

Economic statement

BMW MINI Oxford - Extensions to Logistics Centre and Body Shop

November 2023

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Supporting the growth of the automotive sector

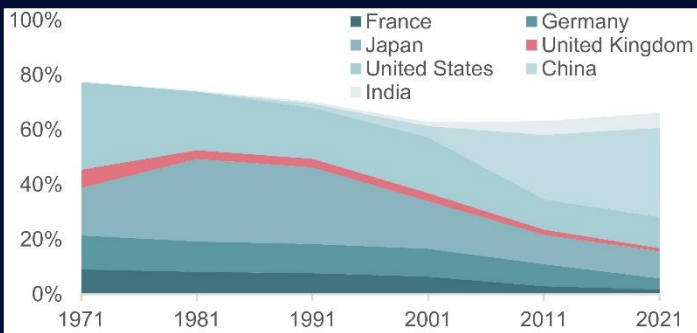
The automotive sector has been integral to the UK economy over the past century, however its global market share has declined in recent decades

In the early 1970's the UK's share of global vehicle production was 7%. The UK produced over 2 million cars per year



However, UK car production has declined to 775,000 in 2022, and now only makes up 1% of the global market

Global vehicle production share of top five manufacturing countries



Despite the decline, the automotive sector still provides significant economic impact in the UK

60+ specialist car manufacturers

2,500+ suppliers

10 engine manufactures

22 R&D centres



200,000

Directly employed in the automotive sector, 8% of total UK manufacturing



£16 billion

Gross Value Added to the UK economy, 7% of UK manufacturing total

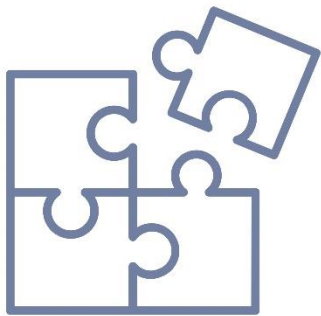


800,000

Employed in the supply chain and wider, a national employment multiplier of 3

Economic benefits of investing in and growing the automotive sector

Fixing the UK's productivity puzzle



The average Gross Value Added (GVA) per worker in the automotive sector is £76,900, 21% higher than the UK average of £63,500

Capitalising on the UK's advantages in advanced manufacturing and battery development may create more high-paying jobs and boost productivity

A leader in exports

£34bn

In 2021, UK automotive exports totalled £34bn, 11% of UK's total goods exports, and 5% of overall exports

80%

80% of all vehicles produced in the UK are exported to 150 markets

Supporting a complex supply chain

£850m committed by Government to support electrified automotive supply chain

25% growth in UK electric vehicle supply chain over past five years

Locally sourced components for automotive companies increased from 36% to 44% from 2011 - 2017

Direct automotive supply chain generates approximately £5.7bn each year (2021 figure)

"The EVs switch creates new supply chain opportunities for UK suppliers, both for existing companies and new investors" - SMMT

Sources:

- US Department of Transportation, 2021. World Motor Vehicle Production
- OICA, 2022. Production statistics 2022

- SMMT, 2023. Manifesto 2030: Automotive Growth For a Zero Emission Future
- SMMT, 2022. Full Throttle to Full Charge: Driving Forward UK Automotive

Supporting national and local policy to develop a sector with huge potential

National mission:

- ❑ **A priority for the current administration** – the Government has recently restated its commitment to making the UK “one of the best locations in the world for the manufacture of electric vehicles, with an end-to-end zero emission vehicle supply chain”
- ❑ **A decade worth of policy support** – the Automotive Council was set up in 2009 to strengthen the link between Government and the automotive sector. The Council has been instrumental in securing investment for the sector and setting out the vision for UK Automotive’s future.

Key sector ambitions as of 2022 include:

- ❑ Improve electric vehicle affordability
- ❑ Accelerate charging infrastructure provision
- ❑ Support supply chain and manufacturing industry
- ❑ Prepare energy system for large-scale electric vehicle adoption
- ❑ Provide regulatory certainty to consumers
- ❑ Invest in future workforce

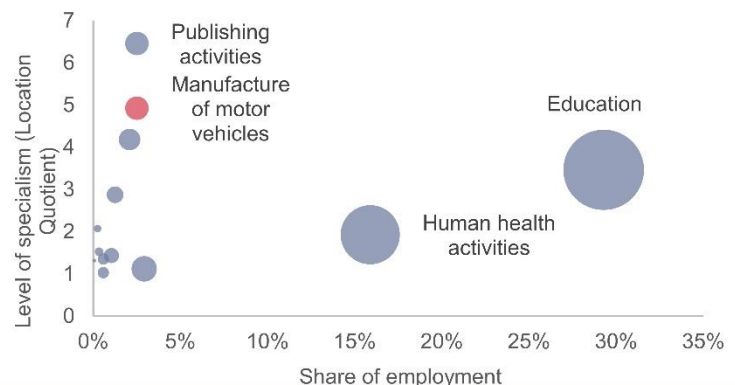


Oxford mission:

- ❑ Oxford is a huge player in the national automotive sector. This contribution is recognised throughout Oxford’s various strategies:
 - ❑ **Oxford Economic Strategy** – notes the automotive sector as having a key role to play in the move towards a low carbon economy.
 - ❑ **Oxfordshire LEP Future Mobility Strategy** – states that new vehicle technology will play a major part in making Oxfordshire one of the world’s top three innovation ecosystems by 2040. In doing so, the automotive sector will be meeting a key goal of Oxford’s Local Industrial Strategy.
 - ❑ **Pathways to a zero carbon Oxfordshire** – smaller firms have clustered around Oxford due to the location of the Oxford Plant. These firms are now at the cutting edge of innovation in low-carbon mobility.

Automotive manufacturing is the second most specialised industry in Oxford after publishing activities, making it a sector worth investing in to reap associated benefits

Industrial specialisms in Oxford by 2-digit SIC, 2021



Sources:

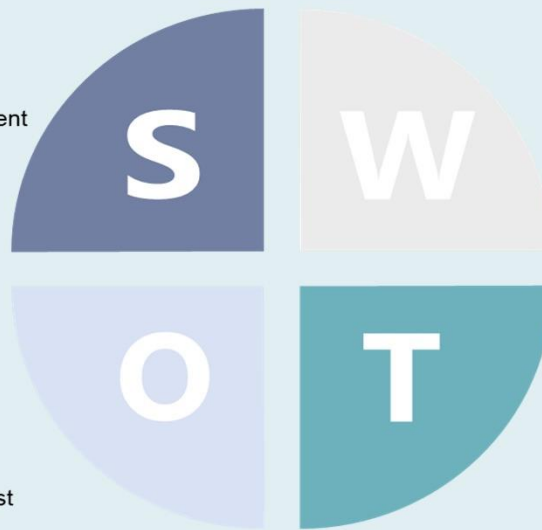
- ONS, 2022. Business Register and Employment Survey 2021
- Oxford City Council, 2021. Oxford’s Economic Strategy 2022-2023
- Oxfordshire LEP, 2021. Future Mobility

The push for net zero and associated growth in demand for electric vehicles presents the UK automotive sector with a big opportunity to grow

The Proposed Development presents an opportunity to help the UK make the most of opportunities in the automotive industry. However, Government investment is needed to help address weaknesses and protect from threats

STRENGTHS

- Globally recognised premium, niche and luxury brands and associated unique manufacturing techniques
- Growing domestic EV market
- Strong innovation and R&D environment
- Diversity of export markets with no overdependence on one region



WEAKNESSES

- Higher inflation and input costs than competitor countries
- Relatively weak domestic supply chain
- Uncertainties from Brexit and UK-EU deal remain

OPPORTUNITIES

- Innovation developed in universities, motorsport and SMEs
- Increasing capacity and resilience of supply chain capabilities
- Leading battery manufacturing and technology developing in the UK amidst global shift to EVs
- Growth in skills development opportunities to secure talent pipeline in the EV industry

THREATS

- Strong global competition, both from US/EU and from emerging economies
 - Competitor nations more aggressively incentivising investment and subsidising automotive industry

The Proposed Development would put the Oxford Plant in a great position to take advantage of the opportunities for growth in automotive manufacturing

- ❑ Oxford currently plays a substantial role in the UK's automotive manufacturing sector and will be vital to maximising the opportunities the sector presents. This is also true for the wider South East region.
- ❑ The Proposed Development will enable the Oxford Plant to reach production capacity of c.200,000 cars per year in the medium term, equivalent to 27% of the UK's overall passenger car production level as of 2022 and almost three times higher than the existing UK automotive production of EVs.
- ❑ This scale of production would mean that the Proposed Development would enable the company to compete at a global level, leveraging its skilled workforce, diverse supply chain and significant R&D opportunities.
- ❑ Ensuring the continued success of the Oxford Plant is crucial for Oxford, given the productivity benefits that come with it. Despite employing under 2.5% of Oxford's workforce, automotive manufacturing generated an estimated £415m in GVA, over 6% of the local authority's total.

Sources:

- SMMT, 2023. Motor Industry Facts 2022
- HM Government, 2013. Driving Success – a strategy for growth and sustainability in the automotive sector
- ONS, 2022. Business Register and Employment Survey 2021

Safeguarding Plant Oxford's substantial economic benefits for the long term

A major contributor of automotive manufacturing jobs in the South East, and one of Oxford's largest employers

	FTEs	Jobs	Context
Direct employment at the Oxford Plant	3,320	3,350	Equivalent to 20% of automotive manufacturing employment across the South East
Indirect employment elsewhere in the UK	7,305	7,370	SMMT research finds that for every job in automotive manufacturing, 2.2 jobs are supported elsewhere in the UK



Approximately one in three of the existing workers at the Oxford Plant are Oxford residents, making the Oxford Plant a key employer for local people

Economic value



£260m - £420m

in economic activity (Gross Value Added – GVA) per annum, equivalent to 2%-3% of total automotive manufacturing GVA across the UK (and 28%-44% across the South East) as of 2021



£75m - £170m

in tax revenues each year through economic activity supported on-site



£5m

in business rates each year through economic activity supported on-site, with an additional £0.5m-£1m expected following the construction of the Proposed Development

Construction impacts of the Proposed Development



1,220 jobs

on average supported over the 17-month construction period, equivalent to 2,660 construction job years



£2.2m

Worker expenditure on site and in the local area over the construction period, equivalent to £1.6m per year

Sources:

- HCA, 2014. Additionality Guide
- ONS, 2023. GVA 2021
- ONS, 2022. Business Register and Employment Survey

Supporting an environmentally and socially responsible operation

A commitment to sustainability

BMW has a positive track record in achieving a sustainable operation, significantly reducing emissions per vehicle produced since 2006. The Applicant has ambitious carbon reduction targets for 2030, and is committed to further developing recently implemented measures such as:



Minimising waste

97% of the waste that is generated through production is recycled, recovered, or reused. Rainwater is harvested and used for toilet flushing at the site



Solar energy

The Plant's body shop has one of the largest roof-mounted solar farms in the UK, reducing the annual carbon footprint by 1,500 tonnes

Delivering meaningful employment and skills opportunities for local residents

The upgrade of the facility will bring next generation technology for green automotive manufacturing to Oxford. The Applicant has a proven track record of providing high-quality employment and training in the local area and is committed to deliver the jobs and skills needed for net zero through the new facility



Apprenticeships

BMW has supported around 100 apprenticeships at the Oxford MINI Plant since 2019. Roles are provided in a variety of business areas

Business area	Apprentices
Business	4
Maintenance	61
Engineering Technician	15
Data Analytics	3
Control Engineer	13
IT Systems Specialist	1
Pay Roll Apprentice	2
Total	99



Employment opportunities for local residents

Over 1,000 jobs filled by Oxford residents and a further 1,000 by residents from other areas of Oxfordshire



Working with education providers

Collaboration with local schools, further education providers and Oxford University



Jobs requiring different skill levels

- **Over 2,000** operational jobs are filled by workers with NVQ level 2
- **Over 500 positions** in management and administration are held by workers with NVQ levels 2 and 3
- Safeguarding these jobs will be key to maintaining employment opportunities in Oxford for thousands of residents with NVQ levels 1-3 who may struggle to find high-paying positions elsewhere

Sources:

- <https://www.mini.co.uk>
- <https://www.press.bmwgroup.com>
- ONS, 2022. Annual Population Survey, Jan – Dec 2021

1. Introducing the opportunity

This Economic Statement has been prepared by Volterra Partners LLP ('Volterra') on behalf of the BMW Group ('BMW') in support of the extensions to the logistics centre and body shop at the BMW Oxford Mini Plant ('the Proposed Development').

BMW MINI production

- 1.1 BMW is a global leading premium manufacturer of automobiles and motorcycles. The BMW production network comprises over 30 production sites worldwide, and has a global sales network in more than 140 countries.¹
- 1.2 In 2022, BMW sold nearly 2.4 million passenger vehicles and more than 202,000 motorcycles worldwide.² In the same year, BMW had a workforce of 149,475 worldwide, including just under 4,700 apprentices.
- 1.3 As an innovation leader, BMW sets trends in production technology and sustainability across the industry. Of the 2.4 million passenger vehicles produced in 2022, just over 430,000 were electrified.³

The Oxford Plant

- 1.4 BMW MINI Plant Oxford ('the Oxford Plant') is the main assembly facility for the MINI range of cars, currently producing the MINI 3-door and 5-door Hatch, the MINI Clubman and the MINI John Cooper Works.
- 1.5 Vehicles have been manufactured at the Oxford Plant for over a century. The first car built at the factory, a Bullnose Morris Oxford, emerged on 28 March 1913 and has been followed by cars from a wide range of famous British brands.⁴ The Oxford Plant is pivotal to BMW's manufacturing activity and network in the UK and remains an important contributor to the local Oxford and wider UK economy as of 2023.
- 1.6 The site is situated to the south east of Oxford and is bounded to the west by the A4142 Eastern By-Pass Road, to the north by Horspath Road and to the south by Garsington Road. It is well-connected, with the A4142 providing onward access to the A34, the A40 (towards London to the southeast and northern Oxford to the northwest), and the services and facilities of Oxford. There are also suitable sustainable transport links from the site, including bus stops on Horspath Road to the north and Garsington Road to the south.

