

# Oxfordshire Strategic Economic Plan

## Deep Dive Report: Progression & Inclusive Growth

Prepared on behalf of Oxfordshire LEP

# Contents

Preface ..... i

1. Our starting point for the Deep Dive ..... 1

2. Understanding inclusive growth in Oxfordshire ..... 5

3. Understanding progression in Oxfordshire ..... 13

4. Looking to the future ..... 17

5. Progression and inclusive growth: Summary SWOT ..... 21

Annex A: References & Sources ..... A-1

---

**Contact:**  
Stuart Wells  
Tel: 07512 715 601  
email: swells@sqw.co.uk

**Approved by:**  
Christine Doel  
Director  
Date: 30/10/2023

---

# Preface

In January 2023, Oxfordshire Local Enterprise Partnership (OxLEP) commissioned SQW – working with Oxford Brookes Business School and glass.ai – to prepare a refreshed **Strategic Economic Plan** for Oxfordshire.

To support the development of the Strategic Economic Plan, an **Independent Economic Review** was completed. As well as taking a fresh look at the county's economic data and bringing together a wide range of existing evidence, the Review focused on four key questions, each of which has transformational, long-term implications for Oxfordshire's economy:

- How do we **enable progression** within Oxfordshire and **achieve more inclusive economic growth**?
- How do we **advance Net Zero and sustainability** in shaping future economic growth?
- How do we **secure the future of the 'foundational economy'** within Oxfordshire?
- Recognising Oxfordshire's world class strengths, how do we **accelerate innovation and diffusion** – both within Oxfordshire and across the UK?

This topic paper considers the first of these questions, looking in detail at inclusive growth and opportunities for progression within Oxfordshire, and its importance to the county's economic sustainability and its prospects for the future.

# 1. Our starting point for the Deep Dive

## Introduction

- 1.1** Oxfordshire is a successful economy in many respects, being one of the UK's most attractive locations to both live and work. Although this has led to high levels of wealth and income, the benefits have not been enjoyed by all residents. Oxfordshire has a very unequal distribution of income, with the City of Oxford currently ranked as the second most unequal city in the UK, and with housing affordability being a critical issue county-wide.
- 1.2** Inclusive growth has been recognised as a priority across Oxfordshire's strategic documents over the past decade. This has heightened latterly given the post-pandemic economic environment and the cost of living crisis which is adversely impacting those on lower incomes. This had led to local initiatives, including the formation of the Oxfordshire Inclusive Economy Partnership (OIEP), which aims to create 'a more equal and sustainable region' for all.
- 1.3** Linked to increasing ambitions for inclusive growth, the need for progression opportunities for people at all levels has increasingly been recognised. The imperative is to ensure that all residents have the right skills and connections to be able to take advantage of the opportunities that come with Oxfordshire's economic strengths and ambitions. Currently businesses from many sectors report acute labour and skills shortages, and yet there has been an increase in the number of economically inactive people across the county. Ensuring that Oxfordshire's residents have the right skills and information to participate in the economy will be critical, particularly as Oxfordshire looks to improve its productivity locally.

## Definitions

### Inclusive Growth

- 1.4** The concept of 'inclusive growth' originated in the work of economists debating the importance of not just growth itself – but of the shape and distribution of growth across a population. Inclusive growth reflects '*a concern with both the pace and pattern of growth*' (Lee 2018). Where previous approaches to economic development had prioritised any growth, inclusive growth asks new questions about which people and places stand to benefit – as well as which people or places are excluded from those benefits.
- 1.5** The OECD defines inclusive growth as '*economic growth that is distributed fairly across society and creates opportunities for all*'<sup>1</sup>. This complements the vision of the Oxfordshire Inclusive

---

<sup>1</sup> <https://www.oecd.org/inclusive-growth/>

Economy Partnership, which aims ‘to create a more equal and sustainable region that create opportunities and benefits for all people within the county.’<sup>2</sup>

**1.6** There are numerous reports which identify how local areas can develop inclusive growth principles in their areas. The Local Government Association’s *Building More Inclusive Economies* report focuses on:

- **Building a consensus around the inclusive economy agenda:** defining what an inclusive economy may look like, and ensuring that all Council activities work towards this (including procurement, planning and other functions of the Council).
- **Working with other councils and with ‘anchor institutions’:** this helps to increase the number of partners involved in working towards inclusive growth and expand the impact of inclusive growth initiatives.
- **Procurement and spending:** commissioning and procurement are among the biggest levers that Councils have in building inclusive economies. There is considerable scope for Councils to influence their local economies in the way that they spend their money, to support local supply chains and jobs.
- **Transport:** this plays a vital role in connecting people to jobs and learning opportunities.

#### Enabling Progression

**1.7** Progression is connected to many of the issues described above, but it is broader in its remit. It is focused on the opportunities for all to progress. It considers the potential for people to progress in their careers and to live more rewarding lives. It links to social mobility, in helping a person to improve their potential in life so that the circumstances of their birth (e.g. location, parent’s background and housing) do not determine their outcomes in life.

**1.8** Progression overlaps with inclusive growth, given that people need the right skills and opportunities to be able to benefit from opportunities across the economy, but progression focuses on all people as opposed to just those who aren’t currently benefitting from the economic opportunities within Oxfordshire.

### How progression and inclusive growth featured in earlier strategies

**1.9** Progression and inclusive growth have long been recognised locally as economic development priorities. One of the key objectives within a previous Strategic Economic Plan (SEP, 2014) was to develop a more inclusive economy, with ambitions to increase the working age population to level 2 and above, to increase the amount of Skills Funding Agency funding

---

<sup>2</sup> OIEP Call for Evidence Submission, 2023

that supports STEM sectors by 15% and deliver 1150 more apprenticeships for young people in priority growth sectors.

- 1.10** Oxfordshire's Local Industrial Strategy (LIS, 2019) also looked to ensure that the potential of everyone who lived and worked in the county was maximised, ensuring that they were equipped with the skills to secure new employment opportunities. The LIS set out ambitions to build a skills system locally which responded directly to demand from local businesses. This included ambitions to form an Inclusive Growth Commission, to develop the Oxfordshire Social Contract, to champion T levels locally, to establish a Skills Advisory Panel, to establish an Oxfordshire Entrepreneurship Hub to support young people's business propositions connected to the innovation ecosystem and to drive growth in apprenticeships.
- 1.11** Subsequently, 'People' was identified as one of three strategic themes within the ERP Action Plan (2021). Aligned to this theme were key objectives including: improving labour supply and tackling social mobility and economic challenges. Existing and proposed activities were set out within the Action Plan to respond to some of the challenges identified and to address these objectives, including informal basic digital literacy support, providing training at NVQ Levels 3 and 4, STEM and digital skills training, and a pipeline of more formalised training delivered through the Oxfordshire Learning Network.
- 1.12** Future Oxfordshire Partnership's Strategic Vision for Long-Term Sustainable Development also prioritises the importance of inclusive growth. It aims to '*realise sustainable growth, and shape healthy, resilient communities in which it is possible for all residents to thrive*'. One of the objectives for Oxfordshire by 2050 is that it becomes a '*more equal place, supported by inclusive growth that gives everyone a fair chance in life to prosper. Deprivation and disadvantage will have been tackled wherever it manifests itself in our urban and rural areas*'.
- 1.13** The Oxfordshire Local Skills Improvement Plan (LSIP), led by the Thames Valley Chamber of Commerce and funded by the Department for Education, provides local employers with a platform to explain what the issues are that prevent them from finding people with the right knowledge, skills and behaviours and developing their own staff to improve productivity. The LSIP identifies a particular disconnect for Oxfordshire between local people and some local employment opportunities, evidence by worsening positive destinations for young people, persistent inequalities and a tightening employment market with not enough candidates. The LSIP has aspirations to provide more inclusive and accessible education and training, improve training and careers advice for local people, and better promote aspirational career routes in priority sectors (construction and built environment; health and life sciences; care; hospitality and visitor economy; manufacturing (science and innovation); haulage and logistics; and ICT).
- 1.14** Oxfordshire's Local Skills Report and Plan (2022) describes Oxfordshire's current skills agenda, with a particular focus on identifying short and mid/long-term skills needs and shortages. The focus of the report is on the need to ensure that future skills provision in Oxfordshire reflects the current and projected demands of skills in the County, with recent job growth being focussed on STEM, professional and technical skills to meet the needs of the

area's specialist innovation sectors, whilst there has been a contraction in employment in across every other SOC major group occupational category. The report identifies the impact of the pandemic on 16-24s and over 50s, and it notes that the pandemic has adversely impacted those already suffering from deprivation within the county.

