out mostly R&D (61%). The second largest were the higher education sector.

Oxfordshire is home to a number of large research facilities such as the Diamond Light Source, the Culham Centre for Fusion Energy and the Harwell Harwell Oxford Science and Innovation Campus that are a significant part of the national research infrastructure.

Hospitals and medical research

There were nearly 24,000 jobs in this sector in 2010. The Oxford University Hospital NHS Trust (OUH) is one of the largest acute teaching and research trusts in the UK. The Trust consists of four hospitals: the John Radcliffe Hospital, Churchill Hospital and Nuffield Orthopaedic Centre in Oxford and the Horton General Hospital in Banbury, working in collaboration with the University of Oxford.

Biocluster

The Oxford Biomedical Research Centre is one of the largest in Europe with 2,500 staff and 800 postgraduate students involved in medical research. Over £1.2 billon has been invested in biomedical academic research in Oxford over the past 5 years.

The biocluster in Oxfordshire consists of biotechnology and medical technology firms. The Oxfordshire Biotech Network's Biocluster Report 2011 shows there were 163 bioscience firms in 2011, an increase of 14% since 2008. Between 2008 and 2010 there was an increase of 28 new bioscience businesses; 24 were start up and spin ots and 4 were relocation. The Report shows that growth in this sector appears unaffected by the current financial crisis and that start-ups and spin outs outnumbered relocations in the last three years compared to previous years (2005 to 2007). The OBN expects to see a growth of 1,500 jobs in this sector in the next 3 years. It benefits from its relationship to Oxford University which is ranked the number 1 university in the country and 4th in life sciences.

Cryogenics

Cryogenics is the study, creation and manipulation of materials at super cold temperatures. Nationally, the British Cryogenics Council estimate there are 20,000 people employed in this field generating an income stream of about £2billion per annum. Oxfordshire is the epicentre of this growing industry. It is an enabling industry so while many people are employed in pure research and development many more benefit from the technologies developed from it. One example is the super conducting magnets used in MRI scanners and developed in Oxfordshire. Superconducting magnets must be cooled to cryogenics temperatures during operation. 30% of MRI scanners installed in hospitals worldwide have such a magnet hat are manufactured in Oxfordshire.

Advanced engineering – automotive and motorsport

Oxfordshire has three Formula 1 teams based in the county – Williams F1, Lotus F1 and Caterham F1. Motorsport activity is supported by about 4,000 high performance engineering companies located in the area.

BMW produce the Mini in Oxford. About 3,700 people are employed in car manufacturing in the county. This does not include suppliers. In 2011, BMW invested a further £500 million investment in the car plant bringing total investment in the past ten years to £1.5 billion.

Space

The UK Space Agency, the European Space Agency and the International Space Innovation Centre are all based at the Harwell Oxford Science and Innovation Campus. The new Satelite Applications Catapult will also be based at Harwell.

In Oxfordshire there are two broad streams of work. The research and the manufacture of components for space craft and satelitlites in space are both important as is the commercialization of research into non-space products.

Publishing

Oxfordshire is a leading publishing centre, after London, with about 7,800 jobs in this sector.

Oxford University Press is the world's largest university press. Other local companies include Elservier, Macmillan Education, Person Education, Taylor and Francis and Wiley-Blackwell Publishing.

Information technology, communications and electronics

There were approximately 13,000 jobs in this combined sector covering services and manufacturing in 2010 making it an important location, particularly in computing and electronics.

Land based industries

Agriculture and Forestry

The Business Register and Employment Survey shows fewer than 200 employees in the agriculture and forestry sector in Oxfordshire in 2010, down from just over 300 in 2009. The more detailed agricultural census (which includes all types of workers including casual) puts the employment in Agriculture in Oxfordshire at 4,100 (2010).

Between 1990 and 2009 this agricultural labour force in Oxfordshire declined by 18%, similar to the regional and national trends.

Agriculture may not employ many but it occupies the largest proportion of land in the county and so has a significant economic, environmental and social impact. The supply chain is also significant and farmers are actively taking a lead in renewable energy generation.

Tourism

The latest report by Tourism South East on the impact of tourism in Oxfordshire in 2009 found that:

- **tourism activity generated £1.7bn income for Oxfordshire's businesses, a growth of 2.2% on the previous year.**

    - There were 2.5m overnight 'staying' trips into Oxfordshire, an increase of 3.5% compared with the previous years. **This increase was driven entirely by domestic overnight trips which increased by 5.1%** compared to 2008; trips by overseas residents declined by 1.5%.

    - Staying visitors spent £565m (+6.3%)

    - There were 22.7m tourist day trips (+5.3%)

    - Day visitors spent £843m (+7.5%)

    - Expenditure by friends and relatives on visitors and visitors spend on second homes generated a further £60m.

    - The great majority of the total expenditure by visitors (£1.3bn out of £1.4bn) directly benefitted local businesses and a further £312m was generated through indirect and induced spending.

Tourism in Oxfordshire in 2009 supported 29,000 jobs (21,000 full time equivalent).

- The latest Annual business inquiry data from the ONS gives a slightly higher number of tourism jobs, 26,000.

3.4 Tradable sectors (Export oriented sector)

The tradable sector consists of those industries that export their goods and services long distances or abroad, generating income for a county's economy. This sector is examined given the importance Government policy places on private sector job growth and exports.

In 2010 there were around 10,000 business units in tradable sectors in Oxfordshire, employing almost 107,000 people. At 31.5% of all businesses in the county, this is above average for England although slightly below the average across the South East.

- The *Financial & Professional Services* is the largest traded sector in Oxfordshire, making up 13.4% of all businesses in the county, above the average for the South East and England. Despite this, employment in this sector is below the regional and national average.

- Businesses in the *ICT & digital media* and the *defence* sectors are also well represented in Oxfordshire.

- Employment in professional services, publishing, healthcare, pharmaceuticals, environment and defence in Oxfordshire is above average compared with England and the South East.

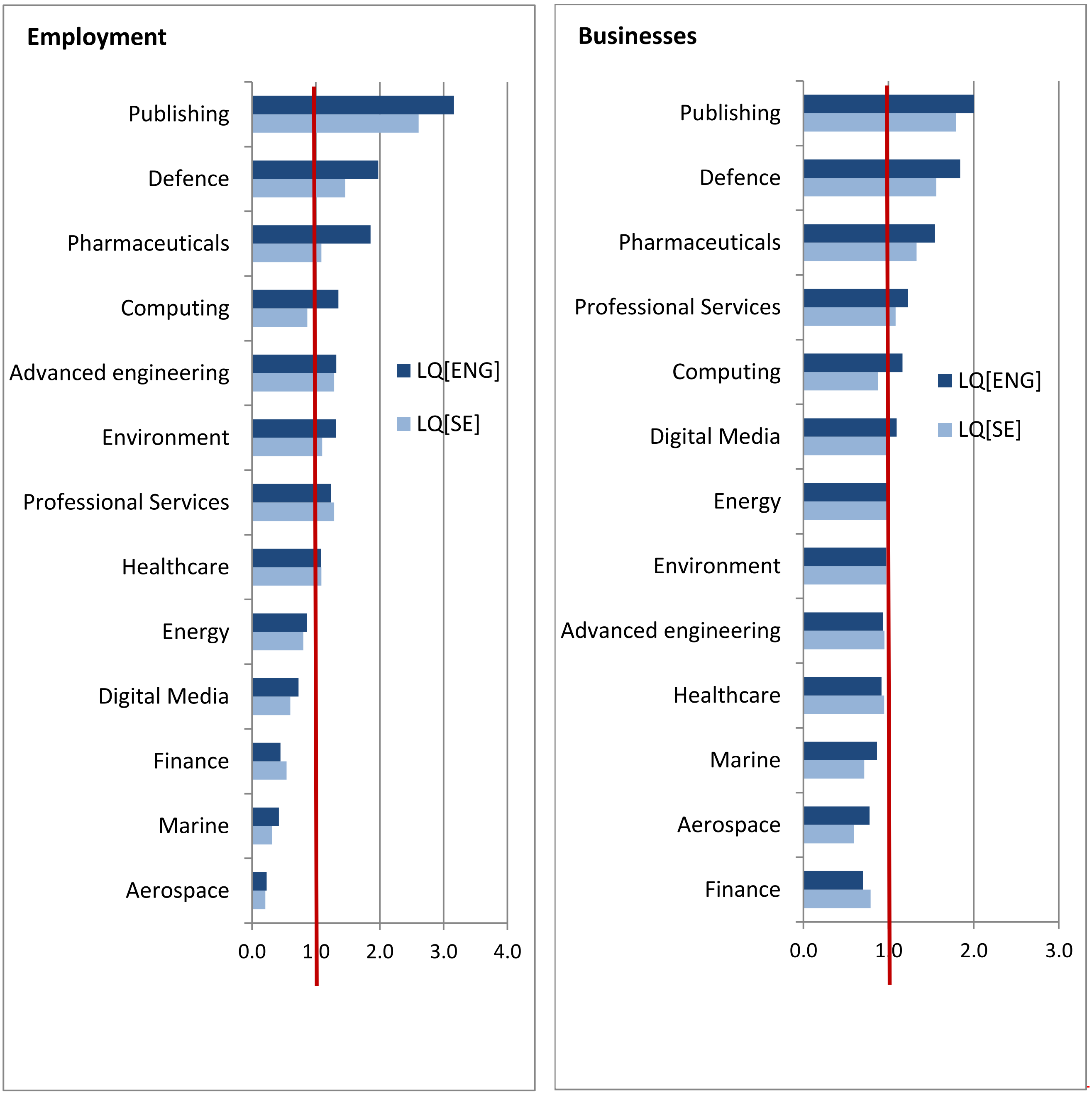
Table 3 Traded sectors in Oxfordshire by number of businesses and number of employees

	Number of businesses	% Total	LQ[SE]	LQ[ENG]
Advanced Engineering & Marine	906	2.8	0.90	0.92
Financial & Professional Services	4,291	13.4	1.04	1.13
ICT & Digital Media	2,882	9.0	0.95	1.19
Pharmaceuticals & Healthcare	1,274	4.0	0.98	0.95
Energy & Environment	643	2.0	0.98	0.97
Aerospace & Defence	57	0.2	0.79	1.01
TOTAL	10,052	31.5		
	Number employed	**% Total**	**LQ[SE]**	**LQ[ENG]**
Advanced Engineering & Marine	12,655	3.8	1.12	1.20
Financial & Professional Services	24,701	7.5	0.98	0.88
ICT & Digital Media	20,932	6.3	0.93	1.30
Pharmaceuticals & Healthcare	37,331	11.3	1.08	1.13
Energy & Environment	8,051	2.4	0.99	1.14

Aerospace & Defence	3,209	1.0	0.68	0.81
TOTAL	106,900	32.3		

Source: Business Register and Employment Survey

Figure 3 Traded sectors: employment and businesses by subsector



Source: ONS Business Register and Employment Survey

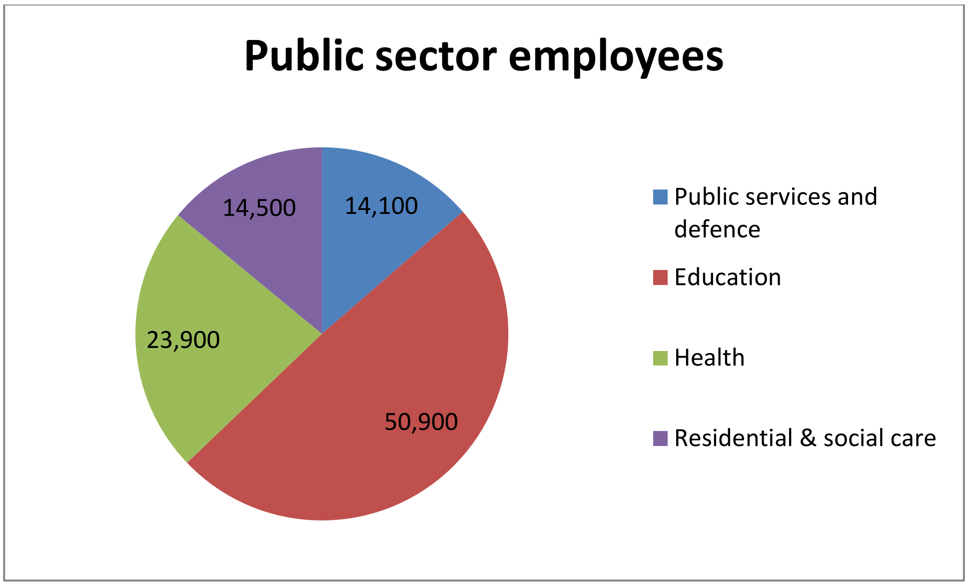
Recent research by BBC/Experian[6] showed four of Oxfordshire's five districts within the top 25% of districts with export oriented firms with two, Cherwell and Vale of White Horse with a high proportion of export businesses (placed 50th and 13th respectively). This suggests Oxfordshire is well placed to boost its' global trading opportunities.

[6] BBC Local Growth Research, February 2012, Experian

3.5 Public sector

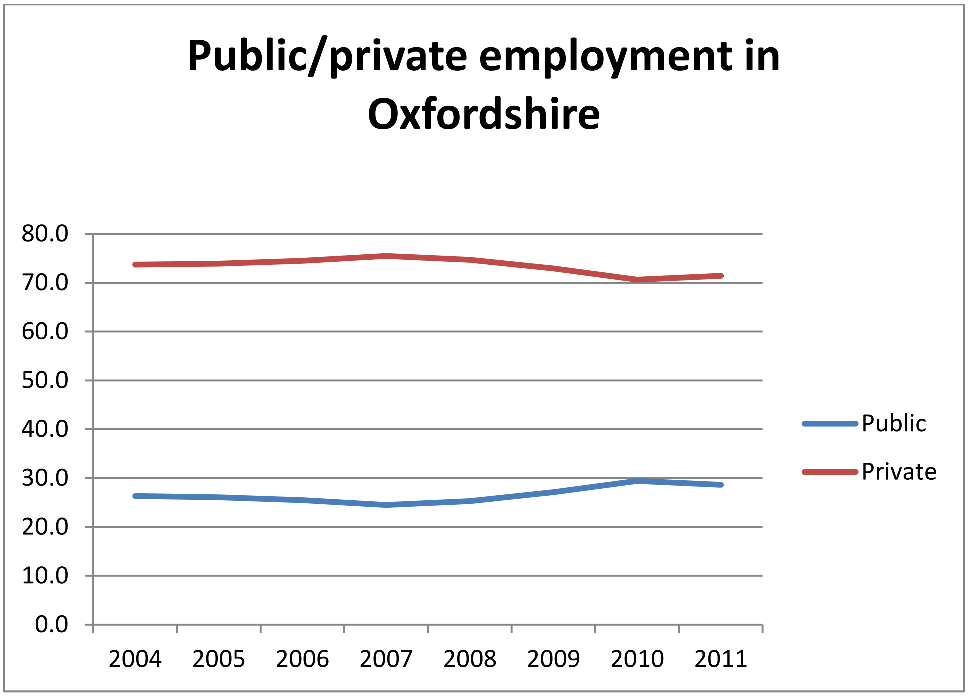
In 2010, 30% of all employees in Oxfordshire worked in the public sector, well above the regional (24%) and national (24.7%) averages.

- The public sector in Oxfordshire forms a significant part of the Oxfordshire economy and is diverse covering education, health, social care, defence and public administration.



- Education (pre-school, primary, secondary and adult) accounted for 50% of all public sector employees in Oxfordshire in 2010. Almost 50% of all jobs in the education sector in the county were in higher education – 24,100 employees in 2010, up from 9,400 in 2001 (an increase of 157%).

Data is not yet available from this data source, which allows a detailed look at individual sectors, to assess the impact of expenditure cuts on employment in the public sector in Oxfordshire in recent years. Data from the Annual Population Survey however suggests a modest contraction in public services 2010/11 after a steady increase in the last few years of the last decade. The private sector saw its first increase in 2010/11 after steady contraction 2007 onwards.



- **Whilst the public sector has grown significantly in recent years, the private sector contracted year on year 2007 to 2010 but saw its first increase in 2010/11.**

3.6 Business Demography

Of the 27,000 business units in Oxfordshire (registered for VAT/PAYE):

- 89% are micro firms, employing 9 or fewer people.

Enterprises 2011

	Micro	Small	Medium		Large	
	0-9	10-49	50-99	100-249	250+	Total
Oxfordshire	24,060	2,355	255	180	120	26,970
%	89	9	1	1	0	100
South East	294,005	27,775	3,115	1,790	1,330	328,015
%	90	8	1	1	0	100
England	1,582,815	161,745	18,490	10,270	7,515	1,780,835
%	89	9	1	1	0	100

Source: UK Business: Activity, Size, Location 2011. Table B1.2

- The size distribution of firms from micro firms to large firms is similar to the structure nationally and regionally.

Change in number of firms registered for VAT 2008 and 2011

	Oxfordshire	South East	England
2011	27,000	328,000	1,780,800
2008	27,500	338,800	1,851,200
% change 2008 to 2011	-1.9	-3.2	-3.8

- Across the country there has been a decline in the number of firms registered for VAT/PAYE between 2008 to 2011 but the drop was less marked in Oxfordshire.

The Annual Business Inquiry (now superceded) was last undertaken in 2008. It can nevertheless be examined to provide an indication of size of firms by numbers employed.

Number of busniess units and employees by size of firm

	Data units	% of total	Employees	% of total
1-10 employees	27,500	86	72,100	23
11-49 employees	3,500	11	77,100	24
50-199 employees	800	2	71,000	22
200 or more employees	200	1	99,000	31
Total	**32,000**	**100**	**319,200**	**100**
Source: Annual Business Inquiry. Figurees rounded to nearest 100.				

- **This dataset shows us that while the majority of firms are small, proportionately larger businesses employ far more people. In 2008, 86% of firms employed 10 or fewer people and employed about 23% of employees. This contrasts to the 3% of medium to large sized firms that employed 53% of the workforce, about 170,000 people.**

Change in Employees by size of firm

Size of firm	2001	2008	Change	
			Actual	%
1-10 employees	65,661	72,144	6,483	10
11-49 employees	70,503	77,149	6,646	9
50-199 employees	68,770	71,048	2,278	3
200 or more employees	95,959	98,984	3,025	3
Column Total	**300,893**	**319,324**	**18,431**	**6**

Source: Annual Business Inquiry

- **Between 2001 and 2008, of the 18,400 new jobs created, two-thirds were created by micro and small sized firms but nearly a third were created by medium and large sized firms.**

3.7 Business Turnover

In 2011, there were 26,980 enterprises registered for VAT/PAYE purposes compared to 27,175 the previous year.

Information on businesses registered for VAT shows Oxfordshire has a higher proportion of lower turnover enterprises (less than £49k pa) when compared to the national and regional average and a lower proportion of small to medium turnover enterprises (£50k to £249k).

- 21% of Oxfordshire's enterprises had a turnover of up to £49k compared with 19% in the South East and England (at March 2011).
- The amalgamated size band £50k to £249k represents 50% of Oxfordshire's enterprises compared with 53% in the South East and 52% in England.

Table 4 Proportion of enterprises by turnover (March 2011)

£000s per annum	0 - 49	50 - 99	100 - 249	250 - 499	500 – 999	1,000 - 4,999	5,000 +	TOTAL
England	33,4850 *19%*	411,565 *23%*	509,220 *29%*	217,945 *12%*	137,375 *8%*	129,605 *7%*	40,310 *2%*	1,780,870
South East	62,315 *19%*	77,940 *24%*	94,630 *29%*	39,060 *12%*	24,285 *7%*	22,840 *7%*	6,985 *2%*	328,055
Oxfordshire	5,630 *21%*	6,035 *22%*	7,525 *28%*	3,330 *12%*	2,060 *8%*	1,810 *7%*	590 *2%*	26,980

Source: UK Business: Activity Size and Location, 2011, ONS Business Statistics Division

Should the Oxfordshire profile become more like that of the South East (i.e. with a greater proportion of small and medium turnover enterprises) a very rough estimate suggests this could increase the total turnover of enterprises in the county by +£101m.

£000s	**0 - 49**	**50 - 99**	**100 - 249**	**250 - 499**	**500 - 999**	**1,000 +**	**TOTAL**
Count of Oxfordshire enterprises by turnover band	5,630	6,035	7,525	3,330	2,060	2,400	26,980
Count of Oxfordshire enterprises based on South East % by turnover	5,125	6,410	7,783	3,212	1,997	2,453	26,980
Difference (Oxon based on SE minus Oxon)	-505	375	258	-118	-63	53	0
Estimate of additional value (using top end of scale) £m	*-25*	*37*	*64*	*-59*	*-63*	*264*	*219*

Source: calculated from UK Business: Activity Size and Location, 2011, ONS Business Statistics Division.

Proportion of firms by turnover size, Oxfordshire

	Turnover Size (£ 000)						
	0 - 49	**50 - 99**	**100 - 249**	**250 - 499**	**500 - 999**	**1,000 - 4,999**	**5,000 +**
2004	4405	5205	5460	2570	1605	1470	500
% of total	*21*	*25*	*26*	*12*	*8*	*7*	*2*
2011	5635	6030	7530	3325	2050	1815	585
% of total	*21*	*22*	*28*	*12*	*8*	*7*	*2*

Source: UK Business: Activity, Size, Location 2010 Table B1.3

- The proportion of Oxfordshire firms within the £100 to £249k income bracket has increased but this was offset by the decrease in firms in the £50 to £99k bracket.