The Proposed Development

Through boosting BMW's capacity to produce electric vehicles, the Proposed Development will enable them to secure operational resilience in an evolving market and future-proof the Oxford Plant's success, safeguarding its economic impact.

¹ Retrieved from: <https://www.bmwgroup.com/en/company/locations.html>. Accessed September 2023

² Retrieved from: <https://www.bmwgroup.com/en/company/locations.html>. Accessed September 2023

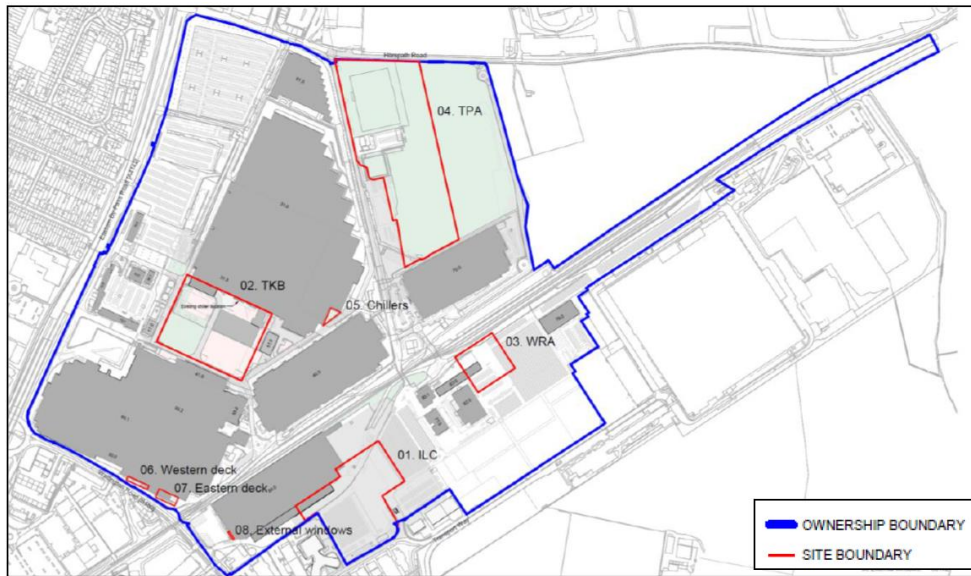
³ Retrieved from: <https://www.bmwgroup.com/en/company/locations.html>. Accessed September 2023

⁴ Retrieved from: <https://www.press.bmwgroup.com/global/article>. Accessed September 2023

- 1.7 BMW is preparing to upgrade its production facilities to accommodate the future needs of the automotive industry in the UK. In particular, BMW seeks to ensure they have the capacity to facilitate the future electrification of its vehicle models. The Proposed Development is vital to BMW's aspirations with regards to the MINI brand.
- 1.8 On 11th September 2023, BMW Group announced a new investment of more than £600 million in the MINI factories at Oxford and Swindon. The investment will facilitate the production of the new generation of electric MINIs and set the path for 100% electric car production in the future. This investment aligns with the Government's 2020 announcement of the end of the sale of new petrol and diesel cars in the UK by 2035. The Proposed Development is a crucial part of this investment, and is vital to BMW's aspirations with regards to the MINI brand.
- 1.9 The Oxford Plant has been successfully producing the current MINI Electric since 2019. However, through this new investment, the Oxford Plant can prepare to build two new all-electric MINI models from 2026 (a three-door Cooper and a new concept compact crossover). In order for this to be feasible, the Oxford Plant requires a number of extensions and new buildings. Specifically:
- An extension to the existing Integrated Logistics Centre building to provide additional floorspace for logistics operations (ILC).
 - A building to provide additional floorspace for the MINI Plant's Body in White and Logistics Technology processes (TKB/TLO).
 - An extension of the waste recycling area (WRA).
 - A new Trailer Park Area (TPA).
- 1.10 Through the Proposed Development, the Oxford Plant will reach a production capacity of around 200,000 cars per year in the medium term. From 2030, the Plant will produce all-electric MINI models exclusively. The current footprint of the Oxford Plant presents a challenge for BMW in meeting these sustainability ambitions.
- 1.11 Specifically, the Proposed Development would consist of: *"Demolition of Buildings 30.5 and 31.5, extension of Integrated Logistics Centre (Building 80.0) and Body-in-White/Logistics building (Building 31.0/31.3), provision of new lorry parking area, expansion of external waste storage area, realignment of internal road and installation of associated landscaping, canopies, plant and equipment and all other associated works."*

Figure 1.1 – The site boundary consists of eight separate areas, and four principal areas across the Oxford Plant

Oxford Plant location and site boundary



DRAFT

2. Contributing to the future of UK automotive manufacturing

The automotive industry has been an integral part of the UK's manufacturing sector for the past century. Despite a diminishing global influence over recent decades, car makers still generate billions of pounds in exports and provide thousands of highly productive jobs across the UK's regions. A golden opportunity exists to capitalise on the green manufacturing revolution. In this regard, the production of vehicular evolution new model electric vehicles at the BMW facility in Oxford will be a crucial piece of the puzzle to achieve the Government's ambition of a net zero economy and levelling up the UK.

The UK's role in automotive manufacturing

A deep-rooted history

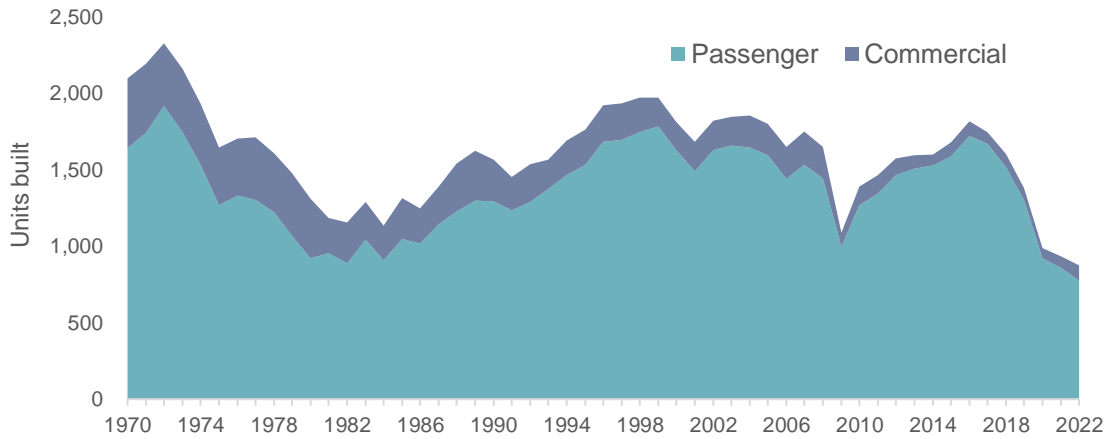
- 2.1 Since the early days of motor vehicle technology, the UK has been at the forefront of vehicle development, production and international trade. In 1950, the UK was responsible for over half of global vehicle exports.⁵
- 2.2 By the end of the 1960's, the industry supplied most of the domestic demand for cars, with only 10% of vehicles being imported. The success of the automotive industry led the UK to be one of the top manufacturers in the world, with a record two million vehicles produced in 1972.⁶
- 2.3 However, the shift towards a service-based economy, the emergence of new market participants, and a series of other global factors have led to the decline of the sector over recent decades.

⁵ Retrieved from: <https://www.drivearchive.co.uk/ukmotorhistory.php>. Accessed September 2023

⁶ Retrieved from <https://www.smmmt.co.uk/>. Accessed September 2023

Figure 2.1 – While global car production has increased, UK car production has stagnated

UK Vehicle production (thousands), 1970-2022



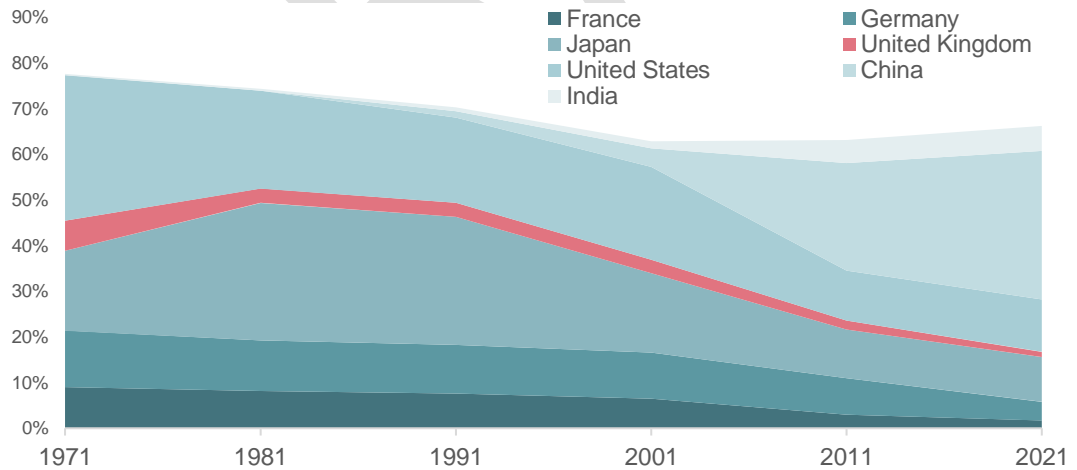
Source: House of Commons Library, 2019. The motor industry: statistics and policy; OICA, 2022. Production statistics 2022.

2.4

Whilst the UK's overall car production total (Figure 2.1) has stayed fairly constant, the UK's share of the global vehicle production market has decreased dramatically. In the early 1970's, the UK was responsible for approximately 7% of global vehicle production. As of 2021, this share has decreased to only 1% of the global market.⁷ Figure 2.2 details the change in global production share from the top five automotive manufacturing economies over the past 50 years.

Figure 2.2 – The UK has been displaced from the top five automotive manufacturing economies

Global vehicle production share of top five manufacturing countries, 1971-2021



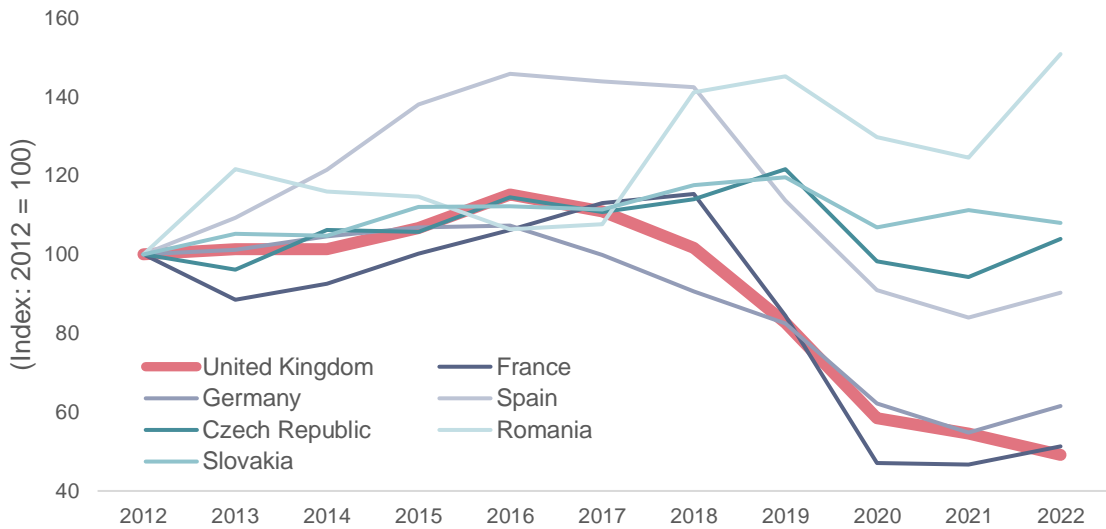
Source: US Department of Transportation, 2021. World Motor Vehicle Production and OICA, 2022. Production statistics 2022.

⁷ US Department of Transportation, 2021. World Motor Vehicle Production and OICA, 2022. Production statistics 2022

2.5 The coronavirus pandemic has further impacted the already diminishing volume of production. In 2022, just over 875,000 vehicles were manufactured in the UK, a 37% decline on the 2019 level.⁸ The UK is now only the 17th largest vehicle manufacturer in the world, and 6th in Europe in terms of quantity of vehicles produced. Of these vehicles, 775,000 were passenger cars, a 10% drop from the 2021 level and the lowest volume since 1956.⁹

Figure 2.3 – The UK’s Eastern European competitors have recovered quicker from the coronavirus pandemic

Relative change in units built by top European manufacturers, 2012-2022 (Index: 2012 = 100)



Source: Volterra analysis of annual production statistics from the International Organization of Motor Vehicle Manufacturers (OICA)

The economic impact of the automotive sector

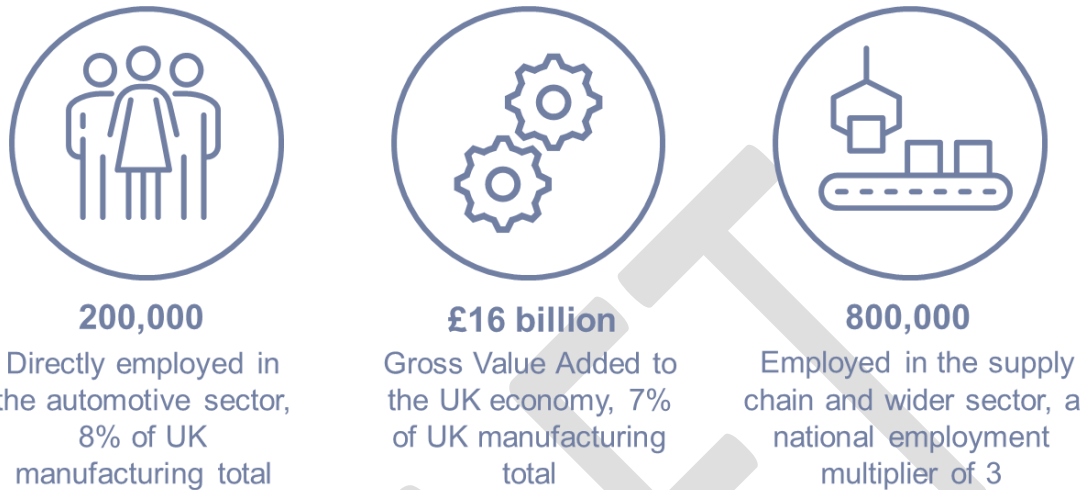
2.6 Despite the long-term decline in global influence, the UK automotive sector remains an important part of the economy. There are several reasons as to why targeting growth in the automotive sector would benefit the economy. This section details the current economic footprint of the automotive sector, and explores key reasons that make it a sector worth investing in.