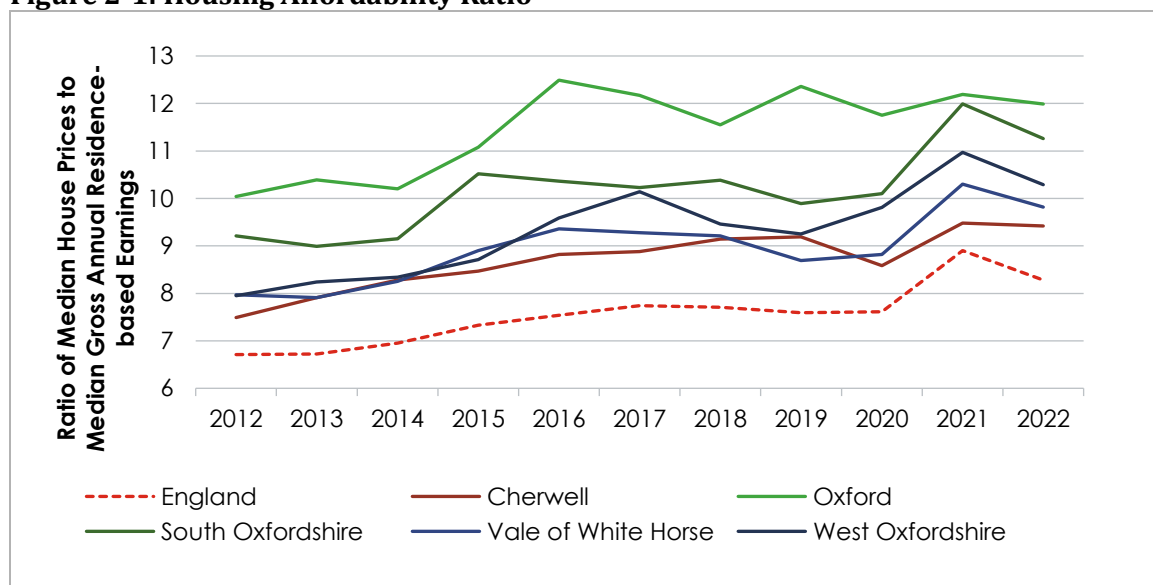
**1.15** The Oxfordshire Inclusive Economy Commission (2021) has developed its own ambitions to develop a more inclusive economy across the county. Its initial report (which is expected to be followed up by a Strategy) highlighted the need for a system approach that takes into account both hard and soft infrastructure and the need to focus on action and implementation, with meaningful collaboration and increased local powers. It identified priority areas for further exploration in developing an Oxfordshire Inclusive Economy Agenda, including increasing local spend, investment to targeted areas and in skills-based training, education and access to jobs, enhancing access to affordable housing and commercial space, and encouraging more socially and environmentally responsible businesses.

## 2. Understanding inclusive growth in Oxfordshire

**2.1** Oxfordshire is a well-performing economy, having grown strongly over the last decade. However this growth (and the wealth produced by it) has not been evenly distributed, with Oxford currently ranked as the second most unequal city in the UK (sitting only behind Cambridge). Many of the critical issues for Oxfordshire were identified by the Oxfordshire Inclusive Growth Commission in 2019. These continue to be a recurring challenge for Oxfordshire:

- **Housing affordability:** housing in Oxfordshire is among the most unaffordable in the UK, with the housing affordability ratio (the ratio between average house prices and residence-based incomes) being 11.1 in 2021, a rise of 3.2 since 2003<sup>3</sup>. The unaffordability of housing has implications for where Oxfordshire's residents and workers can live and work. As the chart below shows, housing is less affordable in every district in Oxfordshire than the national average; within this context, Oxford City is the least affordable area.

**Figure 2-1: Housing Affordability Ratio**



Source: House price (existing dwellings) to residence-based earnings ratio, ONS, 2023

- **Health outcomes:** there is inequality in the life expectancy based on levels of deprivation; currently a person from a less deprived neighbourhood would be expected to live 5.7 more years than someone from a more deprived neighbourhood<sup>4</sup>.
- **Earnings:** although average resident-based earnings across the whole of Oxfordshire are 10% above the national average, 11% individuals in Oxfordshire earn below the national

<sup>3</sup> Housing and Economic Needs Assessment, Cherwell District and Oxford City Councils, 2022

<sup>4</sup> Office for Health Improvement and Disparities (OHID), 2022 Available at:

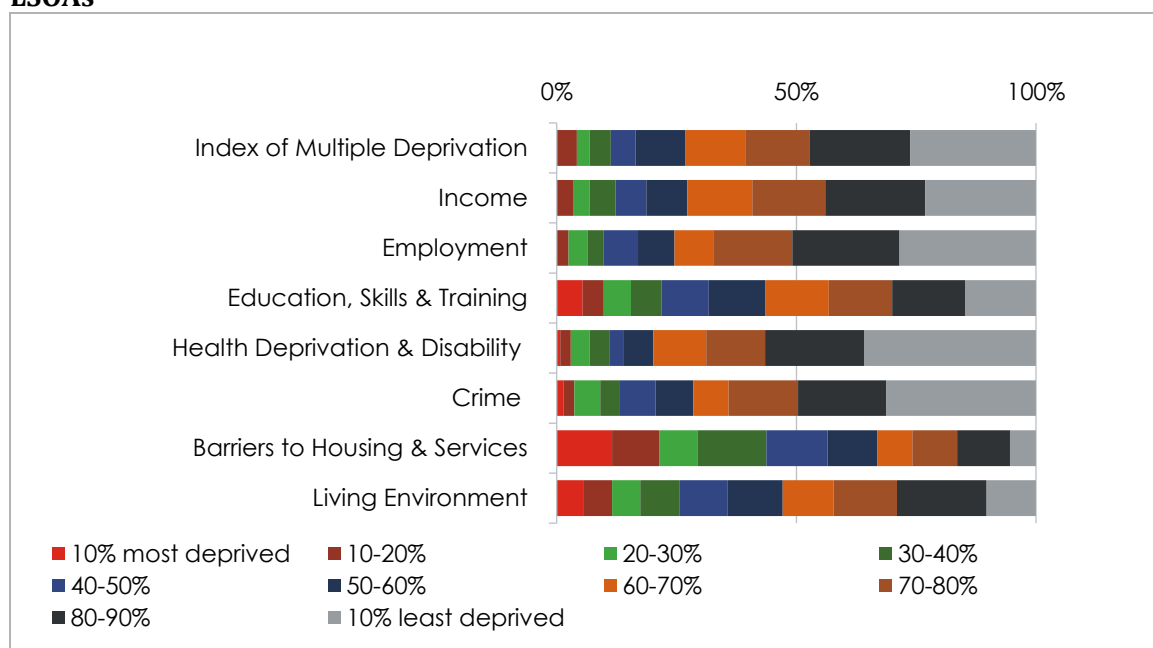
[https://lginform.local.gov.uk/reports/lgastandard?mod-metric=11998&mod-area=E10000025&mod-group=AllCountiesInCountry\\_England&mod-type=namedComparisonGroup](https://lginform.local.gov.uk/reports/lgastandard?mod-metric=11998&mod-area=E10000025&mod-group=AllCountiesInCountry_England&mod-type=namedComparisonGroup)



real living wage of £9 p/h<sup>5</sup>. This proportion is highest in Cherwell (17%) and West Oxfordshire (15%), and amongst females (14%) and those working part-time (19%). The disparity between median and mean incomes in Oxfordshire is high, with high-earners in the county distorting the mean average. Data from ONS also point to the substantial differences in household incomes across the county; for example in Oxford, the average household income in North Central Oxford is £48,500, compared to £26,300 in Blackbird Leys. Similar patterns are apparent elsewhere: in Cherwell, average household income ranges from £25,400 in Banbury's Ruscote Estate to £43,600 in Bicester South<sup>6</sup>.

