

Chapter 3- A Fair and Prosperous City with a Globally Important Role in Learning, Knowledge and Innovation

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Glossary

Affordable workspace – workspace to be delivered on commercial sites which would be available for rent set at an agreed rate below the **commercial** rent (e.g., 50% of market rent).

Affordable workspace strategy – a strategy which sets out the details of the affordable workspace to be delivered on site which will include details of the size of the affordable workspace, marketing, management and servicing of the site that will be delivered.

Arterial road - The principal routes for the movement of people and goods within the city. Arterial roads in Oxford include Botley Road and Iffley Road among many others.

District centres - District centres comprise groups of shops often containing at least one supermarket or superstore, and a range of non-retail services, such as banks, building societies and restaurants, as well as local public facilities such as a library.

Employment generating uses – The traditional employment generating uses are those sectors that are likely to generate requirements for office, research and development, industrial and warehouse space (i.e, referred to in planning terms as ‘employment floorspace or land’).

Employment Land Needs Assessment (ELNA) - The purpose of the ELNA is to provide supplementary and updated economic evidence specifically to inform the approach to economic growth and employment land policies within the emerging Oxford City Local Plan which will cover the period up to 2040.

Gross value Added (GVA) - This measures the contribution to an economy of an individual producer, industry, sector or region. It is used in the calculation of gross domestic product (GDP). GDP is commonly estimated using one of three theoretical approaches: production, income or expenditure. When using production or income

approaches, the contribution to an economy of a particular industry or sector is measured using GVA.

Inclusive economy - An Inclusive Economy offers a genuine progressive conceptual frame in which greater consideration is given to social benefits that flow from, and feed into, economic activity. (Centre for Local Economic Strategies)

Oxford Living Wage - The Oxford Living Wage is an hourly minimum pay that promotes liveable earnings for all workers and recognises the high cost of living in Oxford. For 2023-24 the rate is £11.35 per hour.

Oxford Short Stay Accommodation Study - A study that provides a summary of findings with an analysis of the impact on the development of policies which will influence both the existing stock of short stay accommodation as well as the amount and type of future provision to meet future forecasted demand.

Short stay accommodation - Accommodation providing residential tenancies, typically provided on a daily basis, principally for short stays by visitors. Accommodation will typically be in self-contained space consisting of complete furnished rooms or areas for living/dining and sleeping, with amenities (e.g. television, internet) included in the rent. This accommodation type includes hotels and bed and breakfast. Aparthotels or serviced apartments are treated as residential uses, for which affordable housing provision is sought, and are not considered as short stay accommodation for the purpose of the policy.

Introduction and wider context

3.1 Oxfordshire's wider economic vision and strategy are set out in a series of documents produced by the Oxford Local Enterprise Partnership (OxLEP). These include the Strategic Economic Plan (2016), the Local Industrial Strategy (LIS) and the Local Investment Plan (LIP). The Strategic Economic Plan is currently being refreshed by the OxLEP. At the time of writing this work was at an early stage. The LIS (2019) made some confident pre-pandemic economic predictions which have been revised to more modest goals in the LIP (produced in late 2020). The LIP aims to add £1.2bn annual GVA by 2030, which would equate to an increase of £12bn by 2040. Oxfordshire had one of the strongest pre-pandemic economies in the UK being a net contributor to the UK exchequer, contributing £23bn GVA in real terms before Covid-19.

3.2 Oxford is a well-known city which has a global reputation, is influential and considered to have its own well established unique brand and was ranked as the top performing city in PwC's recent Good Growth Cities Index¹. Oxford has many major economic assets, including two leading universities, and cutting-edge research in key areas including biotech, data science, quantum technology and robotics. The city is home to a diverse array of international enterprises including BMW Mini, Oxford University Press, Unipart, Centrica, Amey and TripAdvisor amongst others. Oxford also had an impressive tourism economy which pre-pandemic accounted for 14% of all jobs in the city.

¹ <https://www.pwc.co.uk/government-public-sector/good-growth/assets/pdf/good-growth-2023.pdf>

3.3 Oxford is home to 162,100 people and 4,950 businesses². It has the highest employment rate in the country, 128,000 jobs³, which contributed around £6.8bn to the national economy each year pre-pandemic. Oxford has been one of a handful of net contributors to the national economy. The city has been identified by Government as a growth engine within the Oxford to Cambridge Pan Regional Partnership – one of the most important areas for catalysing national productivity and easing the nation’s housing crisis.