3.8 Productivity

Gross Value Added

Gross Value Added (GVA) is used to measure the contribution to the economy of each individual producer, industry or sector in an area. As a measure of output it tells us about the economic performance of an area (It is linked to Gross Domestic Product (GDP), with GDP being equal to GVA plus taxes minus subsidies on products).

In 2009 (the latest data available) Oxfordshire's total Gross Value Added (GVA) was £14.2 billion.

Headline GVA at current basic prices

	£ million	**£ per head**
Oxfordshire	14, 190	22,163
South East	179,317	21,257
England	1,061,973	20,498

Source:

- This is 7.9% of the total South East GVA, which in turn makes up 16.9% of the GVA of England.
- Between 2008 and 2009 Oxfordshire's GVA decreased from 14.4bn to 14.2bn, down by -1.5%, compared with -1.6% across England as a whole, and -2.0% across the South East.
- Oxfordshire's share of the national economy increased during 2008 to 2009, the first increase since 1999/2000.

Figure 4 Oxfordshire's ranking on GVA per head, 2007 to 2009

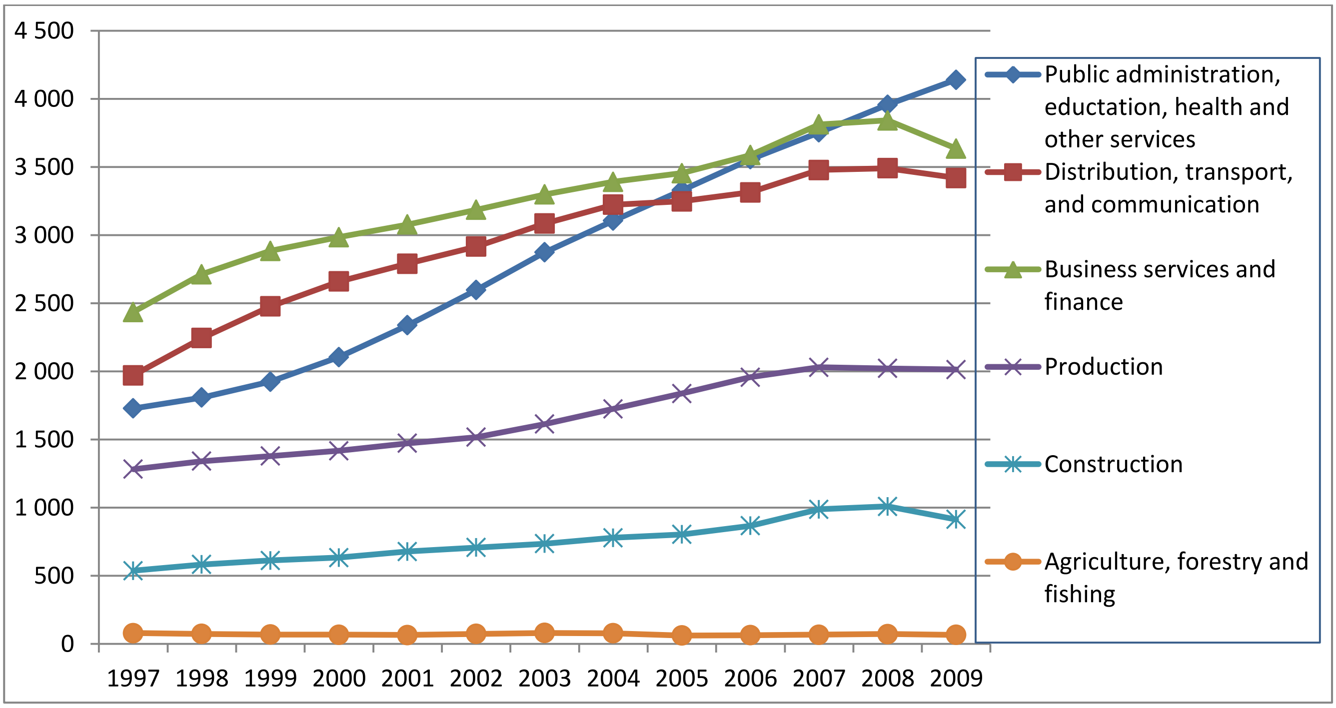
2007				2008				2009		
	£	rank			£	rank			£	rank
Inner London - West	102 924	1		Inner London - West	108 629	1		Inner London - West	109 373	1
Edinburgh, City of	34 168	2		Edinburgh, City of	34 999	2		Edinburgh, City of	35 122	2
Berkshire	32 328	3		Inner London - East	32 588	3		Inner London - East	32 903	3
Inner London - East	31 306	4		Berkshire	32 331	4		Berkshire	30 508	4
Belfast	30 615	5		Belfast	30 873	5		Glasgow City	29 767	5
Milton Keynes	29 134	6		Glasgow City	30 093	6		Belfast	29 563	6
Glasgow City	28 705	7		Milton Keynes	29 952	7		Milton Keynes	28 761	7
Swindon	27 842	8		Aberdeen City and Aberdeenshire	28 424	8		Aberdeen City and Aberdeenshire	28 732	8
Aberdeen City and Aberdeenshire	26 382	9		Swindon	28 189	9		Swindon	27 521	9
Surrey	25 921	10		Surrey	26 421	10		Nottingham	25 480	10
Bristol City of	25 454	11		Nottingham	25 950	11		Surrey	25 394	11
Peterborough	25 378	12		Bristol City of	25 586	12		Bristol City of	25 152	12
Nottingham	25 103	13		Hertfordshire	24 149	13		Peterborough	23 799	13
Hertfordshire	24 246	14		Halton and Warrington	23 691	14		Hertfordshire	22 936	14
Leeds	23 118	15		Leeds	23 664	15		Buckinghamshire CC	22 573	15
Outer London - West and North West	22 923	16		Outer London - West and North West	23 409	16		Oxfordshire	22 510	16
Derby	22 804	17		Luton	23 265	17		Derby	22 464	17
Cambridgeshire CC	22 793	18		Peterborough	23 118	18		Outer London - West and North West	22 421	18
Luton	22 642	19		Derby	23 011	19		Leeds	22 400	19
Halton and Warrington	22 609	20		Cambridgeshire CC	22 745	20		Halton and Warrington	22 002	20
Buckinghamshire CC	22 588	21		Buckinghamshire CC	22 703	21		Luton	22 002	21
Solihull	22 528	22		Oxfordshire	22 506	22		Greater Manchester South	21 850	22
Oxfordshire	22 332	23		Greater Manchester South	22 393	23		Cambridgeshire CC	21 663	23
Greater Manchester South	22 207	24		Solihull	21 933	24		Solihull	21 205	24
York	21 751	25		Cardiff and Vale of Glamorgan	21 822	25		Hampshire CC	20 944	25
Cardiff and Vale of Glamorgan	21 621	26		Bournemouth and Poole	21 521	26		Bournemouth and Poole	20 842	26

Source: National Statistics, released Dec 2011. Extract from table 3.6 GVA per head at current basic prices

- **On GVA per head, Oxfordshire was ranked 16th out of 133 local authorities in 2009, up from 23rd in 2007.**

It should be noted however that GVA is a workplace-based indicator so that salaries of commuters are allocated to the area where they work, not where they live. That explains why some of the areas at the top of the table above have a GVA so much higher than Oxfordshire. They are areas with high levels of commuters. Oxfordshire in contrast is a relatively self- contained county.

Figure 5 GVA by industry sector in Oxfordshire



Source: National Statistics released Dec 2011. Table 3.4 headline GVA by NUTS3 area

Oxfordshire's growth has been fuelled by an increase in the contribution of the public sector.

- The industry sector "*public administration, education, health and other services*" - equivalent to the public sector – became Oxfordshire's largest contributor to GVA in 2008.

Table 5 2008 to 2009 GVA by sector in Oxfordshire

£ million	Public Sector	Distribution, transport, and communication	Business services and finance	Production	Construction	Agriculture, forestry and fishing
2008	3 957	3 492	3 843	2022	1009	73
2009	4 140	3 420	3 636	2014	914	67
Change 2008 to 2009	183	- 72	- 207	- 8	- 95	- 6
	4.6%	***-2.1%***	***-5.4%***	***-0.4%***	***-9.4%***	***-8.2%***

Source: National Statistics Online GVA released Dec10 Table 3.4 Headline Gross Value Added by NUTS3 area and 6 industries.

- Between 2008 and 2009 GVA from the public sector increased by 4.6%. GVA from all other broad industry sectors fell during the same period. Data for 2010 and 2011 are likely to show a very different trend as the funding cuts in local government take effect.

International Comparison

Internationally, the Oxfordshire, Berkshire, Buckinghamshire area[7] compares favourably on the measure of Gross Domestic Product[8] per person (in Purchasing Power Standard [9]), ranking 15th out of 301 NUTS3 areas across Europe (excluding European areas for which data is unavailable).

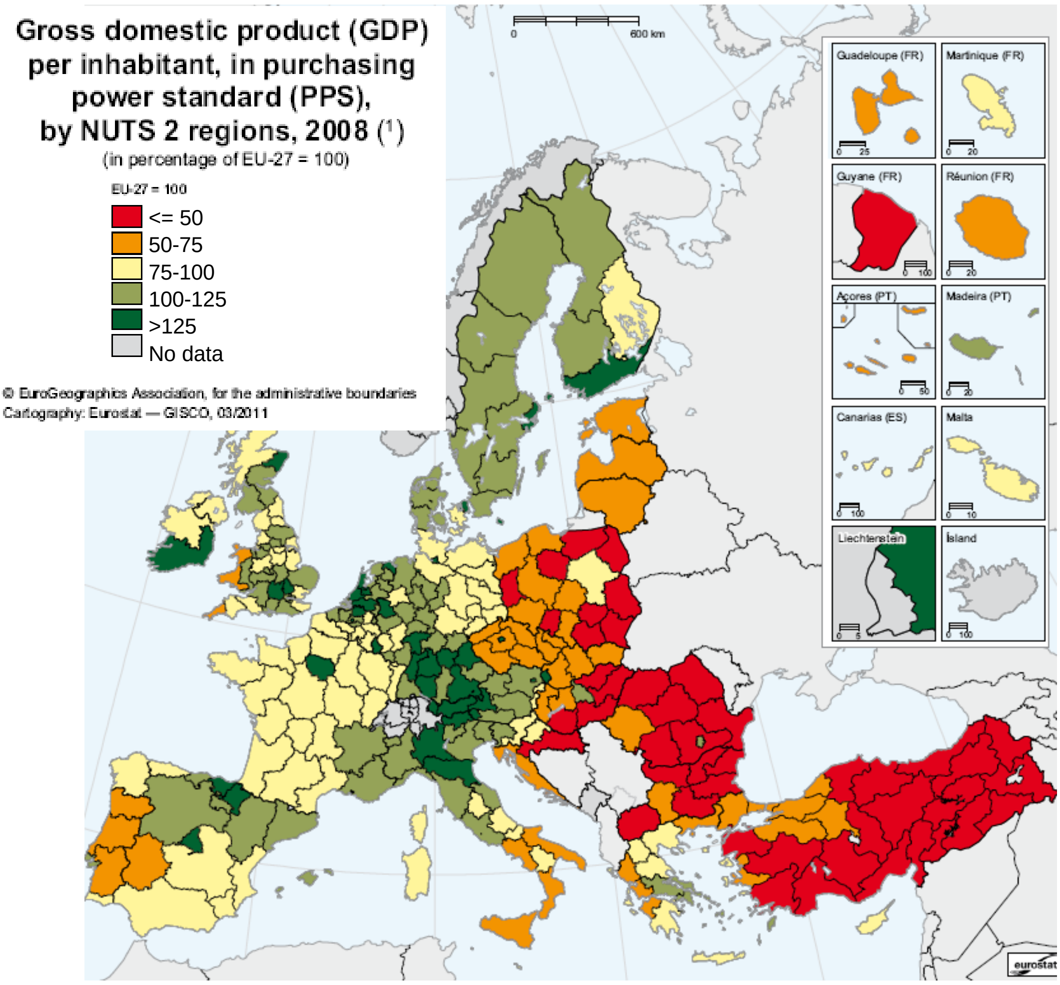
- Only two areas in the UK are ranked above the Oxfordshire, Berkshire, Buckinghamshire area on this measure, Inner London and North East Scotland.

Figure 6 GDP per person across Europe

[7] At international level, the smallest areas at which data is available to draw comparison is NUTS2 level – at this level, Oxfordshire is grouped with Berkshire and Buckinghamshire.

[8] The purchasing power standard (PPS) is the name given by Eurostat to the artificial currency unit in which the PPPs and real final expenditures for the EU 25 are expressed – namely, euros based on the EU 25. This measure has been used in place of GVA which is unavailable at this geography.

[6] Gross domestic product is an aggregate measure of production equal to the sum of the gross values added of all resident institutional units engaged in production (plus any taxes, and minus any subsidies, on products not included in the value of their outputs). The sum of the final uses of goods and services (all uses except intermediate consumption) measured in purchasers' prices, less the value of imports of goods and services, or the sum of primary incomes distributed by resident producer units.



Source: Eurostat, March 2011 data

Table 6 European areas ranked by GDP per inhabitant

[country names to be added in]

NUTS2 Region name	GDP per inhabitant in PPS	Rank
Inner London, (England)	342.5	1
Luxembourg (Grand-Duché)	279.5	2
Région de Bruxelles-Capitale/Brussels Hoofdstedelijk Gewest	216.1	3
Groningen (Netherlands)	198.1	4
Hamburg (Germany)	188.2	5
Praha (Czech Republic??)	172.4	6
Île de France (France)	167.7	7
Stockholm (Denmark)	167.2	8

Bratislavský kraj	166.8	9
Wien	163.2	10
Oberbayern	161.7	11
Bremen	157.8	12
Utrecht	156.8	13
North Eastern Scotland	156.7	14
Darmstadt	155.9	15
Berkshire, Buckinghamshire and Oxfordshire (England)	**153.7**	**16**
Noord-Holland	152.3	17
Hovedstaden	151.8	18
Southern and Eastern	147.6	19
Åland	145.0	20
Salzburg	141.8	21
Stuttgart	138.7	22
País Vasco	137.6	23
Zuid-Holland	137.4	24
Provincia Autonoma Bolzano/Bozen	136.8	25

Source: Eurostat, March 2011 data

Gross Disposable Household Income (GDHI)

Some economists use the GDHI index to measure economic well-being as it tells us about the income people have left for spending or saving once tax and other payments are accounted for.

Gross Disposable Household Income, 2010

Rank	Area	£ per head
1	Inner London	23,846
2	Surrey	21,501
3	Buckinghamshire CC	20,853
4	Hertfordshire	19,441
5	Berkshire	18,010
6	Outer London	17,892
7	Oxfordshire	17,880
8	Hampshire CC	17,777

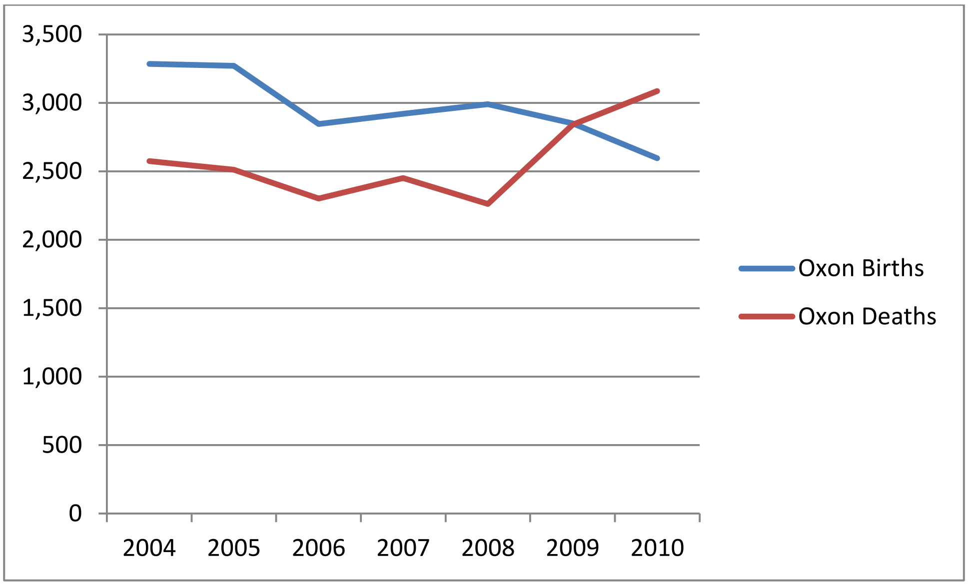
9	Cheshire East	17,187
10	West Sussex	17,119
11	Solihull	17,022
12	Wiltshire CC	16,904
13	Cheshire West and Chester	16,863
14	Brighton and Hove	16,863
15	Cambridgeshire CC	16,854
16	North Yorkshire CC	16,834
17	Essex CC	16,818
18	Dorset CC	16,817
19	Warwickshire	16,628
20	Gloucestershire	16,622

Source: ONS Sub-regional GDHI, Spring 2012 release, Table 3.2

On this measure, Oxfordshire is ranked 7th in the country in terms of GDHI per head of population.

3.9 Entrepreneurial Activity

Business births, deaths and survival



Source: ONS Business Demography 2010[10]

- **Between 2004 and 2010, 20,800 'business births' were registered in Oxfordshire compared to 18,000 'business deaths'; a net increase of 2,800 businesses over that time; equating to an annual average increase of 400 new businesses.**

- **The rate of business failures in Oxfordshire exceeded business starts in 2010 with 3,085 deaths compared to 2,595 births; a differential of 20%. However, for both England and the South East, business deaths exceeded births in 2009 and 2010. In 2010, the differential between births and deaths was much greater than in Oxfordshire at 26% and 23% respectfully.**

- **There were 29,000 'active' enterprises in 2010, an average of 70 enterprises for every 1,000 economically active residents. This compares well to some of Oxfordshire's comparator[11] areas but the Buckinghamshire area has the highest ratio of 93 enterprises per 1,000 economically active residents.**

	Economically active residents	Active Enterprises	Enterprises for every 1,000 population

[10] Based on VAT/PAYE registrations and de-registrations. The Current VAT threshold is £77,000.

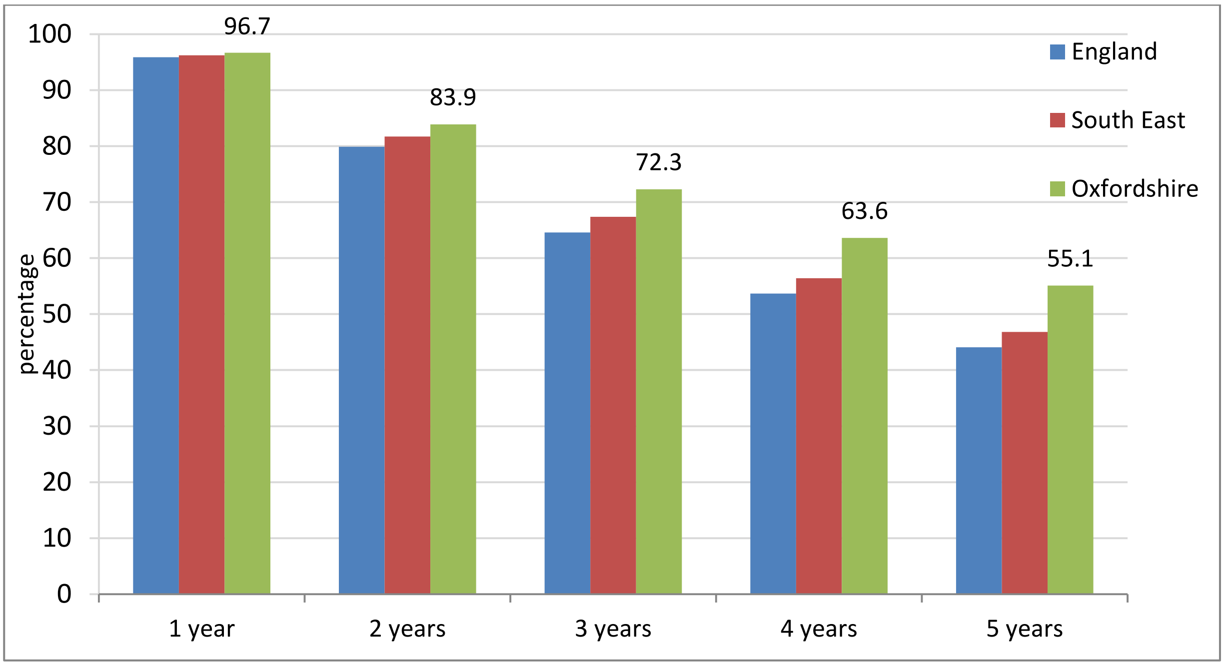
Buckinghamshire	**309,100**	**28,700**	**93**
Oxfordshire	**413,000**	**29,000**	**70**
Berkshire	**571,800**	**39,565**	**69**
Cambridgeshire	**392,900**	**25,595**	**65**
South East	**5,367,400**	**369,900**	**69**
England	**33,561,200**	**2,001,900**	**60**

Source: ONS Business Demography and Annual Survey of Population

New enterprises in Oxfordshire have a higher survival rate than average across the South East region and across England as a whole.