⁸ International Organisation of Motor Vehicle Manufacturers, 2023. Production Statistics 2022

⁹ Retrieved from <https://www.bbc.co.uk/>. Accessed September 2023

Figure 2.4 – The automotive manufacturing sector makes a significant contribution to the UK economy

Key economic contribution of UK automotive manufacturing



Source: SMMT, 2023. Manifesto 2030: Automotive Growth For a Zero Emission Future

A productive sector

- 2.7 Addressing the productivity puzzle, a term that describes weak productivity growth in the UK since the 2008 global financial crisis, is a key national priority as set out in the Levelling Up White Paper. Prior to the crisis, productivity (output per hour worked) in the UK was growing at an annual rate of 2%; since then, it has grown at an average of only 0.7% per year. An analysis of ONS data shows that productivity would have been around 28% higher in 2022 than the actual figure, had the pre-crisis trend continued.¹⁰
- 2.8 The UK’s stagnating productivity, along with impacts of the exit from the EU have resulted in a slowdown in international competitiveness.¹¹ The Economic & Social Research Institute (ESRI) recently released a research paper that suggests reductions in UK to EU goods trade by 16% and trade from the EU to UK by 20% relative to the scenario in which Brexit had not occurred.¹² Globally, exports of goods from the UK have been growing slowly, but it is clear that the UK is currently struggling to capitalise on potential benefits of leaving the European market. There is a need to undertake interventions that prioritise improvements to UK firms’ productivity and place a focus on increasing international trade. In this regard, automotive manufacturing could play a key role as 80% of vehicles produced in the UK are exported and are the single most valued trade good.¹³
- 2.9 The manufacturing share of GDP in the UK has declined from around 27% in 1970 to 9% today, but it has outperformed the services sector when it comes to labour productivity growth. In the 20 years prior to the pandemic (1999-2019), manufacturing labour productivity levels more than doubled (106% growth), while

¹⁰ Retrieved from <https://www.pwc.co.uk>. Accessed October 2023

¹¹ Retrieved from <https://www.bloomberg.com>. Accessed September 2023

¹² Kren, J. and M. Lawless, 2022. How has Brexit changed EU-UK trade flows? ESRI Working Paper 735

¹³ SMMT, 2023. Motor Industry Facts 2022

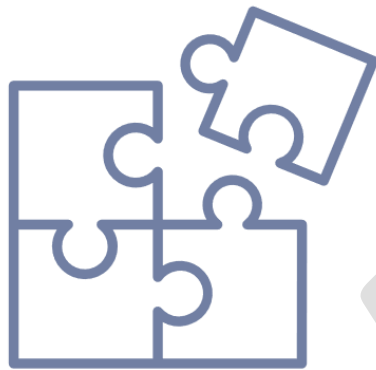
services productivity increased by just over one-fifth (21%).¹⁴ This has meant that relative to its size, manufacturing has contributed more to the UK’s productivity growth in the past two decades.

2.10

The latest research from SMMT shows that the average worker in the automotive manufacturing industry supports GVA of £76,900 per year.¹⁵ This is in line with the wider manufacturing sector, and 21% higher than the overall UK average of £63,500 per worker.^{16,17} Supporting more jobs in the sector would therefore help to close the UK productivity gap.

Figure 2.5 – Investing in the automotive manufacturing sector would improve UK productivity

Fixing the UK’s productivity puzzle



The average Gross Value Added (GVA) per worker in the automotive sector is £76,900. This is 21% higher than the UK average of £63,500.

Capitalising on the UK’s advantages in advanced manufacturing and battery development may create more high-paying jobs and boost productivity.

Source: SMMT, 2023. *Manifesto 2030: Automotive Growth For a Zero Emission Future*

A complex and wide supply chain

2.11

The ability of an economy to produce vehicles is heavily dependent on its ability to access the number of complex parts that make up a vehicle. This will become even more vital with the increased demand of electric vehicles (EV) (**Figure 2.6**). Whilst many of these parts are manufactured abroad, the automotive manufacturing sector does support a wide number of businesses across the UK, ranging from small repair and maintenance shops to large importers and distributors. More businesses may join the wider sector with the shift towards EVs, and existing suppliers will likely see opportunities to increase the value of their products.

¹⁴ Retrieved from <https://www.pwc.co.uk>. Accessed October 2023

¹⁵ SMMT, 2023. *Manifesto 2030: Automotive Growth For a Zero Emission Future*

¹⁶ ONS, 2022. *Business Register and Employment Survey 2021*

¹⁷ NISRA, 2022. *Business Register and Employment Survey 2021*

Figure 2.6 – The introduction of EVs provides more opportunities to extend the automotive manufacturing supply chain

Automotive manufacturing supply chain: breakdown of parts



Source: SMMT, 2022. Full Throttle to Full Charge: Driving Forward UK Automotive

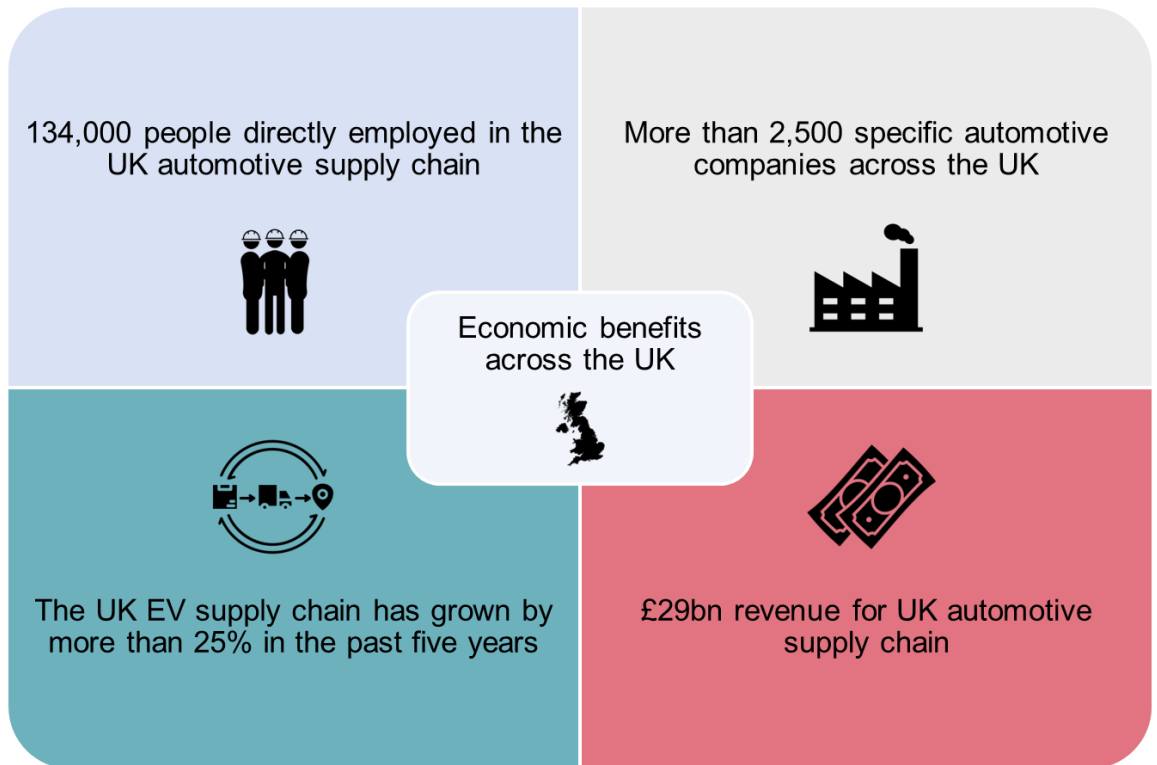
2.12

SMMT provide analysis and commentary on the significance of the UK automotive manufacturing supply chain. Their most recent estimates show that the direct supply chain generates approximately £5.7bn in GVA each year, in addition to a range of other economic benefits.¹⁸ **Figure 2.7** illustrates the importance of the UK’s automotive supply chain for the economy in terms of employment, revenue, business activity, and evolution towards EVs.

¹⁸ SMMT, 2022. Full Throttle to Full Charge: Driving Forward UK Automotive

Figure 2.7 – The automotive supply chain is highly valuable for the UK economy

UK automotive supply chain statistics, 2022



Source: SMMT, 2023. *Manifesto 2030: Automotive Growth For a Zero Emission Future*

2.13 Research by the Automotive Council further confirms that the UK’s automotive supply chain is growing. They found that in value terms, the parts sourced by car manufacturers from UK suppliers had increased from 36% in 2011 to 44% in 2017.¹⁹ The increased need for EVs in the coming years presents further opportunities to grow the UK automotive supply chain, and reap the economic rewards that come with this.

“The EVs switch creates new supply chain opportunities for UK suppliers, both for existing companies and new investors”²⁰

2.14 The Government recognises the potential of the automotive manufacturing supply chain, and have committed up to £850m of funding (through the Automotive Transformation Fund) to help develop a high-value end-to-end electrified automotive supply chain in the UK. The fund is highlighted as an important mechanism to reach targets in the UK Government’s 10-Point Plan for a green industrial revolution and its Transport Decarbonisation Plan.²¹

¹⁹ Automotive Council UK, 2017. Growing the automotive supply chain

²⁰ SMMT, 2022. Full Throttle to Full Charge: Driving Forward UK Automotive

²¹ Advanced Propulsion Centre UK, 2023. Retrieved from <https://www.apcuk.co.uk/automotive-transformation-fund/>

A leader in exports

- 2.15 The automotive sector is the UK’s largest source of exports for manufactured goods.²² In 2021, UK automotive exports accounted for £34bn, 11% of UK’s total goods exports and 5% of overall exports.^{23,24} About 80% of all vehicles produced in the UK are exported to 150 markets.
- 2.16 Given this scale of exports, the Government has placed the automotive sector right at the heart of its export strategy “Made in the UK, Sold to the World”.²⁵ The strategy comprises a 12-point plan which sets out the path that Government will take to build on its export specialism. As part of this, the Government has committed to supporting the automotive decarbonisation agenda through targeting export orientated FDI to build resilience and competitiveness among UK manufacturers.²⁶

A big opportunity for growth

SMMT estimate that the UK automotive industry could be worth £106bn by 2030 if it makes the most of current opportunities, the equivalent of over 4% of UK GDP.^{27,28}

- 2.17 With the development of new mobility technologies and the pressing need to decarbonise transport, there is a huge opportunity to invest and grow the UK’s automotive manufacturing sector and capitalise on some of the above economic benefits. To achieve this, a significant step change is needed to address the issues that affect the automotive industry and boost the sector’s competitiveness. Major investments such as the Proposed Development are vital if the UK is to capitalise on the industry’s economic potential. The Government has identified this as a significant opportunity to meet its policy agenda and has pledged its support to the sector (discussed in detail from **paragraph 2.21**). The investment at Plant Oxford is an important part of this agenda, and will contribute to the UK’s plans for the future of the industry and EVs.
- 2.18 EV and hybrid electric vehicle (HEV) manufacturing saw record in production in 2022 with more than 234,000 units built in the UK, equal to 30% of all cars made.²⁹ Despite its significance, the sector faces challenges that may hinder its growth and even threaten its survival. The same can be said about the industry in Western Europe. It is vital that the Government provides sufficient support to overcome sector challenges.

Table 2.1 – Government must provide support to help the UK automotive manufacturing sector capitalise on the opportunity for growth

Potential issues holding back the automotive sector

Issue	Description	Government action required
High input costs	A recent SMMT survey of manufacturers revealed that high input prices are currently	Government action on energy costs is the number one priority for manufacturers, who believe

²² SMMT, 2023. Manifesto 2030: Automotive Growth For a Zero Emission Future

²³ ONS, 2023. Subnational trade in goods

²⁴ ONS, 2023. Subnational trade in services

²⁵ Department for International Trade, 2021. Made in the UK, Sold to the World Export Plan.