- **Deprivation:** despite Oxfordshire having many areas which are amongst the least deprived nationally (with just under half of Oxfordshire's neighbourhoods being amongst the 20% least deprived nationally), there are pockets of deprivation. One area in Oxford is within the 10% most deprived areas nationally, with a further 16 neighbourhoods (in Banbury, Abingdon and Oxford) being among the 20% most deprived nationally. Analysing the sub-domains that make up the Index of Multiple Deprivation, Oxfordshire has particular challenges in relation to housing and services; education, skills and training; and living environment.

**Figure 2-2: Index of Multiple Deprivation and Sub-Indices Performance, Oxfordshire's LSOAs**



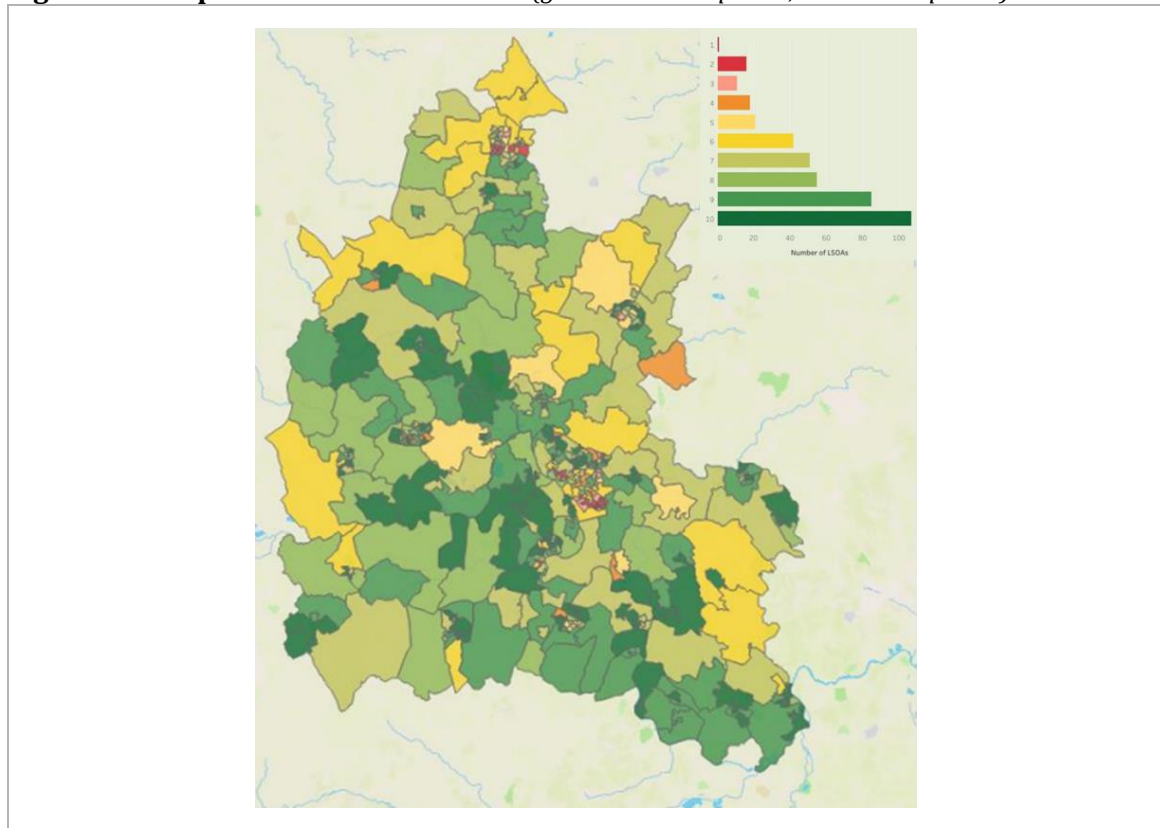
Source: Index of Multiple Deprivation, DLCC, 2019

5

<https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/dhocs/12439annualsurveyofhoursandearningsasheestimatesofthenumberandproportionofemployeejobswithhourlypaybelowthelivingwagebyworkgeographylocalauthorityandparliamentaryconstituenc yukapril2019andapril2020>

<sup>6</sup> Income Estimates for Small Areas, ONS, 2020

**Figure 2-3: Deprivation in Oxfordshire** (green is least deprived, red most deprived)



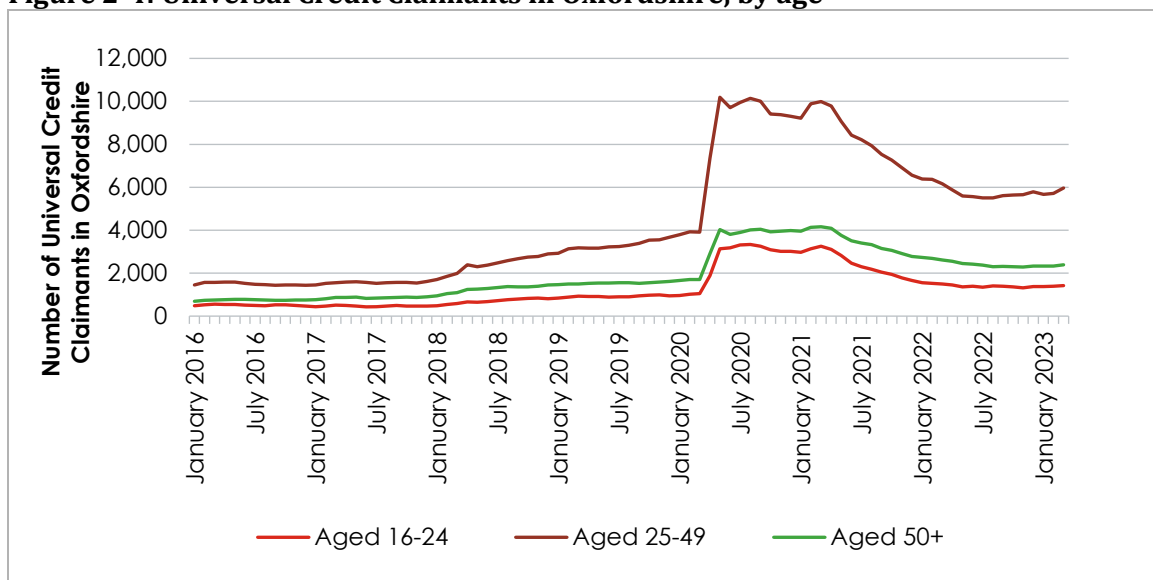
Source: Source: Local Transport and Connectivity Plan – Baseline Report. Oxfordshire County Council, July 2022

- Cost of Living crisis:** during 2022 and 2023, inflation in the UK has been substantial (in part due to worldwide gas prices, disruption to global supply chains following the pandemic shutdown and the Russian invasion of Ukraine). Inflation is currently outstripping increases in nominal wages so incomes will fall in real terms. The Bank of England forecast that real household disposable income would fall by 1.75% in 2022<sup>7</sup>. The impact of the crisis is felt most by the poorest households: the inflation rate for the poorest 10% of households was 12.5% in November 2022, compared to 9.6% for the richest 10% of households<sup>8</sup>.
- Educational attainment:** although Oxfordshire’s qualification profile is higher relative to the national profile, 4% of Oxfordshire’s working-age population have no qualifications.
- Out of work:** there are currently 9,540 people claiming Universal Credit in Oxfordshire (as of July 2023). The number of people claiming Universal Credit rose substantially during the COVID-19 pandemic, with the current Claimant Count still above pre-pandemic levels; and the current number of claimants 47% higher than March 2020 levels.

