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Planning Design Economics

WEST OXFORDSHIRE ECONOMY STUDY

FINAL REPORT

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CONTENTS

EXECUTIVE SUMMARY

PLANS

APPENDICES

1.0 INTRODUCTION

1.1 This study of the local economy has been commissioned by West Oxfordshire District Council to inform its Local Development Framework (LDF) and Economic Development Strategy. The overall aim of the study is:

> *"To provide a robust basis for an economic strategy up to 2026 with particular emphasis upon the District's employment land needs to 2016 and 2026."*

1.2 Within this overall objective, key requirements of the study are to:

a) provide a brief overview of the existing local economy, advising on future economic opportunities and constraints.

b) provide an assessment of the market for employment land and premises identifying future market requirements;

c) advise on future employment land needs to 2016 and 2026;

d) make recommendations for an economic vision and strategy to 2016 and 2026 and actions required to support this strategy.

1.3 This study will provide context for a review of the Economic Development Strategy for the District and inform its Local Development Framework. It also reflects Government guidance that local planning authorities should undertake employment land reviews, and the study's approach follows that guidance. [1] However, this study does not only consider employment land needs since these need to be looked at within the District's wider economic context. This economy study therefore considers together both strategic economic objectives and their associated employment land requirements.

1.4 Within this context, the study involved the following main tasks:

- consultation with various organisations including employers, economic development agencies, business groups, property agents, landowners and developers; a list of those consulted is given in Appendix 1;
- a review of current economic conditions and recent trends in the District and adjoining areas, that may affect the need for employment space (Chapter 2);
- an overview of the current stock of employment space in the District, compared with other Oxfordshire districts, as well as recent trends and anticipated future changes in that supply (Chapter 3);

[1] Employment Land Reviews Guidance Note, ODPM, Dec. 2004

- a detailed assessment of existing and allocated employment sites in the District, by location, type and quality of provision (Chapter 4);

- a review of the West Oxfordshire commercial property market, particularly demand and supply for different types of employment space and any gaps in provision (Chapter 5);

- consideration of potential levels of competition for future economic growth arising from nearby districts and economic centres (Chapter 6);

- estimating future employment space requirements in both quantitative and qualitative terms, drawing on various factors including past take-up of land, forecast economic growth and property market views (Chapter 7);

- an assessment of whether additional employment sites need to be allocated and, if so, broad locations for such provision (Chapter 8);

- consideration of future economic strategy options and key objectives for West Oxfordshire to 2026 (Chapter 9).

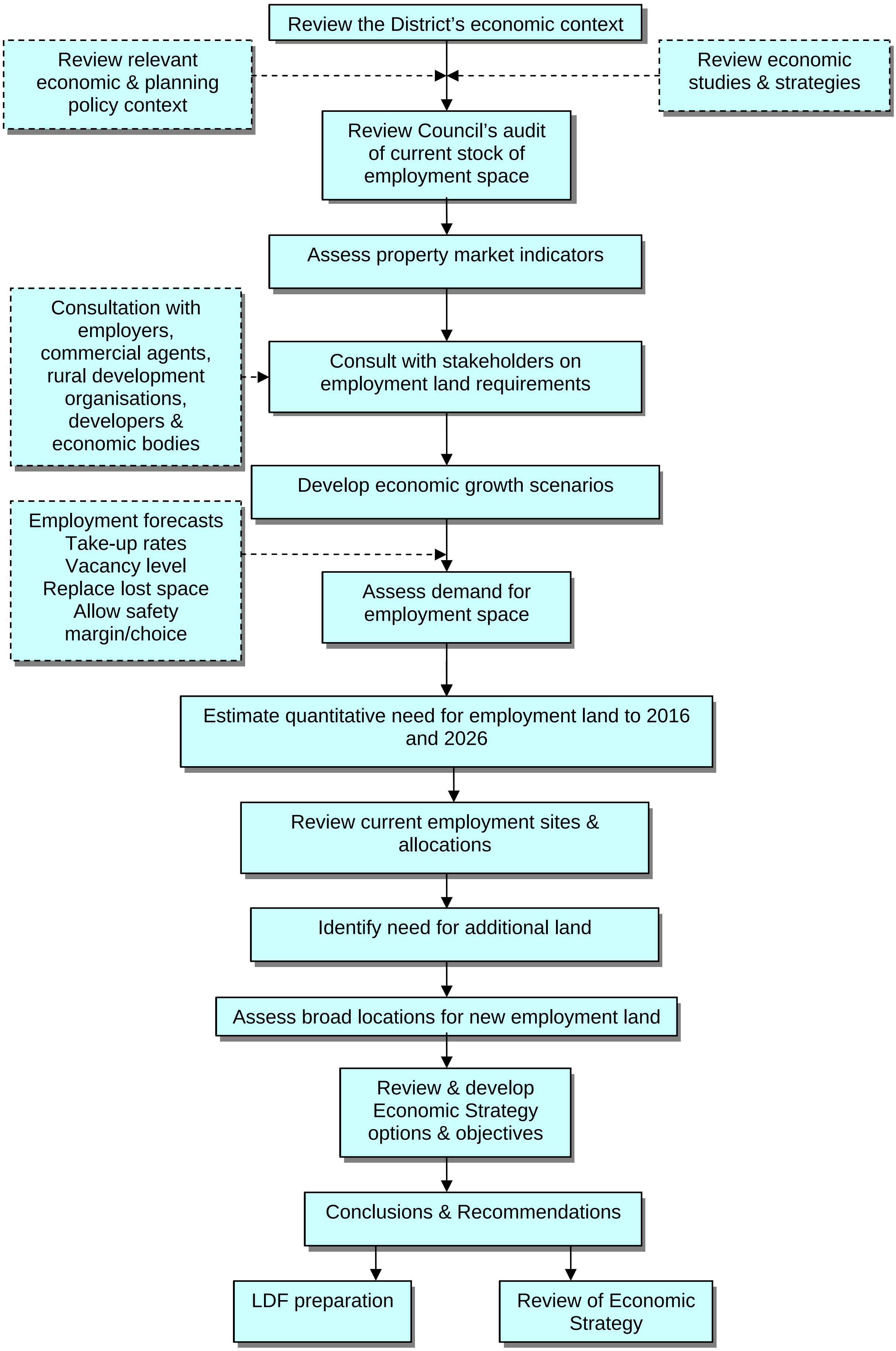
Chapter 10 provides overall conclusions and recommendations for the study.

1.5 The employment land needs assessed by this study are only those for the B Use Classes i.e. B1 (business), B2 (industry) and B8 (warehousing/distribution). Although some other employment generating uses including retail and tourism are considered in relation to the economic strategy, their land requirements are not assessed. Requirements for both employment land and floorspace are considered in the study, and references to “employment space” are intended to mean both these elements. The overall process by which employment needs have been assessed is illustrated by Figure 1.1.

1.6 The study draws on various previous studies and documents including planning policy guidance, property market information, local and regional economic strategy documents, relevant planning policy documents, and published economic statistics. In particular, it draws on the Council’s audit of sites to assess the suitability of individual employment sites, combined with site assessments undertaken by the consultants. Documents which the study has drawn upon are listed in the Document References section of the Appendices.

1.7 A further important input to the study was consultation with a range of economic and business organisations, property developers and agents, and a range of local firms. This involved interviews with these bodies as well as feedback from a stakeholder consultation event.

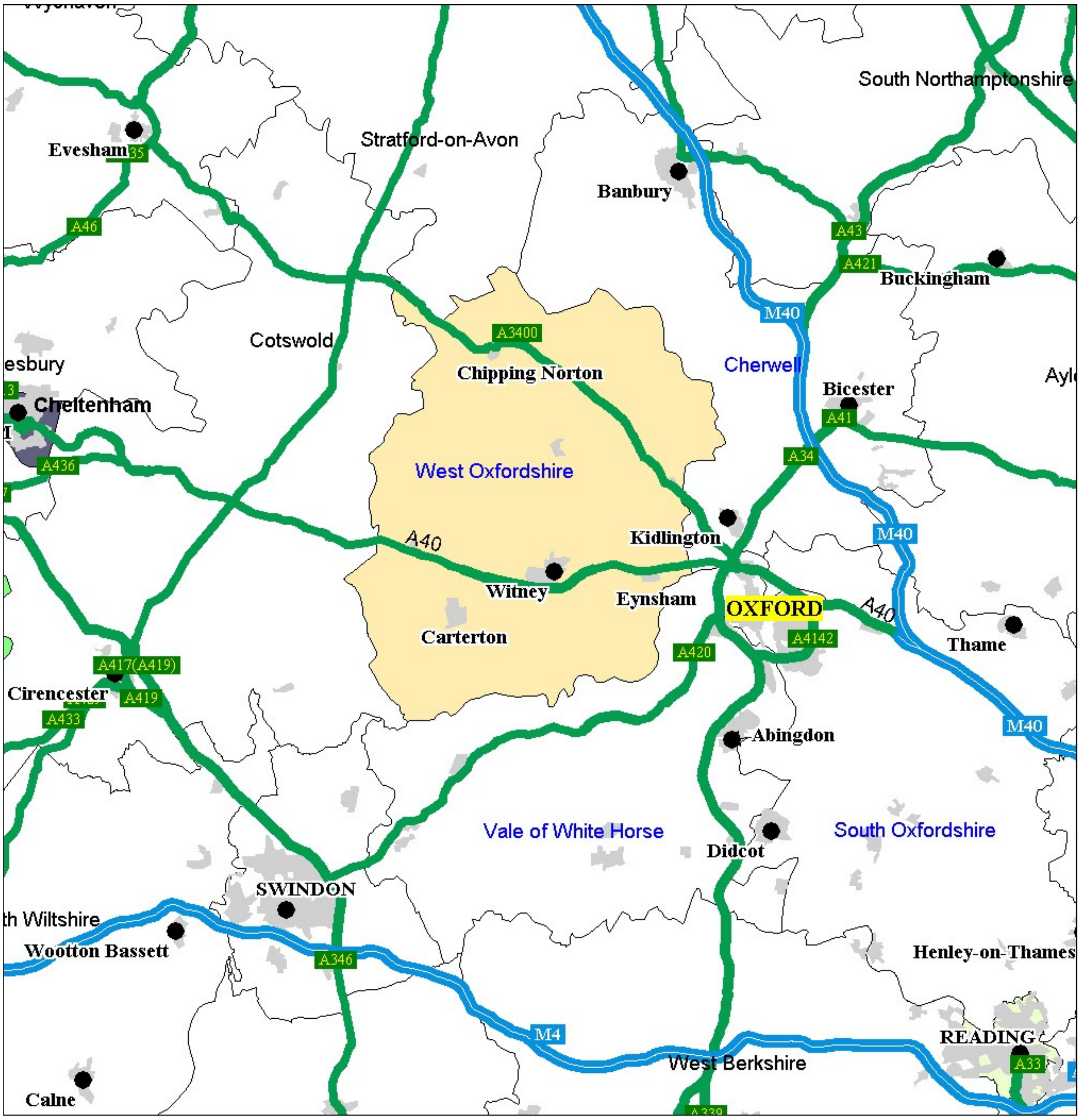
Figure 1.1: West Oxfordshire Economy Study Methodology



2.0 ECONOMIC CONTEXT

2.1 This Chapter establishes the economic context for the study by reviewing both past and present economic conditions within West Oxfordshire in the context of the Oxfordshire sub-region and the South East regional economy. This is important in identifying factors likely to influence the nature and level of future demand for employment land within the District and also to inform strategic economic options.

Plan 2.1: Context of West Oxfordshire



West Oxfordshire District

2.2 West Oxfordshire is a predominantly rural district, lying some 3 km to the west of the City of Oxford at its nearest point. The District lies within the South East region, the most prosperous in the UK. It is bounded by Vale of White Horse District to the south, Cherwell District to the east/north east, the Warwickshire district of Stratford-on-Avon District to the north and the Gloucestershire district of Cotswold to the west (Plan 2.1).

2.3 The largest towns are relatively small in scale - Witney (population 25,000), Carterton (14,000), Chipping Norton (6,000) and Eynsham (5,000) – while there are about 100 smaller settlements. Some 34% of the District lies within the Cotswolds Area of Outstanding Natural Beauty (AONB), whilst Oxford's Green Belt extends into the eastern part of District. Reflecting the District's attractive countryside and villages, its location within the Cotswolds and specific attractions such as the World Heritage site of Blenheim Palace, tourism is an important sector. Other significant facilities in the District include the large RAF Brize Norton air base adjoining the town of Carterton, where expansion is planned.

2.4 In terms of accessibility, West Oxfordshire lies some 11 km west of Junction 9 of the M40 motorway, via the A34 trunk road. The A40 links London with Oxford and Cheltenham and passes through Witney and the south of the District, but is often congested. Railway links are poorer; both Witney and Carterton have no railway stations, but some smaller settlements in the District are served by a London – Oxford -Worcester service. Tackley, in the east of the District has a rail link to London, Oxford and Birmingham. The nearest airports with scheduled services are Heathrow (80 km) and Birmingham (70 km), while the smaller Oxford (Kidlington) Airport 15 km to the east accommodates general and business aviation services.

2.5 The nearby city of Oxford is the main sub-regional and economic centre and exerts a significant influence over the West Oxfordshire economy. Oxford contains two world class universities, hospitals with an international reputation in medical excellence and research and is a leading centre for medicine, bioscience and other knowledge based activities, as well as a focus of car production, IT and publishing. Other than Oxford, the nearest large business centres are Swindon, some 30 km to the south west, and Reading 50 km to the south east.

2.6 Past economic development in the District has reflected Structure Plan and Local Plan aims to focus growth in the main towns to meet the economic needs of the area while avoiding release of excessive areas of employment land which would lead to increased pressures on housing supply and increased commuting. These policies have also encouraged small scale employment development to help reduce long distance commuting and support both the local rural and urban economy. Relevant policies and strategies on economic development are summarised in Appendix 2.

Economic Centres

2.7 The main centres of economic activity and employment within West Oxfordshire are focused in the larger towns and include:

- various larger industrial estates or mixed use employment areas such as the Station Lane industrial estate in Witney, Oakfield Estate in Eynsham, the Worcester Road estate in Chipping Norton and the Ventura Park/West Oxfordshire Business Park area in Carterton;
- business parks for offices uses such as Oasis Park in Eynsham, Witney Office Village in Witney and Cromwell Business Park in Chipping Norton.

2.8 There are also smaller business parks/employment areas in larger villages, office and industrial premises in converted former agricultural buildings in rural areas and lower specification employment areas in rural areas such as the Enstone Airfield Industrial Estate.

2.9 There are also some significant economic centres in nearby Oxfordshire districts, particularly in the City of Oxford, which is the area's main economic centre and focus of high technology activities. These include large business parks in Oxford and Vale of White Horse District, science parks in Oxford and Abingdon, sizable industrial estates in Cherwell District and a number of small innovation centres containing incubator units for higher technology firms in several districts. Details of these centres are provided in Chapter 6: Competing Areas.

Economic Trends

2.10 Current economic conditions and recent trends in the District are summarised below, with detailed statistics contained in Appendix 3. These allow the recent performance of the West Oxfordshire economy to be compared with other Oxfordshire districts, the South East region, and Great Britain.

2.11 West Oxfordshire has some 97,700 residents, a rise of 6% over the previous 10 years. [2] Outside Oxford, the District has the lowest allocation of new housing up to 2016 (6,800 new

[2] ONS 2005 mid year estimate

dwellings) of all Oxfordshire Districts, with much of this new housing to be developed in Witney, the largest town in the District.[3]

2.12 West Oxfordshire had the lowest number of employee jobs in 2005 (37,200) of all the Oxfordshire districts, reflecting the relatively small size of its economy. Its job growth between 1997-2005 (16.5%) was the second lowest among the Oxfordshire districts, and lower than the Oxfordshire (21.7%) and regional (19.3%) averages but similar to the national figure (16%).

2.13 The District has the second highest proportion of economically active people who are self employed (15.4%) in the County after South Oxfordshire. This figure is high by national (12.5%) and regional standards (13.7%).

2.14 This is a rural district where agriculture still accounts for twice this sector's national share of jobs, although it still only provides under 2% of all West Oxfordshire jobs. Otherwise the local economy is dominated by the service sector, which increased its share of the workforce from 71.8% to 78.6% between 1997-2005. In employment terms, the distribution, catering and hotels sector [4] was the largest (28.3%) in 2005, a slightly higher proportion than regional (26.3%) and national (24.7%) averages. This sector experienced strong growth (20%) over this period, but still less than the national figure (24.4%). This may reflect the limited supply of strategic distribution space in the District, and lack of direct motorway access.

2.15 The finance, IT and other business services sector forms the second largest element of the local economy, with 19.5% of all jobs, similar to national levels but slightly lower than the South East (23.8%). This sector has been one of the fastest growers within West Oxfordshire, its job increase of 49% since 1997 well above the national growth rate (31%).

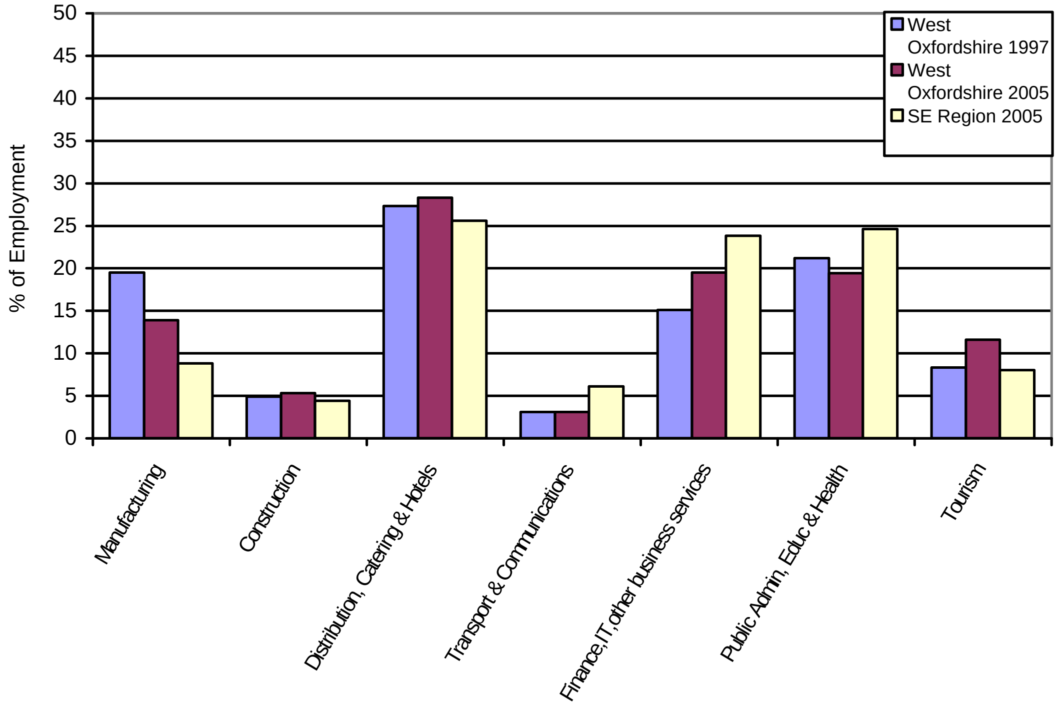
2.16 Manufacturing remains important in the District. In 2005, this sector still accounted for 13.9% of all jobs in West Oxfordshire, a higher representation than regionally (8.8%) or nationally (11.1%) (Figure 2.1). While manufacturing employment fell 16.3% between 1997-2005, this was well below the rate of decline nationally.

2.17 Public administration jobs, including education and health, accounted for 19.4% of all employment, a somewhat lower representation than regionally (24.6%) and nationally (26.9%), probably reflecting the concentration of such jobs in Oxford. Local employment in

[3] Oxfordshire Structure Plan 2016.
[4] this sector also includes retail and wholesaling jobs

public administration grew by 6.4%, compared to national growth of almost 30%. Although `other services' form a relatively small proportion of the local economy, they grew by some 90%, treble the national rate. [5]

Figure 2.1: Principal Sectors of Employment in West Oxfordshire



Source: Annual Business Inquiry 1997 & 2005

2.18 Retail employment forms a relatively small proportion of total jobs (11%) in the District, a broadly similar proportion to the national (11.6%) and regional (12%) averages. However, numbers of retail jobs in West Oxfordshire have fallen by 20% since 1997, possibly reflecting general trends for loss of small shops in rural areas and greater concentration of retailers in larger centres.[6] The main proposal to increase retail provision in the District is the recently approved Marriotts Close scheme in Witney with some 10,000 m^2 of new retail space and a cinema. This could potentially provide in the order of 500 more retail jobs, and further leisure jobs, although the net increase could be less.

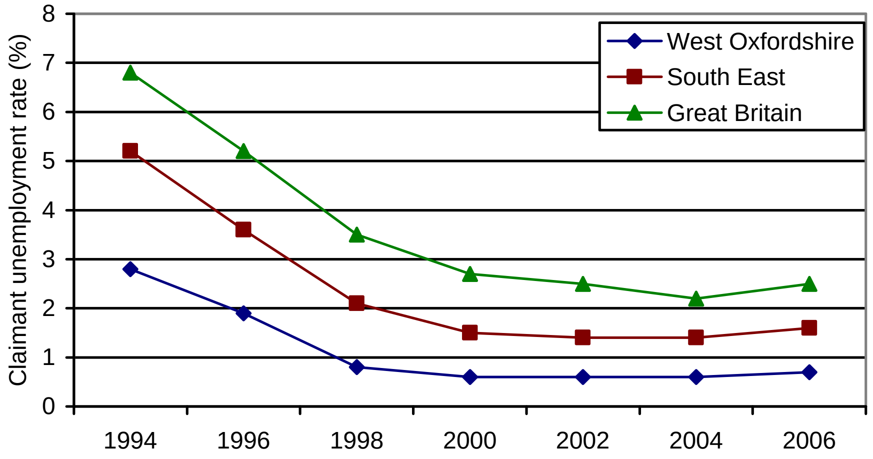
2.19 There are relatively few firms employing large numbers of people in the District. Some 77% of West Oxfordshire's businesses employ under 5 employees. This compares to 69% in Oxfordshire and 66.6% nationally. The major private sector employers in West Oxfordshire include Abbot Diabetes Care Ltd, manufacturers of medical diagnostic products, which employs 900 in Witney; Siemens magnet technology with 750 jobs in Eynsham; the Renault

[5] includes waste disposal, cultural, sport and certain other community, social and personal services excluding health.

Formula One team near Enstone (500 employees); Owen Mumford medical equipment manufacturers (200), and Serco Defence & Aerospace (200). The RAF Brize Norton air base at Carterton employs some 4,000 military and civilian staff.

2.20 Between 1994-2006, the number of VAT registered firms in West Oxfordshire grew strongly by 24.5%, a similar rate to Oxfordshire (25.1%) but higher than regional (19.9%) and national (14.3%) growth. Additionally, new business formation rates in West Oxfordshire, at 60 VAT registrations per 10,000 population[7], are significantly higher than in Oxfordshire (48), the South East (44) and the UK (38). This suggests above average levels of entrepreneurial activity in the District. The business survival rate beyond 3 years in the Oxfordshire area generally is also slightly higher than the region and nationally.

Figure 2.2: Claimant Unemployment Rate 1994-2006



2.21 The District has very low unemployment, with only some 390 claimant unemployed residents in November 2006. The current claimant unemployment rate (0.7%) is lower than Oxfordshire's (1.1%), and much lower than the South East (1.6%), and nationally (2.5%). This pattern of lower than average local unemployment has prevailed historically (see Figure 2.2). Long-term unemployment[8] in West Oxfordshire (11.5%) is lower than the County (16.6%), regional (15.8%) and national (17.0%) levels. As not all unemployed workers claim benefit, actual unemployment levels in the District may be higher.[9]

2.22 Reflecting its low unemployment, the District has a tight local labour market. In November 2006, there was only 0.7 of a claimant unemployed worker for every notified job centre

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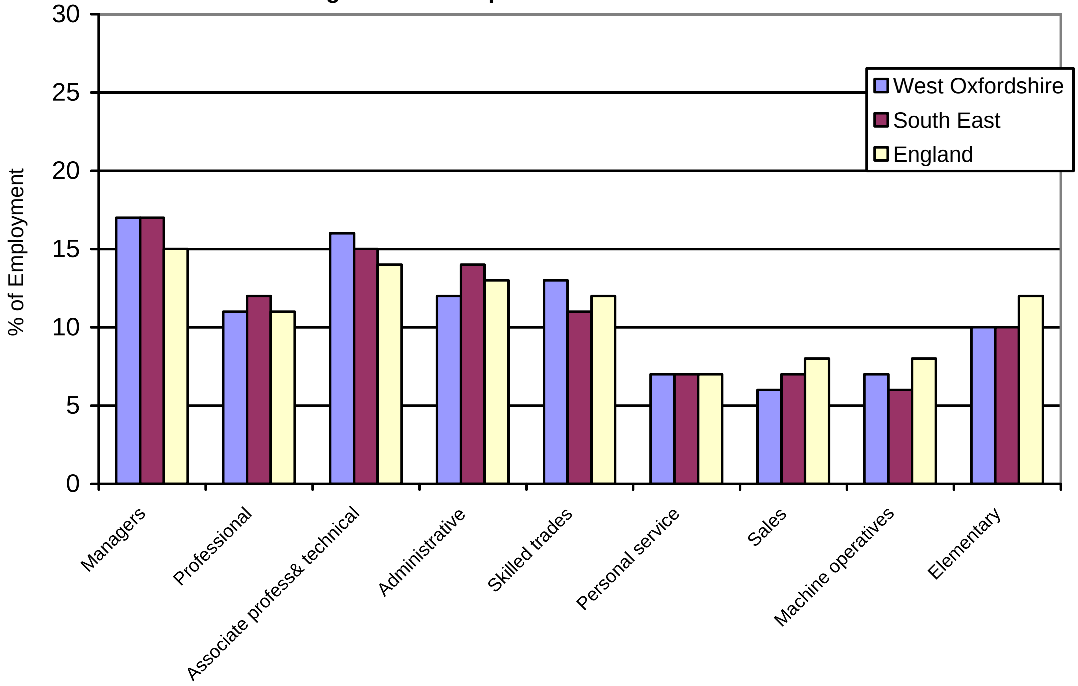
[6] Based on retail employment data provided by Experian Business Strategies
[7] Resident population over 16 years of age
[8] % of claimant unemployed who are out of work for over 12 months
[9] International Labour Organisation measure indicates total number unemployed and actively seeking work and is typically 50% or more higher than the claimant rate.

vacancy in West Oxfordshire. This was much lower than the ratios for both the South East region (2.1) and GB (2.6) and indicates a low supply of available local labour to meet any growth in employment. However, high levels of out-commuting suggest potential to claw back some local residents working elsewhere to fill suitable new jobs provided.