²⁶ Department for International Trade, 2021. Made in the UK, Sold to the World Export Plan

²⁷ SMMT, 2023. Manifesto 2030: Automotive Growth For a Zero Emission Future

²⁸ Retrieved from: <https://commonslibrary.parliament.uk/>. Accessed October 2023

²⁹ SMMT, 2023. Motor Industry Facts 2022

Issue	Description	Government action required
	<p>the biggest obstacle to competitiveness. The main component of costs that causes concern is electricity, as it is estimated it is more than double than the amount paid in the EU.³⁰ In addition, there are significant waiting times to secure essential new grid connections for renewable investments.</p>	<p>mitigating prices is necessary for further investment.</p>
<p>Rising competition from emerging countries</p>	<p>Discussed in depth in Figure 2.3</p>	<p>The UK has one of the world's most attractive business environments.³¹ For instance, it has the most active and deepest capital markets in Europe. It ranks 2nd in the G20 for doing business, and has introduced a new 130% first-year capital allowance for qualifying plant and machinery assets. Government policy and investment should focus on maintaining this status.</p>
<p>Inflation</p>	<p>A prolonged period of high Producer Price Inflation (PPI) and supply chain disruptions caused by the pandemic have caused concern about the sector's resilience.³² Western European car manufacturers believe that without Government intervention it will not be possible to compete with China and the United States, who recently announced the Inflation Reduction Act (IRA), offering billions of dollars in subsidies and tax credits to US businesses producing greener</p>	<p>The Government must take action to reduce inflation to the target 2%.³⁵ The European Union (EU) has responded to the IRA as well as China's boost in industry incentives with its Green Deal Industrial Plan (GDIP) which included both the Critical Raw Materials Act (CRMA) and Net-Zero Industry Act (NZIA). The GDIP is expected to scale up the EU's manufacturing capacity for net-zero technologies and simplify the regulatory framework for energy and raw materials.³⁶</p>

³⁰ Retrieved from <https://www.smmmt.co.uk/>. Accessed September 2023

³¹ Department for Business and Trade & Department for Business, Energy & Industrial Strategy, 2022. Automotive roadmap: driving us all forward

³² Make UK, 2023. Manufacturing Outlook 2023 Q2

³⁵ Retrieved from: <https://www.bankofengland.co.uk/>. Accessed October 2023

³⁶ European Commission, 2023. The Green Deal Industrial Plan Factsheet

Issue	Description	Government action required
	technologies, including electric vehicles. ^{33 34}	
Regulatory uncertainty	Another major point of concern is regulatory uncertainty, particularly due to potential rules and tariffs under the UK-EU post-Brexit trade deal. Under this agreement, EVs will need to have 45% of EU or British content from 2024, with a 50%-60% requirement for their battery cells and packs, or face British or EU import tariffs of 10%. ³⁷ This would in turn impact the competitiveness of the UK EV consumer market and possibly affect their uptake when it is most needed. ³⁸	Progress on a long term solution for tariffs with the EU. Currently, the UK-EU Trade Cooperation Agreement post EU exit allows zero tariff market access with the EU – which is proving vital to continued trade in 2023.

2.19

If support is not provided to the industry whilst the opportunity exists, the UK will likely lose out to other countries. It is vital that the sector is supported by enabling the expansion and update of manufacturing facilities to ensure the automotive sector can grasp these opportunities. Such growth, however, depends on a successful plan to safeguard existing manufacturing, attract investment into the next generation of electric models and scaling up the emerging EV supply chain. This is recognised by industry experts.

“Without government action, business will simply take its investment elsewhere... A revolution is underway in the automotive sector. It is going green and electric at a rapid pace – but the danger is that this government does not appreciate either the urgency or extent of the action needed to support it, and without that both the wider economy and skilled UK workers will lose out.”³⁹ – Steve Turner, Assistant General Secretary, Unite

2.20

This support from Government must not only come from the improvement of the economic environment, but also in the form of targeted subsidies and funding programmes for the industry. Manufacturers believe that long-term incentives such as a capital grants worth 10%-15% of the value of investments, would be in line with competitors’ offers and send a strong signal to businesses about the UK’s ambitions to become a global destination for advanced manufacturing.⁴⁰

³³ Retrieved from <https://www.bbc.co.uk/news>. Accessed September 2023

³⁴ Retrieved from <https://www.acea.auto>. Accessed October 2023

³⁷ Retrieved from <https://www.reuters.com>. Accessed October 2023

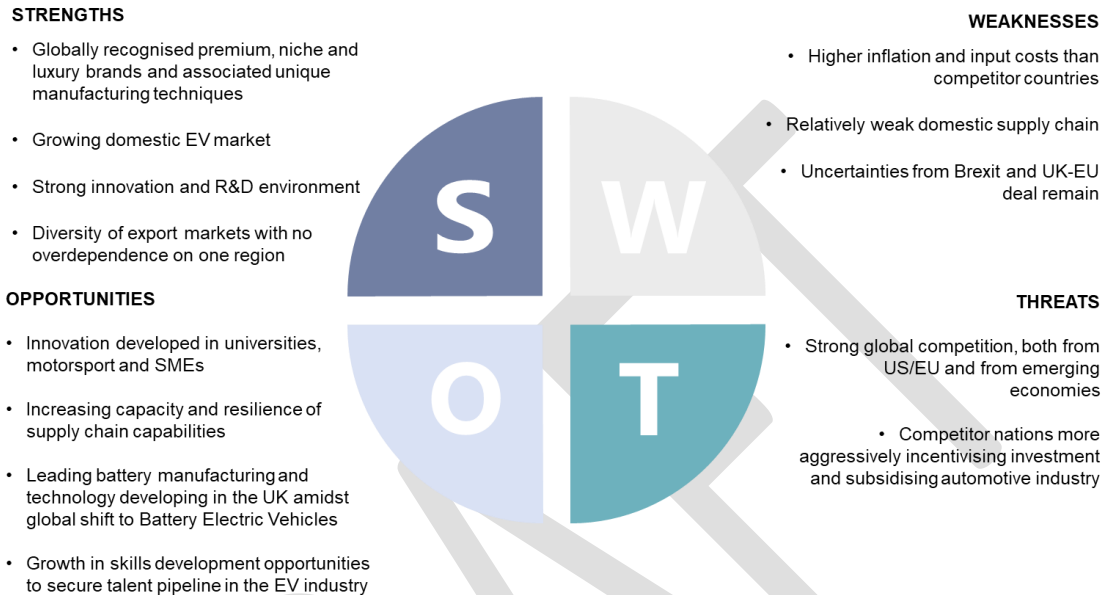
³⁸ Retrieved from <https://www.smmmt.co.uk/>. Accessed September 2023.

³⁹ SMMT, 2022. Full Throttle to Full Charge: Driving Forward UK Automotive

⁴⁰ M5 Group, 2021. Investing in Advanced Manufacturing is Investing in Levelling Up.

Figure 2.8 – Whilst there are a number of opportunities for the automotive sector in the UK, there are a number of structural strengths and weaknesses that need Government support to help address

Strengths, weaknesses, opportunities and threats for the UK automotive industry



A clear commitment from Government

2.21

The Government is committed to supporting growth in the automotive manufacturing sector. The Government considers the automotive industry a strategic growth sector due to its potential for innovation, productive employment, and its alignment with the climate agenda.

The Government has recently restated its commitment to making the UK “one of the best locations in the world for the manufacture of electric vehicles, with an end-to-end zero emission vehicle supply chain”⁴¹

2.22

The Government’s commitment to supporting the automotive sector is clear. Several key strategies clearly signify the UK’s ambition. This section provides detail on these strategies and the relevant measures the Government is taking to support automotive sector growth.

⁴¹ Department for Energy Security and Net Zero, 2023. Powering Up Britain

Figure 2.9 – The UK has shown a clear commitment over the past decade to support growth in the automotive sector

Government policy relevant for the automotive sector



Automotive Council, 2009

- 2.23 The Automotive Council (AC) was established in 2009 to enhance dialogue and strengthen co-operation between UK government and the automotive sector.⁴² AC is made up of senior figures from across industry and government and meets three times per year.
- 2.24 AC has been crucial in deliver a number of the below strategies. In particular: Driving Success, the Automotive Sector Deal and the Automotive Roadmap.

Driving Success, 2013

- 2.25 Driving Success, a strategy for growth and sustainability in the automotive sector, was published in 2013, which laid out the challenge to secure the long term future of the automotive sector by growing the UK share of the value chain and by getting ahead of the game in research and development (R&D) on ultra-low emission vehicles.⁴³
- 2.26 The sector has developed a great deal since the publication of this strategy, and there are now many new opportunities, some of the core strengths and threats to the future of the UK automotive sector remain the same today.

⁴² Retrieved from: <https://www.automotivecouncil.co.uk>. Accessed October 2023

⁴³ HM Government, 2013. Driving Success – a strategy for growth and sustainability in the automotive sector

Table 2.2 – Many core strengths of and threats to the UK’s automotive sector recognised in 2013 remain in 2023

Core strengths and weaknesses of the UK automotive sector

Strengths	Threats
Globally recognised premium, niche and luxury brands and associated unique manufacturing techniques	Strong global competition, including from emerging economies
Sizeable vehicle domestic market	Competitor nations more aggressively incentivising supplier investment in R&D and manufacturing
Strong innovation and R&D environment	
Diversity of export markets with no overdependence on one region	

Source: HM Government, 2013. *Driving Success – a strategy for growth and sustainability in the automotive sector*

Automotive Sector Deal, 2018

2.27 In 2018, the Government announced the first Automotive Sector Deal in the context of the UK’s Industrial Strategy. As one of only 10 sectors who received a sector deal, it shows the potential for the automotive sector to deliver high growth.⁴⁴

2.28 Key Government commitments include:⁴⁵

- **Advanced Propulsion Centre** – £500m over 10 years to 2023 to research, develop and industrialise new low-carbon automotive technologies in the UK.
- **Transition to ultra-low and zero emissions vehicles** – £246m for the Faraday Battery challenge to make the UK a world leader in the design, development and manufacture of batteries for the electrification of vehicles.
- **Connected and autonomous vehicles** – £250m to position the UK as a global leader in the development and deployment of connected and autonomous vehicles.
- **Supply chain competitiveness and productivity improvement** – invest in a new industry-led programme to raise the competitiveness of UK suppliers to match the best in Europe.

“For decades, the UK’s automotive industry has powered our economy forward. Today, automotive firms from around the world choose to set up shop here, citing our history of excellence, skilled workforce and world leading supply chains”⁴⁶

⁴⁴ Retrieved from: <https://www.gov.uk/government/collections/industry-sector-deals>. Accessed October 2023

⁴⁵ HM Government, 2018. Industrial Strategy: Automotive Sector Deal

⁴⁶ HM Government, 2018. Industrial Strategy: Automotive Sector Deal

Build Back Better, 2021

- 2.29 The UK's Build Back Better strategy, released in March 2021, builds on the Industrial Strategy and sets out the Government's plan to support growth through significant investment in infrastructure, skills and innovation, and to pursue growth that levels up every part of the UK.⁴⁷
- 2.30 It recognises the part the automotive sector has to play in tackling long-term issues of the economy. Specifically, the strategy considers the sector an opportunity to provide high quality jobs on the route to net zero.

“To support the UK’s electric vehicle manufacturing industry, the UK Government has committed to spend nearly £500m in the next four years, as part of our commitment to provide up to £1 billion for the development and mass-scale production of electric vehicle batteries and associated EV supply chain. This funding is available UK wide and will boost investment into the UK’s strong manufacturing bases.”⁴⁸

Net Zero Strategy: Build Back Greener, 2021

- 2.31 Through its policies, the UK Government has highlighted the need to grow and level up the economy through sustainable economic growth, committing to the target of reaching net zero greenhouse gas emissions by 2050. Meeting this objective will require extensive changes across the economy; major priority sector interventions that future-proof the economy and deliver sustainable growth that needs to be made and quickly implemented.
- 2.32 In terms of climate and environmental policy, transport plays a key role as the largest sector contributing to greenhouse gas emissions. The automotive sector therefore has a pivotal role to play in meeting the UK's policy targets surrounding climate change and net zero, on 28 September 2023 the UK Government set out its path to net zero emission vehicles by 2035, with 80% of new cars and 70% of new vans sold in Great Britain set to be zero emission by 2030, increasing to 100% by 2035.⁴⁹
- 2.33 Other climate plans and strategies have been published by the Government that are relevant to the automotive sector. For instance, the strategy *“Decarbonising Transport”* contains more specific actions to achieve net zero emissions within the automotive sector. Among the key actions is the investment in the removal of barriers to EV ownership and the development an internationally competitive EV supply chain in the UK.⁵⁰

Automotive Roadmap, 2022

- 2.34 The automotive roadmap is the Government's delivery plan to 2035 to transition the automotive sector to net zero. It outlines the timescales of the policies described above as well as industry commitments to achieve the decarbonisation of road transport.

⁴⁷ HM Government, 2021. Build Back Better

⁴⁸ HM Government, 2021. Build Back Better

⁴⁹ Retrieved from: <https://www.gov.uk/>. Accessed November 2023

⁵⁰ DfT, 2021. Decarbonising Transport: A Better, Greener Britain

- 2.35 Key ambitions of the automotive roadmap include supporting the supply chain and manufacturing industry, and investing in the future workforce. These ambitions are key to the wider goal of transitioning the automotive sector to the age of zero carbon.
- 2.36 The roadmap details various measures to help achieve the above targets. These measures are part of a commitment to invest £5bn across infrastructure, manufacturing and research and development. Among these are initiatives and programmes to develop the design and manufacturing of batteries and growing and supporting the supply chain for EVs.⁵¹

Levelling Up and Net Zero, 2022

- 2.37 Regional inequality is a longstanding issue for the UK economy and has been routinely linked to the low productivity growth recorded across the UK in recent years.⁵² When considered at a national level, OECD figures suggest that the UK has among the highest levels of income inequality in Europe (as measured by the Gini coefficient).⁵³ This is also true within Oxford, where the city is "starkly unequal" as reported by Oxford City Council following the release of the Government's English Indices of Deprivation in 2019.⁵⁴
- 2.38 Manufacturing is a priority sector of the levelling up agenda given its potential to provide a range of employment opportunities in a highly productive economic activity. Manufacturing jobs are distributed across most UK regions outside of London, creating high value and well-paid jobs. In a majority of cases, these jobs are located in areas with some degree of deprivation or where historically people have relied on sectors outside the service economy due to educational or employment barriers.

