SHARED INTELLIGENCE

OXFORD ECONOMIC NARRATIVE

Produced by Shared Intelligence as part of the development of the Oxford Economic Growth Strategy on behalf of the Oxford Strategic Partnership

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CONTENTS

1. INTRODUCTION AND CONTEXT

Introduction

1.1. This economic narrative sets out the state of Oxford's economy as of early 2012. It is intended to support the development of the revised Economic Strategy for the city which is currently being prepared. This economic narrative builds on the wealth of existing work that has been carried out previously, and uses up-to-date statistics to provide a complete understanding of Oxford's economy as it stands today. This narrative will be invaluable in deciding how to take forward the revised Economic Strategy.

Broad Economic Context

1.2. Following the recession in many of the advanced economies in 2008 and 2009, the path of international and domestic economic recovery remains uncertain. 2010 saw an improvement in economic performance but this was undermined by a stalling of economic growth in 2011 which has not only been felt in advanced economies but has also had a knock-on effect on the performance of emerging economies as well.

1.3. At the beginning of 2012, the UK entered a technical recession, having experienced two quarters of consecutive economic shrinkage. Current projections suggest that the remainder of 2012 will be a period of slow economic growth for the global and UK economies. The IMF has projected that UK growth in 2012 will be just 0.8%[1], in line with the Office for Budgetary Responsibility's (OBR) projections of 0.8% growth in 2012[2]. There also remains the possibility that the ongoing and unresolved Eurozone crisis could deteriorate dramatically, which would undoubtedly have profoundly negative consequences for the global economy.

1.4. Already it is estimated that the current period of economic weakness in the UK has been longer than the Great Depression and national output remains below its 2008 peak[3]. Whilst mainstream forecasts suggest that growth will recover in 2013, there remains considerable uncertainty about long term growth prospects and the length of the economic recovery.

1.5. The impact of the economic depression in the UK has been to further exacerbate existing regional and local disparities, with successful areas suffering less than areas that were already struggling prior to the recession[4]. The recession has accelerated existing

[1] IMF (2012) *World Economic Outlook Update, April 2012*

[2] OBR (2012) *Economic and Fiscal Outlook – March 2012*

[3] NIESR (2012) *Estimates of Monthly GDP – May 2012*

[4] Centre for Cities (2012) *Cities Outlook 2012*

long term trends in the retail sector[5], leading to increasing high street vacancies in secondary or tertiary locations[6]. Equally worrying has been the significant rise in youth unemployment, which is at its highest level since the mid-1980s[7].

1.6. As well as the immediate impact of the recession it is important to consider some of the key global trends that will present both challenges and opportunities. The most obvious structural change being experienced by the global economy today is the rapid growth of a number of emerging economies, most notably China, India and Brazil. As well as lower value manufacturing and services these countries are now increasingly moving up the value chain into higher value manufacturing sectors and these countries will increasingly compete directly with the advanced economies in these high value sectors. Whilst this will be a challenge for economies such as Oxford's it is important to recognise that as wealth grows in these emerging economies, there will be increasing demand for investment opportunities in western economies.

1.7. At the same time, growth in wealth and real wages in these countries is creating a new global consumer class with increasing purchasing power. By 2030 it is estimated that total spending by the middle classes outside North America and Europe will be five times what it is today[8]. This is creating significant new markets for western goods and services.

1.8. One trend which is difficult to forecast but is likely to play an important role in western economies is that of 'onshoring' – that is, the return of certain industries to the advanced economies, driven by the aforementioned rise in wages in emerging economies. Boston Consulting Group (BCG) have argued that US manufacturing is reaching a 'tipping point' and that from around 2015, manufacturing will begin to shift back towards the US, creating two to three million new jobs and generating between $20bn - $55bn in additional output[9]. Given that the EU economy is larger than the US economy, we might expect similar or greater impacts in the EU. The nature of modern manufacturing is such that onshoring is unlikely to result in significant levels of direct employment, and is likely to be confined to higher value sub-sectors, but onshoring may still play an important role in the economic rebalancing process.

1.9. An overarching trend connected to the above observations will be the continued and growing demand for high skilled workers, due to the proliferation of increasingly sophisticated production techniques and the increasing importance of 'knowledge-

[5] For example BIS (2011) *Understanding High Street Performance* states that 'the retail floorspace of town centres has fallen from 310 million sq ft in 2000 to 283 million sq ft in 2009, a decline of 27 million sq ft or 9% in just nine years' and that 'high street footfall (excluding Central London) has fallen by 10.4% over the past three years.' These trends have been driven by changing consumer preferences and new business practices, including a significant rise in online retailing.

[6] BIS (2011) *Understanding High Street Performance*

[7] ONS (2012) *Labour Market Statistics: January 2012*

[8] OECD Development Centre (2010) Working Paper No. 285 – The Emerging Middle Class in Developing Countries

[9] BCG (2012) US Manufacturing Nears the Tipping Point: Which Industries, Why and How Much?

based' services. A related trend is the continued 'hollowing out' of the labour market, with more higher skilled and some lower skilled jobs being created, whilst the number of medium skilled jobs declines[10].

1.10. Another key structural change is the ageing population in many countries. Ageing populations will create new challenges for economies in terms of providing adequate care and in requiring individuals to work for longer, as has already been seen in the UK. At the same time, the ageing population will create demand for new medical and care technologies such as telemedicine.

1.11. As well as these key structural changes, technological changes will continue to be key drivers of growth. Capturing these adequately would require a report in itself but it is worth touching on a few of these here. Most obviously, digital technologies are driving change, at an accelerating pace, in every sector of the global economy. The internet has created a new segment of the economy which in the G20 countries alone was worth $2.3trn in 2010 and is expected to be worth $4.3trn by 2016[11]. Another key area of change is in the field of low carbon technologies. BIS estimates that the global market for low carbon and environmental goods and services was £3.2trn in 2009 / 2010, £116bn of which was in the UK alone[12]. Furthermore new technologies such as 3D printing and developments in fields such as biotechnology, nanotechnology, advanced materials and robotics will continue to develop and mature over time. The effect of all of these trends will be to generate new employment and business opportunities globally.

1.12. Lastly, it is important to recognise that the recession has created significant pressures on government budgets, and that - even when the immediate pressure caused by the current period of low economic growth has eased – that government spending will remain lower than the historical trend. This will happen partly because many governments will need to pay down public debt incurred over the past decade or so. It will also happen because the ageing population that many countries face will place a greater strain on government finances through reducing the tax base and increasing pension liabilities[13]. Therefore successful places will be those that can encourage, support and retain a vibrant, high value private sector.

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[10] University Alliance (2012) The Way We'll Work: Labour market trends and preparing for the hourglass

[11] BCG (2012) The Connected World: The $4.2 trillion opportunity – the internet economy in the G20

[12] BIS (2011) Low Carbon and Environmental Goods and Services (LCEGS) – report for 2009 / 2010

[13] In the UK, the Office for Budgetary Responsibility (OBR) has stated that: 'the public finances are likely to come under pressure over the longer term, primarily as a result of an ageing population.' *OBR (2011) Fiscal Sustainability Report – July 2011*

2. OXFORD'S ECONOMY

2.1. Oxford has a long history as both a centre of educational and scientific excellence, and as a prominent manufacturing centre. Oxford contributes approximately £4.7bn to the UK economy[14] and plays a vital role in the wider Oxfordshire economy. Oxford's GVA per capita is estimated at £30,800, the fifth highest GVA per capita of any city in the UK, and significantly higher than the national average of £20,300.