<sup>7</sup> Bank of England, Monetary Policy Report, May 2022

<sup>8</sup> <https://www.resolutionfoundation.org/press-releases/cost-of-living-gap-between-rich-and-poor-hits-fresh-high-as-effective-inflation-rate-for-low-income-households-hits-12-5-per-cent/>

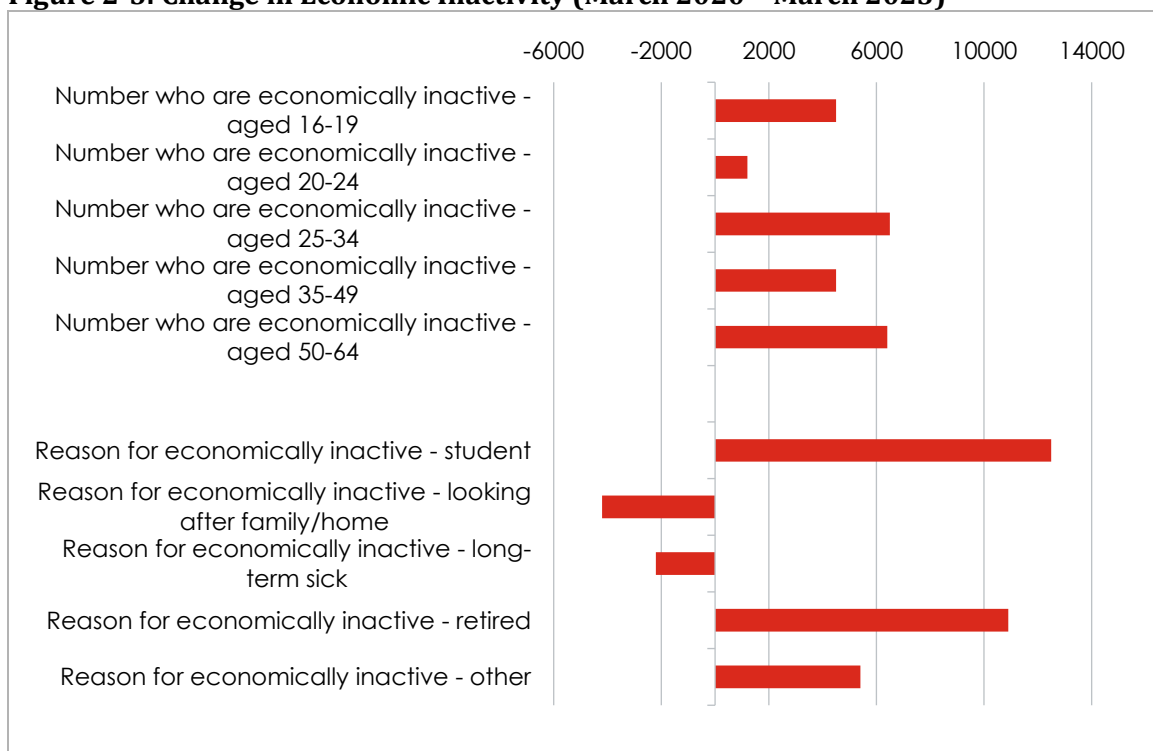
**Figure 2-4: Universal Credit Claimants in Oxfordshire, by age**



Source: Claimant Count, ONS, 2023

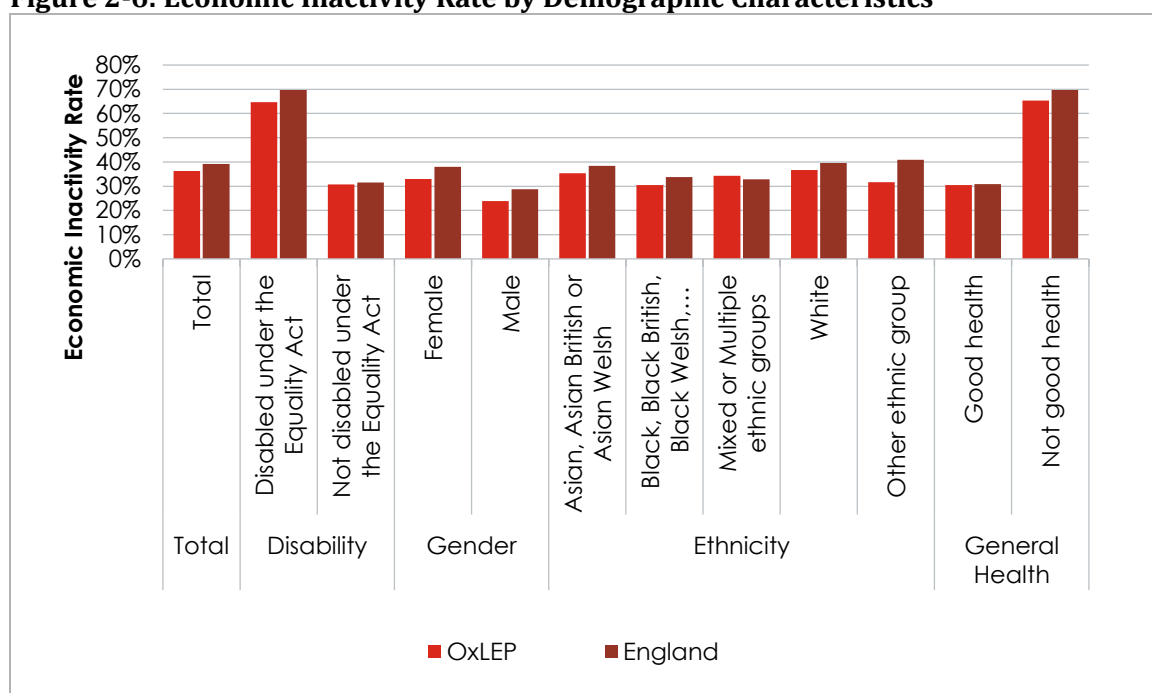
- **Economically inactive workforce:** as of March 2023, there are 84,400 people currently economically inactive within Oxfordshire, accounting for 20% of 16-64 year olds. This is 23,000 more economically inactive people relative to the start of the pandemic (March 2020). Census 2021 data allows further interrogation of economic inactivity by demographic characteristic. The highest levels of economic inactivity are amongst those who identify as ‘not in good health’ (65%) and those who are Disabled under the Equality Act (65%).

**Figure 2-5: Change in Economic Inactivity (March 2020 – March 2023)**



Source: Annual Population Survey, ONS, 2023

**Figure 2-6: Economic Inactivity Rate by Demographic Characteristics**



Source: Census, ONS, 2023

- **Poverty:** data gathered for Oxfordshire's forthcoming Health and Wellbeing Strategy suggest that there are 15,900 children and 8,200 older people living in poverty within Oxfordshire.
- **Social mobility:** research undertaken by the Social Mobility Commission in 2020<sup>9</sup> analysed the gap in adult earnings between sons from the most and least deprived families who grew up in the same area. This helps to identify how easily children from more deprived families are able to 'catch up' with those from less deprived backgrounds. Three of Oxfordshire's districts (West Oxfordshire, Cherwell and Oxford) are among the top 15 most socially mobile areas nationally.
- **Food poverty:** Good Food Oxford estimates that around 8-10% of households in Oxfordshire experience food insecurity<sup>10</sup>. Groups which have higher levels of food insecurity include those limited by health problems or disability (five times more likely to experience food insecurity), those severely clinically vulnerable and BAME residents (both twice as likely)<sup>11</sup>.