Figure 2.3: Occupational Profile of Labour Force



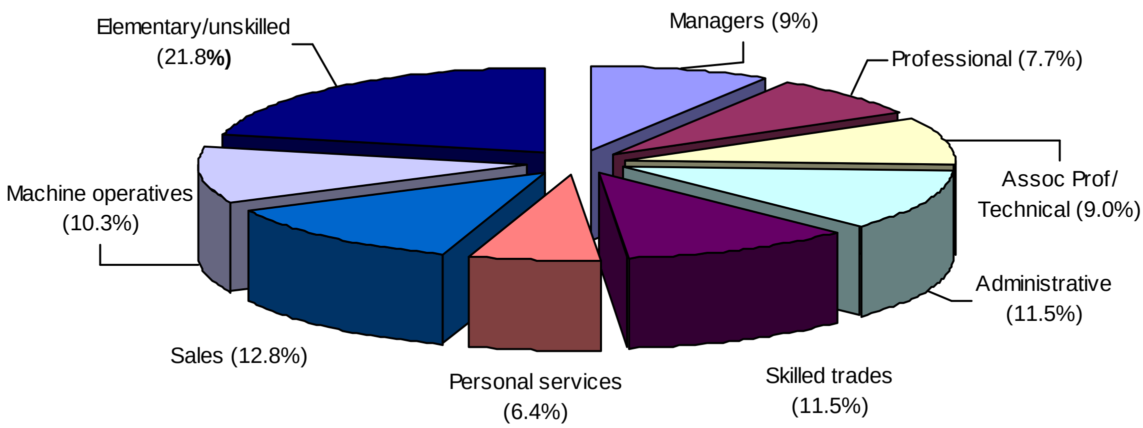
2.23 In addition, there appears little scope to expand the indigenous local labour supply should employment demand grow further. This is reflected in the District's economic activity rate – the proportion of working age residents who are economically active – which at 84.7% is similar to Oxfordshire (83.9%), but higher than the South-East (82.8%), and England (78.4%).

2.24 The West Oxfordshire labour force has a broadly similar profile by occupational group to the rest of the South East region, but with relatively fewer residents in management jobs, and slightly more in associate professional occupations. Reflecting its stronger manufacturing role, it has an above average share of skilled and lower skilled manual workers and relatively fewer in administrative/secretarial jobs (Figure 2.3).

2.25 This occupation profile does not closely reflect local skill levels. The proportion of West Oxfordshire working age residents with a degree or higher qualification (26.4%) is close to the national rate (20%) but slightly lower than the County and regional averages (29.5%). The proportion of working age residents with no qualifications in West Oxfordshire (10.6%) is also slightly above County and regional levels (10.1%) but better than the national average (14.3%). In addition, research by the Local Learning and Skills Council indicates that some 20% of the working population in Oxfordshire have literacy and numeracy difficulties.[10]

2.26 As shown in Figure 2.4, among claimant unemployed workers in the District, the most sought occupations are for unskilled work (21.8%), sales (12.8%), administrative/secretarial (11.5%) and skilled trades (11.5%). However, reflecting generally higher skills among West Oxfordshire residents, demand for managerial, professional and associate professional occupations is higher than comparative proportions at regional and national levels. At the same time, demand for elementary/unskilled employment (21.8%) is lower than both regional and national averages.

Figure 2.4: Sought Occupation of Claimant Unemployed in West Oxfordshire



2.27 Although average wage levels in West Oxfordshire are 6% higher than the national average, they are still 3% below the South East figure. While lower wage levels should help make the area competitive, due to house prices, 95% of newly forming households in 2002 could not afford to access private market housing in the District and the situation has worsened since then. [11] West Oxfordshire now has one of the highest ratios of house prices/income in the County. The proportion of households receiving income support in the District (4%) is lower than the South East (6%) and the UK (10%) averages and also slightly below the Oxfordshire average (5%).

[10] Learning and Skills Council. Local Strategic Plan 2002-2005.
[11] West Oxfordshire District Council Housing Needs Survey, Update 2004

2.28 In terms of deprivation, West Oxfordshire is one the least deprived districts in the country, ranked 347th out of a total of 354 districts. The District exhibits little evidence of deprivation on many of the Indices of Multiple Deprivation indicators, although some households reportedly experience problems accessing local services due to the rural nature of much of the District. [12]

Inward Investment

2.29 In terms of major overseas investment, West Oxfordshire attracts relatively few enquiries. This reflects its mainly rural nature and lack of large towns as well as the presence nearby of larger centres such as Oxford, Reading and Swindon, which have better transport links, a larger supply of modern premises and good access to London. Despite this, the District attracts a few relocations of smaller firms from Oxford and elsewhere in the County, sometimes because of available sites or in some cases to be nearer their workforce.

Knowledge-based Industries

2.30 Knowledge-based industries are those sectors of the economy where value-added is derived from the intensity and accumulation of knowledge, often fostered by the increasing use of technology. Based on the definition adopted by the Organisation for Economic Co-Operation and Development (OECD), this includes the following classifications:

- *High-technology manufacturing* (e.g. pharmaceuticals, office machinery and computers, aircraft and scientific instruments);
- *Medium high-technology manufacturing* (e.g. motor vehicles, electrical machinery, chemicals, non-electrical equipment); and
- *Knowledge-intensive services* (e.g. post and telecommunications, financial intermediation, insurance and pensions, computing, research and development).

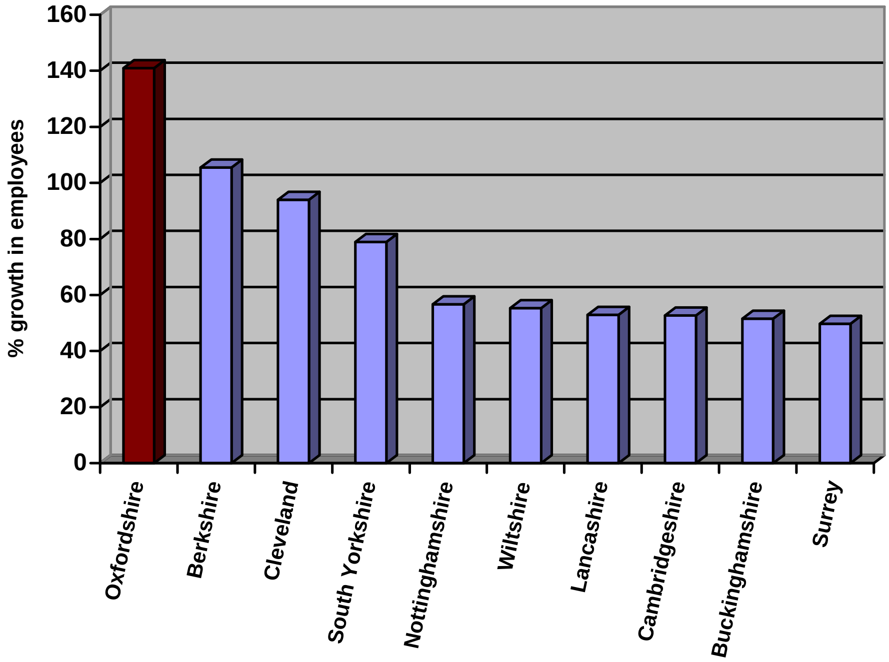
2.31 Firms within this sector tend to grow faster and have greater future potential than many other sectors. The relative proportion of these knowledge-based activities is considered an important indicator of an economy's competitiveness and skill-base, and of its prospects for future growth.

2.32 Within knowledge-based sectors, Oxfordshire as a whole has experienced substantial growth in high-technology industries, recording the highest rate of growth of high-technology employment amongst all English Counties between 1991-2000, although this

[12] The English Indices of Deprivation 2004 provides a measure of multiple deprivation at the small-area level, based on indicators such as income, employment, health, education and crime.

has recently fallen behind Berkshire (Figure 2.5). West Oxfordshire's specialisms in this area include motor-sport and high performance automotive engineering, medical and optical equipment, technical consultancy and testing, and biotechnology/pharmaceuticals.

Figure 2.5: Growth in High-Technology Employees 1991-2000, top ten English Counties



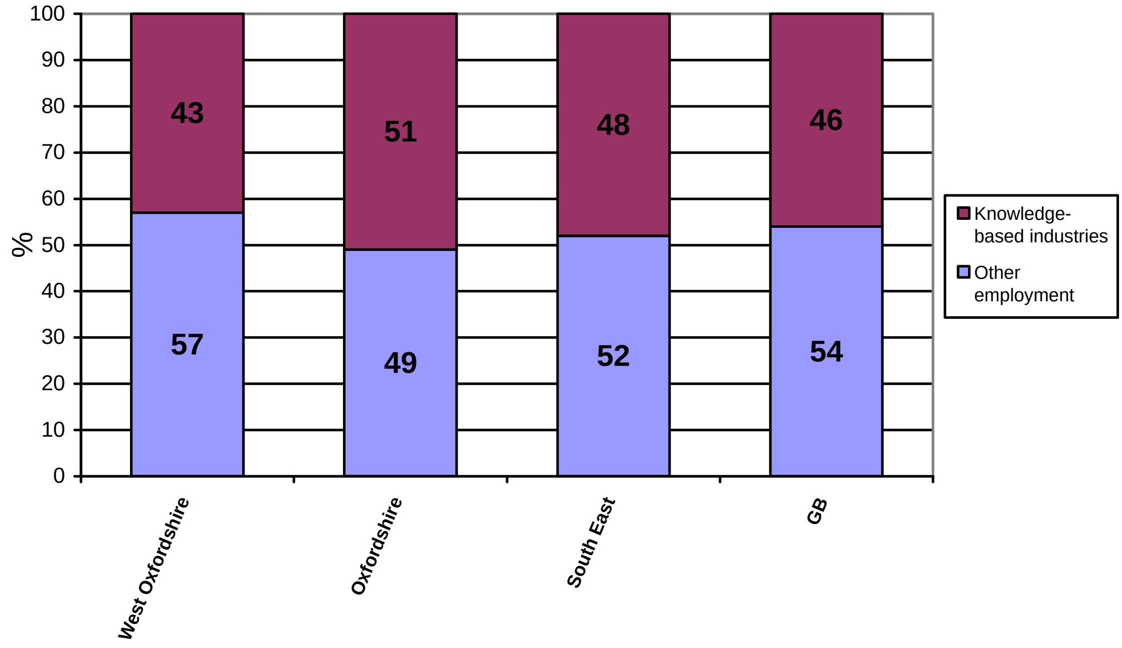
Source: Enterprising Oxford (Vol. 1), Oxford Economic Observatory, 2003

2.33 Despite this, compared with other Oxfordshire districts, West Oxfordshire has the second lowest proportion of high technology firms and jobs in the County (14.5%), although this is still higher than Oxford's13%. Important locations for high-technology jobs in the District are Eynsham (26% of the District's high-technology jobs) and Witney (15%). [13]

2.34 As Figure 2.6 below illustrates, even if a broader definition of knowledge-based jobs is used, including public sector activities, West Oxfordshire still has a lower proportion of such employment (43% of total jobs) than the County average (51%), the South East (48%) and Great Britain (46%).

[13] Enterprising Oxfordshire, Anatomy of the Oxfordshire high tech Economy, Oxford Brookes University, 2003.

Figure 2.6: Proportion of Employment in Knowledge-based Industries, 2004



Source: Annual Business Inquiry, 2004

Tourist Economy

2.35 The District also has an important tourism sector, estimated to be worth almost £213 million per year to the District's economy and supporting over 4,500 jobs.[14] This reflects the District's attractive countryside, historic Cotswold market towns and villages and visitor facilities such as Blenheim Palace (400,000 visitors p.a.) and Cotswold Wildlife Park (320,000 p.a). Tourism related employment in the District has grown by 42% over the last 10 years and now accounts for 11.6% of all jobs in West Oxfordshire.[15] This is a higher share than in the South East (8%) and nationally (8%) and confirms the importance of this sector to the local economy. The District particularly appeals to older or "empty nester" visitors and to the higher spend end of the tourism market but it currently lacks 4* and 5* hotels to capture this market.

Commuting

2.36 West Oxfordshire experiences a high level of net out-commuting. In 2001, approximately 18,200 of its residents travelled out of the District to work, predominantly to other Oxfordshire districts, with Oxford attracting 14% of these out-commuters. These out-

[14] Tourism South East, 2004 data

commuters were equivalent to 36% of all employed residents, a proportion which has more than doubled since 1991. This outflow is only partly offset by some 10,350 residents of other districts travelling into West Oxfordshire to work, predominantly from the rest of the County, and they fill almost 24% of all jobs based in the District.

2.37 This commuting pattern affects the District's degree of self-containment. An area's self-containment rate reflects the proportion of all residents in work who both live and work within it. In West Oxfordshire, this rate in 2001 was 64%, a fall from 68% in 1991, indicating that more West Oxfordshire residents than before are now working outside the District. The current rate is similar to Cherwell, and higher than both South Oxfordshire and Vale of the White Horse, while all are lower than Oxford (76%), reflecting its role as the main employment centre for the County.

Conclusions

2.38 The above indicators point to West Oxfordshire being a prosperous area with a relatively good performing local economy, above average levels of entrepreneurial activity, low unemployment and a tight labour market. The main strengths of this local economy, which will influence its ability to support new employment space, include:

- a high quality environment and an attractive place to live for skilled staff;
- proximity to Oxford with potential for spin-offs or relocations from the City's knowledge based sectors;
- some clusters of certain higher technology industries, such as high performance automotive engineering and manufacture of bio-medical equipment;
- a diverse economic base;
- above average growth in new business formation;
- a reasonably skilled local labour force;
- a strong and growing tourism sector.

2.39 However, potential threats and weaknesses to economic growth include:

- low unemployment which potentially limits local labour supply, although there is scope to claw back high levels of residents working outside the District;
- high house prices combined with lower than average wage levels and shortages of affordable housing, which may hinder staff recruitment and retention;
- relatively poor motorway access and limited public transport infrastructure;

[15] Nomis, 2005 ABI data

- high out-commuting levels and congestion along major routes, with the A40 identified as the most congested route in the County;
- strong competing larger centres nearby, such as Oxford, Swindon and Reading;
- a comparatively high proportion of employment in the manufacturing sector, a sector in decline nationally and competing with lower cost overseas location;
- a high quality environment and planning policies to restrain housing and commuting pressures which may restrict future employment land supply;
- deficiency of higher quality hotels to support the tourism market.

3.0 THE CURRENT STOCK OF EMPLOYMENT SPACE

3.1 This Chapter assesses the current stock of employment space in the District, as well as the amount of new space likely to come forward in the short term. It looks at both the amount of employment land and the quantity of built employment floorspace, broken down by broad types of employment uses – offices (use class B1(a)), warehousing/distribution (B8) and manufacturing (B1(c)/B2) – as well as its broad distribution. Sub-groups of these categories are also considered, such as starter units and secondary/low cost employment space. Trends in the District's supply of employment space are also compared with the position in other Oxfordshire districts.

3.2 The current stock of employment space in West Oxfordshire was assessed from the following sources:

a) floorspace in individual premises held in the Valuation Office Agency (VOA) 2006 business rates records;

b) commercial floorspace data for local authority districts provided by the Office for National Statistics (ONS);

c) land areas of existing and allocated employment sites and amounts of permitted new employment space provided by West Oxfordshire District Council;

d) information provided on some sites by local property agents;

e) a visual inspection of the mix of land uses in the main employment areas.

Overview of Types of Employment Land Provision

3.3 The current supply of employment land in the District mainly consists of a number of established sites protected for employment use by the West Oxfordshire Local Plan. The District Council's most recent audit of existing and allocated employment sites identified 79 sites with a total site area of some 224 ha. [16] This total is made up of a relatively small number of fairly large sites, most in the larger towns, as well as many small sites located across the District. These employment areas fall into a number of distinct categories. An overview of these is provided below with a more detailed assessment in the following Chapter.

[16] based on West Oxfordshire Council's Employment Site Audit Employment Land Audit, 2007

Larger Industrial Estates

3.4 Most of the District's industrial space is contained in a number of larger and generally older industrial estates on the edges of settlements, such as the 20.6 ha Station Lane Industrial Area in Witney. The Downs Road/Range Road area on the western edge of Witney contains the largest range of modern industrial and office buildings in the District.

Small Industrial Estates

3.5 There are also a number of smaller industrial estates located within the urban areas of towns including the Eagle industrial estate (0.7 ha) in Witney, and the Greystones (0.7 ha) estate in Chipping Norton.

Office Parks

3.6 There are relatively few large business parks or other large, purely office, schemes. The main ones are in the larger towns such as Cromwell Business Park in Chipping Norton although there are modest sized business parks beside some larger villages e.g. Blenheim Office Park (2.8 ha) at Long Hanborough. There are also a few small, modern office developments - Witney Office Village and Des Roches Square within Witney as well as small, older office premises and conversions of older buildings in Witney town centre.

Mixed Employment Areas

3.7 There are a few larger employment areas which can accommodate a mix of B1, B2 and B8 uses. Examples include Thorney Leys Industrial Park (3.5 ha) in Witney and Ventura Park and West Oxfordshire Business Park (12.6 ha.) in Carterton. This last site provides for 22 industrial/warehouses units, as well as office, leisure and retail space.

Starter Units

3.8 There is limited provision of small starter units. The Thames Business Advice Centre within the Station Lane estate in Witney contains 25 managed office units, ranging from 10 to 30 m^2 and with short, flexible renting arrangements. Spinners Court in Witney contains similar sized office units converted from former mill buildings. There is a reasonable supply of small industrial units from units on the older established industrial estates and on the new Nimrod development of 16 small industrial units of 180 to 380 m^2 at Windrush Park.

Single Occupier Sites

3.9 There are relatively few large sites occupied by a single firm. Examples include the former Oxford Instruments site (1.4 ha) within Eynsham and the Owen Mumford site in Carterton.

Other Supply

3.10 There is some provision of employment space serving a different, predominantly rural market from the main urban industrial estates, providing lower cost and sometimes relatively low quality industrial space. For example, Enstone industrial estate on Enstone Airfield provides industrial premises in converted aircraft hangers. There are also a number of small, converted former agricultural buildings near villages providing small, reasonable quality, office or industrial units, with New Yatt Business Park an example.

3.11 This picture shows a reasonable distribution and choice of different types of employment space across the District, although clearly a concentration within the larger towns and particularly Witney.

Stock of Employment Floorspace

3.12 Government (ONS) data on numbers of premises and total floorspace of employment uses by local authority is published annually, the latest data relating to 2005, and derived from the Valuation Office Agency (VOA). Table 3.1 shows the numbers of B-class employment generating premises in the District by broad category of occupier. From this, West Oxfordshire has fewer employment premises overall, and fewer warehouses, than all districts except Oxford but the highest number of factory units. It also has a slightly lower level of office premises than all other Oxfordshire districts.

Table 3.1: Number of Employment Premises, 2005

	Commercial Offices *	Factories	Warehouses	Total
West Oxfordshire	634	669	382	1,685
Oxford	795	214	257	1,266
Cherwell	759	668	528	1,955
South Oxfordshire	790	598	491	1,879
Vale of White Horse	763	441	579	1,783
Oxfordshire County	3,741	2,590	2,237	8,568

Source: Nomis / VOA, 2005 *
Note: includes purpose built and converted offices including central Government but not local government offices

3.13 The total employment floorspace by main uses in West Oxfordshire and other Oxfordshire districts is shown in Table 3.2. This indicates that the District contains a relatively small proportion (9%) of the office stock in the County, and much less than all other Oxfordshire districts. It also has comparatively little warehousing space but a reasonable level of factory floorspace, lower only than Oxford and Cherwell.

Table 3.2: Total Employment Floorspace, 2005

	Commercial Offices (m^2)	Factories (m^2)	Warehouses (m^2)	Total (m^2)
West Oxfordshire	95,000	336,000	195,000	626,000
Oxford	332,000	459,000	256,000	1,047,000
Cherwell	190,000	602,000	595,000	1,387,000
South Oxfordshire	175,000	258,000	378,000	811,000
Vale of White Horse	293,000	318,000	475,000	1,086,000
Oxfordshire County	1,085,000	1,973,000	1,899,000	4,957,000

Source: Nomis / VOA, 2005
Note: includes purpose built and converted offices including central Government but not local government offices

3.14 Table 3.3 provides a more detailed breakdown of employment space by type in West Oxfordshire, obtained directly from the Valuation Office Agency in 2006. This source indicates a significantly higher total amount of floorspace overall in the District, with much more manufacturing and warehouse floorspace than suggested by the ONS data.[17]

Table 3.3: West Oxfordshire Employment Floorspace by Type, 2006

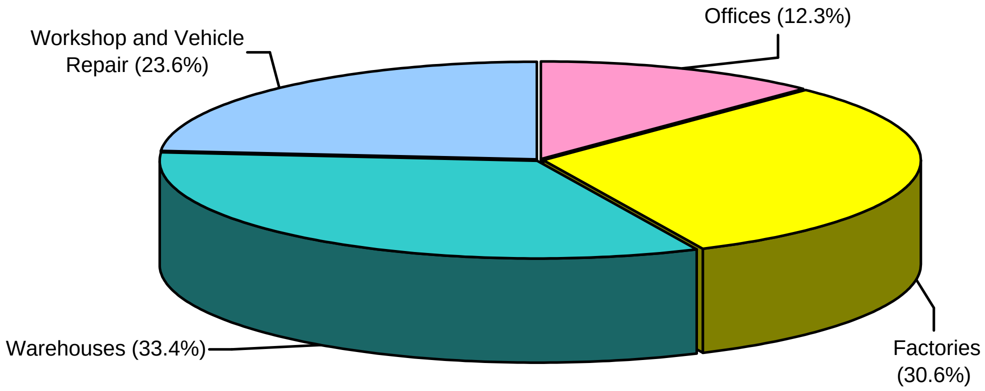
Offices (m^2)	Factories (m^2)	Workshop and Vehicle Repair	Warehouses (m^2)	Total (m^2)
105,300	261,200	201,700	284,800	853,000

Source: VOA data, 2006.

3.15 Figure 3.1 below illustrates the relative proportions of different employment uses in the District by floorspace. Warehousing is the largest space user (38%), followed by factories (27.5%) and workshop and vehicle repair uses (23.5%) with a relatively small proportion of office space (11%). This confirms the strong industrial focus of the District's economy at present.

[17] The differences between the data in Tables 3.2 and 3.3 may reflect differing classifications used in the two data sources as well as changes over the period 2005-06.

Figure 3.1: West Oxfordshire Employment Space by Type, 2006



3.16 The more detailed 2006 VOA data allows the distribution of floorspace by the size, location and age of premises within West Oxfordshire to be identified. Table 3.4 below shows the number of employment premises in different size bands and confirms West Oxfordshire's stock of office space is predominantly smaller units, with 95% under 500 m^2. Similarly, 70% of warehouse units are under 500 m^2 with few large units over 5,000 m^2. There is a much better spread of factory/workshop units by size, although the number of larger units is still quite low, with only 23 units of over 5,000 m^2 in the District.

Table 3.4: Breakdown of West Oxfordshire Employment Units by Size Band

	Offices (no. of units)	**Factories** (no. of units)	**Workshops/ Vehicle repair** (no. of units)	**Warehouses*** (no. of units)	**Total** (no. of units)
Under 50 m^2	209 (29.9%)	0 (0%)	90 (15.3%)	61 (14.8%)	356
51- 100 m^2	200 (28.6%)	4 (4.9%)	119 (20.2%)	63 (15.3%)	390
101- 499 m^2	258 (36.9%)	19 (23.2%)	287 (48.8%)	167 (40.4%)	731
501-1,000 m^2	21 (3.0%)	12 (14.6%)	53 (9.0%)	53 (12.8%)	139
1,001– 4,999m^2	11 (1.6%)	32 (39.0%)	31 (5.3%)	54 (13.1%)	128
Over 5,000 m^2	0 (0%)	15 (18.3%)	8 (1.4%)	15 (3.6%)	38
All sizes	699 (100%)	82 (100%)	588 (100%)	413 (100%)	1,782

Source: VOA, 2006 Note: * includes stores and premises

3.17 As Table 3.5 illustrates, most of the District's employment floorspace is concentrated in a relatively small number of locations, mainly the larger towns. Witney has by far the greatest share, with almost 40% of all employment floorspace in the District, and a further 15% in Eynsham, 8% in Chipping Norton, 6% in Minster Lovell, 5% in Stanton Harcourt, 4% in Woodstock and 3% in Carterton. A very large share of the factory space is located in just four locations - Witney, Eynsham, Enstone and Minster Lovell. In contrast, there are significant amounts of workshop space and office space in many smaller settlements, although two thirds of the latter is in Witney, Eynsham and Chipping Norton.