- 55% of new enterprises have survived for 5 years, compared with 47% in the South East and 44% in England.

Figure 7 Survival of new enterprises – Oxfordshire vs South East and England



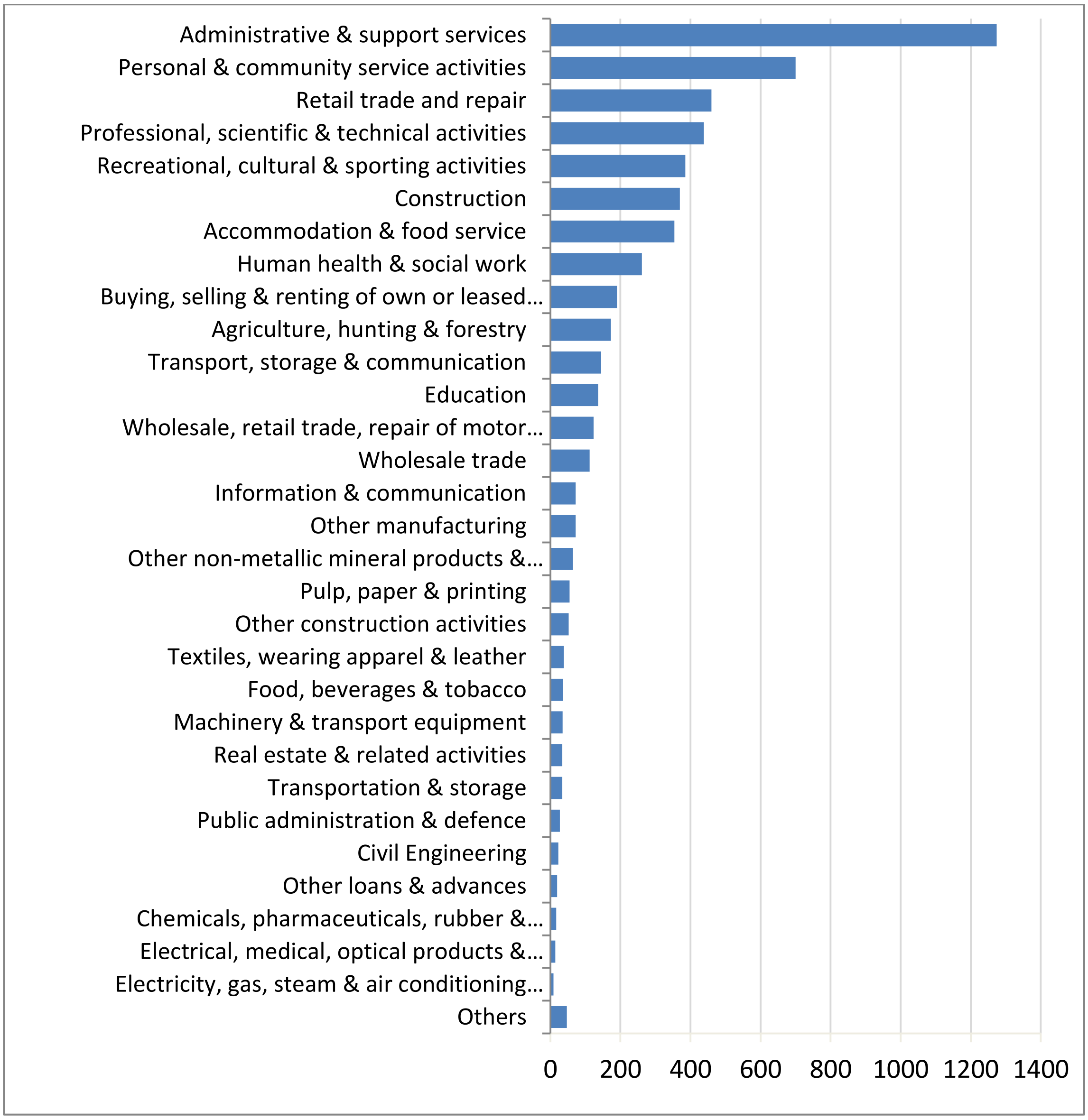
Source: ONS Business Demography

Data on new business bank accounts opened gives an alternative source of information on new start-ups in Oxfordshire. Banksearch data shows over 5,700 new businesses started up in Oxfordshire during 2011, 2% more than in the previous year.

- Almost one quarter of these new businesses (1,274 businesses, 22%) were in the *administrative and support* services, more than in the next two most frequent sectors combined ('*personal & community service activities*' and '*retail trade and repair*').

- More than 430 businesses in the *professional, scientific and technical-based* sector started up in 2011, up from 391 in the previous year and continuing the steady increase in this sector since 2008.

Figure 8 Business start ups in Oxfordshire by sector, (most frequent) 2008 to 2011



Source: BankSearch Consultancy, 2012

Self employment

In September 2011, just over 8% of people in Oxfordshire (just under 40,000) were self-employed, down from nearly 11% the previous year (53,000 people). The data shows a steady drop in the numbers self-employed in recent years compared to a leveling at the regional level and nationally.

% of the workforce self-employed

	Oxfordshire	South East	England
Sept 2008	12	10.4	9.2
Sept 2009	10.4	10.2	9.1
Sept 2010	10.6	10.3	9.3
Sept 2011	8.4	10.4	9.3

Source: Annual Population Survey 2012

Patents

Oxfordshire, Berkshire, Buckinghamshire ranks 247th out of 1120 European regions for number of patents applied to the European Patent Office for, per million inhabitants. This is the highest-ranked region in the UK.

NUTS	Region name	Number of applications to EPO per inhabitant	Rank
UKJ1	Berkshire, Buckinghamshire and Oxfordshire	212.77	247
UKH1	East Anglia	181.75	296
UKJ3	Hampshire and Isle of Wight	161.21	327
UKJ2	Surrey, East and West Sussex	150.76	344
UKK1	Gloucestershire, Wiltshire and Bristol/Bath area	147.13	354
UKH2	Bedfordshire and Hertfordshire	145.78	357
UKM5	North Eastern Scotland	119.47	417
UKD2	Cheshire	116.11	429

*ranking is out of 1120 NUTS2 areas with data. Source Eurostat data, March 2011 data.

Competitiveness

The UK Competeiveness Index ranks local authorities and cities in terms of how they score across a number of indicators, including knowledge based businesses, skills, business registrations, employment rate, and others.

According to the 2010 UK Competitiveness Index (UKCI), the South East region is the UK's most competitive regional economy (above London). The region scored ahead of London for the first time since the Index was first produced in 2000.

- Oxford was ranked one of the top ten cities in the UK, moving to 7th place from 9th place in the previous survey.

- **The Vale of White Horse (ranked 33rd out of 380 local authorities) is the most competitive district in Oxfordshire and is within the top 10% nationally.** Its rank reflects the large number of knowledge-based businesses and new business registrations in the district, along with high levels of skills, employment and pay[12]. South Bucks, West Berkshire and South Cambridgeshire and Reading rank above Vale.

- South Oxfordshire also ranks highly (47th), boosted by knowledge-based businesses and new business registrations. The proportion of knowledge-based businesses in South Oxfordshire (29%) and Vale of White Horse (28%) is above the South East average (21%)

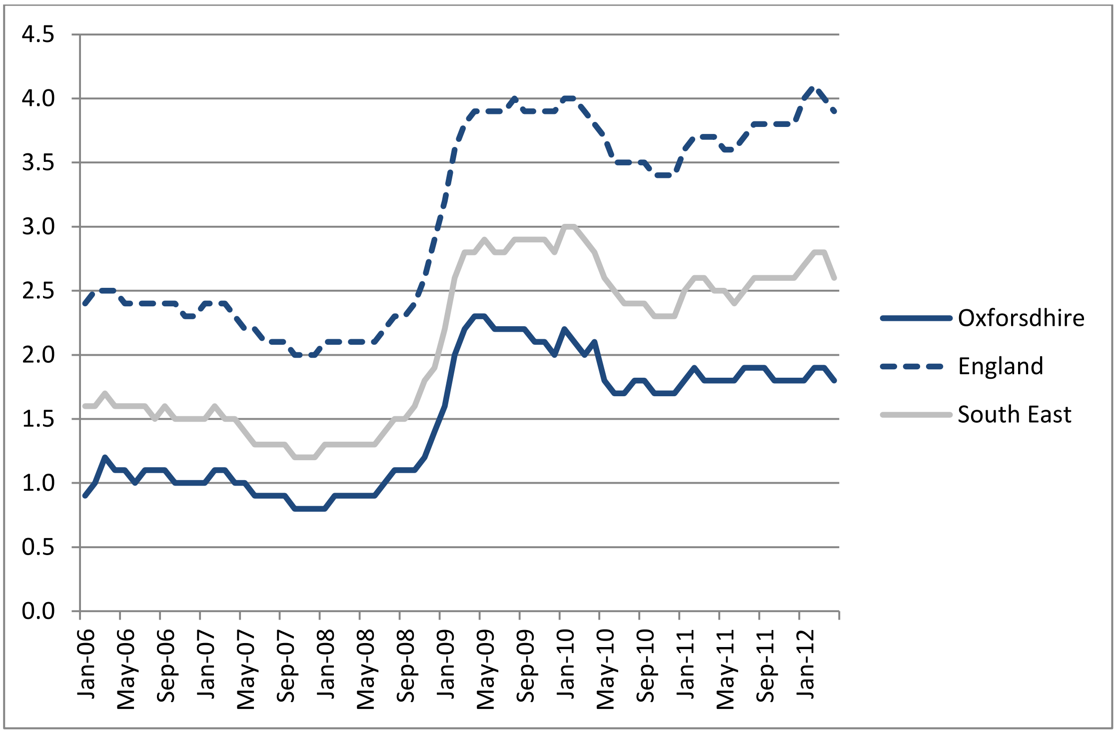
- Cherwell (62nd) and West Oxfordshire (73rd) are in the top quartile nationally.

[12] Further details are presented in section 5.

3.10 Unemployment

The number of people claiming Jobseeker's allowance in Oxfordshire has remained between 1.6 and 1.8% since May 2010, and has been consistently below regional and national averages.

Figure 9 Proportion of working age residents claiming Jobseeker's allowance



Source: DWP: rate is calculated as a proportion of the 2010 population estimate of those aged 16-64

April 2012 Claimants

Local Enterprise Area	Claimant Rate	Claimant Count
Enterprise M3	1.7	17,721
Oxfordshire	1.8	7,613
Buckinghamshire Thames Valley	2.0	6,361
Dorset	2.3	9,689
Thames Valley Berkshire	2.4	13,936
Hertfordshire	2.6	18,281
Swindon and Wiltshire	2.6	11,018

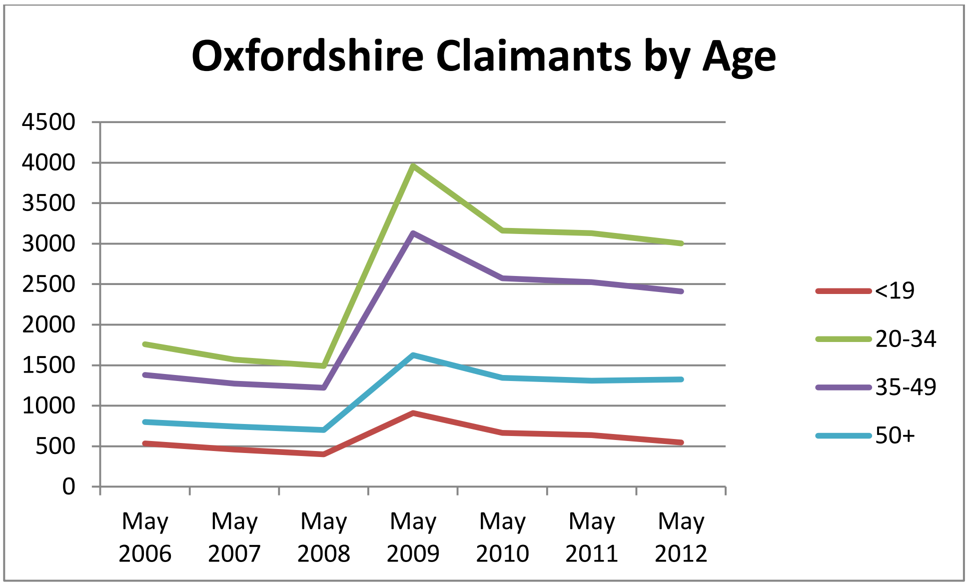
- **Oxfordshire has the secondest lowest unemployment rates of all the Local Enterprise Areas.**

Since September 2011 the rate of claimants in Oxfordshire has remained at around 1.8%. However there are significant variations across the county:

- Some parts of Oxfordshire, including areas of Banbury and Oxford, have much higher rates than elsewhere in the county.

Claimant rates in Oxfordshire vary significantly with age and gender.

- The rate of male unemployment has fallen significantly since the height of the recession (from 3.4% in April 2009 to 2.5% in March 2012), whilst female unemployment increased from a low base of 0.5% in 2008 to around 1.3% during and since the recession.



The rate of young people aged 19 or younger unemployed (7.5%) is currently less than the regional (8.5%) and national average (8.5%). The rate of unemployment among young people in Oxfordshire is less than it was prior to the recession so that by May 2012, 545 people aged 19 years or less were unemployed.

For age groups 20-34 years and 35-49 years, the number of unemployed remains double what it was prior to pre-recession levels.

The rate of unemployed people aged 35 to 49 years (33% in May 2012) is higher than the regional (31%) and national averages (31%). The largest group unemployed is aged between 20 to 35, at 41% (about 3,000 people).

Age Bands	Unemployed May 2012	Economically Active	% unemployed of economically active population
<19	545	15,100	3.6
20-34	3005	94,500	3.2
35-49	2410	136,600	1.8
50+	1325	100,200	1.3
Total	7285	346,400	

- In numerical terms claimants in the older age cohorts remain high and above pre-recession levels but there is nevertheless a higher proportion of young people unemployed as a percentage of the economically active population for that age group.

The proportion of claimants unemployed for 12 months or more has increased from 5% in April 2009 to 18% in April 2012.

3.11 Job vacancies

In May 2012 there were 4,900 notified vacancies in Oxfordshire, of which 56% were based in the financial and business services industries.

Notificed Vacancies		
Industry	**May 2012**	**% of total May 2012**
Agriculture and fishing	12	0.2
Energy and water	44	0.9
Manufacturing	60	1.2
Construction	70	1.4
Distribution, hotels and restaurants	578	11.7
Transport and communications	97	2.0
Banking, finance and insurance, etc	2,746	55.7
Public administration,education & health	920	18.7
Other services	404	8.2
Total	**4,931**	**100.0**

There were 1.6 jobs claimants for each unfilled vacancy in May 2012; the lowest since the recession of 2008/09.

Oxfordshire

Date	**Claimants**	**Unfilled Vacancies**	**Number of claimants per unfilled vacancy**
May 2006	4,484	3,702	1.2
May 2007	4,063	3,970	1.0
May 2008	3,813	3,147	1.2
May 2009	9,637	2,023	4.8
May 2010	7,780	3,140	2.5
May 2011	7,619	2,653	2.9
May 2012	7,295	4,539	1.6

Note: Due to chnages in recent years to Jobcentre Plus procedures for taking and handling vacancies figures are not fully comparable over time and may not indicate developments in the labour market.

In the managerial, professional and technical occupations there was a generally a good numeric fit between claimants and jobs available.

Claimants exceeding jobs available in their preferred field of occupation were in the administrative, secretarial, sales and customer service occupations.

Oxfordshire Claimants and Vacancies by Occupation, May 2012			
Occupation	**Claimants sought occupation**	**Vacancies Notified**	**Claimants per vacancy**
Occupation unknown	200		n/a
Managers and Senior Officials	395	210	1.9
Professional Occupations	280	205	1.4
Associate Professional and Technical Occupations	430	450	1.0
Administrative and Secretarial Occupations	830	210	4.0
Skilled Trades Occupations	680	480	1.4
Personal Service Occupations	380	1045	0.4
Sales and Customer Service occupations	1,610	510	3.2
Process, Plant and Machine Operatives	575	875	0.7
Elementary Occupations	1,910	950	2.0
Total	**7,290**	**4,935**	**1.5**

data rounded to nearest 5.

4 People

Key Findings:

- The first release from the Census 2011 shows Oxfordshire has a population of 653,800.
- Oxfordshire's population is ageing.
- 81% of Oxfordshire's resident workforce (aged 16 to 64 years) were economically active in 2011.The number of economically active in Oxfordshire improved in 2011 against a sharp drop during the 2008/09 recession.
- Gains in employment through 2011 were predominately in part-time working for both men and women.
- 53% of Oxfordshire's working population is employed in managerial and professional occupations with a further 8% in skilled trades.
- The proportion of the workforce employed in professional occupations in Oxfordshire is well above the regional and national average, at 29% of the workforce compared to 21% and 20%, respectfully.
- The proportion of the economically active population aged 16-64 with a degree or higher in Oxfordshire is above national and regional averages
- Almost 10% of economically active males in Oxfordshire have no qualifications.
- Oxfordshire's school pupil attainment was below the average in the South East and across England on the percentage achieving 5 or more A*-C grades including English and Maths in 2010/11 – despite an increase in this percentage since the previous year.
- At the end of 2011, 6.1% of young people in Oxfordshire were not in education, employment or training, equivalent to around 1,100 young people aged 16 to 18 years.
- At the end of 2011, 6.1% of young people in Oxfordshire were not in education, employment or training, equivalent to around 1,100 young people aged 16 to 18 years.
- The Oxfordshire Skills Needs Analysis identified four sectors most likely to present skills gaps among local people: business administration and technology; engineering & manufacturing; retail and care
- Residents in Oxfordshire earn an average of £554.6 per week.
- According to the 2010 Index of Multiple Deprivation there are 18 local areas in Oxfordshire which rank amongst the 20% most deprived nationally.

4.1 Demographic Change

Oxfordshire has an overall estimated population of 653,800 people. The first results from the Census 2011 were released in July, 2012. It also showed:

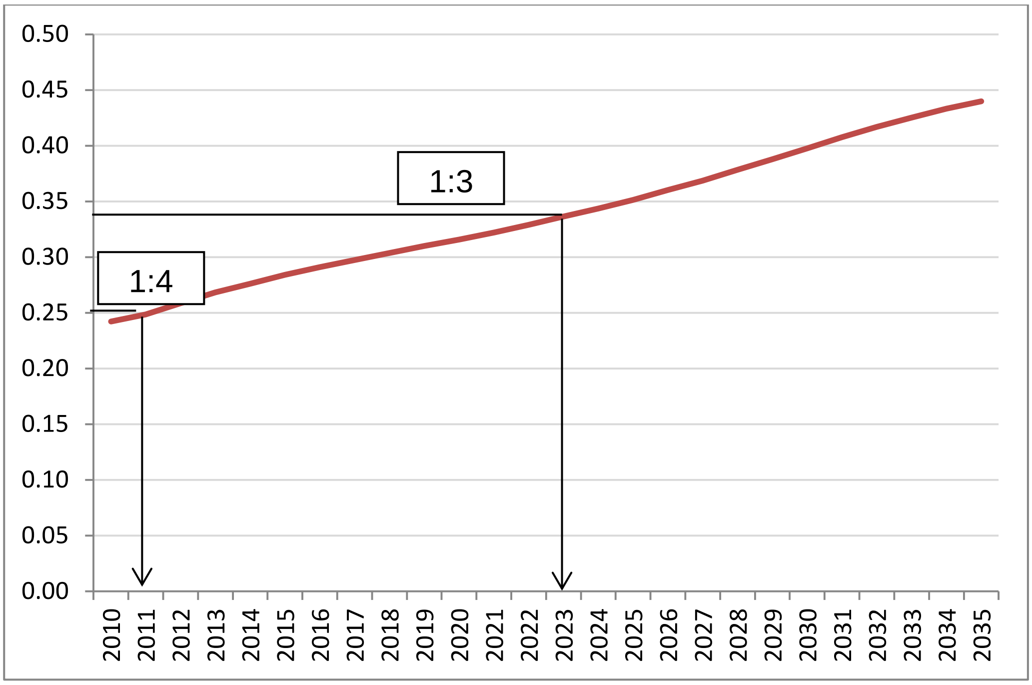
- Oxfordshire‟s population had increased by 48,500 people (8%) since the last Census estimate in 2001 (the total estimated population for the 2001 Census was 605,500).
- Oxfordshire‟s population has aged overall, due to the older age groups experiencing greater growth than younger groups. The 65-and-over population has grown by 18% since 2001, while the number of people aged 85 and over increased by 30%.
- The number of people in their 30s in the County has declined by 12%.
- The number of children aged 4 and under has grown by 13%.

Oxfordshire's population is ageing, with a significant number of older people predicted, particularly in the upper age groups.

- According to the ONS 2010-based population projections, between 2010 and 2035 (25 years) the population aged 65+ in Oxfordshire is expected to grow from 102,000 to 175,000, an increase of 72.5%.
- Over the same time period the population aged 85+ is expected to increase by 163%.

The ratio of people aged 16-64 years is expected to change so that by 2023 there will be one older person per three working age people.