<sup>9</sup> The long shadow of deprivation, Social Mobility Commission, 2020, [https://assets.publishing.service.gov.uk/media/5f76d4dce90e0715c9258c18/SMC\\_Long\\_shadow\\_of\\_deprivation\\_MAIN\\_REPORT\\_Accessible.pdf](https://assets.publishing.service.gov.uk/media/5f76d4dce90e0715c9258c18/SMC_Long_shadow_of_deprivation_MAIN_REPORT_Accessible.pdf)

<sup>10</sup> A Food Poverty Action Plan for Oxfordshire, Good Food Oxford, 2021 <https://res.cloudinary.com/ddcqlg6tr/image/upload/v1673222496/c42mfpgswd27nonmdypv.pdf>

<sup>11</sup> Food Foundation (2021) A crisis within a crisis: The impact of Covid-19 on household food security. Available at: [https://foodfoundation.org.uk/wp-content/uploads/2021/03/FF\\_Impact-ofCovid\\_FINAL.pdf](https://foodfoundation.org.uk/wp-content/uploads/2021/03/FF_Impact-ofCovid_FINAL.pdf)

- **Transport:** The Oxfordshire Local Transport and Connectivity Plan identifies communities in Oxfordshire facing barriers to transport which need to be removed in order to create a fair and accessible transport system for all residents. Part of the challenge is that Oxfordshire is the most rural county in the South-East with 2.6 people per hectare compared to the South-East regional average of 4.8 people per hectare. 40% of the population live in smaller towns and villages<sup>12</sup>. This creates challenges ensuring that this part of the population (and in particular those unable to afford a private car) are able to access opportunities across the county.

### Measures underway to achieve inclusive growth

- 2.2** The challenges and imperatives linked to inclusive growth have long been recognised in Oxfordshire. Various responses are being advanced as summarised below.

**Table 2-1: Existing county-wide responses**

Initiative	Description
Oxfordshire Inclusive Economy Partnership (OIEP)	<ul style="list-style-type: none"> <li>• A partnership of more than 100 employers, businesses, education institutions, community group and local government organisations aiming to create a more equal and sustainable region that creates opportunities and benefits all people within the county.</li> <li>• OIEP is currently drafting the first Oxfordshire Inclusive Economy Partnership Strategy 2023-26 and Delivery Plan 2023-24.</li> <li>• OIEP has also developed a Charter which is a way for employers to show their commitment and support to making Oxfordshire a fairer and more inclusive place, with pledges to provide fairer wages, support the local and social economy, provide opportunities to work, to recruit inclusively and improve training and education attainment.</li> </ul>
Community Action Groups Oxfordshire	<ul style="list-style-type: none"> <li>• A network of over 100 community action groups across Oxfordshire working to create a safer, fairer, greener, more sustainable place to live, work and visit.</li> </ul>
Oxfordshire Social Enterprise Partnership (OSEP)	<ul style="list-style-type: none"> <li>• OSEP supports and promotes Social Enterprises, social entrepreneurs, enterprising charities and purposeful businesses.</li> <li>• Over the last three years OSEP has worked with OxLEP to deliver eScalate, a three-year project (funded by ERDF funding which ended in April 2023) which provided business case support to over 500 organisations.</li> </ul>
Community First Oxfordshire (CFO)	<ul style="list-style-type: none"> <li>• CFO is a community development charity which helps communities and individuals to identify issues that affect them and find their own solutions. They support volunteer-led actions to find solutions to local challenges within the community, in order to deliver on their mission: <i>'supporting communities to find solutions to their planning, housing, social action, and service needs'</i>.</li> </ul>
Community Employment Plans (CEPs)	<ul style="list-style-type: none"> <li>• CEPs aim to ensure that local people are better able to access employment opportunities coming forward in Oxfordshire. Across the county there are multiple large-scale infrastructure projects being</li> </ul>

<sup>12</sup> Oxfordshire Local Transport and Connectivity Plan, 2022

Initiative	Description
	developed or planned. In order to maximize the benefits of development, the LEP (and partners) have been working to unlock job and training opportunities for local people including: apprenticeships; employment/training initiatives; maximising local labour; and school, college and university engagement initiatives.

**Table 2-2: Existing initiatives within each Local Authority District identified through the call for evidence**

Initiative	Description
Cherwell	<ul style="list-style-type: none"> <li>• <i>Brighter Futures</i> partnership aims to bring together the anchor organisations working within the three wards – such as schools, sports providers, charities and the police, housing providers, as well as community groups and faith groups. The group is focussed on breaking down barriers which get in the way of actions to break the cycle of deprivation. They aim to support residents in building a strong and cohesive community.</li> </ul>
Oxford	<ul style="list-style-type: none"> <li>• Oxford's <i>Housing, homelessness and rough sleeping strategy 2023-2028</i><sup>13</sup> aims to provide more affordable housing which helps to prevent people losing their homes and rapidly rehouse those who become homeless.</li> <li>• Oxford's <i>Thriving Communities Strategy</i><sup>14</sup> sets out how the Council will work with partners and communities to build back fairer and create thriving communities.</li> <li>• Oxford Living Wage<sup>15</sup> is an hourly minimum pay which promotes liveable earnings for all workers and recognises the high cost of living in Oxford; as of April 2023 it was £11.35 per hour.</li> <li>• Owned by Oxford is an initiative to build a community-led economy in the City of Oxford, which comprises of grass-root community enterprises and infrastructure projects, working with larger anchor institutions, to test out and innovate new ideas. Their aim is to create a fairer and more inclusive economy in Oxford.</li> </ul>
South Oxfordshire	<ul style="list-style-type: none"> <li>• South Oxfordshire's <i>Local Plan</i> has aspirations to support inclusive and sustainable development by planning new housing close to employment development and by working with partners to improve skills and productivity amongst residents.</li> </ul>
Vale of White Horse	<ul style="list-style-type: none"> <li>• The Vale of White Horse Corporate Plan 2020-24 identified actions to 'build and support thriving local communities where everyone can enjoy the opportunity to live a happy and fulfilling life'. This includes 'providing the homes people need' (including affordable housing aspirations) and 'building healthy communities'.</li> </ul>
West Oxfordshire	<ul style="list-style-type: none"> <li>• West Oxfordshire's <i>Local Plan 2031</i> has aspirations to support sustainable economic growth which adds value to the local economy, which provides a diversity of local employment opportunities,</li> </ul>

<sup>13</sup> <https://www.oxford.gov.uk/info/20010/housing/370/>

<sup>14</sup> [https://www.oxford.gov.uk/info/20007/communities/1568/thriving\\_communities\\_strategy](https://www.oxford.gov.uk/info/20007/communities/1568/thriving_communities_strategy)

<sup>15</sup> [https://www.oxford.gov.uk/info/20027/welfare\\_reform/1011/](https://www.oxford.gov.uk/info/20027/welfare_reform/1011/)

Initiative	Description
	improves local skills and work readiness and removes potential barriers to investment.

*Source: SQW analysis of evidence submitted through Call for Evidence process*

### Box 2-1: Inclusive Growth – key observations made during stakeholder workshops, March 2023

The first set of workshops undertaken as part of the Independent Economic Review process focused on gathering evidence and insight across four ‘deep-dive’ areas.

Stakeholder feedback in relation to inclusive growth included:

- **Housing affordability is a critical challenge** – demand far outweighs supply, and this will create real challenges if we want to be truly inclusive (given the proportion of income that needs to be spent on housing by those on lower incomes).
- **The nature of work has changed post-pandemic**, with the use of space and the skills needed by the workforce also changing. This may impact on how inclusive opportunities are for everyone.
- **Inequality across Oxfordshire is largely driven by people feeling unable to access basic amenities and/or services** – barriers include transport, cultural, aspirational/inter-generational, skills. Some of these issues are particularly prominent in rural areas, especially around rural transport and its affordability.
- **Mental health is a critical issue facing our young people** – About half of mental health referrals relate to the young workforce, which accounts for 18% of the total population.
- **There is a need for a positive conversation around skills**, particularly in raising the aspirations of those struggling with inter-generational challenges. There are already resources available to our communities, but we need to improve their accessibility (particularly for rural communities).
- **If we want to get more people back into work** (or increase the number of hours worked), then we need to think about what support is needed, e.g. women retuning to work after having children.