Table 2.3 – Manufacturing provides over 2.4 million direct jobs in the UK, with a strong presence across most UK regions

Manufacturing employment by region

Region	Jobs	% of total UK manufacturing total	% of total employment in respective region
North West	298,000	12%	8%
Yorkshire and The Humber	289,000	12%	11%
West Midlands	275,000	11%	10%
East Midlands	255,000	11%	12%
South East	246,000	10%	6%
South West	221,000	9%	8%
East	210,000	9%	7%
Scotland	179,000	7%	7%
Wales	137,000	6%	10%
London	114,000	5%	2%

⁵¹ Department for Business and Trade & Department for Business, Energy & Industrial Strategy, 2022. Automotive roadmap: driving us all forward

⁵² OECD, 2023. OECD Regional Outlook 2023: The Longstanding Geography of Inequalities

⁵³ Retrieved from <https://data.oecd.org/inequality/income-inequality.htm>. Accessed October 2023

⁵⁴ Retrieved from: <https://www.oxford.gov.uk/>. Accessed October 2023

Region	Jobs	% of total UK manufacturing total	% of total employment in respective region
North East	101,000	4%	9%
Northern Ireland	86,700	4%	11%
UK	2,411,703		

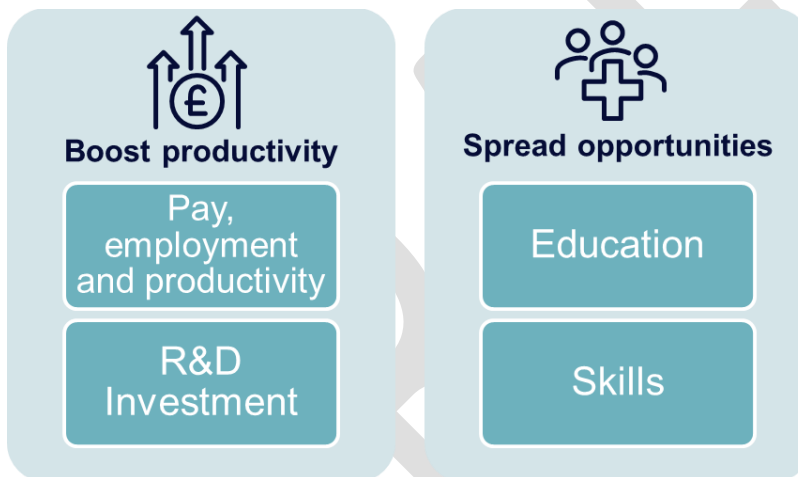
Source: ONS, 2022. BRES 2021; Northern Ireland Statistics Research Agency, 2022. BRES 2021

2.39

Within the manufacturing sector, automotive presents an opportunity for addressing economic disparities, improving productivity, and contributing to a green manufacturing revolution. Supporting this sector means investing in associated levelling up objectives including innovation, skills and infrastructure, which will be essential to grow the sector and deliver priority social, economic and environmental targets.

Figure 2.10 – Supporting the automotive manufacturing sector presents an opportunity to address four Levelling Up missions

Levelling Up missions



The role of Oxford, BMW and the Proposed Development

Oxford’s automotive manufacturing sector footprint

2.40

Oxford currently plays a substantial role in the UK’s automotive manufacturing sector, and will be vital to maximising the opportunities the sector presents. This is also true for the wider South East region.

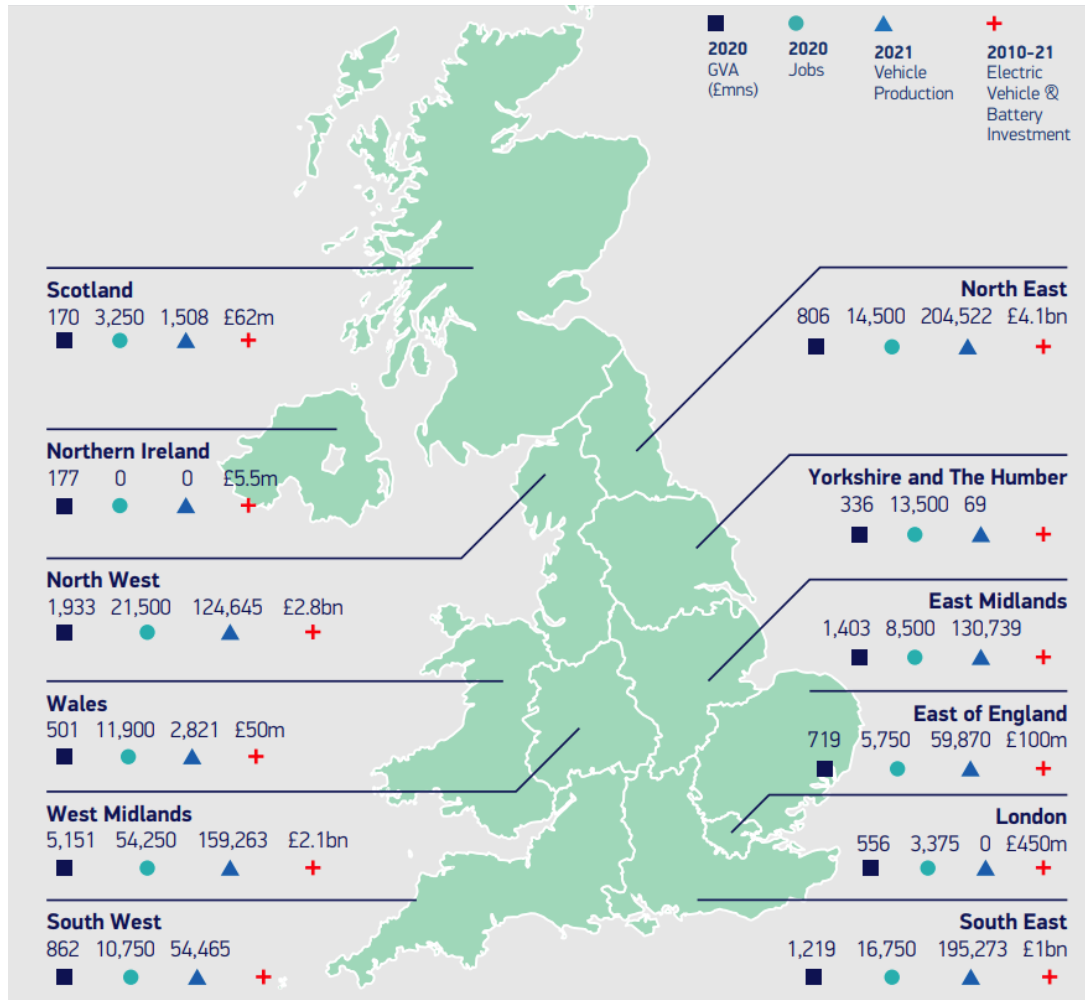
2.41

The South East is the home of MINI, McLaren, Rolls-Royce, Vauxhall, and Caterham. In 2021, the South East was the second region with the largest production output with 195,000 units, or about 18% of the UK’s. Despite this, it is well behind the North West and the West Midlands, which lead in terms of GVA and jobs. It

has also received relatively low investment in EV production and R&D since 2011 at £1bn, significantly less than the North East (£4.1bn), the North West (£2.1bn) and the West Midlands (£2.1bn).⁵⁵

Figure 2.11 – The South East is one of the UK’s regions with the highest vehicle production output, but trails the North West and the West Midlands in terms of jobs and GVA

GVA, jobs, vehicle production and EV & battery investment by region



Source: SMMT, 2022. Full Throttle To Full Charge: Driving Forward UK Automotive

2.42

Oxford (and Oxfordshire) is a key player in the South East’s automotive manufacturing industry. This is ever increasing with the increased relevance of EV and Connected Autonomous Vehicles (CAV).⁵⁶ The knowledge cluster including the University of Oxford and Oxford Brookes University provide a range of qualifications in automotive and motorsport technologies and state of the art space for R&D. This provides a consistent pipeline of skilled workers.

⁵⁵ SMMT, 2023. Motor Industry Facts 2022

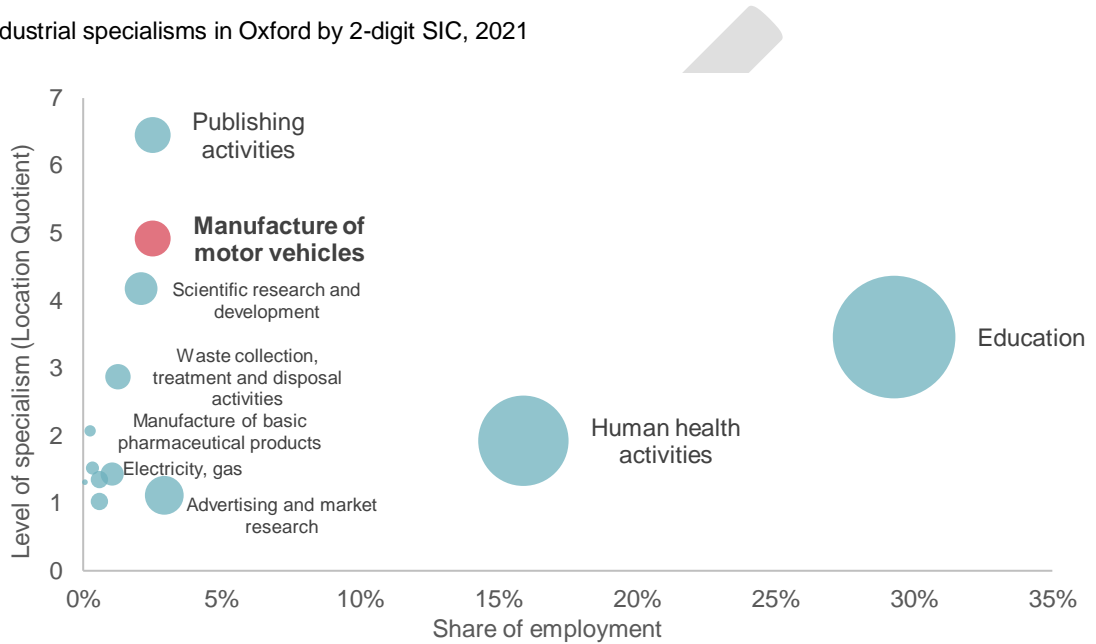
⁵⁶ Oxfordshire LEP, 2022. Oxfordshire Future Mobility

2.43

In Oxford, manufacturing of motor vehicles is the second most specialised activity in terms of employment, with a Location Quotient (LQ) of 4.9.⁵⁷ This means that automotive manufacturing jobs in Oxford are almost 5 times as concentrated as the national average. **Figure 2.12** shows the industrial specialisms in Oxford by 2-digit SIC code. This means that in Oxford, car manufacturing is slightly less specialised than publishing but is above education which employs 35,000 people and has an LQ 3.5. The high concentration of jobs shows that automotive manufacturing in Oxford indicates there is a clear local specialism here.

Figure 2.12 – Automotive manufacturing is the second most specialised industry in Oxford after publishing activities

Industrial specialisms in Oxford by 2-digit SIC, 2021



Source: Volterra calculations using data from ONS, 2022. Business Register and Employment Survey 2021

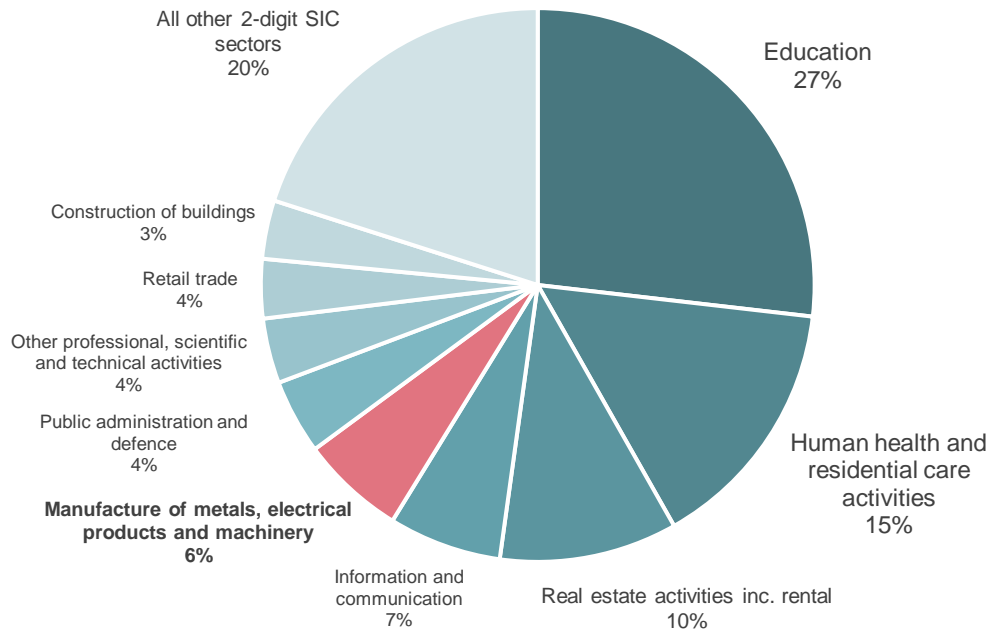
2.44

The automotive sector is also pivotal to Oxford's productivity. Based on 2021 BRES data, manufacturing of motor vehicles (SIC 29) makes up 3,000 of the 3,325 'manufacturing of metals, electrical products and machinery' jobs (SIC 24-30) in the city. Therefore, it may be assumed that the vast majority of GVA in SIC 24-30 corresponds to the automotive sector. Despite employing under 2.5% of Oxford's workforce, it generated an estimated £415m in GVA, over 6% of the local authority's total. This contrasts with the largest employment sector, education, which makes up a share of 30% of all jobs but contributes 27% of GVA. **Figure 2.13** shows that based on 2-digit SIC codes, manufacturing of motor vehicles is the 5th largest contributor to Oxford's GVA, ahead of key sectors such as professional & scientific (which includes publishing activities), retail and construction.