2.2. The remainder of this section looks at, in turn:

- Employment in Oxford
- Businesses in Oxford
- Key employers and Sectors in Oxford

Employment in Oxford[15]

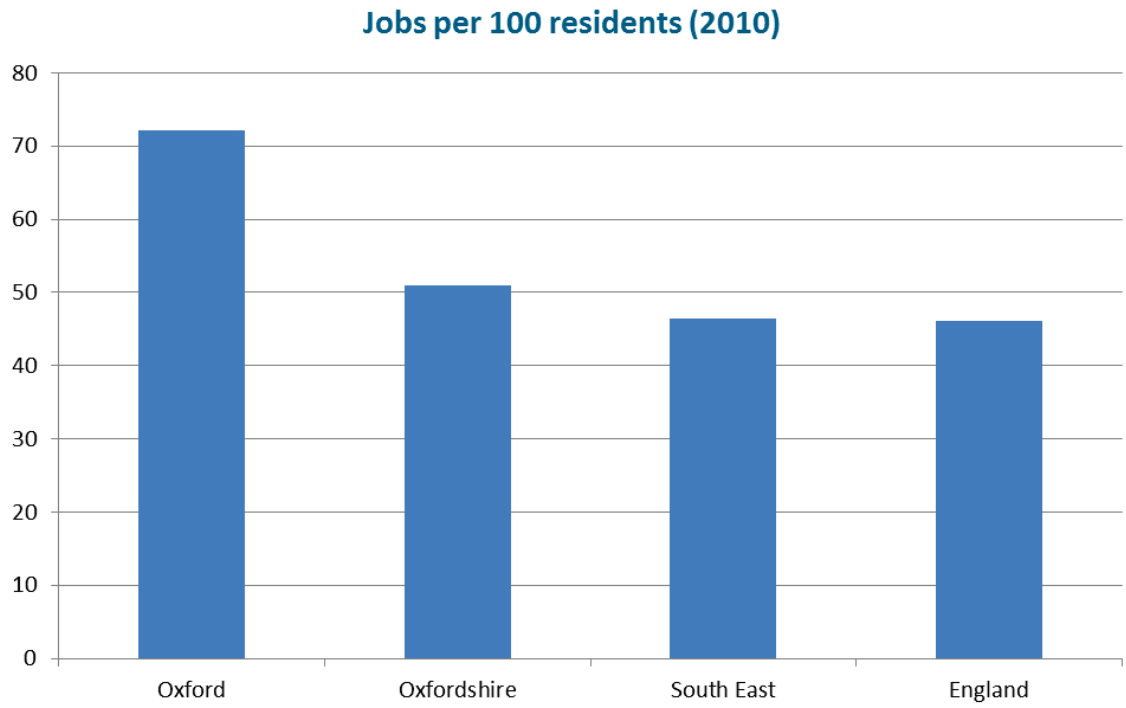
2.3. There are 110,900 jobs in Oxford, equivalent to 72.2 jobs per 100 residents[16]. This is a very high job density in comparison to both the county as a whole (51 jobs per 100 residents), the regional average (46.5) and the national average (46.1). It is also relatively high in comparison with comparable cities such as Milton Keynes (60.6) and Reading (61.2), though it is similar to the jobs density of Cambridge (71.6).

2.4. Taking into account the fact that a large proportion of Oxford's population is economically inactive students, then we can see that Oxford's jobs density is particularly high. This high jobs density reflects Oxford's importance as a regional centre of employment and implies a significant amount of in-commuting into the city, particularly from other parts of the county (see section 3).

[14] Based on GVA per capita data from: Centre for Cities (2009); and population data from: ONS (2011) Mid-Year Population Estimates

[15] Please note: two distinct measures of employment are used in this section, these being the number of employees and total employment as defined in the ONS Business Register and Employment Survey. Please see appendix one for a full discussion of the data used in this section and the implications.

[16] ONS (2011) Business Register and Employment Survey and ONS (2011) Mid-Year Population Estimates



2.5. The majority of employment in Oxford is concentrated in three main locations, namely the centre of Oxford (which includes the retail centre and Oxford University), Headington (which includes Oxford Brookes University and the hospital campuses) and the old Cowley works (which includes BMW, Unipart and Oxford Business Park). The wards in Oxford city centre account for around 47,200 jobs, or 42.5% of total employment. Carfax ward on its own accounts for 31,300 jobs. Headington accounts for 10,600 jobs whilst the old Cowley works account for 10,500. Therefore, these latter two areas together account for 19% of total employment in the city.

Historic Trends in Employment

Changes to the way employment is calculated by the Office for National Statistics (ONS) have made understanding employment trends at a local level over time more difficult[17]. However, between 2000 and 2010, the number of employees – as distinct from the overall number in employment, above – grew from approximately 94,400 to 107,300. This suggests that overall employment growth was approximately 12,900, or 13.7%. This rate of growth was significantly higher than growth at the county level (0.2%), the regional level (1%) and the national level (3.3%). Moreover, employment growth in Oxford has slightly outperformed population growth over the same period, whilst this has not been in the case in the wider comparator geographies.

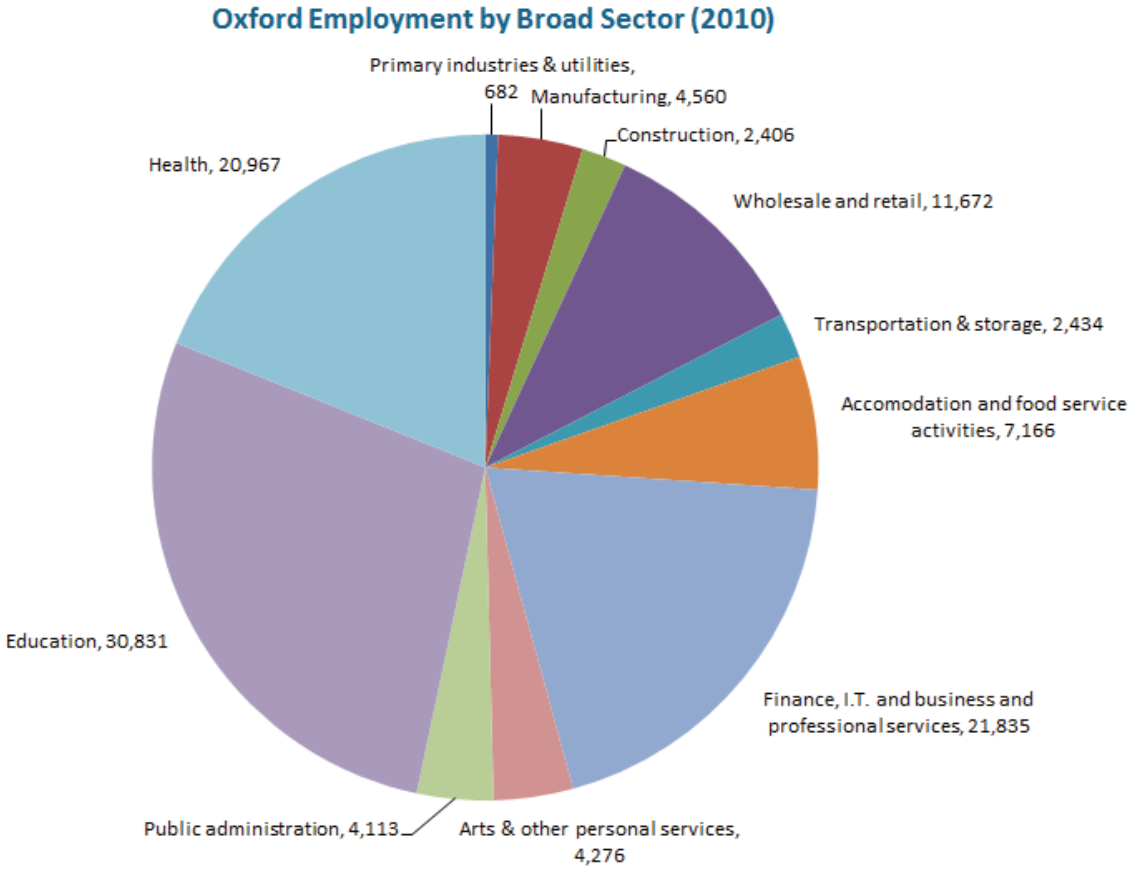
2.6. The discontinuities in employment data make it difficult to quantify these changes precisely but it seems likely that this overall picture masks important employment

[17] See Appendix for further details

trends within sectors in Oxford. Manufacturing, business services, and retail and wholesale employment have all declined over the period, whilst public sector employment and employment in the health and education sectors have expanded dramatically.

Sectoral Composition

2.7. The graph below illustrates the sectoral composition of employment in Oxford. Public sector occupations account for just over half of total employment in the city, with 55,900 public sector jobs. Finance, I.T. and business and professional services account for a further 21,800 jobs, with personal services sectors such as retail (8,600 jobs), accommodation and food and other personal services accounting for a further 20,000 jobs.



2.8. The table below further illustrates the importance of the education and health sectors. These two sectors account for 46.7% of total employment in Oxford, a significantly higher proportion than the equivalent level in Oxfordshire (27.4%), the South East (22.1%) and England (21.6%). At the same time, public administration employment accounts for a lower proportion of employment than any of the comparator areas, suggesting that it is Oxford's unique strengths in education and health sectors which are driving public sector employment rather than economic weakness.

