



West Oxfordshire Economic Snapshot

CAG Consultants in association with Ramidus Consulting

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West Oxfordshire District Council
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1. Introduction

1.1 Study Brief

CAG Consultants, in association with Ramidus Consulting, was commissioned to produce a local economic snapshot and outlook to inform the pre-submission draft West Oxfordshire Local Plan and future Economic Strategy. The objectives of the study are to provide robust evidence and advice on current and future economic development needs and priorities in West Oxfordshire to help inform the pre-submission draft Local Plan. There is also a longer-term use for this study, in terms of feeding in to an update of the Council's Economic Development Strategy.

The study should provide the evidence necessary to inform key issues that are likely to be debated at the Local Plan examination, such as the balance between jobs and housing and the allocation of employment land.

1.2 Report Outline

The report is set out in a way that tries to present the main messages in a clear and accessible format to a wide audience. Additional technical material is set out in a series of Appendices.

Chapter 2 of the report presents the West Oxfordshire Economic Profile setting out an overview of key statistics for the West Oxfordshire economy. This covers population and labour supply; economic and employment structure; and labour market and travel to work analysis. The profile is presented for West Oxfordshire as a whole and also for the five sub-areas of the District.

Chapter 3 presents a property market profile, reviewing commercial property market data both for the district and its sub-areas. It presents a typology of the local property market and assesses the proposed development pipeline.

Chapter 4 sets out the policy context, covering District, County and LEP policies on the economy and related matters such as housing and infrastructure.

Chapter 5 presents an assessment of the current strengths and weaknesses of the District and identifies key economic development gaps that the Council should address.

Chapter 6 sets out forecasts for the future growth of the District. This analyses employment growth by sector, translates these into forecasts of commercial land and property and compares this with the existing stock in the District.

Chapter 7 identifies priority themes for economic development interventions based on existing gaps, growth opportunities and policy objectives.

Finally, chapter 8 sets out overall conclusions and recommendations. It also contains a recommended framework for future monitoring of the strategy.

2 Economic Profile

2.1 Introduction

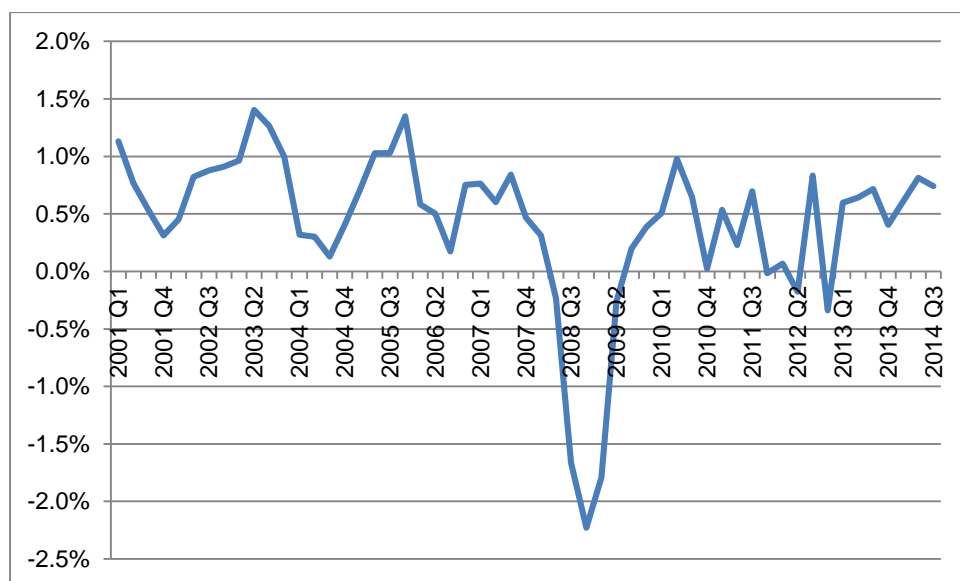
This chapter presents a profile of the West Oxfordshire economy. It covers population and labour supply; economic and employment structure; and labour market and travel to work analysis.

The profile is presented for West Oxfordshire as a whole and also for the five sub-areas of the district.

The National Economic Context

Since the previous West Oxfordshire Economy studies were conducted, the national economic context has changed. The West Oxfordshire Economy Study of 2007 was produced following a period of sustained economic growth. The 2012 update was produced at a time when the economy was flat-lining, following the deepest recession for 70 years. Now the economic context has changed, although the outlook is still uncertain with many mixed signals¹.

Figure 2.1: Quarterly Change in National GDP (%)



Source: ONS

The level of GDP has now just passed its pre-recession peak, though GDP per capita remains below its peak. The current consensus of independent forecasts² for the UK economy is that GDP will grow by 3.1% in 2014 and by 2.6% in 2015. The medium term consensus is that

¹ This point was recently well made in a speech by the Chief Economist of the Bank of England Andrew Haldane entitled Twin Peaks (October 2014) where he set out an 'Ecstasy Index' of positive indicators and an 'Agony Index' of negative ones.

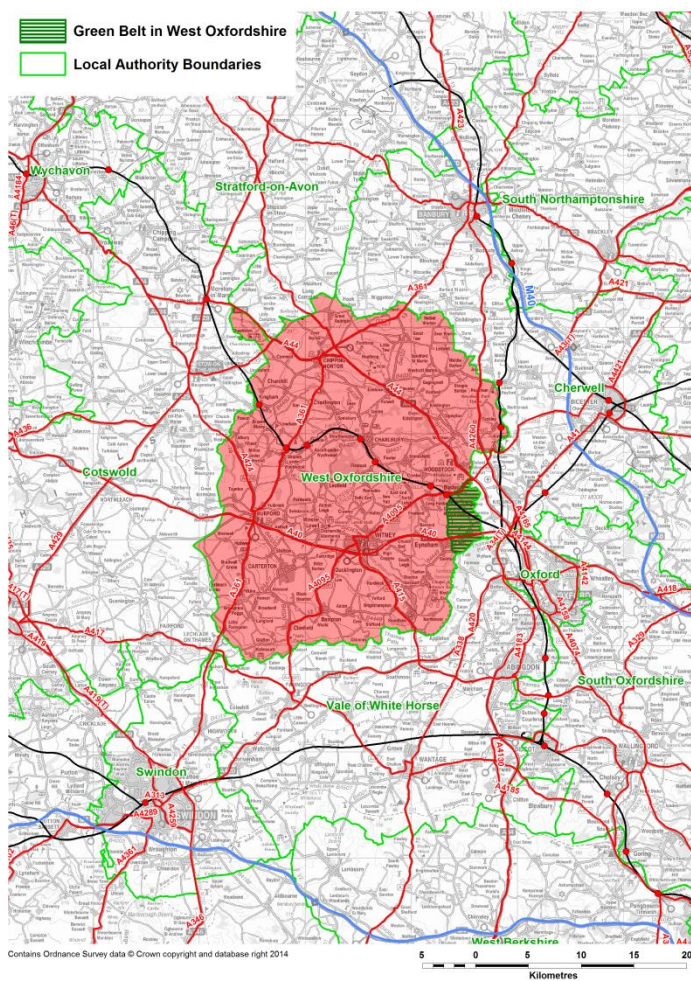
² Forecasts for the UK economy: a comparison of independent forecasts – HM Treasury (October 2014)

growth will be steady at 2.4% p.a. over the period 2016-18³. In addition the South East economy is performing much better than the UK nationally and West Oxfordshire is relatively well placed to take advantage of this. All this suggests the current climate may be a more stable one in which to prepare for the future of the West Oxfordshire economy.

2.2 Population and Labour Supply

West Oxfordshire has a population of 108,000, but is a relatively sparsely populated district at just 151 people per sq km. 61.9% of the population are of working age (16-64), which is slightly below the South East average of 62.7%. The District lies to the west of Oxford, with a Green Belt boundary between the two. It lies between the M4 and M40 motorways.

Figure 2.2: West Oxfordshire District

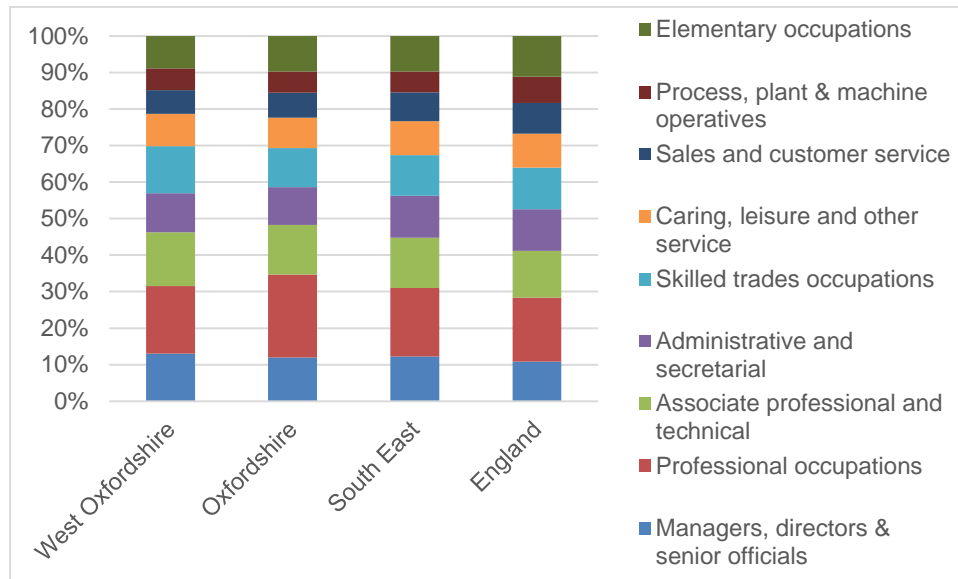


Economic activity rates are high at 84.5%, well above the South East average of 79.9%. Unemployment rates are low, with the modelled unemployment rate being 3.4% compared to the South East average of 5.0% and are half the national average of 6.8%.

³ Forecasts for the UK economy: a comparison of independent forecasts – HM Treasury (August 2014)

As a result, the West Oxfordshire economy is characterised by high employment rates, with 81.2% of people in employment, compared with 75.5% across the South East and 71.7% nationally. Employment rates fell to regional and national levels following the recession but have since recovered, showing a strong economy at least as far as the workforce is concerned. West Oxfordshire has a high proportion of residents who work in higher skilled occupations. In particular the proportion who are managers, directors or senior officials is above both the South East and Oxfordshire average. The proportion who work in skilled trades is also above both regional and country averages (reflecting the area's history in engineering). Generally however the occupational structure fairly closely resembles that of the South East as a whole.

Figure 2.3: Occupational Structure West Oxfordshire Residents



Source: Census 2011

In terms of the sectoral structure of industries in which its residents work, West Oxfordshire has a higher proportion than the South East average who work in public administration and defence, manufacturing, and education. It has a lower proportion working in financial and real estate, transport & storage and health.

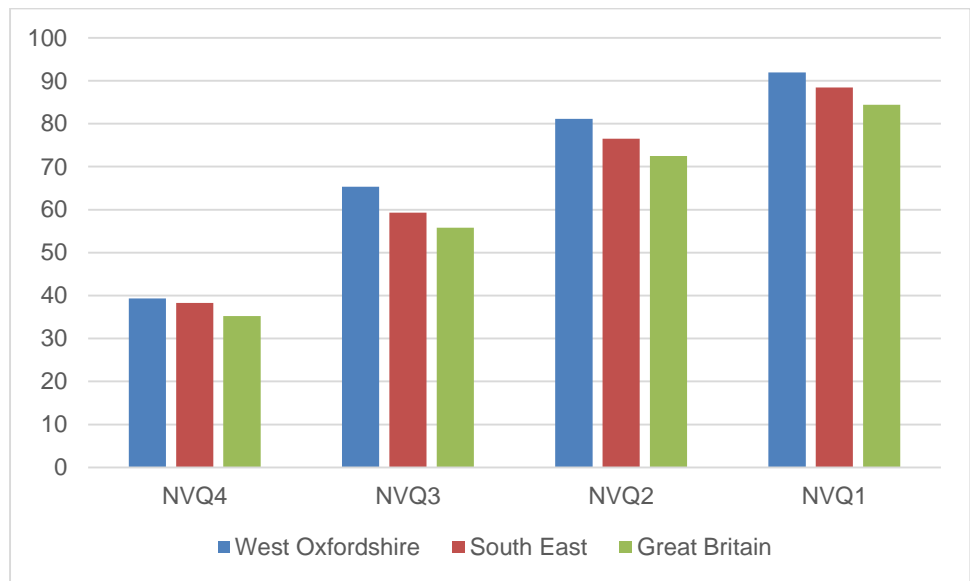
Figure 2.4: Industrial Structure of West Oxfordshire Workforce



Source: Census 2011

In terms of qualifications, the West Oxfordshire workforce is above the South East average at all levels.

Figure 2.5: Qualifications – Percentage Qualified at each NVQ level



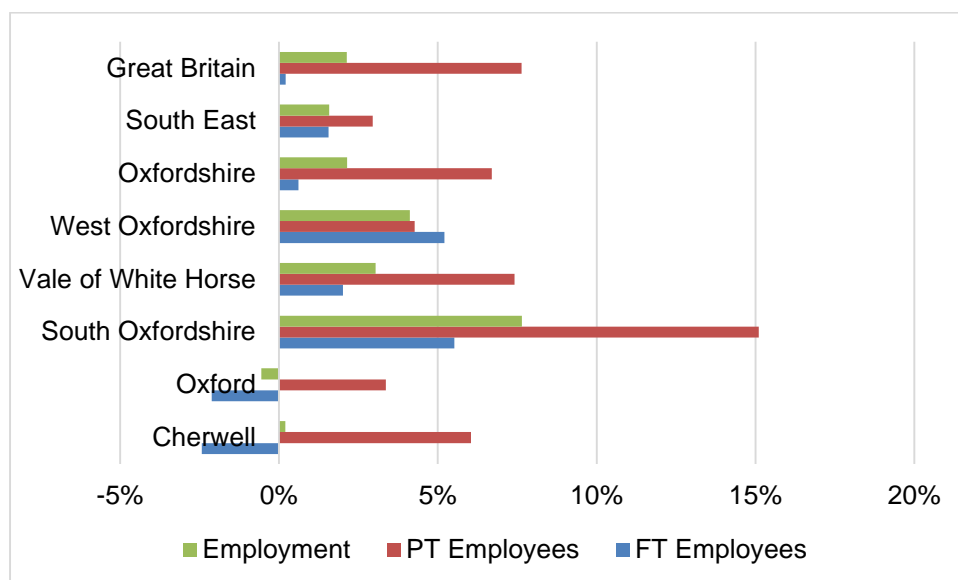
Source: ONS

2.3 Economic and Employment Structure

As noted in section 2.2 above, the most recent employment statistics suggest that in the post-recession period, employment in West Oxfordshire has recovered well. More significantly, unlike much of the country and some of its neighbouring districts, employment growth in West

Oxfordshire has not just been driven by part-time and self-employment growth. West Oxfordshire has seen an increase in full-time employees of just over 5% in the period 2009-13.

Figure 2.6: Employment Change 2009-13



Source: BRES

In the pre-recession period, employment growth in West Oxfordshire was also above the national average and higher than that for Oxfordshire as a whole. Growth was particularly strong in the financial and business services sector and in other services. Losses in manufacturing employment over this period were also comparatively small compared with what was happening nationally.

Table 2.1: Employment Change 1998-2008

	West Oxfordshire	West Oxfordshire	Oxfordshire	Great Britain
Agriculture and fishing	-249	-25.2%	-28.1%	-2.9%
Energy and water	101	129.5%	5.7%	-20.3%
Manufacturing	-347	-6.1%	-24.7%	-32.9%
Construction	400	23.0%	2.3%	14.5%
Distribution, hotels & restaurants	-754	-7.3%	0.7%	5.5%
Transport and communications	288	21.4%	7.6%	9.6%
Banking, finance and insurance,	2,340	40.8%	0.6%	29.9%
Public admin, education & health	854	12.4%	34.7%	25.4%
Other services	1,196	49.8%	28.3%	23.7%
Total	3,833	10.9%	6.8%	9.5%

Source: ABI

However, the nature of jobs in the district is of lower value than previously. The 2007 Economy Study examined employment trends up to 2005 and since then average workplace wages in the district have been below the national average. This may indicate that the local economy is not as healthy as was suggested by the 2007 study.

West Oxfordshire has a high proportion of employment in manufacturing, which includes a number of firms in the advanced manufacturing sectors, reflecting a strong tradition in the engineering sector.

Although it is a smaller sector in size, West Oxfordshire also has an above average share of employment in the arts, entertainment and recreation sector. This reflects on its quality of life and ability to retain consumer expenditure in cultural and leisure sectors.

Like many other districts in Oxfordshire the relationship with the Oxford city region is important, with the city and surrounding districts often forming complementary economic roles. The draft Local Plan does however raise the prospect of other areas of the county competing for future investment and seeks to ensure that West Oxfordshire has the appropriate provision of high quality employment space to ensure it captures its share of economic growth going forward.

West Oxfordshire has only a small number of large businesses. 72% of local units have fewer than 5 employees and 87% have fewer than 10. This is a more pronounced pattern than is found nationally and indicates the types of premises that are likely to be in demand. Very few businesses will be seeking large premises but there is likely to be much 'churn' of demand for small premises.

Table 2.2 Size Structure of Local Units⁴

	West Oxon	West Oxon	Oxfordshire	South East	Great Britain
0 to 4	4,245	71.7%	69.0%	70.9%	68.4%
5 to 9	860	15.0%	14.2%	13.4%	14.5%
10 to 19	450	6.9%	8.3%	7.7%	8.4%
20 to 49	270	4.6%	5.3%	5.0%	5.5%
50 to 99	70	1.0%	1.8%	1.7%	1.9%
100 to 249	40	0.7%	1.0%	0.9%	1.0%
250 to 499	10	0.2%	0.3%	0.2%	0.3%
500 to 999	0	0.0%	0.1%	0.1%	0.1%
1000+	0	0.0%	0.0%	0.0%	0.1%
Total	5,945	100.0%	100.0%	100.0%	100.0%

Source: ONS

Competitiveness

The UK Competitiveness Index produces an annual ranking of the competitiveness of UK local authority districts. In the 2013 UK Competitiveness rankings West Oxfordshire moved up from 82 in 2010 to 78 in 2013 (in a ranking of 379 local authorities).

But of greater interest are the components that go to make up the UKCI. It uses a bundle of different indicators as follows:

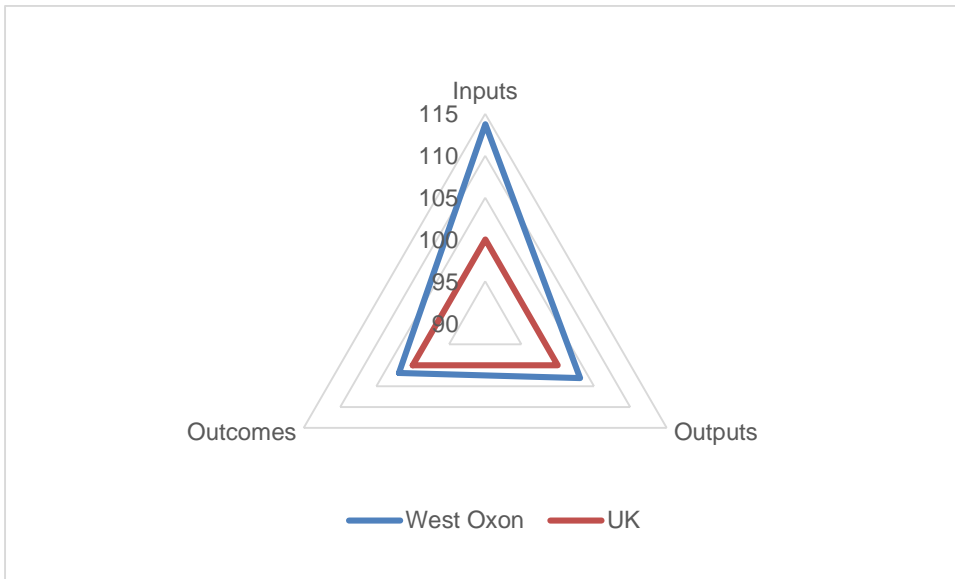
- **Input Indicators** - % of knowledge-based businesses; % of working age qualified to NVQ4; business registration per 10,000 inhabitants; businesses per 1,000 inhabitants; economic activity rate of working age population.

⁴ The data set is subject to rounding for data disclosure purposes. As we will note later there are a small number of companies in West Oxfordshire with more than 500 employees

- **Output Indicators** – employment rate of working age population; GVA per capita; productivity.
- **Outcome Indicators** – full-time weekly median pay; claimant rate unemployment.

West Oxfordshire is well above the UK average in terms of input indicators such as workforce qualifications, but whilst above the UK average it is much closer to the UK average in terms of outputs and in particular outcomes, such as wage rates. The economy is not as productive as it could be given its asset base.

Figure 2.7: UK Competitiveness Index

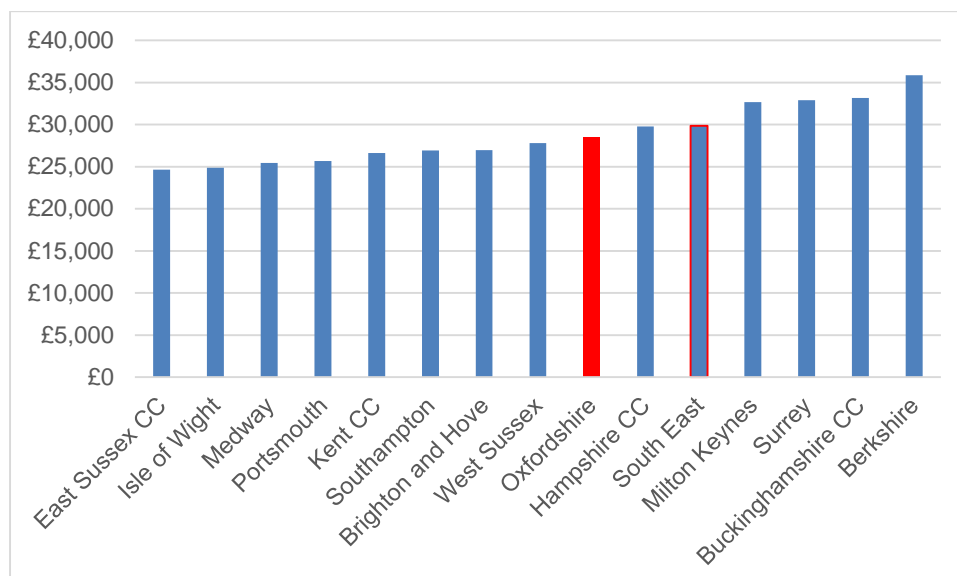


Source: UKCI

In terms of productivity, Oxfordshire is below the South East average and although middle ranking in terms of all South East authorities, it has significantly lower productivity than other authorities to the west of London. This reflects to an extent the structural nature of the Oxfordshire economy, where the public services account for 22.5% of GVA⁵, compared with Berkshire where they account for just 10.5% of GVA. 22% of GVA is accounted for by the Information and Communications sector which has far higher levels of productivity. Nevertheless, it suggests there is some potential for improvement.

⁵ Regional Gross Value Added NUTS3 2012 - ONS

Figure 2.8: Sub-Regional Productivity 2012



Source: ONS

Key Sectors

Getting beneath broad sectors and looking at more detailed activities⁶, the table below lists those activities where there are more than 500 jobs in the District and where employment in that sector is over-represented compared to the national average. The table groups detailed employment sectors by size-band – precise numbers cannot be disclosed for confidentiality reasons.

It compares what proportion of total jobs these account for in West Oxfordshire against both the national average and the Oxfordshire average, using the Location Quotient (LQ) which is a measure of the relative representation of a sector. An Lq of greater than 1 means a sector is relatively over-represented, whilst an LQ of less than 1 means it is relatively under-represented. For example it shows that primary education accounts for 20% more of total jobs in West Oxfordshire than it does nationally.

⁶ The Standard Industrial Classification (SIC) is a hierarchical classification system. The UK SIC is a hierarchical five digit system. UK SIC (2007) is divided into 21 sections, The sections can be uniquely defined by the next breakdown, the divisions (denoted by two digits). The divisions are then broken down into groups (three digits), then into classes (four digits) and, in several cases, again into subclasses (five digits). Figure 2.8 is based on the most detailed classification in the hierarchy

Figure 2.9: Specialisation of activity in West Oxfordshire

Sector	LQ GB	LQ West Oxon
1,500-2,000 jobs		
Primary education	1.2	1.3
Retail sale in non-specialised stores with food, beverages or tobacco predominating	1.0	1.1
1,000-1,500 jobs		
Public houses and bars	2.0	1.3
Hotels and similar accommodation	2.3	2.1
General secondary education	1.1	1.0
500-1,000 jobs		
Activities of sport clubs	4.0	3.5
Computer consultancy activities	1.5	1.2
Maintenance and repair of motor vehicles	2.0	1.6
Management consultancy activities (other than financial management)	1.2	0.9
Manufacture of medical and dental instruments and supplies	12.2	4.5
Event catering activities	3.2	2.1
Residential care activities for the elderly and disabled	1.6	1.3
Manufacture of telegraph and telephone apparatus and equipment	27.7	6.8
Manufacture of other chemical products nec	28.6	3.2

Source: BRES/CAG

One theme that stands out is that a number of these sectors are related to the residential economy, such as education and retail.