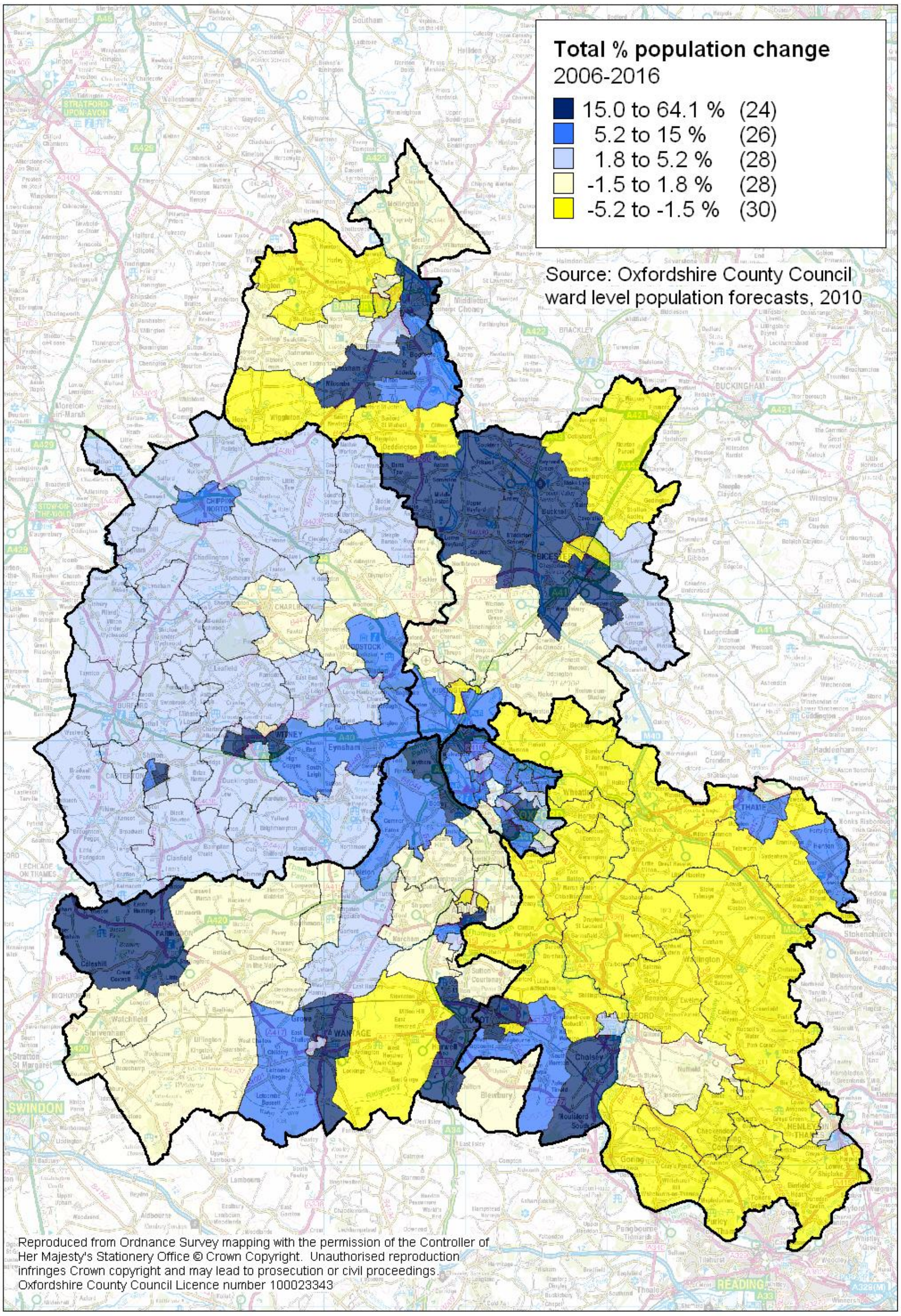
Figure 10 Predicted change in ratio of older age (65+) to working age (16-64) population, Oxfordshire



Source: ONS 2010 based subnational population projections

Small area population forecasts show a contrast in the predicted change in rural and urban parts of the county, with some rural areas expected to see a significant decline in population.

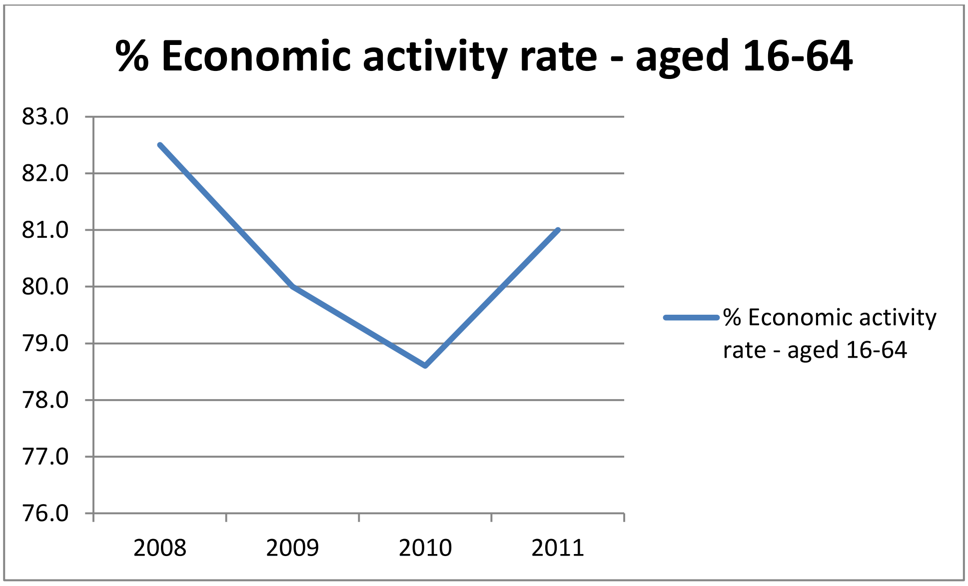
Figure 11 Population change by ward in Oxfordshire, 2006 to 2016



Source: Oxfordshire County Council, July 2010. Small area population and household forecasts

4.2 Economic Activity, Employment and Occupation

Economic activity rates

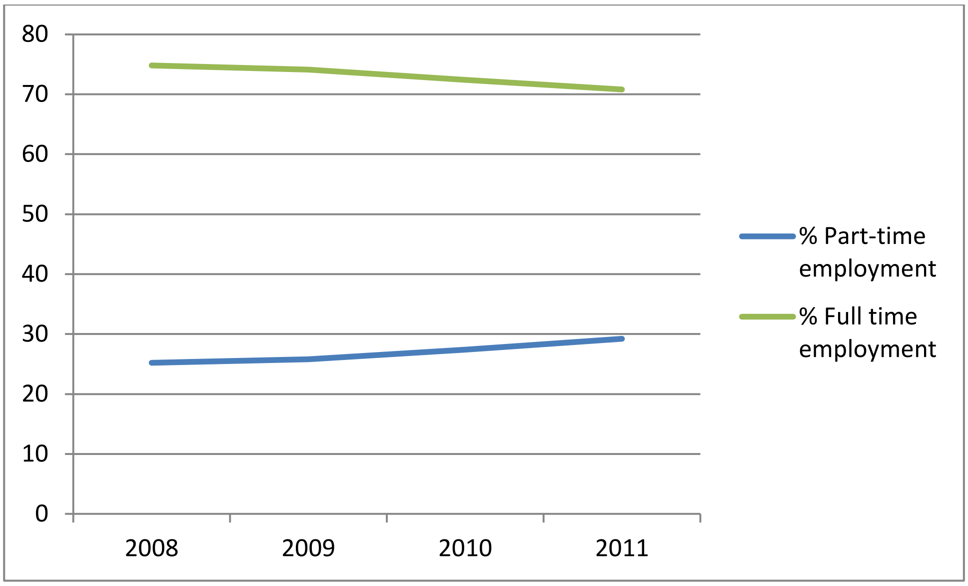


Source: Annual Population Survey

- **According to the Annual Population Survey, 81% of Oxfordshire's resident workforce, aged 16 to 64 years, were economically active in 2011. This dropped to a low of 78.6% in 2010 from the level it was prior to the recession when it reached 82.5%.**

Full-time and part-time working

	2008	2009	2010	2011
Employment	326,900	313,300	315,800	328,900



Source: Annual Population Survey

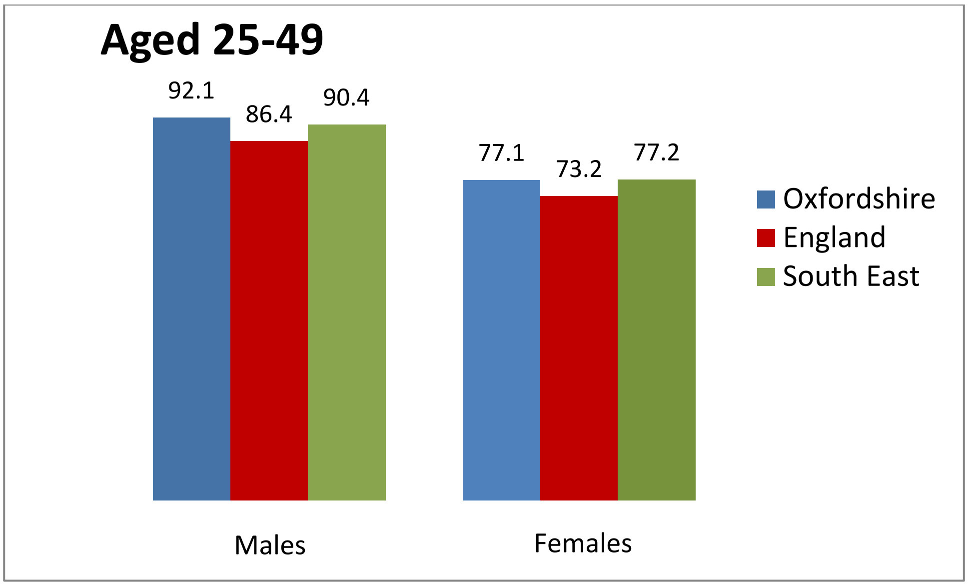
- **The overall number of people in employment increased in 2011 to replace jobs lost in the period 2008 to 2010.**
- **The level of full time employment decreased against a rise in part-time employment for both women and men.**

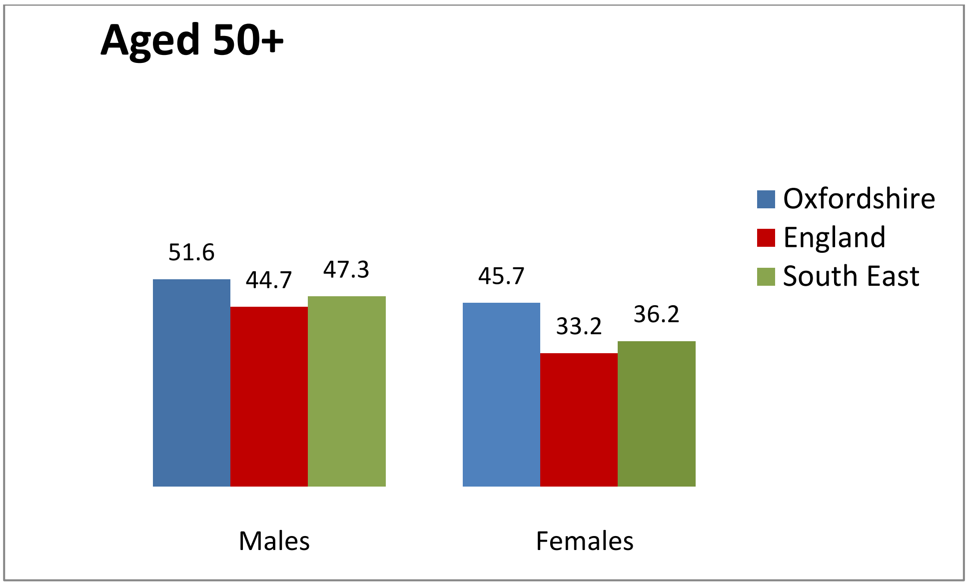
% employed full-time and part-time

	2008	2011
Men		
Full-time	89.6	87.8
Part-time	10.4	12.2
Women		
Full-time	58.9	51.5
Part-time	41.1	48.5
Source: Annual Population Survey		

Oxfordshire has an above average proportion of people in full time or part time work for both men and women aged 25 to 49 and aged 50+.

Figure 12 Percent of people in full or part time work (July 2010 to June 2011)





Source: ONS, Annual Population Survey

Occupation

The ONS Annual Population survey has shown changes in the occupational profile of Oxfordshire's working population in recent years, with an increase in people employed as professionals and in the caring, leisure and other service occupations and a decline in those in admin, trade, operatives and elementary occupations.

- 53% of Oxfordshire's working population are employed in managerial and professional occupations with a further 8% in skilled trades.

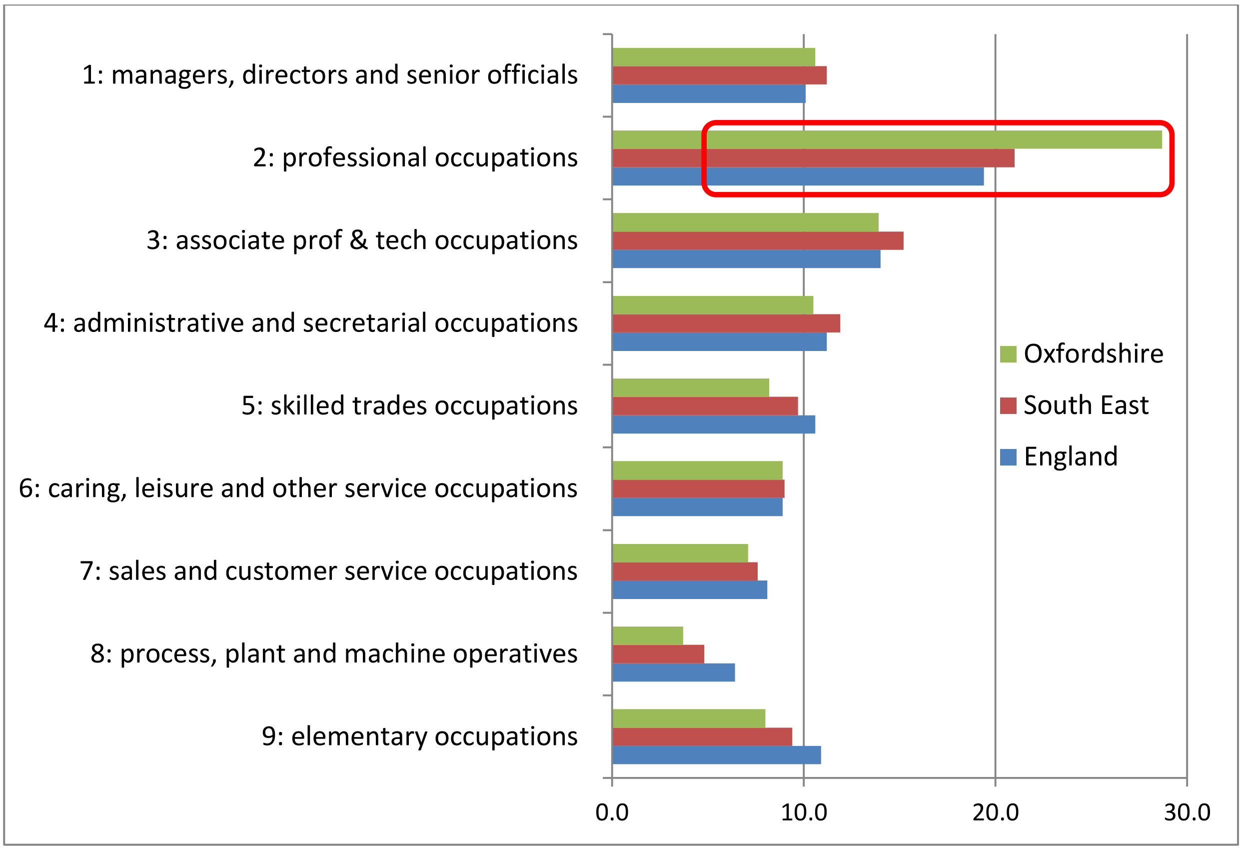
Table 7 Employment by occupation in Oxfordshire 2004/05 to 2010/11

	Jul 2004-Jun 2005		Jul 2010-Jun 2011		change 04/05 to 10/11	
1: managers, directors and senior officials	34,700	10.5	35,200	10.6	500	1%
2: professional occupations	68,300	20.7	95,000	28.7	26,700	39%
3: associate prof & tech occupations	45,200	13.7	46,200	13.9	1,000	2%
4: administrative and secretarial occupations	44,500	13.5	34,800	10.5	-9,700	-22%
5: skilled trades occupations	37,700	11.4	27,300	8.2	-10,400	-28%
6: caring, leisure and other service occupations	24,200	7.3	29,500	8.9	5,300	22%
7: sales and customer service occupations	23,800	7.2	23,500	7.1	-300	-1%
8: process, plant and machine operatives	16,800	5.1	12,100	3.7	-4,700	-28%
9: elementary occupations	34,100	10.3	26,600	8.0	-7,500	-22%
TOTAL in employment	329,300		330,200			

Source: ONS Annual Population Survey

The proportion of the workforce employed in professional occupations in Oxfordshire is well above the regional and national average, at 29% of the workforce compared to 21% and 20%, respectfully.

Figure 13 Employment by occupation, July 2010 to June 2011



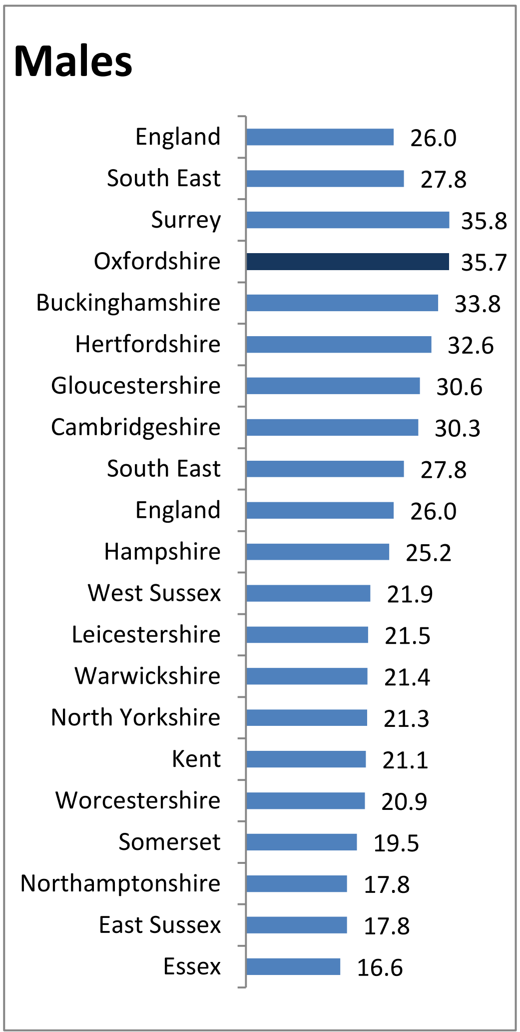
Source: ONS Annual Population Survey

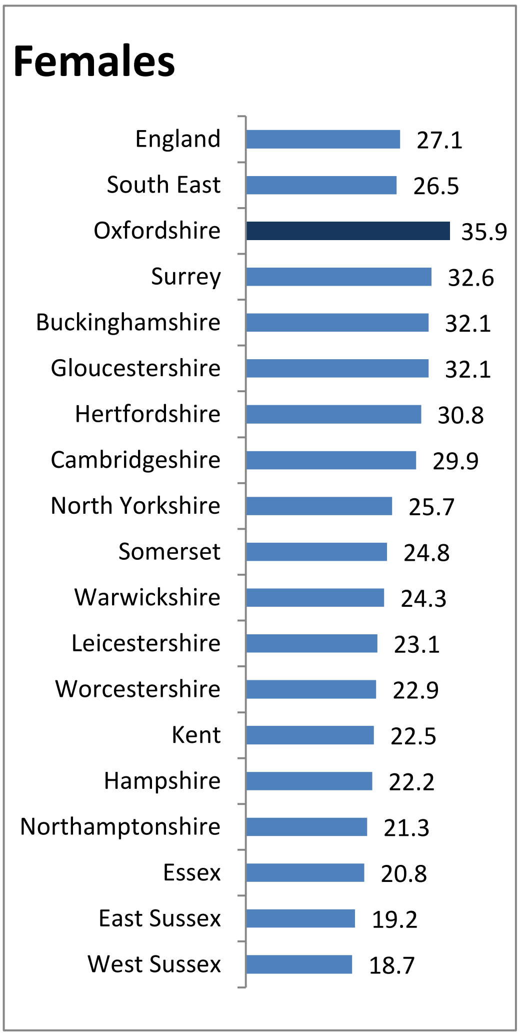
4.3 Education and skills

Qualifications

- **The proportion of the economically active population aged 16-64 with a degree or higher in Oxfordshire is above national and regional averages and the rate for females is above all other areas in Oxfordshire's statistical neighbours group.**

Figure 14 % of economically active aged 16-64 with degree or equivalent and above (Jan 10 – Dec 10)