Employment by sector (2010)[18]

Sector	Oxford		Oxfordshire	South East	England
	Number	% of total	% of total	% of total	% of total
Education	30,831	27.8%	15.5%	9.9%	9.2%
Finance, I.T. and business and professional services	21,835	19.7%	25.0%	25.9%	25.2%
Health	20,967	18.9%	11.9%	12.1%	12.4%
Wholesale and retail	11,672	10.5%	15.7%	17.3%	16.4%
Accommodation and food service activities	7,166	6.5%	7.0%	6.7%	6.6%
Manufacturing	4,560	4.1%	7.6%	7.0%	8.6%
Arts & other personal services	4,276	3.9%	4.6%	4.8%	4.7%
Public administration	4,113	3.7%	3.8%	4.1%	5.2%
Transportation & storage	2,434	2.2%	2.9%	4.1%	4.6%
Construction	2,406	2.2%	4.8%	5.5%	4.8%
Primary industries & utilities	682	0.6%	1.2%	2.6%	2.5%
Total	**110,942**				

2.9. Due to the high proportion of employment in the health and education sectors, Oxford has a relatively low proportion of total employment in other sectors. In particular, Oxford has a lower proportion of total employment in finance, I.T. and business and professional services, wholesale and retail, and accommodation and food service activities when compared to the county, region and England as a whole.

2.10. However, as the table below illustrates, Oxford is not under-represented in these sectors if we look at the number of jobs per resident. Using this measure we can see that Oxford has a higher number of finance, I.T. and business and professional services jobs per resident and a higher number of accommodation and food services activities jobs per resident than the comparator areas. Using this measure we can also see that Oxford's employment in wholesale and retail sectors is comparable with the regional and national average. However, manufacturing employment in Oxford is still relatively low in comparison with the rest of the county and England as a whole.

[18] ONS (2011) Business Register and Employment Survey

Employment per 100 residents by sector (2010)[19]

Sector	Oxford	Oxfordshire	South East	England
Education	20.1	7.9	4.6	4.2
Finance, I.T. and business and professional services	14.2	12.8	12.0	11.6
Health	13.6	6.1	5.6	5.7
Wholesale and retail	7.6	8.0	8.0	7.6
Accommodation and food service activities	4.7	3.6	3.1	3.0
Manufacturing	3.0	3.9	3.2	4.0
Arts & other personal services	2.8	2.3	2.2	2.2
Public administration	2.7	2.0	1.9	2.4
Transportation & storage	1.6	1.5	1.9	2.1
Construction	1.6	2.5	2.5	2.2
Primary industries & utilities	0.4	0.6	1.2	1.1
Total	**72.2**	**51.0**	**46.5**	**46.1**

2.11. Another way of looking at the city's economy is to look at the proportion of the workforce employed in knowledge intensive activities. A sector is defined as knowledge intensive if more than a third of the workforce are educated to degree level[20]. Oxford has a very high level of employment within knowledge intensive sectors, with 71,200 jobs in such sectors, equivalent to 64.3% of total employment in Oxford[21]. This is a much higher proportion than either Oxfordshire (49.5%), the South East (43.5%) or England (42.6%)[22]. It is also in line with Cambridge (65.1%) and higher than comparator cities such as Milton Keynes (46.5%) and Reading (53.8%)[23].

Businesses in Oxford

2.12. There are 3,905 businesses in Oxford. This is equivalent to 25.4 businesses per 1,000 residents, which is much lower than in either Oxfordshire (41.6 businesses per 1,000 residents), the South East (38.5) or England as a whole (34.1)[24]. This is perhaps not

[19] ONS (2011) Business Register and Employment Survey

[20] The definition used in this section is the Eurostat definition of Knowledge Intensive Activities based on NACE Rev. 2. – Eurostat (2011)

[21] ONS (2011) Business Register and Employment Survey

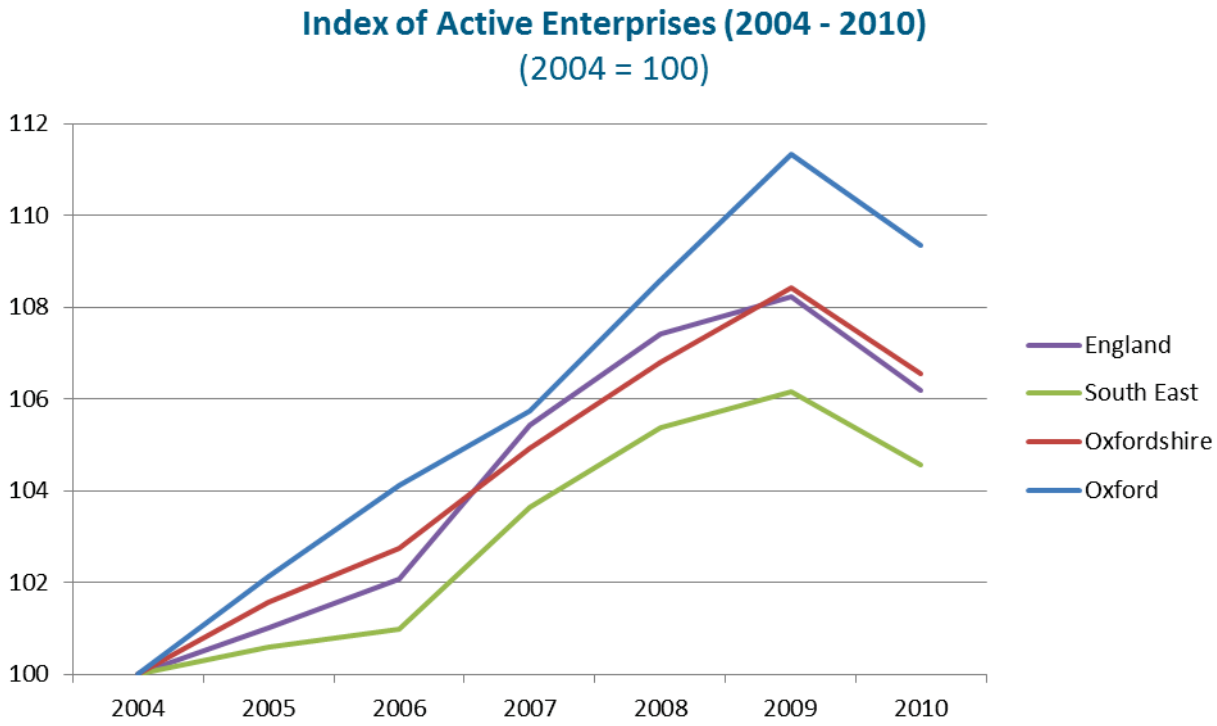
[22] Ibid

[23] Ibid

[24] ONS (2011) Business Demography and ONS (2011) Mid-Year Population Statistics

particularly surprising given the extent to which the economy is dependent upon the health and education sectors.

2.13. As illustrated below, between 2004 and 2010 the number of active businesses in Oxford increased by 9.3%, faster than the equivalent increase in Oxfordshire (6.5%), the South East (4.6%) and England (6.2%) over the same period, although clearly this was from a lower base than the comparator areas[25]. Oxford saw a decline in the number of active businesses between 2009 and 2010, matching the general trend across the comparator areas.



2.14. It is common practice to define large companies as those employing 250 or more employees. Companies employing fewer than 250 employees are therefore classed as small and medium sized enterprises (SMEs). Because SMEs make up the vast majority of the business base, it is common to divide SMEs into medium, small and micro businesses. Medium sized businesses are defined as employing between 50 and 249 employees. Small businesses are defined as employing between ten and 49 employees. Micro businesses are defined as employing between zero (i.e. a sole trader) and nine employees.

2.15. One last point of note is that when we talk about companies in terms of business size, we are talking about the employment within Oxford, not the overall level of company employment. Many large national employers with thousands of staff across the UK only

[25] ONS (2011) Business Demography

count as medium-sized or small businesses within Oxford due to the number of staff they have in the city.

2.16. In general, Oxford has more large businesses compared with the county, the South East or England. Large companies make up 1% of Oxford's business base, significantly more than the equivalent Oxfordshire, South East and England proportion of 0.4%[26]. Conversely, only 85.5% of Oxford businesses employ four or fewer employees, compared to 89.2% of Oxfordshire businesses, 89.6% of South East businesses and 88.9% of England businesses[27].