There are also a number of sectors related to the tourism and visitor economy, such as hotels and public houses. Tourism and the visitor economy remains an important sector, with total tourism related spend of just over £273.8m in the District in 2013. Tourism related jobs continued to grow between 2012 and 2013 accounting for an estimated 3,486 FTE jobs. As many jobs will be part-time and seasonal employment, the total number of jobs supported is 4,857 Actual jobs.

These jobs are spread across a wide range of service sectors from catering and retail to public service jobs such as in local government, and not just tourism and represent 12.5% of all employment in the district.

There are also a number of sectors related to the tourism and visitor economy, such as hotels and public houses. Tourism and the visitor economy remains an important sector, with total local business turnover from tourist activity estimated at over £255m in 2010, a marginal rise of 2.6% over 2009⁷. Tourism-related jobs continued to grow between 2009 and 2010 and accounted for 12.4% of total jobs, much higher than the rest of the region at 8.2%.⁸

The third category of prominent activities that is identifiable is related to the knowledge economy. This includes specialist manufacturing activities, but also some specialist service activities such as computer consultancy and management consultancy. Our analysis of employment sites in Chapter 3 demonstrates the diversity of knowledge businesses present in the local economy.

⁷ It should be noted that this is modelled expenditure, covering wider than just the tourism economy per se.

⁸ Source: The Economic Impact of Tourism West Oxfordshire 2013, Tourism South East

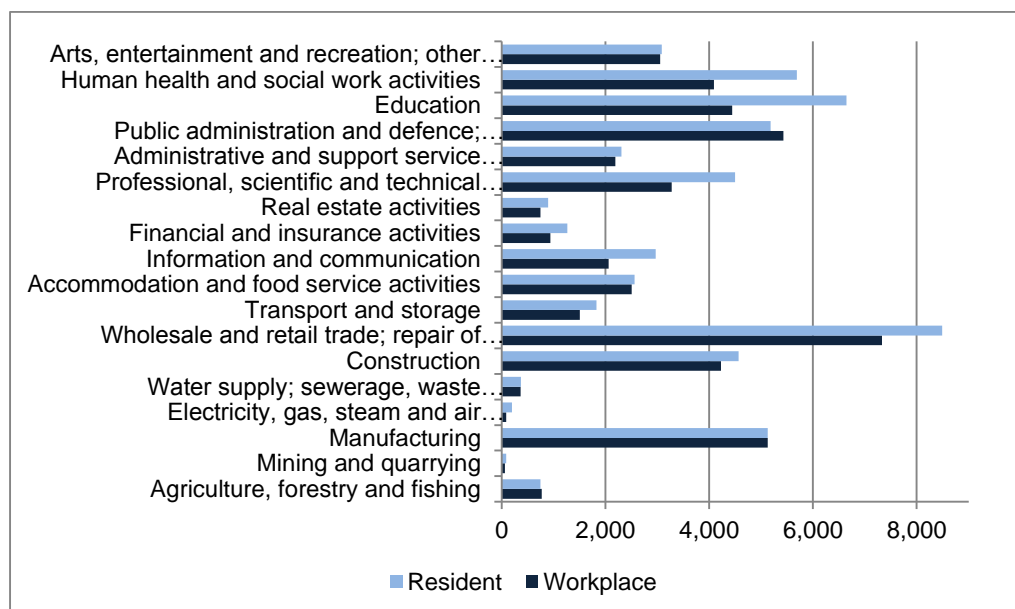
In all bar one of the activities listed in Figure 2.9 West Oxfordshire is also over-represented compared to the Oxfordshire average. The one exception is management consultancy activities, which account for 10% fewer jobs in terms of total employment than they do for Oxfordshire as a whole.

As a caveat it should be noted that the more the BRES employment statistics are disaggregated, the higher the margin for error on the estimates. West Oxfordshire District Council have expressed some concerns that these figures may be under-estimating employment in some key sectors.

2.4 Labour Market and Travel to Work

West Oxfordshire exports 8,300 residents in net terms, just under 15% of its resident workers. There is a particularly high net outflow of workers in the 'education', 'health' and 'professional scientific and technical' sectors. There is a net export of workers in all sectors apart from public administration and agriculture, both of which have a small net inflow.

Figure 2.10: Resident and Workplace Employment by Sector



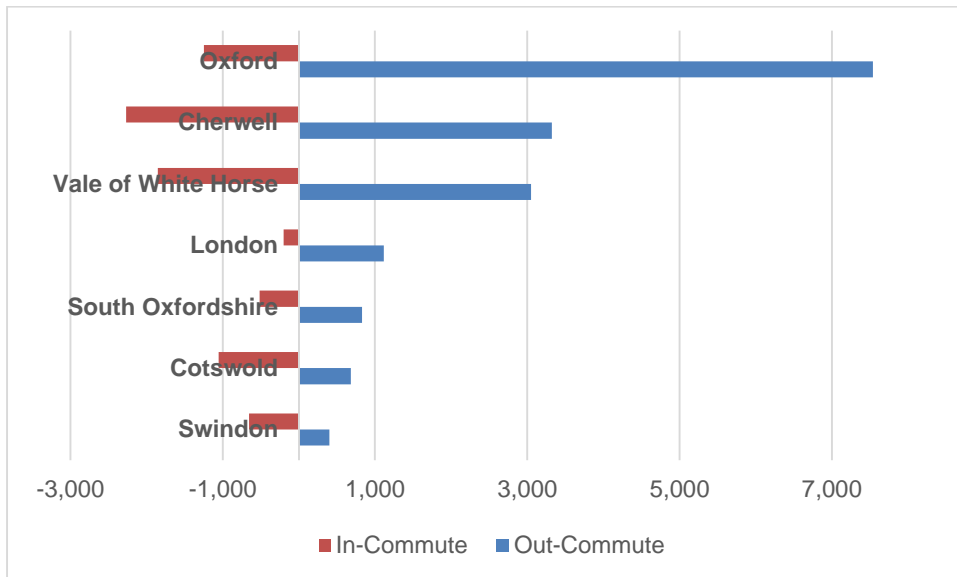
Source: Census 2011

Just over half of West Oxfordshire's employed residents worked in the district in 2011. Of these, just under 8,000, or 18% of the total, worked mainly at or from home. This is quite a high proportion of total employment and the level has been on an upward trend. There is a need to consider what will happen to this proportion of the workforce going forward and whether planning needs to make any provision for these workers, such as further enhancement to the Broadband programme that is currently being rolled out or increased emphasis on live/work provision.

Of the principal destinations West Oxfordshire residents commute to, 17% (7,500) work in Oxford; 7.5% (3,300) work in Cherwell; and 6.9% (3,000) work in Vale of White Horse. Just 2.5% (1,100) of the workforce work in London. The data suggest that Oxfordshire is the functional economic area, at least in labour market terms. Oxford attracts workers from each of

its neighbouring authorities, and performs a city-region role, with complementary activities taking place in different parts of the city-region.

Figure 2.11: Commuting flows with West Oxfordshire

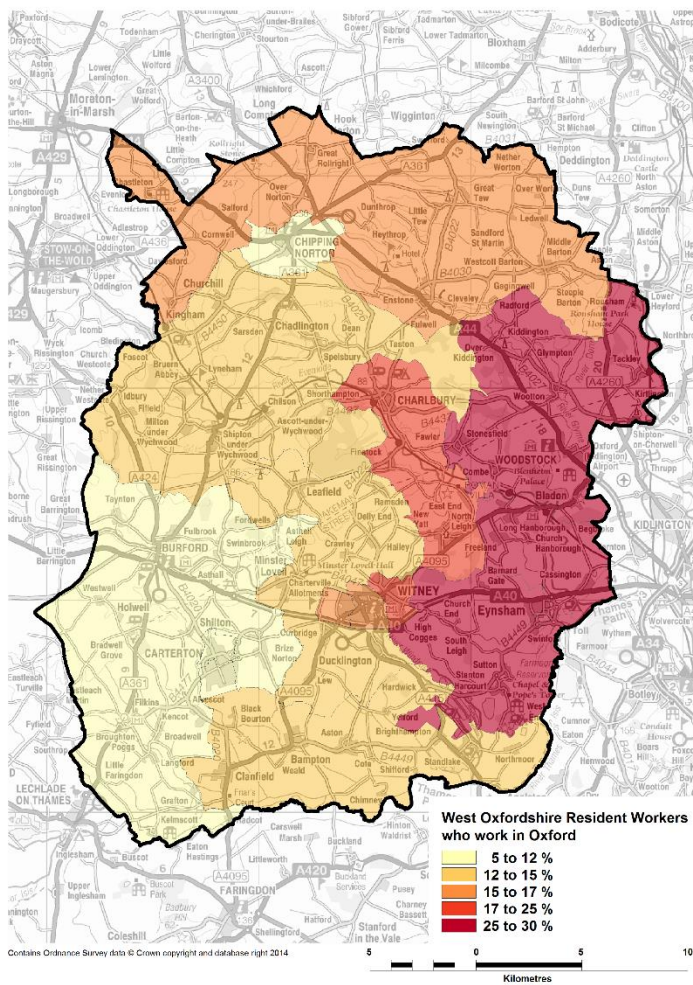


Source: Census 2011

Two thirds of jobs in West Oxfordshire are taken by residents of the District. It is fairly self-contained in this regard and does not draw in much of its workforce from outside. The principal inflows are from Cherwell, Vale of White Horse and Oxford, though for each of these districts the number of out-commuters from West Oxfordshire is greater than the numbers commuting in to the district. This self-containment is reflected in the commercial property market (see section 3), in which the great majority of demand is generated by local businesses.

There is a small net in-flow into West Oxfordshire from both Cotswold and Swindon. West Oxfordshire's economic role relative to the city region is seen in the areas around Woodstock and Eynsham, where around 30% of workers work in Oxford. The same measure is lowest in the rural west of the district, furthest from Oxford, near Burford and Carterton.

Figure 2.12: Commuting flows to Oxford

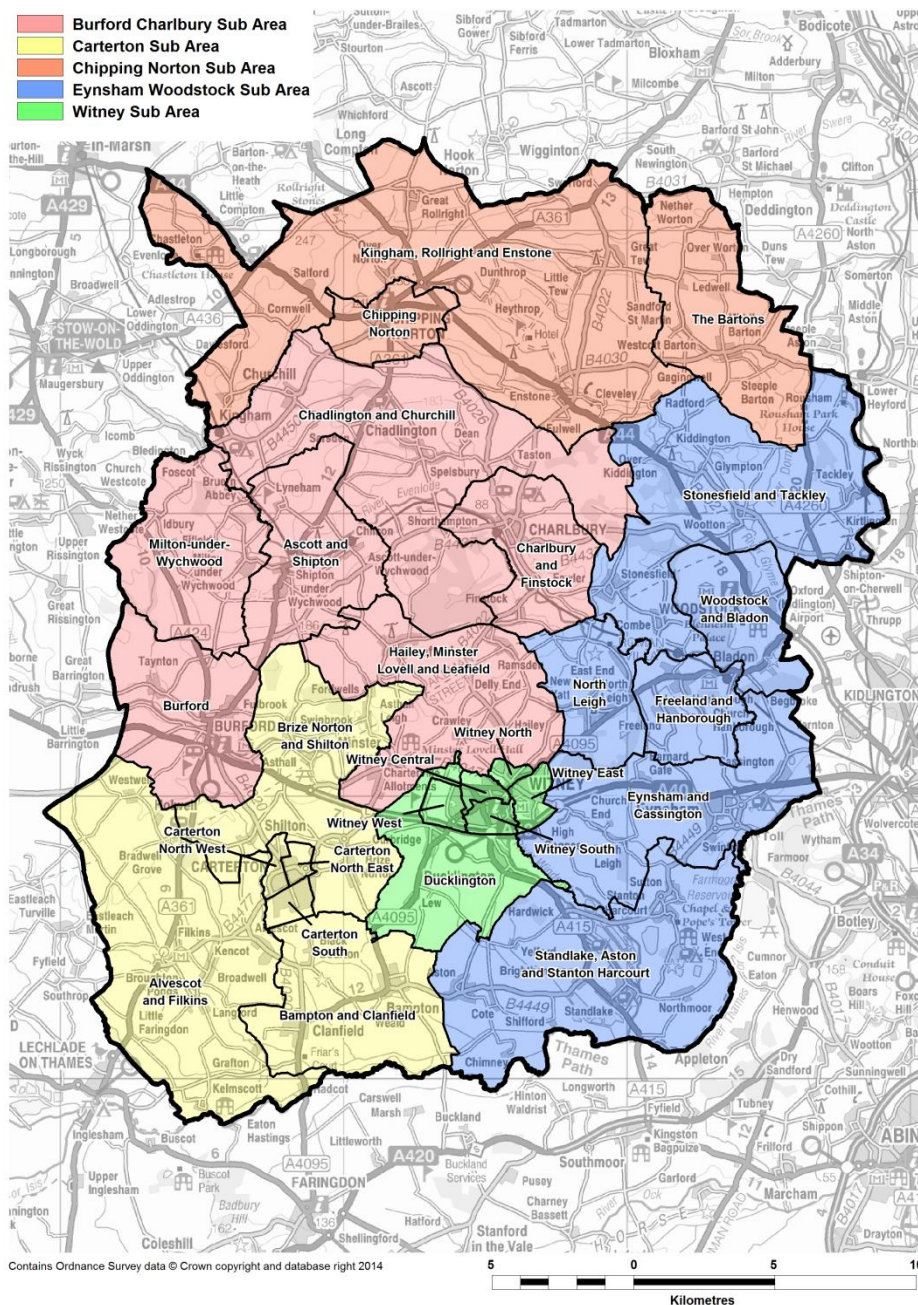


Source: Census 2011

2.5 Sub Area Analysis

The West Oxfordshire Local Plan divides the district in to five sub areas. The sub areas relate to housing provision strategy, and do not conform to existing ward boundaries or other boundaries for which a range of statistical data sources are widely available. In order to better profile these five sub areas we have therefore approximated them by ward area boundaries as illustrated in the map below.

Figure 2.13 Sub Area Definitions

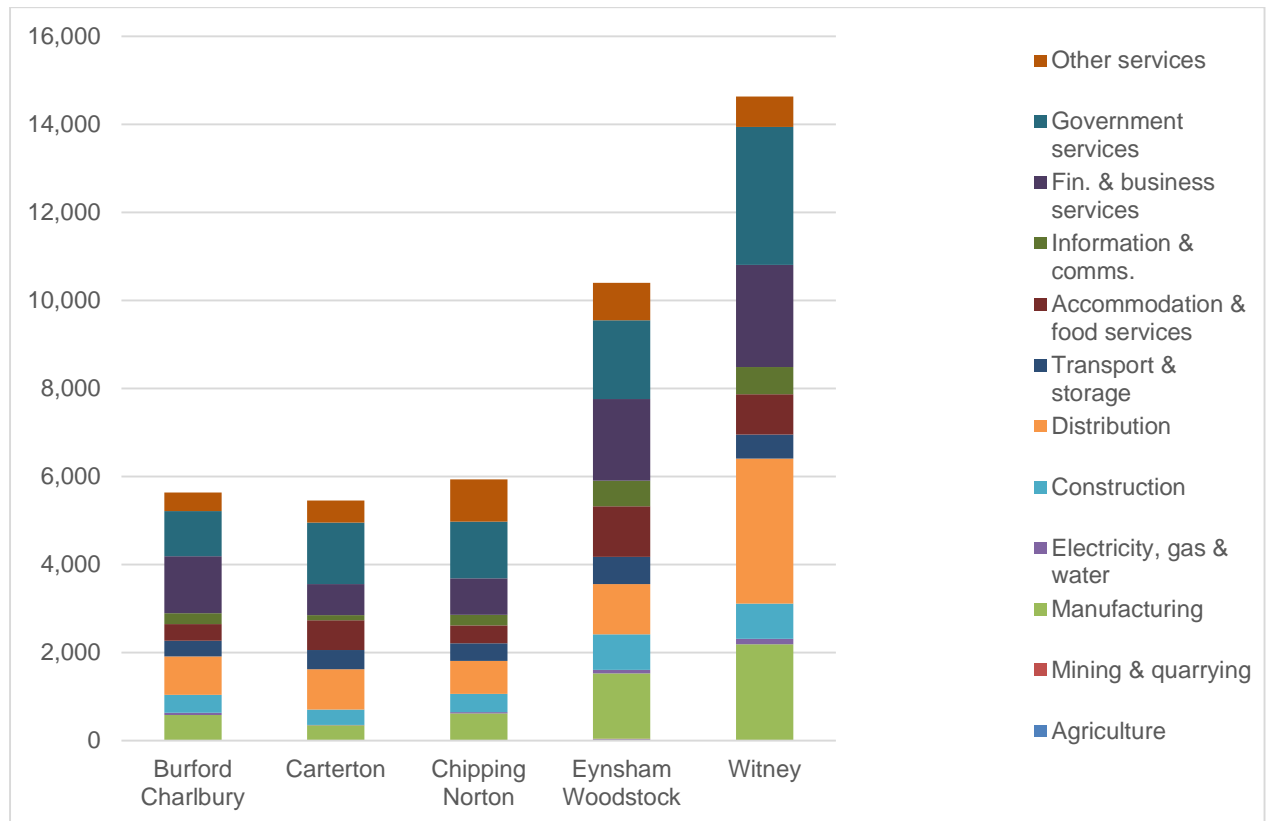


The majority of employment is concentrated in the south east of the district (See Figure 2.14). 35% of West Oxfordshire’s employment is in the Witney sub-area, with a further 25% in Eynsham and Woodstock. Employment in the wholesale and, in particular, retail distribution sector is particularly concentrated in Witney, which accounts for 47% of the District’s employment in that sector.

Manufacturing is comparatively well represented across the District, apart from Carterton where it accounts for just 6.5% of employment. Government Services account for 26% of employment in Carterton which is a reflection of the large military base at Brize Norton.

In Chipping Norton there is a comparatively high proportion of employment in ‘other services’, with activities of sports clubs accounting for just under 10% of all employment in the sub-area.

Figure 2.14: Sub Area Employment 2013 (total number of jobs)

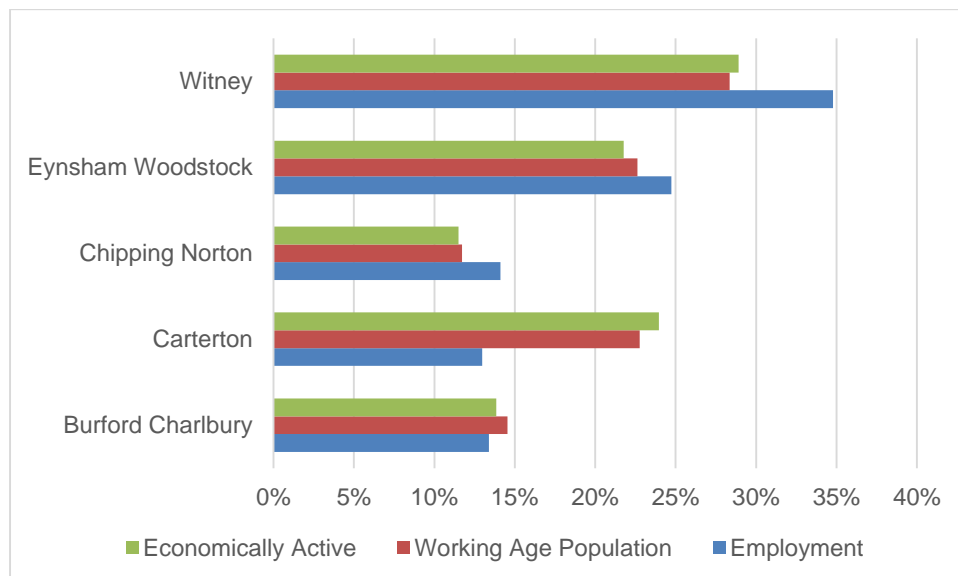


Source: BRES

Data from the 2011 Census show that Carterton has the highest economic activity rate of any of the sub-areas at 80.9%. Again this is probably boosted by the profile of activity at RAF Brize Norton. Witney has the next highest activity rate at 78.4%.

Carterton has 24% of the District's economically active population compared with just 13% of the District's employment. Witney by contrast only accounts for 29% of the District's economically active population, but for 35% of the jobs. It is likely therefore that many Carterton residents will be looking to Witney as a source of employment.

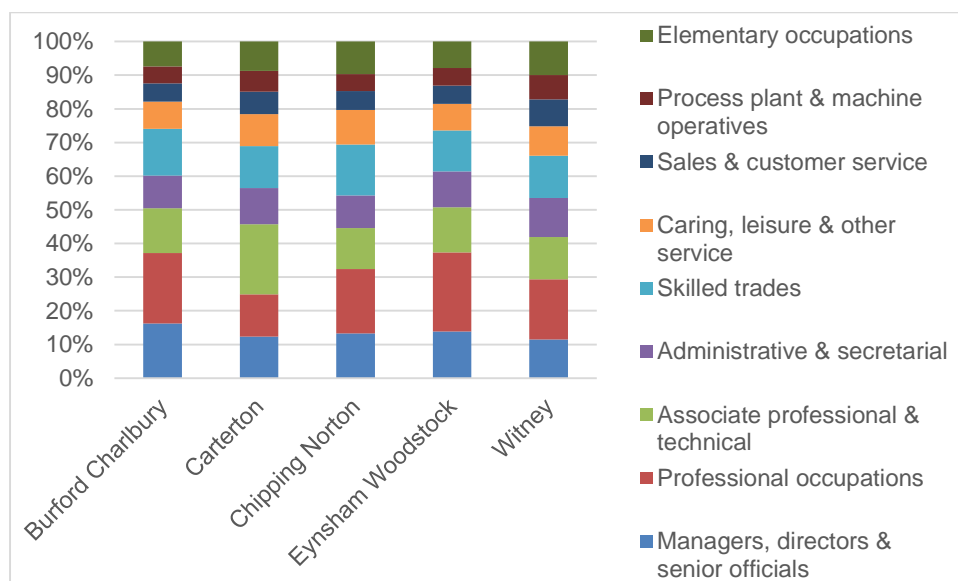
Figure 2.15 Economically Active and Employment by Sub Area



Source: Census 2011, BRES

In terms of the resident workforce, Burford/Charlbury and Eynsham/Woodstock are the two sub-areas that have the highest proportion of residents in the higher category occupations, with 37% of the workforce in each of these two sub-areas in either managerial or professional occupations.

Figure 2.16: Occupations of Resident Workforce by Sub Area



Source: Census 2011

The rural parts of the District have very high levels of homeworking. In the rural north around Chipping Norton and the rural west around Burford, 35% of workers, work mainly from home.

Below, we summarise the individual characteristics of each sub area.

Burford Charlbury

Burford Charlbury constitutes the rural west of the District. There were 11,100 residents aged 16-74 in Burford Charlbury at the time of the 2011 Census, with 8,100 of these economically active, of whom 7,600 were in employment.

The resident workforce is highly skilled: 21% of the economically active residents were in professional occupations, 16% were Managers, Directors and Senior Officials, 14% were in Skilled Trades and 13% were in Associate Professional and Technical occupations.

A high proportion of resident workers in the Burford Charlbury sub area work mainly at, or from home, especially in the more rural parts of the sub area. This helps to keep a reasonable job/workforce balance for the sub area

Burford Charlbury had 5,600 jobs in 2013, 13.4% of the District total. The largest sectors were Financial and Business Services, accounting for 23%; Government Services, accounting for 18%; and Distribution (including retail), accounting for 16%.

Carterton

Carterton lies in the south west of the District. RAF Brize Norton and associated activity have a strong influence on the character of this sub area. There were 17,300 residents aged 16-74 in the Carterton sub-area at the time of the 2011 Census, with 14,000 of these economically active, of whom 13,200 were in employment.

21% of the economically active residents were in Associate Professional and Technical occupations.

Carterton had 5,500 jobs in 2013, 13.0% of the District total, the lowest of any of the sub areas. The largest sectors were Government Services, accounting for 26%, and Distribution (including retail) accounting for 17%.

Defence activities directly account for just under 7% of employment according to the 2013 data, but we suspect these figures may be subject to significant fluctuations and may not reflect the full extent of MoD activity in the sub area.

Carterton has the largest excess of workers over jobs of any of the sub areas.

Chipping Norton

Chipping Norton lies in the north of the District, consisting of the market town of Chipping Norton and a large rural hinterland. There were 8,900 residents aged 16-74 in the Chipping Norton sub-area at the time of the 2011 Census, with 6,700 of these economically active, of whom 6,300 were in employment.

19% of the economically active residents were in Professional occupations, the largest single category, though there was a more even distribution across the occupational categories than in the other sub areas. Skilled trades and caring leisure and other services between them accounted for just over 25% of the resident workforce.

