





## Why is LMI important?

The purpose of this labour market bulletin is to inform young people, and those that advise young people, including teachers, parents, carers, careers advisors and others, of the employment trends and job opportunities available locally, now and in the future. As our economy grows, there is increased demand from local employers for people to fill jobs, alongside an increasing number of people who succeed in self-employment. Our aim is to broaden young people's knowledge and understanding of our labour market, raise their aspirations and help them plan their career pathways based on high quality, locally relevant information.

This bulletin cannot prescribe a route to the 'perfect job'. What it can do is help the reader to make informed choices, challenge preconceived labour market perceptions, encourage the consideration of alternative routes into a career, or inspire new career options not considered before. It aims to provide a better understanding of the local job market - what jobs are currently in demand, where shortages occur and how jobs are changing. It may help in making career decisions that are not solely based on potential earnings or prospects but on aligning interests, skills, aptitude, educational attainment and enjoyment to the right career choice.

If your organisation would like a specific LMI briefing please contact the Skills team at the Oxfordshire Local Enterprise Partnership at [skills@oxfordshireLEP.com](mailto:skills@oxfordshireLEP.com).

## An overview of the Oxfordshire economy

Oxfordshire has the most innovative economy in the UK, according to recent research.

Oxfordshire has one of the strongest economies nationally. To continue to succeed in a globally competitive world and be a beacon of sustainable economic growth it needs a well trained workforce. Oxfordshire is a 'knowledge-based' economy where the use and application of knowledge is a key feature.

The Oxfordshire Strategic Economic Plan (SEP)<sup>1</sup> sets an ambition for Oxfordshire to 2031 to drive accelerated economic growth to meet the needs of our science and knowledge rich economy placing Oxfordshire at the forefront of the UK's global growth ambitions.

The SEP 2016 states an ambition for up to 85,600 new jobs to 2031 – many of which have yet to be 'invented' – reflecting the pace of change and effects of new and emerging technologies on the labour market.

Growth brings challenges – a key challenge is our extremely tight labour market with low levels of unemployment (0.7 per cent out-of-work benefit claimants) and high job density at 0.96 – i.e. there are 96 jobs available for every 100 residents of 'working age'. With minimal growth in the working age population in coming years and a child population (0-18 years) that is expected to contract, this will present further challenges.

**Table 1: Oxfordshire overview**

Total population, 2016	683,200
Age 16-64 population, 2016	434,800
Total output (GVA), 2015	£21.9 billion
Number of 'employee' jobs Jun 2016	358,200
Number of self-employed, Jun 2017	63,500
Economically active, Jun 2016	370,700
Claimants of Out-of-Work benefits, Sep 2017	0.7%
Number of enterprises, 2017	31,130
Average median gross weekly earnings (full-time), 2016 provisional	£605.50
Population with a HND or above, 2016	51.7%
With no qualifications, 2016	5.1%

### ***Did you know?***

*Oxfordshire is the tenth least deprived area in the UK (142<sup>nd</sup> out of 152)*

*Multiple deprivation indices, 2015*

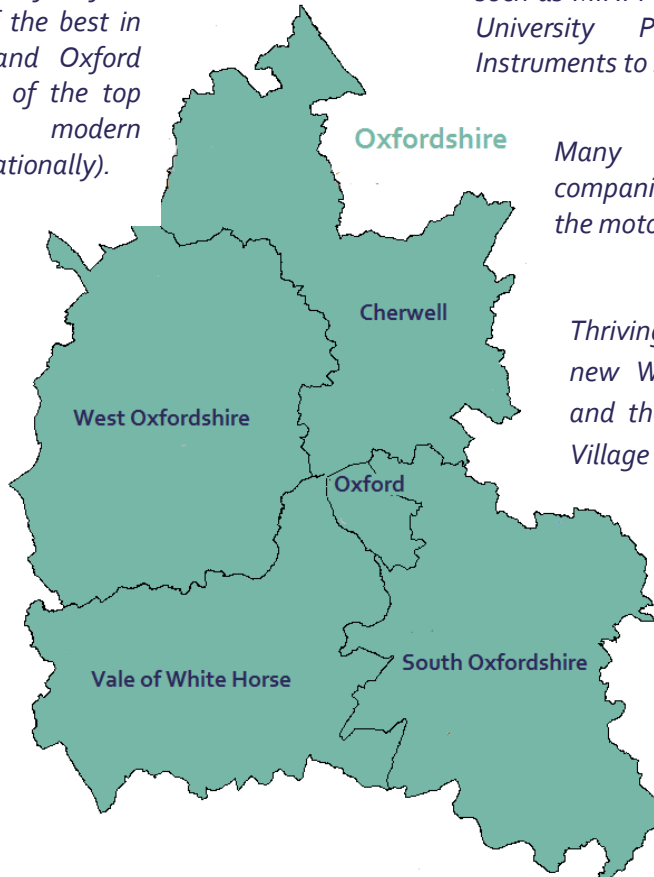
<sup>1</sup> Oxfordshire Strategic Economic Plan, Oxfordshire Local Enterprise Partnership, 2016.