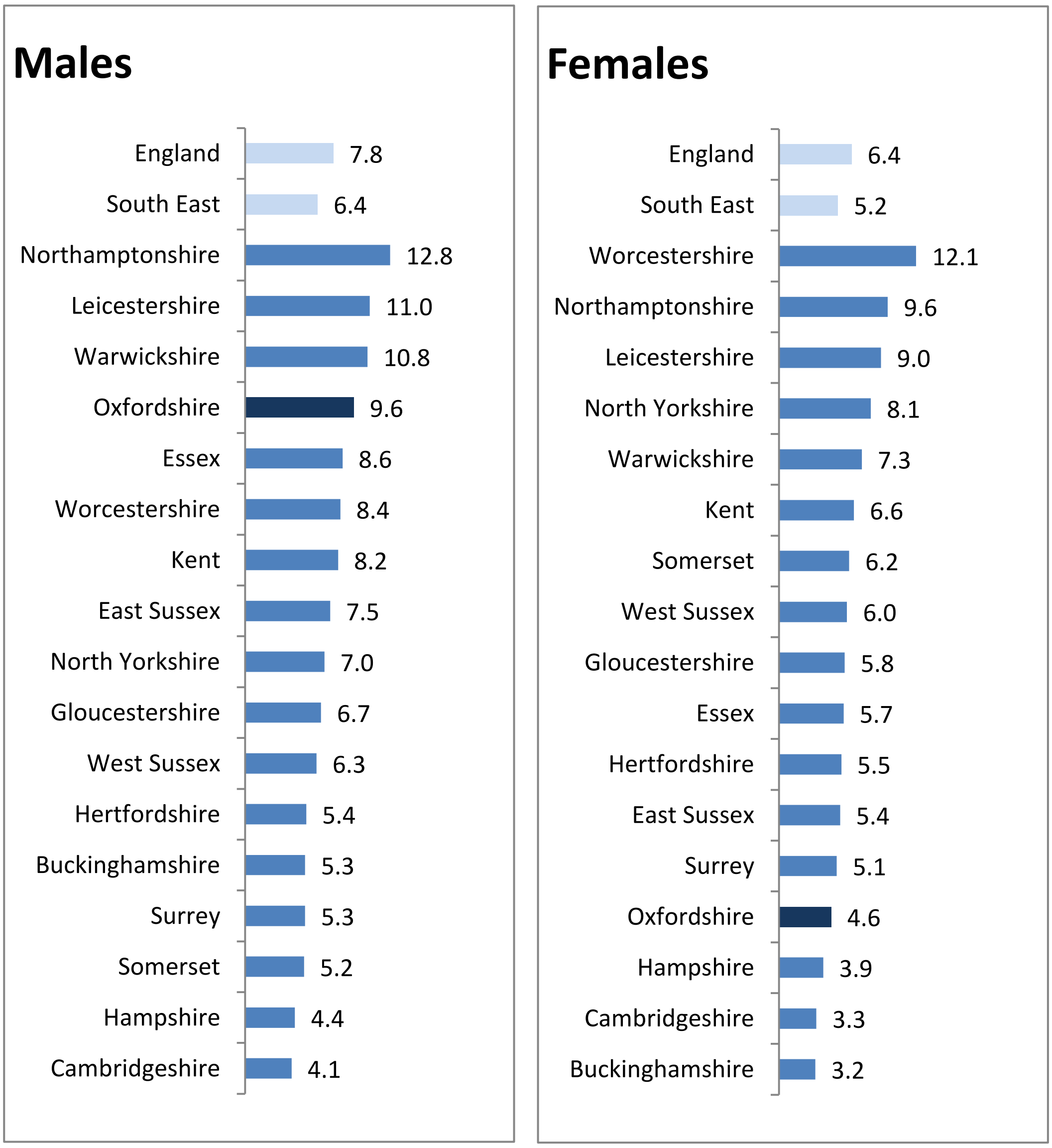


Source: ONS Annual Population Survey

- **Almost 10% of economically active males in Oxfordshire have no qualifications.**

This is above the national and regional averages and up from 6.5% in 2009. The percentage of unqualified females is below these averages and below most of Oxfordshire's statistical neighbours.

Figure 15 % of economically active aged 16-64 with no qualifications

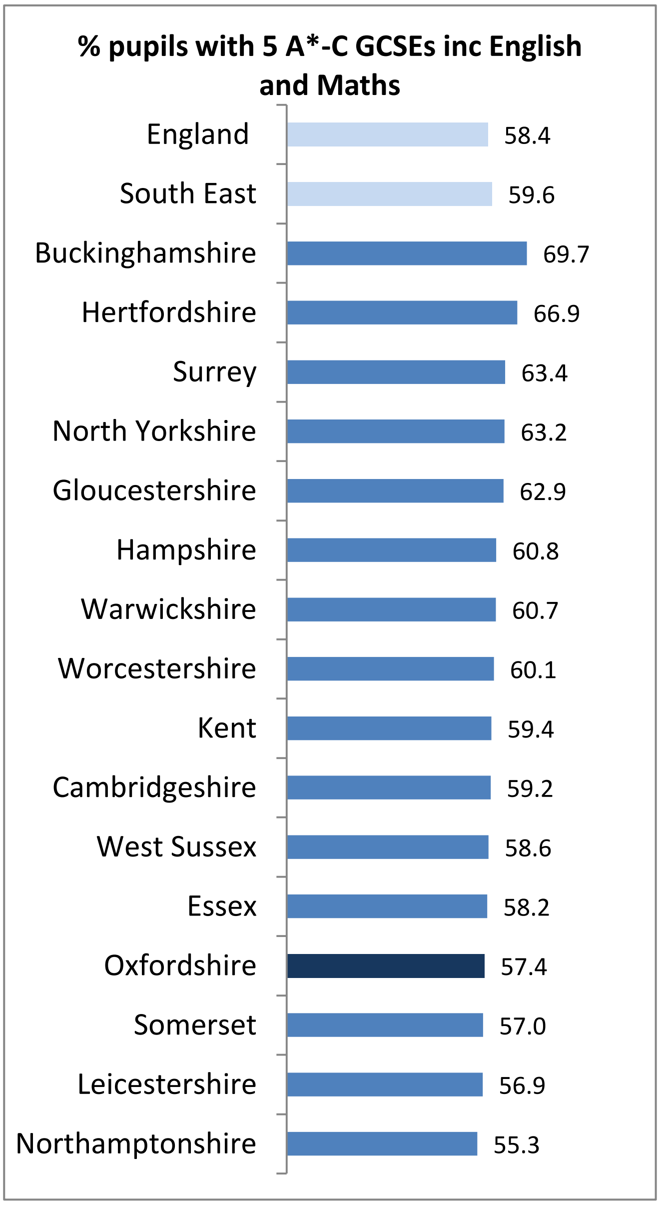


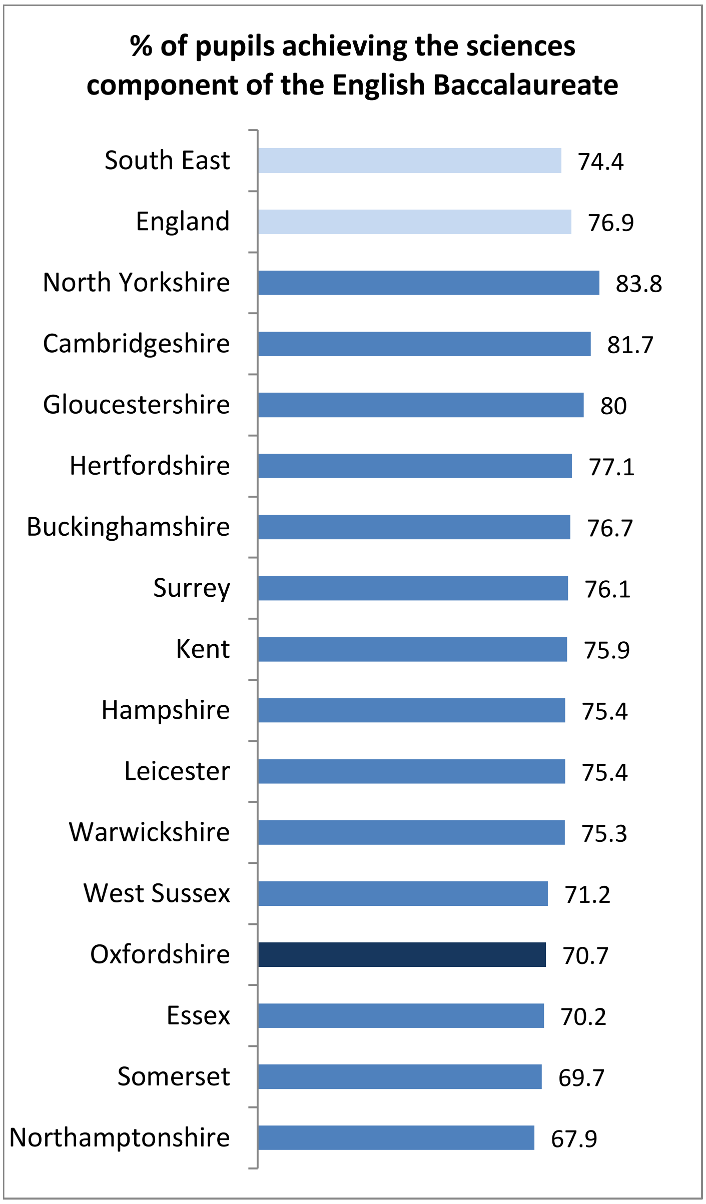
Source: ONS Annual Population Survey

- **Oxfordshire’s school pupil attainment was below the average in the South East and across England on the percentage achieving 5 or more A*-C grades including English and Maths in 2010/11 – despite an increase in this percentage since the previous year.**

- **The proportion of those attaining 2 or more A*-C in Science GCSEs however is above average.**

Figure 16 Pupil attainment, 2010/11



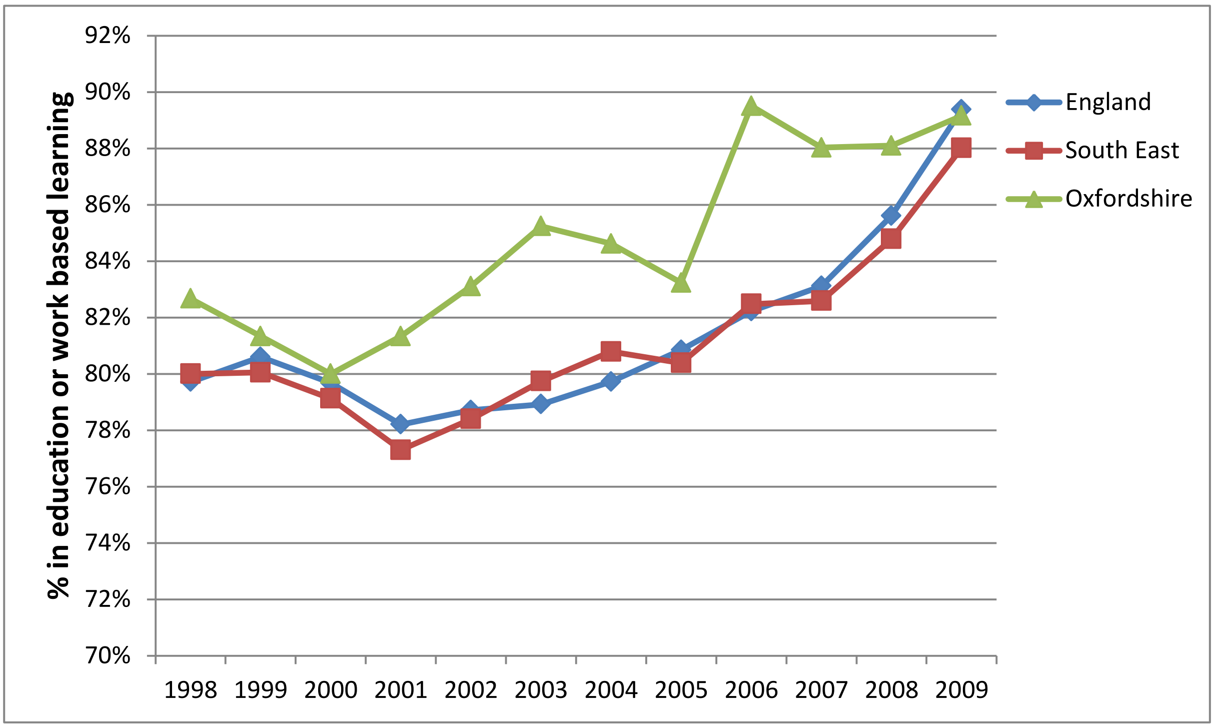


Source: Department for Education

Young people in education or training

Participation of 16 and 17 year olds in education and work-based learning increased sharply in Oxfordshire from 2005 to 2006, and was well above the national and regional averages until 2009 when an increase in participation levels across England raised the average to slightly above those in the county (89.4% in England compared with 89.2% in Oxfordshire).

Figure 17 Percent of 16 and 17 year olds in education and work based learning



Source: DfE: Participation in training and employment by 16-18 year olds in England

At the end of 2011, 6.1% of young people in Oxfordshire were not in education, employment or training, equivalent to around 1,100 young people aged 16 to 18 years.

- This was above the average for the South East (5.8%), and up from 5.9% in the previous year (data from Department for Education).

Skills gap and skills development

The Oxfordshire Skills Needs Analysis[13] identified a number of issues for Oxfordshire.

In terms of priority sectors where skills development was required, the report identified four sectors most likely to present skills gaps among local people:

 Business Administration and Technology

 Engineering & Manufacturing

 Retail

 Care

Despite Oxfordshire residents being very well qualified Oxfordshire employers reported a shortage in high level skills, most challenging to businesses in the science technology and engineering and manufacturing sector. In other sectors it would appear that the challenge is not to find the skills but to compete for them.

The report found evidence to suggest that a lack of educational attainment and other 'employability' skills prevented a significant number of Oxfordshire's residents, in particular for certain groups of young people (including teenage mothers, young people with learning difficulties and/ or disabilities, young people who have offended and young people leaving care), from entering the local job market.

To address these issues, the report identified the need for training to meet needs in the science, technology, engineering and manufacturing sectors (STEM); targeted training for young people with more young people gaining STEM qualifications; small and medium sized businesses supported in providing apprenticeships; promotion of careers in care. Support for employers facing recruitment difficulty to 'grow your own approach'.

The national picture on skills

Two national studies point to areas where skills deficiencies can be found. Taken together the broad messages appear to be:

- vacancies and skills gaps are concentrated in pockets of the economy, and where they are felt, they have a significant impact on the ability of businesses to function and stay competitive.
- Skills shortages are concentrated in skilled trades
- Further education courses need to review the provision of courses to meet demand where it exists.

[13] The Oxfordshire Skills Needs Analysis was completed in November 2011 on behalf of Oxfordshire Skills Board by the Business and Skill Bureau at Oxfordshire County Council.

The UK Commission"s first ever UK-wide employer skills survey (2011), based on 88,000 interviews, found:

- At the time of survey, 15 per cent of establishments had a vacancy with a total of 533,400 vacancies. 22% were 'hard-to-fill' vacancies which was below pre-recession levels. Of these, 75% were due to skill shortages. Nearly all business with a skills shortage (93%) found it had an impact on the operation of the business.One in three vacancies were reported as hard-to-fill amongst skilled trades like electricians, plumbers and chefs because of skill shortages among applicants (double the average figure for the entire economy).
- By sector, establishments in the Manufacturing and Community, Social and Personal Services sectors are most likely to report that their vacancies are hard-to-fill for skills related reasons (24 and 23 per cent, respectively, of vacancies are skill-shortage vacancies).
- Recruitment difficulties are also experienced by those at the 'lower end' of the product market strategy scale. Rather than skills, here it is the nature of the job, in particular a lack of interest or shift work which is the main reason cited for the recruitment problems faced.
- Size is a key determinant of the reporting of skill deficiency. Mid-sized establishments (employing between 25 and 199 staff) are the only ones to report an increase in the proportion of vacancies that are due to skill-shortage, raising questions about their ambitions for growth and ability to meet skills needs in the current labour market.
- Employers invest about £49billon on training, half goes on trainee labour costs and £7millon on training management (only 45% of employers provided management training). Linked to this, most of the money employers spend on training goes outside the public system – to private training providers, not schools, colleges and universities.
- 41% of employers surveyed did not train their staff; this links to another finding of the report that found 4.5 million staff are underused in their current role;
- Around a third of businesses (30%) had recruited someone straight from education in the last 2-3 years. The majority of these were satisfied with the work-readiness of education leavers, with this satisfaction rising with the age of the education leaver

A report by the Centre for Economic and Social Inclusion,[14] which examined the supply of skill achieved from further education courses and jobs in demand found a mismatch between courses currently being provided and jobs and vacancies. At a national level, it found significantly fewer jobs / vacancies per skills achievement in the creative industries; hair & beauty; and hospitality, leisure, travel & tourism. This suggests that these sectors have an over-supply of training. There are significantly more jobs / vacancies per skills achievement in marketing & sales; supporting teaching & learning in schools; security industries; and fashion & textiles. This suggests that these sectors have an under-supply of training.

The reasons could include:

[14] Hidden Talents, Skills mismatch analysis, Laura Gardiner and Tony Wilson, June 2012

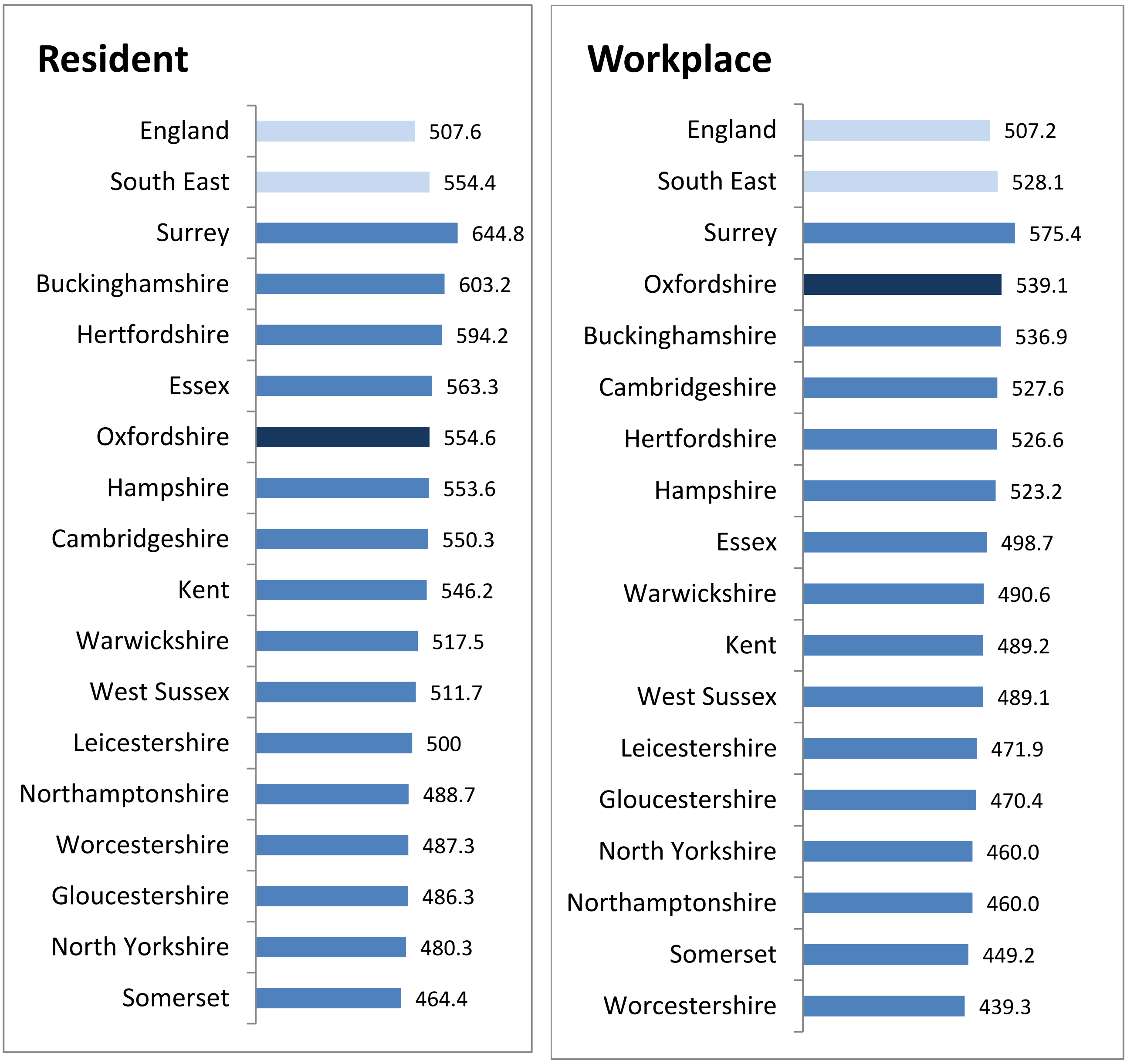
- A failure by colleges and learners to identify occupations with relatively high demand but low supply
- Ineffective routeways from sector-specific Level 2/3 training to sector-specific degree-level training for those occupations that mostly recruit graduates
- A reliance in some sectors on unaccredited training, in-house training or previous experience
- For those sectors with the fewest jobs or vacancies per skills achievement, too much demand from learners for these skills and/or supply from the FE sector.

4.4 Income

Residents in Oxfordshire earn an average of £554.6 per week – similar to the average across the South East region and well above the national average. Oxfordshire ranks fifth highest in its group of statistical neighbours.