Chipping Norton had 5,900 jobs in 2013, 14.1% of the District total. The largest sectors were Government Services, accounting for 22%; Other Services (personal, leisure, cultural etc), accounting for 16%; and Financial & Business services, accounting for 14%.

Eynsham Woodstock

Eynsham Woodstock forms the eastern side of the District and lies on the Oxford fringe. There were 17,200 residents aged 16-74 in the Eynsham Woodstock sub area at the time of the 2011 Census, with 12,700 of these economically active, of whom 12,000 were in employment.

24% of the economically active residents were in Professional occupations, the highest proportion of any of the sub areas, with a further 14% who were Managers, Directors and Senior Officials.

Eynsham Woodstock had 10,400 jobs in 2013, 25% of the District total. There was a broad spread of activity across sectors, with 18% of jobs in Financial & Business services, 17% in Government Services, and 14% in Manufacturing.

There are very strong linkages with Oxford, with a high proportion of residents working in the city and much of the economic activity forming part of the wider Oxford city region economy. Eynsham Woodstock has a higher number of jobs than resident workers.

Witney

Witney is the largest market town in West Oxfordshire and the largest economic sub area. There were 21,600 residents aged 16-74 in the Witney sub area at the time of the 2011 Census, with 16,900 of these economically active, of whom 15,800 were in employment.

Professional occupations, at 18%, were the highest single category of resident occupations but there was a broad spread across all occupational categories. Witney has the lowest percentage of both Managers Directors and Senior Officials of any of the sub areas (12%), and the highest proportion who worked in elementary occupations (10%).

Witney had 14,600 jobs in 2013, 35% of the District total. 23% of jobs were in Distribution (including retail), 21% were in Government Services, 16% were in Financial & Business services and 15% in manufacturing.

Witney has the largest excess of jobs over workers of any of the sub areas.

2.6 Conclusions

West Oxfordshire is not a large district in economic terms but its economy is very resilient, performing well in employment growth terms, both in pre-recession times and also picking up well post-recession.

The economy has a well-balanced industrial structure with good representation in both the light industrial and private service sectors.

Its resident workforce is well qualified and employment rates are very high, though a number of residents work outside the district, with Oxford being the principal commuting destination. Commuting links with London are not strong, perhaps reflecting the poor rail connectivity in the District.

Despite all the positive economic indicators, West Oxfordshire nevertheless has relatively low productivity, especially given the economic assets it possesses. We suggest there are two factors that may explain this outcome. The first is that higher value activities cluster in Oxford, Thames Valley or London, where critical mass and agglomeration benefits are greater. The

persistence of this situation has implications for the future supply and demand for employment land and premises in the District in future. The second reason for the District's underperformance is that much of the business base is locally grown and for many owner/managers, high growth and high margins may not be the main factor driving their business ambitions. Many such businesses fostered in this pleasant, largely residential location are likely to remain 'steady state' small companies, and not embark on major growth trajectories in terms of employment.

The low unemployment and high economic activity rates create a tight labour market which, together with a high value residential market, also has implications in terms of the District's ability to attract new inward investment.

The different sub areas of West Oxfordshire District each have different characteristics and perform different economic roles and functions. The rural north and west of the district have high levels of homeworking and are local service economies. Eynsham and Woodstock in the east of the District have strong functional relationships with the Oxford City region economy. Carterton in the south west is strongly influenced by the RAF base at Brize Norton, whilst Witney is the largest centre of economic activity, especially for distribution related activity. These characteristics are outlined in more detail in our review of the commercial property market in section 3.

3 Property Market Profile

3.1 Demand Context

This chapter presents a property market profile, reviewing commercial property market data both for the district and its sub areas. It presents an assessment of the main employment areas and summarises the area's property market dynamics.

West Oxfordshire's main concentrations of employment, and therefore commercial property activity, are in and around the larger settlements of Carterton, Chipping Norton, Eynsham and Witney; and to lesser degree in smaller centres such as Charlbury and Long Hanborough. Even the larger settlements are relatively small economic centres: Witney is by far the largest, with a workforce of nearly 15,000, while Carterton, Chipping Norton and Eynsham have workforces of c5,500, c6,000 and c10,000, respectively.

West Oxfordshire is a largely rural area, much of it lying within the Cotswolds AONB, and some within Oxford's Green Belt. In this sense alone, the District is not an 'institutional' property market. Employment density is generally low, and most commercial activity is concentrated in the fewer larger centres, with Witney being by far the largest concentration of employment and property.

The District provides a high quality environment and quality of life. The area's historic association with a range of engineering industries has left a legacy of highly skilled workers. The presence of two F1 teams in the District, Caterham and Lotus, underscores this point (albeit set against recent news of Caterham's fall into administration). As well as high performance motor engineering, the District is well endowed with firms involved in auto engineering, equipment and electrical engineering, medical equipment and optical engineering.

The area is also highly entrepreneurial, and there are many small businesses involved in high value activities in service-based and professional sectors. Again, this is reflected in the property market, with a large number of small but high quality developments providing for the needs of such occupiers.

The District is also dominated, in property market terms, by the city of Oxford which exerts a major gravitational pull on demand for commercial space – particularly high quality B1a space. The city has an international reputation for knowledge-based activities, with particular excellence in bioscience, computer science and medicine. As a result, the city is well endowed with high quality property including: Begbroke Science Park, Culham Science Centre, Magdalen Centre, Oxford Business Park and Oxford Science Park.

While some of Oxford's facilities are situated some way from the City centre, they are inextricably linked with the city in a way that most in West Oxfordshire are not. However, from a market perspective, certain eastern parts of the District are regarded as being in the "Oxford market".

The attraction of Oxford and its environs is reflected in the low level of inward investment into West Oxfordshire. Enquiries for space within the District from overseas companies, or companies elsewhere in the UK, are very few in number. Centres such as Oxford and Reading

are far more attractive to footloose occupiers in terms of labour supply, transport links and proximity to London.

From a property demand perspective, West Oxfordshire is a relatively small market, catering largely for endogenous demand from companies looking for relatively small units. While the prosperous nature of the area and its attractive environment leads to strong demand from service-based, high value businesses (often start-ups), the area's history also ensures a strong demand for industrial space, particularly to house engineering and related activities.

In property market terms, the District's weaknesses include the potentially tight labour market, with low unemployment and high activity rates, and the perception that employers will find it difficult to attract skilled staff; perceptions around accessibility, and particularly congestion along the A40; and the strength of the Oxford property market which acts as a strong magnet to demand.

There are a small number of large employers in West Oxfordshire. RAF Brize Norton is thought to employ around 4,000 staff, combining military and civilian support staff. The others include the following.

- Abbott Diabetes (manufacture of medical diagnostic products): 900 in Witney.
- Lotus (high performance auto): over 400 at the Whiteways Technical Centre, Enstone.
- Owen Mumford (manufacture of medical supplies): around 300 employed at the new plant at Primsdown Industrial Estate, Chipping Norton and another 300 at the Green Lane headquarters in Woodstock.
- Serco Defence & Aerospace (facilities management): over 200 at RAF Brize Norton.
- Siemens (magnet technology): employs around 750 in Eynsham.

In addition to these established employers, Air Tanker is currently growing in the area as a result of the RAF's refuelling and transport fleet (VC10s and Tristars) being replaced by new aircraft owned by AirTanker as a PFI..

Demand for industrial space is relatively low, but sustained. Most demand is generated from the District's existing stock of industrial businesses; and there is little movement of firms from, say, Oxford or its environs. Furthermore, most demand is from small businesses looking for less than 5,000 sq ft. The District has very few industrial units of an institutional nature in excess of 20,000 sq ft.

Where large industrial units are occupied, they are usually bespoke buildings rather than speculative, or institutional, in nature. For example, Chris Hayter (haulage) and SIG Insulation (construction products) at Curbridge Business Park, Witney, and the new Owen Mumford' manufacturing facility at Primsdown Industrial Estate, Chipping Norton.

Demand for 'corporate' office occupier space is relatively low, and so there are few business parks, or large dedicated office schemes. Even those that do exist, such as Cromwell Business Park in Chipping Norton and Blenheim Office Park in Long Hanborough, tend to cater

for small businesses. Much office demand is met in the many converted agricultural and industrial buildings scattered across the District's rural areas.

3.2 The main employment concentrations

The following section summarises the main concentrations of employment land and buildings in West Oxfordshire. The overview is not a comprehensive survey of all sites in the District, but is intended to give a representative picture of the provision of space and its quality, occupancy and locational features. During the Autumn of 2014 we undertook a series of site visits to the principal employment areas throughout the District. The overall impression left by the fieldwork is that the District contains a good mixture of office and industrial space that is broadly compatible with the level and nature of demand.

However, this general finding does not come without caveats. The past five to six years, during the recession, have seen very little new development, and much of the District's stock is relatively old. This raises questions about the area's ability to respond to new demand. There is also a question about the nature of demand, particularly small, service-based companies requiring office premises, and whether the area is able to meet this demand rather than see it leak to neighbouring areas.

Carterton

Commercial property in Carterton is largely concentrated at Carterton South Industrial Estate, Ventura Park and West Oxfordshire Business Park. The area is dominated by the presence of RAF Brize Norton. Despite the area's importance in employment terms, data from WODC reveal that there are just 1.5 acres of undeveloped employment land available at Ventura Park, and 7.9 acres at West Oxfordshire Business Park.

- **Carterton South Industrial Estate** is the largest concentration of commercial property in the town, and the area. Much of the stock is relatively old and accommodates a wide variety of industrial uses, including engineering, haulage, manufacture, motor repairs and plant hire. The estate, to the south of the town centre and adjacent to the RAF base, appears to be well occupied, with only a small number of letting boards visible.
- 
- **Ventura Park** is a more recent development, mainly for industrial uses, but also some office development (Zinc Building and Wesley House). The industrial element is a good example of modern, speculative industrial space. It is a landscaped development of 15 units, totalling almost 50,000 sq ft, with individual units ranging from around 2,000 to just over 5,000 sq ft. The units are well specified, with good quality cladding, flooring, windows and doors. The development appears to be almost fully let, with a wide range of occupiers including: Bilash (food), Carterton Veterinary Surgery (pet care), Evolutionz (gym) and Goose Joinery (carpentry).

The ZINC building is mostly occupied by the Blue Cross charity; while Wesley House is fully let to a range of small firms. An adjacent plot is available for development. The marketing for the site also sets out to appeal to freeholders, offering the “*Opportunity for businesses, individuals and SIPP pension funds to purchase freehold properties*”. This reflects the private ownership nature of many of the businesses comprising the core demand (for offices as well as industrial premises) in the area.

- **West Oxfordshire Business Park** is part of the 12 acre business and retail park. The business park element comprises four buildings of between 4,200 sq ft and 7,700 sq ft. There is also further land available (almost ten acres) within the wider park for further development, including design and build opportunities. The site was vacant until recently, when Airbus and Airborne Systems took space, following the shift of activities from RAF Lyneham to RAF Brize Norton.

The business park site also includes West Oxfordshire Industrial Park, which comprises around nine units of older, industrial units. They are small scale, but well occupied.

Chipping Norton

The commercial property market here is quite varied, with a broad mix of office and industrial space of varying ages and quality. Most employment sites in Chipping Norton appear to be well occupied, with low vacancy. There appear to be few opportunities for expansion, one notable example being a small plot on Cromwell Park. Data from West Oxfordshire District Council reveal that there is very limited land supply in Chipping Norton, with just 0.5 hectares (1.2 acres) of undeveloped employment land allocated and only 0.1 hectares currently available⁹.

- **Station Road Industrial Estate, Elmsfield Road Industrial Estate and Worcester Road/Primsdown Industrial Estate.** Chipping Norton’s industrial stock is concentrated in three discrete sites on land to the west of the town centre. The quality of the industrial stock varies from relatively new purpose built buildings (Worcester Road) to old, converted buildings in poor repair (Elmsfield).

The main industrial activities include automotive, building supplies, drainage supplies, food, printing, plant hire, etc. At station Road, for example there is Travis Perkins (building materials), Jewson (building materials), Isis Fluid Control (hydraulic systems) and Cotteswood Furniture (carpentry). Similarly, at Worcester Road, there is G&M Autos (motor trade), Kopy Rite (printing) and New Holland (agricultural plant).

In contrast to the mainly industrial character of these sites, the largest employer in the town, Owen Mumford, is based at Primsdown, where it has a substantial presence that has been enlarged over recent years. The firm manufactures medical devices in high specification space.

- **Cromwell Park** is the only other concentration of commercial property in Chipping Norton, to the north east of the town centre. Cromwell Park is a modern development of nine, largely multi-let office buildings. There is some vacancy evident, although the park is well

⁹ See Appendix 3 for details

let. Occupiers on the park include: Amano Enzyme (bioscience), CETA (insurance), Conflex (food), Cotswold Financial Planning (finance), Oak Underwriting (finance), Spearhead Training (training) and Watson Wheatley (finance).

Clearly, lower value land uses are under pressure for redevelopment. Opposite Cromwell Park is the partially re-developed Park Knoll factory. Most of this site has been redeveloped as housing, although a parcel has been retained for business units.

Eynsham

Along with Carterton, Chipping and Witney, Eynsham is a relatively important centre in terms of commercial property. Wharf Road, Eynsham is home to one of West Oxfordshire's largest employers, Siemens Magnet Technology. The company has a large facility here, manufacturing magnets for use in MRI scanners.

- **Oasis Business Park** exemplifies the office market in Eynsham. This is a modern, high specification development dating from the late-1990s. On the south side of the town, the park contains a wide mix of small- and medium-sized units, and the occupier base is varied. Occupiers include: Agile Designer (software), Davis Loss Adjusters (insurance), Hytec (software), Mobisoft (software), Oxford Group (consulting), Sesame Services (consulting engineering) and Usborne Books (publishing). Easy Offices Oxford also offers a serviced office facility on the park (Unit 11).

During the summer this year, agent VSL reported an uptick in letting activity. In August, lettings were announced to Amplivox (audio equipment) at Unit 6; while Ice Energy Heat (energy efficient heating) took Unit 9/10. The letting to Amplivox was interesting not least because it involved relocation from Kidlington.

However, despite these latest lettings and the array of occupiers on the park, it seems that the vacancy rate on the park is relatively high. Agent VSL is currently marketing a total of almost 50,000 sq ft spread across five buildings, including 17,600 sq ft available in units 1-5 and 21,000 sq ft available in the building known as Chilbrook.

- **Elm Place** is a development of nine office/studio units on the western edge of Eynsham. The buildings are arranged in a courtyard environment, and built to a high specification with stone walls and slate roof. The development is well let and occupiers here include: Bike Excess.com (insurance), BJP Insurance (insurance), Chiumento Solutions (management consulting), Hubbert Halls & Barnes (architecture), Lawrence Baker (building contracting) and Thermal Contractors (insulation installation).
- **Oakfield Industrial Estate** is a large estate found at on the southern edge of Eynsham adjacent to Oasis Business Park (above) on the B4449, and comprises mainly speculative industrial buildings (with some office activity), of a generally good quality. The units range between single user sites and multi-let units. Occupiers of the site include: Ice Energy (floor heating), Integrated Sensor Systems (electrical equipment), Maylarch (waste management), Meta Technology (electrical equipment, Oxfordshire Print (printing), Phototechniques (video production) and Smithsonian (property development). There is some vacancy, although not a level that suggests decline.

- **Old Station Way** is an estate comprising three main buildings. Occupiers of the two mainly office buildings include: Accountants for the Professionals (accounting), AML Golf (publishing), JDP Solutions (printing), Micro Accessories Gesellschaft (wholesale hardware), Wordsensing (data management), Wychwood Project (conservation charity) and a collection of building, roofing and motor trade businesses.

In January 2014, Polar Venture Management acquired the third building, a 4.5 acre factory site. The site includes 60,000 sq ft, including a 40,000 sq ft manufacturing space and 20,000 sq ft of office space. At the time of the deal, PVM announced its intention to develop the unused factory space into manufacturing units for its growing engineering business portfolio. SS Tube Technology (SSTT), a PVM company, had already signed an agreement to lease 7,000 sq ft within the factory.

There is currently a 29,000 sq ft unit being marketed on the site. The unit is capable of being sub-divided to create units of 4,400 sq ft, 8,800 sq ft or 11,000 sq ft. The property is being marketed on flexible lease terms at a quoting rent of £4.50 per sq ft.

Long Hanborough

Hanborough Business Park is a large employment site, with a wide range of stock, ranging from nissen huts to modern B1 office buildings. The wide range of occupiers on the park includes: George Henry (TV/satellite systems), Kriston Technology (IT solutions), NSF (food) and Slater Plastics (optical filters). There is also a serviced office building, operated by Easy Offices Oxford.

Blenheim Office Park is located on the east side of Long Hanborough. The recently completed buildings are of a high quality, and consent exists for further development. Recent in-movers have included Amadeus (software) and Khush Ingredients (food), each taking around 1,700 sq ft. They have joined Computing Systems (office furniture), Hexagon Computers (software), MCC Design (advertising), Oxeta (consulting engineering) and Oxford Cryosystems (instrument manufacture). The site is well occupied, with low vacancy.

Stanton Harcourt

Lakeside Industrial Estate/Stanton Harcourt Industrial Estate are two adjacent sites situated to the north east of Stanton Harcourt. The sites provide a varied range of buildings, but overall the sites are compact and well managed, with some good quality, modern stock; and vacancy appears to be low. Occupiers on the estates include: Encon Insulations (building materials), Freeland Engineering (engineering), Ken Kerr (motor trade), Matthew Collins (carpentry), Oxford Carriers (haulage), Oxpac (packaging), Wincanton (haulage) and WM Refrigeration (air conditioning).

Within The Triangle building on the site, there is a notable cluster of fashion-related firms including: Anoushka, Aurora, Bastyan Fashions, Coast, Karen Millen, Mosaic Fashions Us, Oasis, Warehouse Fashions and Whistles. The site continues to evolve and in 2013 Wincanton opened a new distribution centre on the site.

Witney

Witney contains the largest concentration of employment sites in West Oxfordshire. There is a very wide mix of industrial and office premises with an equally broad range of occupiers.

Witney has a number of large single occupier sites, notably, those of Abbott Diabetes, Chris Hayter, Hydac, Oxford Essential Rider Equipment, SIG Insulation and Stewart Milne, all on land to the south of Burford Road. Such large occupiers and new investment suggest a certain level of confidence in the area, but would also have been dependent upon sufficient land of the right quality being available at the right time.

Data from West Oxfordshire District Council reveal that there are a number of sites with undeveloped employment land in Witney. In fact there are seven sites with a total of around 20 hectares (50 acres). However, only two of these sites are classified as 'available', and these total just 1.4 hectares (3.5 acres)¹⁰. In reality, therefore, land supply is also short in Witney, as elsewhere in the District.

There is a cluster of sites situated to the west of Witney, to the south of Burford Road, including: Bromag, Curbridge Park Road, De Havilland Way, Minster, Network Point, Range Road and Windrush Park.

- **Bromag Industrial Estate/Minster Industrial Estate** both lie at the western edge of the cluster and represent a good example of older industrial stock that continues to provide space needed by lower value uses. Situated to the west of Downs Road, the estates accommodate businesses including: BRJ Engineering (engineering), Dallas Keith (animal feed), RMW Witney (engineering), Sandaware Castings (foundry) and Witney Tyre Specialists (automotive). Again, like Enstone, all performing

The Bromag estate is continuing to evolve and now accommodates large, purpose-built facilities for SIG Insulation (building materials) and Stewart Milne (building materials). On the south side of Bromag is Curbridge Park Road, with a site that accommodates the large, modern Christ Hayter (logistics) distribution facility.

- **De Havilland Way** lies on the eastern side of the cluster, and accommodates a number of large occupiers including facilities for Oxford Essential Rider Equipment (motor trade) and Hydac Technology (Hydraulic Systems). In addition there is a small, modern estate of around 16 units called Nimrod. The estate appears to be fully occupied, with businesses including: Aston & James (office supplies), Caffeca (vending machines), Sara Louise Kakes (food), Vigortronix (electrical components) and Whitebrothers (charity). Other parts of the site have unimplemented consents, including one for a new facility for Owen Mumford.
- **The Network Point** estate contains Arepa UK (building restoration), Huba Control (electronic components), Meech Static Eliminators (electrical engineering) and Navarino Services (on-line booking systems). While Range Road is predominantly industrial, it does contain one of the area's most recent office developments, the speculative Witney Office Village (see below). Within Network Point, there is also a vacant undeveloped 0.3ha site along Book End, adjacent to Selectronic (lighting).
- **Range Road** includes a number of smaller estates and buildings. For example, Glenmore Business Centre comprises a small estate comprising modern industrial/office units. The site appears to be fully occupied, with businesses including: Associated Blinds (home

¹⁰ See Appendix 3 for details

supplies), Haysham (electrical contractors), Margaret Johnson (office supplies) and Wardlaw (carpentry).

As noted above, Abbott Diabetes (health care) also has its large facility on Range Road. The business, which develops and manufactures glucose blood monitoring systems, has been expanding its premises in recent times.

- **Windrush Industrial Estate** is a large, 28 acre site owned by the Blenheim Estate that sits between Bromag/Minster and De Havilland Way. The estate is modern and well-specified (on the re-developed land of the former Smiths Industries manufacturing plant). The site is well occupied and just three units (Gateway House, The Coseley Building and Windrush House) are currently being marketed. There are 17 businesses accommodated on the site, including Corndell (furniture manufacturing) and Smurfit Kappa (packaging).

Elsewhere in Witney, there is a certain amount of industrial activity within the built-up area. Three notable examples are Eagle, Newland and Station Lane industrial estates.

- **Eagle Industrial Estate** on Church Green in Witney is an older estate in the town centre, just south of Corn Street, surrounded by residential properties. The site appears to be well occupied with an eclectic mix of occupiers including: Ahmed Tandoori (food), Basics (catering equipment), Childridge (osteopath), Electromech (architecture), Woozlebears (pet care) and Wychwood Brewery (drinks). This is the type of site where a fall in occupancy could easily result in growing pressure for change of use to residential development.
- **Newland Industrial Estate** is similar to Eagle Industrial Estate: further east from the town centre, but surrounded by residential and mainly poor quality stock. Also like Eagle, it appears to be well occupied. It is adjacent to the office scheme on Compton Way (see below). Occupiers include auto repair and roofing.
- **Station Lane Industrial Estate** is a large collection of properties of varying sizes, qualities and uses. Much of the stock here is relatively old (1960s-1970s). However there are signs that the area is well managed, with new investment in upgrading some of the buildings being evident. There is also some evidence of increasing values: Cottsway Housing occupies a new headquarters building on the corner of Avenue Two; while at Avenue Four there is the Hexagon Business Centre, providing serviced accommodation. There is a very wide range of occupiers across the Avenues, and there is some vacancy.

While there is a strong focus in Witney on the industrial market, the town has also witnessed a number of office development schemes in recent times. Indeed, Witney accounts for most of the district's office accommodation.

- **Compton Way** is a town centre scheme that has provided good quality offices. Space is available in small, self-contained units, and has let well. Occupiers include mainly professional services firms. The site is well occupied with no offices to let, with no obvious marketing taking place.
- **Des Roches Square** is a purpose built, 1990s development, with good quality premises on the edge of the town centre.



Units 1 and 6 are currently being marketed; otherwise occupancy appears to be good. Occupiers here include: A-Plan Holdings (accounting), Alternative Business Solutions (Software) and NFU Mutual (insurance).|

- **Meadow Court** is a small, but purpose-built, 1990s development just off the high street. The site appears to be well let, although at least two units are being marketed (numbers 1 and 6). Occupiers are mostly in professional services, Anne Jagger (recruitment); Burrows & Edwards (accounting); Fiscalis (accounting); Hall & Ensom (surveying) and Phoenix Temple (accounting).
- **Spinners Court** is a listed, converted mill building near the town centre. The building offers 25 small, managed units on flexible terms. Vacancy appears to be low. Businesses on site include: David Smith (consulting), Mulberry Roofing (building supplies), Nmhb Trading (consulting engineering), Oxford Software (software), Printmaking Today (publishing).
- **Thorney Leys Business Park** comprises a mainly modern development of two storey office units with parking and landscaped grounds. The site is situated just north of the A40 and to the west of the Station Road industrial area. Businesses on the site include: Advanced Fibreoptic (engineering), Bartington Instruments (engineering), Bluepark Solutions (software) and Morgan Cameron (accountancy). The quality of the site is moderate; there are a number of vacant units on the site.
- **Waterside Court** is a modern, good quality development including two linked buildings. The space is occupied by various organisations, including: Computer Developments (accounting); Oxford International College of Beauty (education) and Sage Solutions (software).
- **Witney Office Village** is a modern office development situated to the western side of Witney, just off Range Road. The buildings are of a good quality, in a business park type of environment, although there is some vacancy. Occupiers include professional services such as Everyman Legal (information services), Leisure Premium Services (finance) and Ruby Insurance (finance).