## What might explain Oxfordshire’s growing economic confidence?

Oxfordshire has a number of distinctive features:

*Two leading universities - the University of Oxford (rated one of the best in the world) and Oxford Brookes (one of the top performing modern universities nationally).*

*Home to globally recognised companies such as MINI Plant Oxford, Oxfam, Oxford University Press, Siemens, Oxford Instruments to name a few.*



*Many high-end manufacturing companies (such as those supporting the motor industry).*

*Thriving retail economy with the new Westgate Centre in Oxford and the world-renowned Bicester Village Outlet Centre.*

*Third highest concentration of research and development workers in the country.*

*A strong tourist economy feeding the accommodation, food and beverage, arts, heritage and entertainment sectors.*

*Home to a group of large science and research facilities that includes Harwell Oxford Innovation & Science Campus (home to the Rutherford Appleton Laboratory, Diamond Light Source and the gateway to the space sector – including the newly established European Space Agency and the Satellite Applications Catapult Centre), and the UK Atomic Energy Authority Culham Centre for Fusion Energy - home to the UK’s national fusion research laboratory.*

*Nearly three quarters of the country is land managed agriculture, with over 1,600 farms. This makes it the most rural county in the South East.*

## Innovation

Due to Oxfordshire's proximity to London and Berkshire, and its links to Higher Education, it has created an economy that is competitive and proved resilient during and following on from the last recession. A report by the Enterprise Research Centre (ERC) published in May 2017 positioned the county top in three of the ten innovative metrics: for marketing innovation; new to market products and services; and sales of innovative products. Oxfordshire scored above London on every measure. According to the innovation map of England, produced by the ERC<sup>2</sup>, Oxfordshire has one of the most innovative economies overall. It forms part of the 'arc of innovation' stretching from Cambridge through the southeast Midlands and along the M4 corridor to Oxfordshire and Gloucestershire and is part of the 'Golden Triangle', encompassing the universities of London, Cambridge and Oxfordshire. For example, only 19% of London businesses undertook research and development compared to 29% in Oxfordshire.

Oxford City is third out of all UK cities for patent applications widely used to measure innovation: 79.9 applications per 100,000 residents, behind Cambridge and Coventry.

## Industry

According to the Cities Outlook report for 2017 produced by the Centre for Cities<sup>3</sup>, Oxford is a top performing city for exports and productivity. However, it is particularly reliant on one industry for exports, its car industry, with an estimated 62 per cent of exports coming from that industry alone. The BMW MINI plant, based in Cowley, Oxford, is the third largest exporter of vehicles in the UK.

The UKTI and the Local Enterprise Partnership work together to promote exports and aim to get an additional 100,000 firms exporting by 2020, increasing export revenue to £1 trillion.

Oxford is unique in that it has almost the same number of private and public sector employees, mainly as a result of its universities.

In fact, it is a city with one of the lowest proportions of private sector jobs. This highlights that higher levels of publicly-funded jobs do not necessarily mean a less successful economy.

### UK innovation hotspots



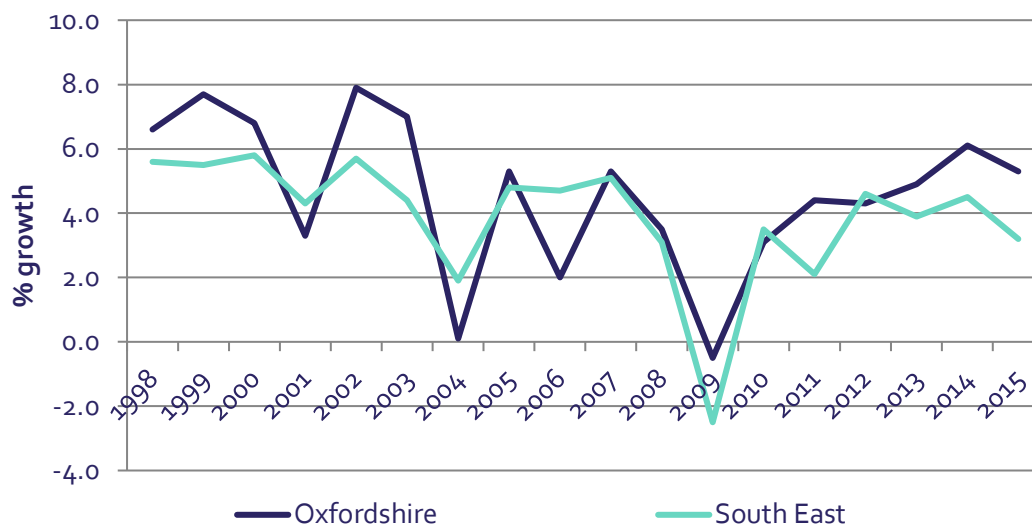
<sup>2</sup> Benchmarking local innovation – the innovation geography of England, Enterprise Research Centre, May 2017, <https://www.enterpriseresearch.ac.uk/wp-content/uploads/2017/06/Benchmarking-Innovation.pdf>

<sup>3</sup> [www.centreforcities.org/publication/cities-outlook-2017/](http://www.centreforcities.org/publication/cities-outlook-2017/)

## Economy

Gross Value Added (GVA) is a measure of the goods and services produced in an area. Put simply, it is the grand total of all revenue, which is income into businesses. It is measured at current basic prices (this includes the effect of inflation, excluding taxes on products (e.g. V.A.T)). GVA plus taxes on products is equivalent to Gross Domestic Product (GDP).