Table 3.5: Breakdown of West Oxfordshire Employment Floorspace by Main Locations

	Offices [1] (m^2)	Factories [2] (m^2)	Workshops/ Vehicle repair (m^2)	Warehouses[3] (m^2)	Total (m^2)
Witney	45,430	127,630	45,690	110,830	329,850
Eynsham	12,500	88,310	16,660	12,690	130,160
Chipping Norton	9,050	2,820	12,280	42,440	66,590
Minster Lovell	470	9,260	11,930	30,130	51,790
Stanton Harcourt	1,220	5,710	4,150	32,280	43,360
Woodstock	2,800	0	32,560	940	36,300
Enstone	850	13,080	8,900	6,930	29,760
Long Hanborough	9,300	0	7,150	9,200	25,650
Carterton	600	1,770	14,680	6,280	23,330
Standlake	920	4,200	4,620	8,040	17,780
Charlbury	3,940	2,220	3,980	240	10,380
Cassington	620	0	3,340	1370	5,330
Burford	2,780	0	1,200	590	4,570
North Leigh	2,590	0	1,860	0	4,450
Kingham	600	0	2,610	1,100	4,310
Other Locations	9,390	6,210	23,110	16,980	55,690

Source: VOA, 2006

3.18 Table 3.6 provides an indicative breakdown of West Oxfordshire's employment space by age. This shows that a reasonable proportion of the District's small stock of office space is relatively new, with 44% developed after 1990, although 28% of premises are much older, pre-1900 buildings largely in town centres.

Table 3.6: Indicative Breakdown of West Oxfordshire Employment Floorspace by Age

	Offices (%)	Factories (%)	Workshops and Vehicle Repair (%)	Warehouses (%)
Pre-1900	27.9	10.9	10.2	5.0
1900 – 1954	5.0	2.6	11.4	10.7
1955 – 1970	3.1	10.4	20.4	33.1
1971 –1989	20.0	51.7	42.4	23.5
1990 – 2000	29.7	8.9	6.7	10.7
2001 onwards	14.4	15.6	8.8	16.9

Source: VOA, 2006.

3.19 Much of the factory/workshop space tends to be in older premises, with only 24% of the factory space and much less workshop space built since 1990, and around 60% of both dating from the 1955-1989 period. The age of the District's warehousing stock is mixed, with almost half built before 1970, but 27% comprises modern units built post 1990. Overall, the District's stock of employment premises contains a reasonable proportion of newer premises but much of the industrial space will soon be quite dated to meet modern business needs.

Emerging Supply of Employment Space

3.20 In 2005, there was approximately 30 ha of undeveloped employment land across the District, most of this with planning permission.[18] Only a small amount of additional employment land was released in the 2006 adopted Local Plan. The main remaining areas allocated for new employment space were at Downs Road, Witney (12.3 ha), the rear of Cromwell Business Park, Chipping Norton and the depot site in Chipping Norton (at least 0.9 ha), and an extension to the existing Lakeside Industrial Estate, Standlake (1.9 ha). As at April 2006, there was only 8.6 ha of allocated land remaining without planning permission for development. There are also understood to be no large areas of allocated land lying unused without some developer interest in developing employment space of some kind.[19]

3.21 Other large employment sites with planning permission are Ventura Park and West Oxfordshire Business Park (13 ha.) in Carterton, where development is underway, and part of a site formerly occupied by Parker Knoll in Chipping Norton (2 ha).

3.22 Further information on the amount of additional employment space coming forward or in the pipeline comes from analysis of planning permissions for employment uses. Between 2001-06, approximately 144,400 m^2 gross of new employment space was permitted, indicating significant levels of interest in developing new employment space in the District (Appendix 4). However, this may overstate the position by including repeat or duplicate applications.

Table 3.7: Unimplemented Permitted Employment Floorspace at 1 April 2006 (m^2)

	B1 (a) Offices	B1 (b) (R&D)	B1(c) Industry	B2 Industry	B8 W/houses	Not Specified	Total * (m^2)
Extant permissions	21,200	300	24,900	300	0	14,500	61,200

Source: West Oxfordshire District Council planning decisions monitoring data, 2001-2006
Note: only permissions above 250 m^2 of floorspace are monitored

3.23 The amount of unimplemented permitted floorspace at April 2006 provides a snapshot of the potential amount of employment space that could come forward in the near future (Table 3.7). This amounts to some 61,200 m^2 of employment space, as well as 12 ha of land. Of this, some 70% of permitted floorspace, and 75% of permitted land, is on land allocated for employment use. The remainder relates to existing employment land, re-use of agricultural buildings and other sites. More than half (54%) of this unimplemented floorspace is in Witney (33,200 m^2), with some 8% in Carterton, 7% in Standlake, and 4% in Chipping Norton, the remainder spread across many villages.

[18] West Oxfordshire Local Plan, Adopted June 2006
[19] West Oxfordshire Employment Land Audit, West Oxfordshire District Council, April 2005

3.24 Most (42%) of the completed floorspace over the past five years has been for B8 warehouses, partly reflecting their typically larger unit sizes but probably also relatively good demand since there is no permitted B8 floorspace still unimplemented (Table 3.8). Completion levels for both B2 (industrial) and B1(a) office space appear good, but there is still a sizeable amount of office space with permission unimplemented. In contrast, while there has been a sizable amount of B1(c) space permitted, take-up has been relatively low over the last five years.

Table 3.8: Completions of Employment Floorspace by Type 2001– 2006 (m^2)

	B1 (a) Offices	B1 (b) (R&D)	B1(c) Industry	B2 Industry	B8 W/houses	Not Specified	Total * (m^2)
Completed	20,800	-1,400	4,400	20,100	48,200	23,100	115,200
Annual Average Completions	4,160	-280	880	4,020	9,640	4,620	23,040

Source: West Oxfordshire District Council planning decisions register, 2001-2006 * numbers rounded
Note: only permissions above 250 m^2 of floorspace are monitored

3.25 The annual average of 23,000 m^2 of completed new employment space between 2001-06 indicates a reasonable level of new space coming forward in the District, and if that rate were to continue in future, the current amount of permitted employment floorspace would be equivalent to only about three years supply. However, over a longer period (1995-2006), the average completion rate has been significantly lower, averaging 16,500 m^2 annually.

Table 3.9: Locations of Unimplemented Permitted Employment Space (m^2) at 1 April 2006

Town/Village	B1(a)/(b) Offices	B1(c) Industry	B2 Industry	B8 W/houses	Not specified	Total F/Space	Land (ha)
Witney	16,600	15,300	0	-4,400	5,700	33,200	8.3
Standlake	0	400	300	2,000	1,600	4,300	0
Carterton	300	5,200	0	0	2,000	7,500	1.5
Chipping Norton	0	1,500	0	0	1,300	2,800	0
Stanton Harcourt	0	500	0	1,600	400	2,500	0
Sarsden	0	0	0	0	1,700	1,700	0
Blenheim	1,700	0	0	0	0	1,700	0
Churchill	300	900	0	0	600	1,800	0.3
Hanborough	700	0	0	800	0	1,500	0
Bampton	0	0	0	0	1,400	1,400	0
Charlbury	0	0	0	0	0	0	0.1
Other Villages	1,900	1,100	0	0	-200	2,800	1.8
Total	21,500	24,900	300	0	14,500	61,200	12.0

Source: West Oxfordshire District Council planning decisions register, 2006
Notes: 1. numbers rounded. 2. Total includes other unspecified employment space permitted. 3. Only permissions above 250 m^2 of floorspace are monitored

3.26 Table 3.9 shows the geographical distribution of unimplemented permitted floorspace by use class and again highlights the concentration of potential new supply in Witney, with 55% of the District's total and 85% of its industrial space. In the rural areas, most of the developments are small scale. The majority of permitted office space, some 13,700 m^2 (56%) has been on sites in Witney with no other locations in the District achieving more than 1,900 m^2.

Loss of Employment Space

3.27 A broad indication of the scale of change in employment space over recent years can be obtained from ONS business rates data, as set out in Table 3.10 below. These figures suggest the District has gained a modest amount of office and warehouse space but had significant losses in manufacturing space, resulting in a large overall net loss in employment space over the last 5 years, the only district in Oxfordshire to experience this.

Table 3.10: Change in Employment Floorspace, 2000- 2005

	Commercial Offices (m^2)	Factories (m^2)	Warehouses (m^2)	Total (m^2)
West Oxfordshire	3,000	-50,000	10,000	-37,000
Oxford	48,000	46,000	-1,000	93,000
Cherwell	33,000	-13,000	85,000	105,000
South Oxfordshire	22,000	-15,000	39,000	46,000
Vale of White Horse	5,000	76,000	-11,000	70,000

Source: Nomis / VOA, 2000 and 2005
Note: includes purpose built and converted offices including central Government but not local government offices

3.28 A somewhat different picture emerges from analysis of West Oxfordshire planning permissions affecting existing employment premises between 2001–06. This indicates that 61,600 m^2 of employment floorspace was lost to other uses between 2001-06, the great majority of it to residential uses. The majority of this loss was on three large industrial sites in Witney and one in Chipping Norton. As such, losses of this scale are unlikely to continue and the future trend is likely to be much lower. This is equivalent to an annual average loss of 12,300 m^2, and roughly half the amount of new employment space completed annually (23,000 m^2).

Conclusions

3.29 The key characteristics of West Oxfordshire's existing supply of employment space are:

- it has a relatively small amount of employment floorspace compared with most other Oxfordshire districts;

- most of the District's stock of space, particularly office units, is in relatively small units under 500 m^2 with relatively few large units over 5,000 m^2;

- most of the current supply is concentrated in few locations, predominantly in Witney with more modest amounts spread across the other larger towns and villages;

- the greater part of the District's supply of employment space comprises industrial premises, both distribution and manufacturing, with a comparatively small amount of office floorspace;

- there is a reasonable proportion of modern industrial and B8 floorspace, and particularly office premises, but confined to few locations. However, there is also a relatively large proportion of older office stock and much of the industrial space will soon be quite dated to meet modern business needs;

- apart from the heavy concentration within Witney, there appears a reasonable choice and distribution of employment premises between settlements, with sizable, modern employment areas in some villages;

- there appears to be reasonable amount of new employment space being developed, with a significant amount of space permitted and in the pipeline. About half of the new space being completed is for distribution use, with manufacturing and office premises accounting for 25% each. This potential new space greatly exceeds the amounts of existing space being lost to other uses.

4.0 REVIEW OF CURRENT EMPLOYMENT SITES & ALLOCATIONS

4.1 This section assesses the characteristics and quality of existing and allocated sites in West Oxfordshire District. This assessment was based on an audit carried by the Council in January 2007, supplemented by visits by the study consultants to a sample of sites. The Council's audit considered all B class use sites over 0.25 ha, as well as smaller employment sites considered to be significant in their context, for example, small estates of employment units in villages or in open countryside. Locations of these sites are shown in Plans 4.1 to 4.3 with a list of all sites contained in Appendix 5.

4.2 An assessment was made of each site's suitability for employment use, against the criteria listed below, which reflect those in the ODPM Guidance on Employment Land Reviews:

- strategic road access and local road access;
- accessibility to public transport and services;
- adjoining uses;
- site size and development constraints;
- attractiveness to the market, including vacancy and market activity on sites.

4.3 The following sections consider the employment sites in the District's main centres - Witney, Carterton, Chipping Norton – and in the rest of the District. Because their requirements may differ, sites occupied mainly by industrial or by office uses are considered separately.

Existing Employment Sites

4.4 A total of 79 existing employment sites (containing B1, B2, B8 and sui generis uses) are identified in the Council's audit. A significant number of these are located in Witney, which includes the District's larger employment areas able to accommodate large firms. While most of the larger sites are in the main centres, numerically the majority of sites are spread across villages and other rural locations, and accommodate a diverse range of employment premises.

4.5 In considering the quality of these sites against such general criteria, it is important to note that few sites in West Oxfordshire will have excellent strategic road access, for example, reflecting the District's largely rural nature and distance from motorways. Many sites may not have good public transport access or services close by. While such factors may make sites less attractive to certain occupiers such as strategic distribution, not all businesses in West Oxfordshire will necessarily need this standard of road access and the assessment needs to bear such factors in mind.

Office Sites

4.6 Table 4.1 lists the main office sites in the towns of West Oxfordshire, with a more detailed appraisal of individual sites provided below.

Table 4.1: Existing Office Sites in Main Centres

Site	Location	Area (ha)	Comment
Thorney Leys	Witney	3.5	Average quality mixed use office park
Des Roche Square	Witney	0.8	Good quality small office development
Witney Office Village	Witney	0.7	Good quality small office units
Spinners Yard - West End	Witney	0.3	Good quality – converted small office units
Waterside Court	Witney	0.3	Good quality office site
Meadow Court	Witney	0.2	Good quality office site
Four Seasons House	Witney	0.2	Low/average quality office site
Compton Way	Witney	0.2	Good quality office site
Cromwell Park	Chipping Norton	1.9	Good quality small business park

4.7 The largest office area in Witney is Thorney Leys (3.5 ha), lying on the town's southern edge and containing early 1990s office units, as well as some industrial and distribution premises. This estate contains ageing office units in good condition. Access off Thorney Leys road is adequate and the site lies close to the A40 although distant from town centre services. While there are some residential uses to the north, other adjoining uses are industrial or roads. This site is fully developed, has low vacancy and is considered of average quality overall.

4.8 Within Witney town, **Des Roches Square** (0.8 ha), **Compton Way** (0.2 ha), **Waterside Court** (0.3 ha) and **Meadow Court** (0.2 ha) are small developments of modern, purpose built, small to medium sized office units. All have reasonable access and parking for town locations, and lie near to services and public transport. A further town site, **Spinners Court** (0.3 ha), is a converted mill building offering small, managed office units. It has restricted access but adequate parking. All these sites appear to have low vacancy. The first three are good quality sites, with the fourth an average quality site.

4.9 On the western edge of the town, in the Downs Road/Windrush Park area, the main office site is **Witney Office Village** (0.7 ha), which provides good quality, modern accommodation with good access and parking, although distant from town centre services. Vacancy appears relatively high but reflects the units' recent development and this scheme is viewed as attractive by the market.

4.10 Lying some 1.5 km east of Witney town centre, **Four Seasons House** (0.2 ha) comprises a 1970s office building occupied by a charity and within a small level site, set back from the Woodstock road. It occupies a rather remote location for office firms. Site access is narrow but unconstrained, but the site adjoins residential premises on two sides and there are few facilities nearby. Overall, given its location, as an office site, this is of low/average quality.

Chipping Norton

4.11 The town's only significant office area is **Cromwell Park** (1.9 ha), a small business park on the north east side of the town, containing some 27 two storey, office units, developed incrementally since the 1990s. Local access is good and the site adjoins other land allocated for B1 uses. The site contains a number of IT and design firms but 0.9 ha remains undeveloped. The internal environment of the site is good and vacancy appears low. It is seen as a reasonably good development by the market but with limited demand. Overall, this considered to be a good quality site within the local context.

4.12 The **Parker Knoll** site (2 ha) is part of a larger undeveloped site allocated for mixed use redevelopment. Part of it is currently being developed for residential uses with an employment component subject to an outline planning permission. The site lies to the east of the town centre, but is reasonably close to local services and public transport. Access is directly from the A44. Open countryside lies to the south, residential uses to the east, and a school to the west. Overall, this site appears a reasonably good quality site for B1 uses. It is understood that it is currently being required by developers with a view to bringing forward some 8,500 m^2 of B1 space, both offices and light industrial, with units being developed piecemeal in line with demand.

4.13 The town of Carterton has no significant office sites although some office premises are now being developed on West Oxfordshire Business Park and Ventura Park.

Rest of District

4.14 Outside the main centres, there are a number of smaller business parks in or beside larger villages as well as small office developments in converted rural buildings on the edges of small villages or in the open countryside. These are listed in Table 4.2.

4.15 The largest office parks are **Blenheim Office Park** (2.8 ha) near Long Hanborough, **Oasis Business Park** (1.9 ha) beside Eynsham and the **North Leigh Business Park** (1.0 ha) at North Leigh. All contain a range of relatively modern, purpose-built, medium sized office units. Local access is good with adequate parking on site. Vacancy appears low and these sites are located near villages with a reasonable range of local services. Whilst Oasis Business Park, with older units, is considered to be of average quality, the remaining sites are assessed as good quality office sites.

Table 4.2: Office Sites in the Rest of the District

Site	Location	Area (ha)	Comment
Blenheim Office Park	Long Hanborough	2.8	Good quality small business park
Oasis Business Park	Eynsham	1.9	Average quality business park
Southill Business Park	Cornbury Park	1.1	Good quality office units in converted buildings
North Leigh Business Park	North Leigh	1.0	Good quality small business park
Elm Place	Eynsham	0.6	Good quality offices in converted buildings
Court Farm Barns	Tackley	0.4	Good quality office units in converted buildings
Manor Park Barns Business Centre	Finstock	0.6	Average quality office units in converted buildings
The Old Brewery	Burford	0.2	Good quality office units in converted buildings
The Quadrangle	Woodstock	0.2	Good quality office units in converted buildings
Spendlove Centre	Charlbury	0.2	Good quality purpose built office site
Aston Works	Aston	0.3	Average quality office units in converted buildings
Gate Farm	Kiddington	0.5	Average quality units in converted buildings
Jericho Farm	Worton, Cassington	0.4	Average quality office units in converted buildings
Worton Park	Worton, Cassington	0.8	Average quality small office site

4.16 **Long Hanborough Business Park** (6.8 ha) contains a mix of industrial and office premises, although more office units. Whilst the industrial premises are older and of lower quality, the mainly 1990s office accommodation is of good quality. The internal roads are adequate, despite some on-street parking. Public transport links are reasonable and the site lies near Long Hanborough station. Vacancy is low and, overall, this site provides a good quality mixed use employment area with a high office component.

4.17 Most of the remaining office sites are converted rural buildings. Whilst some of these are remotely located with few services nearby, and some have poor local road access, they appear to meet local needs and have low vacancy. Much of their accommodation is to a high standard, and many contain firms in knowledge based sectors. The better quality sites include **Southill Business Park** (1.1 ha) and **Manor Park Barns** on the Cornbury estate, the **Quadrangle** (0.2 ha) at Woodstock, **The Old Brewery**, Burford (0.2 ha), **Elm Place, Eynsham** (0.6 ha), and the **Court Farm Barns, Tackley** (0.4 ha).

Industrial Sites

4.18 The District has significantly more industrial sites than office sites, again mainly focused in the larger centres. Table 6.3 lists the main sites in the larger centres.

Table 6.3: Existing Industrial Sites in Main Centres

Site	Location	Area (ha)	Comment
Station Lane Industrial Estate	Witney	20.6	Good quality industrial estate
Windrush Industrial Estate	Witney	16.0	Good quality industrial estate
Bromag/Minster Industrial park	Witney	11.4	Average quality industrial estate
Range Road	Witney	6.1	Good quality industrial estate
West of Downs Road -1	Witney	4.8	Good quality site for large firms
West of Downs Road -2	Witney	3.3	Good quality site for large firms
Buttercross works	Witney	3.0	Established industrial estate of average quality
West End Industrial Estate	Witney	0.7	Small industrial site of lower quality
Eagle Industrial Estate	Witney	0.7	Small industrial site of lower quality
Rear of Newland/Oxford Hill	Witney	0.7	Small site of lower quality
BT Depot/Timber Yard	Witney	0.6	Small site of lower quality
Scrap Yard - West End	Witney	0.4	Small site of lower quality
Bus Depot/Car repair	Witney	0.3	Small site of lower quality
Ventura Park/West Oxfordshire Business Park	Carterton	12.6	Good quality modern industrial/business park
Carterton South Industrial Estate	Carterton	6.5	Industrial estate of average quality
Station Road Industrial Estate	Chipping Norton	3.2	Industrial estate of average quality
Worcester Road/Primsdown Industrial Estate	Chipping Norton	1.9	Industrial site of average/good quality
Elmsfield Industrial Estate	Chipping Norton	1.0	Industrial estate of lower quality
Greystones Industrial Estate	Chipping Norton	0.7	Industrial estate of lower quality

Witney

4.19 A significant proportion of the District's industrial stock is in Witney, where proximity to the A40 gives it better strategic road access than most other locations in the District. Much of Witney's industrial premises are concentrated in two large employment areas. **Station Lane Industrial Estate** (20.6 ha), to the south of Witney town centre, is an established estate containing large manufacturing units, with some smaller B8 and office units near the main road frontage. Most units were built in the 1970's, but with some recent investment and refurbishment. The site lies close to Witney town centre, and has good strategic and local road access, with the A40 immediately to the south. Vacancy is low, at under 10%, and overall this is a reasonably good quality employment site.

4.20 A series of employment sites are located around the Downs Road/Range Road area to the west of the town centre. These include **Windrush Industrial Park** (16 ha) an older established estate containing medium sized industrial units as well as some office units. The stock is of differing ages, with some dating from the 1950's although there is evidence of some refurbishment. This estate contains a range of accommodation, of differing sizes, with good road access off Burford Road and reasonable public transport links. There are no incompatible uses nearby and it is of average quality overall.

4.21 Immediately to the west, the **Bromag/Minster Industrial Estate** (11.4 ha) is a large older, industrial site on the western edge of Witney, with a somewhat narrow access off Downs Road. Occupiers include motor repairs, a car auction room, and various small industrial units. Much of the accommodation is of lower specification, some dating from the 1950's, with the southern sector of the site used for storage. Some residential properties adjoin the site to the west, but it is generally well occupied and public transport links are reasonable. Although viewed as poorer quality by the market, this appears of average quality overall and provides suitable space for lower cost/value occupiers.

4.22 **Range Road** (6.1 ha) is a southern extension to the Windrush employment area and predominantly contains industrial occupiers, with some office units in Witney Office Village. Road access is good but public transport services to the site are limited. Much of the accommodation is recently constructed and of good standard. Perhaps due to their recent construction, a number of units appear vacant but overall this is a good quality employment area.

4.23 Two sites to the **West of Downs Road** (4.8 ha and 3.2 ha) contain a number of large manufacturing and distribution units, which have been recently constructed and are of good quality. Approximately 1 ha remains undeveloped. Residential areas lie reasonably close by and services in Witney town centre are distant and public transport links are generally poor. Despite this, vacancy is low. Strategic road access to the A40 for these sites is relatively good and will be improved by a proposed new road junction, helping make these some of the better industrial sites in the town.

4.24 The **Buttercross Works** (3 ha) lies to the north of Station Lane and contains relatively large, but older B8 units dating from the 1970s or earlier. There are also some other uses on this estate, such as a cash and carry. It has average local and good strategic road access. Part of the site remains undeveloped. This site is located near to residential units but despite this and the comparatively low quality of its units, it is considered to be of average quality. The site is also allocated for employment or mixed use employment/housing development.

4.25 Within the town, there are three small industrial estates - the **West End Industrial Estate** (0.7 ha), the **Eagle Industrial Estate** (0.7 ha) and a site to the **Rear of Newland/TF Smith Buildings** (0.7 ha). Most of the units on these sites date from the 1970's or earlier and are of lower specification, but reasonably well maintained. All sites are adjoined by residential uses, with difficult access via narrow roads. These sites are lower quality by normal criteria but appear relatively well occupied with low vacancy. There has been some interest in re-developing part of the West End site for residential development.

4.26 A number of other smaller sites (0.3 to 0.7 ha in size) are located within the town. These include the BT Depot/Timber Yard, Scrap Yard - West End and the Bus Depot/Car repair sites. They contain a range of lower value uses including car repair, timber yards, a depot and a scrap yard. Access to most of these sites is constrained, and many adjoin or are near to residential properties. Although many of these urban sites are of relatively low quality, containing some bad neighbour uses, they appear to be serving some local needs.

Carterton

4.27 Carterton contains two sizable industrial areas. The **Carterton South Industrial Estate** (6.5 ha) adjoins RAF Brize Norton to the south. It accommodates various lower quality B2 and B8 units, most dating from the 1960-70s. The site lies near town centre facilities and with residential uses to the north. Site access is poor, via residential roads and the town centre, and internal estate roads are constrained by on-street parking. Although it contains older premises with no recent investment, and is of poor quality overall, the site appears to have low vacancy and meets some local need in the absence of other significant local supply.

4.28 The **West Oxfordshire Business & Retail Park** (12.6 ha) comprises a number of existing, small 1980s industrial units of average quality. Strategic and local road access are reasonable although the site lies close to the town centre. Adjacent to these units are a number of recently built industrial units which are still vacant. New development on this site will surround the longer established West Oxfordshire Industrial Park, which contains older units. Overall, this is a site of average quality.

4.29 **Ventura Park** lies immediately to the north of the West Oxfordshire Business & Retail Park, comprising vacant land with planning permission for B class uses and is being sold as individual freehold plots. A new residential development lies to the north of Ventura Park. Overall, the site has adequate road access, with no development constraints. Take-up so far has reportedly been good, particularly for firms requiring open storage, and indicating this site is of reasonable quality.

Chipping Norton

4.30 Chipping Norton contains four significant industrial sites spread between the east and west sides of the town, and these differ greatly in quality. The largest, **Station Road Industrial Estate** (3.2 ha), contains predominantly larger industrial units, along with some office units. Although one office unit is vacant, the site is otherwise fully occupied. Access is off the A44 but with a sloping access road into the site, which occupies a low profile position at the bottom of a valley. The quality of the units is reasonable although residential areas adjoin on one side. Although viewed as poorer quality by the market, due to older buildings and poor access, this is the only site in the town which accommodates larger industrial uses, serves an important local need and can be considered as of average quality overall.

4.31 The nearby **Worcester Road/Primsdown Industrial Estate** (1.9 ha) is one site with two distinct parts lying off Worcester Road. These areas have separate entrances. The Primsdown Industrial estate contains two large industrial units, occupied by Owen Mumford, one of which has been recently constructed. Local road access is good with a newly improved junction into the site. The site also contains a nursery in converted agricultural buildings. The site is spacious and adjoined by open countryside and a cemetery. The part immediately to the east is of lower quality, being accessed via a steeply inclining road leading into a small congested courtyard. This site contains high density, older industrial units. Despite the poor access into the site, vacancy is low, the units are of average quality and the site appears to serve local needs for small and medium sized industrial units.

4.32 The other main industrial sites in the town are the **Elmsfield Industrial Estate** (1.0 ha) and **Greystones Industrial Estate** (0.7 ha). These estates are of lower quality and contain a number of older, converted buildings of lower specification. The Elmsfield estate lies behind the Worcester Road/Primsdown estates but with a narrow, long access road and sloping steeply to the south and vacancy is high, with no discernible agent marketing. The Greystones Estate has poor road access and contains low grade, former Council offices, although most appear to be occupied. Overall, these are lower quality sites providing lower specification accommodation for local firms.