Remote sites

West Oxfordshire has a plentiful supply of small, often high quality developments scattered across the District, often in converted agricultural and industrial buildings. Many cater for small and start-up businesses that are involved in business services, typically with their owners living in the locality. Vacancy levels on these appear to be typically very low. There are also a number of sites with 'bad neighbour' uses that benefit from their relative isolation. The following text highlights some of the more significant of these, though it is by no means a comprehensive survey.

- **Blenheim Palace Sawmill** was recently converted and extended to provide ten office units and two industrial units. Units 2 and 3 remain available.
- **Crawley Mill Industrial Estate** is a converted mill site comprising several buildings that are now mainly workshops and storage. There are close to 50 units including three office suites and 17 outside Bays. Office units range from around 250 sq ft to 1,000 sq ft. The

eclectic collection of occupiers includes: Applied Computer Knowledge (software), Crawley Custom Classics (motor cycle engineers), Daisy Roots (ceramics), Excelothene (polythene sheeting), Jacob Brown (carpentry) and Old Mill Motors (motor repairs).

- **Enstone Airfield** is situated just off the A44 south east of Chipping Norton. While many of the sites listed here are high quality conversion of farm buildings, attracting 'high value' professional businesses, Enstone Airfield sits at the other end of the 'quality' spectrum. The buildings here are large and highly industrial in nature. Businesses here include: Donaldson Timber Engineering (timber products), Ernigrip Motors (auto repair), MOR Cross Transport Services (haulage), Oxford Plastic Systems (construction products) and P Radbourne (carpentry). As suggested by their activities, these firms all require lower cost space with plentiful yard, parking and open storage space. They also undertake activities that would be not acceptable in a more residential area.
- **Langston Priory and Threshers Yard** are sited south west of Chipping Norton at Kingham. The converted priory buildings are occupied by a mixture of product and serviced-based businesses. These include: 21st Century Yarns (fabrics), Gareth Jones (carpentry), Helen Slater (glass design products), Hydrant (web design), Kingham Herbs & Tinctures (alternative health) and Sparling J Wood Turning (Carpentry).
- Threshers Yard is situated in the centre of Kingham village, and comprises a small business development of 16 office, studio and workshop units arranged around a courtyard. Occupiers include Dale & Dale (solicitors), Danmedical (medical products) Software by Interact (software) and Westcote Design (furniture).
- **Manor Barns, Finstock** comprises a group of converted farm buildings, where occupiers include: 3DM Scandinavia (marketing), Harvey Fuchs & Partners (marketing), Peak Medical (medical products) and Red Moon Executive Search (employment agency). Clearly, most of these are high value businesses, often operating in international markets. There are currently four units available, ranging in size from around 200 sq ft to 3,000 sq ft.
- **Mount Farm, Churchill** provides a range of small workshops in converted farm buildings and some 60s and 70s premises of reasonable quality. Occupiers include mainly craft-related businesses, including upholsterers, carpenters and furniture restorers.
- **Southill Business Park** is situated within the Cornbury Park, and comprises a set of around eleven converted farm buildings. The units are of a high quality, benefiting from the country park setting. Most of the occupiers are service-based business including: Bay Tree Financial Planning (finance), Ixia Consultancy (training), Lake Creative (marketing), OEE (software) and Torchbox software); with some manufacturing-based businesses, including Life Science Products (water treatment systems) and Sylva Group (design and build homes). The site appears to be well occupied with low vacancy.
- **Woodstock** has at least two good quality office employment sites in converted agricultural buildings. These include The Cowyards on Oxford Road, which is occupied by Ridge (architecture); and The Quadrangle, on Banbury Road. The varied occupiers here include: Lorena Ltd (estate agency), McGrath Rathbone (finance), OMK Design (structural engineering), Plunkett Foundation (charity) and Workplace Software (software),

- **Worton** has Jericho Farm and Worton Park. The former comprises high quality barn conversions. Oxfordshire Rural Community Council is based here. At Worton Park, a diversified farm estate, a small office park has been created. The site appears to be fully occupied by small, largely professional service firms.

As well as these remote sites with multiple units, there are also several remote employment sites where single employers occupy the entire site, mostly in purpose-built premises. Notable examples are as follows.

- Caterham F1 near Leafield
- JSP Protective Equipment at Worsham Mill, near Minster Lovell
- Lotus F1 near Enstone
- Owen Mumford at Green Lane, Woodstock
- Siemens Magnet Technology on Wharf Road, south east of Eynsham

Marginal sites

There are number of reasons why a site might be deemed to be marginal. Chief among these is that while a site might be satisfying an employment need, and might be deemed worthy of protection in planning policy terms, it might also be under threat from rising land values and alternative use developer interest. Sites that have already yielded to such pressure include those at Spareacre Lane in Eynsham and the Buttercross Works and Woodstock Road sites in Witney. Current sites witnessing such pressures include the following three examples. More recently two units at Threshers Yard in Kingham have been given consent for conversion from B1 to C3 Residential.

- **Groves Timber Yard, Milton under Wychwood** The buildings here range in age and condition, providing both small office suites and larger 'industrial' units. The site is long-established, but situated in the centre of the village it is clearly under pressure for at least partial redevelopment as housing. The site appears to be owned by Alfred Groves & Sons Ltd. There appears to be a number of vacant units on the site.
- **Minster Lovell** To the west of Witney, on the B4047 lies the small settlement of Minster Lovell. Here there are several commercial sites, but all are small sites knitted in with the residential stock, generally with poor accessibility, and generally of old stock. Occupiers are typically building trade, haulage, motor trade and plant hire.
- **Wroslyn Road Industrial Estate, Freeland** Sitting on the A4095 Witney Road, between Long Hanborough and North Leigh, this B2/B8 estate comprises two buildings sub-divided into 17 units to the rear of residential properties. The buildings are of modest quality. One unit is currently being marketed at just £2.50 per sq ft.

These sites exemplify a number of marginal sites in the District where, given increasingly obsolete stock, and given the low likelihood of reinvestment in new commercial stock (particularly industrial uses), they are likely to come under pressure for conversion to other (mainly housing) uses. Where such premises are failing to meet an obvious commercial need,

then they will need to be considered within the context of supply and demand in the wider market.

Business centres

The District has great strength in small firms. Indeed they form the bulk of demand, in both the industrial and office sectors. Business centres that offer flexible terms are an essential part of the property offer to enable small businesses to enter the commercial property market. While a key point here is about the availability of small units, equally important is the terms upon which they are offered. Many small firms and start-ups require flexible space with 'easy in-easy out' terms, an all-in unitary charge and shared facilities. Serviced offices are one example, but there is demand for a wider range of products, catering for both office and 'industrial' occupiers.

There are already a number of examples of centres catering specifically for small businesses and start-ups. These are summarised below.

- **Hanborough Business Park, Long Hanborough, Witney**, a recently refurbished building offering fully managed, all inclusive offices ranging from one person upwards, and the ability to expand within the building. Space is available from one month, and includes ICT, furnishing, showers, kitchen facilities and common areas.
- **Hexagon Business Centres, Station Lane, Witney** provide serviced offices, flexible office space, meeting rooms and virtual office services in Two Rivers and Hexagon House, both on Station Lane. They offer short-term, flexible office space for 1 to 12 people on easy in/out monthly terms.
- **Spinners Court, West End, Witney** provides offices in an attractive listed building in Witney town centre with parking. A managed building with 25 individual rooms. Flexible monthly or annual contracts are available. Size ranges available from one person to 450 sq ft.
- **Witney Business and Innovation Centre, Windrush Industrial Park, Witney** provides flexible, serviced office space, virtual offices and meeting rooms in a serviced environment. The recently refurbished building provides offices from 100 sq ft to 3,000 sq ft. The centre is owned by the Blenheim Estate and managed by Oxford Innovation.
- In Chipping Norton there are two business centres: one in Middle Row, which has 8-10 offices; and the other a larger facility, **Cromwell Business Centre, on Cromwell Business Park.**



3.3 Commercial property market dynamics

This section examines the dynamics of the commercial property market in West Oxfordshire. The agents with whom we discussed the prevailing conditions in the commercial property market reported that the District had been slower to recover from the recession than the wider Oxfordshire market, but that the past nine months had seen a very noticeable improvement. Units that had been on the market for a lengthy period during the recession had begun to be taken up and interest levels are rising significantly.

Stock

Official Valuation Office Agency (VOA) data reveal the size of West Oxfordshire's commercial property market compared to other Oxfordshire districts. In terms of offices, for example, it has the smallest stock, by a considerable margin. The commercial property market is therefore a relatively small one, and this should be borne in mind in considering its future profile.

Table 3.1 Commercial property stock, Oxfordshire

Floorspace 2012 '000 sq m	Office	Industrial
Oxfordshire	1,149	3,412
Cherwell	206	1,162
Oxford	366	323
South Oxfordshire	212	540
Vale of White Horse	252	807
West Oxfordshire	114	581

Source: Valuation Office Agency *Floorspace statistics*

The data provided by the VOA is really only useful for high level comparisons. The categories used by the VOA are (necessarily) crude, in terms of offices, factories and warehouses. However, while the categories have changed very little over the years, the nature of work has changed fundamentally. In terms of understanding the dynamics of local supply and demand it is necessary to undertake an analysis that is more sensitive to stock in terms of size, quality and use.

By far the largest centre is Witney, followed by Eynsham and then Chipping Norton. Generally speaking, the commercial stock in most centres is dominated by industrial and warehousing. The main exceptions to this are Chipping Norton, which has a relatively large stock of offices (including Cromwell Park), and a number of smaller centres, including Burford, Charlbury and Long Hanborough, where new offices schemes have been completed in the past decade (such as Blenheim Office Park at Long Hanborough).

The West Oxfordshire Economy Study of 2007 highlighted a contrast between office and industrial stock in terms of its age. Thus while 44% of office space was developed after 1990 and 36% pre-dated 1970, only 24% of factory space and 15% of workshop space post-dated 1990. This suggests that replacement of industrial stock is slow, while the office market has, comparatively, expanded more rapidly in recent times.

Premises availability and take-up

There is little published evidence of detailed market dynamics in West Oxfordshire. However, local agent Meeson Williams Phillips (MWP) publishes a report that consolidates the market views of 21 firms across the county. Three editions of the *Commercial Property Dashboard* have been produced – spring, summer and autumn, 2014. While this is a relatively short run of data, it merits highlighting (Figure 3.2).

Table 3.2 Premises availability in Chipping Norton and Witney, 2014

Market	Date	Office space		Industrial space	
		Sq ft	% <3000 sq ft	Sq ft	% <5,000 sq ft
Chipping Norton	Spring	934	100.0	9,007	100.0
	Summer	934	100.0	17,585	75.0
	Autumn	3,673	100.0	13,698	66.7
Witney	Spring	37,000	78.0	79,648	45.0
	Summer	40,101	78.3	101,153	42.9
	Autumn	21,640	76.9	85,860	36.4

Source: Meeson Williams Phillips *Commercial Property Dashboard*

The data in the table demonstrate that two of West Oxfordshire's largest markets (Carterton is not covered in the MWP survey), are in fact quite small. While in the most recent period, Chipping Norton had just less than 4,000 sq ft of office space available, Witney had just under 22,000 sq ft. Moreover all of the available Chipping Norton space and three-quarters of the Witney offices were in units of less than 3,000 sq ft.

MWP records a steady increase in demand for office and industrial space throughout 2014, probably reflecting the wider improvement in business confidence in the economy as a whole. These dynamics are not necessarily demonstrated to be true in the Chipping Norton and Witney data, with only offices in Witney showing any marked change downwards in availability.

Across the district, and across the industrial and office markets, availability is reportedly low at the current time. The past nine months have seen a significant uptick in letting activity. One agent reported that units that have been on the market for as long as 4-5 years have recently been let, in a sign both of improved take-up and a tightening between demand and supply. Agents were generally agreed that there was a growing shortage of the right kind of stock, in terms of quality.

Land availability

It is clear that West Oxfordshire does not have a plentiful supply of development land in the pipeline. Data from West Oxfordshire District Council reveal that Carterton (Ventura Park and West Oxfordshire Business Park), Chipping Norton, Standlake and Witney have a theoretical total of 28 hectares (65.5 acres) of land for business development¹¹. However, due to a range of issues, including ownership issues, planning matters and so on, the actual availability of this

¹¹ See Appendix 3 for details

land is much less. Land that is classed as 'available' totals just 3.3 hectares (8.1 acres). This is spread across eight sites, with five in Carterton, one in Chipping Norton and two in Witney.

There is thus a highly constrained land market within the District. Moreover, only one of the available sites is larger than one acre, which somewhat restricts the type of property that might be developed. A shortage of larger sites is evident in a number of local, unsatisfied requirements for new buildings.

If greater certainty can be achieved on the 28 hectares potentially available, then the District might consider that it has adequate supply to meet future demand. But at the moment, the market is very tight and, potentially, restrictive in terms of future growth.

Rental performance

According to MWP, prime industrial rents in Oxfordshire stand at £9 to £10 per sq ft; while prime office rents stand at £21 to £24 per sq ft. However, just as the VOA data provide a crude guide to the dynamics of the market, so too do county-wide rental data. According to Carter Jonas (*Commercial Edge*, 2014), rents in West Oxfordshire are more modest.

In the representative town of Witney, for example, prime industrial rents stand at £6.50 per sq ft (with secondary at £5.50). These are higher than Banbury, Bicester and Wallingford; and lower than Didcot, Oxford and Thame. Meanwhile, prime office rents reach £16.00 per sq ft (with secondary offices at £13.00). These are higher than in Bicester, Banbury and Didcot; and lower than in Abingdon, Oxford, Thame and Wallingford.

These figures are borne out by recent deals. For example, industrial rents have been quoted recently in Carterton, Eynsham and Hanborough at between £4.50 per sq ft and £6.00 per sq ft (Oakfield Industrial Estate, Old Station Way, Ventura Park). Similarly, office rents on available office premises in Chipping Norton, Eynsham, Hanborough and Witney have recently been quoted at between £12.50 per sq ft and £14.00 per sq ft (Blenheim Office Park, Oasis Business Park, Spinners Court). The offices on Oasis Business Park are good quality, modern buildings in a purpose-built environment, and yet there are three units here currently being quoted at £14.50 per sq ft. In small units in town centre schemes quoting rents can just touch £16 per sq ft (as is currently the case with Unit 6 in Des Roches Square).

The 2007 Economy Study recorded industrial rents of £5.50-£6.00 per sq ft. These compare closely to the figures given above, and suggest that industrial rents have been stable for seven years or more (not very surprising given the state of the wider economy and property market). The 2007 study cited rents ranging from £7 per sq ft in Carterton to £16 per sq ft in Long Hanborough. Again, in terms of prime property, these accord with more recent observations.

The property agents confirmed that the District has a rent cost advantage over other areas, but tempered this with the fact that it was not sufficient to attract many occupiers. The key problem with rents at the current time is that they render new development unviable. It was reported that rents will need to reach at least £18-£19 per sq ft before developers will even consider speculative development. This is unlikely to be achieved in the short-term.

Demand and supply

The fieldwork for this study, reported in the site descriptions above, demonstrates three fundamental features of demand in the West Oxfordshire commercial property market: most

demand is locally driven; most is industrial in nature, and most is small-scale. Evidently, there are exceptions to all three of these features, but they are useful general descriptors.

Most demand is locally driven. A key feature of demand in the District is that most is indigenous. There are very few footloose firms moving from, say, Oxford, or further afield into the area. This might at first sight seem surprising given the differential in rents. However, for footloose companies, Oxford is surrounded by a large number of high quality business parks, all with clusters of skilled staff, and it might be that they have little need to move further west. Oxford is both nearby and has the critical mass to act as a key magnet for demand. In this sense there is relatively modest demand from relocating companies.

Most demand is industrial. Most demand for commercial property in the District is industrial in character: there are relatively few dedicated office parks (Cromwell Park in Chipping Norton being a notable exception). As already noted, the District has a strong tradition in industry, particularly engineering, and this continues to the present day. Obviously, the nature of engineering has, and continues to change. However the most important resource for engineering firms is skilled labour and the District is well-endowed with that (combined with good environment and quality of life).

Most demand is small-scale. The third dominant feature of West Oxfordshire's property market – both office and industrial – is the predominant demand for small units of space. The Oxford Economy Study 2007 noted that 95% of West Oxfordshire's stock of office space is in units under 5,000 sq ft, while 70% of industrial/warehouse units are under 5,000 sq ft. Enquiries for units over 5,000 sq ft are uncommon, and those for in excess of 10,000 sq ft are rare. In other words, there appears to be little demand from the types of 'corporate occupiers' more typically found, say, on the business parks around Oxford.

There is an element of circularity in this observation. Larger corporate occupiers tend to cluster with others – both in related and unrelated businesses. Because West Oxfordshire does not have any large corporate business parks, it does not attract corporate occupiers. It could be argued that, given appropriate supply, they could be attracted. However, as already observed, the District is a largely rural one, with a tight labour market. New speculative supply is unlikely to happen on this scale.

Demand-supply balance. In some senses it seems that there has been a good commercial property market balance over the years, as supply has generally kept pace with (albeit modest) demand, and as developers have, generally, provided properties that can be broken down into the kind of small, self-contained units most in demand. Today there are no classic indicators of market imbalance, either shortages (rising rents and land prices) or surpluses (swathes of 'to let' signs and falling rents).

The recent recession brought a virtual halt to new supply, as development finance dried up and demand from expanding firms dwindled (in common with most markets). However, the wider economy is improving, and neighbouring markets (in, for example, Kidlington and Bicester) are reporting an upturn in demand. The key question therefore is whether the west Oxfordshire commercial property market will maintain a good demand-supply balance.

While there are currently no major supply-demand mismatches, the foregoing text suggests some areas of supply are tightening. This is less likely to cause price pressure than to cause

firms to consider alternative locations. Of particular concern is the very low amount of land available in the pipeline that has any certainty over its development viability.

It is helpful to look at the supply-demand balance in more detail by examining the industrial and office markets separately, because they have distinctive characteristics, including spatial features.

The industrial market Our fieldwork and research for this study suggest a relatively tight industrial market – although there has been no major oversupply in recent times, demand has picked up and the availability of *suitable* premises is diminishing. Agents that we spoke with described a growing shortage of the right kinds of premises.

The key question for industrial space, and one that is likely to become more acute with time, is around stock replacement. As much of the older industrial stock becomes older and more difficult to use, what will be the incentive to redevelop and replace? Furthermore, what kind of premises should be supplied?

In terms of unit size, there seems to be a particular shortage of small units. This is true across the District. Although Carterton has witnessed some renewal of its industrial stock in recent times (see Ventura Park) and has a range of buildings to suit varied needs, the availability of small, starter units is limited. In Witney, while there is a reasonable, albeit shrinking, supply of available space, the main concern here is the lack of new space coming through.

The office market The office market in West Oxfordshire is relatively small, both in terms of its overall quantum, and in terms of the level and nature of activity in a typical year. Demand is typically for small units, typically of a high quality, many in the converted agricultural buildings described earlier. Many of the firms are small, professional and service-based businesses with sole proprietors. As with industrial property, there is very little demand over 5,000 sq ft.

A number of schemes have been created in the centre of Witney in recent years, and a few in Chipping Norton, Long Hanborough and Carterton. But the schemes are small scale and availability is shrinking. While there is some availability, this tends to be older, town centre stock. The identified need is for more purpose-built stock that will allow firms to move from starter units into better specified buildings, and in sites where there are other office occupiers.

Demand-supply overview The discussion on land availability above points to a potentially very constrained supply market. While this is not particularly evident in today's leasing market, in the medium-term, it could present the District with a situation that will constrain economic growth. In the short-term, the fieldwork for this study suggests that the most significant demand-supply issues revolve around quality rather than quantity. And this in itself breaks down into two particular areas.

First, the District has a growing stock of older buildings, and there is a question mark over the prospects for investment in renewal, certainly given viability issues with high build costs and flat lining rents. Industrial premises are increasingly difficult to justify in development terms (not only in West Oxfordshire), and yet this has been one of the mainstays of the demand market. Similarly, there is the possibility that the supply of good quality office premises might begin to fall behind demand. As the stock ages some of it will, inevitably, become obsolete.

The second question is about the nature of the product available. As already noted, the District caters well for small businesses and start-ups. There might, however, be an emerging question over the availability of start-up and incubator units for both office and industrial occupiers, and those requiring a blend of uses. There also seems to be demand for a modern type of 'flex building' in the industrial market, with space that is flexible and simple to reconfigure and that is, essentially, light industrial in character but with a high office content. This type of product is offered in many locations by providers such as Basepoint.

It should also be noted that there are currently a small number of large requirements in the market, between around 70,000 sq ft and 150,000 sq ft. These are from large local employers, and it is reported that they are unable to find suitable land/buildings. Given additional identified constraints in the form of skills availability, housing prices and possibly congestion, and there begins to emerge the need for a strong focus on the retention of local employers.

3.4 Commercial property market findings

This review of West Oxfordshire's commercial property market has reviewed the demand context; assessed the qualities of the main concentrations of commercial property, and evaluated the market demand-supply dynamics. Here we summarise the main findings and draw out the implications.

Key findings

The key findings from this overview of the District's commercial property market may be summarised as follows.

- Most demand is locally-driven, industrial and small scale.
- There is little prospect of a dramatic change in the profile of demand in the short- to medium-term.
- Much stock is old and of diminishing quality. New supply has been very limited for an extended period. Office development in particular is currently not viable.
- While unspectacular, the level of take-up is reasonably consistent, and this has been allied to a rough balance between demand and supply over an extended period.
- However, there has been an uptick in demand during 2014 and availability is dwindling rapidly, with identifiable shortages of suitable land and buildings.
- Rents in the District are generally competitive with the wider area, ensuring its competitiveness. However, this has not encouraged inward investment; and current rents mean that speculative development is not viable.
- There are currently a small number of large requirements in the market, between around 70,000 sq ft and 150,000 sq ft, from large local employers, and it is reported that they are unable to find suitable land/buildings.

Demand, while modest, has been sustained through the recession and has, at last, begun to increase. Against this there has been a dearth of new supply for some considerable time, and it is perhaps this factor, the absence of new, replacement stock that is causing the greatest concern in the commercial property market. At the same time, as noted above, there have been a few employment sites lost to residential development (see Eynsham and Witney). Such pressure is likely to increase, particularly on marginal sites, as it is in many areas of the country.

The general theme seems to be that while the District does not need to ready itself for major expansion in commercial property with large tracts of land; it does need to understand carefully what is available, and to replace ageing stock with buildings that match closely the evolving demand profile of the area. This means a mixture of sizes, to address the needs of both small and expanding firms, and a mix of use types, including flex-buildings. Even to achieve this, however, there is likely to be the need for greater certainty around some of the sites that are theoretically available, but less so in practical terms.

There is a further critical point about 'deliverability'. There is clearly the need to ensure that sufficient land is genuinely available, in the sense of being immediately available for development, to meet identified demand from large local businesses. Sites with complex ownership issues, with current uses established or with the need for long-term investment in costly infrastructure are not helpful to employers looking for new facilities within, say, a two year time horizon.

There is also a spatial aspect to this conclusion. This is that the main centres of Carterton, Chipping Norton, Eynsham and Witney should ensure that they are catering for the bulk of demand. While there are a number of remote industrial sites that serve a very useful purpose away from sensitive residential areas, there are also a number of marginal sites that might be considered for alternative uses to meet other land use pressures.

Implications

There are a number of ways in which the District's supply of land and buildings could be more closely aligned with the profile of demand.

Unit sizing. There is a clear pattern to demand within the District in terms of the unit sizes in greatest demand. Units of less than 3,000 square feet, in both the industrial and office markets, form the bulk of demand, and means need to be found to ensure a steady supply of such space.

Business incubation. Allied to this need for small units of space is the clear need to provide space on flexible terms to nurture small and start-up businesses. The provisions of business centres and incubators will be key to this process.

Sector of use. The nature of business has changed much over recent years, and many occupiers are using their premises in ways that do not conform neatly to the traditional breakdown between office, industrial and warehouse space. There is an opportunity for the district to consider buildings that mix uses. For example, light industrial with a high office content (20%+) can appeal to a wide variety of users. Such buildings might also be more appealing to developers who are struggling to make office development viable.

Locational issues. Different centres in the district are experiencing different pressures. In Chipping Norton, for example, there is a particular shortage of new office supply. By contrast, Carterton is suffering from an oversupply of old and poor quality industrial stock. Addressing these market-specific imbalances will be important to ensuring that local businesses can find the premises they need in the places where they want them.

Future demand

The nature of the District's physical environment (much rural and protected), together with strongly competitive markets in surrounding areas, suggest that West Oxfordshire's commercial property demand profile is unlikely to change radically in the short- to medium-term. Whether major improvements to the A40 would change this is a moot point, although it is difficult to envisage this being the case for commercial markets north of Witney. These factors suggest that the area must 'play to its strengths' and protect the resources that it has.

One area that needs further investigation is the potential impact of increased activity at Brize Norton. The likelihood and quantum of this are not known at this stage, but there is the potential for a significant impact on the Carterton and Witney markets.