People working in Oxfordshire earn above the regional and national average, and the weekly gross earnings are second highest of the statistical neighbour group.

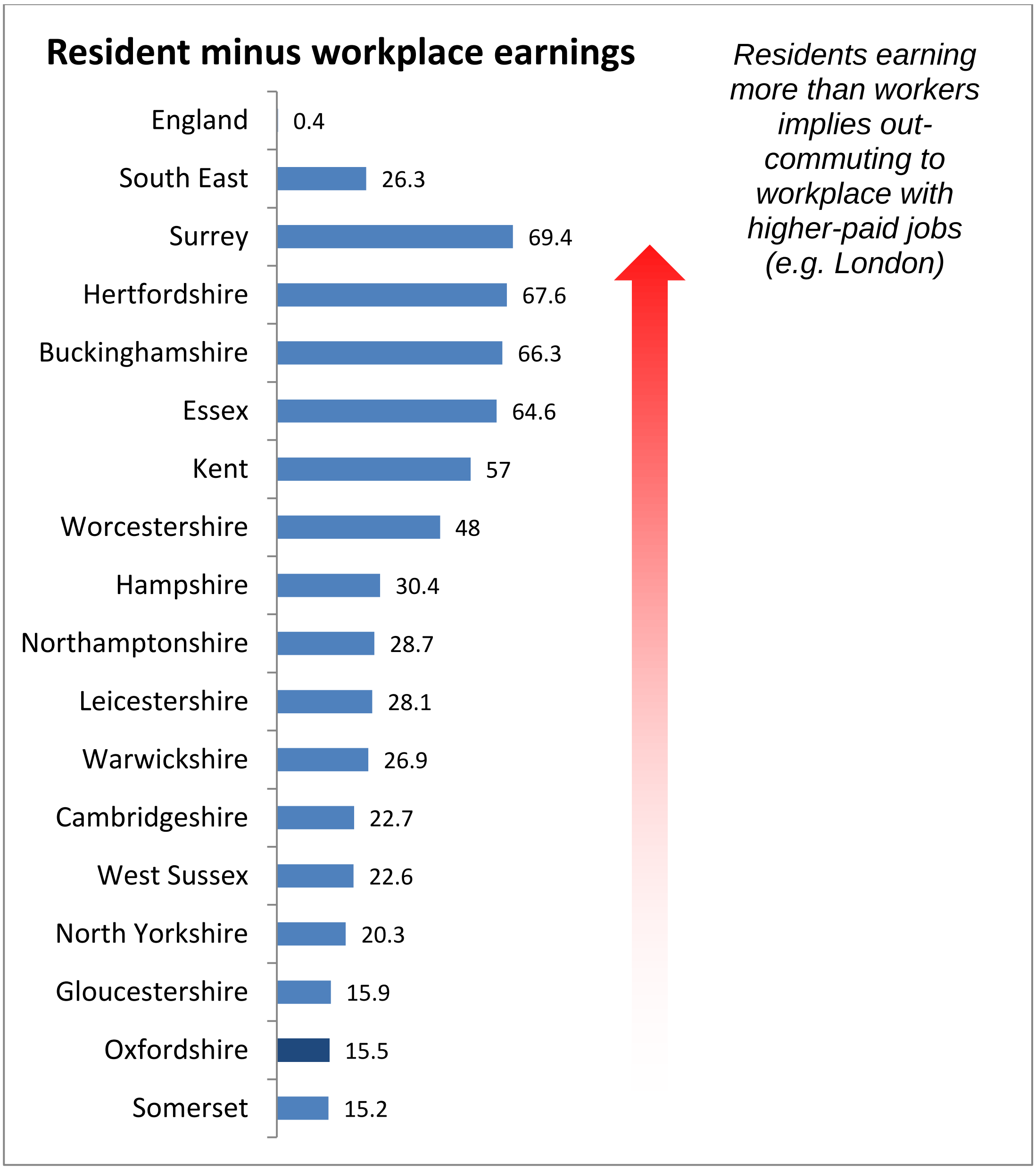
Figure 18 Full time weekly gross earnings (2011)



Source: ONS Annual Survey of Hours and Earnings

Oxfordshire's resident full time workers earn a higher weekly gross amount than workers in the county; however this differential is below that of most other statistical neighbours.

Figure 19 Difference between resident and workplace gross weekly earnings



Source: ONS Annual Survey of Hours and Earnings

4.5 Deprivation

Deprivation refers to a lack in any of the key quality of life factors, including income but also health and disability, skills and education, access to services and housing, employment, crime and the living environment

Deprivation is measured using the Indices of Multiple Deprivation (IMD) - a nationally comparative measure. According to the 2010 IMD there are 18 local areas in Oxfordshire which rank amongst the 20% most deprived nationally.

- Most of these areas rank within the 10% most deprived on the Education & Skills domain; eight areas falling in the 5% most deprived
- A number of areas also rank in the 10% most deprived in the housing and services domain. These areas are all in Oxford and largely reflect barriers to housing – primarily the cost of homes in comparison to income (see section 0).

Table 8 Oxfordshire's most deprived areas (IMD 2010)

LA NAME	Lower Super Output Area name	IMD 2010 (as rank of UK areas)	Income	Employment	Health and Disability	Education, Skills and Training	Housing and Services	Crime	Environment
Oxford	Northfield Brook 68	10%	8%	22%	14%	3%	20%	8%	49%
Oxford	Rose Hill and Iffley 77	10%	15%	19%	8%	6%	6%	14%	53%
Oxford	Blackbird Leys 20	12%	10%	27%	16%	8%	15%	4%	35%
Oxford	Northfield Brook 69	12%	14%	22%	17%	6%	2%	12%	97%
Oxford	Barton and Sandhills 14	12%	11%	26%	21%	2%	8%	37%	40%
Oxford	Barton and Sandhills 13	13%	16%	19%	12%	12%	10%	9%	42%
Cherwell	Banbury Ruscote 49	13%	16%	18%	14%	1%	60%	54%	14%
Cherwell	Banbury Grimsbury and Castle 35	14%	24%	12%	11%	32%	49%	3%	11%
Oxford	Blackbird Leys 18	14%	17%	17%	16%	5%	16%	26%	39%
Cherwell	Banbury Ruscote 54	14%	12%	23%	17%	3%	56%	28%	21%
Oxford	Littlemore 52	16%	17%	28%	17%	7%	15%	13%	42%
Cherwell	Banbury Ruscote 50	16%	15%	24%	27%	4%	63%	18%	15%
Oxford	Carfax 22	16%	43%	31%	2%	47%	5%	6%	22%
Oxford	Blackbird Leys 17	16%	24%	40%	31%	4%	1%	10%	91%
Cherwell	Banbury Grimsbury and Castle 36	17%	15%	25%	7%	9%	58%	26%	35%
Oxford	Rose Hill and Iffley 76	17%	16%	36%	32%	6%	7%	16%	43%
Oxford	Northfield Brook 67	19%	18%	32%	29%	7%	11%	18%	54%
Vale of White Horse	Abingdon Caldecott 92	19%	14%	24%	37%	1%	62%	60%	67%

Source: Index of Multiple Deprivation, 2010. Department for Communities & Local Government

5 Infrastructure

Key Findings:

- 40% of Oxfordshire is not served by superfast broadband. Rural areas in particular are disadvantaged.
- The OxOnline project aims to get 90% of non-commercial parts of Oxfordshire connected to at least superfast broadband by 2015. The main BT and Virgin operators will have 70% of the county upgraded to superfast by 2014. The OxOnline project is targeting those areas the two main operators do not cover.
- Average traffic flow in Oxfordshire increased slightly from 2010 to 2011, returning to 2009 levels of 11.3 million miles.
- The cost of the cheapest market housing in Oxfordshire is around nine times higher than the lowest quartile earnings. This ratio fell slightly from 2010 to 2011, in line with national trends, but remains above the national and regional averages.
- Between 2006 and 2011 a total of 13,800 houses were built in Oxfordshire, of which 3,114 were new affordable houses.
- The rate of housebuilding has fallen off year on year since 2006 so that in 2010/11 a total of 1,600 houses were built; the lowest annual level of house building in the county since 1971 (from when records are available).
- Local Plans provide for 39,700 houses to be delivered between 2011 and 2026. At April 2011 there was an implied county average of 4.2 years supply of houses available and ready for development.
- Between 2006 to 2011, a net total of 333,800 square metres of new employment floorspace was built in Oxfordshire providing new space for offices, industry and warehousing. 66% of all development completed in the county provided new premises for B1 uses, of which 37% was concentrated in Oxford.
- There was a loss of B2 uses across the county with 28% built to provide for warehousing and distribution.
- At April 2011, there was an estimated 380,000 square metres of floorspace (net) with planning permission for industrial and commercial development across Oxfordshire.
- There was in addition a total of 280 hectares of land allocated or proposed for allocation in local plans for commercial and industrial development. This includes:

41 Ha at Bicester which includes 18Ha at the Bicester Eco-town
29 Ha at Banbury
38 Ha at Oxford (9 Ha at the Oxford Science Park, 9 Ha at the Oxford Business Park at 20 Ha at the Northern Gateway).
92 Ha at the Science Vale Enterprise Zone which covers Milton Park and Harwell Oxford.
14 Ha at Witney
11 Ha at Carterton.

Transport and communications infrastructure are important location factors and improvements in both are important to both support businesses and thereby secure economic growth.

5.1 Broadband availability and speed

First generation broadband - where standard phone lines use copper wires - allow for speeds up to 8mbps. For such technology actual speeds received depends on how far the phone line has to stretch to the telephone exchange, so that the shorter the distance the better the speed. Urban areas fair better because there are more exchanges and more providers. Current internet technology provide for speeds up to 24Mb (megabytes). Newer fibre optic cabling provide for ‘superfast speeds’ up to 100mb.

Most rural parts of Oxfordshire still do not have an acceptable level of standard broadband or mobile phone networks due to the lack of digital infrastructure.

Table 4-1 Average speed of first generation broadband in Oxfordshire districts
Local authority Average speed (kbps)

Local Authority	**Average Speed (kbps)**	**Ranking***
Oxford City	5,096	93
South Oxfordshire	4,994	120
Vale of White Horse District Council	4,546	271
Cherwell	4,636	235
West Oxfordshire	4,809	178

*Out of 376 local authorities. Kbps- kilobytes per second)
Source: Future Broadband Strategy for Oxfordshire, 2010. A. Wooster and H. Pickering.

- Broadband speeds between Oxfordshire’s urban and rural areas vary significantly, and surveys undertaken by Oxfordshire County Council (OCC) and by communities via their parish plans, show that speeds can be very low. 48% of those who responded to the OCC Residents Broadband Survey reported speeds of less than 2Mbps.

Whilst some areas in Oxfordshire are already benefitting from next generation superfast broadband (technology that uses advanced copper wires or fibre optic cabling), other parts of the county, particularly in rural areas,

- Approximately 40% of Oxfordshire is not currently served by superfast broadband. However, new improvements being implemented by BT will bring this down to 30%.

The current commercial roll-out plans of broadband infrastructure providers suggest that approximately one third of premises in Oxfordshire would not have an option to access NGA broadband by 2015. In large part these will be rural and hard to reach areas.

The OxOnline project is a broadband initiative, developed as part of the national programme, Broadband Delivery UK (BDUK), set up in Oxfordshire to deliver NGA broadband (24Mbps) to 90% of premises in Oxfordshire by 2015 with the remaining 10% of the population having access to a basic level of service (defined as having access to a speed of 2Mbps). This will be an overall investment of £14million to deliver this project.

5.2 Transport

Commuting

Oxfordshire's labour market is relatively self-contained. In 2001, xxx people lived and worked within the county. However, between 1991 and 2001 an increased proportion of jobs in Oxfordshire were filled by people living outside the county.

- Almost 16% of the 315,000 jobs in Oxfordshire in 2001 were filled by people travelling into the county to work, up from 12% in 1991.

In 1991 more Oxfordshire residents travelled to work outside Oxfordshire than commuted in (the county was a net exporter of workers). By 2001 this had reversed and slightly more people were travelling into Oxfordshire to work than travelling to jobs outside the county.

- The overall number of people living outside Oxfordshire and travelling to work in the county increased by 66% between 1991 and 2001.

Table 9 Change in the number of people travelling into and out of Oxfordshire to work, 1991 to 2001

	1991	2001	1991 to 2001 change	
Residents travelling to work outside Oxfordshire	36,611	48,700	+12,089	+33%
People travelling into Oxfordshire for jobs	30,163	50,072	19,909	+66%

Source: Census surveys, ONS

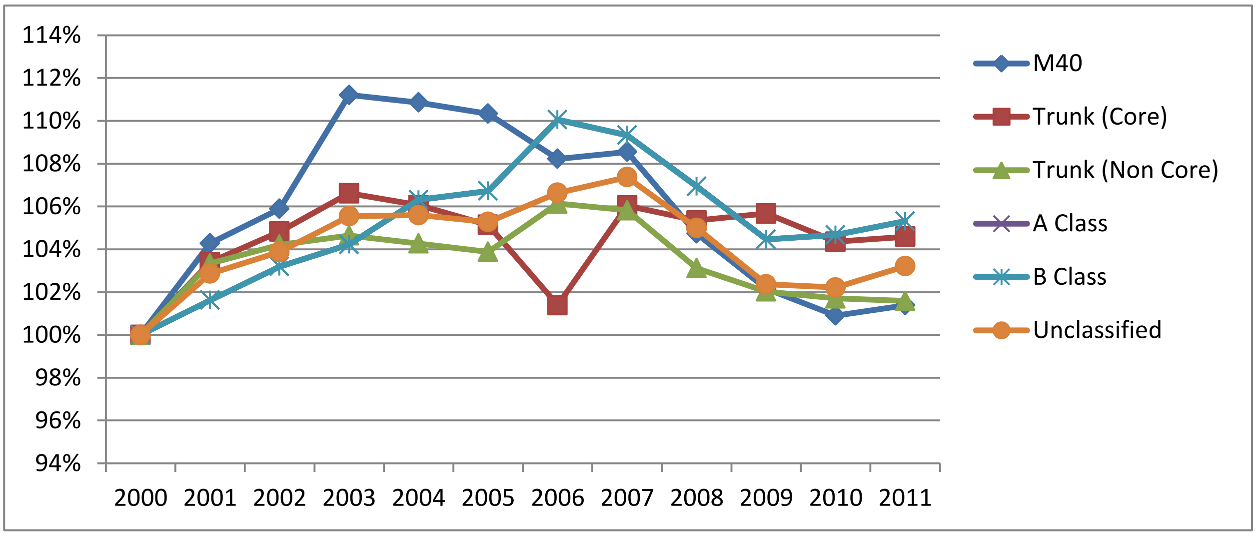
Congestion

Average traffic flow in Oxfordshire increased slightly from 2010 to 2011, returning to 2009 levels of 11.3 million miles.

- The rate of traffic flow on Oxfordshire's roads over the last 10 years (2000 to 2010) increased by 2%. Traffic on Oxfordshire's non-strategic roads, i.e. those roads for which we are responsible, was 3% over ten years.

    - Over the past five years (2005 to 2010) there has been a reduction in average traffic flow of more than 3% for all roads in the county (-3.18%). For the non-strategic roads there has been a decrease of -2.1%.

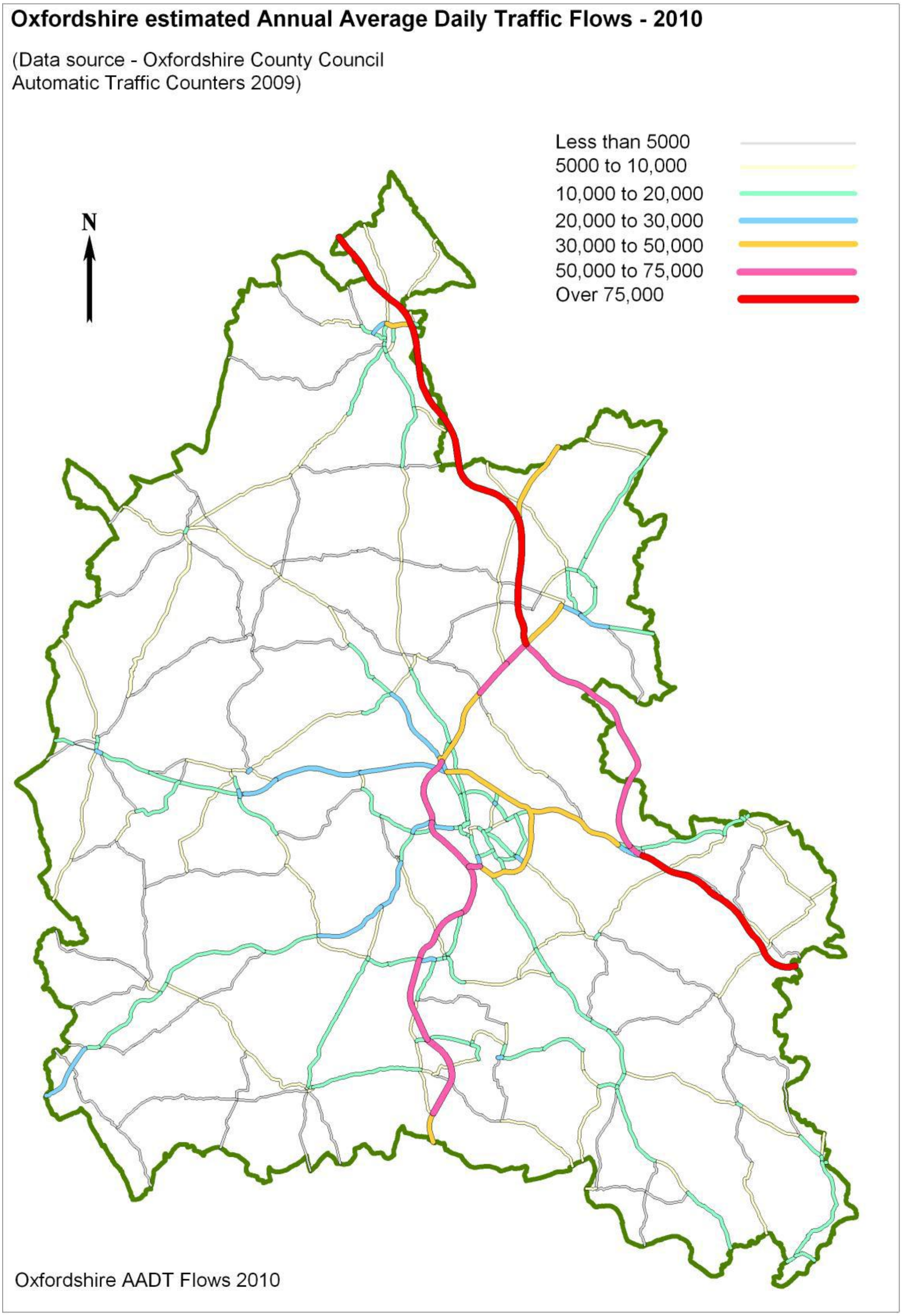
Figure 20 Traffic growth in Oxfordshire, 2000 to 2010



Source: Oxfordshire County Council Transport Monitoring

Congestion remains a concern for businesses in Oxfordshire.

- The average journey time per mile during the term time morning peak in Oxfordshire during 2009/10 was 4 minutes 20 seconds. The average journey time per mile has increased by 6 seconds (average vehicle speed fell by 0.4mph), when compared to the previous year (2008/09 academic year). This means that there was a minimal increase in congestion during this period.


Oxfordshire estimated Annual Average Daily Traffic Flows - 2010
(Data source - Oxfordshire County Council
Automatic Traffic Counters 2009)
Less than 5000
5000 to 10,000
10,000 to 20,000
20,000 to 30,000
30,000 to 50,000
50,000 to 75,000
Over 75,000
N
Oxfordshire AADT Flows 2010

Infrastructure delivery since 2007

The priority of the Oxfordshire Local Transport Plan and the Oxfordshire Local Investment Plan has been to improve the strategic road network, rail networks and promote sustainable travel.

Between 2006 and 2011 Oxfordshire County Council secured £13 million to improve transport infrastructure and services so that Oxford continues to be an attractive location for business investment. This has included schemes to:

* create a friendlier shopping experience in the city centre and a high quality environment for visitors;
* improve the environment of the suburban centres to make these more attractive locations for business and retail;
* reduce congestion on the Oxford Ring Road; and
* continued improvements in bus services and facilities and improvements to the city's cycling network.

Among the more significant improvements delivered in this time were Queen Street, New Inn Hall Street, London Road Corridor, A40 Green Road Roundabout, Summertown, A423 Heyford Hill Roundabout and Thornhill Park & Ride.

Outside Oxford, £33 million were invested to reduce congestion, improve town centre environments and air quality, and access new development areas - including Abingdon and Henley town centres and the South West Bicester Perimeter Road.

Future Major Schemes to 2020

In the Oxfordshire Local Transport Plan 2011-2030 there will be continued investment to support development, particularly to in the Oxfordshire Growth Arc comprising the three priority areas of economic growth, enterprise and housing.

In the short term major investment proposals will include Thornhill Park and Ride extension and London Road bus priority measures, and improvements to Frideswide Square in Oxford, the Banbury North-South corridor, Didcot Parkway Station forecourt, Oxford and Water Eaton Stations, and Kennington and Heyford Hill Roundabouts.