### 3. Understanding progression in Oxfordshire

- 3.1** Ensuring that everyone in Oxfordshire is able to reach their potential in order to progress in their careers and to live more rewarding lives is a part of creating an inclusive economy. It also links to providing the right labour market needed to support both Oxfordshire's foundational economy and its knowledge/R&D economy. Giving everyone the right skills and ensuring that the right opportunities are available to all, will enable more people across the county to be able to progress through careers and have fulfilling careers.
- 3.2** One of the priorities identified within Oxfordshire's Local Industrial Strategy is to maximise the potential of everyone who lives and works in the county, ensuring that they are equipped with the skills to secure new employment opportunities across the economy. Critical to this is having a skills system within Oxfordshire that responds to local demand.
- 3.3** Oxfordshire has a well-established skills ecosystem, with two world-renowned universities providing a strong pipeline of graduates, and strong further education provision (including Abington & Witney College and Activate Learning) which is generally well linked into local business strengths. Evidence through the Oxfordshire Local Skills Report and Plan (2021) shows that technical and vocational achievements are rising to meet some of the skills and labour shortages, particularly in health and social care, however there are still challenges recruiting within these sectors, and there has been a decline in apprenticeship take-up in recent years.
- 3.4** Analysis of the latest labour market and skills evidence suggests the following:
- **Tight labour market:** Oxfordshire has a relatively tight labour market, with businesses struggling to recruit the roles needed. Data relating to the current vacancies across Oxfordshire show that there are numerous vacancies, particularly in sectors relating to the foundational economy (i.e. office / admin assistant; customer service representative; chef; caregiver / personal care aide). One business respondent to the call for evidence described its own experience in relation to recruitment. Based in rural Oxfordshire, it struggled to secure applicants 'despite having a range of jobs for all abilities and experience' and offering 'career paths for the manual labourer up to highly qualified professionals'. The principal issue, in its view, was the bus service and hence the difficulty of accessing employment in rural areas.

**Table 3-1: Most Common Vacancies in Oxfordshire, Dec 2022**

Occupation	Current Vacancies in Oxfordshire
Office / Administrative Assistant	4,931
Software Developer / Engineer	3,655
Customer Service Representative	2,878
Registered General Nurse	2,807



Occupation	Current Vacancies in Oxfordshire
Chef	2,624
Project Manager	2,584
Caregiver / Personal Care Aide	2,544
Care assistant	1,940
General cleaner	1,883
Account manager / representative	1,767

Source: Oxfordshire Labour Market Intelligence, OxLEP, 2023

- Current skills profile of Oxfordshire is strong, but challenges in some localities:** as a whole, Oxfordshire's skills profile is one of the strongest nationally, with 56% of the working-age population qualified to Level 4+ (degree level). However, not all have such high levels of qualifications, with 4% having no qualifications and 6% only having NVQ Level 1 qualifications. Attainment for those undertaking A Levels in Oxfordshire's schools is currently below the regional and national level, with the average A Level Point score being 37.3 in Oxfordshire, compared to 38.6 across the South-East region.
- Strong pipeline of graduates, but retention is a challenge:** both of Oxfordshire's universities play a key role supporting Oxfordshire's pipeline of talent, with more than 26,000 students at the University of Oxford and over 30,000 students at Oxford Brookes University. Evidence suggests that Oxford retains 17% of its graduates each year<sup>16</sup> 15 months after graduation. Those who stay or come to Oxford are often working in well paid employment in key growth sectors; HESA data suggests that of recent graduates currently working in the city, 52% are in a STEM-related field. One of the main barriers to retaining graduates in Oxfordshire is the lack of affordable and available rental stock; only one postcode geography in Oxfordshire had rental levels that were 'affordable' for a typical graduate salary in Oxfordshire<sup>17</sup>.
- Skills shortages exist, limiting ability of some people to engage in the labour market:** In some of the area's labour and skills shortage sectors, Further Education achievements are rising to meet shortages such as those experienced locally and nationally in the Health, Public Services and Social Care. Generally the supply of courses is not the problem in Oxfordshire, it is demand for these courses that generally limits their availability. Making more people aware of retaining/reskilling opportunities available locally is key to ensuring people can maximise their potential.
- Transport:** some parts of Oxfordshire are not well-served by public transport, which can make it difficult for individuals to access work opportunities and/or attend training courses. This can be a particular challenge for those who live in rural areas, as described in Chapter 2.

<sup>16</sup> [https://www.savills.co.uk/research\\_articles/229130/336108-0](https://www.savills.co.uk/research_articles/229130/336108-0)

<sup>17</sup> <sup>17</sup> [https://www.savills.co.uk/research\\_articles/229130/336108-0](https://www.savills.co.uk/research_articles/229130/336108-0)

- **Participation in apprenticeships:** take-up of apprenticeships within Oxfordshire has grown in recent years, particularly for those aged over 25 (which is evidence that more people are retraining/reskilling later into their careers and therefore improving their progression potential). Evidence from the Oxfordshire Local Skills Dashboard 2021/22 report found that the number of apprenticeships starts by those over the age of 25 increased by 32% since 2017-18 (1,390 starts in 2017/18 to 1,840 in 2021/22). The over 25s starting an apprenticeship now make up 49.3% of all apprentices within our county. The number obtaining a higher qualification apprenticeship have increased substantially in recent years, with 1,190 higher apprenticeships started in 2021/22 (compared to only 380 started in 2017/18).

### Measures underway to facilitate progression

- 3.5** The challenges and imperatives linked to progression have prompted various responses, as summarised below.

**Table 3-2: Existing county-wide initiatives**

Initiative	Description
Oxfordshire Social Contract	<ul style="list-style-type: none"> <li>• A £1.7m initiative (secured by OxLEP) to help companies tap into their apprenticeship levy and bring new talent into the workforce through training and assessment.</li> </ul>
Oxfordshire Local Skills Improvement Plan	<ul style="list-style-type: none"> <li>• An initiative led by the Thames Valley Chamber of Commerce (and funded by the Department for Education) to encourage more employers to participate in shaping the skills agenda in Oxfordshire.</li> <li>• There are a number of areas of interest to the LSIP including: ICT, Health and Social Care, Life Sciences, Hospitality and Visitor Economy, Manufacturing in Science and Innovation, Construction and the Built Environment, Cross Cutting Themes of Low Carbon and Digitalisation.</li> </ul>
Oxfordshire Skills Board	<ul style="list-style-type: none"> <li>• Brings together a wide range of public and private employers, secondary, further and higher education skills providers to develop a more strategic and co-ordinated approach to skill development in Oxfordshire.</li> </ul>

#### Box 3-1: Progression – key observations made during stakeholder workshops, March 2023

The first set of workshops undertaken as part of the Independent Economic Review process focused on gathering evidence and insight across four ‘deep-dive’ areas.

Stakeholder feedback in relation to progression included:

- **There is a need for more flexibility** from employers to support people back into the workforce, and to support their progression.

- **Both formal and informal training opportunities** should be provided by employers; the right support and awareness should be given to employers.
- **Oxfordshire needs to 'future-proof' its workforce**, particularly those occupations which are most at risk of automation.
- **AI is a huge opportunity for Oxfordshire** (especially given technical expertise locally). We need to make sure our businesses and people are able to make the most of this opportunity and use it to drive productivity growth etc. Examples include care homes engaging with AI providers to better understand needs.
- **There are real challenges for people living in rural areas** to access training courses; the length of time to travel and costs make it prohibitive.
- **There is a need for 10,000 more in-home workers in Oxfordshire over the next ten years to meet expected demand from an ageing population**; it is really not clear where this workforce will come from.