Rest of the District

4.33 Outside the main towns, industrial sites comprise a few large industrial estates beside villages, and some single industrial sites or small units in converted buildings in rural areas or in small villages. These are listed on Table 6.4 and provide a mix of types, sizes and quality of units.

4.34 The **Stanton Harcourt Industrial Estate** (9.5 ha) on the edge of Stanton Harcourt contains a number of relatively modern and reasonable quality industrial and warehouse units. The site is level but adjoins a residential area to the north, and has no immediate access to the main road network. Although several units are vacant, there is planning permission for some new industrial units. While this estate appears relatively remote, it provides reasonable quality accommodation suitable for local firms who do not need good strategic road access.

4.35 The **Oakfield Industrial Estate** (10.2 ha) on the edge of Eynsham contains mostly industrial uses with some small office units. Although much of the accommodation is ageing, additional units were built in the 1980's and 1990's. The site is level, has good access directly from the B4449 Eynsham by-pass and lies only 2 km from the A40 with adequate parking on-site. There are no incompatible adjoining uses, good public transport links and local services nearby in Eynsham village. Although somewhat untidy, this site appears to be of reasonable quality and suitable for a range of occupants.

4.36 There are three relatively remote, rural sites: **Crawley Mill** (1.8 ha) at Crawley, **Enstone Airfield** (12.9 ha) and **Lakeside Industrial Estate** (7.9 ha) near Standlake. These sites do not have any incompatible adjoining uses and contain a number of bad-neighbour uses but there are no services or public transport links in the vicinity. Crawley Mill has adequate local access and provides industrial units of low specification for mainly small businesses. However, the site has approximately 20% vacancy and the northern part is within a flood risk area. The Lakeside industrial estate contains a mix of older industrial units of low quality as well as more modern units built to a higher specification. Local road access is via a sloping road off the A415.

4.37 Enstone Airfield is a large site containing a mix of larger industrial uses, including hangar conversions, large factory units and some modern industrial units. Access into and within the site is relatively good and the buildings appear to be fully occupied. Overall, these three sites, whilst of lower quality, appear to offer an important source of accommodation for bad-neighbour uses requiring larger premises.

4.38 The smaller **Groves Timber Yard** (1.4 ha) at Milton under Wychwood comprises buildings converted to small offices, and a small industrial area containing units of reasonable quality, as well as some modern industrial accommodation. However, this site is surrounded by residential uses. Despite this, road access into this level site is adequate and it has low vacancy. Overall, this site is of average quality and able to meet some local needs.

4.39 There are few purpose built industrial estates outside the larger villages but one is the **Viscount Industrial Estate** (1.2 ha) near the small village of Brize Norton east of Carterton. It contains modern industrial units and local road access is relatively good and the internal roads are adequate. However, the site is in open countryside with no services nearby, and public transport links are poor. Despite this, vacancy is very low and this site provides average quality accommodation adequate to local needs.

4.40 Two large industrial units are contained within the **Ducklington Mill** site (2.6 ha) at Ducklington. These modern units appear well maintained and the site is level with good local road access and on-site parking. Despite some residential uses nearby, the site is otherwise located in open countryside, with few services nearby and a small part of the site within a flood risk area. While a small part of one unit is vacant, overall, this site is of average/good quality and suitable for industrial uses.

4.41 Two sites - **Eynsham Park Sawmill** (1.3 ha) at North Leigh and **Blenheim Saw Mill** (2.0 ha) at Combe - contain sawmills and timber storage. Both sites lie in open countryside, although a number of residential units and a railway station adjoin the latter site. Few services are located nearby, and local road access is poor to both sites. Overall these sites appear to be of relatively poor quality but adequate for their current uses. The Blenheim Saw Mill site has permission to convert redundant mill buildings into small office and industrial units.

4.42 Other small industrial sites comprising converted buildings in rural areas include **Heath Farm** (0.7 ha), **New Yatt Business Park** (0.9 ha), **Mount Farm** (0.3 ha), **Langston Priory** (0.9 ha), **Church Farm** (0.3 ha) and **Oxleaze Farm Workshops** (0.7 ha). These sites contain a mix of uses including furniture manufacturers, upholsterers and small workshops and industrial units. Many of these have poor local access and are remote from any services. Some have vacant units, but overall vacancy was low and, despite their limited road access, most appear of reasonable quality and able to serve local needs.

Table 6.4: Industrial Sites in the rest of the District

Site	Location	Area (ha)	Comment
Viscount Industrial Estate	Brize Norton	1.3	Average quality purpose built industrial estate
Tannery Yard	Burford	0.2	Average quality converted workshops and offices
Factory Premises	Charlbury	0.4	Average quality industrial site.
Old Pill Factory	Charlbury	0.6	Average quality industrial site
Mount Farm	Churchill	0.3	Average quality converted workshops
Blenheim Sawmills	Combe	2.0	Lower quality Saw mill with permission for B1 use.
Crawley Mill	Crawley	1.8	Lower quality site with low specification units
Ducklington Mill	Ducklington	2.6	Average quality rural Industrial site
Enstone Airfield	Enstone	12.9	Average quality site for bad-neighbour uses
Renault F1 Technical Facility	Nr Enstone	7.0	Good quality office, R & D and industrial facility
Oakfield Industrial Estate	Eynsham	10.1	Industrial estate of average quality
Siemens	Eynsham	4.6	Good quality single occupier site
Spareacre Lane	Eynsham	0.3	Small industrial site of lower quality
Oxleaze Farm Workshops	Filkins	0.8	Average quality Industrial site
Wroslyn Road Estate	Freeland	1.0	Average quality industrial site
Langston Priory	Kingham	0.6	Good quality converted workshops
Threshers Yard	Kingham	0.6	Average quality industrial/office site -high vacancy
Leafield Technical Centre	Leafield	6.6	Average quality office and industrial facility
Little Clanfield Mill	Little Clanfield	0.7	Average quality industrial site
Long Hanborough Business Park	Long Hanborough	6.9	Average/good quality industrial/office site
Groves Timber Yard	Milton u Wychwood	1.4	Average quality rural site
New Yatt Business Park	New Yatt	0.9	Average quality Industrial site
Eynsham Park Saw Mill	North Leigh	1.3	Lower quality site containing a Sawmill
Church Farm	Northmoor	0.3	Average quality converted workshops
Radford Farm	Radford	0.2	Average quality industrial units & workshops
Wychwood Business Park	Shipton u Wychwood	0.7	Average quality Industrial site
Lakeside Industrial Estate	Standlake	7.9	Average quality industrial estate
Stanton Harcourt Industrial Estate	Stanton Harcourt	9.5	Average quality industrial estate
Heath Farm	Swerford	0.7	Average quality converted farm buildings
Green Lane	Woodstock	1.1	Average quality single occupier site
Worsham Mill	Worsham	1.4	Average quality single occupier site

4.43 A small number of the rural sites were assessed as being of lower quality. **Spareacre Lane** (0.3 ha) at Eynsham comprises a collection of small workshops including van hire, car body repair and furniture manufacturing uses. It is located on a narrow residential street, with on street parking nearby, and surrounded by residential uses. The quality of the buildings on the site is poor but there was no evidence of any vacant units.

4.44 No sites were considered to justify release to other uses on the basis of vacancy levels or overall operational constraints although the Scrap Yard site in the West End area of Witney has poor access and is understood to give rise to environmental problems. The West End and Eagle estates in Witney also have poor access and, in the longer term, may be more effective as office or mixed use sites. The BT Depot site and timber yard site in Witney may also have some potential for alternative uses if the current uses cease or relocate.

Single Occupier Sites

4.45 There are also a number of single occupier sites, including both industrial and office based firms. These include the **Green Lane** site (1.1 ha) at Woodstock, occupied by medical supplies manufacturer Owen Mumford, the **Oxford Instruments** offices/R&D building at Eynsham (1.4 ha), and the **Siemens** site (4.6 ha) outside Eynsham. These all contain purpose built premises. The Oxford Instruments, Siemens, and Green Lane sites lie on the edge of villages or in open countryside near villages, although the Siemens site is located on one the main routes into Oxford. Some local services and reasonable public transport links are nearby but these sites are within flood risk areas. These are reasonable quality employment locations, despite the Green Lane site's poor local road access.

4.46 The large **Renault F1** (7 ha) site provides mainly R&D facilities in a remote rural location 1.5 km from Middle Barton village. Its access is off minor roads and there are no public transport facilities and few services nearby. This is a modern purpose built facility of good quality and suitable for its specific user although it may be less suited to other potential occupiers, and ranks as average as a general employment site.

4.47 The **Abbott Diabetes Care** facility (7.9 ha) at Range Road in Witney is a good quality, single occupier, purpose built manufacturing facility, which has recently been expanded. It forms part of the recent industrial and office development in this area and has good local and strategic road access and good links to the rest of Witney.

4.48 The **Factory Premises, Charlbury** (0.36 ha) is a small single occupier site containing one large B8 unit in good condition. It occupies a remote rural location with few services nearby. A few residential properties adjoin the site on two sides, but open countryside lies to the south and west. Despite a downward sloping access road, site access is reasonable and directly on to the B4437 and B4022. Overall, this is an average quality site.

4.49 The **Worsham Mill** site at Worsham (1.4 ha) contains a collection of converted mill buildings occupied by clothing manufacturer JSP, along with more modern warehouse units. It has poor, narrow road access, is located within an AONB and the south end of the site is within a flood risk zone. The site is also remote from residential areas and local facilities and has no public transport links. For these reasons, this site is considered to be of poorer quality than the other single occupier sites.

4.50 Although not strictly a single occupier site, the large **Leafield Technical Centre** (6.6 ha) is predominately occupied by the Super Aguri Formula 1 car racing team. It contains large office and industrial premises, and also contains several advanced engineering and media firms. The accommodation is modern and high quality, and the site is level. Local access into the site is good, but strategic road access is poor. Some residential properties lie nearby, but otherwise the site is adjoined by open countryside and with few local facilities nearby. Although offering modern premises suited to its current occupiers, this is considered to be an average quality site in overall employment terms.

Allocated Employment Sites

4.51 There are also four remaining employment allocation sites. Several plots on De Havilland Way (9.6 ha) to the west of Witney have recently been developed for high quality industrial and distribution units, including larger purpose built accommodation for single occupiers. The remaining land on this site, amounting to about 30% of the site, has planning permission for similar uses.

4.52 A further allocation nearby to the **West of Downs Road** site in Witney (2.3 ha) is vacant, without planning permission. These sites are level, have no development constraints and good access to the A40. This area has attracted recent investment and appears good quality land likely to be attractive to industrial uses.

4.53 In Chipping Norton, the **Depot site** (0.9 ha) is currently used as a Council depot, but part has permission for B1 uses. The land to the rear of Cromwell Park is allocated for health care facilities, employment and residential development, although the exact mix of uses is yet to be established. The site also adjoins a conservation area and a residential development to the south west, but is located near to the town centre. This level site occupies a low profile position, but adjoins a successful office site, and appears a reasonably good site for B1 development.

4.54 The remaining part of the District contains only one other allocation; the **Lakeside Extension** (1.9 ha) at Standlake. This forms an extension to the existing Lakeside Industrial Estate, and is allocated for B2, B8 and similar sui generis uses, especially ‘bad neighbour’ uses. The site is adjoined by open countryside to the south, with no residential uses nearby. It has direct access to the A415 but poor public transport connections. As it lies beside an established industrial site, it should provide a suitable location for the types of uses it is designated for.

Conclusions

4.55 Overall, the District contains a good range of employment sites of differing quality and type. In terms of office premises, much of the stock outside of some older premises in Witney town appear to be reasonably good quality, and provides a range of unit sizes. There is a reasonable supply of modern space and a good distribution across the District apart from Carterton. Most of the available sites are fully developed and vacancy is low. However, the remaining allocated sites and undeveloped sites with planning permission are all of good/average quality and likely to come forward for development.

4.56 For industrial premises, there is again a good range of sites and premises and a reasonable distribution across the District. Most of the sites are only of average quality by national standards and much of the stock is ageing but there are some good, modern premises in Witney and Carterton. Despite this, there are relatively few sites which are of lower quality and even these have little vacancy and meet local needs at some level.

4.57 There is little undeveloped land remaining on most of the established industrial areas, and some estates need upgrading although some modern premises are coming forward in Witney and to some extent at Ventura Park in Carterton. In particular, there appear to be few medium/large sized industrial premises elsewhere and little in the way of small, low cost starter units.

4.58 There are no sites that justify release to other uses at present on the grounds of high vacancy, being unsuitable for continued employment use in the long term or because of environmental impacts on adjoining uses. This reflects the fact that the District does not have a large supply of employment sites and many of the lower quality sites are meeting local needs.

5.0 THE WEST OXFORDSHIRE PROPERTY MARKET

5.1 This section describes current property market conditions in West Oxfordshire District and the areas immediately adjoining it, including recent trends in demand for and supply of commercial property, and the factors affecting these. These findings are based on discussions with a number of property agents active in the area and various economic development and business organisations, as well as from analysis of commercial property availability databases and published reports on the Oxfordshire property market.

General

5.2 The District has traditionally been seen as a mainly industrial location and a largely self-sustaining local economy where most demand originates locally. There is always some local demand even when the national economic situation is poor but upturns in demand nationally are never fully reflected in the West Oxfordshire property market. Oxford does not tend to exert a strong influence on demand in the District since its property market is drawn fairly tightly around the City. For offices, the market extends only to Botley, Kidlington and Eynsham. For industrial premises, firms which do not have an essential need to be in the City are willing to move to Witney, Kidlington and Bicester.

5.3 The District's main strengths in terms of market attractiveness are its high quality environment and towns as places to live, combined with relatively lower cost commercial property and more readily available sites than in other parts of the County. Despite low unemployment, labour supply is seen as being of good quality. The perceived weaknesses include limited accessibility due to congestion on the A40 and high housing costs. Firms tend to be attracted to the District by some reasonably good sites being readily available rather than its wider locational advantages.[20] Demand for employment space varies significantly in different parts of the District, with most focused on Witney and areas closer to Oxford.

5.4 While not distinguishing between industrial and office premises, national data on levels of vacant commercial property indicates that vacancy generally is relatively low in West Oxfordshire in comparison with other Oxfordshire districts and national and regional rates (Table 4.1). Only Oxford, which has shortages of employment land arising from its tight Green Belt, policy approach and other factors, has a lower rate.

[20] good sites in terms of size, accessibility and location within an attractive employment area without sensitive adjoining uses

Table 4.1: Commercial and Industrial Property Vacancy Levels

Area	2000/01	2001/02	2002/03	2003/04	2004/05
	% vacancy	% vacancy	% vacancy	% vacancy	% vacancy
West Oxfordshire	5	5	4	5	5
Oxford	2	3	4	3	3
Cherwell	6	7	5	8	9
South Oxfordshire	6	6	8	8	9
Vale of White Horse	5	9	7	8	9
South East	6	7	8	9	9
England	7	8	8	9	9

Source: Department for Communities & Local Government, Commercial and Industrial Property Vacancy Statistics.

Industrial Space

5.5 Current demand for industrial space in the District, which includes both manufacturing and distribution uses, is seen by different sources as either stable or reasonably good but the general level of demand is relatively low, and the market has been subdued for several years. Demand comes mainly from local firms growing or consolidating, as well as from start-ups. Demand is predominantly for smaller industrial units of up to 465 m^2 (5,000 sq. ft), with requirements for premises over 930 m^2 (10,000 sq. ft) rare. Within that range, demand tends to be stronger at the lower end, for premises under about 280 m^2 (1,000 - 3,000 sq. ft). Most demand for new premises appears to be for freehold units, and much of the new supply is effectively offered on that basis.

5.6 Few firms tend to move into the District from Oxford or other surrounding areas and turnover of firms within the District is low. There are, however, some recent examples of firms relocating from nearby towns to be closer to their workforce, which is largely based in West Oxfordshire, as well as because suitable sites were available. [21]

5.7 Across the District generally, the current supply of industrial space was also seen as quite low but broadly in balance with demand. Industrial vacancy generally is below average with an estimated 48,300 m^2 of industrial/distribution space available in late 2006[22], equivalent to just over 6% of the total industrial stock.[23] Overall, a reasonable level of good quality industrial space was felt to be available by agents, with no strong indication that existing firms are unable to expand or move to more suitable premises within the District, although not necessarily within the same town.

[21] the relocations to Witney of Alden Press (Botley) and Oxford Products (Kidlington) were reportedly influenced by a largely West Oxfordshire based workforce

[22] based on properties listed on EG Property link website at January 2007

[23] an average vacancy level of around 10% indicates a normal market with a reasonable amount of property availability to allow movement of firms.

5.8 As Table 4.2 below shows, rents for industrial space in West Oxfordshire also tend to be lower than in Oxford but comparable to surrounding towns. There is limited rental variation between the different towns within the District, although Witney attracts slightly higher levels. This broadly confirms the District's attraction as a location with relatively low cost industrial space, although Banbury and Bicester have slightly lower rents than Witney.

Table 4.2: Rents for Industrial Space

Town	(£/sq. m)
Witney	£ 70
Chipping Norton	£ 60
Carterton	£ 65
Eynsham	£ 65
Long Hanborough	£ 70
Oxford	£ 90 – 120
Kidlington	£ 77- 85
Abingdon	£70
Thame/Bicester	£ 70 – 80
Milton Park	£ 65
Banbury	£60
Bicester	£60
Swindon	£65-70

Source: Survey of Property Agents, Jan 2007

5.9 The main elements of available industrial supply identified include the Downs Road/Range Road area beside Windrush Park in Witney where, at recent take-up rates of 1-2 ha p.a., about seven years supply is left. The Nimrod development of small industrial units in Witney is being taken up well but this was seen as likely to meet demand for small, freehold units for the next few years at least.

5.10 In Chipping Norton, demand for industrial space is lower than in Witney. Agents report a fairly low level over the last few years, but very little new development there also. Demand slightly exceeds supply at present with the existing industrial estates now full. This is a small market and only a small amount of new industrial space is needed, mainly smaller units and probably on a phased basis.

5.11 In Carterton, the Ventura Park development has met strong demand for serviced plots for a range of activities including some that would not fit in business parks or traditional industrial estates, such as scaffolding or fencing operations. Otherwise, this site and the new units at West Oxfordshire Business Park should cater for a relatively low level of demand, since some units in the latter scheme have been difficult to let, possibly being too costly or too large for the local market.

5.12 Given the current schemes available, no need for large amounts of additional industrial land was seen by the local property market at present although small amounts would be needed beyond the next three years. For example, the 16 units Nimrod development in Witney is anticipated to be fully taken up within two years while the Glenmore scheme nearby with 18 small units of under 100 m^2 went very quickly.

Offices

5.13 The office market in West Oxfordshire is experiencing only limited demand at present, at a lower level than the industrial market. Demand is again primarily for smaller units of around 45-230 m^2 (500 -2,500 sq. ft) with few enquiries above 465 m^2 (5,000 sq. ft). Demand is primarily from local firms expanding, with very little from footloose firms from outside the District. Much of the demand that exists is for freehold premises and reflects lack of choice in nearby districts.

5.14 There is also seen to be limited availability of good quality office space in the District and vacancy generally is perceived to be quite low. However, in late 2006, approximately 11,700 m^2 of B1 office space was advertised as available in the District as a whole, equivalent to about 11% of the entire office stock and close to `normal' levels.[24]

5.15 Demand for office premises varies by location; but is reasonable in Witney. Speculative development is limited by lack of strong demand and is generally confined to Witney, with the Witney Office Village scheme the only significant new development of that type there for some years. Any good quality premises tend to be taken up quickly and it is reportedly difficult for some locally based professional firms to expand into larger premises. There is, however, a significant amount of secondary space in Witney town centre and above shops.

5.16 In Chipping Norton, demand for office space is limited, reflecting its remoteness and a somewhat insular, locally driven market. There is felt to be adequate supply there relative to demand, with undeveloped land remaining on the Cromwell Business Park as well as the Parker Knoll site. However, the low demand level would not guarantee developers bringing forward suitable new office premises. The Cromwell Park developers considered demand for premises to be reasonable, with vacancy very low but with no immediate plans for expansion. This relatively small business park (1.9 ha) has taken almost 15 years to fill up.

5.17 Demand is low in Eynsham, reportedly due to larger units available than local demand requires and perceptions of road access and congestion issues linked to the toll bridge; some units on Oasis Park have been empty for several years. In Carterton, current demand for office space is minimal, and there is also very little available supply, although

[24] EG Propertylink website, January 2007

some new office units have been approved there. However, there were some views from other consultees that it could have some potential for small scale office uses if it remained a cost effective location.

5.18 Demand is fairly good for office space in good quality converted rural buildings, particularly in locations closer to Oxford, but provided these have relatively good accessibility and broadband connections. Schemes such as Court Farm Barns in Tackley have let very quickly but the market was felt to be reasonably catered for with such premises at present.

Table 4.3: Rents for Office Space

	Rent Levels (£/sq. m)
Witney	£130-170
Chipping Norton	£120
Carterton	£ 75-90
Eynsham	£170
Long Hanborough	£160
Oxford	£ 225
Kidlington	£130-210
Bicester	£160
Banbury	£170
Didcot	£200
Swindon	£185

Source: Survey of Property Agents, Jan 2007

5.19 As Table 4.3 indicates, office rental levels are significantly lower in West Oxfordshire than in Oxford, and slightly below Kidlington just outside the City, but generally lower than those in the larger county towns. The combination of relatively low rents and low demand make it less likely that developers will build speculative office units in the District.

Incubator Units/Starter Units

5.20 Incubator units comprise very small units with shared services, on-site support and short flexible leases. The main source of such supply in West Oxfordshire is the TBAC centre in Witney, which offers 25 small office units, of between 10 - 300 m^2, on monthly licences, but does not cater for industrial uses. This centre accommodates a range of start-up activities including IT firms, professional services and management consultants. Demand for such space is reasonably strong, although vacancy is typically around 15% because of the turnover arising from the short renting periods in place and this centre has no waiting list.

5.21 While the TBAC centre and other premises probably meets current levels of demand, there may be a need for more such space in Witney in the longer term, and probably some provision in other West Oxfordshire towns, particularly Chipping Norton. Indications are that firms in the TBAC centre are able to find suitable move-on office premises when they expand, either in mixed use industrial estates or in premises above shops.

5.22 There are relatively few other sources of small, flexible office units of this type in the District, with Spinners Court in Witney and some premises above shops in Witney town centre providing some supply. There are proposals to set up an Enterprise Centre in Chipping Norton. There were also some views that Carterton might benefit from a centre with low cost, start-up units since RAF personnel receive a lump sum payment on leaving the service which could be used to set up a small business, but there is a shortage of suitable premises for this in the town.

5.23 In contrast, there is significant provision of this type in adjoining districts. Oxford has an Innovation Centre and incubation space on its Science Park, while the City Council's Enterprise Centre accommodates a wider range of small firms. Six other innovation centres, including laboratory space, exist elsewhere in the County at Begbroke Park, Bicester, Upper Heyford, Culham and Harwell.

5.24 No particular shortage was identified by property agents of premises for small, start-up industrial activities, which are usually able to find space in industrial estates.

Secondary Industrial Areas

5.25 Secondary industrial space for firms requiring lower cost, lower quality premises, such as vehicle repair and older established businesses, appears in some of the older industrial estates, such as Bromag in Witney and at Enstone Airfield. In the context of relatively subdued demand for industrial space generally, there is significant demand for such secondary space and for sites with large open storage areas. The Ventura Park development has met some of the latter demand, but only for firms able to develop their own premises. Any release of older, lower quality industrial estates to other uses could increase demand from firms relocating from such areas.

Gaps in Provision

5.26 Very few major gaps, in terms of either scale or type of premises to meet market demand, were identified in the range of property types currently available in West Oxfordshire. As noted above, the supply of small/medium modern industrial units in Witney was considered adequate for several years ahead. No need was seen for sites to accommodate larger scale, strategic distribution units and there was an adequate supply of small office units in converted rural buildings outside the main towns.

5.27 However, there were some indications that expanding firms often struggle to find suitable, larger industrial premises in locations where they want to go. There may be enough land in the District as a whole but not necessarily an adequate choice of premises where firms need them, which for could force a firm in Chipping Norton, for example, to move to Witney. This shortage may be linked to low levels of demand, particularly in the smaller towns, which makes developers reluctant to build too much space, particularly premises for leasing.

5.28 In contrast to property agents' views, there was also felt by some firms and other business organisations to be little choice of small industrial units or managed workspace to lease in the 90-270 m^2 (1-3,000 sq. ft) range, as developers do not consider these units profitable. While new small industrial units were recently provided on the west side of Witney, most of these were sold as freehold, although others were offered as leasehold. There was also felt by small business organisations to be a shortage of small, managed, purpose built office units to lease at reasonable cost.

Views of Employers

5.29 The views of a sample of about 25 local businesses were obtained from a telephone survey as part of the general consultation process. This survey covered a range of firms in terms of size, location and sector.[25] This aimed to assess the adequacy of supply, and obtain some indication of likely future demand, from the viewpoint of occupiers. In particular, the adequacy of existing premises, the likelihood of firms expanding in the next few years and their ability to find suitable sites to allow this within the District were investigated. While this relatively small sample can only provide a general indication and may not fully reflect the general position on demand/supply of commercial property in the District, some relevant points emerged:

- many firms are based in the District because their founders lived there, and have been established for considerable periods, with few recent incomers identified;
- the majority of firms serve wider than local markets and most do not have strong customer or supplier linkages that would keep them in this area;
- most firms want to stay in the District and were unwilling to move far due to the importance of retaining their skilled local workforce and, in a few cases, their

[25] 25 firms were surveyed with company names and locations listed in Appendix 1.

customers. High infrastructure costs of relocation were a key factor for some industrial firms.