Business Stock by Size (2011)[28]

	Oxford		Oxfordshire	South East	England
	Number	% of total	% of total	% of total	% of total
Micro Businesses (0 – 4 employees)	3,340	85.5%	89.2%	89.6%	88.9%
Small Businesses (5 – 49 employees)	405	10.4%	8.7%	8.5%	9.1%
Medium Businesses (50 – 249 employees)	120	3.1%	1.6%	1.5%	1.6%
Large Businesses (250+ employees)	40	1.0%	0.4%	0.4%	0.4%

2.17. Oxford's businesses also tend to have higher turnover levels on average than companies in Oxfordshire, the South East or England. In 2011, 10.8% of Oxford firms had a turnover of over £1m per year, a higher proportion than Oxfordshire (8.9%), the South East (9.1%) or England (9.5%)[29].

Key Employers and Sectors

2.18. The following is a discussion of some of the key employers and sectors in the city. It is not intended to provide an exhaustive list or significant detail of each employer / sector, but rather to provide a brief overview of Oxford's key economic actors and sectors.

[26] Ibid

[27] Ibid

[28] ONS (2011) UK Business: Activity, Size and Location – 2011

[29] Ibid

Key Employers and High Growth Firms in Oxford[30]

2.19. The 100 largest employers in Oxford account for approximately 66,600 jobs, equivalent to 60.1% of total employment. Of these 100 employers, there are:

- The two universities and 23 Oxford colleges
- 8 leisure companies
- 7 NHS organisations
- 9 schools and colleges (neither university nor LA controlled)
- 10 retailers
- 5 publishers
- 4 employment agencies
- 5 central or local government authorities
- 4 companies providing business services
- 3 private companies providing health services and/or supplies
- 3 media and/or communications businesses

2.20. The remaining employers were in diverse fields including cleaning services, charities, transport, market research, personal care, energy, security, manufacturing, engineering and construction.

2.21. Aside from large employers, another key group of businesses is those firms who are achieving high growth. There is a significant and growing literature on the importance role of high growth firms in generating employment and driving economic growth. Work by NESTA suggests that between 2002 and 2008, just six per cent of UK firms generated half of the new jobs created by existing businesses[31]. These findings mirror those of other studies at a national and international level[32] and suggest that identifying and supporting high growth firms is of crucial importance for local economies. As well as the

[30] Except where otherwise noted, all data in this section is based on confidential data from ONS' Inter-Departmental Business Register (IDBR).

[31] NESTA (2009) The Vital 6 per cent: How high-growth innovative businesses generate prosperity and jobs

[32] See for example Henrekson, M. and Johansson, D. (2009) Gazelles as Job Creators – A Survey and Interpretation of the Evidence. This paper reviews international evidence from the past two decades.

direct benefits of employment growth, these studies also find evidence that high growth firms generate more indirect employment than employment increases in other firms[33].

2.22. Analysis of detailed business data has shown that 177 firms in Oxford between 2008 and 2011 fulfilled the criteria necessary to be considered 'high growth'[34]. In total, these firms created 4,000 new jobs over the three year period in question. A further 101 firms with fewer than ten employees in 2008 added 1,500 new jobs over the period. Although the available data makes comparison difficult, it is clear that this accounts for a significant proportion of total employment growth over the period.

2.23. In a climate in which business support activities may be constrained, it is even more important for Oxford to focus on both its key existing employers and those firms which have the potential to grow. In this way, by concentrating on perhaps 5-10% of the total business base, Oxford can ensure that resources invested in business engagement and support have the greatest effect.

Oxford's Universities

2.24. Oxford benefits greatly from the presence of the two universities, Oxford University and Oxford Brookes University. Oxford University is regularly ranked as one of the top universities in the UK and internationally, and its reputation in individual research areas is no less impressive. Oxford Brookes has regularly been ranked the best university in the country, and has earned recognition for the quality of a number of its teaching areas, including: architecture, real estate and hotel management, automotive engineering and computer science.

2.25. In 2010 / 2011, 32,160 full-time students attended the two universities[35]. This represents a significant increase over the last ten years, with total full-time student numbers having increased by 21.6% over the past decade, though much less than the total increase in full-time student numbers across England as a whole over the same period (40.5%)[36].

2.26. The two universities have a significant economic impact on the city. Higher education in Oxford accounts for approximately 21,800 jobs, or 19.6% of total employment[37], and the indirect economic impact is undoubtedly far bigger. Oxford University estimates that the university alone attracts more than nine million tourists to the city, resulting in a combined spend of £589m and supporting 13,700 local jobs. In addition, the universities

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[33] NESTA (2009) The Vital 6 per cent: How high-growth innovative businesses generate prosperity and jobs

[34] Note: this means that the firms in question had at least ten employees in 2008 and saw employment grow by more than 20% over the period 2008 to 2011.

[35] HESA (2011) All students by HE institution, level of study, mode of study and domicile 2010/11

[36] HESA (2011) All students by HE institution, level of study, mode of study and domicile 2010/11; *and* HESA (2001) All Students by Institution, Mode of Study, Level of Study, Gender and Domicile 2000/01

[37] ONS (2011) Business Register and Employment Survey

have supported a number of spin-out companies and knowledge transfer partnerships (KTPs) which create commercial value from academic and research expertise.

2.27. Both universities have plans for growth. Oxford University has identified that medical and clinical research is likely to be the largest single area of future growth and has identified a number of potential developments to support this. Oxford Brookes has also outlined a series of major developments to provide new and improved facilities and better join up the existing sites into a single campus.

Hospitals and Medicine

2.28. Oxford is home to a cluster of acute and specialist medical organisations which together employ around 14,400 people, or 13% of the total workforce[38], and supports a further 2,700 or jobs indirectly[39]. A recent report found that the sector accounted for around £20m in local supplier purchases per annum[40]. Oxford is also a major centre for teaching hospitals. In addition, the high quality of the health services in the city plays an important role in the quality of life of local residents.

2.29. Aside from providing an important public-facing service, these assets provide significant support to healthcare research undertaken at the universities. Oxford University's plans to expand medical and clinical research will undoubtedly create more demand for such links and further strengthen the synergies between the two sectors. The health sector also plays an important role as a catalyst and supporting pillar of the city's biotechnology sector (see below).

BMW and the automotive industry

2.30. Oxford sits at the centre of a £6bn automotive cluster which has been dubbed 'Motorsport Valley.' There is a long tradition of car manufacturing in Oxford dating back to the establishment of the Morris Motors factory at Cowley in 1913. Today, BMW produce the Mini at Plant Oxford in Cowley, on the old site of the Morris factory. BMW are a major industrial employer and the plant at Cowley accounts for nearly half of citywide industrial space. According to BMW, 80% of Minis are exported, so the plant plays an important role in the UK's exports and balance of trade.

2.31. In 2011 BMW announced that it would invest £500m in its UK operations over the next three years, most of which would be invested in Oxford as the Cowley plant is reaching its capacity of 240,000 vehicles per year. More recently, it has been reported that BMW are creating 150 new jobs in response to increasing demand, a welcome change after jobs had previously been cut in response to the global economic downturn.

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[38] ONS (2011) Business Register and Employment Survey

[39] Oxford City Council (2008) Core Strategy Background Paper F (iii): The Universities, Hospitals and Medical Research

[40] Nathaniel Lichfield and Partners (2008) The role of the higher education, health and retail sectors in the Oxford economy

2.32. Aside from BMW, Harley-Davidson's European headquarters are located at the Business Park. Official statistics suggest that direct employment from motor vehicle and parts manufacture is 3,327, with sales and repair of vehicles and vehicle parts accounting for a further 1,544 jobs[41]. The automotive industry therefore accounts for 4,871 jobs, or 4.4% of total employment.

2.33. Moving forward, one key area of opportunity for the automotive sector is in increasing the proportion of R&D which is undertaken locally. Despite Oxford's significant strengths as a location for R&D activities, BMW's design work is undertaken in Germany. Therefore, there may be an opportunity for more R&D to be carried out locally, which would strengthen the automotive cluster.

Biotechnology[42]

2.34. According to the Oxford Biotechnology Network's (OBN) Biocluster Report 2011, the Oxfordshire biotechnology cluster comprises 163 companies, of which 49 are based in either Oxford or the Science Park. Even during the financial crisis, the cluster has continued to grow. Between 2008 and 2010, a further 28 biotechnology companies were established in Oxfordshire, of which 24 were start-ups or spin-outs.