The Oxfordshire Local Investment Plan, prepared by a partnership of the county and district councils, identifies a number of strategic transport schemes which it considered necessary to support development in the county in the short term including:

- Access to Oxford
- Chiltern Railways Evergreen 3 Project
- East-West Rail (western section)
- Banbury priority north-south vehicular corridor
- Bicester park and ride
- M40 Junction 9 improvements

- South west Bicester perimeter road
- Transport improvements in and around Bicester
- Didcot Northern Perimeter Road Phase 3
- Cow Lane Underpass, Didcot
- Didcot Parkway station forecourt
- Didcot Parkway station (Foxhall car park and pedestrian improvements)
- Accessing Science Vale UK transport package
- Thornhill park and ride, Oxford
- Grove & Wantage railway station
- Cogges Link Road and Witney town centre enhancement, Witney
- Cotswold line railway re-doubling
- A40 Downs Road junction, Witney

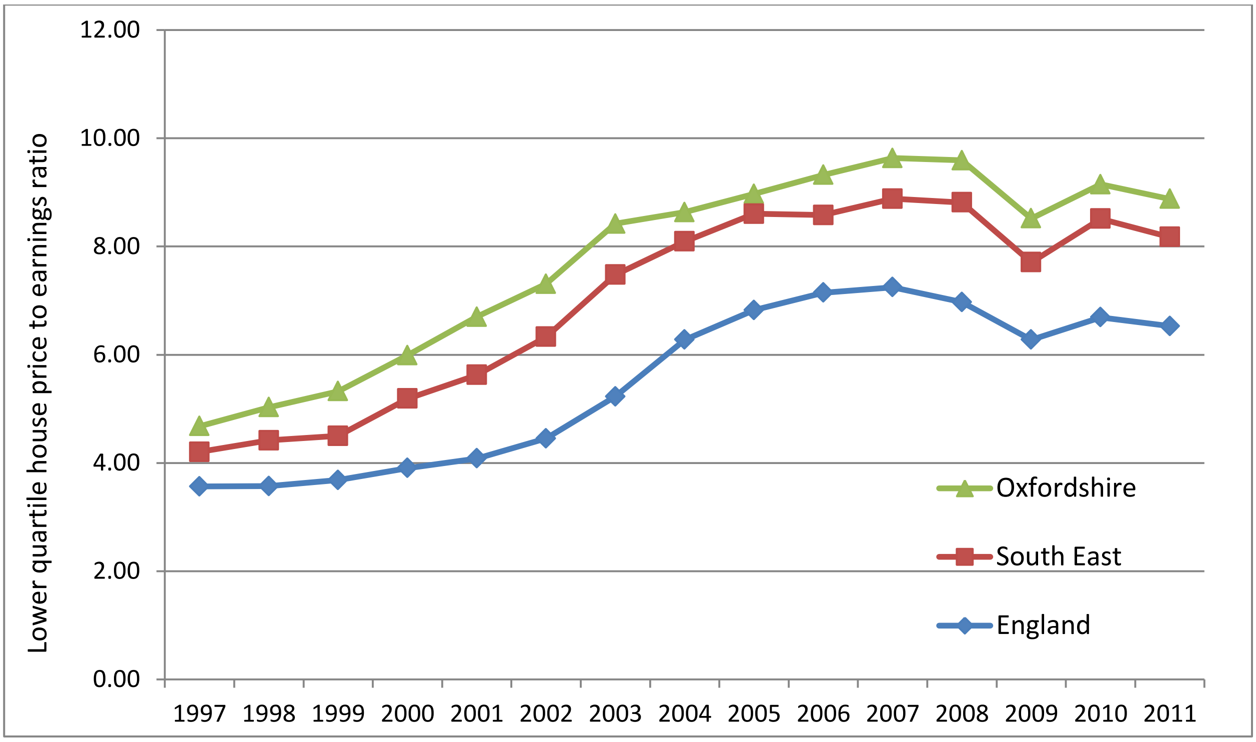
Many of these schemes will be delivered to support developments. Some schemes like East West Rail have secured funding

5.3 Housing

House prices and affordability

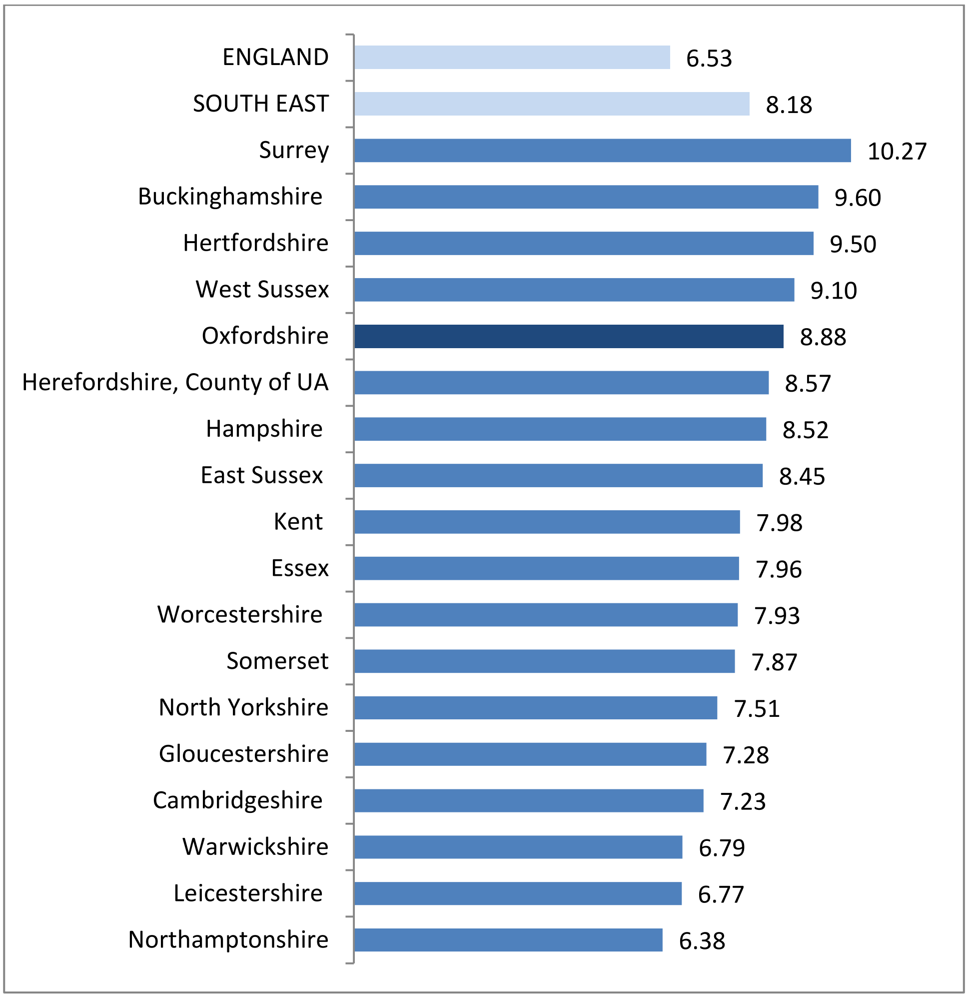
The cost of the cheapest market housing in Oxfordshire is around nine times higher than the lowest quartile earnings. This ratio fell slightly from 2010 to 2011, in line with national trends, but remains above the national and regional averages.

Figure 21 Lower quartile house price to income ratio



Source: Communities and Local Government live tables on housing

Figure 22 Lower quartile house price to lower quartile earnings ratio (2011)



Source: Communities and Local Government live tables on housing

House building

Between 2006 and 2011 a total of 13,800 houses were built in Oxfordshire.

However, the rate of housebuilding has fallen off year on year since that time so that in 2010/11 a total of 1,600 houses were built; the lowest annual level of house building in the county since 1971 (from when records are available). The economic situation has had a significant impact on house building, with the fifth consecutive fall in building rates in Oxfordshire since 2005/06. Nationally, house building also hit an all time low with 121,200 homes built in England during 2010/11[15].

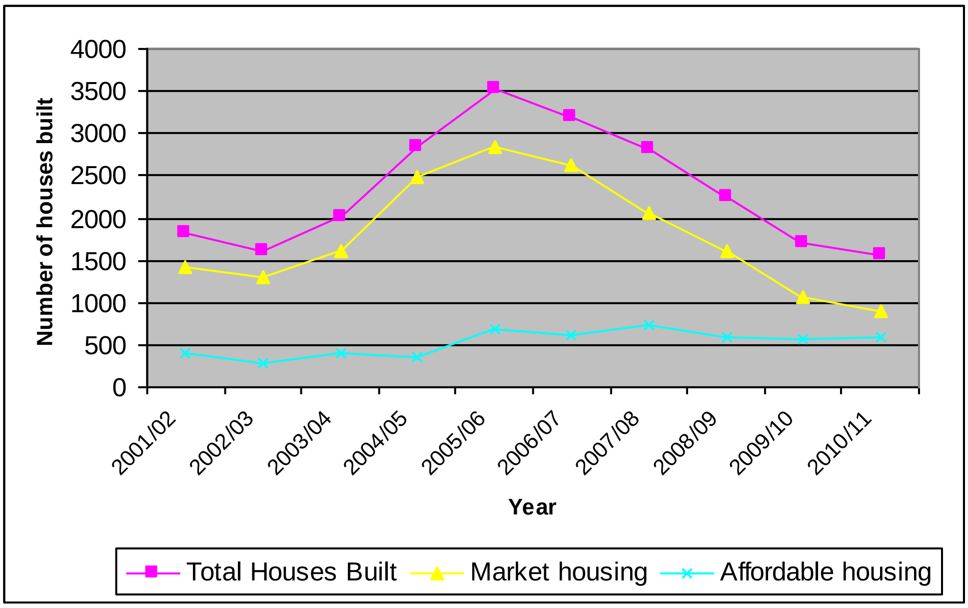
The slow down in house building reflects a drop in private sector market housing. The number of affordable homes built has remained stable over the last few years, again, reflecting the national trend, where homes completed by social landlords (or local authorities) increased overall in 2010-11 compared to a drop in private sector built homes. However, this may not continue to be the case. With the cut in public subsidy grant to build new homes, there is some evidence that social landlords are looking increasingly to alternative means to raise capital to build or acquire new affordable homes, including through the acquisition of existing stock.

Affordable Housing

Between 2006 and 2011, 3,114 new affordable homes were developed in the county. Although this includes some gross completion figures it suggests about a quarter of all new houses built in the county over that time were affordable.

Known acquisitions by housing associations provided a further 200 houses for affordable housing between 2006 and 2011.

Figure 1: Number of houses built in Oxfordshire 2001-2011



Source: City and District Councils

[15] DCLG Housing Statistics 2009/10

Housing supply

Local Plans currently provide for 39,700 houses to be delivered between 2011 and 2026.

Table 2: Housing development						
	Cherwell	Oxford	South	Vale	West	Total
2006-11 Actual	4,826	2,472	1,335	2,082	3,061	13,776
2011-16	3,500	3,022	3,390	2,287	1,674	13,874
2016-26	5,074	2,506	6,769	8,925	2,565	25,839
Total	**13,400**	**8,000**	**11,494**	**13,294**	**7,300**	**53,489**

*South figures are to 2026/27
*Vale figures to 2028/29

Government policy[16] requires local authorities to maintain a 5 year supply of houses that are 'deliverable' (are available and can be built within the 5 years), with a buffer of five per cent[17]. The location of large strategic sites (400+ dwellings) is shown in Figure 25.

Table 10 Five Year Housing Land supply at April 2011

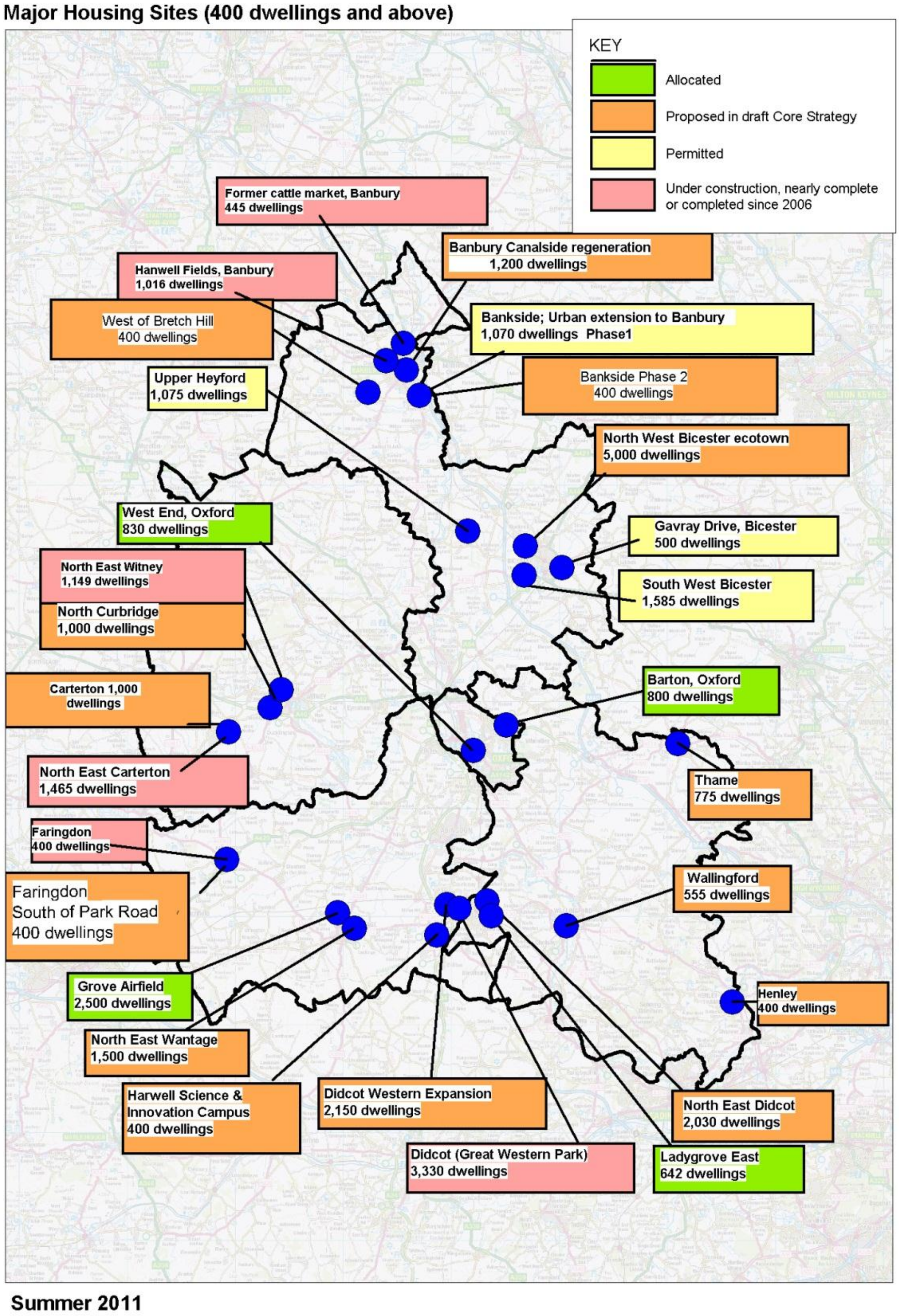
	Oxford	**Cherwell**	**Didcot**	**Rest of South Oxon**	**Vale of White Horse**	**West Oxon**
5 year requirement	1,840	3,620	1,907	1,265	3,115	1,415
5 year deliverable sites	1,986	2,023	1,970	1,665	1,766	1,525
Number of years supply	5.3	2.8	5.2	6.6	2.8	5.4

The 5 year requirement varies between the Oxfordshire local authorities with an implied county supply of 4.2 years.

The lower supply in both Cherwell and the Vale of White House are due to either the delay experienced at major sites and/or difficult market conditions. Both Councils are working on measures to speed up delivery including work on pushing forward their Core Strategies that will formally identify sites.

[16] National Planning Policy Framework, March 2012, Para. 47
[17] The buffer should be 20 per cent where there is a 'record of persistent under delivery'.

Figure 23 Strategic housing sites in Oxfordshire



5.4 Employment land[18]

Land developed for commercial and industrial activity

Between 2006 to 2011, a net total of 333,800 square metres of new employment floorspace was built in Oxfordshire providing new space for offices, industry and warehousing.

Total floorspace completed for commercial and industrial development, 2006 to 2011 (Square metres)

	06/07	07/08	08/09	09/10	10/11	Total	% of total
Oxford	40,900	29,500	15,400	4,900	2,200	**92,900**	28
Cherwell	12,500	4,000	20,000	26,700	-70	**63,130**	19
South	7,200	14,500	19,000	44,700	4,800	**90,200**	27
Vale	-12,200	26,700	10,300	6,400	-200	**31,000**	9
West	9,100	200	7,500	470	39,000	**56,270**	17
County	**57,500**	**74,900**	**72,200**	**83,170**	**45,730**	**333,500**	100

Source: SMART database and district councils

- 333,500 square metres of commercial and industrial floorspace was built in the county between 2006 to 2011.
- There was a year on year increase in development activity between 2006 to 2011despite the recession of 2008/09 but there was a sharp fall witnessed in the period 2010/11.
- The level of floorspace completed in 2009/10 includes a major distribution centre for Asda on the edge of Didcot for 41,256 square metres, which accounts for 50% of the total floorspace completed in that year.

[18] Data from SMART (district council database) and Annual Monitoring Reports. The main commercial and industrial developments are generally classified as B1 (which includes offices, research and development and light industry), B2 which is general industry and B8 which includes storage and distribution.

Commercial and industrial floorspace built by use class, 2006 to 2011

	B1 (Offices)	B2 (General Industry)	B8 (Distribution and warehousing)	B Mixed	Total
Oxford	82,844	4,187	6,006	0	93,037
Cherwell	36,668	-16,880	23,017	20,351	63,156
South	41,623	-4,503	42,869	10,410	90,399
Vale	20,691	-811	5,513	5,593	30,986
West	39,146	-1,444	16,289	2,254	56,245
County	220,972	-19,451	93,694	38,608	333,823
% County total by Use Class	**66**	**-6**	**28**	**12**	**100**

- 66% of all development completed in the county provided new premises for B1 uses, of which 37% was concentrated in Oxford.
- There was a loss of B2 uses across the county with 28% built to provide for warehousing and distribution.

Land available for employment generating development at April 2011

- At 1st April 2011 there was an estimated 380,000 square metres of floorspace (net) with planning permission for industrial and commercial development across Oxfordshire (this includes permissions that are under construction at that time).
- There was in addition a total of 203 hectares of land allocated or proposed for allocation in local plans for commercial and industrial development.

The amount of floorspace with planning permission for commercial and industrial development at April 2011

	B1 Offices	B2 General Industry	B8 Storage & Distribution	B mixed	Total	% of total
Oxford	38,200	848	390	0	39,438	10
Cherwell	85,522	6,698	29,871	123,303	245,394	65
South	5,095	2,358	22,709	-690	29,472	8

Vale	-630	1,382	13,568	8,621	22,941	6
West	14,172	2,231	5,455	20,724	42,582	11
Oxfordshire	**142,359**	**13,517**	**71,993**	**151,958**	**379,827**	**100**
% use class across county	**37**	**4**	**19**	**40**	**100**	
Note: Figure for Oxford at April 2010						

The figure for Cherwell includes planning permission for 115,000M2 of floorpsace at Upper Heyford.

- 40% of floorpsace permitted is for mixed B use and 37% for B1 use. In Oxford City, floorspace permitted is predominately for B1 use.

In addition to land with planning permission for development there is also land allocated in local plans for development (some of which is proposed in Core Strategies to 2026) . At April 2001 this amounted to 280 hectares across the county.

District	**Land allocated for employment (hectares)**
Cherwell	77
Oxford	38
South Oxfordshire	28
Vale of White Horse	106
West Oxfordshire	31
Oxfordshire	280

Notes: This includes land allocated, without planning permission, in Local Plans and proposed in Core Strategies.

This includes:

41 Ha at Bicester which includes 18Ha at the Bicester Eco-town
29 Ha at Banbury
At Oxford it includes 9 Ha at the Oxford Science Park, 9 Ha at the Oxford Business Park at 20 Ha at the Northern Gateway.
92 Ha at the Science Vale Enterprise Zone which covers Milton Park and Harwell Oxford.
14 Ha at Witney and 11 Ha at Carterton.

Commercial office floorspace per square metre per person, 2008

LEP Area	Commercial office floorspace per person	Estimated rateable value £ per square metre
London	3.25	203
Thames Valley Berksghire	3.05	119
Enterprsie M3	2.03	114
Oxfordshire	1.83	116
Hertfordshire	1.77	127
Buckinghamshire Thames Valley	1.68	115

Source: The LEP Network

- According to a recent report, Oxfordshire (outside London), at 1.83 square metres, has one of the highest presence of commercial floorspace per person in the country[19] but it is also has high rates payable.

Enterprise Zone

The Science Vale UK Enterprise Zone is one of 24 currently in the country introduced by the Coalition Government to boost economic growth and create jobs. The Zone comprises the two sites of Milton Park and Harwell Oxford - two of the largest science and research parks in southern Oxfordshire – extending over 92 hectares. Enterprise Zones benefit from simplified planning controls, discounts on business rates, and new investment in infrastructure. The Science Vale EZ will see:

- a business rate discount worth up to £275,000 per eligible business over a five year period;
- all business rates with the Enterprise Zone being reinvested in the area to support further growth;
- a radically simplified planning regime to enable development; and
- Superfast broadband.