**Figure 1: Percentage growth in GVA (income approach), 1998-2015**



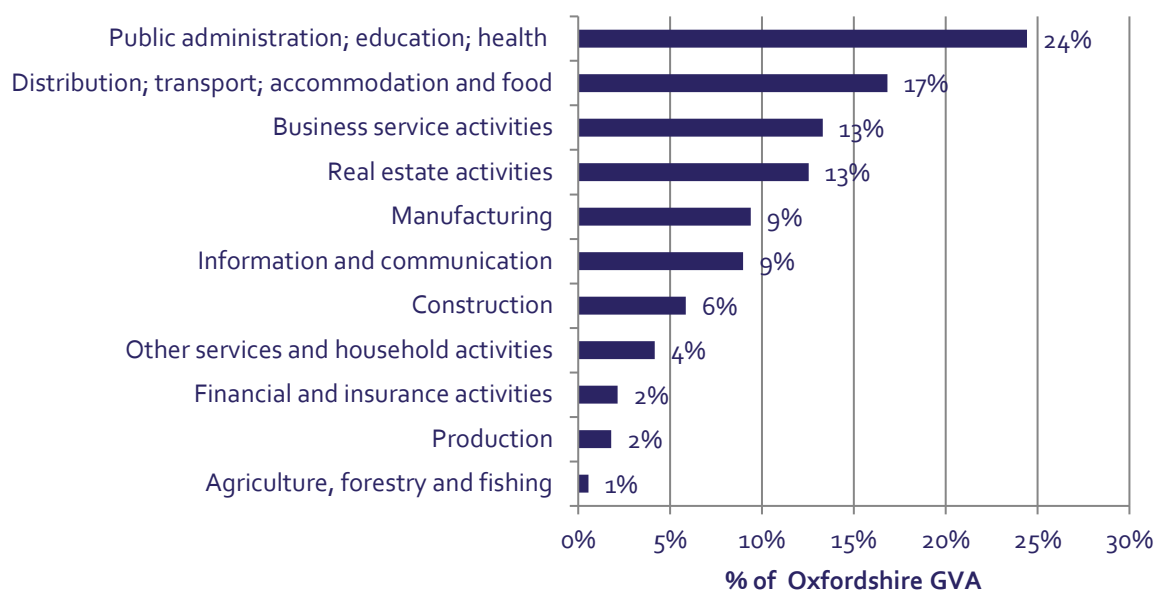
Oxfordshire has a strong economy. Our GVA contribution to the UK economy was £21.9 bn in 2015, growing by 5.3 per cent on the previous year and higher than the UK growth of 2.6 per cent and South East at 3.2%

This increase has made us the 14<sup>th</sup> fastest growing of 173 NUTS<sub>3</sub> areas. Among our close geographic or statistical neighbours, Swindon was 5<sup>th</sup>, Wiltshire 28<sup>th</sup> and Cambridgeshire 31<sup>st</sup>.

The largest contributions to our growth came from public administration, education and health (24%), distribution, transport, accommodation and food (17%), business activities and property (both 13%)<sup>4</sup>.

<sup>4</sup> ONS, Regional Value Added (Income Approach), 2015 data  
<https://www.ons.gov.uk/economy/grossvalueaddedgva/datasets/regionalgrossvalueaddedincomeapproach>

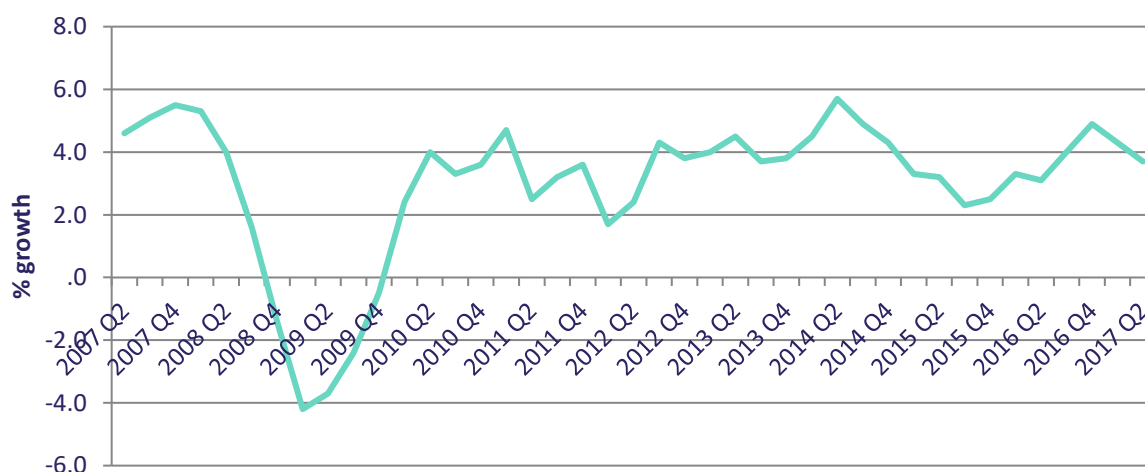
**Figure 2: Percentage of GVA (income approach) by industry, Oxfordshire, 2015**



GVA per head of the population is also high at £32,291 in 2015 compared to £27,847 in the South East. This equates to 4.5% growth from the previous year ranking it 12<sup>th</sup> out of 173 NUTS3 areas (highest growth was 7.9% in Solihull).

Gross Domestic Product is a measure of all final goods and services produced in a period. It is a good indicator of economy performance. Nominal GDP estimates are commonly used to determine the economic performance of a whole country or region. The UK, a global economy, was affected by the global economic downturn in 2009.

**Figure 3: Growth Domestic Product – National quarterly growth<sup>5</sup>**



<sup>5</sup> GDP, quarterly growth, UK  
<https://www.ons.gov.uk/economy/grossdomesticproductgdp/timeseries/ihyo/ukea>

## Economic activity

Mid-year 2016 population estimates show there are 683,200 people living in Oxfordshire (51.2% female/49.8% male). The population has increased by just under a per cent (0.8%) each year for the last ten years and growing at a slightly slower rate than the rest of the South East region (0.9%). 63.6 per cent of the population, or 434,800, are aged 16 or over<sup>6</sup>. Most working age adults in Oxfordshire (83.1 per cent) are economically active and in work.

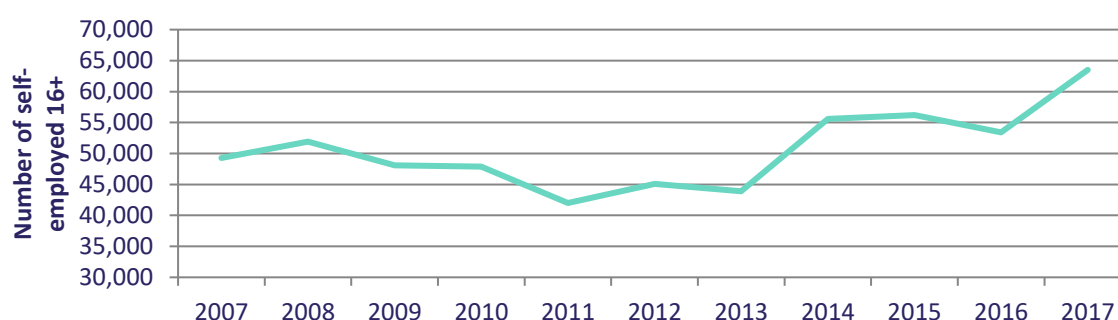
Oxfordshire has, proportionally, a marginally larger working age population than the South East and England. Yet, rates of economic activity are the highest they've been<sup>7</sup> and both economic activity and employment in Oxfordshire are well above regional and national rates.