4 Policy Context

4.1 Current Local Plan

The current West Oxfordshire Local Plan was adopted in 2006 and the Council is in the process of preparing a replacement which will cover the period 2011 – 2029. Most policies and proposals in the Local Plan are 'saved' and continue to form the principal basis for local planning decisions.

The overall aim of the current Local Plan is two-fold:

1. *'to protect and enhance the natural and built environment in West Oxfordshire in order to pass a worthy legacy onto future generations, whilst at the same time;*
2. *securing new development of a good environmental standard which will provide the necessary residential accommodation, jobs, infrastructure and facilities required to meet the social and economic needs of the local community as well as visitors to the area.'*

The emphasis on protecting environmental quality is also apparent in the overall employment objectives. Whilst the Plan states an objective of providing *'a wide range of sites and buildings in order to assist in maintaining a healthy local economy'*, this sits alongside the objective of ensuring *'that the location of employment sites and buildings does not erode the high environmental quality of West Oxfordshire, does not lead to an unacceptable increase in traffic levels and does not lead to overheating of the economy and stimulation of undesirable growth beyond that planned for in the then Oxfordshire Structure Plan'*.

Limited employment allocations are made in the Plan and a policy of restraint is set out in provision of employment in the more remote areas of the district and in smaller settlements. As well as focusing employment on larger settlements, the policies seek to support important business sectors such as bio-technical, medical and high-performance motor engineering. The Plan recognises that such sectors benefit from being clustered together and in reasonable proximity to associated research establishments such as Oxford University and Harwell.

4.2 NPPF

The policies of the current Local Plan were saved by the Secretary of State in order to provide a stable planning framework locally and to help ensure a continual supply of land for new development. However, whilst the saved policies continue to provide the basis for local planning decisions until they are replaced by the new Local Plan, new national policy, particularly the National Planning Policy Framework, is a material consideration and will also be afforded considerable weight in decisions. In fact, the NPPF makes it clear that due weight will now be given to relevant policies in existing plans only according to their degree of consistency with the NPPF (the closer the policies in the plan to the policies in the Framework, the greater the weight that may be given).

The extent of divergence between the approach of the current Local Plan and the approach of the NPPF is a matter of judgement. However, it is worth noting the pro-active approach to

development required by the NPPF, espoused most clearly in the presumption in favour of sustainable development. This presumption requires local planning authorities (LPAs) to *'positively seek opportunities to meet the development needs of their area and meet objectively assessed needs'*, with *'sufficient flexibility to adapt to rapid change, unless any adverse impacts of doing so would significantly and demonstrably outweigh the benefits, when assessed against the policies in the NPPF'*. This proactive approach also includes recognising and seeking to address potential barriers to investment, which might include seeking to address the environmental impacts of development.

In order to build a strong, competitive economy, the NPPF requires LPAs to:

- 'set out a clear economic vision and strategy for their area which positively and proactively encourages sustainable economic growth;
- set criteria, or identify strategic sites, for local and inward investment to match the strategy and to meet anticipated needs over the plan period;
- support existing business sectors, taking account of whether they are expanding or contracting and, where possible, identify and plan for new or emerging sectors likely to locate in their area. Policies should be flexible enough to accommodate needs not anticipated in the plan and to allow a rapid response to changes in economic circumstances;
- plan positively for the location, promotion and expansion of clusters or networks of knowledge driven, creative or high technology industries;
- identify priority areas for economic regeneration, infrastructure provision and environmental enhancement; and
- facilitate flexible working practices such as the integration of residential and commercial uses within the same unit.'

4.3 Draft Local Plan

The Council published its draft Local Plan in November 2012. Under the NPPF, decision-takers may also give weight to relevant policies in emerging plans such as this, according to:

- *'the stage of preparation of the emerging plan (the more advanced the preparation, the greater the weight that may be given);*
- *the extent to which there are unresolved objections to relevant policies (the less significant the unresolved objections, the greater the weight that may be given); and*
- *the degree of consistency of the relevant policies in the emerging plan to the policies in the NPPF (the closer the policies in the emerging plan to the policies in the NPPF, the greater the weight that may be given)'.*

The draft Plan aims to provide for sustainable economic growth to meet the needs of businesses and address barriers to growth. The strategy can be summarised as follows:

- maintaining a flexible supply of land for businesses in accessible locations adjacent to the main towns to support key industrial, manufacturing, and engineering sectors, the Oxford Bioscience Cluster, aviation businesses related to RAF Brize Norton and facilitate investment in the stock of business premises;
- addressing transport congestion in towns and on major routes - notably the A40;
- improving the availability of high speed broadband and mobile connectivity through working in partnership with providers and ensuring new development is 'broadband ready';
- maintaining a labour supply with appropriate skills and 'work readiness' with a level of housing which broadly maintains the labour supply at 2011 levels whilst continuing to monitor commuting levels and the impacts of changes to pension and retirement ages.
- investing in town and village centres as the first choice for shopping and leisure development to reinforce their role, enhance their environments and manage car parking to ensure they remain accessible and attractive to shoppers and visitors;
- promoting a successful visitor economy which benefits visitors and local communities alike whilst protecting and enhancing the attractive environment of the District;
- supporting a vibrant rural economy through tackling broadband roll out, facilitating homeworking, small rural business premises and diversified farming and land based sectors.

The draft Local Plan makes provision for 60 hectares of business land over the period 2011 – 2029. The strategy provides potential for up to 10,000 jobs whilst broadly maintaining the labour supply at 2011 levels and as such seeks to improve the balance of labour and jobs.

4.4 Oxfordshire Local Enterprise Partnership

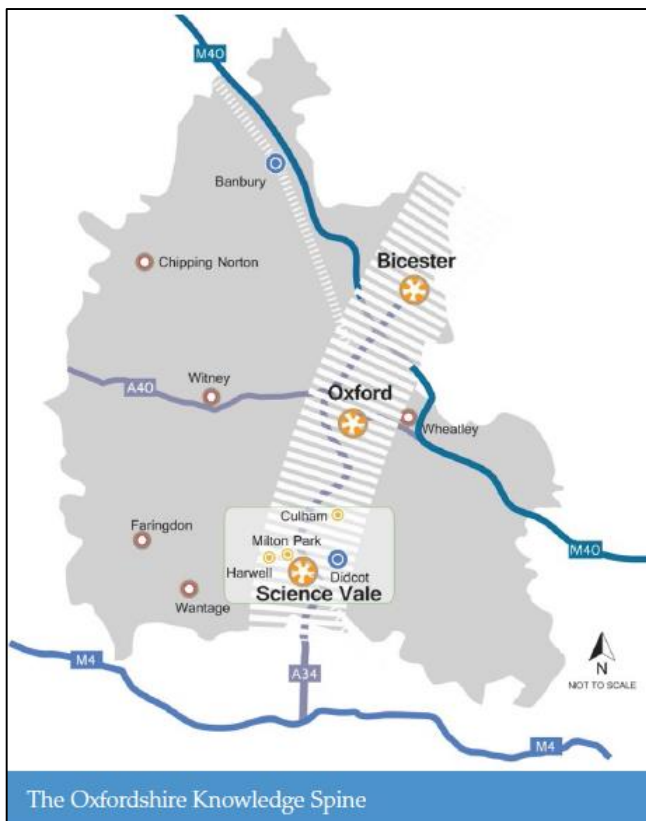
Oxfordshire Local Enterprise Partnership (LEP) brings together business, the universities, colleges, research facilities and all of the local authorities in County. It plays an important role in helping to determine local economic priorities and to drive local economic growth and job creation, utilising funding from the UK Government and EU Structural and Investment Funds. Oxfordshire LEP's Growth Deal also provides for the LEP to play a role in supporting Councils in the area to deliver their Local Plans. The plans and strategies of the LEP will therefore have an important bearing on the West Oxfordshire economy, future planning policy and any subsequent economic strategy.

The LEP's Business Plan for Growth (2013) sets out a vision to make Oxfordshire a '*globally competitive, knowledge-based economy*'. Through focusing on key sectors such as life sciences and medical instruments; high performance technologies and space and satellite applications, the Plan seeks to promote the rebalancing of the economy from the public to

private sector. A spatial element to the Plan is provided by a focus on the following priority locations, which together form the 'Knowledge Spine' (see figure below):

- Science Vale UK - where the aim is build on its extensive research infrastructure and the designation of Harwell as the home of the national Satellite Applications 'Catapult';
- Bicester - where improved infrastructure and increased land availability is said to be unlocking the potential for significant increases in employment growth;
- Oxford - where the Business Plan emphasizes the need to continue to invest in developing the critical infrastructure necessary to realise the full potential of its education, research and innovation.

Figure 4.1: The Oxfordshire Knowledge Spine



Source: Oxfordshire LEP Strategic Economic Plan, 2014

West Oxfordshire is to some extent peripheral to the principal spatial focus of the LEP on the 'Knowledge Spine'. There is the potential for considerable wider benefits to the area, including West Oxfordshire, from the further development of this area. Nevertheless, a key challenge for the Local Plan and the economic strategy will be addressing the impacts of this focus, in terms of out-commuting and the associated economic and transport impacts, as well as articulating and progressing a strategy which is complimentary to and not in competition with the Knowledge Spine for jobs and investment.

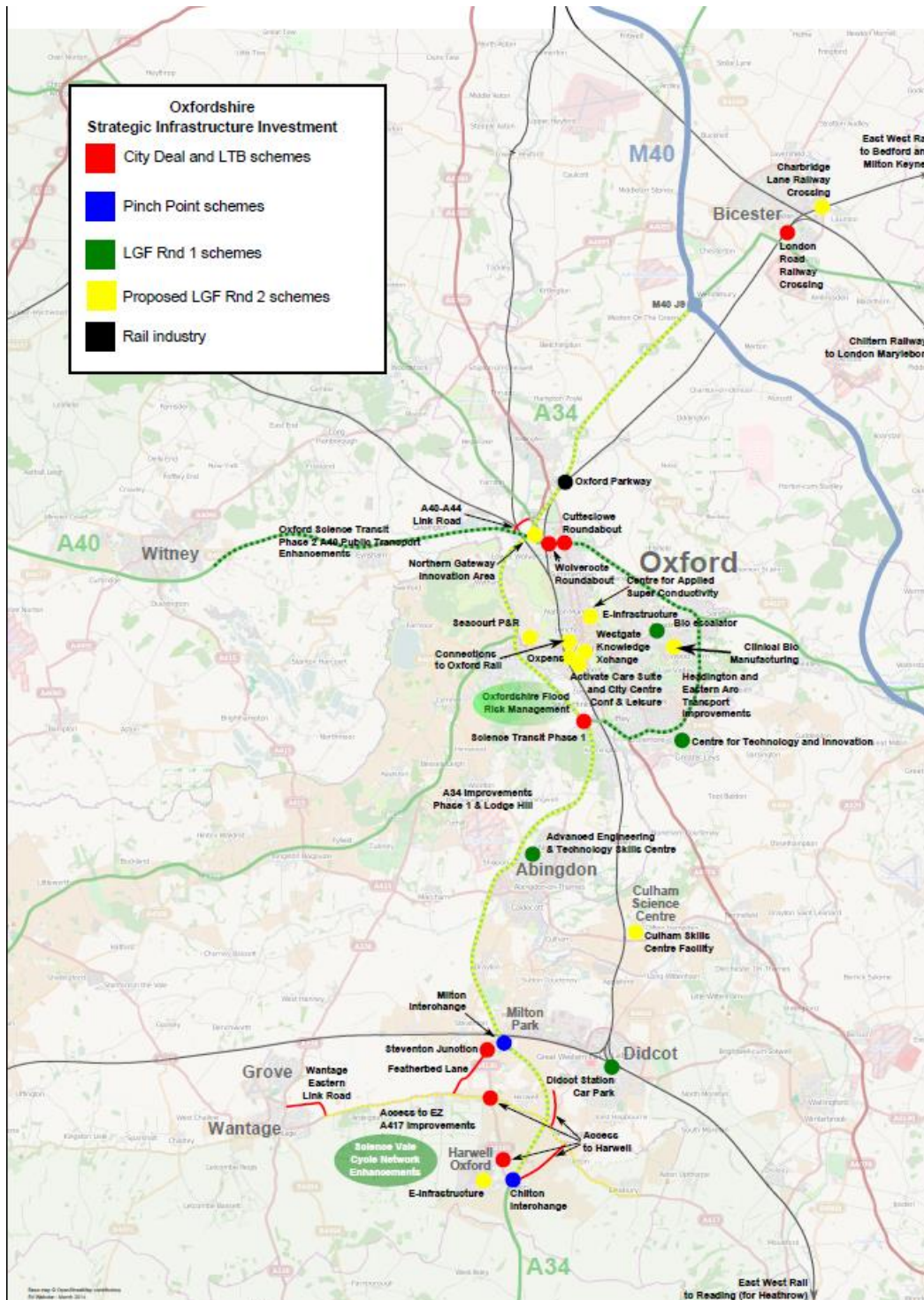
A number of synergies between the LEP's vision and the draft Local Plan are evident, e.g.

- improving connectivity and seeking to address transport congestion – the Oxfordshire Growth Deal includes a provisional allocation towards Phase 2 of the *'transformational Science Transit integrated transport scheme. This major scheme will enhance the A40 strategic route between Oxford, Witney and the Northern Gateway innovation area, enabling the delivery of homes and jobs across West Oxfordshire, supporting innovative growth while promoting sustainability'*;
- developing the rural economy, including through delivering next generation broadband access in rural areas; and
- increasing housing supply to support economic growth – the City Deal between Oxfordshire and the Government includes a commitment to accelerate the delivery of 7,500 homes in the County by 2018.

The LEP's vision for promoting innovation, improving business support and developing skills will have county-wide benefits and there is a strong emphasis in the LEP's European Structural Fund and Investment Plan (ESIF) on ensuring economic benefits across the county – having a *'county-wide perspective'* through *'reaching out to all areas, prioritising opportunities to improve integration and cohesion'* is one of the stated cross-cutting principles of the ESIF and a range of measures are proposed to achieve this.

The strategic focus of infrastructure investment in the county also serves to reinforce the knowledge spine.

Figure 4.2: Oxfordshire Strategic Infrastructure Investment



4.5 Strategic Housing Market Assessment

The Oxfordshire Strategic Housing Market Assessment (SHMA) was published in April 2014. It covers the five districts of Oxfordshire and presents projections for each district.

The report presents four population growth scenarios. Two are described as demographic scenarios and two are described as economic scenarios.

- PROJ1 is based on the 2011 ONS Sub National Population Projections and the 2011-based CLG Household projections.
- PROJ2 amends this to take account of a perceived under-count for migration in Oxford. This is known as the Alternative population projection
- PROJ3 takes the Alternative population projections use this as an input to the Cambridge Econometrics LEFM and then derives a new population projection from the forecast employment growth.
- PROJ4 calculates a derived population projection from the Cambridge Econometrics Committed Economic Growth projection

The Table below summarises the different projections for West Oxfordshire showing the projected increase population, housing and employed residents under each scenario. The number of employed residents is derived from a fixed commuting ration of 1.18 as explained further in Chapter 6 below.

Table 4.1: Population and Housing Growth Projections West Oxfordshire 2011-31

Per Annum	Population	%	Housing	%	Employed Residents	%
SNPP	1,020	1.0%	512	1.1%	338	0.6%
SNPP Updated	922	0.9%	541	1.2%	287	0.5%
Economic Baseline	1,054	1.0%	590	1.3%	358	0.6%
Committed Economic Growth	1,245	1.2%	661	1.4%	464	0.8%
Total	Population	%	Housing	%	Employed Residents	%
SNPP	20,396	19.3%	10,246	22.4%	6,767	12.0%
SNPP Updated	18,432	17.5%	10,815	23.6%	5,733	10.1%
Economic Baseline	21,074	20.0%	11,794	25.8%	7,167	12.7%
Committed Economic Growth	24,909	23.6%	13,213	28.9%	9,283	16.4%

Source: Oxfordshire SHMA

The relationship between the rate of growth of jobs, population and housing varies by scenario. The increase in employed residents in relation to increase in population is highest in the Committed Economic Growth Scenario. For every additional 1,000 in population, the number of employed residents increases by 370, whereas under the SNPP Updated scenarios the number of employed residents only increases by 310. The increase in population per increase in dwelling is also higher under the Committed Economic Growth scenario than under the SNPP updated. This then carries through into the relationship between the number of additional employed residents per additional dwelling with the ratio of change in employment to change in housing is highest under the Committed Economic Growth scenario and lowest under the SNPP Updated scenario.

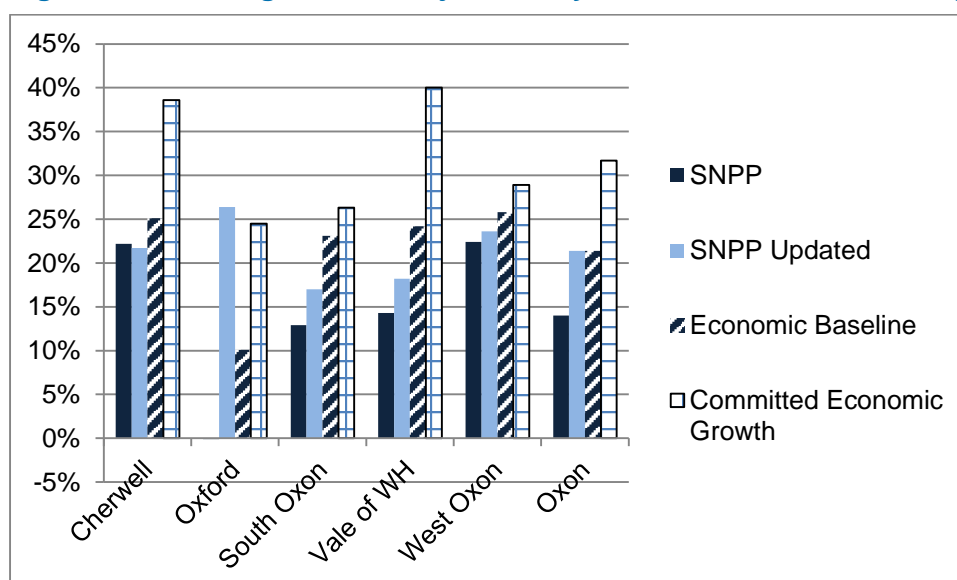
Table 4.2: Relationship of projected change by Scenario

	Employment / Population	Population / Housing	Employment / Housing
SNPP	0.33	1.99	0.66
SNPP Updated	0.31	1.70	0.53
Economic Baseline	0.34	1.79	0.61
Committed Economic Growth	0.37	1.89	0.70

Source: Oxfordshire SHMA

In comparing the impact on West Oxfordshire of varying the projection scenarios, it can be seen that there is comparatively little impact on West Oxfordshire compared with the other Oxfordshire Districts. In the first three projection scenarios the projected housing growth for West Oxfordshire is above the county average. For the Committed Economic Growth Scenario, the projected housing growth for West Oxfordshire is higher than in the other scenarios but is below the county average.

Figure 4.3: Housing Growth Projections by District for each of the Projection Scenarios

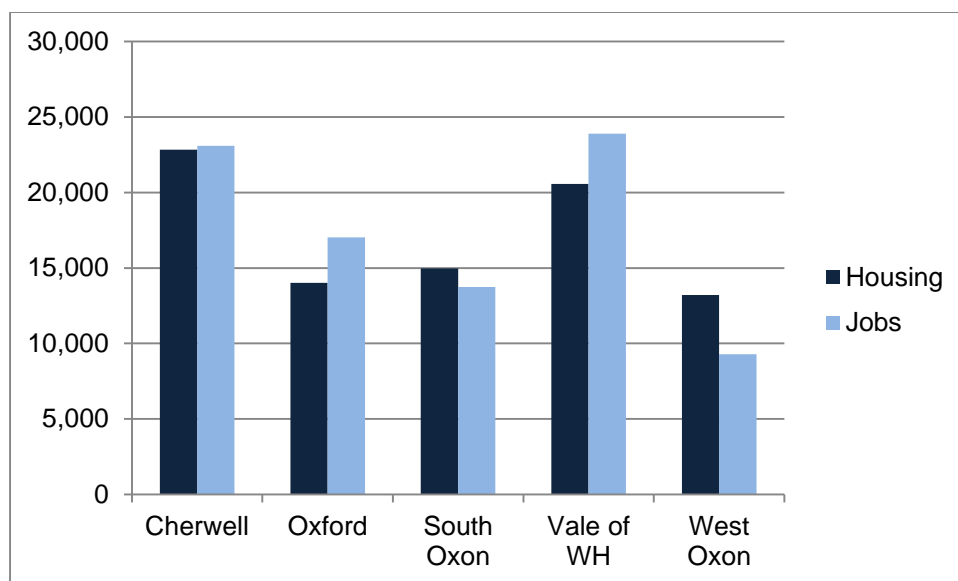


Source: Oxfordshire SHMA

Looking at the balance between jobs and housing in each District there is a fairly good balance between the two under the Committed Economic Growth Scenario. The exception is West Oxfordshire, where the increase in housing growth is projected to be 42% higher than jobs growth. The Committed Economic Growth Scenario does not boost jobs to the same extent in West Oxfordshire as it does in other Districts. In all districts bar Oxford the forecast in jobs under the Committed Economic Growth scenario compared to the SNPP Updated is much higher than the relative increase in housing between the two scenarios. In West Oxfordshire the percentage difference in the jobs increase between the two scenarios is still much higher than that for housing but it is not enough to close the gap.

Under the SNPP Updated Scenario all districts bar Oxford are projected to have an increase in housing numbers at least 50% higher than the increase in job numbers.

Figure 4.4: Projected Change in Housing and Jobs 2011-31 – Committed Economic Growth Scenario



Source: Oxfordshire SHMA

The SHMA then made further adjustments to account for affordable housing need and backlog before concluding with a range for Oxfordshire as a whole of 4,678 – 5,328 dwellings per annum and for West Oxfordshire of 635-685 dwellings per annum. The mid-point of the range for West Oxfordshire at 660 dwellings per annum is virtually the same as the 661 per annum set out in the Committed Economic Growth scenario.

4.6 Conclusion

The Oxfordshire LEP has set out an ambitious growth plan with a particular spatial focus on the Knowledge Spine running from Science Vale in the south through Oxford to Bicester in the north east of the County.

The high growth ambitions of the Oxfordshire LEP are backed by the Oxfordshire SHMA, which sets out high housing targets intended to match the hoped for growth in employment.

Set against the County growth ambitions, the current West Oxfordshire local plan aims for more modest growth aiming for sustainable economic growth to meet the needs of businesses, with the objective of growing jobs at a faster rate than workers to reduce the current commuting imbalance.

The choices facing West Oxfordshire are how to respond to the wider growth plans of the County. There appears to us to be three broad policy choices:

- To welcome the concentration of growth along the Knowledge Spine as a means of reducing pressure for economic development in West Oxfordshire.
- To try and extend planned growth into West Oxfordshire, adding a knowledge arm to the spine.

- To develop a complementary offer that seeks to provide the types of activity that will not locate in the Knowledge Spine.

In subsequent sections we set out some suggestions for how West Oxfordshire District Council might respond.

5 Gap Analysis

5.1 Introduction

In this chapter we present an assessment of the current strengths and weaknesses of the District and identify key economic development gaps that the Council should address. This draws on the findings of the local economy and property market set out in chapters 2 and 3 above. It starts by examining the sectoral profile of the District to understand the structure of the local economy in terms of sectors that are expected to grow or decline.

5.2 Sector Strengths

The figure below illustrates how well represented West Oxfordshire is in growth sectors. The vertical axis represents the forecast national growth rate by sector using the Baseline forecasts from the East of England Forecasting Model (EEFM) 2013 and uses the broad 30 sector categorisation contained in the EEFM. Employment for Great Britain as a whole is forecast to grow at 0.4% p.a. over the period 2011-31¹². The horizontal axis represents the Location Quotient (LQ)¹³. The size of the circle represents the size of the sector in West Oxfordshire.