- the availability of suitable sites has been a key factor for firms who have moved into the area, or relocated/expanded within it.
- most firms considered their current premises to be adequate for their needs, although perhaps 20% of industrial occupiers complained of older premises in poor condition and not well suited to their operations;
- between 20-25% of businesses consulted expected to expand in terms of space within the next five years but several had too much space now;
- because few firms were planning to expand/relocate, views on the availability of premises were limited; however, a few firms reported a lack of larger industrial/warehouse premises to rent or buy and felt that any sites available would be too expensive;
- other firms reported difficulty in finding small, flexible and low cost industrial units while there were considered to be relatively few larger town centre office premises available.
- a number of industrial firms reported difficulties in getting suitable labour and some draw workers from areas such as Banbury and Swindon, as well as relying heavily on EU economic migrants.

5.30 Further indications of problems with employment premises faced by local firms can be gauged from a recent study of 320 small businesses in Oxfordshire. [26] Some 76% of these firms aimed to grow within the next few years, although this does not necessarily imply a need for more space. About 30% identified availability/cost of premises as an obstacle to their business, and 13% as this being a major issue. Some comments related to difficulty in expanding or relocating premises in the District. However, this survey did not relate specifically to West Oxfordshire, and premises were identified as an obstacle much less frequently than matters such as regulations, the economy and staff recruitment.

5.31 These results did not suggest strong demand for much additional employment space in the District to allow growth by indigenous firms. While they do suggest some shortages of certain types of premises, and a need to upgrade the current stock, it is not clear how widespread an issue this is. At the same time, the importance is highlighted of the District's local workforce as a key factor in retaining, and in some cases attracting, firms. Ensuring a supply of good quality sites is available will also be key.

[26] The Economic Ecology of Small Businesses in Oxfordshire, FSB, 2007

Future Prospects

5.32 A general view from various consulted bodies was that the economic role and character of West Oxfordshire was unlikely to change greatly in the future. Its limitations in terms of accessibility and environmental constraints are unlikely to change. The District is seen as having a successful and diverse economy, with a number of good IT, bio-medical and design firms, but with no particular strength in any one sector that would develop the economy strongly in a particular direction. These activities tend to be dispersed and do not appear to form any coherent cluster that could provide a focus of linked growth. While the District could attract a few high technology firms from Oxford, it was not seen as likely to form a major IT or other high technology cluster in its own right.

5.33 Some further decline of manufacturing appears likely unless firms become very specialist and can operate very efficiently. There were some views that the District could attract significantly more investment if it made sizable areas of land available and promoted itself more actively, but that has not been a preferred approach in the past. In particular, there appears scope to attract, from adjoining districts, more firms whose workforce is already based in the District. There were also arguments that the District should maintain and continue to develop its diversity but with relatively small amounts of employment land releases to sustain this. A steady, on-going supply of space in small business parks would be important for the future in fostering the growth of knowledge based firms in the District.

5.34 In terms of where any new employment land should be located in the District, the general view was that Carterton had enough industrial land for some time. Chipping Norton could perhaps benefit from a significant increase in provision, but not to an extent that oversupplied the market. This should probably be a mixed use business park to cater for both industrial and office uses and take up would probably be slow. There were other views that, in Chipping Norton and Carterton, redevelopment of older industrial estates to provide more modern premises, if that could be achieved, may be preferable to new allocations.

5.35 However, it was felt that the bulk of provision should be in Witney, where demand has been strongest and could benefit most from any overspill from Oxford. Infrastructure would be key to successful provision, and a planned new A40 junction on the west side of Witney would make that location preferable, particularly as this is likely to be the main location for new housing and labour supply.

5.36 Some provision of small business developments in the smaller, more accessible villages would also be beneficial in locations nearer to Oxford, such as Eynsham and Long Hanborough. These could be similar to the current Long Hanborough and Blenheim Park schemes of small, modern units but there would always be demand for more barn conversion type premises in that general area.

Conclusions

5.37 The following points emerge from the above analysis:

- the District has a self sustaining local economy where most demand originates locally and there is little inward investment; it is also a diverse economy which is unlikely to develop any particular high technology clusters in its own right;
- demand for industrial space in West Oxfordshire is reasonable but not strong, while there is also a low supply of modern premises coming forward and what demand exists is mainly for small, flexible industrial units to lease;
- industrial rents in the District are lower/comparable to Oxford and the other County towns making this a reasonably competitive location in cost terms;
- while there is probably an adequate supply of industrial space in the District for the next 3-5 years, more will be needed to meet longer term needs.
- current demand for office space is very limited and is also mainly for small modern units with little new, good quality supply coming forward in the main centres;
- the District's office rents are lower than Oxford's but similar to other County towns;
- vacancy levels are around normal levels for office space but low for industrial premises, and the District's vacancy levels are lower than in most other Oxfordshire districts;
- a steady, if relatively small, on-going supply of high quality office premises is likely to be needed in future;
- there is no strong indication that many firms in the District are planning expansion requiring additional space in the short term, or that shortage of space is restricting growth, but some upgrading of the industrial stock appears important.
- no major gaps were identified in the range of property types available but the District does not currently have the type of innovation or enterprise centre to support start-up firms that nearby districts have; some shortage was also indicated of small managed office units, some medium sized high quality offices and small, low cost starter industrial units to lease;
- the market was felt to be reasonably catered for at present in terms of good quality, converted rural buildings;
- no need was identified for larger scale strategic distribution space in the District;

- in terms of locations for any new employment space, the preferred locations were Witney and Chipping Norton, particularly for industrial premises.

5.38 Overall, the District is seen as a mainly self-sustaining, locally driven market with some locational disadvantages but benefiting from an attractive environment and reasonable costs, while its supply of more readily available sites has been particularly important to its market attractiveness compared to other areas.

6.0 COMPETING AREAS

6.1 This section considers the current economic role, amounts of employment land available and any major economic development proposals in nearby districts to assess the extent to which these areas will compete with West Oxfordshire for investment or accommodate some of its future demand for employment space. Consideration of these areas is considered appropriate as West Oxfordshire does not tend to compete for footloose investment at a national or regional level. This assessment is based on discussions with economic development and planning officers in individual districts and review of economic development strategies and published data on employment land availability.

Oxford

6.2 Oxford is the nearest large economic centre and is a major focus for science and high technology activities as well as for publishing and a significant car manufacturing role. Its major employment centres include the 82 ha BMW car manufacturing plant at Cowley, the 49 ha Oxford Business Park, the 23 ha Oxford Science Park at Littlemore which contains a range of R&D accommodation and incubator units, a range of industrial estates and incubation premises for start-up high technology businesses.

6.3 While significant amounts (45,000 m^2) of land and premises for office uses are available on the Oxford Business Park and Science Park, this is estimated to be only 4-5 years supply at recent take up rates. There is a large amount of older, second hand office space in the city centre but this is difficult to let and expensive compared to West Oxfordshire. The only potential new source of office space is the West End regeneration initiative in the city centre, where a possible 2 ha could be developed, but this is anticipated to be some years off. In the longer term, a southern extension to Oxford to provide 3,500 homes and a 20 ha extension to the nearby Science Park is being promoted. Oxford also has two reserve sites (totalling 54 ha) on the ring road on the City's northern edge which have potential for employment use but may also be needed for housing.

6.4 Oxford's property market lies close to the City, stretching only to Kidlington for industrial uses and to Eynsham for office premises. Few Oxford firms tend to relocate much further than that if they need to stay near the City. Oxford's current industrial role is not a strong one, limited by land supply, traffic congestion in the city and low levels of industrial space available. The only significant source of new industrial supply is in Cowley where 10 small industrial units of 130-560 m^2 are being developed.

6.5 The City is clearly the main attraction for larger, knowledge-based firms in the sub-region that need close links with its universities and hospitals as well as for some other office uses that seek an Oxford brand name. West Oxfordshire does not compete with Oxford in this respect. While West Oxfordshire has some potential to attract overspill demand from Oxford, particularly industrial firms, most of these tend to go to Kidlington and Abingdon. The District could, however, attract some smaller knowledge based firms that seek lower cost premises and do not need to be close to the City.

Swindon

6.6 Swindon, near the south western edge of the District, is a growth town with a substantial amount of employment land spread over a large number of employment areas, both industrial estates and high quality business parks such as Windmill Hill. While most of these sites are fully developed, there is over 130 ha of land remaining in established employment areas and allocated sites. Recent take up has averaged 8-9 ha annually. The borough has strong advantages for attracting employment investment, being located on the M4 motorway, with good rail links, reasonable labour supply and much available employment land, which is relatively low cost compared with Oxfordshire. A substantial amount of new office space (90,000 m^2) is planned for the town centre regeneration initiative and a Bath University campus and Science Park are proposed on the edge of the town.

6.7 Overall, this is a strong industrial location which also contains significant levels of financial services and higher technology firms, and aims to develop further in various emerging sectors such as IT, healthcare, and environmental and cultural industries. However, Swindon serves a different market from West Oxfordshire, attracting larger firms from the South East region and abroad that require excellent accessibility and larger, lower cost sites than in the Thames Valley, as well as smaller firms from the local area. Property agents report no movement between the two areas. Swindon's proposed new office space will attract larger relocations from the London area that are unlikely to go to West Oxfordshire. In future, it is likely to become a stronger focus for knowledge based firms but appears unlikely to compete with West Oxfordshire for the types of firms that the District tends to attract.

Cherwell

6.8 Cherwell District contains important industrial areas at Kidlington, Bicester and Banbury, the latter a significant focus for distribution uses because of its location near the M40 motorway. The main employment areas include the Banbury Cross Business Park, Thorpe Park, Chaucer Business Park, and various industrial estates – Marley, Beaumont, Oxford Industrial Park and Oxford Spires, the last two close to West Oxfordshire. The small 4 ha Begbroke Science Park, near Kidlington on the eastern edge of West Oxfordshire, accommodates science based activities and contains an Innovation Centre for incubator units. The former RAF base at Heyford Park is developing into a significant industrial estate and business centre. It contains the Cherwell Innovation Centre which has a mix of technology and science based companies, and with some 2000 m^2 available for growing technology businesses is one of the largest Innovation Centres in Oxfordshire.

6.9 Within this district, there is an estimated 95 ha of land available for potential employment generating development. Banbury accounts for 47 ha of this supply, Bicester some 38 ha and 3.2 ha of it is in Kidlington. This quantity of land is equivalent to just under 15 years supply at recent take-up rates. However, not all this land may come forward soon and the land in Banbury includes sites of 0.1-3 ha within established industrial estates and business parks, as well as a few large allocated sites. The majority of the available space is industrial but with sizable amounts of office space in Banbury.

6.10 Banbury is a strong industrial location, with advantages for distribution firms that West Oxfordshire cannot compete for, with Bicester also important for that sector. The Banbury Business Park has also attracted various general office firms but is nearly full. The Avonbury Business Park in Bicester is developing as a focus for high technology firms, some of which may have been drawn from Oxford. Kidlington is increasingly attracting industrial firms, and some office uses, from Oxford that seek lower cost sites with less traffic constraints. Cherwell is therefore better placed to attract overspill demand from Oxford than West Oxfordshire, having similar rents but better road access and some sites closer to the City.

Vale of White Horse

6.11 The Vale of White Horse District is a strong focus of higher technology activities (with 40% of the County's firms in that sector) as well as industrial firms, and lies close to the M4 and A34 corridors and the Thames Valley. It contains the large (100 ha) Milton Park estate, which has a mixture of industrial and higher technology activities, as well as the 8 ha Abingdon Science Park and Business Park. It also has an important specialist and higher value manufacturing sector, including printing, publishing, medical equipment and engineering.

6.12 There is very little land left around Abingdon for new employment development. Milton Park is fully developed but there are proposals to intensify the amount of building on it and this could mean a substantial increase in space over the next 10 years or so. The District's main location for future development is likely to be the 260 ha site at Harwell, the Government laboratory site, some 7 ha of which is to be developed as `world class centre for excellence in science and innovation', along with some general business development. Otherwise, there is 10 ha allocation of new employment land at Farringdon and a small (5 ha) site on the edge of Grove but very little else available in the District.

6.13 This District currently attracts firms out of Oxford which are unable to find suitable sites there or are seeking lower cost locations, and therefore competes with West Oxfordshire to that extent. It will continue to be a major focus for high technology growth in the sub-region but less so for traditional industrial uses, for which it does not appear to have much land supply.

South Oxfordshire

6.14 South Oxfordshire is also a largely rural district, but not directly adjoining West Oxfordshire. It contains the lowest amount of high technology firms in the County after Oxford but sees its future in the knowledge based sectors with spin-offs from proximity to Oxford. Its manufacturing base is relatively small but Didcot has some strengths as a distribution location.

6.15 In terms of land supply, this District has a number of small industrial estates in Wallingford, Thame, Henley and Didcot as well as the 80 ha Culham Science Centre, a centre for nuclear research but with other science based firms and an Innovation Centre. Some redevelopment is planned here to create new employment space. However, most of the District's employment areas are small, largely full and there are limited amounts of undeveloped land left. While there is some 80,000 m^2 of industrial space available, much of this is distribution premises. Its main requirement is for more business floorspace with little need for manufacturing or warehousing. However, the District is not planning to make any large new allocations of employment land given the proposals at Harwell in Vale of White Horse, which is considered likely to meet much of the needs for Central Oxfordshire. On the basis of its location, limited accessibility and small centres with limited land supply, South Oxfordshire is unlikely to compete with West Oxfordshire to any significant extent.

Cotswold

6.16 Cotswold is a mainly rural District to the west of West Oxfordshire but with 80% of the District within an Area of Outstanding Natural Beauty and few large employment areas, which are within the main settlements. It is an important tourist centre but not a strong industrial location. The largest employment areas are Love Lane industrial estate in Cirencester (35 ha), Bourton-on-the-Water industrial park (10.8 ha), Cotswold Business Village (4.8 ha) in Moreton-in-Marsh and Cirencester Road (14.8 ha) in Tetbury. There is little undeveloped land left in these areas. The District has some 23 ha of allocated employment land available, but most of these are small sites spread over 12 locations. Take-up has been very low, averaging only 2.5 ha annually. The largest remaining allocation is 11.5 ha on the edge of Cirencester and there are two outline planning applications for B1 development on these sites. While not a strong focus of high technology firms, it does contain the Cotswold Innovation Centre at RAF Rissington.

6.17 On the basis of its limited supply of employment land, its more remote location and the nature of its economy, Cotswold appears unlikely to compete significantly with West Oxfordshire. Property agents report very little movement or demand interest from firms between these two districts.

Stratford on Avon

6.18 This mainly rural district lies on West Oxfordshire’s northern edge, but is within the West Midlands region. Its main urban centre, Stratford on Avon, is known mainly as a tourist and cultural destination but has a significant level of industrial employment and a growing proportion of financial and business service jobs. It has few large employers, the main ones including car manufacturers Land Rover and Aston Martin. The District’s main business park, Enterprise Park at Stratford, is largely full. There are also small industrial estates at the District’s smaller towns. It has no main focus of high technology activities although there are proposals to develop a small, high technology focused innovation and research centre at Shottery Brook Business Park outside Stratford. Like West Oxfordshire, this area contains small knowledge-based firms scattered across its rural area, but there are very limited premises for small start-up firms. Overall, this district is not part of the Oxfordshire market, has relatively modest employment areas and no major development proposals that would appear to compete with West Oxfordshire.

Conclusions

6.19 Many of these districts have broadly similar economic aims – to sustain high levels of employment in a diverse sustainable economy, balanced with a high quality of life, and with a focus on knowledge based sectors. However, different areas tend to compete with each other in their individual areas of strength. Swindon serves a different market from West Oxfordshire and will attract larger office and distribution firms from further afield, rather than from Oxfordshire. Oxford will not compete for industrial uses given its low supply of land and labour, and will attract the larger higher technology firms that want and can afford an Oxford location. South Oxfordshire is a rural area with little land supply and no particular advantages over West Oxfordshire. Vale of White Horse would be a preferred location for both industrial and high technology overspill firms from Oxford and has a large supply of potential land for this. Cherwell would also be a preferable location for such firms, with sites closer to the City than West Oxfordshire and better road links.

6.20 West Oxfordshire therefore has some potential disadvantages as an employment location compared with some of the adjoining areas, particularly its more limited accessibility, its low available labour supply and modest amounts of available land, but it is competitive on cost. However, discussions with property agents and others indicate that West Oxfordshire is a relatively self-contained local economy that does not compete to any great extent with adjoining districts. Much of the District's demand for premises originates locally, from start-up firms or expansion of long established businesses. Where it has attracted a few firms from other districts, this has largely been because of available sites or factors related to that firm's workforce.

6.21 Given these factors, the District is unlikely to attract any large scale industrial or office firms in preference to nearby centres. In any event, West Oxfordshire has performed well without this type of growth in the past and has done so despite economic activity in areas around it. The proposals at Harwell and Culham, along with the strengths of Oxford and Milton Park suggest it would be difficult for West Oxfordshire to develop as a major focus for higher technology sectors but should not restrict its current growth in that sector.

6.22 Making significantly more employment land available may make the District somewhat more attractive but would not fully offset the strengths of nearby centres. Other than the proposals for Harwell, which are more likely to serve science based uses, there are no major planned developments nearby that should draw demand that might otherwise have gone to West Oxfordshire. Overall, there do not appear to be reasons why the District should not continue to compete successfully at its current level provided suitable levels of employment space are made available.

7.0 FUTURE EMPLOYMENT SPACE REQUIREMENTS

7.1 This section assesses the amounts of additional employment space likely to be needed in West Oxfordshire District up to 2026. It also considers the types of space required. It is important to emphasise that the assessment of future needs for employment land in this Chapter does not take into account existing commitments and as such does not represent the amount of additional land required. The quantity of **additional** land and sites required is considered in the following Chapter.

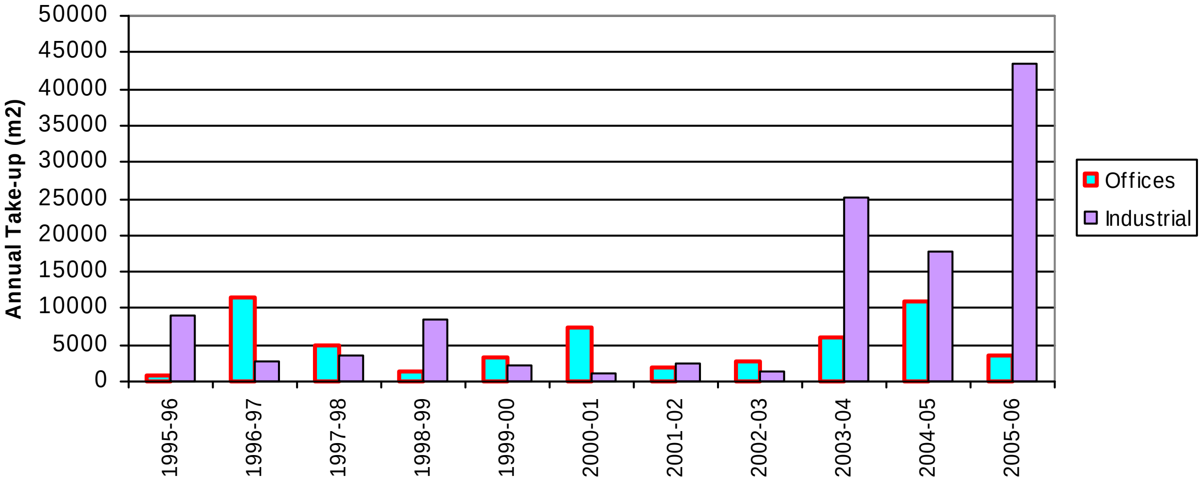
7.2 Several different scenarios have been considered for future employment land requirements. These reflect different levels of future demand and economic growth, as well as other factors. These scenarios are useful to help estimate what level of employment land may be required under different situations. However, the amounts of employment land that should actually be planned for will reflect the preferred economic strategy for the District, and the level of growth accepted within it. Options for the economic strategy are dealt with in Chapter 9.

7.3 To estimate the broad scale and type of further employment land required in the future, a number of different indicators and factors have been considered. The two main approaches commonly used in assessing future employment land needs are based on forecasts of employment growth and on past take-up of employment land. Given the difficulty of accurate employment forecasting for smaller areas, past take-up is often a better guide to future needs. However, this approach also has limitations and a review of various other indicators can point to a need to adjust the future employment space needs based on them.

Past Take-up Rates

7.4 Long term take-up rates of employment land can provide a good basis for informing future land needs, particularly where land supply or demand has not been unduly constrained historically. Over the 5 years since 2001, take-up in West Oxfordshire has averaged almost 23,000 m^2 of all types of employment space annually. Over a longer period from 1995, the average take-up has been lower – 16,500 m^2 annually. As Figure 7.1 below demonstrates, the pattern of take-up has also been uneven with high levels in recent years, and small amounts in others. The year 2005-06 experienced unusually high levels of development which may be atypical and unduly skew the average. On the other hand, this may have reflected pent-up demand arising from delays in development sites coming forward and there is an argument for taking this into account.

Figure 7.1: Completions of Employment Space in West Oxfordshire 1995-2006



Source: West Oxfordshire District Council   Note: Unspecified completions allocated to industrial/office uses in same proportions as specified completions for that year. Data includes schemes above 250 m^2. Industrial includes manufacturing, storage and warehousing uses.

7.5 Over both periods, the office space element has been more consistent, averaging around 3,900 - 4,400 m^2 annually over both short and longer terms. Completed manufacturing space has been at a similar level but the average take-up of B8 distribution space has been much higher over the last five years, at over 9,600 m^2 annually compared with its longer term average of 5,000 m^2. Take-up over a period such as 10/11 years should even out demand fluctuations over a business cycle and provide a reasonable basis for estimating future needs unless other factors indicate otherwise.

7.6 The long term average for the main B class uses excluding 2005-06 data therefore provides one reasonable starting point for estimating future needs - an average of 13,400 m^2 p.a. for B1-B8 uses. For comparison, another scenario based on the higher level figure of 16,500 m^2 p.a. has also been considered. Consideration of various other factors below will indicate whether future needs over the next 20 years should be above or below these past trend figures.

Employment Growth

7.7 Forecasts of employment growth for West Oxfordshire District up to 2026 were considered as part of this process. Such forecasts tend to be most reliable at regional and national scales than at the local economy level, but can indicate the broad scale and direction of economic growth in different sectors and provide some guidance to assess future land requirements.

7.8 At the outset, it is important to recognise that there is not always a clear cut relationship between employment change and employment land needs. Additional employment space can be needed even if employment itself is falling, for example if a manufacturing firm requires more space to enable greater automation and achieve job reductions through productivity gains.

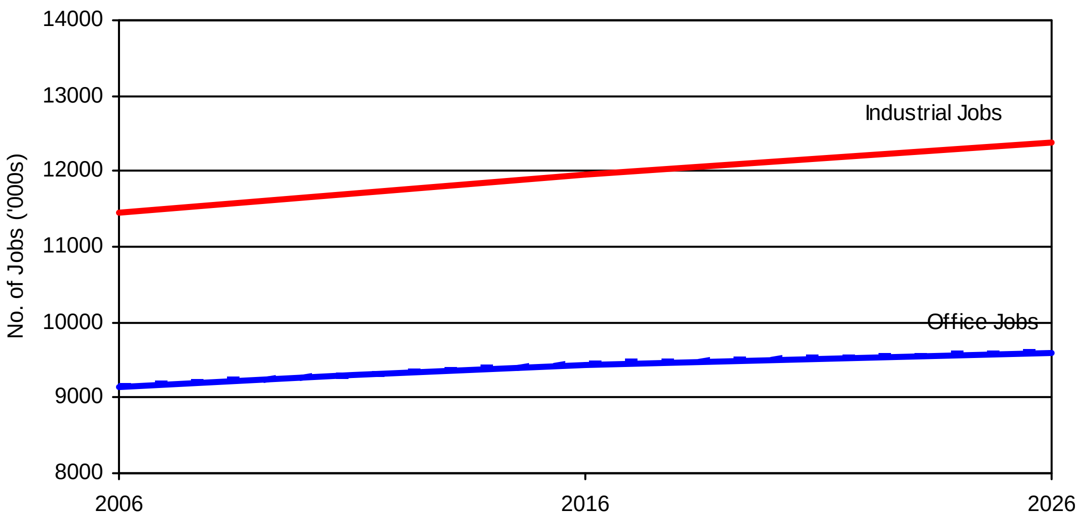
7.9 Forecasts of employment growth up to 2026 were obtained from Experian Business Strategies for a baseline scenario, largely based on projections at regional level, and how economic sectors in the District fared relative to the region's growth in the past.[27] Appendix 7 contains detailed forecast figures. The employment change in West Oxfordshire resulting from these forecasts is shown in Table 7.1 and illustrated in Figure 7.2 below.

Table 7.1: Forecast Employment Change in West Oxfordshire 2006-2026

	No. of Jobs	
	2006-2016	**2006-2026**
Manufacturing (B1c/B2)	+ 265	+ 510
Distribution (B8)	+ 200	+ 380
Business/financial services (B1)	+ 290	+ 450
Total B-class Jobs	**+ 755**	**+ 1,340**

Source: Experian Business Strategies/NLP, 2006

Figure 7.2: Future Employment Growth in West Oxfordshire



Source: Experian Business strategies forecasts, 2006

7.10 This suggests future job growth in the B-use classes over the next 20 years would be predominantly in industrial sectors, with gains in both manufacturing and distribution, but with growth in office employment also. This would require the District's economy to go against a picture of continuing decline in manufacturing employment nationally. The forecast scale of job growth is also relatively low, an overall gain in the order of 65 jobs annually. This compares with a net gain of 240 jobs annually in B class sectors in West Oxfordshire between 1997-2005. The forecasts also suggest much lower growth in business/finance job sectors than in the past. They predict annual growth of little more than 20 jobs in that sector compared with the 300 actually achieved annually in the District since 1997.