⁵⁷ ONS, 2022. Business Register and Employment Survey 2021

Figure 2.13 – Manufacturing of metals, electrical products and machinery, which mostly comprises automotive manufacturing, is Oxford’s fifth largest sector by GVA

Top sectors (2-digit SIC) by GVA in Oxford, 2021



* Manufacturing of metals, electrical products and machinery (SIC 24-30) are grouped together in ONS GVA data for local authorities.

Source: ONS, 2022. 2021 Regional gross value added (balanced) by industry: local authorities by ITL1 region South East.

A key focus of Oxford’s policy

“Our automotive sector continues to lead the way on innovation for autonomous and electric vehicles.”⁵⁸ – Oxford’s Economic Strategy

2.45

The automotive sector is recognised by Oxford City Council and the Oxfordshire LEP as being crucial to making the most of opportunities to grow the economy and improve society across the respective areas. Specifically:

- **Oxford’s Economic Strategy** – notes the automotive sector as having a key role to play in the move towards a low carbon economy.
- **Oxfordshire LEP Future Mobility Strategy** – states that new vehicle technology will play a major part in making Oxfordshire one of the world’s top three innovation ecosystems by 2040.⁵⁹ In doing so, the automotive sector will be meeting a key goal of Oxford’s Local Industrial Strategy.⁶⁰

⁵⁸ Oxford City Council, 2021. Oxford’s Economic Strategy 2022-2023

⁵⁹ Oxfordshire LEP, 2021. Future Mobility

⁶⁰ Oxfordshire LEP, 2020. The Investment Plan

- **Pathways to a zero carbon Oxfordshire** – smaller firms have clustered around Oxford due to the location of the Oxford Plant. These firms are now at the cutting edge of innovation in low-carbon mobility.⁶¹

2.46 The Proposed Development is key to ensuring Oxford’s largest automotive asset, the Oxford Plant, can continue to operate long-term and make the most of the opportunities associated with the move to a low carbon economy.

The contribution of BMW

2.47 The Oxford Plant has played a major part in the history, economy and identity of Oxford for more than one hundred years. Today, it is one of the few manufacturing facilities in the country that maintain the legacy of the British car industry while innovating to adapt to a market with shifting sustainability objectives and consumer needs.

2.48 The plant manufactures the vast majority of all vehicles produced in the South East, with an output of 186,000 in 2022. The MINI model made up most of this total with 160,000 units built, making it the most manufactured model in the UK that year. In addition, the MINI was the most exported model, as shown in **Table 2.4**.

Table 2.4 – More MINIs were made in and exported from the UK than any other car model

Top five car models by production volume and exports 2022

Production	Exports*
MINI – 160,000	MINI
Nissan Qashqai – 158,000	Nissan Qashqai
Toyota Corolla – 101,000	Toyota Corolla
Nissan Juke – 50,000	Range Rover
Range Rover – 43,000	Nissan Juke
Total produced: 775,014	Total exported: 606,838

Source: SMMT, 2023. Motor Industry Facts 2022

*Export figures are not available by model

The opportunity of the Proposed Development

2.49 The Proposed Development will serve to upgrade the Oxford Plant’s facilities for the production of two new all-electric MINI models from 2026, the MINI Cooper 3-door and the compact crossover MINI Aceman. The factory will reach a production capacity of around 200,000 cars per year in the medium term, with Internal Combustion Engine (ICE) and EVs initially being built on the same production line. From 2030, the Oxford Plant will produce all-electric MINI models exclusively.⁶²

⁶¹ Oxford City Council, 2021. Pathways to a zero carbon Oxfordshire

⁶² Retrieved from <https://www.press.bmwgroup.com>. Accessed September 2023

- 2.50 To put this in context, producing 200,000 passenger cars at the Oxford Plant would be equivalent to 27% of the UK’s overall passenger car production level as of 2022.⁶³ This figure would be almost three times higher than the existing UK automotive production of EVs.
- 2.51 This scale of production would mean that the Proposed Development would enable the company to compete at a global level, leveraging its skilled workforce, diverse supply chain and significant R&D opportunities in its new facility.

Government support for the Proposed Development:

Prime Minister Sunak welcomes the move as “another shining example of how the UK is the best place to build cars of the future”⁶⁴

Chancellor Jeremy Hunt said the plans were a “huge vote of confidence” in Britain⁶⁵

Table 2.5 – The Proposed Development would play a significant role in the UK’s ambition to scale up EV uptake and capitalise on a green manufacturing revolution

Contribution of the Proposed Development to securing the opportunities presented by the automotive industry.

Opportunity	Contribution of the Proposed Development
Innovation developed in universities, motorsport and SMEs	Updated manufacturing facility would contribute to and benefit from the battery and CAV ecosystem around Oxford University and local SMEs by providing a state-of-the-art facility ready for the latest technological developments.
Increasing capacity and resilience of supply chain capabilities	The Proposed Development would enable the Oxford Plant to manufacture 200,000 EVs each year in the medium term, increasing its current capacity (160,000 MINIs were manufactured in 2022). This would increase efficiency, competitiveness and reliability of the supply chain, improve sourcing of local components and secure key materials for EV production.
Leading battery manufacturing and technology developing in the UK amidst a global shift to Battery Electric Vehicles	Scaling up manufacturing of EVs to help meet the Zero Emission Vehicle mandate and policy targets, and boost exports of a highly in-demand British built model.
Growth in skills development opportunities to secure talent pipeline in the EV industry	Employment, apprenticeships and work placements at the Proposed Development would grow Oxford’s skill base and unlock more opportunities in the industry for residents. Further detail is provided in Section 5 .

⁶³ SMMT, 2023. Motor Industry Facts 2022

⁶⁴ Retrieved from [gov.uk/government/news/major-bmw-ev-announcement](https://www.gov.uk/government/news/major-bmw-ev-announcement). Accessed October 2023

⁶⁵ Retrieved from [gov.uk/government/news/major-bmw-ev-announcement](https://www.gov.uk/government/news/major-bmw-ev-announcement). Accessed October 2023

3. Supporting the transition to electric vehicles

Much of the opportunity surrounding the automotive manufacturing sector is the new innovation and research into the production of electric vehicles. This section explores the contribution that supporting the production of electric vehicles can have on the UK's wider aspirations for net zero and climate change.

The importance of electric cars

Legal framework and policy aspirations

- 3.1 In 2019, the UK was the first major economy to pass legislation to reach net-zero emissions by 2050.⁶⁶ A key part of achieving this will be to tackle pollution created by vehicles on the road.
- 3.2 The Government had established a ban on the sale of petrol vehicles by 2030, which was included in the March 2023 Net Zero Growth Plan.⁶⁷ However, on 20th September 2023, Prime Minister Rishi Sunak announced a delay on this policy until 2035.⁶⁸
- 3.3 In addition to the decarbonisation policies, the UK Government recently proposed a Zero Emission Vehicle (ZEV) mandate for manufacturers with sales targets of EVs. From 2024, the mandate's targets will require an increasing percentage of a manufacturer's annual new car and van sales in the UK to be zero emission until reaching 100% in 2035.⁶⁹

Importance of electric vehicles in reducing emissions

- 3.4 It is well documented that transport is the single largest contributor to greenhouse gas emissions in the UK. In 2022 transport accounted for 34% of all territorial carbon dioxide emissions.⁷⁰ It is estimated that 16% of total greenhouse gases are produced by the transport sector, of which, more than half comes from passenger vehicles. Removing tailpipe emissions is therefore a clear priority to decarbonise the sector. This is particularly important as transport has made slower progress in reducing emissions over the past three decades when compared to the rest of the UK economy (**Figure 3.1**).

⁶⁶ Oxford City Council, 2021. Pathways to a Zero Carbon Oxfordshire

⁶⁷ HM Government, 2023. Powering Up Britain: The Net Zero Growth Plan

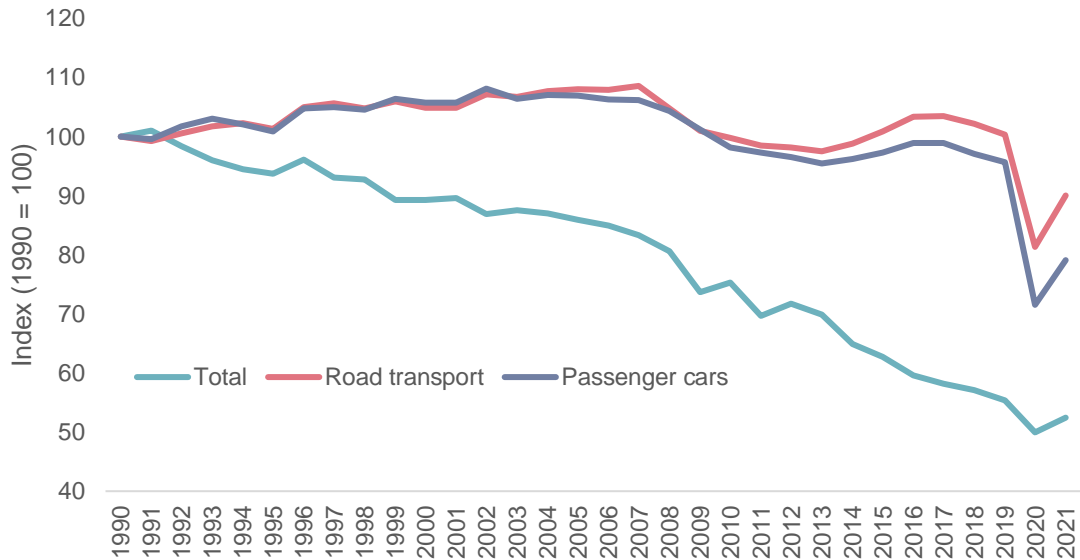
⁶⁸ Retrieved from [gov.uk/government/speeches](https://www.gov.uk/government/speeches). Accessed September 2023

⁶⁹ Department for Transport, 2023. Government response and outcome to technical consultation on zero emission vehicle mandate policy design. Retrieved from [gov.uk/government/consultations](https://www.gov.uk/government/consultations)

⁷⁰ Department for Energy Security & Net Zero, 2022. Final UK greenhouse gas emissions national statistics 1990-2021

Figure 3.1 – Road transport has been slower to reduce its greenhouse gas emissions than the rest of the economy

UK greenhouse gas emissions national statistics 1990-2021 (Index: 1990 = 100)



Source: Department for Energy Security & Net Zero, 2022. Final UK greenhouse gas emissions national statistics 1990-2021

3.5 With no tailpipe, pure electric cars produce no carbon dioxide or other harmful emissions when driving.⁷¹ In over a year, just one electric car on the roads can save an average 1.5 million grams of CO₂. That's the equivalent of four return flights from London to Barcelona.

3.6 It is therefore necessary to modernise the national fleet of passenger cars and phase out ICE vehicles in favour of zero emission modes of transport. As the ownership and use of private vehicles is expected to remain at high levels in the foreseeable future, it is essential that consumers who wish to shift from petrol or acquire a new car have access to a competitive EV market.

UK production of electric vehicles

Current output

3.7 In 2022, approximately one third of the vehicles produced in the UK were electric or hybrid. Contrasting with the overall decline in car production since 2019, the number of EVs built in the country has soared. Approximately 75,000 EVs were made in the UK last year, taking the share of total manufacturing from 3.4% in 2019 to 9.5% in 2022.⁷² The growth in the first half of 2023 has been even more significant, surging to 170,231 electric and hybrid electric units produced by the end of June 2023, signalling a potential new record in 2023 for BEVs made in the UK.⁷³

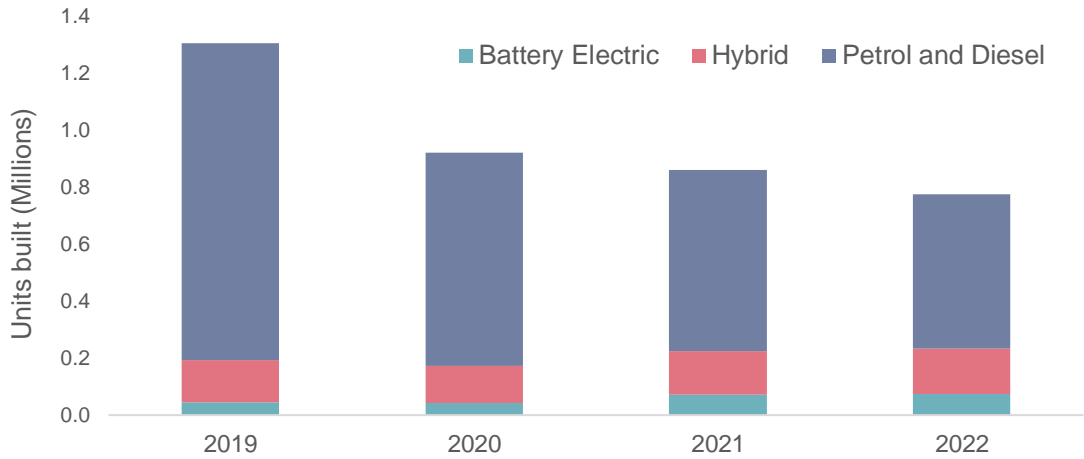
⁷¹ Retrieved from <https://www.edfenergy.com/>. Accessed October 2023

⁷² SMMT, 2023. Motor Industry Facts 2022

⁷³ Retrieved from <https://www.smm.co.uk/>. Accessed October 2023

Figure 3.2 – Despite a falling output in total vehicle manufacturing, the number of EVs built in the UK has increased steadily to reach its highest share of total vehicle production in 2022

Passenger vehicles manufactured in the UK by type, 2019-2022



Source: SMMT, 2023. Motor Industry Facts Report

3.8 While scaling up EV manufacturing is a base requirement to phase out ICE vehicles and raise industry productivity, production volumes are usually internal company targets. As the majority of vehicles made in the UK are exported, it is necessary to increase the share of EVs that make up the national car fleet to achieve policy objectives. A helpful measure to track this is the share of new car registrations by year.