It is estimated the Enterprise Zone could create up 8,400 new jobs and 200,000sq m of new commercial development by 2015.

Science parks

Oxfordshire is well endowed with science parks and incubator space to develop and commercialise cutting edge technologies. There are more than 100 science parks 300

[19] Creating Successful Local Economies 2012, The LEP Network,

business incubators in the UK[20] . Of the 19 science parks in the south east - recognised as such by the UK Trade and Investment and the Science Park Association - 7 are located in Oxfordshire:

Science Parks in Oxfordshire
Begbrooke Science Park
Culham Science Centre
Harwell Oxford
Harwell Innovation Centre
Milton Park Innovation Centre
Oxford Science Park
Oxford Innovation Centre

[20] Science parks and business incubators in the UK, UKTI factsheet, May 2011.

6 Environment and climate change

Key Features:

- Oxfordshire is the least densely populated county in the south east region.
- Oxfordshire has a high quality environment with four National Nature Reserves, over 100 Sites of Special Scientific Interest and about a quarter of its landscape designated as Areas of Outstanding Natural Beauty.
- In 2010, Oxfordshire's carbon footprint was equivalent to 7.4 tonnes per person, a drop of 12% of 8.4 tonnes in 2005. However, this remains above regional and national averages.
- Around 40% of Oxfordshire's CO_2 emissions come from industrial and commercial sources, almost one third (31%) from domestic sources, and 29% from road transport.
- Water courses form a significant feature of Oxfordshire's landscape (rivers and canal systems). 88% of rivers through Oxfordshire were classified as very good/good in 2009 compared to 56% in 1990. About 24,000 existing properties are deemed at risk of flooding in Oxfordshire.

Oxfordshire is the least densely populated county in the South East region and at the time of the Census 2001 survey around half of its parishes had fewer than 500 residents. South and West Oxfordshire are classified amongst the most rural districts in England.

Oxfordshire's natural environment is diverse, and includes:

- A rich geological landscape including rocks from the Jurassic and Cretaceous periods
- Extensive agricultural land (around three quarters of the land area)
- Parts of three Areas of Outstanding Natural Beauty (24% of land area)
- A wide range of natural habitats, including many of the UK's Biodiversity Action Plan 'Priority Habitat' types.

For businesses the local environment provides:

- Employment in land based businesses
- Employment and income from tourism – an estimated 29,000 jobs and £1.7bn income for businesses in Oxfordshire
- An attractive place to do business – the 2010 Oxfordshire Employer Skills survey found 92% of business satisfied with Oxfordshire as a place to do business, up from 88% in 2008.

6.1 Pressures on Oxfordshire's environment

Population, households and car ownership

The growth of the population in Oxfordshire has been significant and accompanied by changes in living arrangements and an increasing number of cars per household.

- The population of Oxfordshire (within the current boundary) has more than doubled since the 1940s and as of mid-2008 was estimated at 640 thousand residents.

- In 1801 the average household in Oxfordshire was occupied by 5 people compared with 2.5 in 2001[21]. This trend is continuing, and forecast to decline to 2.3 people per household by 2031.

- As of 2001, the average number of cars per household was 1.32, up from 0.92 in 1981. In South Oxfordshire district the ratio was 1.5 cars per household.

Household and population forecasts for Oxfordshire predict that by 2031 there will be 66 thousand more households (compared with 2001) and the county will have 79 thousand more residents.

Table 11 Population, households and cars in Oxfordshire, 1981 to 2031

	Population (thousands)	Households (thousands)	Population per household	Cars (census count)	Cars per household
1981	542	190	2.85	175	0.92
1991	576	220	2.62	246	1.12
2001	607	242	2.51	320	1.32
2011	645	260	2.48		
2021	665	284	2.42		
2031	686	308	2.34	407*	1.32*
2001 to 2031	79	66		**87**	

Source: ONS mid year estimates, ONS 2008-based population projections, Communities and Local Government household projections, ONS Census surveys

*estimate based on 2001 census ratio of cars per household and CLG projected number of households by 2031.

[21] 200 years of the Census in Oxfordshire, ONS

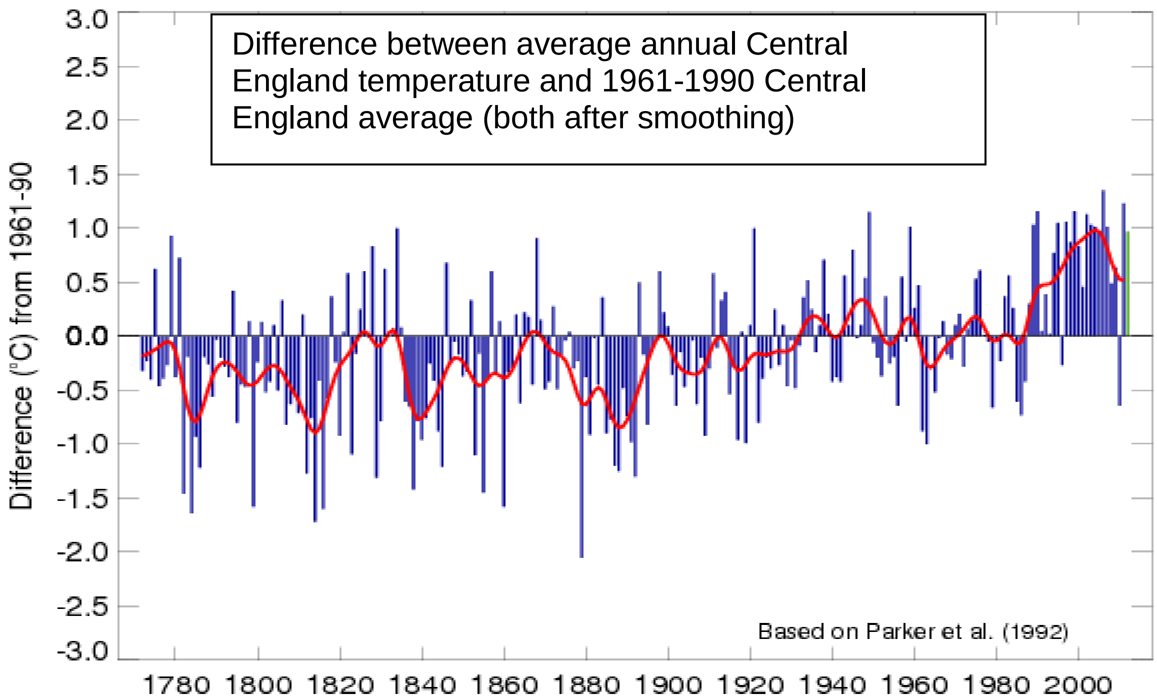
The household projections imply an additional 87 thousand cars in Oxfordshire by 2031, an increase of 29%.

- This assumes the ratio of cars per household remains the same as in 2001. It may be however that cars per household increases over this period as a consequence of an increase in the number of female driving licence holders.

6.2 Changing climate and weather events

Data from the MetOffice shows an increase in the Central England temperature of about 1.1^{0}C during the 20th Century, and an increase in summer rainfall (England and Wales) over the past 14 years.

Figure 24 Central England temperature

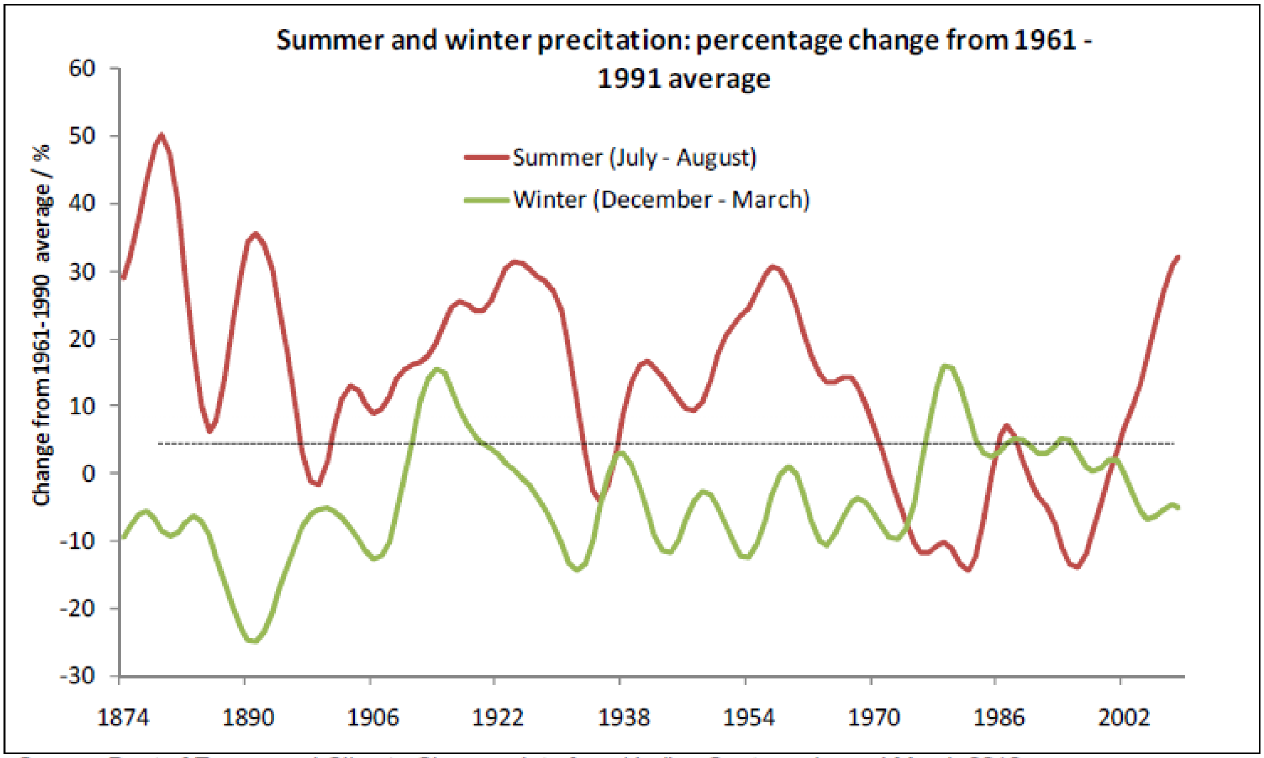


Source: MetOffice, Central England Temperature records.

Notes published with the temperature data:

- Central England Temperature is representative of a roughly triangular area of the United Kingdom. It is enclosed by Bristol, Lancashire and London.
- The 2006 extended summer period was been the warmest on the long standing Central England Temperature (CET) record dates back to 1659 and May to September 2006 has been warmer than any equivalent period since then. The 2006 period included the warmest month ever, July, and a record temperature for September.
- During the 20th century, the annual mean central England temperature warmed by about 1.1° C. The 1990s were exceptionally warm in central England by historical standards, about 0.6° C warmer than the 1961-1990 average.

Figure 25 **Rainfall**



Source: Dept of Energy and Climate Change, data from Hadley Centre, released March 2010

Notes published with the rainfall data:

- Summer precipitation (July - August) has increased dramatically in the past decade. However, there have been more subtle changes in the winter (December - March) which have seen less prominent decreases in rainfall since the late 1970s.
- In the last 14 years, summer rainfall has increased year-on-year. Since 2006, summer precipitation has been at least 22 per cent higher than the baseline. In the summer of 2009, rainfall was higher than it has been since 1892 (32.1 per cent higher than the 1961-1990 average).
- Since 2004 winters have seen roughly 5 per cent less rain compared with the aforementioned baseline.

**please note, these comparisons use a smoothed data values for each year.*

A changing climate may result in additional extreme weather events such as:

1. High intensity rainfall leading to flooding

    - Oxfordshire has 12% of its land area within the floodplain and the Environment Agency's National Flood Risk Assessment, 2009, indicated that there are around 24,000 properties at risk from flooding (6% of all properties in the county). Around 9.000 of these have a significant chance of flooding (more than 1 in 75 chance of flooding in any one year).

2. Hot summers causing water shortages and deteriorating air quality

    - Data from Harwell shows a significant increase in ground level ozone in the hot summer of 2003.
    - According to the Royal Society 2008 report on ground level ozone, children, the elderly and asthmatics are particularly vulnerable to ozone which affects the lungs, nose and eyes. In 2003, an estimated 1,600 UK deaths were attributed to ozone.

The Climate Impact Profile for Oxfordshire published in October 2006 estimated that the cost of over 260 weather events during the previous 10 years (including floods and the effects of high temperatures) was £16.4million.

Since then, Oxfordshire was affected by at least 93 recorded weather related incidents that arose from 19 separate weather events during 2007 to 2009. These included the floods of July 2007 and the heaviest snowfall for eighteen years in February 2009. The estimated cost to the council of these incidents was £4.5 million.

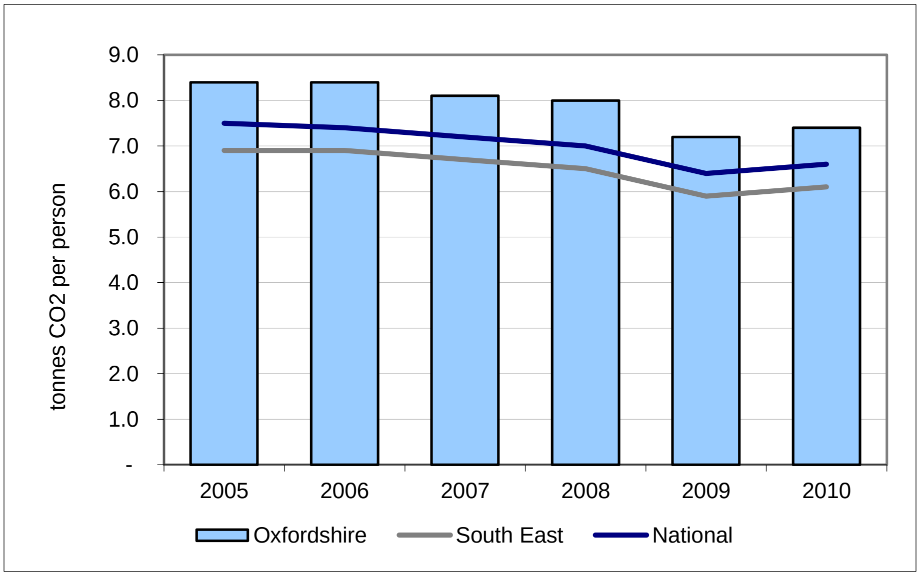
6.3 Use of resources

Carbon dioxide emissions from Oxfordshire rose slightly from 2009 to 2010, from 7.2 to 7.4 tonnes per capita[22]. This is the first increase in emissions since 2005, and is largely due to increased gas consumption for space heating – 2010 was the coldest winter since 1987.

This increase follows the significant decrease observed during 2008 to 2009 (seen in Oxfordshire and almost all local authorities): at least some of the reduction was likely to be due to the economic downturn.

- **Emissions from Oxfordshire in 2010 remain above the national and regional averages (6.6 and 6.1 tonnes per person, respectively).**

Figure 1 Carbon dioxide emissions in Oxfordshire, 2005 to 2010



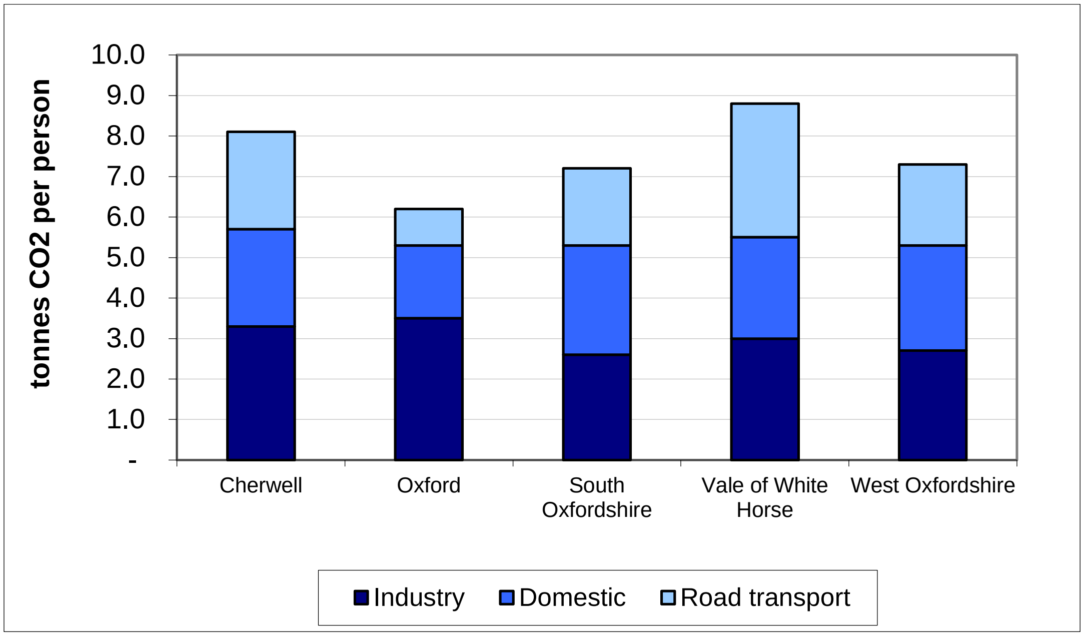
Source: Department for Energy and Climate Change

Just over 40% of Oxfordshire's CO_2 emissions come from industrial and commercial sources, almost one third (32%) from domestic sources, and 27% from road transport. This share of emissions varies by district (Figure 27).

Emissions from industry and commerce and from domestic sources increased from 2009 to 2010 whilst emissions from road transport fell.

[22] Department for Energy and Climate Change, 2010 UK carbon dioxide emissions for Local Authority and Government Office region level (local authority influenced emissions only so excludes motorway transport emissions).

Figure 2　　Carbon dioxide emissions by district and sector, 2010

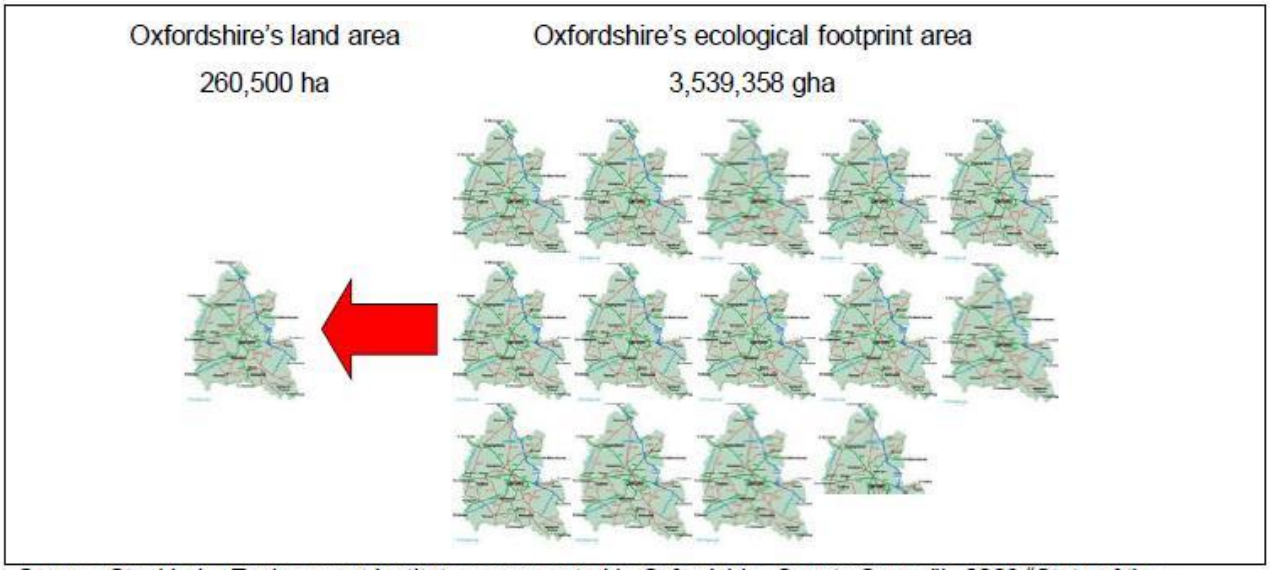


Source: Department for Energy and Climate Change, Sept 2011

6.4 Sustainability

Oxfordshire's ecological footprint area (the area needed to support demand for natural resources including water, energy and clean air) is approximately 14 times its land area.

Figure 26 Land area vs ecological footprint



Source: Stockholm Environment Institute as presented in Oxfordshire County Council's 2009 "State of the Environment" presentation

Oxfordshire's more rural districts have a relatively poor carbon footprint compared with the South East region. There are a number of issues with measuring and comparing carbon footprints, including, for example, embedded carbon in goods and services and the influence of rurality – which are noted for further investigation.

Table 12 Carbon footprint – Oxfordshire districts, 2009

	Carbon footprint (tonnes CO2 per capita)
Cherwell	12.75
Oxford	11.4
South Oxfordshire	13.93
Vale of White Horse	13.2
West Oxfordshire	13.36
South East	12.76
UK	12.08

Source: Stockholm Institute, Resource and Environmental Accounting