There is a significant proportion of the population not in work. In 2017, 12,500 people are registered unemployed (with latest figures in September 2017 showing 2,950 people claim Job Seekers Allowance/Universal Credit benefits), and an additional 16,600 are economically inactive, not claiming anything from the state, but would like a job. This is up by 1,200 on 2016.

68% of those in employment work full-time rather than part-time. Three quarters of part-time workers are women.

Self-employment is at its highest point in the last 10 years at 63,500 and is also above regional and national rates: 12.8 per cent of the Oxfordshire population are self-employed compared to 12.3 per cent in the South East region and 10.6 per cent nationally<sup>8</sup>. However, on average, self-employed people are more likely to work part-time, earn less, and be 'underemployed'<sup>9</sup>. Far more men than women are self-employed. 20.7% of men in employment are self-employed, compared to 14.2% of women. Self-employment growth in Oxfordshire over the last decade is slightly more than regional growth, at 2.56% per year compared to 2.06%.

Figure 4: Oxfordshire's self-employed population



<sup>6</sup> The working age population used here are those aged 16+. Now, young people have to continue in education or training, at least part-time, until they are 18 although this range does take into account those who work beyond retirement age of 65 years.

<https://www.nomisweb.co.uk/reports/lmp/la/1941962886/report.aspx>

<sup>7</sup> Economic activity measurements taken from July to June each year

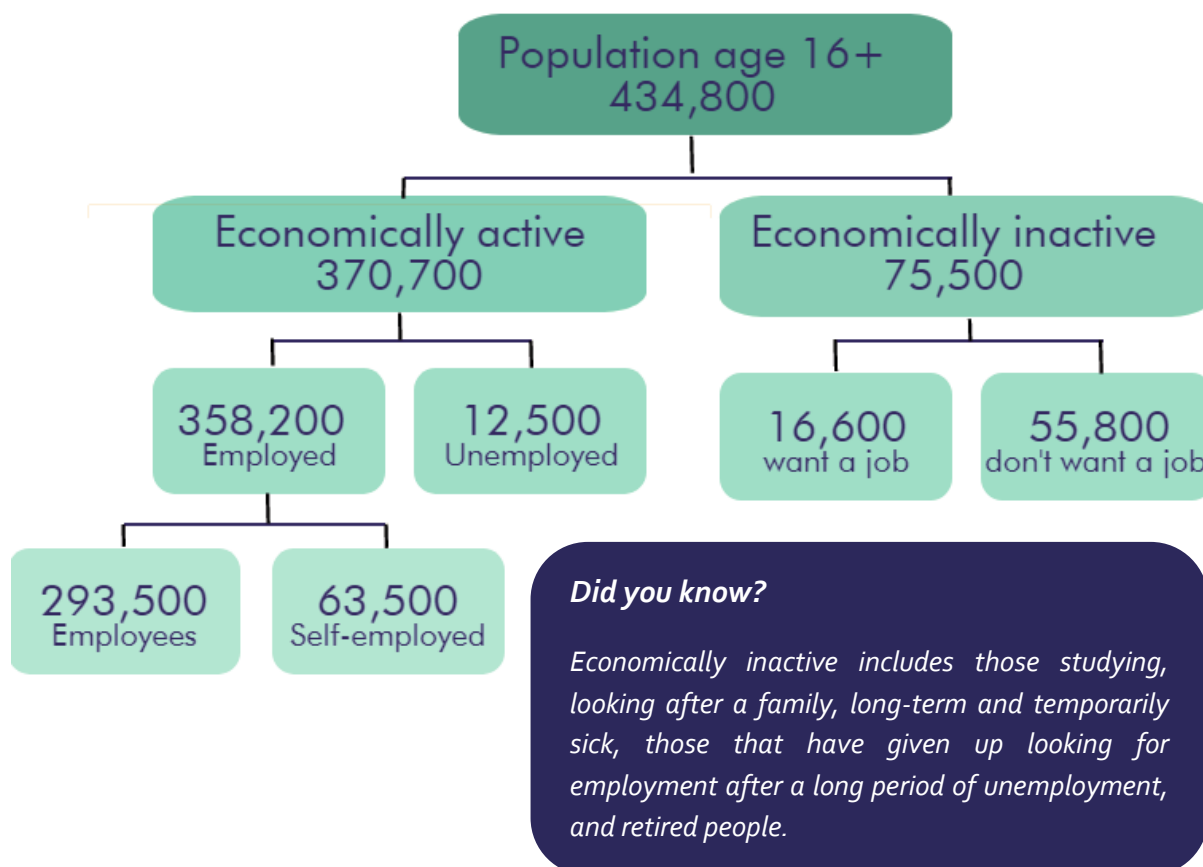
<sup>8</sup> ONS annual population survey, measurements taken from July to June each year

<sup>9</sup> <http://www.ft.com/cms/s/0/d8f6c774-d449-11e3-a122-00144feabdco.html#axzz3h66ZcCID>, 6<sup>th</sup> May 2014



The population count at mid-2017 is shown in figure 5:

Figure 5: Working age population count<sup>10</sup>



Oxfordshire has a very tight labour market with many more jobs than there are people. The new £440 million retail development, Westgate in Oxford has struggled to recruit key staff. Its flagship store, John Lewis, who occupy 142 sq foot of retail space, require 300 staff and underwent a recruitment drive in April 2017. Waitrose opened a new store on Botley Road in October 2015 and received 5 applications for every post<sup>11</sup>. In the adult social care sector, a 2015 report from Oxfordshire County Council recognises an additional 7,500 carers are needed to 2025. This is 750 additional carers a year to add to the 14,000 working in care currently. Many EU nationals are leaving the country as the Pound Sterling falls in value making it less worthwhile to stay. At 417,000 jobs in the country, work is abundant. There are opportunities and many different routes in to careers for the county's young, or those seeking a change in career pathway. However, as a knowledge based economy, these jobs do require specific skill sets.