## 4. Looking to the future

- 4.1** As we look forward to the time horizon associated with this Strategic Economic Plan (from 2023-33), there are both opportunities and threats that will impact upon Oxfordshire's ability to create a more inclusive economy and enable progression.

### Opportunities

The local momentum linked to inclusive growth

- 4.2** Within Oxfordshire, there is widespread recognition of the importance of inclusive growth, and various partnerships have emerged in response. This momentum is itself an opportunity: it means that the issues are taken seriously and there is some commitment to finding solutions. However it is also important to recognise that momentum is difficult to sustain, particularly if evidence of progress is quite limited. One of our stakeholder consultees (from the early part of the SEP process) made some quite telling observations in this context:

*The Oxfordshire Inclusive Economy Partnership is a really nice initiative. It has a good statement of intent, and many have signed up to the charter (linked to the minimum wage, etc.). It is really good for corralling people into a room. But we need more employer engagement. There are also currently few tactical projects. We need to 'do' something rather than just talking to reinforce views. So it is good, but it also needs to move forward. (Consultation evidence from March 2023)*

Strategic ambitions within the LSIP and employer-led conversations in relation to skills gaps

- 4.3** The Local Skills Improvement Plan process (led by Thames Valley Chamber of Commerce) presents an opportunity for an employer-led conversation about skills and identifying the skills needed by businesses to support their ambitions. This has aspirations to provide more inclusive and accessible education and training, improve training and careers advice for local people, and better promote aspirational career routes in Oxfordshire's priority sectors.

Oxfordshire's resources and creativity

- 4.4** Oxfordshire has the resources and creativity to be able to come up with innovative solutions to its challenges – including on how to generate inclusive growth and progression. This could include innovation and experimentation in delivering new models of housing that more quickly and directly address some of the challenges faced in Oxfordshire around affordability and ownership, such as those undertaken through the Living Labs programme.
- 4.5** These solutions have the potential to make Oxfordshire's economy more inclusive and could be shared nationally/internationally, supporting Oxfordshire's role as a hub of thought-leading research.

### New ways of learning

- 4.6** The evolving nature of learning, including online teaching and learning delivered on virtual platforms will change the nature of how skills are delivered. This will help to reduce some of the barriers associated with accessing learning and knowledge delivery, including poor and unaffordable public transport links, although it will not remove all barriers to learning. Oxfordshire is well placed to benefit from this trend with its two universities and engaged further education institutions, but it should ensure that this new way of learning is made as accessible to people as possible. These new ways of learning will improve the accessibility of learning, although this is only if the right digital infrastructure and skills is in place to allow all to access this resource.
- 4.7** Work is already being done to ensure the digital infrastructure needed to support this is in place, for example Oxfordshire's 'Gigahubs' provide full fibre broadband infrastructure into a range of public service sites in Oxfordshire. There is also a need to support people in getting the digital skills needed to access this type of training in the future, so they don't fall further behind.

### Planned and future investments in Oxfordshire

- 4.8** There is extensive housing and infrastructure investment expected in Oxfordshire in the near future, with c. £700m of investment planned for Oxfordshire's infrastructure which will help to improve connectivity between local communities and economic opportunities. All of this investment presents an opportunity for local communities to benefit from some of the employment and training opportunities available, however this will need careful management to ensure that local communities do benefit from this.

### Community Employment Plans

- 4.9** Community Employment Plans have worked well in Oxfordshire in the recent past (e.g. Westfield development negotiated by OxLEP). Through these, there is an opportunity to maximise the local job and training opportunities available for local people.
- 4.10** Community Employment Plans need to be a routine part of development processes. They also, perhaps, need to take more explicit account of the imperatives around progression and inclusivity. Reference to equality, diversity and inclusion could potentially feature within them more strongly.

### Community wealth building and the role of the voluntary and community sectors in supporting local communities

- 4.11** Oxfordshire has a large charity sector, with over 3,400 charities registered in the county, and there is dense network of local community groups which all play a critical role in supporting people within the local communities. There are growing opportunities to increase the role of 'community wealth building', in which the community has more ownership and influence over

local amenities, including local energy generation schemes and food production. The rise of these trends will enable communities to have more say in what happens locally, and ensure this reflects the needs of local communities.

## Challenges

Lack of affordable housing supply to support graduate retention and provide labour needed for business ambitions

**4.12** There is an ongoing lack of affordable housing supply in Oxfordshire which creates labour market challenges for local businesses:

- For young people looking to stay in the county (including recent graduates from Oxfordshire's universities), the lack of affordable housing is driving people out of the area.
- For workers within some of Oxfordshire's foundational sectors (e.g. childcare, health and social care) which are critical to the functionality of the county, but whose wages are relatively low, they are unable to afford to be able to live in the county.

**4.13** The impact of this is two-fold; people are moving out of Oxfordshire in search of a more affordable area to live and work (or people are commuting greater distances from more affordable locations, putting additional pressure on our existing transport networks (which are already under strain).

**4.14** In reducing the pool of available labour supply for businesses, there are a number of labour shortages in critical sectors (e.g. health and care sector), which will only be exemplified if current conditions continue.

Inter-generational deprivation

**4.15** Although deprivation levels are generally low in Oxfordshire, there are areas which have experienced fundamental long-term challenges with deprivation<sup>18</sup>. This inter-generational deprivation, in which families become entrenched in an ongoing cycle of poor economic and social prospects (in part linked to educational performance) is very challenging to break-down, and often requires very intensive and costly support to address. Data from the Social Mobility Commission suggests that Oxfordshire is one of the most socially mobile places nationally, with the circumstances of birth having the least upon an individual's life prospects, but there are still challenges locally.

Ongoing cost of living crisis

**4.16** The cost of living crisis is expected to continue until at least the end of 2023 and may continue into 2024 according to the latest Bank of England estimates. If inflation continues to rise at a

<sup>18</sup> As identified within the Local Skills Improvement Plan for Oxfordshire (2023)

greater rate relative to wage rises, this will continue to depreciate the real value of wages, which will have a more significant impact (in terms of quality of life) to those on the lowest incomes.

#### Transportation barriers

- 4.17** Oxfordshire's residents will face ongoing transport infrastructure barriers to access employment and skills opportunities. The Oxfordshire Local Transport and Connectivity Plan (adopted by Oxfordshire County Council in 2022) identifies the need to recognise and remove transportation barriers 'to create an accessible and fair transport system for all residents'. This includes the accessibility of transport for disabled people and the cost of transport for households so that all can 'have independence, choice and control' over the types of transport that they can use<sup>19</sup>.

#### The emergence of AI and digitalisation/automation and the impact of these on particular occupations/industries

- 4.18** The adoption of new technologies and innovation is important for supporting business productivity, however the risk is that it reduces the need for workers. Typically it is those occupations which are undertaken by those on lower-incomes that are most at risk of being lost first, as they are typically the ones who don't have the skills to participate in this economic transition. Recent advances in AI and related technology will have a similar effect, with this expected to boost UK GDP by up to 10% by 2030<sup>20</sup>, however this may displace human workers with an estimate that around 7% of existing UK jobs could face a high (over 70%) probability of automation over the next 5 years, rising to around 18% after 10 years and just under 30% over 20 years. When analysed by occupation type and salary level, it is those occupations which require lower skills levels and subsequently have lower salaries that are most at risk from AI and associated technologies over the next 20 years (the big exception to this is the health and social care sector).

<sup>19</sup> Local Transport and Connectivity Plan 2022-2050, Oxfordshire County Council, 2022

<sup>20</sup> The Potential Impact of Artificial Intelligence on UK Employment and the Demand for Skills, BEIS, 2021

## 5. Progression and inclusive growth: Summary SWOT

**5.1** Drawing together the evidence and analysis from previous chapters, the table below summarises Oxfordshire's strengths, weaknesses, opportunities and threats in relation to enabling progression and achieving more inclusive growth. This provides a key input into the new Strategic Economic Plan.