Translating Employment Growth into Floorspace/Land Requirements

7.11 These employment forecasts can be converted to gross additional employment space requirements assuming typical ratios of jobs to floorspace for the different B uses.[28] For this purpose, manufacturing space assumes a ratio of 1 job per 30 m^2, and distribution 1 job per 40 m^2.[29] Business and financial services jobs are taken to be the main requirements for B1 office space, at a general office ratio of 1 job per 20 m^2. An average plot ratio of 0.4 is assumed in most cases, so that a 1 ha site would be needed to accommodate 4,000 m^2 of employment floorspace. However, for office uses, allowance is made for some new provision being in converted buildings or higher density town centre developments.

7.12 In addition, for planning purposes, it is normal and prudent to provide a fairly generous additional allowance on top of this initial estimate of land needs for a number of reasons:

- to provide a margin for error given the uncertainties in the forecasting process;
- to allow developers and occupiers a reasonable choice of sites;
- to enable normal market movement and turnover of firms;
- to give some flexibility while older premises are redeveloped and new premises are coming forward;
- to allow for limited release of existing employment sites to other uses; and
- to cope with factors such as some allocated sites not coming forward.

7.13 This margin could also include a replacement allowance for some employment space being lost to other uses, in order to help maintain the current stock of employment space.

7.14 In some studies, an extra allowance of up to 50% has been added to the estimated land need figure to provide this safety margin. Other approaches have considered an

[27] These job figures were adjusted to estimate total jobs in the main B class sectors.
[28] ODPM Guidance Note on Employment Land Reviews notes there is no one correct employment density figure. It provides sample densities of 1 office job requires 18 m^2 of floorspace, 31 m^2 per manufacturing/industrial job, 40 m^2 per warehousing job and 78 m^2 per high bay warehouse job. The figures used in this study reflect these densities as well as those derived from other studies of employment density and NLP surveys.
[29] While some new B8 developments in the District are larger scale and likely to have lower job density than this, the majority of future B8 developments would be expected to be smaller units.

allowance of several years of past average take-up, to allow for delays in sites coming forward, to be adequate. In this case, from our understanding of the local market and the demand/supply situation, a safety margin equivalent to three years worth of take-up (or forecast requirement for the employment based approach) is considered reasonable. This additional amount is added to the estimates of required floorspace/land derived from the two main approaches used in this study.

Employment–based Space Requirements

7.15 On this basis, the job forecasts indicate 27,400 m^2 more industrial floorspace (manufacturing/distribution) would be needed by 2016, and 49,600 m^2 more by 2026. They also point to some 7,300 m^2 more office space being needed by 2016, and 11,300 m^2 more by 2026. Overall, there would be a requirement for some 49,600 m^2 more employment space over the next 20 years (Table 7.2).

Table 7.2: Job Forecast based Employment Space Requirements, 2006-2026

	2006-2016		2006-2026	
	Additional Floorspace Needs (m^2)	Additional Land Needs (ha)	Additional Floorspace Needs (m^2)	Additional Land Needs (ha)
Manufacturing space (B1c/B2)	10,000	2.5	19,200	4.8
Distribution space (B8)	10,100	2.5	19,200	4.8
Office space (B1)	7,300	1.8	11,300	2.8
Total B-class space	**27,400**	**6.9**	**49,700**	**12.4**

Note: Land/floorspace estimates based on jobs include 10% allowance for vacancy & safety margin of 3 years supply

7.16 A job forecast based approach would therefore imply an annual need for about 2,500 m^2 of B class floorspace over the next 20 years, considerably less than the 16,500 m^2 of completions averaged over the past 11 years and less than the amount achieved in any individual year in that period. For these reasons, a cautious approach needs to be taken towards basing future land needs on these forecasts.

Other Indicators

7.17 Given the large variation between the employment-based estimates and past-take-up, a range of other indicators have also been reviewed to inform a judgement on where the best estimate of future needs should lie. Some of these factors pull in different directions and a balance has to be drawn between them.

7.18 **Levels of new business registrations** provide an indication of the number of new firms starting-up or expanding in the District, and this will influence the amount and type of employment space required in future. New firm registrations in West Oxfordshire have typically been in the range 370-400 annually over the past 12 years, but with closures the net gain was only around 75 companies annually. This level of growth should eventually produce some growth in demand for additional employment space as firms grow, but probably relatively small in scale.

7.19 **The expansion requirements of established local firms** were assessed through discussions with developers, property agents and a telephone survey of firms based in the District, covering a range of types and sizes of businesses (Chapter 5). This found that under a quarter of local firms anticipated expansion in the next five years. Most firms indicated a preference to remain in West Oxfordshire if they were to expand or relocate. Lack of suitable premises was identified as an obstacle to company expansion in West Oxfordshire by relatively few firms although the condition of older premises was a significant issue. This may suggest a need for some more employment space to modernise the current stock but not for any large scale provision.

7.20 West Oxfordshire receives a low level of **relocations or inward investments** from other areas. Those that have been attracted have come largely because of available sites, and making more suitable land available could itself encourage more relocations. Whether this would be desirable will depend on the Council's economic objectives. Otherwise, it is difficult to see a need to provide large amounts of additional land to accommodate new investment.

7.21 The need to **replace** land or premises lost (or released) to other uses to maintain the level of the current stock of employment space has been considered. Over the last five years, there has been an average annual loss of 12,300 m^2 of employment floorspace to other uses. This is broadly equivalent to about 3 ha of industrial land lost annually although indications are that losses are unlikely to continue at that level. While this amount is less than new space completed in recent years, some replacement may still be needed if the current level of stock is to be maintained, particularly if any lower quality sites are released to other uses.

7.22 **Rental levels** of employment space can provide some guide to any imbalance between demand and supply of space, as well as the relative attractiveness of different areas. As noted in Chapter 4, West Oxfordshire's industrial rents are quite low in sub-regional terms but office rents are similar to other Oxfordshire country towns. Whilst these rent levels do not point to any significant shortages or oversupply of employment space relative to demand at present, they should make West Oxfordshire more attractive for relocations from higher rent areas such as Oxford, which could potentially increase demand for further land in future.

7.23 **Vacancy levels** and floorspace availability provide another indicator of the balance between current supply and demand for employment space. A typical vacancy rate in a normal market would be around 10%, to allow for movement and expansion of firms, and a choice of locations. Vacancy rates in West Oxfordshire currently stand at around 6% for industrial premises and 11% for office space, although the latter reflects older, second hand space in town centres. This indicator does suggest that current supply of industrial premises is not fully meeting demand. Increasing the industrial stock to provide a more normal vacancy level would imply 24,000 m^2 more space is needed.

7.24 Looking at **commuting** patterns, West Oxfordshire has a high proportion of residents travelling to work in other districts, particularly Oxford. Increasing the supply of good quality jobs available locally could help draw back some of these out-commuters and in reducing traffic congestion. This would support a case for more provision of employment land locally if this could be balanced with the District's environmental aims.

7.25 Significant future housing and population growth in the District – and hence **labour supply** – could mean a need for more local jobs if employment demand is to be met in the District. However, West Oxfordshire's working age population is forecast to grow little by 2026, and only about 3,000 of this workforce are estimated to require B class jobs.[30] This would suggest a need for a modest increase in jobs and employment space, although any aims to reduce high out-commuting would increase the requirement further. This issue is considered further under possible scenarios of future growth in Chapter 9.

7.26 Other factors which could moderate future levels of employment space required include the growing trend to relocate certain business operations to lower-cost locations overseas, often referred to as **"off-shoring"**. The industries with the highest propensity for this have typically included communications, banking and finance, and some business services, but with indirect effects on other sectors of the economy. At the same time, industrial firms are tending to move manufacturing operations to lower cost countries while maintaining UK distribution functions. Some recent studies suggest that while this trend may be slowing for business services, it may continue for lower-technology manufacturing. This may have implications for particular industrial sectors in West Oxfordshire. Although it is hard to quantify the extent with any certainty, it should reduce long term land needs.

[30] based on ODPM 2004 population projections for districts and current proportion of B class jobs in West Oxfordshire

7.27 Another factor which would tend to reduce the amount of additional employment space needed in the future is the ability to achieve economic growth without corresponding increases in demand for employment space or labour, known as **"smart"** or **"spaceless" growth**. This could reflect increased automation, labour productivity improvements, hot-desking, working from home, or more overtime working by current staff. Again, it is difficult to quantify the extent of this effect and recent studies have not found major changes in employment/space ratios so far. Over the long term, however, a shift from industrial to higher density office based jobs should reduce land needs.

7.28 **Competition** to economic growth in West Oxfordshire from other districts and larger sub-regional centres does not appear likely to be a major consideration for future employment land provision. Chapter 5 describes the strengths and land supply of adjoining areas but concluded these are unlikely to have major effects in drawing away investment that might otherwise occur in West Oxfordshire although they perhaps make it less likely that the District would achieve high levels of growth.

Planning Requirement for Employment Land

7.29 Drawing the above factors and analysis together, the indicators generally point towards a need for additional employment land over the next 20 years. However, estimates of the future amount required differ greatly between the past take-up (13,400-16,500 m^2 annually) and employment growth based approaches (approximately 2,300 m^2).

7.30 Both main approaches have some limitations. The employment forecasting process is more prone to error at small area level and more likely to underestimate demand from non B-class uses often found on employment sites e.g. waste recycling, depots, or from inward investment. The land needs based on these forecasts are also sensitive to assumptions on the future employment/floorspace ratios. On the other hand, past take-up rates may not reflect what will happen to the local economy in future, and largely reflect gross increases rather than net change in employment land, including any employment land being lost.

7.31 Long term take-up of employment space is considered to provide a more reliable starting point for estimating future needs in the short term. It better reflects actual demand on the ground given the lack of evidence of land supply in the District being unduly restricted in recent years. It is also not clear why future take-up of employment space in the District should fall dramatically from average levels actually achieved over a reasonably long and recent time period. There will be some need for more space to let existing firms grow, to allow upgrading of the stock and to accommodate some degree of incoming investment and new start-ups.

7.32 However, the above review of other factors that could influence future demand and take-up also suggests that long term future land needs could be less than in the past. While the employment forecasts appear to underestimate future growth in relation to recent trends, the general direction they point in needs to be taken into account. For example, increasing overseas competition could at least moderate future demand for manufacturing space in West Oxfordshire. A greater focus on office based, knowledge sector jobs in higher density premises over the longer term also ought to require less land than industrial jobs have in the past.

7.33 On balance, therefore, future space needs are likely to be less than 16,200 m^2 annually. There is no reliable scientific method of selecting the correct future level and a judgment has to be made based on available information. Two situations have been assessed – one based on a starting point of 16,200 m^2 p.a., (the long term average) the other on the slightly lower 13,000 m^2 p.a. (the long term average excluding the most recent year which had unusually high completions).

7.34 From these starting points, annual completions in each sector are judged to change by either a small or higher degree for each of the next two 10 year periods, reflecting the above factors, market considerations and estimated long term trends. For the lower past trends based scenario, the initial 13,400 m^2 figure falls to 12,000 m^2 annually over the next 10 years, and to 11,000 m^2 annually between 2016-26 (Table 7.3). Over 20 years, this would amount to about 230,000 m^2 of additional space.

Table 7.3: Lower Completions-based Annual Employment Floorspace Estimates, 2006-2026

	10 year trend (m^2)	**2006-16 (m^2)**	**2016-26 (m^2)**
Manufacturing space (B1c/B2)	4,400	3,900	3,300
Distribution space (B8)	3,900	3,700	3,200
Office space (B1)	5,100	4,400	4,500
Total B-class space	**13,400**	**12,000**	**11,000**

Note: unspecified uses allocated to B1-B8 uses broadly based on their proportion of specified uses

7.35 For the higher starting figure of 16,500 m^2, long term future trends are judged to result in an annual completion rate of 15,000 m^2 in the next 10 years, falling to 14,000 m^2 annually beyond that (Table 7.4). Over 20 years, this would mean about 290,000 m^2 of additional space required.

Table 7.4: Higher Completions-based Annual Employment Floorspace Estimates, 2006-2026

	Last 11 year trend (m^2)	2006-16 (m^2)	2016-26 (m^2)
Manufacturing space (B1c/B2)	5,000	4,600	4,000
Distribution space (B8)	6,100	5,600	5,000
Office space (B1)	5,400	4,800	5,000
Total B-class space	**16,500**	**15,000**	**14,000**

Note: unspecified uses allocated to B1-B8 uses broadly based on their proportion of specified uses total

7.36 In terms of the type of additional space required, most of it would be for industrial uses, including both manufacturing and distribution. A significant amount of land would still be needed for office and other knowledge-based uses, which could also accommodate some other compatible types of uses. The overall land requirement has been split by use broadly based on the pattern indicated by past completions.

7.37 As noted earlier, it is important to add a reasonable safety margin to these figures. In this case, a safety margin of up to 43,500 m^2 more space is added to the completions based estimates over the 20 year period, equivalent to a 15% increase.

7.38 Based on the different scenarios/approaches, the resulting land requirements over the next 20 years including safety margins are summarised below.

Table 7.5: Annual Employment Floorspace Requirements, 2006-2026

	Job Forecast Based (m^2)	Lower Past Completions based	Higher Past Completions based
Manufacturing space (B1c/B2)	960	3,970	4,680
Distribution space (B8)	960	4,140	6,360
Office space (B1)	570	5,120	5,640
Total B-class space	**2,490**	**13,230**	**16,680**

Source: NLP Note: estimates include safety margin of 3 years supply

7.39 Translating these floorspace estimates into amounts of land required produces the figures below (Table 7.6). These indicate a higher requirement, based on the last 10 years past take-up, of almost 81 ha of land, most of which would be for industrial uses (both manufacturing and distribution). A slightly lower requirement of almost 64 ha arises if the most recent year's high take-up is not used to estimate future needs. They also point to a very low land requirement (12.4 ha), much less than the undeveloped land currently available, if employment forecasts are used as the basis of future needs.

Table 7.6: Gross Annual Employment Land Requirements, 2006-2026

	Job Forecast Based (ha)	Lower Past Completions based	Higher Past Completions based
Industrial (B1(c), B2, B8)	9.6	40.5	55.2
Office space (B1(a)/(b))	2.8	23.3	25.6
Total B-class space	**12.4**	**63.8**	**80.8**

Source: NLP

Labour Growth Based Scenario

7.40 These estimates above provide the basis for several scenarios of future employment space needs. A different approach to estimating future needs would be one where the future amount of employment space required reflects projected growth in local labour supply in the District, rather than market demand.

7.41 Trend based projections of the District's population up to 2026 suggest an increase of only some 170 residents that would need jobs in B class uses. However, assuming 6,700 new dwellings are built over the next 20 years, as set out in the Draft South East Plan, this could produce at most 3,000 more residents seeking B class jobs. It is recognised that not all such residents would necessarily seek jobs in the District and may choose to work elsewhere, as happens now. At the same time, some new jobs in the District could be filled by in-commuters. A requirement for 3,000 jobs may therefore represent a worst case situation under this scenario.

7.42 Alternatively, if it were aimed to reduce out-commuting by say 10%, this could require 1,800 more jobs, although this would be an ambitious target and only one of many possible levels of reduction that could be sought. Appendix 6 provides the sources of these estimates. This suggests that future labour growth could support at most 3,000 more jobs, and potentially up to 4,800 jobs if the aim were to reduce out-commuting significantly.

7.43 The amount of new employment floorspace needed to provide these numbers of jobs has been estimated based on typical job/floorspace ratios and plot ratios.[31] The mix of manufacturing, distribution and office space was kept in broadly similar proportions to past levels of completions of such space in the District. As Table 7.7 indicates, on this basis, almost 99,000 m^2 more employment space would be required to provide 3,000 jobs. To obtain 4,800 more jobs, 159,000 m^2 of employment space would be needed. The annual

[31] including allowance for vacancy of premises and a safety margin

floorspace requirement to create 3,000 jobs would be less than half of the average annual completion rate achieved over the last 10 years.

Table 7.7: Employment Space Requirements based on Labour Supply 2006-2026

	Annual amount (m^2)	Total Space required 2006-26 (m^2)	Resultant No. of Jobs
Manufacturing space (B1c/B2)	1,440	28,750	770
Distribution space (B8)	1,440	28,750	580
Office space (B1)	2,060	41,250	1650
Total B-class space	**4,940**	**98,750**	**3,000**

Note: estimates based on jobs include 10% allowance for vacancy & safety margin of 3 years supply. Numbers rounded.

7.44 These amounts of floorspace translate into a gross requirement for almost 25 ha of land for 3,000 jobs, and nearly 40 ha to create 4,800 jobs (Table 7.8).

Table 7.8: Gross Employment Land Requirements 2006- 2026

	Labour Supply based Scenario (ha) – 3,000 jobs	Labour Supply based Scenario (ha) – 4,800 jobs	Past take-up based Scenarios (ha)
Industrial Space*	14.4	23.1	40.5 -55.2
Office/non-industrial space	10.3	16.6	23.3 -25.6
Total B Space	**24.7**	**39.7**	**63.8- 80.8**

Note: * includes both manufacturing & distribution space Note: numbers rounded

7.45 Drawing together the results from these different approaches, there would be a much higher land requirement (between 64 and 81 ha) if future needs are to be broadly based on past completion rates as a reflection of market demand. If the aim were instead to provide only enough additional land to balance future growth in labour supply, land needs will be much lower depending on what level of labour growth or other policy aspiration is to be planned for. The minimum requirement would be almost 25 ha. A land requirement of around 40 ha would provide some more flexibility, matching labour supply growth and providing extra jobs to discourage some level of out-commuting.

Reality Check

7.46 To test the reasonableness of these different estimates, and to help determine which would be preferable as the basis for future planning, it is useful to consider them in comparison with various other factors.

7.47 In terms of amounts land required, the different scenarios imply an annual land requirement of between 1.2 and 4 ha. The 2006 Adopted West Oxfordshire Local Plan effectively allocated 15.1 ha for the period up to 2011, including some allocated land remaining from the previous Local Plan. However, at that time, some 30 ha of employment land, much of it with planning permission, was also available. Including that figure, this would be very broadly equivalent to provision of 7.5 ha annually over the remaining plan period. The higher requirement figure estimated would therefore be closer in order of magnitude to previous levels of provision, but still fall well short of them.

7.48 The number of jobs likely to be generated by the past-completions based employment land estimates can also be compared with projected change in labour supply in the District by 2026. As noted above, 6,700 new dwellings could produce up to 3,000 more residents seeking B class jobs but this figure could rise if the aim were to create more local jobs to help reduce out-commuting (Appendix 6). This suggests the future labour market could support at least 3,000 more jobs, and potentially 4,800 or more if it were possible to reduce out-commuting significantly.

7.49 In contrast, providing 63.8 ha of employment land could provide nearly 8,600 B class jobs, while providing 80.8 ha could mean 10,400 jobs. Table 7.9 summarises these job figures to allow comparison. It suggests that the higher estimates of employment land requirements could create more jobs than growth of West Oxfordshire's resident labour force alone would need. However, it is important to note these are gross job figures. They do not take account of new space replacing older sites and premises, any losses of employment sites to other uses, and job losses occurring in declining sectors. They would also include jobs created on currently allocated sites. Again, there are many West Oxfordshire residents who currently commute to work outside the District and could add to the labour supply able to fill new local jobs created.

Table 7.9: Comparison of Job Generation from Different Scenarios (2006-26)

	No. of Jobs Generated
Experian employment forecasts	1,340
Labour supply job requirement from 6,700 new dwellings	3,000
Labour supply job requirement from 6,700 new dwellings + 10% less out-commuting	4,800
Based on lower past-completions approach	8,600
Based on higher past-completions approach	10,400

7.50 It is also useful to compare the employment growth implied by these amounts of land with employment growth actually achieved in the District in recent years. The past-completions based approach implies about 430-520 jobs would be created annually over the next 20 years. The other approaches suggest a job gain of 240 or fewer annually over the period. This compares with net annual job gain in West Oxfordshire of some 240 B class jobs annually between 1997-2005, with strong gains in office type jobs offsetting losses of manufacturing jobs. The past-completions based scenarios would therefore produce more jobs than the District has achieved in the recent past although the disparity would be more limited if manufacturing jobs in the District were to decline much less in future.

7.51 The estimates of future employment space needs can clearly be affected by assumptions on plot ratios and what safety margin should be applied. For example, if a high proportion of new office space was provided in converted rural and urban buildings, or in dense town centre schemes, land needs for offices could be significantly reduced. However, the factors used appear reasonable against local current development patterns and market conditions.

7.52 This process can only provide a rough guide as the linkages between job creation and employment land provision are not straightforward and fewer jobs than predicted may result from providing new sites. For example, some potential future uses may require significant land areas without producing large numbers of jobs. It is also likely that some employment land will be developed for employment generating uses outside the B use classes. If it were considered that the level of job creation from a particular scenario was not desirable or sustainable, employment land allocations could be adjusted from the estimated requirements above.

Conclusions

7.53 Table 7.10 below summarises land requirements from the different approaches used.

Table 7.10: Land/Job Implications of Different Scenarios (2006-26)

	Land Required	Job Growth
Based on Experian employment forecasts	12.4 ha	1,340
To match labour supply from 6,700 new dwellings	24.7 ha	3,000
To match labour supply from 6,700 new dwellings & reduce out-commuting by 10%	39.7 ha	4,800
Based on lower past-completions approach	63.8 ha	8,600
Based on higher past-completions approach	80.8 ha	10,400

7.54 The amounts of land estimated above should be regarded as initial estimates to be tested against what land is currently available or likely to become available in the District, market requirements and the Council's strategic aspirations for the local economy. The actual land requirements to be used as the basis for future planning need to be determined following consideration of the preferred economic strategy for the District.

8.0 ADDITIONAL LAND REQUIREMENTS

8.1 This section draws together the forecasts of future employment needs and the appraisal of current and allocated supply of employment sites to identify any need for more employment land provision in quantitative and qualitative terms.

The Demand/Supply Balance

8.2 Some of the future requirements identified in the previous Chapter could be met on remaining allocated sites and other undeveloped land with planning permission. As an order of magnitude, some 30 ha of undeveloped employment land were estimated to remain available at April 2006, including allocations and land with planning permission.

8.3 In Chapter 6 the remaining undeveloped allocated sites were assessed as being of good or average quality and have reasonable prospects of meeting future needs. Some other existing sites with planning permission also appear likely to come forward for development. There may also be some scope to redevelop parts of existing older employment areas to provide new space, but the feasibility of this is uncertain and it also could result in some net loss of employment space.

8.4 Looking first at future needs based on past completions, as Table 8.1 indicates, if all existing land were to come forward, the net additional land requirement up to 2026, for which new sites would need to be found, would approximately be between 33-50 ha. If a purely labour supply based approach were followed, there would be no need for additional land in quantitative terms although some new provision may offer increased choice and qualitative improvement of the stock. However, to meet labour supply growth and also allow for reduced out-commuting would require 9.3 ha more land.

Table 8.1: Demand/Supply for Employment Land 2006-2026

	Based on 6,700 dwellings	**Based on 6,700 dwellings + reduced commuting**	**Lower Past Completions based**	**Higher Past Completions based**
Total Need for B class land + safety margin	24.7 ha	39.7 ha	63.8 ha	80.8 ha
Remaining land on existing/allocated sites	30.4 ha	30.4 ha	30.4 ha	30.4 ha
Surplus (+)/ Shortfall (-) (all sites)	**+5.7 ha**	**- 9.3 ha**	**- 33.4 ha**	**- 50.4 ha**

8.5 The land needs over different timescales also need to be considered to ensure no shorter term supply problems emerge and Table 8.2 looks at the demand/supply balance over just the next 10 years.

Table 8.2: Demand/Supply for Employment Land 2006-2016 (ha)

	Based on 6,700 dwellings	Based on 6,700 dwellings + reduced commuting	Lower Past Completions based	Higher Past Completions based
Total Need for B class land + safety margin	12.4*	19.8*	33.4	41.9
Available existing/allocated employment sites	30.4	30.4	30.4	30.4
Surplus (+)/ Shortfall (-) (all sites)	**+18 ha**	**+10.6ha**	**- 3 ha**	**-11.5 ha**

Source: NLP * assumed for indicative purposes to be half of requirement for 2006-26

8.6 This implies that, only under the scenarios based on matching labour supply growth would the District have enough employment land in quantitative terms for the next 10 years. It would have not quite enough existing land (-3 ha) to meet the lower of the two past-completions based estimates, assuming all identified sites come forward for development relatively quickly. It would need 11.5 ha more land over the next 10 years to meet the highest growth estimate.

8.7 Within that overview, there is also a need to ensure that suitable land is available to meet the requirements for both office and industrial uses. It is difficult to estimate the current supply of land suitable for office or industrial uses as some land has permission for unspecified B class uses. A very broad estimate has been made based on the proportions of recently permitted floorspace for these two uses and the nature of the allocated sites. This indicates some 9.7 ha of land broadly suitable for office uses and 20.6 ha for industrial uses. In practice, some sites will accommodate a mix of such uses.

Table 8.3: Demand/Supply for Office & Industrial Land 2006-2026

		6,700 dwellings	6,700 dwellings + reduced commuting	Lower Past Completions based	Higher Past Completions based
	Requirement	14.4 ha	23.2 ha	40.5 ha	55.2 ha
Industrial Land	Potential Supply	20.6 ha	20.6 ha	20.6 ha	20.6 ha
	Surplus (+)/ Shortfall (-)	**+6.2 ha**	**-2.6 ha**	**-19.9 ha**	**-34.6 ha**
	Requirement for Land	10.3 ha	16.6 ha	23.3 ha	25.6 ha
Office Land	Potential Supply *	9.7 ha	9.7 ha	9.7 ha	9.7 ha
	Surplus (+)/ Shortfall (-)	**- 0.6 ha**	**-6.9 ha**	**-13.6ha**	**-15.9ha**

Source: NLP

8.8 As Table 8.3 illustrates, with these assumptions, there would be a need in the long term for significantly more land allocated for both types of use under both past completions-based scenarios. For a level of growth based on labour supply arising from 6,700 new dwellings, there would be enough industrial land and also almost enough for office uses over the period. For a slightly higher growth rate than this, aimed at reducing commuting, more land would be needed for both office and industrial uses.