2.35. Oxford has a number of important strengths in particular biotechnology subsectors, including drug discovery and development, drug discovery and development support, diagnostics, and medical technology and imaging. The biotechnology sector as a whole is able to draw on links with Oxford's higher education institutions. There are approximately 7,200 jobs in biotechnology subsectors in Oxfordshire. The sector is expected to grow by a further 1,500 jobs over the next three years.

Publishing Sector

2.36. Oxford has a significant publishing sector, with strong links to its academic institutions and wider research community. The city houses more than 100 publishing businesses providing over 3,500 jobs[43]. There are a number of other significant firms working in both academic and mainstream publishing in a variety of sectors. Oxford University Press, the university's official printer, is a global leader in academic and research publishing. Other significant firms include Pearson Education, Wiley, Blackwell, Macmillan, Osprey (military history), Hart (law), and Lion Hudson.

2.37. A major shift is underway in Oxford's publishing houses from printed to electronic delivery, especially in the academic and specialist sectors. For example, 70% of Oxford

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[41] ONS (2011) Business Register and Employment Survey

[42] Except where otherwise noted, the information in this section is derived from: Oxford Biotechnology Network (2011) OBN Biocluster Report 2011: Transition

[43] ONS (2011) Business Register and Employment Survey

University Press' revenue now stems from electronic material[44]. There is also some cross-over with the digital and computer games industry.

2.38. Reflecting the importance of this sector, Oxford Brookes University has developed a focus on publishing, housing the Oxford International Centre for Publishing Studies and providing consultancy services to the publishing industry. Oxford is currently bidding to be UNESCO World Book Capital in 2014.

Tourism

2.39. Oxford is the sixth most visited city in the UK by international visitors, and is a major regional tourism hub. It attracts more than 9.5 million visitors a year, around half of them international, and generates £770 million of income for local Oxford businesses[45]. Oxford is famed for its university heritage, and has numerous other attractions (many of which are linked to the university), including the Ashmolean Museum, Pitt Rivers Museum, University Museum of Natural History, University Botanic Garden, Harcourt Arboretum, Sheldonian Theatre, and Holywell Music Rooms. The Ashmolean Museum recently re-opened after undergoing a major £61mn refurbishment. Oxford is also the gateway to a wider tourist region including attractions such as Henley-on-Thames – home to the Henley Festival – and the UNESCO World Heritage listed Blenheim Palace.

2.40. Oxford published a new Tourism strategy in 2008 focused on developing the tourism industry through targeting high value markets, increasing spend and length of stay, and growing business and conference tourism through the 'Destination Oxford' conference desk[46]. The West End Partnership, tasked with the regeneration in the West End, is seeking to develop that area as a mixed-use hub for cultural and leisure tourism.

Retail

2.41. Oxford is a major regional retail and service centre. It has a significant retail industry, concentrated in the city centre, but also including a number of district centres and out-of-centre retail warehouse parks. There both large shopping centres and major specialist retail attractions such as the Oxford covered market. Oxford's retail is significantly boosted by the tourism industry in the city. The sector is a very significant employer in Oxford, providing over 8,000 jobs[47]. Major retailers include Tescos, the Co-operative, Sainsburys and Marks & Spencer.

2.42. The council has recently approved a £330 million redevelopment plan Westgate Shopping Centre, Oxford's largest shopping centre. The mixed-use scheme will include

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[44] Oxford Inspires (2011), *The Economic Impact of the Cultural and Creative Industries*

[45] Oxford Inspires (2011), *The Economic Impact of the Cultural and Creative Industries*

[46] Tourism Company (2008) *Tourism Strategy for Oxford*

[47] ONS (2011) Business Register and Employment Survey

69,000 sq. metres of shopping space including 90 new shops, and 127 new apartments, and will generate 2,000 additional jobs. There are also plans for further retail-led mixed use regeneration in St Aldate's / Queen Street in the West End.

Creative and Cultural Industries

2.43. Oxford has a variety of cultural and creative industries. The city's strong cultural life is underpinned by a number of theatres (including the Oxford Playhouse); museums (including Modern Art Oxford and university and college galleries); and classical and contemporary music. The University is a major supporter of Oxford's cultural life, and many of its students are informally involved in cultural activity. This area employs only a few hundred directly but is a major contributor to the city's wider draw as a tourism and retail destination.

2.44. Oxford has a variety of commercial creative industries. It has a particular strength in computer games and software, which crosses over with its electronic publishing industry; and to businesses specialising in digital advertising and social media. Oxford also has strong video and film-related activity. This has been boosted by the popularity of historic sites in the city and region as filming locations, such as for the Harry Potter films. Location Oxfordshire was established in 2009 as an organisation to attract film makers to the county[48]. There are also a number of fashion firms drawing on graduates from Oxford and Cherwell Valley College and Oxford Brookes University. The City is home to the annual Oxford Fashion Week.

Professional Services

2.45. Oxford has a significant employment base in professional services. The combination of consultancy, financial, insurance, real estate, legal, advertising, administrative and information services employ over 10,200 people in the city[49]. Moreover, these firms contribute more widely to the success of the local economy through providing competitive and locally available skills to other businesses. Key large companies in these sectors include market research firms SPA Future Thinking and A.C. Nielsen.

Other Education

2.46. Oxford's non-tertiary education sector employs 7,590 residents (compared to 22,757 employed in higher education). 3,316 are employed in primary education, and 2,143 in secondary education[50]. The city is a secondary education hub for the surrounding area and has 35 secondary schools including a number of leading state and private schools, and one new academy, The Oxford Academy. Private schools such as St. Edwards,

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[48] Oxford Inspires (2011), *The Economic Impact of the Cultural and Creative Industries*

[49] ONS (2011) Business Register and Employment Survey

[50] ONS (2011) Business Register and Employment Survey

Headington School Oxford, Dragon School Trust, Magdalen College School, and Oxford High School are significant private sector employers.

Voluntary Sector and Social Enterprise

2.47. The voluntary sector provides vital support to city residents, ranging from helping people back into work, to supporting education, through to social care such as providing social activities, home visits and helping with basic activities such as shopping. The sector also plays an important role in encouraging integration amongst ethnic minority communities, supporting language learning cross-cultural connections. All of this activity plays a crucial role in supporting economic capacity amongst local residents.

3. OXFORD'S WORKFORCE

3.1. As of 2010 Oxford has a population of 153,700 people[51]. Of this, 73.1% of the population is between 16 and 64, higher than the equivalent proportions in Oxfordshire (65.5%), the South East (63.9%) and England (64.8%), though slightly lower than Cambridge (75.3%)[52]. This high proportion of working age residents is driven by the 32,160 students which attend the city's universities.

3.2. On balance, Oxford has a very highly skilled workforce. ONS estimates that in 2010, 53.7% of Oxford residents aged 16 – 64 held degree level qualifications or higher, much higher than the equivalent proportions in Oxfordshire (40.3%), the South East (33.9%) or England (31.1%)[53]. However, whilst the proportion of working age residents with no skills in Oxford (9.6%) is lower than the equivalent proportion in England (11.1%), it is higher than the equivalent proportion in Oxfordshire (8.7%) or the South East (8.5%)[54].

3.3. As a result of the high proportion of workers with higher level skills, 52.7% of Oxford's residents are employed in either managerial or professional occupations, compared to 39% in Oxfordshire, 31.8% in the South East and 29.3% across England as a whole[55].

3.4. Commuting plays an important role in the economy. Only 54% of people who work in Oxford also live in Oxford[56], which indicates that nearly half of the city's workforce commutes in from outside the city boundary. Available data suggests that the majority of these in-commuters come from other parts of the county[57]. Most Oxford residents (79%) work in the city, with the remaining 21% working in areas outside the city[58] - again, usually other parts of the county[59].

3.5. Despite having relatively high proportions of high skilled residents, average wages in Oxford are not particularly high. The median annual salary of city residents is £27,778 which, though higher than the average across England (£26,615), is less than the average across Oxfordshire (£29,672) or the South East (£29,330)[60]. By contrast, the

[51] ONS (2011) Mid-Year Population Estimates

[52] Ibid

[53] ONS (2011) Annual Population Survey

[54] Ibid

[55] ONS (2011) Annual Population Survey – data is for the year ending June 2011.