3.4 Oxford’s economy is shaped by the presence of its two successful universities. The city is a major centre for teaching hospitals and is home to several acute and specialist medical research organisations. Oxford is an attractive location for a range of companies and can foster home-grown spin out businesses because of the existing research capabilities, the ready supply of graduates and the clustering effect of organisations with close ties in a number of related areas being closed located with one another. Work that is happening in Oxford is helping to find solutions to global problems such as the Covid pandemic and climate change. Oxford’s economy makes a vital contribution to the regional and national economy and is important in contributing to economic recovery.

3.5 Before the pandemic, Oxford had a very strong visitor economy with tourism generating about £988million for the city’s economy in 2019. The pandemic had an adverse impact on the tourism sector with city centre footfall reducing by over 60% in July (from 3.1m in 2019 to 1.2m in 2020) and by over 40% in August (from 2.7m in 2019 to 1.4m in 2020). Since this sharp decline, visitor numbers have been returning and have been assisted by City Council investment to help the recovery of the city’s visitor economy.

3.6 Oxford is the most sustainable location for employment in the county. It is easier to strengthen and develop the public and active transport systems to take people to jobs in the city rather than scatter employment to less sustainable locations.

3.7 The demand for employment space in Oxford has remained high despite changes to working practices that have emerged since the pandemic (e.g. increased hybrid and home working for office-based workers). This strong demand for employment floorspace in the city exists because many of Oxford’s key employment sectors are those where home working is not possible or very difficult (e.g., research and development and manufacturing).

Employment Strategy

Oxford’s employment land needs over the plan period have been calculated by Lichfields in the Oxford Employment Land Needs (ELNA) Update as 296,000 sq.m. A high proportion of this need is attributed to office; research and development; and laboratory space which reflects the market demand profile for the city.

Oxford is in a strong position to be able to meet its employment land needs arising to 2040 in the city. This is through a locational strategy of intensification and modernisation of

² Census 2021

³ Oxford’s Labour Market Profile - <https://www.nomisweb.co.uk/reports/lmp/la/1946157324/report.aspx>

existing employment sites; the appropriate redevelopment opportunities to be delivered within the city and district centres; and without the need to allocate any significant new employment floorspace.

Oxford's employment sites fall into one of three categories. Category 1 sites are nationally and regionally important to the knowledge economy or are significant employers or sectors usually within Use Class E(g)^[1] and B2^[2], with some B8^[3] uses relating to their function. Many of these sites are large and often include a range of uses. Examples of category 1 sites include the hospital and research sites, hi-tech manufacturing, bio-engineering companies and the BMW Mini Plant.

Category 2 employment sites provide important local services and often include a mix of E(g) and B2 uses. These sites have been assessed in the Employment Land Needs Assessment against set criteria and identified as performing well and having long-term potential for continued employment uses. These sites make a valuable employment contribution and often provide important supporting infrastructure for the larger employment uses in Oxford. These businesses meet local needs. 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.

Category 3 employment sites mainly comprise smaller, poorly located sites that do not perform such an important economic function or are likely to be able to in the future. Should these sites become available for redevelopment, they should be considered for housing in order to help ensure that Oxford maximises the delivery of homes within the city.

The City's employment strategy does not seek to allocate new strategic sites for employment-based uses (i.e., Use Class E(g), or B class uses). Instead, it takes a locational approach and restricts new employment-based uses to the city and district centres and to existing category 1 and 2 employment sites. This is because the ELNA has demonstrated that Oxford is likely to meet its employment floorspace needs to 2040 through a process of intensification and modernisation of existing employment sites and through employment-related development opportunities that are likely to come forward as part of mixed-use schemes in the city and district centres, including Oxford's West End.

The city's network of category 1 and 2 employment sites are well-established and although some sites have accessibility challenges, there is the potential to address these challenges through infrastructure improvements that can be enabled through the successful delivery of redevelopment opportunities.