<b>Strengths</b>	<ul style="list-style-type: none"> <li>• Oxfordshire has partnerships and organisations which are already working to create a more inclusive economy in the county.</li> <li>• The county has skill levels well above the national level, with 54% of the population education to degree-level or above.</li> <li>• Oxfordshire generally is a prosperous county, with deprivation levels well below the national level and low unemployment levels.</li> <li>• As highlighted in Deep Dive 3, Oxfordshire has strengths within the foundational economy, which provides a range of jobs for people of all skills and backgrounds. This is important in ensuring that there are jobs and opportunities available for all.</li> <li>• Take-up of apprenticeships in Oxfordshire is good, particularly for those over the age of 25, showing that people are increasingly retraining/reskilling later into their careers.</li> <li>• Oxfordshire has high levels of social mobility (according to data from the Social Mobility Commission), meaning an individual's birth circumstances have less of an impact on their long-term potential.</li> </ul>
<b>Weaknesses</b>	<ul style="list-style-type: none"> <li>• There is a lack of affordable housing supply to support the needs of communities, particularly those with lower earnings. This has particular implications for graduate retention and labour supply within the foundational economy.</li> <li>• Inter-generational deprivation is a challenge in some communities, in which families are entrenched in an ongoing cycle of poor economic and social prospects.</li> <li>• The affordability and connectivity of the current transport system presents a challenge in some parts of Oxfordshire, particularly in rural locations.</li> <li>• There are skills shortages within the foundational economy, with employers struggling to recruit workers. Roles, particularly within the foundational economy, are becoming increasingly hard to recruit for, given the lack of labour available locally.</li> <li>• Oxfordshire struggles to retain the graduates it develops, with only 17% staying local after graduation. One of the main barriers is the lack of affordable and available rental housing stock locally.</li> </ul>
<b>Opportunities</b>	<ul style="list-style-type: none"> <li>• There is significant momentum surrounding the importance of inclusive growth – and this suggests there is an appetite for change.</li> </ul>



	<ul style="list-style-type: none"> <li>• Community Employment Plans are now well established within Oxfordshire and these could be flexed further, perhaps with a more explicit focus on equality, diversity and inclusion (in addition to jobs growth and training).</li> <li>• More generally, development taking place in Oxfordshire presents opportunities for local communities to benefit from employment training opportunities available locally.</li> <li>• An employer-led conversation about Oxfordshire’s skills needs is emerging, with skills infrastructure and investment being focused on the areas of most need.</li> <li>• Oxfordshire has the resources (through its institutions, businesses and its more general creativity) to develop innovative solutions to some of its own challenges.</li> <li>• There is scope for new ways of learning (e.g. online teaching and virtual platforms) to improve the accessibility of learning to all, so long as the right digital infrastructure is in place to enable this.</li> </ul>
<b>Threats</b>	<ul style="list-style-type: none"> <li>• The ongoing cost of living crisis will continue to impact those on the lowest incomes hardest.</li> <li>• Oxfordshire’s residents (and particularly those in rural settings) will continue to struggle to access employment and training opportunities given the transport system.</li> <li>• The emergence of AI and the digitalisation / automation of production will reduce the need for workers. Whilst this will improve productivity, the risk is that those on the lowest incomes will be disproportionately impacted.</li> </ul>

## Annex A: References & Sources

- A crisis within a crisis: The impact of Covid-19 on household food security, Food Foundation, 2021
- A Food Poverty Action Plan for Oxfordshire, Good Food Oxford, 2021
- Adopted Local Plan 2035, South Oxfordshire District Council, 2020
- Bank of England, Monetary Policy Report, May 2022
- Building More Inclusive Economies, Local Government Association. 2020
- Corporate Plan 2020-24, The Vale of White Horse District Council, 2020
- Cost-of-living gap between rich and poor hits fresh high, as effective inflation rate for low-income households hits 12.5 per cent, Resolution Foundation, 2022, Available at: <https://www.resolutionfoundation.org/press-releases/cost-of-living-gap-between-rich-and-poor-hits-fresh-high-as-effective-inflation-rate-for-low-income-households-hits-12-5-per-cent/>
- House price (existing dwellings) to residence-based earnings ratio, ONS, 2023
- Housing and Economic Needs Assessment, Cherwell District and Oxford City Councils, 2022
- Housing, homelessness and rough sleeping strategy, Oxford City Council, 2023
- Income Estimates for Small Areas, ONS, 2020
- Index of Multiple Deprivation, DLG, 2019
- Inequality in life expectancy at birth in Oxfordshire, Office for Health Improvement and Disparities (OHID), 2022 Available at: [https://lginform.local.gov.uk/reports/lgastandard?mod-metric=11998&mod-area=E10000025&mod-group=AllCountiesInCountry\\_England&mod-type=namedComparisonGroup](https://lginform.local.gov.uk/reports/lgastandard?mod-metric=11998&mod-area=E10000025&mod-group=AllCountiesInCountry_England&mod-type=namedComparisonGroup)
- Lee, N. (2018) Inclusive Growth in cities: A sympathetic critique. Regional. Studies
- Local Plan 2031, West Oxfordshire District Council, 2018
- Local Transport and Connectivity Plan, Oxfordshire County Council, 2022
- Oxfordshire Economic Recovery Plan Action Plan, OxLEP, 2021
- Oxfordshire Health & Wellbeing Strategy, 2024-30, Early Draft

- Oxfordshire Inclusive Economy Partnership Charter, Oxfordshire Inclusive Economy Partnership, 2023
- Oxfordshire Labour Market Intelligence, OxLEP, 2023
- Oxfordshire Local Skills Improvement Plan (LSIP), Thames Valley Berkshire Chamber of Commerce, 2023
- Oxfordshire Local Skills Report and Plan, OxLEP, 2021
- Oxfordshire Strategic Economic Plan, OxLEP, 2014
- Oxfordshire's Local Industrial Strategy (LIS), OxLEP, 2019
- Retaining the Best Talent, Savills, 2022, Available at [https://www.savills.co.uk/research\\_articles/229130/336108-0](https://www.savills.co.uk/research_articles/229130/336108-0)
- Strategic Vision for Long-Term Sustainable Development, Future Oxfordshire Partnership, 2021
- Thriving Communities Strategy 2023-27, Oxford City Council, 2022



## Contact

For more information:

**Christine Doel**

*Director, SQW*

T: +44 (0)1223 209 400

E: [cdoel@sqw.co.uk](mailto:cdoel@sqw.co.uk)

Reuben House  
Covent Garden  
Cambridge  
CB1 2HT

[www.sqw.co.uk](http://www.sqw.co.uk)

## About us

### **SQW Group**

SQW and Oxford Innovation are part of SQW Group.

[www.sqwgroup.com](http://www.sqwgroup.com)

### **SQW**

SQW is a leading provider of research, analysis and advice on sustainable economic and social development for public, private and voluntary sector organisations across the UK and internationally. Core services include appraisal, economic impact assessment, and evaluation; demand assessment, feasibility and business planning; economic, social and environmental research and analysis; organisation and partnership development; policy development, strategy, and action planning. In 2019, BBP Regeneration became part of SQW, bringing to the business a RICS-accredited land and property team.

[www.sqw.co.uk](http://www.sqw.co.uk)

### **Oxford Innovation**

Oxford Innovation is one of the UK's leading providers of services to support innovation systems and help local economies thrive. It manages incubation spaces and innovation centres (OI Space); it delivers programmes of advice and other business support (OI Advice); and it helps to finance ambitious and innovative businesses (OI Finance). Its services are delivered to local authorities, central government departments, arms-length bodies and private sector clients.

[www.oxfordinnovation.co.uk](http://www.oxfordinnovation.co.uk)