<sup>10</sup> ONS Annual Population Survey, June 2017. The sum of employees and self-employed will not equal the in **employment** figure due to the inclusion of those on government-supported training and employment programmes, and those doing unpaid family work in the latter.

<https://www.nomisweb.co.uk/reports/lmp/la/1941962886/report.aspx>

<sup>11</sup> [www.oxfordtimes.co.uk/news/13779427.Five\\_apply\\_for\\_every\\_job\\_in\\_a\\_phenomenal\\_Waitrose\\_rush/](http://www.oxfordtimes.co.uk/news/13779427.Five_apply_for_every_job_in_a_phenomenal_Waitrose_rush/)

## Unemployment

Only 0.7 per cent of the 16+ population in the county were claiming out-of-work benefits in September 2017<sup>12</sup>. This equates to 2,950 people and, although this figure is rising, has been relatively stable over the past year.

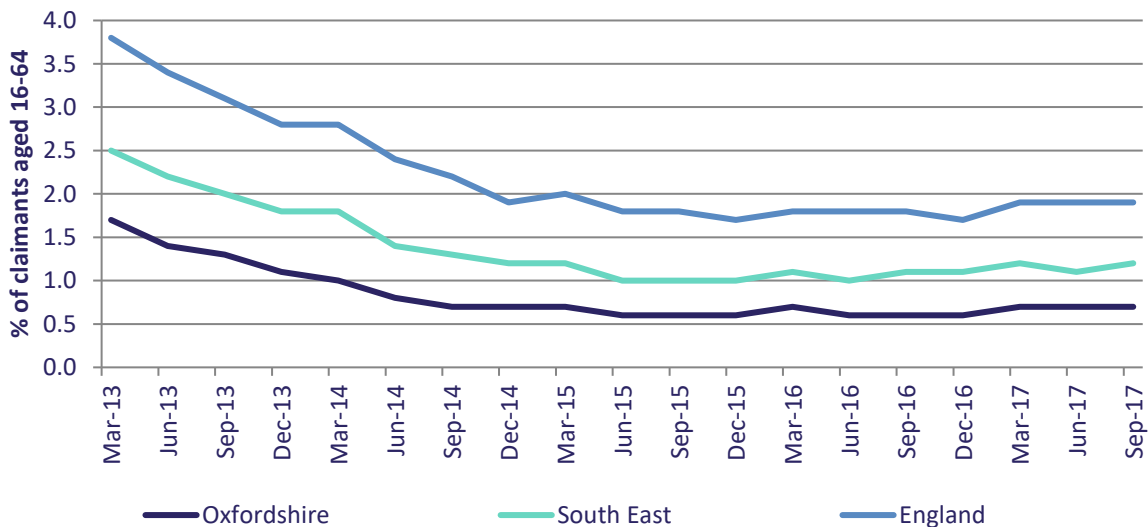
Looking at the broader measures of unemployment, in the year to November 2017, there were 19,420 people claiming the main out-of-work benefits (including job seekers allowance, ESA and incapacity benefits, lone parents and other income related benefits) in Oxfordshire or 4.5 per cent of all economically active people, compared to 8.4 per cent nationally.

In order to streamline job opportunities, a new online site for jobseekers [oxajobs.com](http://oxajobs.com) was created by Newsquest Media Group, parent group of the Oxford dailies to provide a one-stop job board for the Oxford unemployed.

Out of work benefits. September 2017

Age range	Number	Rate %
Aged 16-17	0	0.0
Aged 18-24	505	0.7
Aged 25-49	1,575	0.7
Aged 50+	865	0.7

Figure 6: Out of work claimant count



**Did you know?**

*Oxfordshire has the lowest youth unemployment (for those aged 16-24) in the South East region (joint with Wokingham in Berkshire).*

*ONS Claimant count by sex and age, Sep 2017*

<sup>12</sup> ONS claimant count, 2017  
<https://www.nomisweb.co.uk/reports/lmp/la/1941962886/report.aspx>

