

Chapter 2:

Building on Oxford's economic strengths and ensuring prosperity and opportunities for all



Oxford's economy

Oxford is home to a third of the county's jobs and is a focal point for higher education, research and science. Oxford's buoyant economy presents challenges in ensuring that an adequate supply of labour, housing and infrastructure continues to keep pace with employment growth over the long-term. Sustainable growth needs to be achieved whilst ensuring the city's unique heritage and high quality environment is protected.

Sub-regional and national context

The city's local economic performance and aspirations are set within a wider sub-regional and national context which influence some of the city's economic aspirations and plans. The Oxfordshire Strategic Economic Plan (March 2017) sets out the long term vision and ambitions for economic growth in the county. The overall vision is that by 2030 "Oxfordshire will be recognised as a vibrant, sustainable, inclusive world leading economy, driven by innovation, enterprise and research intelligence." The Local Industrial Strategy (LIS) positions Oxfordshire and Oxford as one of the top three clusters in the world for a number of technologies. The National Infrastructure Commission report on the potential of the Oxford-Milton Keynes-Cambridge Growth Corridor and the announcement of the Oxfordshire Housing and Growth Deal with the government recognises the importance of Oxfordshire's knowledge intensive economy with its two universities and many associated research institutions.

2.1 Employment Land Assessment

The Employment Land Assessment (2018) looked at the whole range of employment sites across the city and assessed them against criteria including access and location, quality of buildings and environment, neighbourliness and others. The ELA forecast that between 2016 and 2036 there is a need for 135,004m² of additional employment floorspace:

- total projected demand for new B1A/B/C floorspace of 113,535m²; and
- projected demand for B2/B8 floorspace of 21,470m²

The report concluded that the majority employment demand during the plan period will be for B1 floorspace. This reflects the findings from previous economic studies and the views of property agents secured through the assessment.

The need for more employment floorspace over the plan period emphasises the strong need to protect existing employment sites. Oxford is a very tightly constrained city and the competing demands on the limited land supply are strong, not least for housing. The Local Plan includes one additional employment site at Northern Gateway, as detailed in the Northern Gateway Area Action Plan. Additional employment land could be provided through the intensification of uses at existing employment sites including Osney Mead, Unipart, and the BMW Mini Plant. There is some remaining land allocated for employment uses at both Oxford Business Park and the Science Park.

The pressure on employment sites to be lost to other uses is high, and once lost, they rarely revert back to their original use. Oxford City Council introduced an Article 4 Direction which removes the permitted development right to change employment floorspace to residential use on Key Protected Employment Sites. This means that such proposals now require planning permission. The City Council intends to modify the Article 4 Direction to reflect the policies in this Plan on adoption.

Existing employment sites which are not performing well or which make inefficient use of land will be encouraged to modernise, to better utilise the space. In some limited circumstances, such sites which will also be considered for alternative uses. As such, the Local Plan sets out a hierarchical approach to employment categories, stating how existing employment sites will be supported to ensure appropriate levels of protection and intensification. The sites range from Category 1 and 2 sites, which are afforded most protection, to Category 3 and B8 uses which have more flexibility and potential to be released from employment uses for other purposes to ensure the best use of land. The policy also provides flexibility to ensure start-up and incubator businesses are supported throughout the hierarchy.

Employment sites

Category 1 sites are nationally and regionally important to the knowledge economy or are significant employers or sectors in Oxford, primarily B1 (office) and B2 (industrial) uses with some B8 uses. Many of these sites are large, and they often include a range of uses. Examples include important hospital and university research sites, hi-tech manufacturing, bio-engineering companies and the BMW Mini plant.

Category 2 sites provide local services and often include a mix of B1 and B2 uses¹. These sites have been assessed in the Employment Land Assessment against set criteria and identified as

¹ B-class uses are defined by the Town and County Planning (Use Classes) Order 1987 and include office, research and development, light industry, general industry, warehouse and distribution

performing well and having long-term potential for employment uses. They provide a valuable employment contribution and important supporting infrastructure for the larger employment uses in Oxford. These businesses meet local needs and are less likely to be found on Oxford's large employment sites. They may offer skilled manual work and lower skilled jobs which are important to delivering a diverse range of employment opportunities, and local services in Oxford.