Delivering housing in the city is an important priority for Oxford and opportunities should be sought to provide homes in the city wherever possible. Maintaining a good supply of housing has a number of benefits, including reducing barriers to economic growth by ensuring a good supply of suitable homes to people on a range of different incomes. Mixed-use developments are already supported in the city and district centres, both of which have good accessibility to a range of shops, services and facilities. The Local Plan's employment strategy is supportive of the loss of poorly performing category 3

employment sites for housing. The Plan's employment strategy also allows for the delivery of an element of housing on the city's employment sites where this would not prejudice the site's present or future continued use as an employment site and would result in well-located, and well-designed homes being provided, which link well with existing communities.

Policy E1: Employment Strategy

All new development on employment sites needs to show that it is making the best and most efficient use of land and premises and positively promotes sustainable development through the upgrading and re-use of existing buildings and does not cause unacceptable environmental impacts.

New employment-generating uses and intensification of existing sites:

Planning permission will only be granted for new employment generating uses within Category 1 and 2 employment sites or within the city and district centres.

Planning permission will be granted for the intensification and modernisation of any Category 1 or 2 employment site.

Planning permission will only be granted for the intensification and modernisation of a Category 3 employment site where that site is located within the city or a district centre. Outside of these locations, Category 3 employment sites can only be regenerated for employment purposes if better and more intensive use is made of the site through the redevelopment, up-grading or re-use of existing under-used buildings. Proposals for additional employment floorspace on Category 3 employment sites outside the city and district centres must follow the sequential approach for new town centre uses as set out in Policy C1.

Re-development of brownfield Category 1, 2 and Category 3 employment sites in the city and district centres, with new buildings, must use sustainable methods of construction and materials and be operationally energy efficient.

Category 1 and 2 employment sites are listed in Appendix 3.1 and 3.2 and are shown on the policies map. All other employment sites are Category 3 employment sites.

Loss of employment floorspace

- A) planning permission will not be granted for development that results in a net loss of employment floorspace on Category 1 sites (unless it can be fully justified that the site will remain fully operational for its employment use, and as long as the number of jobs related to employment generating uses at the site is retained).
- B) planning permission will be granted for development that results in a net loss of employment floorspace on Category 2 sites providing the number of jobs in employment-related uses at the site is retained.

C) planning permission will be granted for the loss of any Category 3 employment sites to other uses. Proposals for residential development will be supported.

Residential development on employment sites:

Proposals for residential development on any category of employment sites will be assessed by a balanced judgement which will consider the following objectives (in addition to the considerations regarding loss of floorspace or jobs outlined above, which still apply):

- D) the desirability of meeting as much housing need as possible in sustainable locations within the city;**
- E) the need to avoid loss or significant harm to the continued operation or integrity of successful and/ or locally useful, or high-employment business and employment sites and the need to avoid impairing existing business operations through the location of incompatible residential uses in close proximity to exiting employment uses;**
- F) the essential importance of creating satisfactory residential living conditions and a pleasant residential environment with a sense of place, connected by safe walking routes to shops, schools and open space, community facilities and public transport; and**
- G) the desirability of achieving environmental improvements such as remediation, planting, biodiversity gains, sustainable development forms, improvements in highway conditions and the improvement of living conditions for existing residents.**
- H) Be well designed in terms of scale and massing, compliment the surrounding development and contribute towards the creation of a sense of place and be well connected to services and public transport / active travel opportunities;**
- I) Provide an acceptable level of amenity for future occupiers, in accordance with Local Plan standards; and**
- J) Not be located next to incompatible uses, by virtue of their noise / disturbance or operational issues.**

Warehousing and Storage Uses

Warehousing and storage uses can be useful in supporting local employers in sectors such as manufacturing and are essential in supporting key employers to maintain their supply chain. However new B8 uses, owing to their low job density and high demand for land will not be encouraged in the city except in exceptional circumstances where there is a specific link to a Category 1 employment site.

The Council will work with partners to promote the use of freight consolidation centres where possible. Within consolidation centres goods are grouped together so that fewer delivery journeys are required by road, thus reducing air pollution, congestion and noise across Oxford. This would be particularly beneficial in reducing delivery trips to the city centre businesses, Oxford University and the colleges.