## Housing and the cost of living<sup>13</sup>

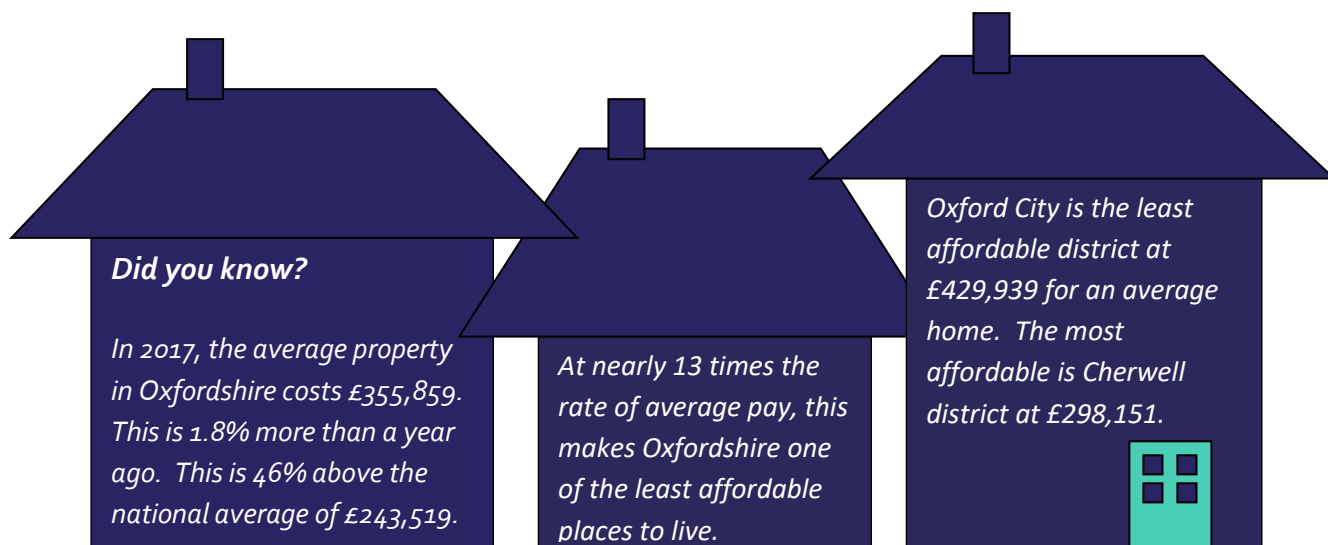
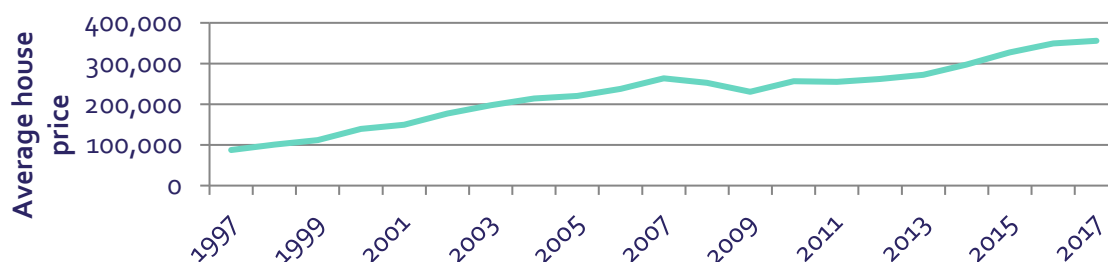


Figure 7: Average house price over time, Oxfordshire



The cost of living in Oxfordshire is one of the highest in the country and is a contributing factor putting people off working in Oxfordshire. Rents are also very high. In the city, the average rent for a room in a shared house is £510 per calendar month. For an average studio flat it is £681 and for an average 2-bedroom flat it is £1,100. London is the most expensive place to rent, however, Oxford City accommodation is only £97 less. Prices for a shared room are £128 above the England average.

House type	Oxfordshire Average
Detached	£562,061
Semi-detached	£364,308
Terraced	£301,389
Flat	£222,295

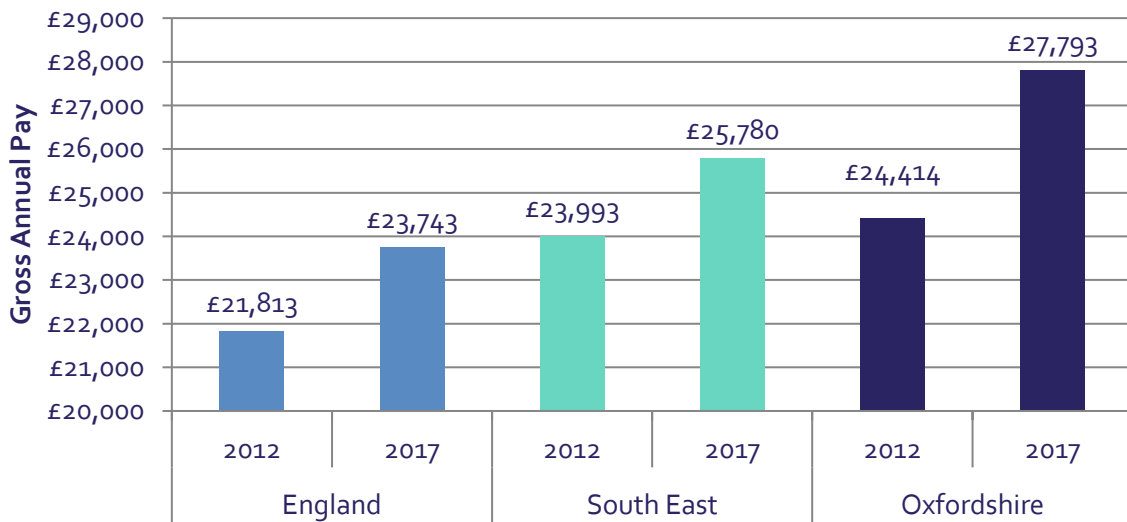
Oxfordshire generally, and Oxford City specifically, lacks affordable homes. A fifth of new homes built in the £60 million Templar Square regeneration in Cowley will be affordable homes. This is not deemed to be enough to meet the demand. Prices are likely to stay high as demand continually outstrips supply.

<sup>13</sup> UK House Price Index, August 2017  
<https://www.gov.uk/government/statistical-data-sets/uk-house-price-index-data-downloads-august-2017>

## Pay<sup>14</sup>

The median annual pay for employees resident in Oxfordshire in 2017 is high at £27,793<sup>6</sup>. Oxfordshire has seen nearly 14 per cent growth in the median annual pay since 2012 and much more growth than the South East at 7% growth and England with 9%. Employers have to pay more to attract the best candidates given the high cost of living in the county.

**Figure 8: Median\* gross annual pay, 2012 and 2017**



\* Median income (the middle pay point of the range of pay rates being sampled), is used to avoid the picture being skewed by individual incomes of very high earners.

Gross annual income for full-time employees is £32,964 and for part-time employees it is £9,682. In all cases, this is above the regional and national averages.

Pay has increased at its fastest pace since February 2009 and growth in average earning across all sectors is faster than reported<sup>15</sup>.