Oxford's significant contribution to the local, regional and national economy means that it is important to protect Category 1 and 2 sites, both for their current role in Oxford's economy and because of their potential for intensification, which would help to meet the demand for new employment space and respond to any future development requirements and technological change. Equally it is important that there is some flexibility within the policy to allow for potential changes in circumstance, and to ensure the strongest employment base possible, which will sometimes rely on the ability to develop supporting uses. For this reason, the policies include some criteria to allow consideration of development of other some other uses on Category 1 and 2 employment sites in particular circumstances.

Category 3 sites mainly comprise smaller sites and those not performing as well as Category 2 sites, for example because they are not as well located, or because they do not perform such an important economic function, nor are likely to be able to in the future. Should these sites become available for redevelopment, they will be first required to explore the potential for other employment uses, and then subject to criteria to explore alternative uses in order to help deliver the broader aims and strategy of this Local Plan.

B8 warehousing uses can be helpful in supporting local employers in sectors such as manufacturing. However they typically have a low job density and do not make efficient use of land, which is particularly important given the shortage of land in Oxford. Some B8 uses are essential for Oxford to ensure that important employers are able to maintain their supply chain; for example with BMW-Mini/Unipart. Where a B8 use does not have this strong link to the wider economy and does not represent the most efficient use of land, it will be encouraged to convert and intensify into other employment uses (B1, B2) with a greater worker density. New B8 uses will only be allowed in exceptional circumstances where there is a particular locally identified need.

Policy E1: Employment sites

Intensification of uses:

Planning permission will be granted for the intensification, modernisation and regeneration of any employment site if it can be demonstrated that the development:

- i) allows for higher-density development (with more employment floorspace and jobs per hectare) that seeks to make the best and most efficient use of land; and
- ii) does not cause unacceptable environmental impacts and effects.

Employment categories:

Category 1 sites

Planning permission will not be granted for development that results in any loss of employment floorspace on Category 1 sites. No other non-employment uses will be permitted on Category 1 sites except:

- a) residential development for staff linked to the employer (where this is permitted

- under Policy E3); or
- b) other uses provided that they support directly the main economic function of the site; or
- c) start-up or incubator businesses, if it can be demonstrated that they will not cause any negative impact on the main economic function of the site

Category 2 sites

Planning permission will not be granted for development that results in the loss of employment floorspace on Category 2 sites, except where:

- d) the redevelopment creates new housing or community use; and
- e) the number of employees in B class uses on the site is retained; and
- f) more efficient use of land can be demonstrated.

Category 3 sites

Planning permission will only be granted for the loss of any employment floorspace on Category 3 sites to residential development subject to the following criteria:

- g) the site or building is no longer suitable for its existing business use owing to its changing operational needs; and
- h) no other future occupiers can be found through the production of evidence to show the premises or site has been marketed unsuccessfully both for its present use and for potential modernisation or regeneration for alternative employment-generating uses, including start-up businesses or local community uses, for a period of at least 6 months (see Appendix 2.3 for details of the marketing evidence expected).

Category 1 and 2 employment sites are listed in Appendix 2.1 and 2.2, and Category 1 employment sites are shown on the Policies Map. All other employment sites are Category 3 employment sites.

Planning permission will be granted for the loss of B8 space (on any category site), where it is not essential to supporting a Category 1 employment site, for the following uses in priority order:

- i) if it can be demonstrated that there is no demand for other B1 and B2 employment uses and other non-residential uses that support the local economy or community (through the production of evidence to show the premises or site has been marketed unsuccessfully for its present use);
- j) if it is proposed for housing.

Beyond this approach, in all cases the suitability of the proposed use will be assessed against the site specific circumstances.

2.2 Teaching and research

The success of Oxford's economy is shaped by the presence of its two universities; The University of Oxford and Oxford Brookes University. In addition and linked to this, Oxford is also a major centre for teaching hospitals and home to a number of acute and specialist medical research organisations. This benefits the city's economy in a number of ways: its research capabilities, the ready supply of graduates and clustering effect mean that Oxford is an attractive location for a range of companies, and it is also in a position to foster home-grown spin-off businesses.

The world renowned University of Oxford is ranked first in the Times Higher Education World University Rankings 2018². It has around 13,000 employees³ (not including those employed solely by the colleges or by Oxford University Press or casual workers). Oxford Brookes University is the highest placed UK institution in the 2018 QS rankings of world universities under 50 years old⁴ and has earned recognition for the quality of a large number of its teaching areas⁴. Oxford Brookes employs 2,800 full-time equivalent staff⁵.