[56] ONS (2010) A study of commuting patterns in Great Britain based on the Annual Population Survey 2008

[57] ONS (2011) Annual Population Survey – Flows of commuters between local authorities

[58] Ibid

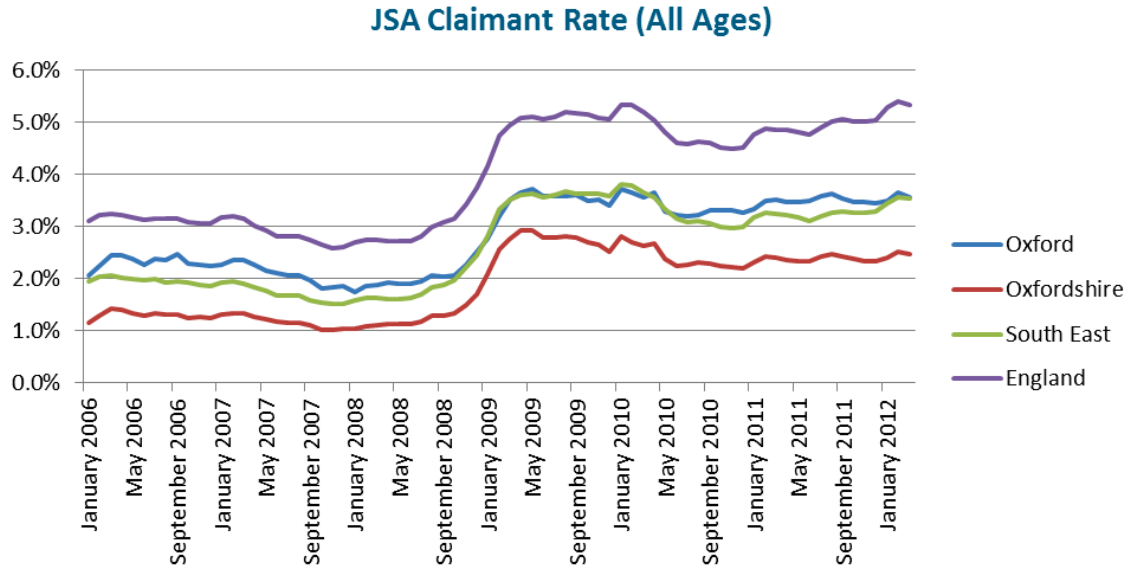
[59] ONS (2011) Annual Population Survey – Flows of commuters between local authorities

[60] ONS (2011) Annual Survey of Hours and Earnings

median annual salary of those who work in Oxford are slightly higher at £29,326, higher than either Oxfordshire (£29,005), the South East (£27,881) or England (£26,601)[61].

3.6. The latest data on the employment rate for Oxford residents puts this at 73.9%, which whilst higher than England as a whole (70.3%) is lower than the employment rate in Oxfordshire (76%) and the South East (74.4%)[62]. At 6% of the working age population, unemployment is in line with the average for the South East (6.1%), significantly lower than the average for England (8%), but significantly higher than the rate for Oxfordshire as a whole (3.4%)[63]. Economic inactivity in Oxford is 21.4%, which is in line with Oxfordshire (21.3%) and the South East (20.8%), though lower than the average for England (23.8%)[64].

3.7. As with other parts of the country, Oxford has seen unemployment increase since the recession, as illustrated below. Oxford's JSA claimant rate (3.6%) is below that of England (5.3%) and in line with that of the South East (3.5%), though slightly above the county level (2.5%)[65].



3.8. The most recent JSA claimant rates for 18 – 24 year olds for Oxford is 5.1%, higher than Oxfordshire (4.7%), but lower than the South East (6.4%) or England (10%)[66]. Whilst

[61] Ibid

[62] ONS (2011) Annual Population Survey

[63] ONS (2011) Annual Population Survey

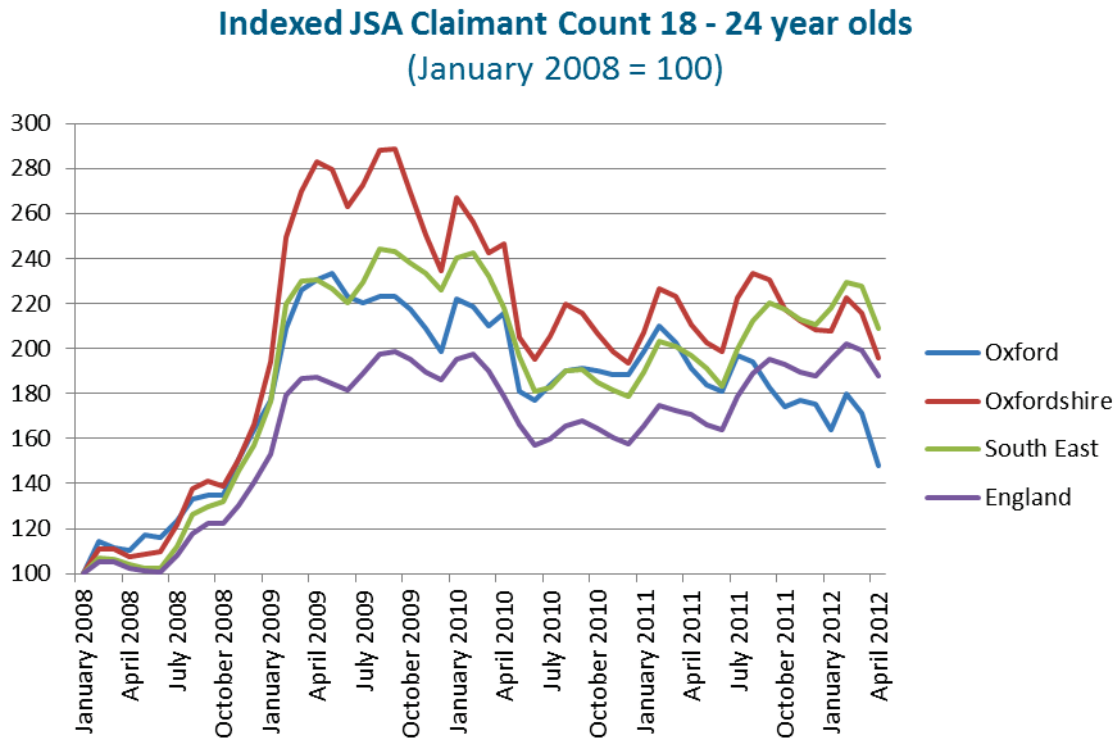
[64] ONS (2011) Annual Population Survey

[65] ONS (2012) Claimant Count - Age and Duration. JSA Claimant Count here has been calculated on the basis of the economically active population. This is to exclude the student population which would otherwise make Oxford's claimant rate look excessively low (as students are unable to claim JSA).

[66] ONS (2012) Claimant Count - Age and Duration and ONS (2012) Annual Population Survey. JSA Claimant Count here has been calculated on the basis of the economically active population. This is to exclude the student population

these statistics suggest that Oxford has lower rates of youth unemployment than other parts of the country, it is important to recognise that JSA claimant figures do not tell the whole story about unemployment[67], and youth unemployment is still significantly higher than unemployment across the whole adult population.

3.9. The graph below shows the pattern of youth unemployment over the longer term. As with the comparator areas, Oxford saw youth JSA claimants increase dramatically from the beginning of 2008 to mid-2009. A low starting base meant that JSA claimants in the city and the county rose faster than the national average. Since mid-2009, Oxford has seen youth unemployment decrease whilst the trend in the comparator areas has been largely static and far above the long run trend. Taken at face value this data is quite positive. Unfortunately, what this data doesn't tell us is whether the claimant count is falling due to young people gaining employment, or because more young people are exiting the labour market.



which would otherwise make Oxford's claimant rate look excessively low (as students are unable to claim JSA). Please note, the population statistics from the Annual Population Survey used to calculate a comparable rate are not robust for Oxford and may overstate the level of youth unemployment.

[67] For example, a person might be unemployed without claiming JSA, in which case JSA would understate the level of unemployment in a given area.

4. LIVING IN OXFORD

4.1. As of 2011, there are 58,300 dwellings in Oxford[68]. Since 2001, Oxford's dwelling stock has increased at a rate of 10.4%, faster than the comparable rate of development in Oxfordshire (9.5%), the South East (8.6%) or England as a whole (7.6%)[69].