Looking at full-time employees only, the median annual pay is highest in South Oxfordshire at £37,292 (up 8.4%) with the Vale of White Horse close behind at £35,065. The lowest average pay is West Oxfordshire at £31,087, which is below the regional average of £31,664 but above the national average of £29,085.

### Minimum wages increased from 1st April 2017

Age range	£ per hour
Under 18	£4.05
18-20	£5.60
21-24	£7.05
National Living wage 25+	£7.50
Apprenticeships	£3.50

<sup>14</sup> Annual survey of hours and earnings, 2016  
<https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/bulletins/annualsurveyofhoursandearnings/2017provisionaland2016revisedresults>

<sup>15</sup> Business dashboard 2015

## Business and enterprise

The largest industry group in Oxfordshire is Professional, Scientific and Technical with 22 per cent share of all registered enterprises. This sector has grown by a fifth in the last five years. Most other sectors have also grown; ICT, transport and storage and property considerably so. Only wholesale and retail

have seen a reduction in the number of business enterprises in Oxfordshire over the last 5 years. A drop in retail enterprises could be attributed the closure of major retail centres (like the Westgate, for example) for major reconstruction or refurbishment. Businesses related to the arts, entertainment, recreation and other services have remained stable in this period.

It should be noted that although Education enterprises make up 2.3 per cent and Health 3.9 per cent of the county's enterprises, these are large organisations employing the biggest shares of the county's employees.

### *Did you know?*

*89% of enterprises employ 9 people or fewer. 0.4% employ 250 people or more but they employ a significant percentage of the workforce.*

**Table 2: Count of enterprises, 2017** There are about 31,130 enterprises<sup>16</sup> in the county<sup>17</sup>.

Broad sectors	Count of enterprises	% of enterprises	% change from 2012 to 2017
Professional, scientific & technical	6,790	21.8%	19%
Construction	3,590	11.5%	13%
Information & communication	2,990	9.6%	18%
Business administration & support services	2,560	8.2%	15%
Arts, entertainment, recreation & other services	2,250	7.2%	-0.2%
Retail	1,790	5.7%	-4%
Agriculture, forestry & fishing	1,650	5.3%	8%
Accommodation & food services	1,530	4.9%	1%
Manufacturing	1,380	4.4%	5%
Health	1,240	3.9%	27%
Property	1,090	3.5%	22%
Wholesale	1,080	3.4%	-3%
Motor trades	880	2.8%	7%
Transport & storage (incl. postal)	860	2.7%	50%
Education	720	2.3%	19%
Financial & insurance	440	1.4%	6%
Public administration & defence	190	0.6%	72%
Mining, quarrying & utilities	130	0.4%	30%
<b>Oxfordshire total</b>	<b>31,130</b>	<b>100%</b>	<b>14%</b>

<sup>16</sup> An enterprise is defined as a business with the smallest combination of legal units (legal unit = a factory or a shop).

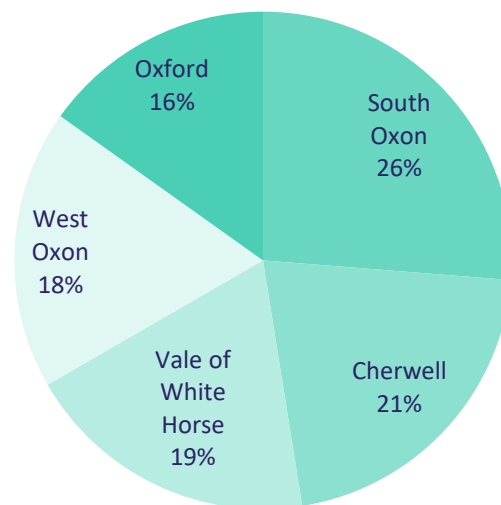
<sup>17</sup> ONS NOMIS UK Business Counts, 2012 - 2017. Rounded to the nearest 10.

<https://www.nomisweb.co.uk/reports/lmp/la/1941962886/report.aspx>

## Business growth in Oxfordshire is very strong

South Oxfordshire is home to just over a quarter of the county's business enterprises<sup>18</sup>. The majority of these are small companies and many are based on the business and science parks in the area. While there are fewer businesses in the City, enterprises here are bigger; 40 businesses in the City employ 250 or more people compared with 20 businesses in South Oxfordshire.

Figure 9: Location of enterprises, 2017



- Professional, Scientific and Technical (PST) enterprises dominate the Oxfordshire districts. 93 per cent of businesses in this sector (approx. 6,340) are micro enterprises with 9 employees or fewer. This sector makes up a fifth of all businesses.
- All districts, except Oxford City, also have high instances of construction, ICT and business administration organisations.
- Oxford City is unique in the county with particularly high instances of the arts, accommodation and food services required to accommodate the large number of visitors to the city. It has low instances of agriculture, manufacturing, construction, motor trades and business administration enterprises.
- The largest businesses county-wide are in the Education, PST and Manufacturing sectors.

### What is the Professional, Scientific and Technical sector?

*Legal and accounting activities ◦ Activities of head offices, management consultancy ◦ Architectural and engineering activities, technical testing and analysis ◦ Scientific research and development ◦ Advertising and market research ◦ Veterinary activities*

<sup>18</sup> ONS Inter-Departmental Business Register, 2017. An Enterprise is the smallest combination of legal units (generally based on VAT and/or PAYE records) which has a certain degree of autonomy within an Enterprise Group). <https://www.nomisweb.co.uk/reports/lmp/la/1941962886/report.aspx>

## Business births and deaths

Business growth is very strong. In 2015 (the latest data), over 3,615 new businesses started up in the county – retaining the strongest growth over the past two years<sup>19</sup>. 2,595 businesses closed in the same period.