8.9 It is important to note that not all of this additional requirement need necessarily be translated into new allocations of sites. This reflects several factors. First, over 12% of current permitted employment floorspace involves re-use of rural buildings that does not require new sites, while 12% more is on existing employment land and 5% relates to other non-allocated sites. In addition, current Local Plan policies allow for small employment schemes to come forward on sites up to 1 ha in the larger villages without specific allocations. If this situation continues in future, the amount of land needing to be allocated could be significantly reduced.

Qualitative Needs

8.10 Consideration of additional employment land requirements should also take account of any qualitative deficiencies in provision and market demand factors identified in Chapters 3 to 5. Drawing on these findings, the main types of employment premises where some shortages were identified and other qualitative issues included:

- the need for some upgrading of the existing industrial stock;
- small, low cost starter industrial units to lease;
- some shortage of small, managed but high quality office units to let on a flexible basis;
- a need for some more medium sized, good quality offices to let in town centre locations;
- lack of sufficient innovation or enterprise centre provision to support higher technology and other start-up firms, particularly outside Witney;
- a modest but steady future supply of small business developments beside the larger towns and villages.

8.11 In terms of locations, market views were that Chipping Norton could benefit from a modest amount of new provision, but not so much that it oversupplied the market, and probably a mixed use business park to cater for both industrial and office uses. Redevelopment of older industrial estates in Chipping Norton and Carterton would be one approach to provide some more modern premises. Witney, where demand is strongest and access and infrastructure better, was seen as the location for the bulk of any new provision, particularly industrial space. Some more provision of small business developments in the smaller, more accessible villages was also felt to be beneficial, particularly in locations nearer to Oxford.

Spatial Distribution

8.12 Another way of looking at how the additional quantity of employment land required might be distributed across the District considers the relative shares that different settlements have taken of recently permitted and completed employment space, which in turn partly reflects market demand (Tables 8.4 and 8.5).

Table 8.4: Locational Distribution of Permitted Employment Space 2001-06

	Industrial	Offices
Witney	64%	54%
Chipping Norton	6%	8%
Carterton	7%	1%
Eynsham	5%	0%
Stanton Harcourt	4.6%	7%
Sarsden	0%	7%
Standlake	3.6%	0%
North Leigh	2.4%	2.5%
Long Hanborough	1.5%	5.4%
Enstone	2%	0.4%
Other villages	3.7%	14.2%

Source: West Oxfordshire Council, 2007 Note: excludes unspecified employment space

Table 8.5: Locational Distribution of Completed Employment Space 2001-06

	Industrial	Offices
Witney	61%	66%
Chipping Norton	1%	11%
Carterton	0%	0%
Eynsham	5%	0%
Stanton Harcourt	5%	7%
Standlake	7%	0%
Long Hanborough	3%	0%
Other villages	18%	16%

Source: West Oxfordshire Council, 2007

8.13 From this analysis, Witney has attracted between 61-64% of the industrial space, and 54-66% of office space. The other larger towns – Chipping Norton and Carterton – have attracted 7-8% each of permitted space, although very small amounts of industrial completions. Although recent completions in Carterton have been low, a significant amount of employment space is expected to be completed over the next few years at Ventura Park and West Oxfordshire Business Park. Some larger villages – Eynsham, Stanton Harcourt, Standlake and Long Hanborough – also attracted interest for between 3-7% of at least one type of employment use. If all the new land required were to be allocated just to the main towns, adjusting the proportions to reflect this could produce a distribution very broadly along these lines:

	Industrial	Offices
Witney	85%	86%
Chipping Norton	7%	13%
Carterton	8%	1%

8.14 For illustrative purposes only, applying this breakdown to the additional land requirements from the lower of the past-completions based scenarios would produce the following amounts of new employment land to be found in each town. This would suggest significant new land in Witney and quite modest amounts in the other two towns, as follows:

	Industrial	Offices
Witney	17.0 ha	11.7 ha
Chipping Norton	1.4 ha	1.8 ha
Carterton	1.6 ha	0.1 ha
Total	19.9 ha	13.6 ha

8.15 This picture is broadly consistent with the market views on levels of demand and the distribution of any future provision described earlier in the study since these also pointed to the great majority of new space being in Witney with modest new provision in the other towns, and small amounts in larger villages.

8.16 However, reflecting other economic and sustainability aims, it may be better to allocate only a proportion of the total land required to the towns, while allowing further employment development to be brought forward in larger villages – such as Long Hanborough, Eynsham and Charlbury - without specifically allocating land there. This is allowed for to some extent by criteria based policies such as Policy E2 and reflects the approach which has led to successful small business parks and mixed use areas of suitable scale adjoining the larger villages. It is difficult to estimate how much of the total requirement should not be specifically allocated in this way, but based on the pattern in Tables 8.4 and 8.5, this could be 20-25% of the total.

Broad Locations for New Allocations

8.17 Potential broad locations for accommodating the additional employment land requirements identified earlier would need to take account of Government guidance on sustainability generally for locating new development, and on reducing car travel and development in countryside. Also, reflecting the Structure Plan, the District's overall strategy is to concentrate as much as possible of any new development in or on the edge of the larger settlements. Employment development and jobs are to be focused where there is (or can be provided) good access by a choice of transport to a wide range of services and facilities. This is to avoid eroding the high environmental quality of West Oxfordshire, unacceptable increase in traffic levels and overheating of the economy and stimulation of undesirable unplanned growth. At the same time, there is allowance made for modest scaled employment schemes in the larger villages.

8.18 Reflecting these factors while still providing sites attractive to the market, the following locations would appear more suitable for initial consideration:

a) sites in or on the edge of the main towns and service centres, with reasonable public transport accessibility and proximity to labour supply and services, and subject to this:

b) sites which avoid areas with important environmental constraints;

c) sites close to main transport routes which have capacity for traffic growth but away from residential areas or other sensitive uses;

d) sites which would allow expansion of established employment areas of proven attraction;

e) larger villages with better transport links and services, particularly those of proven attraction for employment development.

8.19 Current Local Plan policies allow for new, small employment estates of up to 1 ha adjoining the larger settlements in some circumstances, for single user sites adjoining certain smaller settlements and for re-use of farm and other buildings for employment purposes. If these policies are carried through into the LDF, there should not be a need for further allocations in rural areas or villages.

8.20 Taking account of the above criteria for finding suitable sites, potential locations in the towns are assessed below. This process also took note of market demand in different locations and the distribution of recent planning permissions for employment space.

Witney

8.21 The most obvious location for a major share of future development is land off Downs Road on the west side of Witney. Strategic road access is much better here than in most other parts of the District, and will be enhanced by the planned new junction to the A40. A significant reserve area of development land (some 70 ha) lies here. Witney is likely to receive the greatest share of new housing. This is also a location where much new employment development has taken place recently, confirming its attractiveness to the market and to occupiers. While some of this land may be needed for future residential development, with careful planning the scale of land available should enable employment uses to operate without constraints, and proximity to labour supply would also be beneficial.

8.22 Further west, the land is designated as an area to prevent urban sprawl and is further from Oxford and the M40. To the south, the A40 forms a strong natural boundary to expansion of Witney. To the north, road access is poorer. Land to the east of the town is important for its landscape value. Landscape constraints also apply to the north west of Witney, and although access to the A40 is possible, this would be much less direct than for land off Downs Road. Overall, the land off Downs Road to the west of Witney offers the best potential and any future provision outside that area is likely to be limited.

Chipping Norton

8.23 Chipping Norton is a more remote location but has a current commitment for a further 250-300 dwellings. It already has about 4 ha of identified employment land remaining, and some land also remains on the Cromwell Business Park. Cromwell Business Park's 1.9 ha of land has been taken up very slowly, over about 15 years and some new employment space is expected to come forward on other land in the short term. However, the existing industrial estates there are largely full. This suggests a need for a modest amount of additional land for the next 20 years.

8.24 In terms of potential locations, only land to the east of the town lies outside the AONB. This is also where the current business park and other employment allocations are located and beside the main road (A44) to the east and to Banbury. A modest business/mixed employment use allocation, perhaps in the order of 2 ha, could be located near main roads in this general area, to meet longer term needs as they emerge.

Carterton

8.25 Carterton has only limited accessibility and a modest housing allocation. There is no significant office market and enough industrial land for some years. RAF Brize Norton provides a barrier to the south. Rural areas and poorer road links lie to the north and west. Given the amount of employment land still available here for new occupiers (e.g. at Ventura Park), any further provision would be to meet longer term needs, taking into account any demand related to planned expansion of RAF Brize Norton. A flexible, mixed use employment area appears more appropriate but with greater emphasis on industrial space and potentially with some low cost, small units for start-up firms.

Eynsham

Eynsham is one of the larger villages and service centres and some housing growth is planned for it. While relatively close to Oxford, its accessibility by road is perceived as problematic due to traffic congestion and other factors. Eynsham has a reasonable amount of office and industrial provision. Most of this is full but existing office units are often hard to let here. Rather than making a specific allocation in Eynsham, it may be better to allow for small employment schemes to come forward under criteria based LDF policies.

9.0 ECONOMIC STRATEGY

9.1 This section considers several possible scenarios for future economic growth in the District, and the key strategic objectives which should support these in the period up to 2026. This analysis is based on the findings of the District's strengths, weaknesses and opportunities identified earlier in this report, economic trends within it and the region, and relevant economic and planning policies. It also takes account of aims in the previous Economic Development Strategy for the District, the Regional Economic Strategy and the current countywide economic strategy.

Context

9.2 Consideration of the future economic role of the District draws on the earlier analysis of its current strengths and its limitations in terms of accessibility and environmental constraints. West Oxfordshire's competitive advantages that could help shape its future economic role were seen as:

- its proximity to the high technology centre of Oxford, which also has limited supply of industrial land;
- its quality of life and other attractions as a place to live;
- a reasonable supply of employment sites with lower costs of land and premises than some other nearby areas;
- a reasonably skilled local workforce that could be effectively increased by planned housing growth and reducing out-commuting.

9.3 The main threats to achieving its economic potential could come from:

- transport accessibility and infrastructure constraints;
- some degree of competition from locations such as Oxford, Cherwell and Vale of White Horse districts;
- lack of incubation space to support new firm start-ups across the District;
- a limited available supply of suitably skilled labour.

9.4 The District has a successful and diverse economy, with a number of good IT, bio-medical and design firms as well as a strong industrial base. These activities tend to be dispersed and do not yet appear to form any strong clusters. It is also an attractive location for higher value firms looking for attractive environments near Oxford. The District's lower cost sites and proximity to Oxford also give it potential to cater for some overspill of firms from there.

The key locational and accessibility characteristics of the District appear unlikely to change greatly in future.

9.5 Some decline of manufacturing appears likely unless firms become very specialist, focus on higher value products with higher technological and skill level entry barriers and can operate very efficiently. The District is seen as having potential to attract more investment if it made sizable areas of land available and promoted itself more actively. Some firms in Oxford and other nearby districts draw part of their workforce from West Oxfordshire and could benefit from relocating to lower cost sites there.

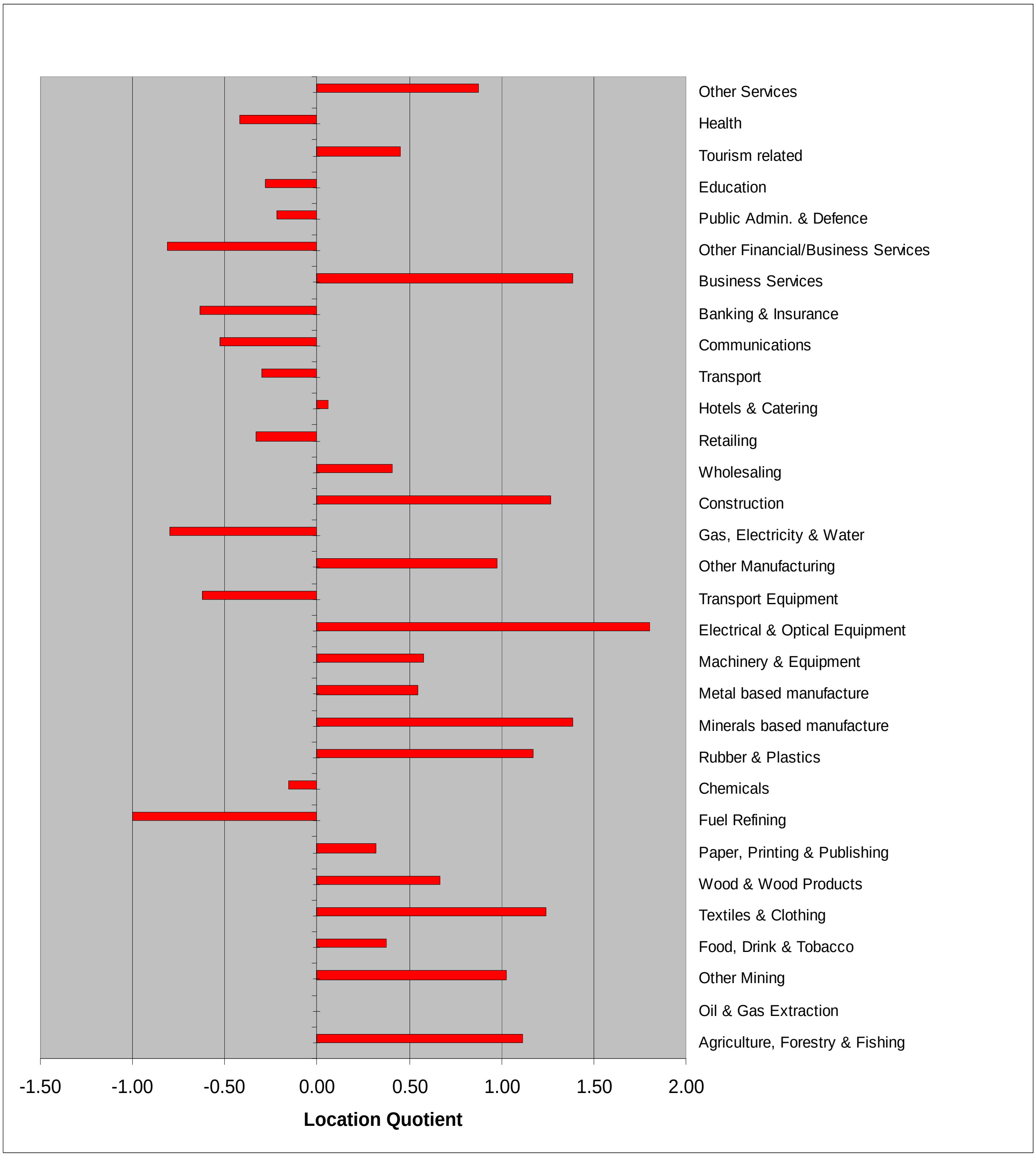
9.6 In terms of what sectors the District has potential to attract or grow in future, the analysis in Figure 9.1 of any current over or under-representation of jobs in specific sectors can provide some guidance. This method uses the location quotients of each sector – the proportion of total employment in that sector locally divided by the equivalent figure for the region.

9.7 Sectors to the right hand side of this chart show a higher representation than the South East regional average, those to the left a lower representation. The length of the bar indicates the extent of such under or over-representation. Where sectors are over-represented, it suggests that West Oxfordshire offers some competitive advantage that allows that sector to flourish. Any such advantage should be built upon in targeting sectors to encourage for long term growth.

9.8 In industrial and business sectors, West Oxfordshire currently has a higher representation relative to the South East region in certain manufacturing sectors – textiles/clothing, wood products, rubber/plastics, metal and non-metal products, machinery and particularly electrical, medical and optical equipment. Business services are also a strongly represented sector, and to a lesser extent printing/publishing. Tourism activities are strong and distribution is above average. In contrast, the District has low representation in financial services, and only rates as just above average in hotels/catering. This analysis can be interpreted as the District having some competitive advantage or attraction in these sectors in which it is currently strong.

9.9 Looking to the future, based on employment forecasts for the District, most of West Oxfordshire's currently strong sectors are predicted to grow in the period up to 2026, except for textile/clothing manufacture which is expected to decline, while hotels/catering is predicted to become much stronger. While these forecasts need to be treated with some caution since the scale of job growth they predict for the District is not consistent with recent trends there, the direction and comparative strength of growth in different sectors can still be valid.

Figure 9.1: Under/Over Representation of Specific Sectors in West Oxfordshire, 2005



Source: Based on district employment data from Experian Business Strategies and ABI Regional data

9.10 This broadly suggests that the District has potential to maintain its industrial role if it adopts appropriate strategies, as well as to grow further in other sectors such as business services and various forms of tourism.

Sectors with Growth Potential

9.11 Building on this initial analysis, by looking at the requirements of some specific sectors with growth potential, a view can be formed on how likely West Oxfordshire is to develop or attract growth in these. This analysis draws on recent research on the key drivers of business location for such sectors in the South East region.[32]

9.12 ***Financial/Business Services:*** Business location decisions in this sector reflect factors such as access to markets/suppliers, a skilled and diverse workforce, and high quality transport and telecommunications infrastructure. Quality of life factors, including good housing and cultural facilities are also important. West Oxfordshire has proved reasonably attractive to some business service firms in the past although accessibility can be a constraint in parts of the District. Limited labour supply and rail links are constraints to any large scale growth, but provision of modern, competitively priced, office premises in attractive centres should foster local start-ups and attract a modest level of relocations of firms from the Oxford area.

9.13 ***ICT*****:** Key factors for the sector can include areas with an attractive lifestyle, skilled worker availability, broadband connectivity, reasonable proximity to London, and often the image of the location. West Oxfordshire has a good existing base in this sector, which should have good growth potential. At the same time, Reading and Oxford are both strong competitors in different sub-sectors of this field. Despite this, expansion of established firms and encouragement of new start-ups should provide reasonable prospects of indigenous growth in West Oxfordshire, while the District's available lower cost premises may encourage some moves from higher cost locations.

9.14 ***Environmental Technologies*****:** This sector includes activities such as recycling, water treatment, decontamination and other environmental consultancy. It is one that many other UK areas are also targeting and some are more advanced in promoting. Key considerations in location decisions for this sector include availability of skilled labour resources, proximity to universities with relevant R&D facilities, nearness to customers/suppliers and available incubator/move-on facilities. Much of the research in this field is taking place at universities in other regions. For waste-related activities, proximity to large population/manufacturing centres is important. While it may attract some environmental consultancies, West Oxfordshire has few obvious inherent advantages for this sector, compared with other locations in the South East.

[32] Spatial Requirements of Key Sectors in the South East, Atkins for SEERA, 2004

9.15 ***Advanced Engineering:*** Important factors identified for this sector are proximity to the strategic road network and Heathrow Airport, availability of high quality business park environments, a diverse and technically skilled workforce and flexible/affordable workspace. With some representation in the automotive sector and a range of other engineering activities, a reasonably skilled workforce and available sites, West Oxfordshire appears favourably placed to build on existing strengths in this sector. Concentration on higher value areas should help withstand overseas competition. A good supply of sites and maintaining a supply of skilled labour should support this sector.

9.16 ***Healthcare/Biotechnology:*** West Oxfordshire has advantages in this sector. Access to relevant research & development is the primary driver, with many start-ups needing close university links, along with suitable graduate labour. Proximity to existing bioscience clusters is important, as well as good access to London and an attractive lifestyle location for skilled staff. Large, lower cost sites are more important for production facilities but the District probably lacks labour supply for major facilities. West Oxfordshire lacks its own university and medical research strengths but is close to those in Oxford. It has an established base of firms in the biomedical and medical equipment sector and this offers stronger growth potential than bioscience, in which nearby districts are stronger.

9.17 ***Distribution:*** West Oxfordshire is not a strong distribution location at present. It performs poorly against the key locational drivers, which are available land/premises, workforce availability and access to the strategic transport network. Some growth in the sector is forecast but locations such as Cherwell have stronger claims to meet such sub-regional demand, with better motorway links and large sites near them. While some representation in this sector could form part of a diverse economy, its very high land needs and other factors suggest it should not be promoted at the expense of other sectors.

9.18 ***Media & Telecommunications****:* This diverse sector includes activities such as publishing, web-design etc., which have reasonable representation already in West Oxfordshire, but this is also a sector that many other areas are also targeting. Key locational factors for firms in this the sector are similar to those for ICT and include access to broadband, areas with attractive lifestyle and sometimes the image of the location. Availability of skilled staff and affordable town centre premises with a good cultural image can be important, and market towns are a focus for emerging businesses. A high proportion of freelance contractors work from home or within small offices. West Oxfordshire performs reasonably well against these criteria, and is close enough to Oxford to benefit from its brand and image in this sector. Again, with a suitable supply of premises and broadband communication links, this appears a sector with reasonable prospects of growth in the District.

9.19 ***Tourism:*** The main tourism trends in the South East over the last 10 years have been growth in specialist short break holidays, business tourism trips and visits to friends & relatives. Expenditure on UK tourism has followed an upward trend and growth in the South East has been the highest of all UK regions except London. Country house hotels, leisure based breaks and sporting weekends have been significant elements and business tourism growth has been particularly strong in the Thames Valley. This sector relies on proximity to attractions and a cluster of tourism/leisure facilities, including natural, cultural and heritage attractions, as well as reasonable access to a large population base. West Oxfordshire clearly has growth potential in this sector, having a range of distinct attractions in its own right as well as forming part of the Oxfordshire Cotswolds area of attractive scenery and villages.

9.20 Drawing this review together, there appears a realistic prospect of economic growth in West Oxfordshire which could build on its longer established manufacturing sectors as well as promote some emerging sectors such as ICT and media. While the focus should be on promoting the sectors with stronger potential, this does not mean that weaker sectors should not play a part, with some provision of space to accommodate them to some extent. Even if some do not grow strongly, they could form valuable elements of a balanced economy. This will be important both to diversify the local economy and help make it more resilient to downturns in individual sectors but also to maintain diversity of employment.

Strategic Objectives

9.21 Taking account of the above factors and views on its economic potential, any economic strategy the District adopts for the future should be founded on several key principles. These would include aiming for:

- continued economic growth that meets the needs of the District but in a selective and balanced way;
- targeting sectors for which the District offers competitive advantage;
- levels of growth that do not harm the attractive environment of the District;
- a sustainable approach to new development as far as possible, including measures such as reducing commuting to work, locating employment near to housing development and encouraging firms that operate to high environmental standards.

9.22 To take forward any strategy, key economic objectives for the District need to be defined that reflect these broad aims to different degrees. While different economic strategies need to be considered before identifying the preferred way forward, many of these objectives will be common to any strategy for this District. For example, aiming to maintain the District's industrial sector and help it remain competitive while encouraging growth in business sectors such as IT, design, and publishing should be a common feature. Depending on the aims of each strategy, some objectives could be given greater or lesser emphasis in different strategy options. The key strategic objectives which are considered appropriate for the District are summarised below, along with the factors underlying them.

1. Maintain a Diverse Local Economy Adaptable to Change

9.23 One of the key strengths of the West Oxfordshire economy is its diversity. A wide range of business activities, from traditional industrial firms to high technology, are accommodated in a variety of employment sites. Maintaining this diversity is important to provide a range of different job opportunities at different skill levels, but also to help the local economy be more resilient to economic downturns. This suggests maintaining a balance of smaller and larger firms. At the same time, some traditional sectors are declining and new sectors emerging. The District needs to be able to attract some newer sectors where the District has competitive advantages, while enabling older sectors to adapt and remain competitive in a national and global economy. Among other factors, this will require providing a suitable range of accessible sites and premises. It may also mean encouraging some firms in target sectors into the District, including higher value, specialist manufacturing and IT/design activities.

Actions:

- target key high value sectors
- promote the District with regional/Oxfordshire economic development bodies
- provide an appropriate range of employment sites/premises to meet needs of different sectors

2. Promote Growth in High Growth/High Productivity Sectors and Clusters

9.24 Expansion of higher growth sectors and any established economic clusters in the local economy will be important to realising the District's potential. In West Oxfordshire, these currently include medical equipment, IT, engineering, business services and tourism. While few appear to require close proximity to Oxford's universities, these may provide a resource and brand name which the District could capitalise on. It will be important to identify and publicise such clusters, and ensure appropriate business support, labour resources and business space are available to nurture and accommodate development by these growth sectors.

Actions:
- promote the District with regional/Oxfordshire economic development bodies
- publicise the District's high technology clusters
- support provision of innovation/incubator space

3. Retain Industrial Strengths

9.25 The District contains a relatively high proportion of industrial occupiers operating in a range of different sectors. Many of these are located in Witney, but also in a number of other sites across the District. Manufacturing is a sector in decline nationally, and often finds it difficult to compete with lower cost locations overseas. Despite this, it will be important to maintain the District's role as an industrial location, to ensure suitable job opportunities for the workforce and to provide a more balanced and diversified economy. For this, the District needs to create conditions to help retain the firms it has, and to support their expansion or adaptation, whilst encouraging some higher value modern industrial uses into the District to increase future competitiveness.

Actions:
- support expansion of existing firms in situ through LDF policies
- support local supply chain (Objective 14)

4. Seek to Exploit the District's Proximity to Oxford

9.26 Oxford has a number of economic clusters of national or regional significance including bioscience, electronics, IT and publishing as well as some traditional industrial uses. It would be important for the District to capitalise on technology innovation in this nearby centre. Given the City's limited land supply and economic policies of restraint, West Oxfordshire could seek to capitalise more on firms moving out of Oxford but seeking to stay nearby, particularly where much of their workforce lives in the District. The District could therefore aim to attract some spin-offs/overspill from this high value economic activity, particularly to the eastern areas of West Oxfordshire, which are closer to Oxford and have better road access into the City. This would mean ensuring a readily available supply of employment land beyond that needed for indigenous growth.

Actions:
- promote the District for investment/relocation with local business organisations
- provide an appropriate range of employment sites/premises to meet needs of different sectors

5. Support Indigenous Growth

9.27 Many of the businesses in West Oxfordshire are small firms employing relatively few people, in small premises or working from home. Such firms often have stronger linkages with the District and can grow into larger employers. The growth of these firms should be supported in a number of ways. This could include the provision of suitable premises for these small firms in the form of incubation space with business support, or other small flexible, managed workspace units. Such premises are not always provided by the market and may require public sector intervention. An innovation centre of the type available in other Oxfordshire districts would be one approach. Measures to make it easier for established firms to expand would also be important, as well as supporting broadband access and potentially skills training. It would also mean continuing to work with the FSB and Business Link to support development of small businesses.