3.9 The Climate Change Committee (CCC) published a report to Parliament, assessing the Government’s progress on climate policies.⁷⁴ Their research found that in 2022 the share of new EV car registrations in the UK was 17%, four points above their estimated required uptake to reach 100% by 2035. **Figure 3.3** shows that since 2020 the share of new car registrations that are BEVs has increased significantly, and is on track to exceed initial Government targets.

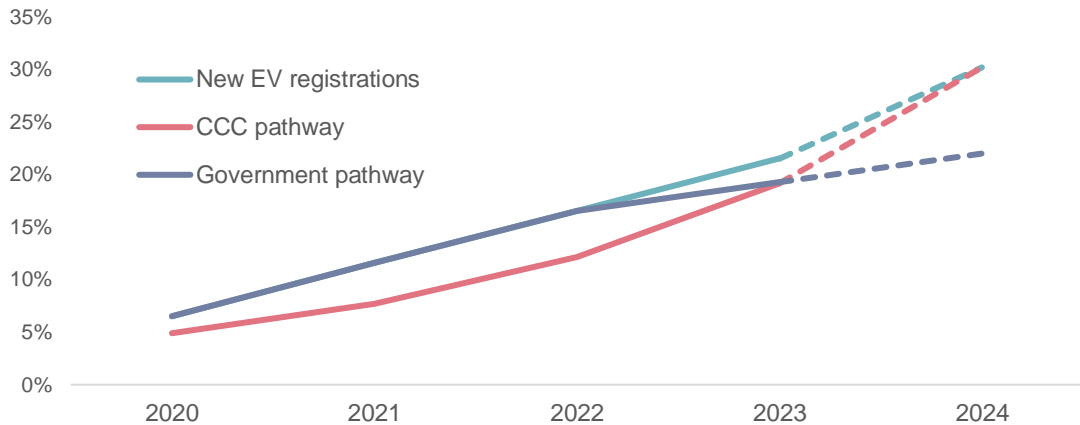
3.10 Despite this increase in uptake, the share of EVs in the overall car fleet remains low at approximately 2%.⁷⁵ The CCC report therefore concludes that in addition to sales, the Government will need to keep track of the total volume of EVs in the country’s car fleet to ensure the uptake occurs at the pace required to reduce emissions.

⁷⁴ The Climate Change Commission, 2023. Progress in reducing emissions report to Parliament

⁷⁵ The Climate Change Commission, 2023. Progress in reducing emissions report to Parliament

Figure 3.3 – The proportion of EV registrations in the UK has been above the Government ZEV mandate target

Percent of new EV car registrations in the UK against Government and CCC targets



Source: The Climate Change Commission, 2023. Progress in reducing emissions report to Parliament

3.11 The share of new car registrations is a helpful indicator to compare the UK’s performance against competitors such as the EU. In the first half of 2023, almost 18% of new car registrations in the UK were for BEVs. This figure is above the average of the EU (12.9%), although several countries achieved rates above 30%.⁷⁶

The role of the Proposed Development

3.12 Since 2019, the MINI plant at Oxford has been producing the MINI electric, a three-door EV. As discussed in **paragraph 2.49**, the Proposed Development will allow the Oxford Plant to produce new EV models of the MINI. Production would reach 200,000 per year in the medium term, equivalent to 27% of existing UK passenger car production as of 2022. This would be a considerable improvement in the UK’s output of EVs, and help meet the rising demand from consumers for this type of vehicle.

“With this new investment we will develop the Oxford plant for production of the new generation of electric MINIs and set the path for purely electric car manufacturing in the future”⁷⁷ – Milan Nedeljković, Member of the Board of Management of BMW AG responsible for production.

⁷⁶ European Automobile Manufacturers’ Association (ACEA), 2023. Passenger Car Registrations Report

⁷⁷ Retrieved from: <https://www.press.bmwgroup.com/>. Accessed October 2023

4. Safeguarding a vital economic asset

The Oxford Plant is one of Oxford’s largest employers, and is a significant contributor to the UK’s automotive manufacturing sector. The Proposed Development will play a crucial role in safeguarding this employment and ensuring that the Oxford Plant continues to be a major part of the Oxford community.

The current economic impact of the Oxford MINI Plant

Direct employment

- 4.1 The Oxford Plant has been at the heart of the Oxford community for 110 years. Successful implementation of the Proposed Development and the shift to EV production could secure and potentially increase employment in Oxford from 2026 onwards.

Aligning with Oxford policy – Policy SP8

The application site benefits from a site-specific policy in Oxford’s Local Plan. Specifically, Policy SP8. This policy seeks to protect the MINI Plant as an important Category 1 employment site to ensure it delivers the economic objectives of the Local Plan. The Proposed Development complies with Policy SP8 through the provision of employment development and other complementary uses to help bolster the economic function of the Oxford Plant.

- 4.2 As of 2023, the Oxford Plant employs almost 3,400 highly skilled employees and apprentices, who together build up to 1,000 MINIs a day – one every 67 seconds. This employment contributes to 20% of total employment across the South East in automotive manufacturing.⁷⁸

Table 4.1 – The Oxford Plant supports almost 3,400 jobs across manufacturing and office based roles

Oxford Plant direct employment

	FTEs	Jobs
Manufacturing	2,450	2,470

⁷⁸ SMMT, 2022. Full Throttle To Full Charge: Driving Forward UK Automotive

	FTEs	Jobs
Management/admin	875	880
Total	3,320	3,350

Source: Volterra analysis; the Applicant; ONS, 2022. Business Register and Employment Survey 2021

Worker expenditure

- 4.3 It is expected that those employed at the Oxford Plant spend money in the local area on retail, leisure, food and beverage on-site before and after their working day.
- 4.4 Greater London Authority (GLA) finds that an average office worker in London is expected to spend £13 per day in and around their workplace as of 2020.⁷⁹ The following adjustments are made to accurately estimate construction worker expenditure:
- Sector differentials for earnings of construction workers relative to office workers⁸⁰
 - Earnings growth over 2020-2023⁸¹
 - South East earnings differential to London⁸²
 - Oxford wage level workers⁸³
- 4.5 Based on the same methodology as for the average construction worker expenditure, it is estimated that the average worker at the Oxford Plant would spend approximately £14 each day at on-site food and beverage facilities, as well as in the surrounding the local area.
- 4.6 Accounting for the number of workers on site, and assuming 220 working days per year, it is estimated that workers at the Oxford Plant spend on average £9.9m on-site and in the nearby area each year.
- 4.7 However, due to the location of the site outside the city centre, and the presence of various on-site food options, a 50% factor has been applied to the estimate to give an estimated annual local work spend of £5.0m. This expenditure provides additional income to local businesses, such as retail and leisure outlets, near the site. This worker expenditure is estimated to be approximately 2.2% of the existing retail expenditure in the south of Oxford according to the latest Oxford City Retail and Leisure Study.⁸⁴

Net employment

Displacement

- 4.8 The Proposed Development would safeguard existing jobs at the site so there would be no displacement from elsewhere in the UK.

⁷⁹ GLA, 2020. Lost worker vs. tourism expenditure in the Central Activities Zone (CAZ) during the COVID-19 Pandemic

⁸⁰ ONS, 2023. EARN03 Average Weekly Earnings

⁸¹ ONS, 2023. EARN01 Average Weekly Earnings

⁸² ONS, 2023. EARN05 Average Weekly Earnings

⁸³ ONS, 2023. Annual Survey of Hours and Earnings

⁸⁴ Oxford City Council, 2017. Retail and Leisure Study

Multiplier

- 4.9 A composite multiplier reflects further economic activity (in this case employment) that results from income (arising from worker expenditure) and supply-chain impacts (purchases with linked firms along the supply chain). For the Oxford Plant:
- The employment uses at the Oxford Plant support the production of the BMW MINI. The Proposed Development will enable the continuation of this production and the transition to electric vehicle production. The automotive manufacturing sector is generally considered to have an extensive supply chain. It is likely that some of this supply chain will remain abroad due to the number of materials and components which are sourced internationally. However, much will be spent in the UK and South East.
 - The Oxford Plant supports office-based workers as well as those who work in the manufacturing side of the business. The workers are therefore expected to spend varied amounts of their income on-site and in nearby areas on retail, food & beverages, and leisure options before and after their working hours (e.g. after work drinks, dinners and so on). There are a number of shops nearby, such as a Tesco Superstore and Lidl, which would also likely benefit from this expenditure.
- 4.10 There are several estimations of the employment multiplier for the automotive manufacturing (and closely related) sector(s). These are often considered at the national level. These include:
- **SMMT research (most recent)** – “For every job in our sector, another 2.2 jobs are supporting in adjacent sectors who benefit from a strong UK automotive industry.”⁸⁵ This results in an employment multiplier of 3.2.
 - **SMMT research (past editions)** – “Every job in the sector creates another 2.1 jobs in sectors from chemicals and steel to finance and advertising.”⁸⁶ This results in an employment multiplier of 3.1.
 - **Faraday Gigafactory report** – “One gigafactory job supports a further 1.8 jobs in the battery supply chain.”⁸⁷ This results in an employment multiplier of 2.9.
 - **HCA Additionality Guide** – Reports that motor vehicles sector has a composite output multiplier of 2.1.⁸⁸
 - **Alliance for Automotive Innovation (US)** – “Each job for an auto manufacturer in the United States creates nearly 10.5 other positions in industries across the economy.”⁸⁹
- 4.11 Overall, a multiplier of 3.2 is used to assess the net additional employment supported by the Oxford Plant. This is viewed as the most applicable of the above research to the Oxford Plant, given the focus of activity on site. It is positive to see the number broadly aligns with research done outside of SMMT.
- 4.12 Applying this multiplier finds that the economic activity at Oxford supports a further 7,370 jobs in the wider UK supply chain.

Table 4.2 – The Proposed Development would safeguard 3,350 jobs in Oxford, almost the entire automotive manufacturing sector in the local authority

Direct and indirect employment supported at the Oxford Plant

Employment	FTEs	Jobs
Direct employment on-site	3,320	3,350

⁸⁵ SMMT, 2023. Manifesto 2030: Automotive Growth For a Zero Emission Future

⁸⁶ SMMT, 2022. Full Throttle To Full Charge: Driving Forward UK Automotive

⁸⁷ The Faraday Institution, 2022. UK electric vehicle and battery production potential to 2040

⁸⁸ HCA, 2014. Additionality Guide

⁸⁹ Alliance for Automotive Innovation, 2022. The Driving Force

Employment	FTEs	Jobs
Indirect employment supported elsewhere in the UK	7,305	7,370
Total employment supported by Oxford Plant	10,630	10,725

Source: Volterra analysis

Economic value and tax contribution

Gross value added

4.13 GVA is the additional value generated by economic activity. The GVA impact of a development is estimated by multiplying the number of jobs in each sector by the annual GVA per job in that respective sector.

4.14 There are a number of different ways and methods to obtain an estimation of the GVA per worker in the automotive manufacturing sector, as summarised in **Table 4.3**.

Table 4.3 – The GVA of workers at the Oxford Plant is higher than the national average across all sectors across all sources

GVA per worker in automotive manufacturing

Source	Sector	Geography	Employment	GVA	GVA per worker
SMMT, 2023. Manifesto 2030: Automotive Growth For a Zero Emission Future	Automotive related manufacturing	UK	208,000	£16bn	£76,900
SMMT, 2022. Full Throttle To Full Charge: Driving Forward UK Automotive	“Workers employment directly by UK Automotive” / motor industry	UK	182,000	£14bn	£76,900
ONS	SIC 29.1	UK	77,520	£6.2bn	£80,200
ONS	SIC 28-30	Oxfordshire	5,575	£590m	£106,200
ONS	SIC	Oxford	3,310	£415m	£124,800

Sources: Volterra analysis

4.15 To account for uncertainty, the widest range of the above GVA per worker is taken (£76,900-£124,800). It is therefore estimated that between £260m-£420m of direct gross value added is supported each year at the

Oxford Plant, which is between 2%-3% of total vehicle manufacturing GVA across the UK, and between 28%-44% across the South East.⁹⁰

Tax contribution

4.16 By comparing national statistics on GVA in the years 1997 to 2017 with public sector receipts in each year, it can be shown that tax revenues typically account for between 30% and 40% of GVA, through business rates, VAT, corporate and income tax (among other smaller taxes).^{91,92,93}

4.17 Applying this to the GVA calculation, it is estimated that the Proposed Development would support annual gross tax revenues of between £75m-£170m.

Business rates

4.18 It is estimated that the existing site at Oxford Plant pays approximately £5m in annual businesses rates, rising to £5.5m by 2026. This translates to between £2m-£2.1m going to Oxford City Council each year. This is in line with the estimated business rates paid at other major automotive manufacturing plants in the UK, as shown in **Table 4.4**.

Table 4.4 – Similar sites across the UK contribute millions in business rates each year

UK's top automotive manufacturing sites business rates contributions

Manufacturer	Location	Annual business rates paid
Jaguar Land Rover	Wolverhampton / Staffordshire	£4.5m
Nissan	Sunderland	£6.0m
Toyota	Burnaston	£5.3m
Rolls Royce (BMW)	Chichester	£1.9m

Source: Retrieved from: <https://www.tax.service.gov.uk/business-rates-find/search?load=true>. Accessed October 2023

The construction of the Proposed Development

4.19 As well as safeguarding the employment at the existing Oxford Plant and the associated economic impact of the activity on site, the Proposed Development will result in increased economic activity during the construction phase. Economic impacts arising from the construction phase are captured in two ways – first, the employment generated by construction and second, the additional spending in the local area as a result of this employment.