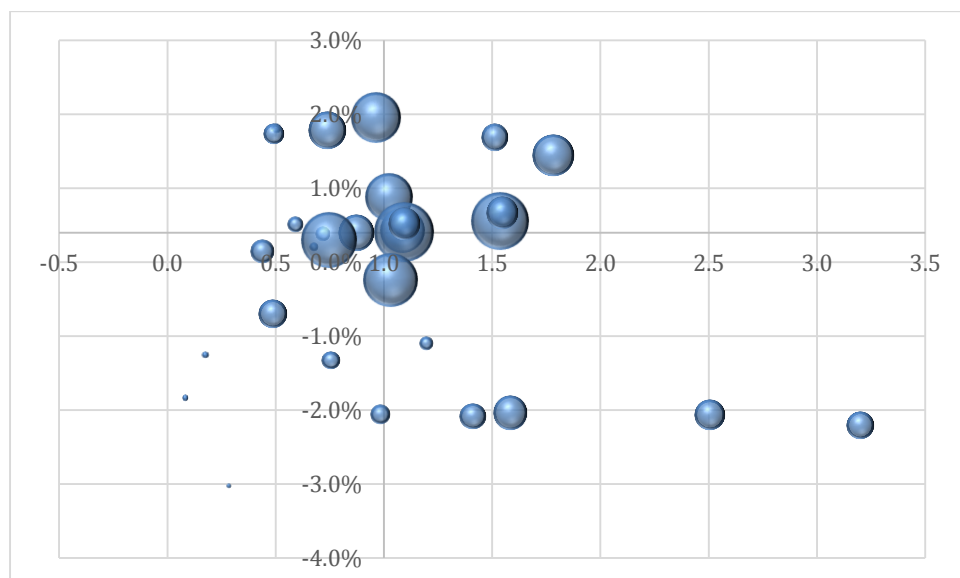
- Sectors in the top right quadrant are those that are forecast to grow at above the national average rate and in which West Oxfordshire is over-represented.
- Sectors in the bottom right quadrant are those that are forecast to grow at below the national average rate and in which West Oxfordshire is over-represented.
- Sectors in the bottom left quadrant are those that are forecast to grow at below the national average rate and in which West Oxfordshire is under-represented.
- Sectors in the top left quadrant are those that are forecast to grow at above the national average rate and in which West Oxfordshire is under-represented.

A table setting out the Location Quotient and Growth Rate by sector is set out below the Figure to enable identification of the symbols.

¹² This compares with 0.6% p.a. growth rate assumed for the UK in the Cambridge Econometrics work which supported the SHMA. See Appendix 2.

¹³ A Location Quotient reflects the relative representation of a sector in a location terms of total employment for that location compared with the national average. A Location Quotient of greater than 1 means it is relatively over-represented. A Location Quotient of less than 1 means it is relatively under-represented

Figure 5.1: Forecast National Growth by Sector and West Oxfordshire representation



Source: BRES/EEFM/CAG

	LQ	2011-31		LQ	2011-31
Electronics	3.2	-2.2%	Professional services	1.0	2.0%
Chemicals	2.5	-2.1%	Land Transport	0.9	0.4%
Arts and entertainment	1.8	1.5%	Food Manufacturing	0.8	-1.3%
General Manufacturing	1.6	-2.0%	Health and care	0.7	0.3%
Computer related activity	1.5	0.7%	Business services	0.7	1.8%
Hotels and restaurants	1.5	0.6%	Telecoms	0.7	0.4%
Real Estate	1.5	1.7%	Water and air transport	0.7	0.2%
Transport	1.4	-2.1%	Publishing & broadcasting	0.6	0.5%
Waste and remediation	1.2	-1.1%	R+D	0.5	1.8%
Retail	1.1	0.4%	Employment activities	0.5	1.7%
Other services	1.1	0.5%	Public Admin & Defence	0.5	-0.7%
Wholesale	1.1	0.4%	Finance	0.4	0.2%
Education	1.0	-0.2%	Mining and Quarrying	0.3	-3.0%
Construction	1.0	0.9%	Utilities	0.2	-1.2%
Grand Total	1.0	0.4%	Agriculture	0.1	-1.8%
Metals	1.0	-2.1%	Pharma	0.0	-1.9%

The overall balance of activity looks quite healthy with a good representation of employment in national growth sectors. These are primarily consumer services sectors such as arts and entertainment, hotels and restaurants and other services. The District also has an above average share of employment in computer-related activities, but in most of the business services that are projected to grow it is under-represented.

The district is over-represented in a number of manufacturing sectors that are projected to have declining employment but these do not form a large proportion of West Oxfordshire's total employment, hence there will not be a large structural impact on the local economy. Also whilst manufacturing employment as a whole may be declining there will be aspects of it, such as

design activity, which will continue to thrive and a significant proportion of West Oxfordshire's manufacturing sector consists of tertiary activity.

The existing profile would suggest modest growth with no major structural shocks.

Figure 5.2: District Profile in Employment Growth Sectors

Under Represented Above Average Growth	Over Represented Above Average Growth
Professional services	Arts and entertainment
Business services	Computer related activity
Publishing and broadcasting	Hotels and restaurants
R+D	Real Estate
Employment activities	Other services
	Construction
Under Represented Below Average Growth	Over Represented Below Average Growth
Metals	Electronics
Land Transport	Chemicals
Food Manufacturing	Transport
Health and care	Waste and remediation
Telecoms	Retail
Water and air transport	Wholesale
Public Administration incl land forces	Education
Finance	
Mining and Quarrying	
Utilities	
Agriculture	
Pharma	

Source: EEFM/CAG

To secure higher levels of growth would suggest trying to attract more activity in the professional and business services sectors. This is unlikely to be through large-scale inward investment, but rather through building on West Oxfordshire's quality of life offer to grow the local entrepreneurial base with businesses that are able to capitalise on technology and modern working practices. This is likely to result in a larger number of small, agile companies capable of serving a large business market running from Oxfordshire through the Thames Valley to London.

5.3 SWOT Analysis

Figure 5.3 presents a SWOT (Strengths, Weaknesses, Opportunities, Threats) analysis of the West Oxfordshire economy. The SWOT analysis does not suggest any remarkable themes, but this is in keeping with our assessment of West Oxfordshire as a modest-sized economy that is functioning modestly well.

The District's strengths lie in a combination of its natural assets, its economic base in terms of its structure and local businesses and its proximity to an internationally renowned centre of excellence.

In terms of its weaknesses, some can be addressed through concerted action. These might include infrastructure, property stock and low productivity. In chapter 7 we set out recommended actions to address these weaknesses.

Other weaknesses are longer term and seemingly intractable. For example, West Oxfordshire is unlikely to see the level of publicly-funded investment in the foreseeable future that would address its lack of rail connectivity, and there are no signs yet that concerns about congestion on the A40 will be addressed through road improvements. Neither is it even going to be an economy that attracts activity through its critical mass – although it may as part of the Oxford City region. But actions to address its lack of land supply and aging stock are possible if not necessarily easy.

We do believe there are opportunities to enhance the future economic performance of the district. These are both through capitalising on external factors such as any potential consolidation of defence-related activity at RAF Brize Norton, or through growth of the Oxford City region. But there are also internally generated opportunities that can be created through nurturing of local businesses and rationalisation of some of the commercial property stock.

In terms of threats, there is the possibility that the growth of Oxford and the Science Vale initiative will suck up all sub-regional investment and concentrate commercial growth outside of the District's borders. Although there are no known plans on the horizon there is always the possibility of a strategic defence review that closes or relocates activity from RAF Brize Norton, which would severely impact on the Carterton sub-area of the District.

Figure 5.3: SWOT Analysis

Strengths	Weaknesses
Skilled Work Force	Congestion – particularly along A40 corridor
Quality of Life	Infrastructure – poor rail links
Environment	Broadband – though a programme is in place to address this
Proximity to Oxford	Low productivity
Legacy of successful businesses	Lack of critical mass
Industrial structure – including range of sectors	Land supply – lack of sites and little recent development
Blenheim Palace	Aging stock
	Land ownership
	Business Facilities
Opportunities	Threats
Oxford City Region – especially growth opportunities around Eynsham	Oxford/Science Vale
Nurture Local Businesses	Failure to adapt and get on new curve
Brize Norton – Lyneham relocations	Climate change?
Rationalise commercial activity	Loss of key employers
Potential healthcare cluster – based around Abbot and Owen Mumford	Defence closures
Cotswold Live Work	Deterioration of congestion
	Differential in value between employment land and residential
	Housing shortages
	Skills shortages

5.4 Sub Area SWOT

Many of the factors set out in the SWOT analysis above apply district-wide but there is also a sub area dimension to the analysis. Some of the factors set out above will be local to one or more of the sub areas in particular. There will be other factors that whilst relevant to the district as a whole, may disproportionately impact on a particular location. For example the Oxford city region effect has greatest influence on those parts of the district closest to Oxford.

The principal sub area factors are summarised below:

- **Burford Charlbury** – Has both the quality of life benefits of a rural location with the weaknesses in terms of lack of connectivity and infrastructure. The growth in homeworking provides opportunities for a Cotswold live-work lifestyle.
- **Carterton** – Quality of life factors are not as strong in Carterton as elsewhere in the District and the town has a weakness in terms of the quality of the urban environment.
- **Chipping Norton** – Local strengths include quality of life, but weaknesses are local infrastructure and congestion, and the area suffers from a lack of employment land on which to expand.
- **Eynsham Woodstock** – This area benefits in particular from its proximity to Oxford and the growth of the city region is a major opportunity for this sub area going forward as the city region looks for land to expand in to.
- **Witney** – The congestion on the A40 has a particularly adverse impact on the economy of Witney. As the largest economic centre in the District it is also under greatest potential threat from concentration of activity in Science Vale.

6 Forecasts

6.1 Introduction

This section presents forecasts for the West Oxfordshire economy drawing on work prepared by Cambridge Econometrics to Inform the Oxfordshire Strategic Economic Plan and Strategic Housing Market Assessment. The forecasts are then translated into demand for commercial floorspace to compare against the existing property market stock, as set out in Chapter 3, and the currently identified pipeline.

6.2 Employment Forecasts

There are three scenarios for growth in the Cambridge Econometrics forecasts. Under the Baseline Forecast scenario, employment in West Oxfordshire is projected to grow by 5,100 over the period 2011-31, an increase of 0.5% p.a. The Adjusted Population Projection is for growth of 6,000 (a rate of 0.6% p.a). In the Planned Economic Growth scenario, employment is projected to grow by 7,800 (a rate of 0.8% p.a).

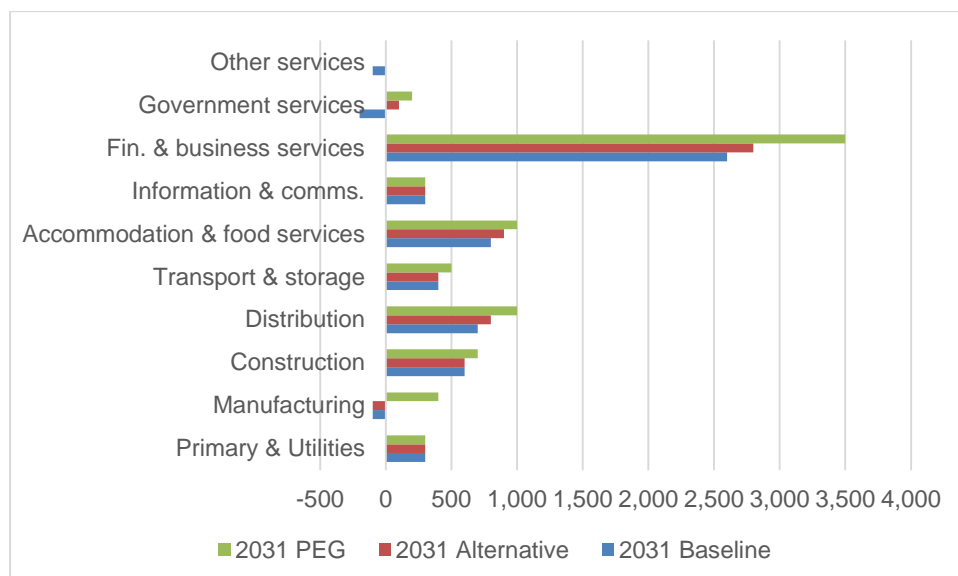
Under each scenario the major proportion of growth in West Oxfordshire is expected to come from the Financial and Business Services sector, accounting for roughly half of all jobs growth.

Under the Planned Economic Growth scenario, employment in manufacturing increases by 400 compared with a small loss under the other scenarios. The specific adjustment is for 600 additional direct jobs, primarily in the advanced engineering sector based on the existing strengths such as F1 at Caterham. In summarising its position the CE report notes,

“In West Oxfordshire there is potential for rapid growth of existing firms, particularly in engineering, motorsport and food production. However, it seems very unlikely that growth will exceed local plan allocations for B uses. We estimate additional growth of around 600 jobs, although this could be greatly affected by the investment decisions of a few firms. Employment land allocations can accommodate this scale of additional growth.”

But the Planned Economic Growth scenario developed by Cambridge Econometrics does not envisage such high levels of additional growth for West Oxfordshire as for some other districts of the county.

Figure 6.1: Forecast Employment Change by Sector 2011-31



Source: Cambridge Econometrics

Potential Growth Sectors

In the Planned Economic Growth scenario, South Oxfordshire is regarded as similar to West Oxfordshire in having limited additional growth above its Baseline projection. But all other Oxfordshire districts are seen as having potential for quite substantial additional growth. This comes from a range of sectors and activities. We set out below the sectors and projects identified by Cambridge Econometrics as having growth prospects and note where there may be a particular relationship to West Oxfordshire. (Where there is no comment we do not perceive any specific implications for West Oxfordshire)

- *University – whilst not physically located within the district there should be opportunities for some spillover activity*
- *Culham Research -*
- *Enterprise Zone – the EZ can potentially have a negative impact on West Oxfordshire as it is able to offer incentives to firms to locate there, rather than other nearby locations.*
- *Satellite Technology -*
- *Bioscience -*
- *Healthcare – there is already a significant presence*
- *Advanced Engineering – this is the one sector where West Oxfordshire is seen as getting additional growth from F1 Caterham*
- *Construction -*
- *Environment Technologies -*
- *Retail – West Oxfordshire has an expanding population and the issue is whether it can capture this consumer expenditure growth locally*
- *Distribution – this sector is quite well represented in West Oxfordshire despite having much poorer strategic road access than some other parts of the County*
- *Oxford Airport and Technology Park –*

Many of these sectors will also present some growth opportunities for West Oxfordshire. Whilst these opportunities do not seem to be reflected in the Cambridge Econometrics forecasts, if the scale of growth for Oxfordshire set out in the Planned Economic Growth Scenario does materialise then there should be opportunities for West Oxfordshire businesses to take advantage of some of the opportunities presented to expand their own markets.

6.3 Benchmarking the Forecasts

Cambridge Econometrics produced three alternative scenarios but in order to provide a further sensitivity test we have benchmarked the Cambridge Econometrics (CE) forecasts against those published by Oxford Economics (OE) in the baseline projections of the East of England Forecasting Model (EEFM).

For the UK as a whole, CE projected an employment growth rate of 0.6% p.a. over the period 2011-31. This was higher than the 0.4% p.a. projected by OE. But for the South East, OE assume a growth rate averaging 0.6% p.a., compared with 0.5% p.a. from CE.

Of greater significance is the different views the two forecasting bodies take on sectoral growth performance. OE is more pessimistic about manufacturing and more optimistic about financial and business services.

A more detailed comparison of the projections is set out in Appendix 2. Whilst the projections produced by Cambridge Econometrics appear reasonable when compared with other forecasts, it is nevertheless the case that adoption of a different forecast would produce a different outcome and hence it is prudent to build in a margin for error when formulating any consequent policy prescriptions.

Sector Sensitivity Tests

Whilst sectorally driven econometric forecasts are a valuable tool at the national and regional level they are less reliable at the local level, as the performance of a sector may be more dependent of the performance of individual companies than of broader sectoral trends.

Forecast growth in the Cambridge Econometrics projections is expected to come primarily from the Financial and Business Services sector. Whilst this is consistent with the growth patterns seen in the past, the property market overview in Chapter 3 suggests a slightly broader profile of occupier activity may be the outcome. Whilst overall employment growth levels may be of the order projected by the Cambridge Econometrics forecasts we do not necessarily think that Financial and Business services will account for nearly half of all the growth nor that the growth should necessarily be interpreted as all representing demand for offices.

Indeed the main issue may be the extent to which employment growth in the financial and business services sector translates in to demand for office floorspace. We address this point further below.

6.4 Sub Area Forecasts

We have converted the district level forecasts by sector from Cambridge Econometrics into sector level forecast by sub-area. The method is based on the existing economic structure of each of the sub areas and is set out in detail in Appendix 2.

These forecasts are summarised in Table 6.1 below.

Table 6.1: Projected Employment Change by Sub Area 2011-31

	West Ox	Burford Chalbury	Carterton	Chipping Norton	Eynsham Woodstock	Witney
Agriculture	300	66	28	19	188	0
Mining & quarrying	0	0	0	0	0	0
Manufacturing	-100	-7	-6	-12	-33	-43
Electricity, gas & water	0	0	0	0	0	0
Construction	600	95	76	73	155	201
Distribution	800	95	110	79	140	377
Transport & storage	400	61	65	92	51	132
Accommodation & food	900	98	113	125	313	250
Information & comms.	300	42	22	42	112	82
Fin. & business services	2,800	431	247	319	816	987
Government services	100	12	18	15	21	33
Other services	0	0	0	0	0	0
Total	6,000	894	673	751	1,763	2,019

Source: Cambridge Econometrics/CAG

On this basis, a third of the employment growth would be in Witney, with a further 29% in the Eynsham/Woodstock sub-area.

6.5 Commercial Land and Premises Forecasts

We convert these employment forecasts by sector into forecasts of demand for premises by land-use type. The detailed method is set out in Appendix 2. Such a translation is not an exact science, especially given the changing nature of workspace occupation and working practices in recent years. But we have also carried out some sensitivity tests to take account of this.

The first step is to translate the forecasts by sector into forecast by land use type. This shows an increase of 2,500 in office type employment and a further 700 jobs in industrial and warehousing employment. This results in a slightly higher concentration of B-class employment in the two major centres, with 37% in Witney and 30% in Eynsham/Woodstock.

Table 6.2: Projected Employment Change (No. of jobs) by Land Use Type 2011-31: Alternative Population Scenario

	West Ox	Burford Chalbury	Carterton	Chipping Norton	Eynsham Woodstock	Witney
Office	2,459	334	158	270	771	927
Manufacturing	-100	-7	-6	-12	-33	-43
Industrial	469	51	64	59	137	159
Warehousing	344	31	54	41	89	129
Total B Space	3,173	409	270	357	964	1,172

Source: Cambridge Econometrics/CAG

By applying employment density ratios, we then convert the projections by land use type into projections of commercial floorspace. This results in a total net additional demand for 72,000 sq m of B-class floorspace, between 2011 and 2031, just over half of which would be for office floorspace.

There is a small forecast reduction in manufacturing floorspace which is scattered proportionately across the district. In reality it is probably best to concentrate any losses at the least functional sites and take the opportunity to consolidate on new sites in better locations.

Table 6.3: Projected Change in Floorspace (sq m) by Land Use Type 2011-31: Alternative Population Scenario

	West Ox	Burford Chalbury	Carterton	Chipping Norton	Eynsham Woodstock	Witney
Office	36,888	5,005	2,368	4,044	11,564	13,907
Manufacturing	-4,000	-265	-224	-484	-1,317	-1,710
Industrial	18,758	2,023	2,547	2,350	5,496	6,342
Warehousing	20,667	1,885	3,229	2,457	5,333	7,763
Total B Space	72,313	8,648	7,921	8,368	21,075	26,301

Source: Cambridge Econometrics/CAG

Finally, the forecasts of commercial floorspace are translated into forecasts of land by application of plot ratios. This would result in net additional demand for around 18 ha of B-class employment land.

Table 6.4: Projected Change in Employment Land (ha) by Land Use Type 2011-31: Alternative Population Projection

Land	West Ox	Burford Chalbury	Carterton	Chipping Norton	Eynsham Woodstock	Witney
Office	9.2	1.3	0.6	1.0	2.9	3.5
Manufacturing	-1.0	-0.1	-0.1	-0.1	-0.3	-0.4
Industrial	4.7	0.5	0.6	0.6	1.4	1.6
Warehousing	5.2	0.5	0.8	0.6	1.3	1.9
Total B Space	18	2	2	2	5	7

Source: Cambridge Econometrics/CAG

The forecasts set out above are for net change in employment land over the twenty year period. i.e. it is gross additions to employment land minus gross losses in employment land. We would anticipate that over time some employment sites will be lost either through planned loss or unplanned losses as sites become redundant over the plan period and are converted to alternative uses.

Gross new land allocations should therefore be higher than net change in stock of employment land to allow for both planned and unplanned losses. Furthermore NPPF para 14 requires 'sufficient flexibility to adapt to rapid change,

Table 6.5 shows net annual employment floorspace completions using data compiled from the West Oxfordshire AMRs. This shows over the last six year a total of 65,000 sq m of employment completed. At a uniform plot ratio of 40% this would imply a total of 16.2 ha of net additional employment land, or an average of 2.7 ha per annum. Over 20 years this would imply an additional 54 ha of employment land, which is close to the Local Plan requirement for 60 ha. But as noted losses are not always well monitored and this may account for the discrepancy between the past take-up and employment forecast approach to calculating net employment land requirements.

Table 6.5: Net Employment Land Floorspace Completions (sq m)

Year	B1a	B1b	B1c	B2	B8	Unspecified	Total
2008/2009	3,154	0	283	2,630	2,937	-1,253	7,751
2009/2010	210	0	0	525	-43	-110	582
2010/2011	11,211	0	86	-4,165	12,081	19,816	39,029
2011/2012	-260	0	0	101	245	1,686	1,772
2012/2013	1,405	282	0	0	0	7,608	9,295
2013/2014	1,029	0	3,335	346	1,122	372	6,204
Total	16,749	282	3,704	-563	16,342	28,119	64,633
Land (Ha)	4.2	0.1	0.9	-0.1	4.1	7.0	16.2
Annual	0.7	0.0	0.2	0.0	0.7	1.2	2.7

Source: WODC from AMRs

In addition to the net change over the plan period there will always need to be a frictional allocation of land that is available at any one moment in time. This is typically 2-3 years of gross take-up, which is roughly the amount of time it takes the planning and development system to recycle new employment land. If the 2.7 ha annual take-up in Table 6.5 is close to representing the gross take-up then this implies West Oxfordshire should seek to have 8ha of employment land available at any one moment in time.

Sensitivity Tests

If we use the Committed Economic Growth Scenario, the demand forecasts would be as set out in the following tables, resulting in a 50% higher employment land allocation. The additional growth would be concentrated primarily at Eynsham Woodstock and Witney.

Table 6.6: Projected Employment Change by Land Use Type 2011-31: Committed Economic Growth Scenario

	West Ox	Burford Chalbury	Carterton	Chipping Norton	Eynsham Woodstock	Witney
Office	3,015	406	192	329	943	1,144
Manufacturing	400	26	22	48	132	171
Industrial	556	60	76	69	163	188
Warehousing	431	39	67	51	111	162
Total B Space	4,402	532	358	498	1,349	1,665

Table 6.7: Projected Change in Floorspace (sq m) by Land Use Type 2011-31: Committed Economic Growth Scenario

Floorspace	West Ox	Burford Chalbury	Carterton	Chipping Norton	Eynsham Woodstock	Witney
Office	45,229	6,096	2,882	4,940	14,146	17,165
Manufacturing	16,000	1,059	894	1,936	5,269	6,841
Industrial	22,232	2,381	3,039	2,766	6,523	7,524
Warehousing	25,834	2,356	4,037	3,071	6,666	9,703
Total B Space	109,295	11,892	10,852	12,713	32,604	41,234

Table 6.8: Projected Change in Employment Land (ha) by Land Use Type 2011-31: Committed Economic Growth Scenario

Land	West Ox	Burford Chalbury	Carterton	Chipping Norton	Eynsham Woodstock	Witney
Office	11.3	1.5	0.7	1.2	3.5	4.3
Manufacturing	4.0	0.3	0.2	0.5	1.3	1.7
Industrial	5.6	0.6	0.8	0.7	1.6	1.9
Warehousing	6.5	0.6	1.0	0.8	1.7	2.4
Total B Space	27	3	3	3	8	10

Further sensitivity tests could be undertaken around varying the density ratios. For example, a growth in homeworking would also reduce the demand for B class employment floorspace and land.

6.6 Property Market Balance

The Draft Local Plan identified 60ha of B-class employment land as being required for the plan period but less than half that amount is currently allocated. Of that which is currently allocated, very little is actually available for development¹⁴. As noted above West Oxfordshire should seek to have 8 ha available at any one time.

Neither are the employment land allocations a good fit in terms of the spatial balance. In particular we would suggest that land should be found to meet the growth potential of the Eynsham Woodstock sub area.

¹⁴ See Appendix 3 for details

Figure 6.2 Employment Land Availability (Hectares)

	Available	Not Available	Total
Carterton	1.8	3.5	5.3
Chipping Norton	0.1	2.3	2.4
Witney	1.4	18.9	20.3
West Oxfordshire	3.3	24.7	28.0

Source: WODC

6.7 Housing and Employment Alignment

At the District level, the SHMA projections for housing are derived from a direct relationship with forecast jobs growth.

In the economic-based projections the SHMA takes the forecast growth figure for employment and then calculates the number of employed residents, holding the ratio between the two constant at the 2001 Census figure (for shorthand we have labelled this the Commuting Ratio in the Figure below).

$$\text{Employed Residents} = \text{Forecast Workplace Jobs} \times \text{Commuting Ratio}$$

Figure 6.3 SHMA Projections of Employed Residents

	Jobs Growth		Commuting Ratio		Increase in Residents in Employment
Baseline	5,100	x	1.18	=	6,000
Alternative Population Projection	6,000	x	1.18	=	7,100
Planned Economic Growth	7,800	x	1.18	=	9,200

Source: SHMA

At the time of production of the SHMA, Census 2011 workplace data had not been released so the Census 2001 data would have been the best available source. The 2011 Census data suggest this ratio for West Oxfordshire would be 1.17, implying little change since 2001.