Thus the two universities have a significant economic impact on the city as direct employers, purchasers of goods and services, hosts to over 30,000 students and in the research and development opportunities that they facilitate and inspire.

Oxford's cluster of medical research organisations and facilities together employ around 17,000 people or 13% of Oxford's total workforce. These assets link closely with healthcare research undertaken at the universities who both have plans to expand medical and clinical research, thus creating more opportunity for discovery and growth. The health sector in Oxford is a catalyst for the wider region's biotechnology sector which in 2017 comprised 163 companies of which 49⁶ were based in Oxford. Oxford has numerous strengths, in particular biotechnology subsectors, including drug discovery and development, diagnostics, medical technology and imaging.

The City Council is committed to supporting the sustainable growth of the two universities and thus maximising the related economic, social and cultural benefits which they bring to Oxford. Due to the limited availability of land and the competing demands for development sites in the city, it is important that the universities are encouraged to focus growth on their own sites; both institutions have indicated that they have the potential to deliver more of their own needs through redevelopment. It is also important that their growth and impacts are managed, in particular any associated growth in student accommodation (see Policy H8: Provision of new student accommodation and Policy H9: Linking the delivery of new university academic facilities to the delivery of university provided residential accommodation). Unchecked growth in student numbers without provision of student accommodation would have a detrimental impact on the availability and price of homes for the general population.

Policies relating to the development of the hospital and university sites should be read in conjunction with the relevant site policies in Chapter 9 of this Local Plan.

² <https://www.timeshighereducation.com/world-university-rankings/2018/world-ranking#survey-answer>

³ <https://www.ox.ac.uk/about/facts-and-figures/staff-numbers?wssl=1>

⁴ <https://www.topuniversities.com/university-rankings/top-50-under-50/2018>

⁵ <https://www.brookes.ac.uk/about-brookes/at-a-glance>

⁶ Nomis April 2018

Policy E2: Teaching and research

Planning permission will be granted to support the growth of the University of Oxford through the redevelopment and intensification of academic and administrative floorspace on existing University of Oxford and college sites.

Planning permission will be granted to support the growth of Oxford Brookes University through the redevelopment and intensification of academic and administrative floorspace on their existing sites at Headington Hill and Gipsy Lane.

The expansion of both universities must be accompanied by the provision of student accommodation as necessary and in accordance with Policy H8.

Planning permission will be granted to support the growth of the hospitals, through the redevelopment and intensification of their sites in Headington as set out in the site allocations, including to increase their teaching and research function.

2.3 New academic or administrative floorspace for private colleges/language schools

In addition to the universities and the schools in Oxford, the city also has a large and established market in other forms of education provision; the Oxford name attracts potential students from across the world. There are a large number and wide range of language schools and private colleges in Oxford⁷; many of these are located in the city primarily to use the 'Oxford' brand and do not necessarily have an operational need to be in Oxford. The 2017 report by Cambridge Centre for Housing and Planning Research found that 37% of all students in Oxford are at various non-university institutions. The private colleges and language schools that responded to the survey (55% of identified institutions) gave their maximum likely number of students they have on courses at any one time. This added up to 20,892 students, although many of these students are on very short courses (such as those on summer language courses).

Such institutions offer some economic benefit to the city in that they are direct employers (albeit in many cases this is short-term seasonal work) but the economic impact and contribution to the economic objectives of the Local Plan is much more limited than that of the two universities in that they are only language teaching establishments. Many premises in these uses have a low employment density and therefore do not make very efficient use of land. There has been significant growth in the number and size of such language schools, private colleges and their student accommodation since 2012.

Students at private colleges and language schools often require purpose built student accommodation which reduces opportunities available for accommodation for those who need general housing or student accommodation for one of the two universities.

For these reasons and the severe shortage of land in Oxford, the Local Plan takes a strict approach to restrict any further growth of these institutions to allow opportunities for land

⁷ Examples of types of Language Schools, Private Schools and Colleges include: Further Education Colleges; Adult Learning Colleges; Higher Education Colleges; Independent Schools; Summer Language Schools; Term-time language Schools; University Preparation Colleges; Private Tutorial Colleges; Private Schools for International Students; and Independent Preparatory Schools. This excludes schools.

and development opportunities to be directed to meeting more pressing needs, such as housing, student accommodation for the Universities or B1 uses.