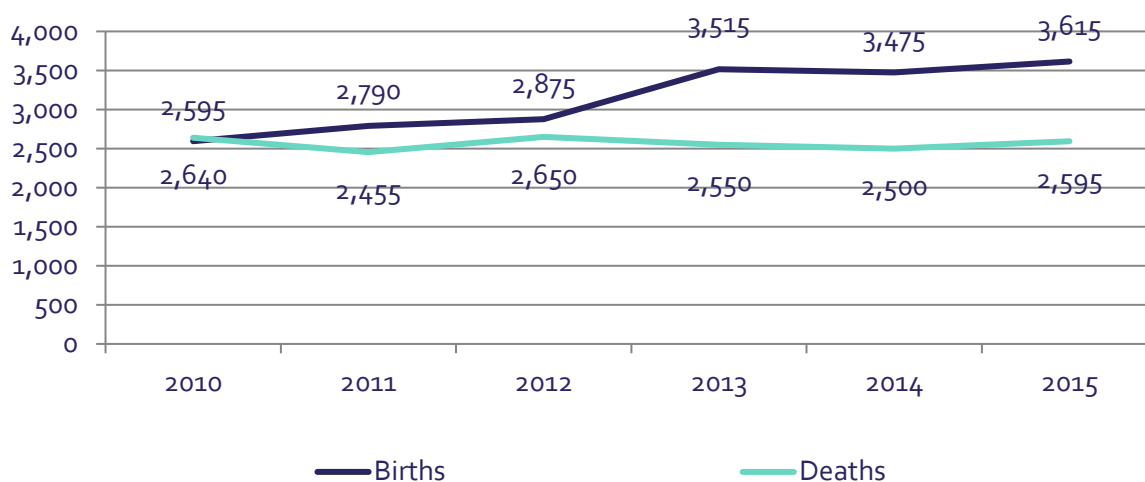
South Oxfordshire had the most start-ups in the county with 930. West Oxfordshire had the least at 590. However, fortunes are also reversed for both districts with South Oxfordshire also seeing the most business closures in 2015, with 610, and West Oxfordshire having the least number of business closures at 460.

### Did you know?

96% of homes and businesses in the county will be covered by superfast broadband (speeds of 24 Mbps and above) by the end of 2018. 95% is already covered. This is essential to business prosperity and assists the social inclusion of rural communities. The remaining 4% not covered equates to around 9,000 homes and businesses.

Oxfordshire County Council

Figure 10: Business births and deaths



A report by the Enterprise Research Centre<sup>20</sup> shows Oxfordshire has 2,745 new registered businesses in 2016. This is 41 start-ups per 10,000 of the population. 58 per cent of 2012 start-ups survived to 2016.

<sup>19</sup> Business Demography, 2016

<https://www.ons.gov.uk/businessindustryandtrade/business/activitysizeandlocation/datasets/businessdemographyreferencetable>

<sup>20</sup> Enterprise Research Centre, <https://www.enterpriseresearch.ac.uk/uk-local-growth-dashboard-2017/>, p.5, 2017

## A final word on the economy: Brexit – Britain’s exit from the EU

On 23<sup>rd</sup> June 2016, Britain voted on whether it should remain in, or leave, the European Union (EU). With a 70 per cent turn-out, 70 per cent of Oxfordshire voters voted to remain in the EU. The country, as a whole, did not and plans are underway to “take back control” from Brussels and take the UK out of the Union we have been a part of since 1972.

Article 50 of the Lisbon Treaty was triggered on 29 March 2017. This leaves the UK two years to agree a deal for Britain’s exit from the EU. Once it ceases to be a member, the UK is no longer subject to EU treaties and its laws.

The short term reaction to the Brexit vote saw the Sterling fall to a 30 year low against the US Dollar. This in turn has caused a surge in the number of EU citizens, and especially Polish nationals, returning home as the Sterling fell. Net EU migration is holding strong with Romanian and Bulgarian nationals coming to the UK to work. Anecdotally, construction companies in Oxfordshire saw some key, skilled workers resign, leaving them with skill shortages. Many EU nationals resident in the UK have applied to the Home Office for permanent residence to alleviate uncertainty over their legal status. The number of applications for permanent residency has risen since the vote.

In the long term, the long process begins to decide which EU laws, if any, will continue to apply to the UK. The UK must separate, or renegotiate a new deal, with the EU common market. It is currently not clear what will be offered to big businesses to persuade them the UK remains an attractive market. Many large corporations<sup>21</sup> such as Goldman Sachs, Lloyds of London, Microsoft, Deutsche Bank, Barclays Bank, Diageo drinks and many games companies have either threatened to move their operations to the EU or already have. Oxfordshire has a large gaming sector, which is likely to be affected. Many companies in Oxfordshire, and across the UK, are waiting for the final deal before making decisions on their future. Some business and union leaders are concerned a bad Brexit deal could threaten thousands of jobs. BMW Oxford employs 4,500 from over 20 countries and union leaders there have expressed their concern. Numerous companies, including JET at Culham, are funded by the EU.

Decisions must also be made on the rights of UK citizens living in the EU, and EU citizens living in the UK. 40,000 EU migrants were estimated to be living in Oxfordshire in 2014 (about 6 percent of the total population of Oxfordshire). Around 24,000 of these are from Austria, France, Germany, Greece, Italy and the Netherlands. 15,000 are thought to be from Eastern European countries of Czech Republic, Poland and Romania. The parliamentary constituency of Oxford East has the highest contingent of EU nationals and Wantage has the least. Many EU nationals work in Oxfordshire’s hospitals, the construction industry and in the higher education sector, with many business and research collaborations between the EU and the county’s top universities and science parks. These are skilled EU workers when Oxfordshire is already experiencing skills shortages in skilled trade sectors. The UK is in the midst of successive rounds of talks and it is clear the aim is to protect key investments where possible. It remains to be seen the effects and opportunities of a full Brexit.

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<sup>21</sup> <https://www.verdict.co.uk/which-companies-could-leave-the-uk-because-of-brexit/>