The SHMA also takes account of the employment rate in moving from projections of employed residents to population. By 2031 the proportion of working age residents in employment in West Oxfordshire is projected to have increased by 1.3 percentage points from its 2011 level.

Table 6.9: Forecast Employment Rates West Oxfordshire

	Male	Female	Total
2011	78.5%	69.0%	73.7%
2031	78.4%	71.7%	75.0%

Source: SHMA

Detailed age structure projections are not presented in the SHMA. Our assumption is that the age structure for the Committed Economic Growth Scenario has been held constant from the SNPP Update variant. In other words, the proportion of working age population in the labour force is the same in both variants.

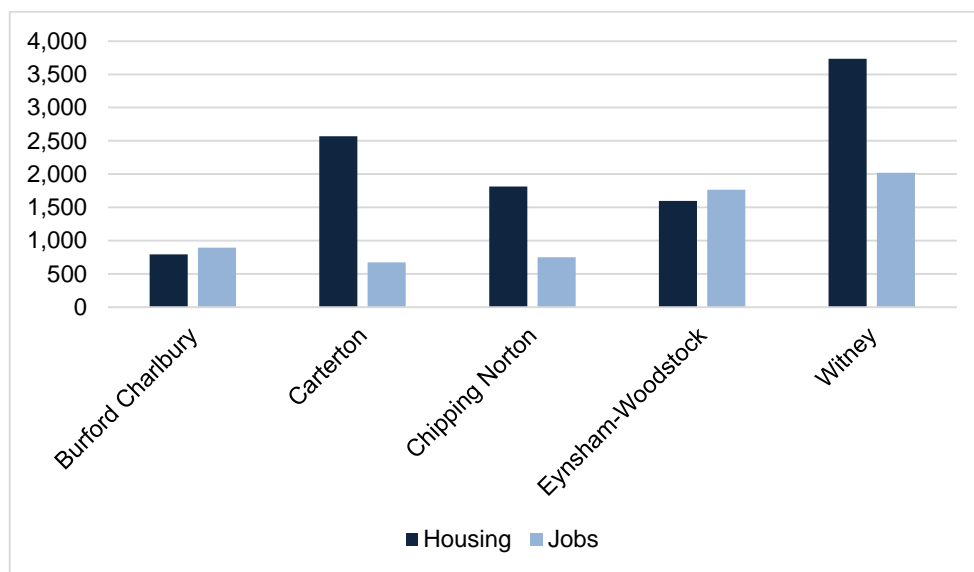
This is not unreasonable, but economically led migration, as with commuting, is a function of relative demand between different locations and we would expect that under a high jobs growth scenario a higher proportion of working age people would be attracted in to the area. This would increase the size of the workforce relative to other variables such as population, employment and housing. Other things being equal this would probably result in slightly higher levels of self-containment and of household size than the default projections.

The vacant and second home assumption for West Oxfordshire is set at 5.2%¹⁵.

Sub Area Alignment

We have set out below a comparison of the current West Oxfordshire District Council-proposed housing allocations by sub area for the period 2011-31 with the earlier employment projections for the period 2011-31. For Carterton and Witney and Chipping Norton the housing allocations run well in excess of the forecast jobs growth. Whilst for Burford Charlbury and Eynsham Woodstock there is a small excess of forecast jobs growth over new housing allocations

Figure 6.4: Sub Area Housing and Employment Balance 2011-31



Source: WODC/Cambridge Econometrics/CAG

Whilst the employment forecasts suggest that growth can most readily be attracted to Eynsham Woodstock and to Witney, the housing employment balance suggests that particular attention might be given to looking at economic development initiatives to promote employment development in Carterton.

¹⁵ Source: Census 2011

7 Priority Themes for Intervention

7.1 Priority Themes

Overall, West Oxfordshire is a successful economy that is performing well and has no major structural problems. But behind the positive headlines, the area is also under-performing in certain important respects (such as productivity and attracting new investment). Furthermore, it cannot be complacent as, in the globalised economy, economic change can occur very rapidly and places that do not adapt and change will find themselves on a path of relative decline, which can transform into a path of decay.

We think there are five priority themes where the council and its partners should concentrate their resources to ensure the continued success of the West Oxfordshire economy. These are:

- Place making
- Site Assembly and deliverability
- Business Development
- Infrastructure
- Building City Region Capacity

We set out below the rationale for each of these themes and suggest some of the key activities that might take place within each of these themes. But this is not intended to be a detailed economic development strategy. That is something that West Oxfordshire District Council proposes to develop next year.

7.2 Spatial Focus

There is also a spatial focus to these intervention priorities, which is the A40 Corridor. We believe the rest of the District can continue to function well as local service centres. Whilst the Burford/Charlbury and Chipping Norton subareas should not be ignored and will require some intervention activity, the majority of investment in the actions outlined below should be targeted along the A40 Corridor where the growth potential is greatest.

This approach combines a focus on the area where opportunity is greatest at Eynsham and where need is greatest at Carterton.

A significant new development that will impact on the spatial dynamics of the area is the Oxford City Northern Gateway development. The Area Action Plan for this development proposal sets out the objectives of creating 90,000 sq m of employment space as well as 500 dwellings. This, combined with the Oxford Parkway station, which will provide direct services to London Marylebone, is changing Oxford's relative accessibility. This will add to the opportunity pull in the east of the District.

7.3 Place making

West Oxfordshire appears to have a loyal base of local businesses. Despite congestion on the A40, high house prices, tightness in the labour market and identified shortages of commercial stock, there is little evidence of businesses relocating away from the District. However, this must be considered a possible scenario if constraints do not, at some point, begin to loosen. One way in which West Oxfordshire District Council can make a contribution to retaining economic activity is in terms of ensuring its main concentrations of activity are more attractive. Creating attractive town centres attracts and retains skilled people, and this in turn attracts business which themselves attract new multiplier investment. It is essential that the District seeks to instigate this virtuous cycle of improvement in critical areas, and that can be started through a greater emphasis on place making. Quality of place matters. Fuelled by labour mobility and increasing personal wealth, many households will have a growing choice as to where they live. These households contain the highly qualified workers that West Oxfordshire wants to attract and retain to build its knowledge economy. These are workers who are highly mobile, and particularly value environmental factors.

“Quality of place – particularly natural, recreational, and lifestyle amenities – is absolutely vital in attracting knowledge workers and in supporting leading-edge high technology firms and industries. Knowledge workers balance economic opportunity and lifestyle in selecting a place to live and work. Given that they have a wealth of job opportunities, knowledge workers have the ability to choose cities and regions that are attractive places to live as well as work”.
(Richard Florida)

According to MORI focus groups and other surveys, people want to live in places that are clean, safe and friendly, places that have quality open spaces and that offer jobs and good education. West Oxfordshire has the right competitive package of attributes to draw in these valued workers.

That package includes, amongst other things, strong town centres. This is particularly pertinent in the case of Carterton, where the current town centre environment is relatively poor and unlikely to be appealing for the types of business offer it should be seeking to attract. Whilst we recognise that town centres are undergoing structural change in the face of growing phenomena such as internet retailing, the fact that change is happening provides an opportunity for local authorities to actively engage in the re-shaping of their town centres.

This might, for example, mean that Carterton, or parts of it, are subject to a more formal and explicit urban design masterplan. The plan could set out standards for public realm as well as be clearer about what should be developed where, with which facilities included. Such an approach would respond directly to the NPPF’s requirement for planning policies to ‘*address potential barriers to investment, including a poor environment*’ and for planning policies to ‘*identify priority areas for... environmental enhancement*’ (para 21).

7.4 Site Assembly

West Oxfordshire has a limited stock of land available for development of commercial premises.

The land ownership structure in the district seems somewhat fragmented and sites have not always come forward in a strategic fashion. As part of the plan-making process, West Oxfordshire District Council can seek to identify sites to bring forward for commercial development in a strategic manner over the plan period. This may also entail actively engaging in the site assembly process to ensure that the best sites come forward.

As we have seen elsewhere in this report, there is, theoretically, a strong supply of employment land, with some 28 hectares of land available. However, in reality, only a fraction of this, just over three hectares, is deliverable in the short-term. In addition to the question of availability, there is also the issue of viability. Like many other areas throughout the country, the recession caused much new development to be non-viable. While some areas are recovering, development for office and light industrial uses in most of West Oxfordshire remains unviable.

There are a number of areas where intervention could help ameliorate the situation.

- Land being available and known about and developable. This is absolutely key, to give developers confidence. This could mean preparing a prospectus of site information and development potential to encourage interest and wider marketing.
- Identify sites where larger requirements might be satisfied. This might mean working with local property professionals to identify sites and strategic building design requirements.
- Concentrating new development opportunities into key employment areas where existing critical mass will encourage viability and where infrastructure already exists, such as Witney.

The combination of these three points will bring greater confidence to help underpin a return to viable development, which is a pre-requisite to encouraging the rejuvenation of the District's commercial stock of space.

Once there is more confidence that the quantum of space can meet future needs, it might be that West Oxfordshire District Council could provide more insights into the economic/company structure of the District and the types of buildings that are likely to be most in demand. This could involve some creative thought about making the right kinds of buildings, including hybrid space, available in the right places.

Linked to the discussion about Place making, it might also be helpful for West Oxfordshire District Council to provide more explicit guidance over its expectations for development, particularly in the key markets of Witney and Carterton. This could extend to identifying quality of buildings, site layout and so on.

7.5 Business Development

We have noted earlier that not all businesses will want to grow, but businesses that do, or who need the confidence to believe they can, may benefit from additional support. It is evident that the Council already recognises the importance of local business development and plays an important role in ensuring there is an appropriate range of business support available and

promoting both local and national schemes to businesses. The Council is proactive in its support of mentoring and advice services (including hosting Oxfordshire Business Enterprises in its offices) and micro finance through Fredericks.

The Council has a comprehensive section for businesses on its website (www.westoxon.gov.uk/business) and publishes a regular Commercial Property Register. This is a good base from which to build further business development activities as part of a future economic development strategy. We anticipate further growth in homeworking and building on the existing business network infrastructure that exists in the business will be a good way of seeing that such businesses do not become isolated and are able to prosper.

Whilst not all business support activity is necessarily effective, research has demonstrated that there are a number of critical success factors. These include supply of premises, as set out above. Some of the other key factors are set out below.

Improving Access to Finance

Bank finance needs to be more 'friendly' to business, especially to new business creators. Banks should be encouraged to re-consider ways in which they support small businesses and take decisions on lending. A greater degree of local decision-making through the employment of better trained staff, more conversant with the local business environment should be encouraged.

Alternative approaches to bank lending such as the establishment of a business finance advice network opening up access to capital markets' financing for smaller companies and encouraging large businesses to support smaller companies by reinforcing prompt payment practices.

Improving Business Advice and Support

Included amongst Government proposals are:

- Online business information and tools tailored to each business' needs
- A national contact centre to help businesses who cannot find the information they need on the web or who are not connected to the internet
- Help for start-ups including the New Enterprise Allowance
- A network of at least 40,000 experienced business mentors offering practical advice
- Business Coaching for Growth, backing high growth SMEs to enable them to realise their potential
- Tailored action to raise low entrepreneurial activity among key parts of our communities, including women, Black, Asian and Minority Ethnic groups and Service leavers

Mentoring

Mentoring is of considerable value for those starting new businesses, particularly from groups which have traditionally experienced difficulties in making these enterprises a success, or those who have specific needs which can be addressed this way. Current support and advice is of a disparate nature. It needs to be improved and have a better reach.

Enhancing Local Property Market Knowledge

Building further on current work, better liaison between occupiers, agents and developers to apply joined-up thinking to site/land availability and address the premises needs of key local occupiers may also deliver benefits.

7.6 Infrastructure

Connectivity across West Oxfordshire as whole is poor but major new infrastructure investment, such as new rails lines are not a realistic prospect within the plan period. However there are targeted infrastructure improvements which would bring significant economic benefits to the district. The detailed EDS will work up the investment priorities in more detail but it seems to us that there are two particular infrastructure constraints in the district that would generate significant economic benefits.

Road infrastructure

In terms of road infrastructure the single greatest issue seems to be the capacity of, and access to, the A40. The proposed upgrading of the B4477 between Carterton and the A40 is the kind of improvement that will improve the town's attractiveness to businesses that need easy access and will also improve capacity to mitigate growth at Carterton. Similarly, improvements to key junctions such as at the Ducklington Lane/Station Lane interchange will make local accessibility easier. More recently, the Council has agreed to a new junction at Downs Road (allied to the West Witney housing development).

Similarly, proposals that form part of the North Oxford Transport Strategy include improvements to the Peartree interchange and a link road between the A40 and A44. But the change that will have a strategic impact on the District's attractiveness to business is an upgrade of the A40 between Oxford and Witney. The *A40 Witney-Oxford Corridor Route Strategy Baseline Report (2014)* draws attention to the congestion along the route, with the projection that peak hour journey times between Witney and Oxford could increase by 13 minutes.

Under a transport package secured under the Oxfordshire Growth Deal there is significant investment into the Headington area of Oxford, providing enhanced connectivity to Oxford's medical, science and research cluster — and also includes a provisional allocation towards Phase 2 of the transformational Science Transit integrated transport scheme. This major scheme will enhance the A40 strategic route between Oxford, Witney and the Northern Gateway innovation area and mitigate the growing pressures.

Superfast Broadband

There is a current programme of rolling out Broadband across West Oxfordshire District with the aim of achieving complete coverage by the end of 2016. West Oxfordshire District Council has already embarked on an ambitious project that will see access to superfast broadband across the whole district. The Council is investing £1.6m in the project with Cotswolds Broadband, with further funding coming from BDUK, the government's broadband agency, and over £3m of private investment, which has now been confirmed. This project will complement Oxfordshire County Council's contract with BT by ensuring the last 10% premises in the district have access to superfast broadband. The project is forecast to complete at the end of 2016.

This will be a very valuable addition to the local area. It will bring broadband coverage to an area where there is a high level of homeworking, hence boosting the range of economic opportunities and bringing productivity improvements to existing businesses.

Cass Business School research finds that 'future work' will see more work being done remotely. These trends may lead to demand for a new type of space which is neither workplace nor home space but a new place to work. This has been termed "Third space" and use by telecommuters in US (growing at 10% p.a.) tends to focus on chain eateries and coffee houses. There is some evidence of an emerging trend in the UK for independent cafes/coffee houses, libraries and more flexible atrium/flexible shared type spaces.

A number of reports highlight specific sectors which have a high or growing incidence of homeworking. The Workhub report (June 2010) – a survey of homeworkers in Milton Keynes and South Midlands revealed homeworkers in that area as being involved in the following sectors:

- Legal, Finance, business, IT: solicitor's practice, financial advice and planning, book-keeping, accountancy, training, coaching, management consultancies, and office support
- Creative/marketing: architect, PR consultants, copywriting, graphic design, fine art, sculpture, jewellery, exhibition design, web design, consultancies, market research, photography, publishing)
- Health: midwifery, personal training
- Retail and personal services: food produce and sales, designing and manufacturing children's products, accessories and gifts, florist, book sales, genealogy, educational goods and hardware, hair and beauty treatments, dog care/walking/boarding, personalised wine labelling, life coaching
- Tourism: information and promotional goods.

With the growth of super-fast broadband, home working will become even more attractive. Not only will it provide an impetus for ICT sector growth, but it will also enable a much more comfortable use of internet telephony and video conferencing, thus contributing to a reduction in travel and commuting. With the profile of its resident population and access to London and South East markets, West Oxfordshire may be well placed to capitalise on these trends.

As the plan period progresses, a programme of continual upgrade and improvement will need to be maintained to ensure that West Oxfordshire businesses do not again find themselves at a competitive disadvantage.

Power Capacity

We heard during the course of our consultations that there were capacity issues with regard to power supply that were constraining development in some parts of the District. We are unable to provide any evidence on this point, but suggest this is reviewed as appropriate in line with West Oxfordshire District Council's infrastructure assessment.

7.7 Building City Region Capacity

Many of the opportunities and challenges require addressing at the level of the City Region – for example in providing land for a balance of employment uses, housing and infrastructure solutions. However, across the City Region there are significant constraints to development, particularly in and around Oxford City itself.

Strengthening the capacity of the emerging City Region institutions and developing a City Region-wide approach to investment funding and programming can help facilitate growth. The BIS paper on Local Growth (2010) cites a, *‘recent study looking at agglomeration of cities in Great Britain suggests that a doubling in the working-age population within an area is associated with a 3.5 per cent increase in productivity in the area.’* But as the BIS report later notes, *‘Agglomeration is not simply a matter of size and urban density but of the economic roles and linkages between places.’*

Local authorities have a limit on the economic factors they can influence but can be effective where they:

- Plan and regulate entrepreneurially: get the regulations they do control – particularly planning – to be genuinely business friendly, proactive, and pro-development
- Use the General Power of Competence entrepreneurially - engage in innovative activity to help stimulate growth by beginning to join up new revenue streams, powers and local assets, together with a more proactive, longer-term role in development.
- Use new revenue streams entrepreneurially: Community Infrastructure Levy, New Homes Bonus, Housing Revenue Account
- Lead and manage networks entrepreneurially: governance networks matter to growth, improving competitiveness is “a collaborative process involving multiple levels of government, companies [and] educational institutions...a large number of factors impact on competitiveness and hence only a broad coalition can hope to improve [it].”

The City Region is still in its nascent phase in institutional terms and West Oxfordshire District Council can play an important role in shaping its future growth and the particular functional role West Oxfordshire plays within this.

8 Conclusions and Recommendations

8.1 Summary

Local Economy

West Oxfordshire is not a large District in economic terms but its economy is very resilient, performing well in employment growth terms, both in pre-recession times and also picking up well post-recession.

The economy has a well-balanced industrial structure with good representation in both the light industrial and private service sectors.

Its resident workforce is well qualified and employment rates are very high, though a number of residents work outside the district with Oxford as the principal commuting destination. Commuting links with London are not strong, perhaps reflecting the poor rail connectivity in the District.

The District's strengths lie in a combination of its natural assets, its economic base in terms of its structure and local businesses and its proximity to an internationally renowned centre of excellence.

Despite all the positive economic indicators West Oxfordshire has some challenges to address if it is to maintain a healthy economy going forward. The District has relatively low productivity, especially given the economic assets it possesses. The tight employment market, together with a high value residential market and constrained supply of development land also has implications in terms of the District's ability to attract new inward investment.

The Oxfordshire LEP has set out an ambitious growth plan with a particular spatial focus on the Knowledge Spine running from Science Vale in the south through Oxford to Bicester in the north east of the County. West Oxfordshire needs to develop a complementary offer that seeks to provide the types of activity that will not locate in the Knowledge Spine, whilst also seeking to maximise spillover benefits from the development of the Spine.

The different sub-areas of West Oxfordshire District each have different characteristics and perform different economic roles. They each provide different opportunities for how to respond to the opportunities created by the Knowledge Spine. The rural north and west of the district have high levels of homeworking and are local service economies. Eynsham and Woodstock in the east of the District have strong functional relationships with the Oxford City region economy. Carterton in the south west is strongly influenced by the RAF base at Brize Norton, whilst Witney is the largest centre of economic activity, especially for distribution related activity.

Commercial Property Market

Commercial property market demand is modest but has been sustained through the recession and has begun to increase. Against this there has been a dearth of new supply for some considerable time, and it is perhaps this factor, the absence of new, replacement stock that is

causing the greatest concern in the commercial property market. At the same time there have been a few employment sites lost to residential development. Such pressure is likely to increase, particularly on marginal sites, as it is in many areas of the country.

The District does not need to ready itself for major expansion in commercial property with large tracts of land, but it does need to understand carefully what is available, and to replace ageing stock with buildings that match closely the evolving demand profile of the area. This means a mixture of sizes, to address the needs of both small and expanding firms, and a mix of use types, including flex-buildings.

There is a further critical point about 'deliverability'. There is clearly the need to ensure that sufficient land is genuinely available, in the sense of being immediately available for development, to meet identified demand from large local businesses. At the moment only 3.3 hectares of an identified land supply of 28 hectares is actually available. Sites with complex ownership issues, with current uses established or with the need for long-term investment in costly infrastructure are not helpful to employers looking for new facilities within, say, a two year time horizon. Neither will such provision comply with the requirements of the NPPF, which is clear about the need for Local Plans to demonstrate viability and be deliverable (e.g. para 173).

There is also a spatial aspect to this conclusion. This is that the main centres of Carterton, Chipping Norton, Eynsham and Witney should ensure that they are catering for the bulk of demand. While there are a number of remote industrial sites that serve a very useful purpose away from sensitive residential areas, there are also a number of marginal sites that might be considered for alternative uses to meet other land use pressures, providing that compensatory provision can be made elsewhere.

Policy

The Oxfordshire LEP has set out an ambitious growth plan with a particular spatial focus on the Knowledge Spine running from Science Vale in the south through Oxford to Bicester in the north east of the County.

The high growth ambitions of the Oxfordshire LEP are backed by the Oxfordshire SHMA, which sets out high housing targets intended to match the hoped for growth in employment.

Set against the County growth ambitions, the current West Oxfordshire local plan aims for more modest growth aiming for sustainable economic growth to meet the needs of businesses, with the objective of growing jobs at a faster rate than workers to reduce the current commuting imbalance. But even at these more modest growth levels there is evidence that there is a shortage of available and deliverable employment land that is potentially restricting economic growth.

The past five to six years, during the recession, have seen very little new development, and much of the District's stock is relatively old. This raises questions about the area's ability to respond to new demand and the viability and deliverability of new employment space. This raises a particular problem in that planning policies should avoid the long term protection of sites allocated for employment use where there is no reasonable prospect of a site being used for that purpose. Land allocations should be regularly reviewed. Where there is no reasonable prospect of a site being used for the allocated employment use, applications for alternative uses of land or buildings should be treated on their merits having regard to market signals and the relative need for different land uses to support sustainable local communities.

This raises the specific questions of whether existing sites should be retained in the hope of longer term investment and redevelopment or whether they should be released for other uses and new sites provided elsewhere? This will be a site-by-site decision but policy may need to allow for some loss providing replacement sites are provided.

We also suggest that West Oxfordshire may wish to develop the conclusions of this study to 'set out a clear economic vision and strategy for their area' in line with the requirements of the NPPF.

This vision needs to be developed and owned by the local stakeholders. A starting point would be the Employment Objectives set out in the exiting Local Plan. These are to:

- *To provide a wide range of sites and buildings in suitable locations in order to assist in maintaining a healthy local economy with a diversity of job opportunities to match the skills available throughout the district.*
- *To ensure that the location and level of employment sites and buildings does not erode the high environmental quality of West Oxfordshire, does not lead to an unacceptable increase in traffic levels, and does not lead to overheating of the economy and stimulation of excessive growth beyond that planned for in the Oxfordshire Structure Plan.*

These twin objectives of providing a range of jobs whilst not eroding the quality of the environment can still be maintained. But it probably requires a shift in emphasis to more actively encouraging the right type of growth in the right locations. With the right quality of development West Oxfordshire can both add to the productive capacity of the district and also enhance the local environment.

The Local Plan may also apply a more specific spatial focus along the lines set out in this report directing activity to a growth funnel running from Carterton to the Oxford City fringe.

8.2 Recommendations

Despite the comparatively successful story West Oxfordshire has to tell about its local economy it cannot be complacent as change in the globalised economy can occur very rapidly and places that do not adapt and change will find themselves on a path of relative decline, which can eventually become a path towards decay.

We have identified five priority themes where the council and its partners should concentrate their resources to ensure the continued success of the West Oxfordshire economy. For each of these themes we have set out one recommended priority action.

Place making

We recommend that Carterton be identified in the Local Plan as a priority area for economic regeneration and environmental enhancement. Practically speaking this may require the adoption of some form of masterplan or other planning guidance for Carterton Town Centre to deliver high quality urban realm and assemble attractive employment sites to encourage additional business activity to the town.

Site Assembly and deliverability

This is probably the key short-term issue, given the low supply of available employment land. The Local Plan will need to clearly demonstrate the deliverability of all allocated sites.

We have also noted ways in which the District's supply of land and buildings could be more closely aligned with the profile of demand through:

- **Unit sizing** with a clear pattern to demand for units of less than 3,000 square feet within the District, but at the same time noting that there a small number of current demands for much larger units.
- **Business incubation** The provisions of business centres and incubators will be key to this process through helping to provide space on flexible terms to nurture small and start-up businesses
- **Sector of use** The nature of business has changed much over recent years, and there is an opportunity for the district to consider buildings that mix uses.
- **Locational issues** Different centres in the district are experiencing different pressures. Addressing these market-specific imbalances will be important to ensuring that local businesses can find the premises they need in the places where they want them.
- **Stock Renewal** Much of the stock is aging and needs renewal. Where this cannot be viably achieved on site consideration should be given to releasing existing sites to alternative uses in order provide compensatory replacement stock at more viable locations

Business Development

This links to the need for business centres and incubations space outlined above. Such centres can also be a source of delivering business support and advice and provision of some co-working space will help to strengthen business networks and support the growing number of homeworkers in the District.