⁹⁰ ONS, 2023. Gross value added (balanced) by industry

⁹¹ ONS, 2019, Gross value added (income approach).

⁹² ONS, 2019, Public sector finances.

⁹³ ONS, 2019, Public sector finances.

Construction employment

- 4.20 The standard method of calculating construction employment involves dividing the construction cost by the Gross Value Added (GVA) of the average construction worker in the area i.e. their annual economic output/contribution to the economy.
- 4.21 It is estimated that over the 17-month construction period, the Proposed Development would create a total of 1,725 construction job years, and thereby support an average of 1,220 construction jobs over the construction period.

Construction worker expenditure

- 4.22 Much like the existing operational workforce at the Oxford Plant, it is expected that those employed as part of the construction of the Proposed Development would spend money in the local area on retail, leisure, food and beverage before and after their working day. Based on the same methodology as for the average automotive manufacturing worker expenditure above, it is estimated that the average construction worker at the Proposed Development would spend between approximately £12 each day in the local area.
- 4.23 Based on this, workers are expected to spend £3.1m on-site and in the nearby area each year of the construction phase, and £4.4m across the entire construction period.
- 4.24 However, as with the expenditure estimates for the existing workers at the Oxford Plant, a 50% factor has been applied to the estimate to be conservative. This results in an anticipated annual expenditure of £1.6m in the local area each year, and £2.2m across the entire construction period.

5. Social impacts

Sustainability

“Oxford’s Economic Strategy seeks to establish a new standard for economic inclusion in the city. This will be underpinned by the strength of an impactful global city economy, evolving in a way which recognises environmental limits and harnesses the opportunity of a new zero carbon economy.”⁹⁴ – Oxford Economic Strategy

- 5.1 Whilst the previous section discussed the contribution the Proposed Development can make towards transitioning to a low carbon economy through its production, the Applicant is committed to ensuring steps are taken to ensure its operations are as sustainable as they can be.
- 5.2 In 2003, Oxford City Council identified central Oxford and the Green Road roundabout as Air Quality Management Areas (AQMAs) – a place where the annual mean NO₂ objective is breached.⁹⁵ However, further detailed assessments in 2008 and 2010 resulted in the whole city being declared as an AQMA.
- 5.3 Since then, Oxford has declared a climate emergency (January 2019) and become the first UK city to hold a Citizens’ Assembly on Climate Change. The majority (90%) of Assembly Members agreed that the UK Government’s current target to reach zero carbon by 2050 is not ambitious enough, and that Oxford should aim to achieve net zero sooner than 2050.⁹⁶
- 5.4 The Applicant has a positive track record in sustainable operation and has introduced a number of measures at the Oxford Plant in recent years to operate sustainably. The Applicant is committed to developing these measures as part of the Proposed Development. Measures include:
- **Solar energy** – the existing body shop at the Oxford Plant has one of the largest roof-mounted solar farms installed in the UK. The photovoltaic system comprises of 11,500 solar panels, covering 20,000 square metres (an area equivalent to five football pitches) and generates the equivalent of the electricity consumption of over 930 households, and it reduces the annual carbon footprint of the Oxford Plant by around 1,500 tonnes.⁹⁷ The Proposed Development would have further positive impact on climate change through the provision of solar PV panels on-site and an energy efficient building design.
 - **Minimising waste** – All BMW production sites have on-site waste management centres. Almost all (97%) of the waste that is generated through production is recycled, recovered, or reused. The Oxford Plant has been at the forefront of this, where rain water is harvested and used for flushing the toilets around the site.⁹⁸ The Applicant is committed to minimising waste at the Proposed Development through the construction and operational phase.

⁹⁴ Oxford City Council, 2021. Oxford Economic Strategy 2022-32

⁹⁵ Oxford City Council, 2021. Oxford City Council Air Quality Action Plan

⁹⁶ Oxford City Council, 2019. Oxford to Zero

⁹⁷ Retrieved from: <https://www.mini.co.uk/>. Accessed October 2023

⁹⁸ Retrieved from: <https://www.mini.co.uk/>. Accessed October 2023

BMW – a track record in sustainability

BMW has repeatedly been recognised as the world's most sustainable car manufacturer and we are happy to engage with UK government on environmental sustainability projects such as green logistics.

They have ambitious internal carbon reduction targets through the timeframe of this project and would ensure that they are met in its deployment.

Their commitment to sustainability has been recognised across the globe, for instance, BMW has repeatedly won the Dow Jones award for being the world's most sustainable car manufacturer.

BMW's product portfolio is diversifying into electrified powertrains dramatically and we have set CO2 reduction targets of 20% in our supply base and 80% in our own operations (2030 vs 2019).

The MINI will become an entirely electrified brand by 2030 all across the globe. The Proposed Development will play a key part in meeting this commitment.

Delivering meaningful employment and skills opportunities for local residents

- 5.5 The Oxford Employment and Skills Technical Advice Note sets out an aspiration to promote an 'inclusive economy' that helps local people into employment. It specifically states that major new development proposals can provide an opportunity to support jobs, skills and training, which can bring real benefits to the local community.⁹⁹
- 5.6 In the context of Oxford's vision for employment, the Proposed Development has the potential to deliver on the green jobs and skills identified as a priority for the city. This objective is highly relevant for Oxford Council, as stated in its recent economic strategy for 2022-2032.¹⁰⁰ The strategy proposes a three-pronged approach consisting of economic inclusion, addressing environmental impacts, and harnessing the opportunities of a new zero carbon economy. The latter pillar aims to build on Oxford's strengths in the net zero economic environment, and expects benefits in skills and employment from this approach.
- 5.7 Given the size and scale of the long-term opportunity at the Oxford Plant, it is vital that the Proposed Development contributes to this goal. The upgrade of the facility will bring next generation technology for green automotive manufacturing to Oxford, enabling the development of the local green skills and jobs required for a successful long-term operation. Workers would be upskilled with on-the-job training in new EV technologies, helping to drive new skillsets among Oxford residents and contribute to the transformation of

⁹⁹ Oxford City Council, 2021. Technical Advice Note (TAN) 2: Employment & Skills

¹⁰⁰ Oxford City Council, 2021. Oxford's Economic Strategy 2022-2032

the local and national automotive industry workforce into a new zero-carbon skilled workforce. The Applicant has a proven track record of providing high-quality employment and training at the Oxford Plant, and is committed to deliver the jobs and skills needed for net zero through the new facility.

5.8 The 2022-2024 OxLEP Skills Strategy states that half of all occupations in Oxfordshire require degree or higher level (Level 4+) qualifications, compared to a third nationally. Employers across Oxfordshire have also reported a shortage of high-level technical skills. To address this, it is necessary to increase take-up of T-Levels, improve the offer of high-level vocational/technical courses and of apprenticeships aligned to emerging technologies and employer needs.¹⁰¹ The Oxford Plant has played a key role in supporting this in the past, and can continue to do so in the future through the Proposed Development.

Apprenticeships

5.9 The Applicant is committed to the development of local skills and providing pathways for Oxford residents into the manufacturing industry of the future. As one of the largest employers in the city, it has been an important partner in the design and implementation of Oxford City Council’s skills and employment plans and strategies.

5.10 The Applicant offers significant training opportunities across their sites. Their apprenticeship programmes provide the primary source of future talent into its manufacturing facilities. Over the last four years alone, the Applicant has supported around 100 apprenticeships at the Oxford Plant. This signifies the Applicant’s commitment to nurturing future talent through its manufacturing facilities. With the Proposed Development, the apprenticeships programme will be continued and updated to adapt to the rapidly changing needs of the industry.

Table 5.1 – Since 2019 the Oxford Plant has taken almost 100 apprentices in a range of roles and career paths

Role	Apprenticeships
Business	4
Maintenance	61
Engineering Technician	15
Data Analytics	3
Control Engineer	13
IT Systems Specialist	1
Pay Roll Apprentice	2
Total	99

Working with schools

5.11 The Oxford Plant has a dedicated schools engagement team with a School Liaison Officer, connecting BMW Group with local education providers. The objective of the team is to reach students early on and to make sure they are aware of the opportunities available to them at the plant and around the county. The Oxford Plant has added a facility called Junior Campus to introduce students to the manufacturing world and

¹⁰¹ OxLEP, 2022. Oxfordshire Skills Strategy 2022-2024

the importance of sustainability. The programme aims to support the local community in terms of employability and nurture the soft skills within students that are needed for the world of work.¹⁰²

- 5.12 The Applicant has stated that they are keen to explore further ways they can provide educational opportunities by engaging with local schools. This shows a clear commitment from the Applicant to deliver employment and skills benefits to local residents, aligning with the Oxford TAN policy.¹⁰³

Collaboration with Oxford University

- 5.13 The Applicant has also collaborated with Oxford University through the Plant Oxford programme. The scheme allows students from Oxford's SDG Impact Lab to gain an insight into manufacturing and sustainable production and work with the team at the plant to identify where further developments could be made in employee wellbeing, the local Oxford community and the plant's environmental impact.¹⁰⁴
- 5.14 The Proposed Development would allow for further research into the latest EV manufacturing techniques, providing a mutually beneficial partnership for both the Plant and the University. The collaboration would help with the optimisation of the facility's processes while the University would have more scope for further research.

Providing both high-skilled and low-skilled jobs for local people

- 5.15 The MINI Plant currently supports approximately 3,400 high-quality jobs, about a third of which are filled by Oxford residents. A further 16% are filled by residents of neighbouring areas within 10 miles of the site, and a total of 73% of workers reside within Oxfordshire.
- 5.16 The Applicant is committed to the development of local skills and providing pathways for Oxford residents into the manufacturing industry of the future. As one of the largest employers in the city, the Applicant is an employment partner for Oxford City Council in the design and implementation of skills and employment plans and strategies.
- 5.17 A significant share of the jobs at the Oxford Plant are filled by workers with NVQ1-3 qualifications, particularly NVQ 2. **Figure 5.1** shows that over 2,100 employees hold this level of qualification and are mostly involved directly in the manufacturing process.

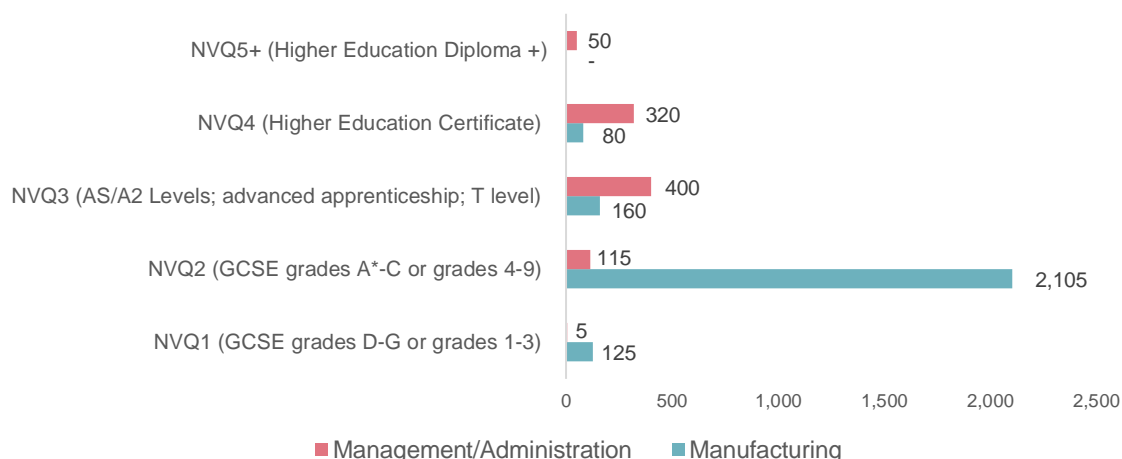
¹⁰² OxLEP, 2022. Oxfordshire Skills Strategy 2022-2024

¹⁰³ Oxford City Council, 2021. Technical Advice Note (TAN) 2: Employment & Skills

¹⁰⁴ Retrieved from <https://www.press.bmwgroup.com>. Accessed October 2023

Figure 5.1 – The vast majority of workers employed at Plant Oxford hold an NVQ2 qualification, but there are also hundreds with NVQ1 and 3

Manufacturing and Management/Administration jobs at Plant Oxford by NVQ qualification



5.18

This shows that the Oxford Plant provides employment for all skill levels, with an emphasis on operational jobs that require vocational qualifications or on-the-job training. This represents a significant number of positions with a profile that caters to the approximately 30,000 working age people in Oxford who have NVQ 1 -3.¹⁰⁵ Safeguarding these opportunities, which are not widely available in Oxford, will be key to maintaining the employment rate of this particular population. This is particularly vital as the employment rate for the non-degree level population is lower than those with degrees at all geographies (see **Table 5.2**).

Table 5.2 – There is a lower-than-average employment rate for workers with NVQ 1, 2 and 3 across all geographies, but Oxford shows a better result for those with NVQ 2

Percentage of employed people aged 16 - 64 by qualification and employment rate, 2021

Qualification	Oxford	Oxfordshire	South East	UK
NVQ4+	78%	86%	86%	85%
NVQ3	45%	63%	71%	68%
NVQ2	61%	57%	64%	60%
NVQ1	48%	73%	70%	65%
Other qualifications	N/A	67%	74%	72%
No qualifications	N/A	51%	49%	43%
Employment rate	69%	77%	78%	75%

Source: Volterra analysis of ONS Annual Population Survey, Jan – Dec 2021

¹⁰⁵ Based on calculations from Annual Population Survey, Jan – Dec 2021

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