Policy E2: Warehousing and Storage Uses

Planning permission will only be granted for new or expanded warehousing and storage uses if it is within an existing employment site (of any category) and where it can be demonstrated in the planning application that the use is essential to support the operational requirements of a Category 1 employment site.

Planning permission will be granted for the loss of B8 space (on any category site) where it is not essential to support a Category 1 employment site.

Planning permission will be granted for redevelopment of an existing car showroom for housing where the site is considered suitable for such an alternative use.

In all cases the suitability of the proposed use will be assessed against the site-specific circumstances.

Affordable Workspace Strategy and Affordable Workspace

Oxford has a successful economy, but its success does bring challenges. The recent demand for more research and development space has seen a significant increase in office rents, which has meant that SME's and Social Enterprises have experienced difficulties in being able to find affordable workspace in the city. Office space in the city centre has reached almost £50 per sqft, whilst laboratory space now commands up to £75 per sqft. SME's and Social Enterprises are now being priced out of the city, which will have a detrimental impact on innovation opportunities, productivity and the diversity of jobs in Oxford.

The provision of such affordable workspace would help a broader range of businesses to remain and locate in the city which would otherwise not be able to afford the rent spaces at the high market rent. The provision of such workspaces brings more diversity to the city's employment offer and provides employment opportunities that would not be available in the city. This approach would help local people to start-up new businesses, support social enterprises and promote social value.

This policy approach aligns with the vision for an 'inclusive economy', set out in the Oxford

Economic Strategy together with the aims and objectives of the Oxfordshire Local Industrial Strategy and Investment Plan (2022). The policy comprises two key elements, firstly the requirement for an affordable workspace strategy and secondly it identifies larger commercial development sites where the provision of affordable workspace is required. A workspace strategy should set out the details of the affordable workspace to be delivered which would include details of the amount of affordable workspace, its marketing and future management and servicing.

The policy requires the affordable workspace to be provided on-site and designed and fitted out to meet the needs of the sector for the future SME or Social Enterprise occupier, which could include office, light industrial or research and development. The policy sets out a list of major commercial development sites where affordable workspace is expected to be provided.

Policy E3: Affordable Workspace Strategy and Affordable Workspace Provision on Commercial Sites

Development proposals delivering commercial development⁴ are expected to produce an affordable workspace strategy which will set out the details of the affordable workspace to be delivered as part of their masterplans which should include details of the size, marketing, servicing and the management of the spaces on the following sites:

- **ARC Oxford**
- **Oxford Science Park**
- **Oxpens**
- **Osney Mead**
- **Nuffield Sites**
- **Kassam Stadium and Ozone Leisure complex**
- **Unipart**
 - **Northern Gateway**

The City Council will work proactively and collaboratively with any developers on any sites where they would like to promote the delivery of affordable workspace in their development.

The details of the affordable workspace strategy including the size, management and servicing of the space will be secured through a Section 106 agreement to the satisfaction of the local planning authority.

⁴ This is commercial development and would not include development to meet Category 1 employer operational needs

Community Employment Plans

The City Council is committed to working in partnership with business and key partners (OxLEP, Oxford Strategic Partnership), to promote an 'inclusive economy' that helps to deliver greater job opportunities and skills for local people. Oxford has a challenging labour market with different sectors competing for jobs. Skills and training for the local workforce is important for businesses to drive economic growth, productivity and provide services, but equally helps to deliver wider economic benefits, social value and well-being for all its citizens.

Community Employment Plans (CEP's) can significantly improve job opportunities for local people and support both the local labour market and the businesses that operate in Oxford or wish to move to the city. CEP's have an important role to play both during the construction period of a development but also in providing jobs through the operational phase or completed development from the end-users.

The construction phase of a major development provides the opportunity, through a community employment plan, for local people to work in the building industry (through apprenticeships / skills / training and making links to schools and colleges) and to secure commitments from a developer to procure materials and labour supply locally. The developer would be encouraged to pay employees the Oxford Living Wage and use contractors who pay this higher level than the national living wage. During the operational phase agreements to secure a proportion of the longer-term workforce or supply chain locally or commitments to community education and outreach can ensure ongoing benefits. Developers would also be able to deliver affordable workspaces under this policy which have been shown to bring a range of socio-economic benefits including bringing diversity and strengthening to an area and building community wealth.