4.2. A relatively high proportion of Oxford dwellings are either local authority owned or managed by a Registered Social Landlord (RSL). 23.4% of Oxford's total dwelling stock is publically owned compared to 13.9% across the South East as a whole and 18.1% across England as a whole[70]. This is also high in comparison to other similar cities such as Milton Keynes (where 18.7% of stock is publically owned) and Reading (16.7%), though slightly lower than Cambridge (24%)[71].

4.3. The median price of property in Oxford at £260,000 is higher than the equivalent averages at a county level (£245,000), South East level (£229,000) and England level (£185,000)[72]. Since 1996, median house prices in Oxford have more than tripled, a similar increase to that experienced across the county, South East and England as a whole[73].

4.4. The upshot of high prices is that the ratio of median house prices to median wages is significantly higher in Oxford than in other areas. The median house costs 9.8 times the median resident salary in Oxford, higher than Oxfordshire (8.3 times median salary), the South East (7.9) or England (7.0)[74]. Oxford's house prices are also high in comparison with similar cities such as Cambridge, Milton Keynes and Reading[75].

4.5. Prices are also high in the private rented sector, with the median private rent for all properties at £995 per month, compared with £860 in Oxfordshire, £725 in the South East and £575 in England[76]. Oxford has a ratio of median private rents to median resident earnings of 0.43[77]. In other words, median rents are equivalent to 43% of median salaries. This is significantly higher than in other comparable areas, being higher

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[68] CLG (2011) Dwelling Stock Estimates by Local Authority

[69] CLG (2011) Dwelling Stock Estimates by Local Authority

[70] CLG (2011) Number of Dwellings by Tenure and District

[71] Ibid

[72] CLG (2011) Median House Prices based on Land Registry Data

[73] CLG (2011) Median House Prices based on Land Registry Data

[74] CLG (2011) Median House Prices based on Land Registry Data and ONS (2011) Annual Survey of Hours and Earnings

[75] Ibid

[76] Valuation Office (2012) Private Rental Market Statistics – Apr 2011 to Mar 2012

[77] Valuation Office (2012) Private Rental Market Statistics – Apr 2011 to Mar 2012 and ONS (2011) Annual Survey of Hours and Earnings

than Oxfordshire (35%), the South East (30%) and England (26%)[78]. It is also higher than other comparator cities such as Cambridge (35%), Milton Keynes (30%) and Reading (32%)[79].

4.6. Moreover, this ratio is even higher in the lower quartile (bottom 25%) of rents and salaries. The ratio of monthly lower quartile rents to monthly lower quartile resident salaries is 0.51 in Oxford, implying that rents account for just over half of salaries at this level[80]. This is significantly higher than either Oxfordshire (0.4), the South East (0.34) or England (0.29)[81], suggesting a serious housing affordability problem in the city, particularly in the case of poorer residents.

4.7. Despite being generally prosperous, Oxford has pockets of deprivation. 12 of the 85 Lower Super Output Areas (LSOAs)[82] in the city are in the 20% most deprived LSOAs in England, with one LSOA in Northfield Brook ward being amongst the 10% most deprived LSOAs in England[83]. In general, the south and east of the city is relatively more deprived than the north and centre of the city, with Blackbird Leys, Littlemore, Barton and Sandhills the areas of relatively high deprivation.

4.8. Whilst Oxford has a relatively high crime rate when compared with the regional and national average, the crime rate is lower than comparator cities such as Reading and Milton Keynes. Oxford recorded 8 offences per 100 residents in the period between April 2010 and March 2011 (the latest data)[84]. Over the same period the South East recorded 5.5 offences per 100 residents and England as a whole recorded 6.1 per 100 residents. Oxford had a lower crime than Reading (10.5 offences per 100 residents) or Milton Keynes (8.3 per 100 residents) though higher than Cambridge (7 per 100 residents)[85].

4.9. Despite being a world class city for higher education, Oxford has some significant problems with regards to educational attainment amongst young people. Pupils in Oxford perform worse than the regional and national average across all age groups. At GCSE level, only 67% of Oxford pupils attain five or more A*-C grades compared with

[78] Valuation Office (2012) Private Rental Market Statistics – Apr 2011 to Mar 2012 and ONS (2011) Annual Survey of Hours and Earnings

[79] Valuation Office (2012) Private Rental Market Statistics – Apr 2011 to Mar 2012 and ONS (2011) Annual Survey of Hours and Earnings

[80] Valuation Office (2012) Private Rental Market Statistics – Apr 2011 to Mar 2012 and ONS (2011) Annual Survey of Hours and Earnings

[81] Valuation Office (2012) Private Rental Market Statistics – Apr 2011 to Mar 2012 and ONS (2011) Annual Survey of Hours and Earnings

[82] Lower Super Output Areas (LSOAs) are one of the smallest levels of statistical geography.

[83] ONS (2010) The English Indices of Deprivation 2010

[84] Home Office (2011) Notifiable Offences Recorded by the Police

[85] Ibid

75.8% across the South East and 76.1% across England as a whole[86]. Oxford also has relatively high rates of unauthorised absence from school and higher proportions of persistent absentee pupils at both primary and secondary school level[87].

[86] Department for Education (2010) GCSE and Equivalent Results for Young People by Free School Meal Eligibility in England - data is for the period September 2009 to August 2010

[87] Department for Education (2010) Pupil Absence in Schools by Free School Meal Eligibility – data is for the period September 2009 to August 2010

5. EMPLOYMENT LAND AND COMMERCIAL PROPERTY

5.1. Oxford has a long established policy of employment land controls that dates from 1946 when, in reaction to the growth of the car industry, the first Development Plan sought to restrict the growth of industrial employment by making no provision for any additional land for industry. This approach was extended in 1972 to apply to the service industry, and was confirmed in the Structure Plan 2011 adopted in 1998, with the aim of directing development to the surrounding county towns.

5.2. In 2005, the newly adopted Structure Plan 2016 saw a significant shift in policy. The new Structure Plan recognises that for Oxford to maintain and enhance its present role in the global economy the city must allow development which contributes to the city's economic priorities.

5.3. Nonetheless, the impact of the longstanding policy of development restraint, combined with a strict green belt policy, has been to largely restrict development to previously developed sites, strongly limiting economic growth. Moreover, the demand for residential development has also resulted in significant amounts of employment land being lost.

5.4. The most recent study of employment land in Oxford is the Employment Land Study (ELS) published in 2006[88]. This study highlighted the fact that Oxford's employment land provision continues to face significant constraints, and that these constraints meant that the city is less able to compete with other locations within and outside the county in attracting new investment. The ELS therefore concluded that it is vital that key employment sites in the city are protected, either for existing use or to be recycled. Failure to do so would undermine any future economic strategy and suggest that the city is not 'serious about doing business.'

5.5. Related to this is the need to recognise that support services / firms, which may not be high value activities in of themselves, play an important role in supporting the broader economic 'ecosystem' of the city in terms of supporting the activities of high value firms and providing a diverse range of employment for residents. Therefore it is important to ensure a continued diversity of economic activity and that lower value uses are not priced out of the market.

B Class Uses

5.6. The largest proportion of Oxford's B Class employment land is industrial, which accounts for 44% of B Class employment land. This is followed by office space, which accounts for 28% of B Class employment space. Warehousing accounts for 24% of B Class employment space whilst R&D accounts for the remaining 4%, though this

[88] Nathaniel Lichfield & Partners (2006) *Oxford Employment Land Study*

underestimates the amount of overall space in the city which is accounted for by research as it does not include space within universities and hospitals.

5.7. Oxford is an important office location within Oxfordshire, accounting for 30% of total county-wide office space. 65% of office space in the city is in out-of-centre locations, with the majority of this space concentrated in either the Science Park or the Business Park. 60% of Oxford's office space is in larger units of 1,000 sq. metres or more, and again this reflects the relative importance of the larger units in the Science park and the Business Park on the overall employment space picture.

5.8. Manufacturing and warehousing shows similar concentrations of space. Despite the fact that Oxford has 20 main industrial areas, the majority of floorspace is concentrated at a handful of sites. BMW and Unipart in particular account for a significant proportion of total floorspace, with BMW alone accounting for more than half of total manufacturing floorspace, or around 24% of total B Class commercial floorspace in the city.