The approach allows for, and will encourage, existing language schools and private colleges to make more efficient use of their current floorspace. The ability also remains for summer schools to use university floorspace out of term time.

With regards to this policy restriction on growth there are exclusions for specific reasons:

- The City of Oxford College is excluded as it provides state-funded further education to local people including sixth form, vocational courses, apprenticeships and supports young people who are not in education, employment or training (NEETs). This is a vital role in Oxford's economy in that it enables the provision of additional educational opportunities for secondary school age pupils in the context of the current under performance of secondary education in Oxford.
- Ruskin College is excluded due to its unique social benefits in providing vocational degrees, apprenticeships and access programmes for adults with few or no qualifications seeking to change the lives of those who need a second chance in education.
- Independent schools and boarding schools are also excluded as they provide primary and secondary education.

Policy E3: New academic or administrative floorspace for private colleges/ language schools

Planning permission will not be granted for new or additional academic or administrative floorspace for private colleges on sites not currently in use as a private college on 1 January 2018.

Planning permission will only be granted for new or additional academic or administrative floorspace on existing private college sites if the proposal does not result in:

- a) a net loss of B1 floorspace or floorspace that could potentially be used for B1; or
- b) a net loss of residential accommodation or floorspace that could potentially be used for residential accommodation; or
- c) an increased need for student accommodation in addition to that already provided for in Oxford.

In addition it must be demonstrated that the new development has a clear and direct contribution to all four economic objectives of the Local Plan:

- *"To build on Oxford's economic strengths as a global centre for research, learning and health care*
- *To remain at the heart of the Oxfordshire economy and an important contributor to the national economy in its key strengths in the knowledge intensive businesses (such as education, health, science and technology, and as a leading environmentally sustainable city)*
- *To reduce inequalities across Oxford, particularly in employment, health and education*
- *To provide a diverse range of employment opportunities to meet the needs of the city's businesses and residents, allowing Oxford to grow and function sustainably, and with a skilled workforce ready to fill the employment opportunities that arise"*

The following institutions are exempt from the requirements of this policy:

- City of Oxford College (Activate Learning); and
- Ruskin College; and

- Independent schools providing statutory primary and secondary education

The City Council will support the appropriate growth of these institutions through the expansion or modernisation of their existing or allocated sites.

2.4 Securing opportunities for local employment, training and businesses

New development offers a significant opportunity to secure real benefits for the local community beyond those directly related to the use provided. The construction phase of a development offers the chance for local people to be employed in the building industry; Community Employment Plans (CEPs) linked to legal agreements can make provision for example for apprenticeships and training or links to local schools and colleges. Similar mechanisms can be used to secure commitment from the developer to procuring material and labour locally, keeping the income in the local community which then gets recycled in local shops and services. This approach can also be extended into the operational phase of development with agreements to secure a proportion of the longer-term workforce or supply chain locally for example. Another option is to commit to paying employees the Oxford Living Wage and only using contractors who pay this higher level than the National Living Wage.

The City Council is keen to make sure that every opportunity to secure community employment training and procurement benefits from new development is explored and pursued where possible. Much of this will be employer-led and the approach taken will vary according to the size of the scheme, the type of development, and the long-term ownership/management regime. Community Employment Plans have an important role in securing the opportunities that arise from new development. These issues should be considered in all major developments; and the City Council will require information demonstrating the applicants approach alongside planning applications. The level of detail and commitment to such social clauses will vary according to the scale and type of development. Where appropriate the City Council will secure these commitments through a legal agreement. The City Council supports the growth of social enterprises and co-operatives.

Policy E4: Securing opportunities for local employment, training and businesses

Planning permission will only be granted for development over 45 residential units or 1000m² non-residential floorspace where it is accompanied by detailed information demonstrating that the applicants can secure the opportunities for:

- a) Securing construction jobs for local people
- b) Providing construction apprenticeship opportunities
- c) Linking with local schools and colleges
- d) Procuring a proportion of construction materials locally
- e) Securing jobs for local people in the operational phase
- f) Procuring a proportion of on-going supply chain needs locally
- g) Paying all employees (other than apprentices) the Oxford Living Wage
- h) Only using contractors who commit to paying the Oxford Living Wage
- i) Other social clauses as appropriate to the development

The City Council will secure these commitments through the use of legal agreements.