Policy E4: Community Employment and Procurement Plans

Planning permission will only be granted for proposals of 50 or more homes or over 1,000sqm non-residential floorspace where they are supported by a Community Employment and Procurement Plan (CEPP). The CEPP must identify the opportunities that will be provided by the development to support the inclusive economy, demonstrate the social value of the proposals and set out how they will be promoted and delivered. CEPPs will be expected to address all the following criteria:

- a. **Securing construction jobs for local residents;**
- b. **Providing construction apprenticeships and/ or training opportunities for local residents**
- c. **Linking with local schools and colleges;**
- d. **Securing jobs in the operational/ end-user phase for local residents;**
- e. **Procuring a proportion of on-going supply chain needs locally;**
- f. **Paying all employees (other than apprentices) the Oxford Living Wage;**
- g. **Only using contractors who commit to paying the Oxford Living Wage or other social clauses appropriate to the development**
- h. **Procuring a proportion of construction materials locally; and**
- i. **Delivery of affordable workspaces.**

The City Council will use a condition and/or legal agreement to secure these commitments in accordance with a site-specific CEPP.

Smaller developments, below the threshold for a CEPP, will be expected to provide a written statement in support of their planning application to show what job opportunities, and or skills and training prospects can be delivered during the construction and or end-user phase of the development.

Tourism and Short Stay Accommodation

Tourism is a significant sector of Oxford's economy with distinct needs and pressures. Oxford is consistently in the top 10 most visited UK overnight destinations for international tourists. Tourists and visitors help support a wide range of facilities and attractions such as theatres, cinemas and the ice rink. Before the pandemic, Oxford had a strong tourism sector with 14% of all the jobs in the city being tourism-related in 2019. However, in 2020, the city was impacted by a decline in visitor spend of 66% and a 51% decline in the sector⁵. The tourism sector (and hospitality) was impacted by the pandemic. It is important to support the recovery of sectors such as these which are critical to the vitality

⁵ <https://www.experienceoxfordshire.org/economic-impact-survey-2020/>

and functioning of a city such as Oxford. Oxford has many short-stay visitors, often visiting for a day or only a few hours, which has fewer benefits for the local economy.

The Oxford Short-stay Accommodation Study recognises the important role that visitors (both for leisure and business) play in Oxford's economy. The city has a good range and diversity of short-stay accommodation. The policy sets out the locational requirements for the provision of new short stay accommodation; it includes criteria for the expansion of existing accommodation and criteria for seeking to protect the loss of existing short-stay accommodation. It does however provide support for the loss of smaller guesthouses and or B & B's either to residential use or where it does not meet the locational requirements. Policy H7 Development involving loss of dwellings needs to be fully considered when assessing proposals for tourism and short stay accommodation.

Tourism and hotel development are 'main town centre uses'. Future growth is therefore subject to a sequential approach directing new development to the City and District centres as the preferred location for these uses.

Policy E5: Tourism and Short Stay Accommodation

Planning permission will only be granted for the development of new sites for holiday and other short stay accommodation in the following locations:

- in the city centre;
- In district centres;
- on sites allocated for that purpose; and
- on Oxford's main arterial roads where there is frequent and direct public transport to the city centre.

Planning permission will only be granted for new holiday and short stay accommodation or for the expansion and or refurbishment of existing accommodation where it meets the following criteria:

- a. it is acceptable in terms of access, parking, highway safety, traffic generation, pedestrian and cycle movements; and
- b. it does not result in the loss of a residential dwelling as set out in Policy H7; and
- c. it will not result in an unacceptable level of noise and or disturbance to nearby residents.

Planning permission will only be granted for the change of use from holiday and other short-stay accommodation when any of the following criteria are met:

- d. the existing property has less than 10 bedrooms and is proposed to be changed to residential use;
- e. a property with 10 or more bedrooms, within the City centre, District centre or on a main arterial road would need to provide sufficient robust evidence of non-viability to justify its loss;
- f. a property is unsuitable for the use as demonstrated by being contrary to the location requirements or any of the criteria a-c above.

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