5.9. A key problem that Oxford faces is the historical loss of employment land to other uses. Between 1985 and 2004, the city lost an average of 2.5ha of employment land per year. This has slowed to 2ha per annum over the last five years, and may continue to slow in the future, especially as the city has now recognised this problem and implemented a 'cascade approach' to protect existing sites and/or recycle sites for new employment uses. However, it is clear that historically there has been a significant loss of employment land, with consequent effects on the potential for development. A large proportion of the land lost has been industrial, with some office lost as well. Redevelopment for residential and student accommodation purposes has driven the majority of this loss.

5.10. Against this needs to be weighed the fact that there is land available at both the Science Park and the Business Park. Both of these locations are situated in the south of the city, the Science Park being situated just off the A4074 on the border with South Oxfordshire, and the Business Park being situated on the old Morris Motors Cowley site adjacent to the Oxford Ring Road. The most recent information on the Science Park suggests some 3,200 sq. metres of vacant space, 5,300 sq. metres of space available for pre-let, and six further undeveloped plots with a combined capacity of 27,200 sq. metres of employment space. The most recent information on the Business Park suggests some 2,650 sq. metres of vacant space, 13,700 sq. metres of space available for pre-let, and four further undeveloped plots with a combined capacity of 29,400 sq. metres.

5.11. Taken together this is not an inconsiderable amount of potential space. However, one drawback is that this land is restricted to a few key locations and tends to be relatively high cost. Office space in the city centre tends to be older and of lower quality, and in comparison to other locations industrial space is relatively limited. Therefore there is an economic imperative to maintain the new emphasis on removing constraints to development so that economic and business opportunities can be maximised.

Retail

5.12. As discussed above, Oxford is a significant retail location. The most recent Retail Needs Study[89] was carried out in 2008. The main concentration of retail floorspace in Oxford is in the city centre, where shopping is focused around Cornmarket, Queen Street, the Westgate Centre and the Clarendon Centre. Comparison shopping is well represented in the city centre, which competes for with nearby large centres such as Milton Keynes and Reading. Comparison shopping in the city centre is complemented by the nearby visitor and cultural attractions. The district centres tend towards more convenience shopping though with some comparison.

5.13. As already discussed, the Westgate Centre is currently undergoing a £330m refurbishment. The Retail Needs Study suggests that by 2021 a further 24,500 sq. metres of comparison retail space could be supported and, depending on the density of development, a further 2,300 – 4,700 sq. metres of convenience space could be supported. The majority of additional comparison space is expected in the city centre with a smaller amount in district centres, principally at Cowley.

5.14. The principal challenge for Oxford in regards to retail is to successfully position itself as a leading regional centre. The overarching trends in the retail sector, primarily the shift from traditional to online retail, mean that local centres which fail to achieve the right volume, quality and balance of retail and leisure will struggle. Oxford city centre, with its complementary cultural and visitor offer should be able to prosper in this changed environment, though this will require addressing current issues around the lack of parking, and ensuring that retail premises are of the right size and quality to meet the needs of retailers. Other district centres in Oxford are likely to require more careful management to ensure that they continue to meet local needs.

[89] Roger Tym & Partners (2008) Oxford Retail Needs Study Update

6. CONCLUSIONS

6.1. The global and national economy is currently in a period of significant uncertainty. Previous sureties about trend levels of economic growth have disappeared, and Oxford, like other places, will need to ensure that it is able to maintain and build on its existing strengths whilst exploring new opportunities if it is to generate consistent growth and development.

6.2. One of the main headlines of this economic narrative is that, in very broad terms, Oxford is both a successful economy and a successful place. Oxford has a world-class university system and is an important location for national and international innovation and research. Oxford has a very high number of jobs relative to the number of residents in the city and average wage levels are relatively high. Extremely high average skills levels play an important role in attracting an array of globally significant companies to the city.

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

6.4. However, another key headline of this economic narrative is that Oxford has struggled to cope with its success. Well-intentioned planning controls have restricted development for much of the past sixty years, with the result that demand for expansion within the city has often been stifled. Moreover, the success of Oxford as a place has resulted in increasing house prices, leading to transfers of land from employment to residential use and exacerbating the lack of commercial space.

6.5. On top of this, Oxford faces some persistent local challenges in the form of pockets of localised deprivation. The problems of deprivation are made worse by very high local house prices. In addition, despite the high proportion of residents with degree level skills, there remains a significant proportion of residents with ‘no skills’, and educational attainment generally in Oxford’s school system is lower than the regional and national averages.

6.6. If Oxford is to continue to be a key driver for the regional and national economy it will need to address these main challenges. Failure to do so will see Oxford lose ground to locations that are able to provide high value firms with the business accommodation and infrastructure that they need to be competitive. In this context the policy shift in the Structure Plan 2016 represents a very positive step, but it is vital that these policy aspirations continue to receive support in practice as well as on paper.

7. APPENDICES

Notes on Statistics

Statistics on Number of Jobs / Employees

7.1. For the purposes of this document, all employment figures have been calculated on the basis of Oxford District plus the adjoining ward of North Hinksey and Wytham in Vale of White Horse District. North Hinksey and Wytham is included as it contains the Seacourt Tower development, which is functionally part of the Oxford city economy.

7.2. At the current time there is no single dataset which provides up-to-date, detailed information on the total number of jobs in a local authority area by sector. Instead, we are reliant on two different datasets produced by ONS in order to understand the employment situation in a given area.

7.3. The first of these datasets is the Jobs Density measure available via ONS's Nomis website[90]. This provides a figure for total jobs, including all employees, self-employed people, members of the armed forces and those on government employment programmes. Whilst this is the most accurate measure of total employment in the city, it does not allow for any sectoral breakdown, or breakdown by employment type. In addition, at the time of writing the most recent year for which data was available was 2009, which is problematic given the downward shift in employment in that year. This measure shows that **in 2009 there were approximately 114,000 jobs in Oxford**.

7.4. The second key dataset is the Business Register and Employment Survey (BRES). BRES provides data on both number of employees and a wider measure of employment which includes working proprietors (sole traders, sole proprietors, partners and directors). BRES provides these figures broken down by sector and also provides ward-level data, which is advantageous when trying to understand the local economic geography of a place. BRES is also available up to 2010, which makes it more useful for understanding where the economy is currently.

7.5. However, employment, as measured by BRES, suggests that there were 110,900 jobs in Oxford in 2010, a discrepancy of approximately 3,100 jobs compared to the previous figure.

7.6. A further complication is that statistics on employment suffer from a number of discontinuities arising from changes in statistical methodologies. BRES itself only goes back to 2008. This is because BRES is the replacement for the Annual Business Inquiry (ABI), which provided employment statistics for the UK between 1998 and 2008. The figures for 2008 for the two releases do not match up, with the BRES figure typically

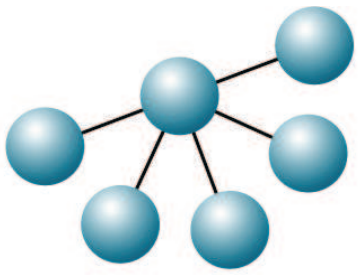
[90] www.nomisweb.co.uk/

being higher than the ABI figure. In the case of Oxford, the ABI employee count for in 2008 is 111,304, whilst the equivalent BRES figure is 107,389 – a difference of 3,915 or 3.6%.

7.7. Unfortunately, there is no easy way of reconciling this situation. Using total jobs from the Jobs Density series is a more accurate reflection of the total number of jobs in the city, but provides no sectoral breakdown and is not up-to-date. Using BRES and ABI provides us with up-to-date data broken down by sector, but perhaps fails to capture some of the employment in the city. Switching between these different measures would significantly complicate the narrative, with the jobs count in Oxford rising and falling by over 3,000 jobs within a couple of pages!

7.8. For this analysis we consider that a need for a long-term perspective requires that longer term statistics are used, and that a need for up-to-date statistics requires the most up-to-date statistics to be used to inform future strategy. To that end, when considering a longer term perspective we have used the ABI for years 2003 to 2007 and the BRES for years 2008 and 2010. This data is for employees only (excluding company owners). We have used the BRES figure for 2008 as it provides a less jarring discontinuity than using the equivalent ABI figure, but this may mean that the impact of the recession in 2009 is under-emphasised. Unfortunately, this is the best compromise given the available data.

7.9. However, when considering the latest data (2010) we have used BRES data on total employment (including company owners). Whilst this more inclusive measure still falls short of the total employment in Oxford, it begins to account for the impact of self-employment whilst allowing us to look in detail at employment distribution at the local level. Nonetheless, it is important to bear in mind that current total employment in Oxford is likely to be around 114,000.



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