Infrastructure

Build a case for the A40 as an important investment corridor which requires upgrading in order to deliver future growth. Improvements to the A40 include those being advanced through the Science Transit Phase 2 scheme.

Building City Region Capacity

Work with partners to more explicitly identify West Oxfordshire's role in the City Region growth project. Again this is likely to link back to the issue of sites. There is a shortage of intermediate space across the county as a whole and West Oxfordshire is locationally well suited to provide for this demand.

8.3 Local Plan

Using the NPPF guidance as a Framework we suggest that the new Local Plan can demonstrate a positive response towards planning for economic development as set out in the Figure below.

Figure 8.1 Planning for Economic Development

NPPF Guidance	Local Plan Response
set out a clear economic vision and strategy for their area which positively and proactively encourages sustainable economic growth;	The Local Plan can state more clearly that it has a positive approach to growth and that it positions itself as part of the Oxfordshire Knowledge economy
set criteria, or identify strategic sites, for local and inward investment to match the strategy and to meet anticipated needs over the plan period;	The Plan should identify and allocate new sites in particular in the Eynsham Woodstock sub area to capture growth in the Oxford City region.
support existing business sectors, taking account of whether they are expanding or contracting and, where possible, identify and plan for new or emerging sectors likely to locate in their area. Policies should be flexible enough to accommodate needs not anticipated in the plan and to allow a rapid response to changes in economic circumstances;	The Plan might adopt criteria to permit commercial development where existing occupiers wish to expand in situ.
plan positively for the location, promotion and expansion of clusters or networks of knowledge driven, creative or high technology industries;	The District has existing strengths around the medical equipment and technologies sector and some advanced engineering sectors which can form the basis of future cluster development. The Plan can acknowledge that it seeks to attract such activity.
identify priority areas for economic regeneration, infrastructure provision and environmental enhancement;	We recommend that Carterton is made a priority area for economic regeneration and that infrastructure provision is focussed on the A40 Corridor
facilitate flexible working practices such as the integration of residential and commercial uses within the same unit.	The Superfast Broadband programme will help support the growth of homeworking in the District. The Local Plan policies should reflect this growth activity and additional support that may be required through provision of facilities such as local business hubs.

With regard to employment land allocations, the existing Local Plan allocation of 60 hectares of additional employment land is sufficient, but the allocations do need to be identified. At present more than half of this total is not identified. In particular there needs to be a clear spatial focus with land allocated in the Eynsham Woodstock sub area to support growth of the Oxford City region.

The employment forecasts suggest the 60 hectares figure is more likely to represent gross new take-up of employment land rather than net additions to the employment land stock. It is important that the Annual Monitoring Reviews accurately record both gains and losses to employment land.

8.4 Monitoring Framework

Monitoring data is important but can become burdensome. We recommend one or two headline indicators for each of the key priorities identified. .

Land availability.

The key monitoring indicator appears to us to be that of land availability. We recommend that West Oxfordshire District Council seeks to ensure that there is always sufficient land available and deliverable to enable 3 years of gross take-up of both office and industrial/warehouse premises. This will require monitoring of take-up and of site availability. Data from recent AMR's would suggest a Figure of around 8 ha of land to be available at any point in time.

It is also important the employment land losses, both planned and unplanned are also monitored in order that compensatory replacement land can be identified as appropriate.

Place making.

As the priority is Carterton we recommend monitoring the retail offer in Carterton town centre including store mix and variety and vacancy levels. This could be supplemented by a town centre sentiment survey.

Business development.

For this we recommend monitoring of the new firm formation rate and of survival rates.

Infrastructure.

The monitoring should be progress on the key identified infrastructure priorities such as the A40 improvements and the delivery of superfast broadband.

Building City Region Capacity

The aim here is to see that West Oxfordshire has a clearly identified role in the City Region economy so the monitoring indicator would be to see that this has been achieved.

As the Economic Development Strategy is developed a broader range of indicators can be established to monitor progress toward overall outcome targets as, such as employment growth in knowledge based sectors, as well as specific objectives identified by the EDS.

Appendices

1 Employment Sites Assessment

1.1 Strategic site assessment

The table below assesses a selection of key employment sites in West Oxfordshire against three criteria: Location, Utility and Quality. Location refers to the accessibility of the site; Utility refers to its usage, and Quality refers to the physical nature of the properties. A three point scale is used against each criterion where 1 is positive, 0 is neutral and -1 is negative. An overall total sums the scores. The assessment is subjective, and intended for comparative purposes.

Centre	Sites	Location	Utility	Quality	Total
Carterton	Carterton South Industrial Estate	0	-1	-1	-2
	Ventura Park	1	1	1	3
	West Oxfordshire Business Park	1	1	1	3
Chipping Norton	Elmsfield Industrial Estate, Primsdown Industrial Estate, Station Road Industrial Estate, Worcester Road Industrial Estate	0	1	0	1
	Cromwell Park	1	1	1	3
Eynsham	Oasis Business Park	1	1	1	3
	Elm Place	1	1	1	3
	Oakfields Industrial Estate	1	1	1	3
	Old Station Way	1	1	1	3
Long Hanborough	Hanborough Business Park	1	0	0	1
	Blenheim Office Park	1	1	1	3
Stanton Harcourt	Lakeside Industrial Estate	1	1	1	3
	Stanton Harcourt Industrial Estate	1	1	1	3
Witney	Bromag Industrial Park	0	1	0	1
	De Havilland Way	1	1	1	3
	Eagle Industrial Estate	-1	1	0	0
	Newland Industrial Estate	-1	0	0	-1
	Range Road	1	1	1	3
	Station Lane	0	1	0	1
	Windrush Industrial Park	1	1	1	3
	Network Point	1	1	1	3
	Compton Hay, Des Roches Square, Meadow Court, Spinners Yard, Thorney Leys, Waterside Court, Witney Office Village	1	1	1	3
Remote	Blenheim Palace Sawmill, Clanfield Workshops, Crawley Mill	1	1	1	3
	Enstone Business Park	1	1	0	2
	Langston Priory, Threshers Yard, Mount Manor	1	1	1	3
	Southill Business Park	0	1	1	2
	Groves Timber Yard	-1	-1	-1	-3
	Minster Lovell	-1	-1	-1	-3
	Wroslyn Road	-1	-1	-1	-3

2 Forecasting Method

Employment Forecasts by Sector

The Cambridge Econometrics sector level employment projections form the starting point for the floorspace forecasts.

The employment projections are published for are for employment in total (workforce jobs definition).

Employment Projections by Land Use Category

The next step is to produce the employment land use forecasts for office, manufacturing industrial, and warehouse uses. The base year borough land use data is collected from the Business Register Employment Survey data (BRES) at the 5 digit Standard Industrial Classification (SIC) level. We estimate a share of office, manufacturing, industrial jobs for each of the 12 sector employment totals. The same ratio is applied to each of the 12 sector forecasts totals.

The sectoral definitions used to create this land use mapping are based on the office employment definition used for the London Office Policy Review and the industrial definition used for the London Industrial and Warehousing Demand Study. Whilst such matches will never be perfect it is a best fit based on accumulated studies and experience.

Floorspace Projections by Land Use Category

Forecast of employment by land use category are converted to forecasts of floorspace by application of employment density ratios. We have used the following ratios in our central case:

- Offices – 15 sq m per worker
- Industrial – 40 sq m per worker
- Warehousing – 60 sq m per worker

Forecasts of Land

Forecasts of Floorspace have ben converted to forecasts of land by application of plot density ratios. We have assumed a plot density of 0.4, i.e. 4,000 sq m of floorspace per hectare

Benchmarking the Forecasts

We do not have access to any other published forecasts for West Oxfordshire District but we can compare the Cambridge Econometrics forecasts at the national and regional level with that of other forecasting bodies.

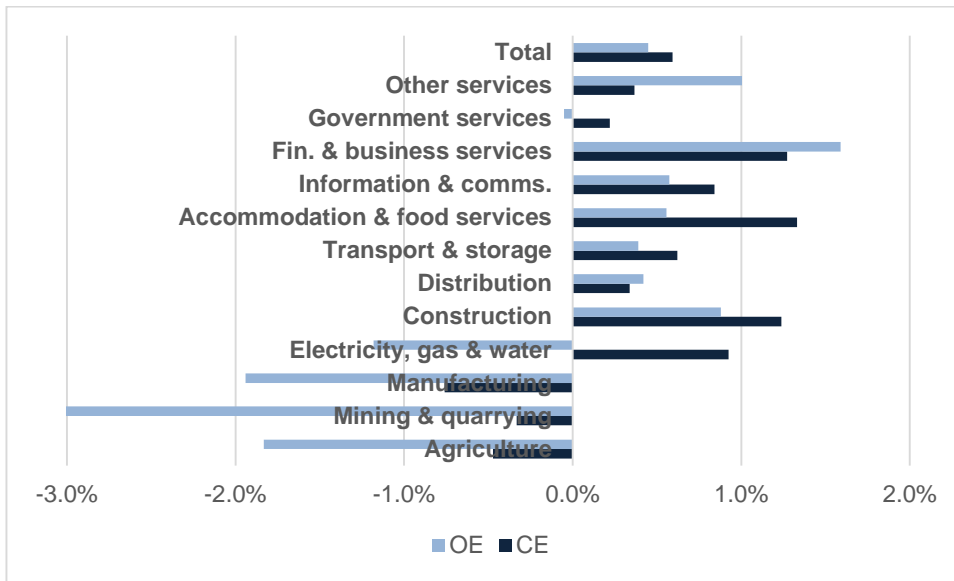
The Figure below compares the Cambridge Econometrics (CE) forecast for the UK with that published by Oxford Economics (OE) in the baseline projections of the East of England Forecasting Model (EEFM).

For the UK as a whole CE projected an employment growth rate of 0.6% p.a. over the period 2011-31. This was higher than the 0.4% p.a. projected by OE. The result at the national level is that the CE projections for the period 2011-31 are almost 1 million jobs higher than the OE projections. The CE projections were produced later than the OE projections and hence might be based on a more favourable economic climate.

But there are also significant sectoral differences in the projections. OE have a much more pessimistic protection for manufacturing, resulting in a loss of an additional 500,000 jobs over and

above the CE projections. On the other hand the OE projections for Financial & Business Services growth are 500,000 higher than the CE projections.

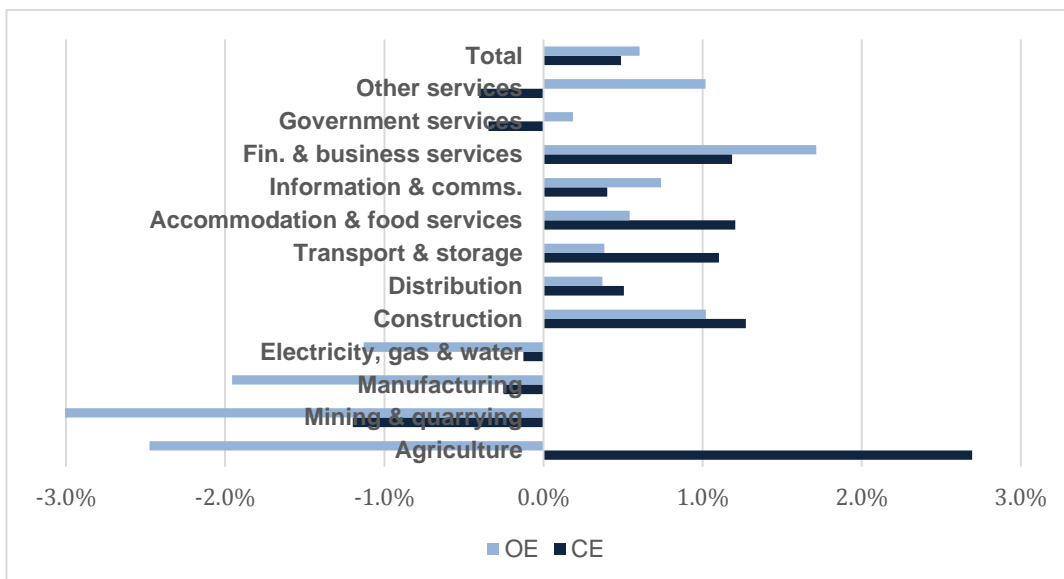
Figure 2.1 Forecast Annual Employment Growth Rates by Sector 2011-31UK



Whilst the CE projections are higher for the UK as a whole, OE project a faster growth rate for the South East. The total employment forecast for the South East from OE is for a growth rate averaging 0.6% p.a. compared with 0.5% p.a. from CE. As a result the projected employment growth of OE is over 100,000 jobs higher than that for CE

Again OE are more pessimistic about manufacturing and more optimistic about financial and business services. But whilst at the UK level CE had higher projected growth for both the Government Services and Information and Communications sectors, for the South East it projects lower growth rates for these sectors than OE.

Figure 2.2 Forecast Annual Employment Growth Rates by Sector 2011-31 South East



Sub Area Forecasts

The sub-area forecasts have been prepared based on the existing economic structure of the each sub-area. This assumes the growth that occurs is distributed according to the existing sectoral structure of the four sub areas. For example if Witney has 40% of total employment in the manufacturing sector it gets 40% of the Cambridge Econometrics forecast growth for that sector.

The sub area economic profiles are mapped against the Cambridge Econometrics sectors using BRES data at the 5-digit SIC level.

3 Site Availability

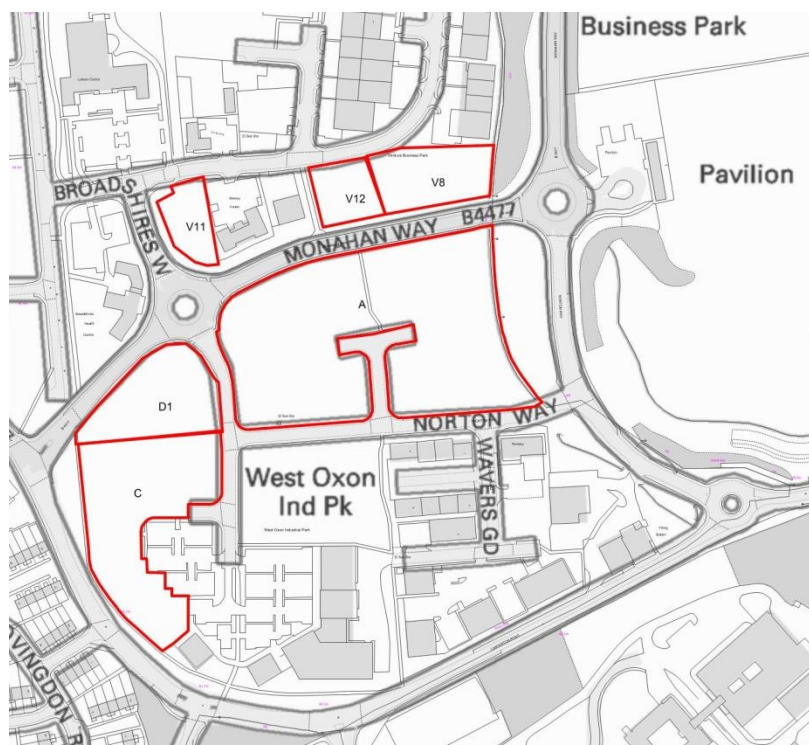
Carterton

Ventura Park Approximately 0.6ha of vacant land available for business development. Area was allocated for business development at same time as Shilton Park residential area was approved (W97/0843)

Site Ref	Planning History	Site Size (ha)	Availability
V8	Vacant Site. No existing applications or permissions for development	0.3	Available
V11	Vacant Site. No existing applications or permissions for development	0.1	Available
V12	Vacant site. Planning permission for office development has now lapsed (07/1595/P/FP)	0.2	Available

West Oxon Business Park Planning permission granted over the whole of the site for a mixture of uses including b1, b8, a1(non food), a3 & d1 class uses with associated works. Approximately 3.2 ha remains vacant although not all of the land is actually available

Site Ref	Planning History	Site Size (ha)	Availability
A	Vacant site. No existing applications or permissions for development. Land owner has aspirations for development of supermarket.	2.0	Not Available
C	Vacant site. No existing applications or permissions for development. Permission was refused for supermarket on site (09/0963/P/OP)	0.8	Available
D1	Vacant site. No existing applications or permissions for development. Permission for development of public house and hotel has now lapsed (06/1496/P/FP)	0.4	Available



Chipping Norton

There is very limited business development land allocated, vacant and available in Chipping Norton

Site Ref	Planning History	Site Size (ha)	Availability
C2	Land is allocated as an employment site in the West Oxfordshire Local Plan 2011 (Allocation B1) as part of a wider mixed use development to the north east of Chipping Norton (Proposal 1). Land is currently in use as a highway depot.	0.4	Not Available
C4	One plot remains undeveloped at the existing Cromwell Park office development	0.1	Available



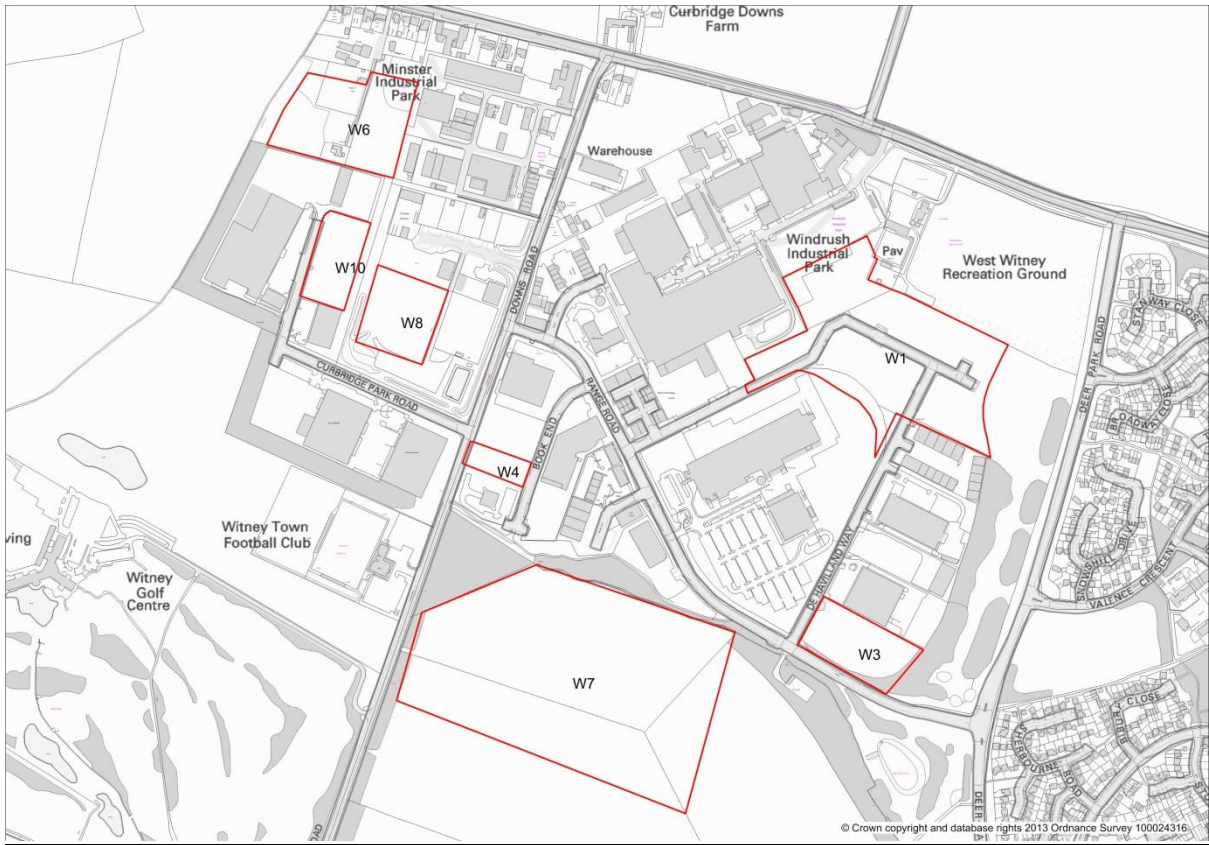
Standlake

Site Ref	Planning History	Site Size (ha)	Availability
S1	Plot of land remains allocated for business use but undeveloped at the Lakeside Industrial Estate. Uses on this site are restricted to B2 and B8. There may be issues of contamination with this site as it is currently being utilised for waste disposal	1.9	Not Available



Witney Plots of land remain undeveloped across a number of separate sites within the West Witney employment area. Not all sites are available for new businesses as many are intended for expansion of existing businesses.

Site Ref	Planning History	Site Size (ha)	Availability
W1	Land allocated for employment development in the West Oxfordshire Local Plan 2011 (Proposal 9) Site currently has permission for a new headquarters for Owen Mumford medical supplies, an existing business in the district currently located in Chipping Norton and Woodstock	5.4	Not Available
W2	Land is owned by CDO and is likely to form part of their future expansion plans.	0.47	Not Available
W4	Vacant plot of land with no existing applications or permissions for development. Permission for erection of buildings for B1, B2 and B8 use has expired (W2003/0950)	0.3	Available
W6	Land allocated for employment development in the West Oxfordshire Local Plan 2011 (Proposal 9) Site is vacant although it is owned by an existing business so may not be available. Land will remain allocated for employment purposes.	2.1	Not Available
W7	Permission has been granted for 10ha of employment land (12/0084/P/OP) as part of the West Witney strategic development area, to include B1, B2 and B8 uses. Permission is subject to a S106 agreement.	10	Not available
W8	This land is a former gas storage facility and is currently vacant. There are no existing applications or permissions relating to this site	1.1	Available
W10	This site is currently vacant but has an existing permission to improve access to the site. May form part of future expansion plans for existing business.	0.9	Not Available



4 Glossary

Term	Definition
Annual Business Inquiry (ABI)	An employer survey of the number of jobs held by employees broken down by sex, full/part-time and detailed industry (4 digit SIC). This series ceased in 2008
Annual Survey of Hours and Earnings (ASHE)	Survey of data on earnings published annually by the Office for National Statistics
Business Class Floorspace	Commercial floorspace classified by the Land Use Order as falling within B1 Business; B2 General Industry; or B8 Storage and Distribution.
Business Register and Employment Survey (BRES)	An employer survey of the number of jobs held by employees broken down by full/part-time and detailed industry (5 digit SIC2007). The survey records a job at the location of an employees workplace. This survey superseded the ABI.
East of England Forecasting Model (EEFM)	An economic forecasting model produced by Oxford Economics on behalf of Insight East. It contains forecast of output and employment by sector.
Economic Activity Rate	The proportion of people of working age who are either in employment or unemployed (i.e. seeking employment)
Employment Land Review (ELR)	The role of employment land reviews (ELR) is to provide sound evidence to inform local planning authorities in planning for employment land uses by auditing existing employment land and premises supply in the context of future demand.
Employment Density Ratio	Measure of the average amount of floorspace occupied by a worker. Calculated as total floorspace divided by number of workers.
Gross Value Added (GVA)	A measure of the value of goods and services produced in an area, industry or sector of an economy. In national accounts GVA is output minus intermediate consumption.
Local Enterprise Partnership (LEP)	Voluntary partnership between local authorities and businesses set up in 2011 by the Department for Business, Innovation and Skills to help determine local economic priorities and lead economic growth and job creation within the local area.

Location Quotient (LQ)	This is a measure of relative representation. An LQ of greater than 1 means the sector is relatively over-represented locally compared to the national average. An LQ of less than 1 means it is relatively under-represented.
National Planning Policy Framework (NPPF)	The National Planning Policy Framework was published by the UK's Department of Communities and Local Government in March 2012, consolidating over two-dozen previously issued documents called Planning Policy Statements (PPS) and Planning Policy Guidance Notes (PPG) for use in England.
National Vocational Qualifications (NVQ)	Skills based qualification system that runs from Level 1 for basic level skills through to Level 4 for degree or equivalent
Office for National Statistics (ONS)	The <i>Office for National Statistics</i> is the executive office of the UK Statistics Authority. UK National Statistics. It publishes a range of government statistical data sources.
Plot Ratio	The ratio of floorspace to land. A development of 10,000 sq m per on one hectare would give a plot ratio of 1.
Resident Employment	Employment located in a defined area, such as a local authority, regardless of where people live.
Travel to Work Area (ttwa)	A travel to work area reflects an area in which people both live and work. The UK is categorised into a series of non-overlapping travel to work areas in which at least 75% of the people who work in the area also live within those boundaries
Unemployed	People without a job who were available to start work in the next two weeks and who had either looked for work in the last four weeks or were waiting to start a job they had already obtained. This is usually higher than the number of claimant unemployed
Unemployment Rate	Unemployed as a percentage of the economically active population.
Valuation Office Agency (VOA)	Government Agency which publishes statistics on commercial floorspace
Workplace Employment	Employment located in a defined area, such as a local authority, regardless of where people live.