Actions:
- support provision of starter/incubator space through LDF policies and negotiation in larger development schemes
- continue to work with small business bodies to support development of small businesses

6. Assist Workforce Training to Meet Business Needs and Improve Productivity

9.28 Although the District's unemployment is low, some 5% of firms report skill shortage vacancies, and others workforce skill gaps that are likely to affect productivity. This will be increasingly important as the District moves towards a more knowledge based economy and greater specialisation in traditional sectors. A good quality workforce is also important to attracting higher value firms to the District, particularly less accessible areas.

9.29 Skills development of the local workforce is likely to come mainly through demand from firms, although referrals for skills training of unemployed residents through Job Centre Plus may play a part. The Witney campus of the Abingdon & Witney College provides an important resource. Initiatives such as "*Train to Gain*" can fund flexible skills training for local firms through the college. The Council could continue to work with the College, Business Link, the LSC and local firms to ensure appropriate training is available based on identified needs and encourage its use by firms.

Actions:
- continue to work with training providers to ensure suitable support is available;
- liaise with business organisations/firms to promote awareness of training funding/facilities available

7. Promote a Culture of Entrepreneurship

9.30 Entrepreneurship is vital to ensuring a steady supply of new firms starting up and growing in the District, in a situation where few large firms are relocating into it. To sustain this, it would be important to develop a strong enterprise culture in the District, starting through enterprise activity in schools. The District already has an above average self-employment level to build on. Marlborough School in Woodstock has Business Enterprise Specialist School Status, while Oxford Brookes University, the Said Business School in Oxford, and Abingdon & Witney College all have courses which promote and support entrepreneurs. The Council could increase its work with these educational bodies to encourage and strengthen enterprise teaching and development and promote awareness of funding to support new, entrepreneurial firms. Again, establishment of an innovation centre or other small, flexible workspace units would form an element of this.

Actions:

- continue to work with training providers and business groups to ensure suitable support;
- support provision of innovation/enterprise centre with appropriate mentoring facilities.

8. Promote Workforce Flexibility & Flexible Working

9.31 Encouraging more flexible working practices may lead to higher participation in the workforce, help firms alleviate labour supply shortages, and help reduce car journeys. Measures could involve aiding firms to maximise use of new technology such as broadband, which would enable some workers to operate from home. It could also involve supporting more live-work accommodation in some circumstances, and provision of employment premises in suitable villages.

Actions:

- positive approach to live-work premises through LDF policies
- allow for provision of small employment premises in suitable villages through LDF policies

9. Aim to Reduce Out-commuting

9.32 West Oxfordshire has very low unemployment combined with high levels of out-commuting to work in Oxford and elsewhere. This results in longer travel journeys by car and the A40 being heavily congested at peak times, as well as some difficulties for local firms obtaining suitable workers. Such congestion makes the District less attractive to businesses. While many West Oxfordshire residents will continue to work in larger centres elsewhere, and it is unlikely that the local economy could employ all of them, provision of more, high quality local jobs could help draw back some out-commuting residents. This could effectively increase the supply of local skilled workers. Again, this aim would be linked to achieving other objectives such as provision of employment land and attracting firms into the District.

Actions:
- provide for more employment space to generate local jobs suited to workforce.

10. Promote Higher Spend, Sustainable Tourism based on the District's Inherent Qualities and Assets

9.33 Tourism is a key sector in the District's economy. Its value is enhanced by the high environmental quality and attractiveness of much of the District, and this is recognised by planning policies. However, overnight visitors comprise only 11% of all West Oxfordshire's visitors (although 48% of the tourist spend)[33] and 4 and 5 star hotels are under-represented in the District. The District appears naturally more attractive to certain higher spending tourist sectors in more mature age groups (e.g. empty nesters). Encouraging high volume tourism and large visitor attractions would be more likely to erode the attractive features of the District. A strategy aimed at capturing more, higher spending staying guests and business tourists is likely to be more sustainable and economically beneficial. This may require a few more, higher quality hotels with conference facilities in attractive, accessible locations. It may also require skills enhancement for local workers in the catering sector. Other areas for development would be specialist activity breaks linked to the District's countryside strengths.

Actions:
- encourage provision of higher quality hotels through LDF policies and liaison with operators;
- support enhancement/upgrading of existing tourist facilities
- continue to work with regional tourism bodies and other Cotswold local authorities to share ideas and exploit opportunities

11. Focus Growth on Towns but support Rural Economy

9.34 In the current local development plan, the strategy is for development to be focused in the larger towns, predominately Witney but also Chipping Norton, Carterton and Eynsham. The market towns also play a supporting role as the foci of local services and employment opportunities for rural areas. The future economic strategy should seek to continue to concentrate development to locations in the larger towns, whilst also supporting rural areas by maintaining local services where feasible, and continuing to provide a range of employment opportunities.

9.35 Current planning policies that enable development of small employment estates (up to 1 ha) in towns and larger villages with better access/facilities should be maintained. Indeed,

[33] Information from West Oxfordshire Council tourism department.

consideration could be given to extending this approach further to some other sizable villages. By facilitating shorter journeys and part-time work by village residents, this would help address the problems caused by low unemployment levels as well as reduce commuting. It may also help attract firms for which lifestyle issues are particularly important.

9.36 In parallel, it would be important to support town centre viability through encouragement of new retail and service sector development in such locations where appropriate. Ensuring that available town centre sites are developed for uses generating employment or services, rather than purely housing, would assist this process.

Actions:

- encourage continued provision of small employment areas in larger villages through LDF policies
- continue to allow conversion of appropriate rural buildings to suitable employment uses through LDF policies
- work with market town partnership bodies to identify required actions
- support appropriate retail, employment and tourism development in towns
- encourage farm diversification into appropriate areas with increased supplier role to other economic sectors

12. Ensure Adequate Provision of Business Sites & Premises

9.37 This objective overlaps with and flows from many of the other aims outlined above. Recent firms attracted to the District, which have diversified its economy, have been influenced by ready availability of good quality sites. Suitable land is also needed to enable existing firms to expand, and to modernise their premises and increase productivity. As noted earlier, suitable provision to support start-up firms in the District will also be important.

9.38 At the same time, measures to upgrade or encourage upgrading of some of the older industrial areas, particularly those owned by the Council would be helpful, including sub-division into smaller units where feasible. While piecemeal re-cladding of older buildings and sub-division of larger industrial buildings is achievable at reasonable cost, larger scale modernisation of estates through commercial market processes can be constrained by diverse site ownerships and lack of single site management, low rental levels and unclear demand for higher grade premises. The need to retain existing occupiers and lack of any sites/premises for decanting them can also discourage substantial upgrading. The scope for significant Council intervention would mainly be limited to the industrial estates it owns. However, potential external funding for upgrading measures could be investigated to support Council-led initiatives to upgrade the stock of employment premises or their general environment e.g. Business Improvement District (BIDs) or SEEDA funding.

Actions:
- make available a range of employment sites in sustainable areas of demand
- encourage employment space in mixed use developments
- encourage provision of small units in larger employment developments and through LDF policies;
- investigate funding sources to upgrade older employment areas.

13. Differentiate the District's Employment Space

9.39 While a self-contained local economy to some extent, the District will still be competing for investment with other nearby districts, both in terms of attracting new firms and retaining its own. To increase its competitive advantage and perhaps create a clearer image, consideration should be given to how the District could differentiate its employment space offer from others.

9.40 One possible approach would be allocation, as part of any new employment sites, of land for a sustainable industrial park or business park. Examples of this type of branding are the Sustainable Industrial Park in east London and Green Business Park developments in Cheshire and Devon. The sustainability concept would be reflected in the design of the park, its use of energy, water, recycling, use of materials, etc as well as accommodating forward thinking firms aiming for high environmental standards and attracted by that environment, rather than necessarily firms involved in green technologies. Such practices may also help businesses to increase their productivity and competitiveness and help the District increase its share of businesses that are forward thinking and more likely to succeed and grow. Another linked strand would be to allow for some small scale, supporting retail, health or leisure uses on such employment areas to promote a more attractive working environment, where these do not adversely affect existing village facilities.

9.41 There would be a risk that this approach would deter some firms or developers but it may also create a clear and different image for the District and mark the direction it wishes to move in. There may also be potential to adapt older industrial estates to such a concept using Business Improvement District (BID) or other funding.

Actions:
- encourage "green" employment developments through LDF site allocations
- allow some supporting uses within employment areas in appropriate locations
- investigate funding sources to upgrade older employment areas.

14. Promote Local Supply Chains

9.42 Growth of local firms could be aided by assisting them to build up supplier linkages with larger firms in the District and nearby. This would also be desirable on sustainability grounds, helping reduce transport distances for goods and traffic levels on local roads. Such an approach could perhaps be initiated by the Council in collaboration with local business organisations.

Actions:
- make available information on requirements of larger firms to other local firms
- facilitate contacts between firms and potential suppliers where necessary
- encourage farming sector to supply products to local industries and services

15. Active Promotion of the District

9.43 Depending on the level of growth sought, consideration could also be given to a more active approach to promotion of the District as a location for investment or relocations from within the sub-region. While the Council's website and Economic Development department already provide information to assist businesses, and property agents will market sites and developments available, it may be that some promotional campaign could seek to project a clearer image of the District to a greater extent, perhaps to publicise its existing economic clusters or in conjunction with any sustainable employment park initiative.

Actions:
- consider more active approach to promoting the District through websites, brochures other advertising, and inward investment bodies.

16. Seek Improvements to Infrastructure

9.44 Road congestion, particularly on the A40, is one of the drawbacks of the District for certain types of businesses. While there are proposals for a new A40 junction to the west of Witney, its timing is uncertain. There are also some indications from local firms of problems with water supply infrastructure on the west of Witney. Seeking improvements to such infrastructure constraints will be important to facilitating new economic development in the District and to attracting the types of firms being sought.

Actions:
- continue to lobby for a new A40 junction with key transport bodies
- liaise with utility providers on adequate provision to support allocated sites
- seek to influence the local/regional transport plan

Possible Futures

9.45 Having considered the District's potential in various sectors, it is necessary to consider the future levels of growth it could achieve or wish to plan for. Three broad pictures are considered.

Scenario 1: Steady Growth

9.46 One obvious scenario would be for the District to continue along broadly similar economic lines to those in the recent past. This would reflect continuing with an approach which has led to a reasonably successful local economy to date. The focus would continue to be on supporting indigenous economic growth and new business start ups within West Oxfordshire, rather than attracting significant further investment from outside, although a modest level of inward relocations would be catered for. Levels of growth would exceed the needs arising purely from planned housing and labour supply growth but would probably involve somewhat lower rates of economic development than in recent years. This future could also reflect national economic performance continuing to perform reasonably, similar to recent years, but with some further decline in manufacturing and growth in business services. While the industrial and office sectors would require most of the additional land needed, significant job growth would be expected in retail, tourism and some other service sectors.

9.47 The additional employment land requirements associated with this scenario would be closer to the lower of the past-completions based estimates in Chapter 8, in the order of 1.6 ha more land annually, or 33 ha more over the next 20 years. This would imply a significant amount of additional employment land provision in Witney, modest amounts in the other larger towns, and continuing to allow small employment estates to be developed in larger villages. Such a scenario would appear broadly consistent with regional and sub-regional planning and economic strategies.

9.48 This scenario could give rise to several impacts on the local economy. In particular, the level of job growth implied by the forecast land requirements will exceed planned growth in local labour supply and may exacerbate current pressures on it. There is also scope for it to result in increased commuting trips and congestion on local roads.

9.49 There are some potential constraints to achieving this scenario. These include the need for improved road infrastructure, particularly links to the A40 from the west side of Witney, potential limitations of water supply infrastructure, and possibly limited job skill levels among residents suited to future types of jobs. Lack of sufficient, suitable, low cost premises for start-up firms and for `move-ons' may also be a factor if the market does not provide such space. Labour supply may not necessarily be a constraint if provision of new local jobs attracts residents who currently work outside the District but the extent of this happening is uncertain.

9.50 Within this scenario, the following strategy objectives would apply from those outlined above:

1. Maintaining a diverse local economy adaptable to change

2. Promoting growth in high growth/high productivity sectors and clusters

3. Retaining the District's industrial strengths

4. Seeking to exploit the District's proximity to Oxford

5. Supporting indigenous growth

6. Assisting workforce training to meet business needs and improve productivity

7. Promoting a culture of entrepreneurship

8. Promoting workforce flexibility & flexible working

9. Aiming to reduce out-commuting

10. Promoting higher spend, sustainable tourism based on the District's inherent qualities and assets

11. Focusing growth on towns but continue to support the rural economy

12. Ensuring adequate provision of business sites and premises

13. Differentiating the District's employment space

14. Promoting local supply chains

16. Seek Improvements to Infrastructure.

Scenario 2: Aim for Higher Growth

9.51 Another scenario would envisage a somewhat higher level of economic growth in the District than the previous long term trend. It would involve levels of development closer to the higher rates seen over the last five years and mean providing significantly more employment land than in the *Steady Growth* scenario, in the order of 50 ha more, or 2.5 ha annually. This scenario would still aim to support growth by indigenous firms but would also involve more active encouragement of relocations of firms from elsewhere, both industrial firms and high value/knowledge based activities. It would aim to capitalise more on proximity to Oxford's growth. Providing more, readily available sites would support this approach, which might also be pursued to create more local jobs to help reduce the current high level of out-commuting by residents. As with the previous scenario, growth in retail and tourism sectors would run in parallel to industrial/office sectors but may face greater labour constraints.

9.52 Pursuing this course would offer some benefits. It could make more of the District's role within the Oxfordshire high technology cluster, help attract higher value firms that would diversify its economy, introduce more emerging sectors to offset decline in older sectors and stimulate the local supply chain. It could also establish West Oxfordshire as a more dynamic business location. The main potential constraints and risks attached to this approach would again be a need for a new junction to the A40, potential limitations of water supply infrastructure, whether local labour supply would be adequate to support it in either quantitative or skill terms, and whether adequate start-up space would be delivered to sustain indigenous growth.

9.53 Depending on the extent of growth proposed, this scenario could be considered less consistent with wider economic strategies, in that it comes with significant levels of economic growth outside the designated growth areas in Central Oxfordshire, and arguably involves more than limited development to support the social and economic well-being of local communities. It could also lead to some overheating of the local economy, particularly pressures on labour supply, local wage levels and housing demand.

9.54 In terms of the strategic objectives which would be associated with this scenario, all of those listed for the Business as Usual Scenario would apply in addition to the following:

15. Active promotion of the District

At the same time, there would also need to be much greater emphasis on taking forward some of the other objectives, particularly:

2. Promoting growth in high growth/high productivity sectors and clusters
4. Seeking to exploit the District's proximity to Oxford
6. Assisting workforce training to meet business needs and improve productivity
7. Promoting a culture of entrepreneurship
8. Promoting workforce flexibility & flexible working
9. Aiming to reduce out-commuting
12. Ensuring adequate provision of business sites and premises
13. Differentiating the District's employment space from nearby areas.

Scenario 3: Indigenous Growth

9.55 A further possibility would be to aim for growth levels lower than the *Steady Growth* scenario described above, only matching levels of new jobs to the growth of local labour supply. Such a scenario would reflect an approach aimed at reducing pressures on labour supply and housing and minimising new land requirements. It would imply a significantly lower level of economic development than in recent years. At one level, it could mean no additional land requirement to be made, although if some more jobs were planned for than needed by planned housing growth in order to reduce out-commuting, this could mean a modest additional land requirement, perhaps only about 10 ha more over 20 years. Again, there would be growth in retail and tourism sectors, perhaps encouraged at a higher level than in the other scenarios to offset lower B class job growth and less labour constraints.

9.56 This scenario comes with some risks. On the one hand, a focus on encouraging indigenous firms to grow would remain and perhaps gain greater emphasis. However, greatly restricting new land supply could send out a message of a District closed to new business; this could limit any new firms coming into the District to add to its diversity and to introduce emerging sectors; it may reduce demand for premises to a level where limited new employment space is developed and the existing stock continues to age. It could restrict expansion or upgrading of existing firms and lead to some losses. Overall, it could potentially start the District's economy on a downhill path to stagnation.

9.57 In terms of constraints to delivering this scenario, there would appear to be relatively few compared to the others, particularly as it has limited need for new land, and job growth should broadly match labour available. For similar reasons, this scenario is also unlikely to conflict with wider economic or planning policy objectives although it is questionable whether it does much to support the Central Oxfordshire strategy aim of fostering the area's economic strengths.

9.58 In terms of the strategic objectives which would be associated with this scenario, many of those listed for the *Steady Growth* scenario would apply here also. However, the following would have much more limited emphasis under this scenario, and active promotion of the District would far less necessary:

4. Seeking to exploit the District's proximity to Oxford
7. Promoting a culture of entrepreneurship
8. Promoting workforce flexibility & flexible working
9. Aiming to reduce out-commuting
12. Ensuring adequate provision of business sites and premises.

9.59 Various other scenarios are also possible which would represent more extreme futures than the two outlined above. An example might be major economic growth with substantially greater employment land allocations than in the past, but this would not be consistent with other Council aims, the District's environmental constraints or the draft South East Plan.

Preferred Approach

9.60 The different scenarios will have different implications for the future level of economic activity in the District and for employment land requirements. It will be for the District

Council to select the scenario, or position between these, which best reflects its future aspirations and circumstances. To inform that decision, a broad assessment of the scenarios has been made in terms of the economic benefits, the risks of adverse effects, potential constraints on delivery and how well each would accord with wider economic strategies (Table 9.2).

9.61 The result is clearly dependent on the judgement made by the study on each factor and the weight given to each. Account was also taken of feedback from the stakeholder consultation process (Appendix 8). However, this analysis suggests the best balance of benefit and risk would flow from a strategy that aims for more than just catering for indigenous growth, with appropriate levels of land provision to support it, while avoiding excessive growth levels more likely to lead to adverse pressures. A continuation of past approaches combined with a more positive emphasis in seeking to attract some higher value, incoming businesses could help strengthen the industrial sector and potentially increase the attraction of the District to other knowledge-based sectors.

Table 9.2: Assessment of Economic Growth Scenarios

Scenario/Criteria	**Scenario 1 (Business as Usual)**	**Scenario 2 (Higher Growth)**	**Scenario 3 (Constrained Growth)**
New Employment Land	33 ha	50 ha	Under 10 ha
Gross Increase in B class Jobs	8,600	10,400	3,000-4,800
Promote Diversity of Economy & Jobs	+	++	–
Provide range of employment premises	+	++	–
Maintain/improve competitiveness	+	++	– –
Impact on other (non B class) sectors	0	–	+
Impact on Labour Supply/ congestion	–	– –	0
Pressure on Environment	–	– –	+
Deliverability /constraints	–	– –	+
Accord with Wider Economic Strategies	+	–	0
Overall Net Score	+	– –	–
Ranking of Scenario	**1**	**3**	**2**

\+ = positive effect on objective – = negative effect on objective 0 = neutral effect on objective

10.0 OVERALL CONCLUSIONS

10.1 The following findings and conclusions can be drawn from the preceding sections of this study.

10.2 West Oxfordshire is a largely rural District with a small but relatively good performing local economy, above average levels of entrepreneurial activity, low unemployment and a tight labour market. The District's main strengths include a high quality environment offering an attractive place to live for skilled staff and supporting a strong and growing tourism sector; its diversity; its proximity to Oxford with potential for spin-offs or relocations from the City's knowledge based sectors; some clusters of certain higher technology industries, and a reasonably skilled local labour force.

10.3 Its potential weaknesses and constraints to future growth include relatively poor motorway access and limited public transport infrastructure; high out-commuting levels and congestion along major routes; high housing costs which may hinder staff recruitment and retention; its still significant role in manufacturing - a sector in decline nationally; and the potential for its high quality environment and related planning policies to restrict future employment land supply. The strength of Oxford and Vale of White Horse District as centres of high technology growth, and Swindon as an industrial centre, may also provide competition to the District's aspirations in these sectors.

10.4 The District's existing supply of employment space is relatively small compared with most other Oxfordshire districts. The majority of this supply comprises industrial premises, both distribution and manufacturing, with a comparatively small amount of office floorspace. Most of the stock of space, particularly office units, is in smaller units under 500 m^2 with relatively few large units over 5,000 m^2. Much is also concentrated in the few larger towns, predominantly in Witney, but a significant amount is in small employment estates and converted rural buildings beside larger villages. Only about one quarter of industrial floorspace is fairly modern and this is confined to few locations, and much of the stock will soon be quite dated to meet modern business needs. While some 44% of the District's small stock of office space is relatively modern, a sizeable proportion of older stock exists.

10.5 A significant amount of new employment space has been developed in the District in recent years. An average of 23,000 m^2 of new employment space was completed annually between 2001-06, but over a longer period (1995-2006), the rate has been significantly lower averaging 16,500 m^2 annually. About half of the new space being completed has been for distribution use, with manufacturing and office premises accounting for about 25% each. There is a further 61,200 m^2 of permitted employment space, and 12 ha of land, available in the development pipeline, mostly on allocated sites and much of it in Witney. Significant new industrial development, and some office development, is taking place in Carterton and this may change opportunities there.

10.6 In common with other Oxfordshire districts, West Oxfordshire has lost significant manufacturing space and gained office and distribution space in recent years. Between 2001-06, 61,600 m^2 of employment floorspace was lost, the great majority of it to residential uses. However, the average annual loss was roughly half the amount of new employment space completed annually. Most losses occurred on only three large industrial sites and any future losses are considered likely to be of much lower scale.

10.7 The 79 main employment sites that make up most of the District's supply provide a good range to meet different needs in terms of quality and type. Although many sites have limited strategic road access in national terms, they are adequate to meet local needs. In terms of office premises, although small in scale, much of the stock outside of some older premises in Witney town is reasonably good quality, and provides a range of unit sizes. There is a reasonable supply of modern industrial space and a good distribution across the District. Most of the available sites are fully developed and vacancy is low. The remaining allocated sites and undeveloped sites with planning permission are all of good/average quality and considered likely to come forward for development. In the context of a District which does not have a large supply of employment sites and in which lower quality sites are occupied and meeting local needs, no sites were identified that justify release to other uses.

10.8 The District is seen by the property market as a mainly self-sustaining, locally driven market with some locational disadvantages but benefiting from an attractive environment and competitive costs. While it attracts relatively few large firms from elsewhere, its supply of more readily available sites has been particularly important to its market attractiveness compared to other areas. Current demand for industrial space is reasonable but office demand weaker. No major gaps were identified in the range of property types available but the District does not currently have the level of innovation or enterprise centre provision to support start-up firms that nearby districts have. Some shortage was also indicated of small managed office units, some medium sized high quality offices and small, low cost starter industrial units to lease. No need was identified for larger scale strategic distribution space in the District. The market's preferred location for any new employment space was mainly Witney, with modest provision in Chipping Norton, and continued provision of small, good quality employment areas in larger villages. In Carterton, Ventura Park and West Oxfordshire Business Park have provided new development opportunities which are being taken up by the market.

10.9 Consideration was given to the current economic role, amounts of employment land available and any major economic development proposals in nearby districts to assess the extent to which these areas could compete with West Oxfordshire for investment or accommodate some of its future demand for employment space. Many of these districts have broadly similar economic aims – to sustain high levels of employment in a diverse sustainable economy, balanced with a high quality of life, and with a focus on knowledge based sectors. Oxford and Vale of White Horse Districts are important centres for higher technology sectors and major proposals at Harwell and Culham should strengthen the latter's role. Compared with some of these areas, West Oxfordshire has some potential disadvantages, particularly its more limited accessibility, its low available labour supply and modest amounts of available land, but it is competitive on cost. Given these factors, the District is unlikely to attract any large scale industrial or office firms in preference to nearby centres, and would face competition to developing as a major focus for higher technology. Despite this, no major developments are planned nearby that should draw demand that might otherwise have gone to West Oxfordshire. Overall, there do not appear to be reasons why the District should not continue to compete successfully at its current level provided suitable levels of employment space are made available.

10.10 Future employment land requirements for the District were estimated using several different approaches. These took account of projected employment growth, past rates of completions of employment space and growth of local labour supply, as well as wider economic trends. The estimates include a modest safety margin to give some flexibility and choice. The table below summarises the gross land requirements arising from the different approaches used, before any existing development land is taken into account. The amounts range between 12 and 80 ha depending on the approach and assumptions used, or between 0.6 and 4 ha annually up to 2026. The estimate based on employment forecasts was considered less reliable compared with recent job growth in the District.

Table 10.1: Gross Land Implications of Different Scenarios (2006-26)

	Land Required
Based on Experian employment forecasts	12.4 ha
To match labour supply from 6,700 new dwellings	24.7 ha
To match labour supply from 6,700 new dwellings & Reduce out-commuting by 10%	39.7 ha
Based on lower past-completions approach	63.8 ha
Based on higher past-completions approach	80.8 ha

10.11 When allowance is made for an estimated 30 ha of available land allocated or with planning permission, the net additional employment land requirement up to 2026, for which new sites would need to be found, would be between 33-50 ha, if future needs were based on past completions. If an alternative approach were followed which aimed to provide only enough new land and jobs to match growth in labour supply, there would be no need for additional land in quantitative terms although some new provision would increase choice and bring qualitative improvement of the stock. However, to both meet labour supply growth and also provide slightly more local jobs to help reduce out-commuting would require in the order of 9 ha more land.

Table 10.2: Net Amounts of Employment Land Required 2006-2026

	Additional Land Required	Comment
Based on Experian employment forecasts	-18.0 ha	surplus/no new land needed
To match labour supply from 6,700 new dwellings	- 5.7 ha	surplus/no new land needed
To match labour supply from 6,700 new dwellings & reduce out-commuting by 10%	+ 9.3 ha	deficit/ new land needed
Based on lower past-completions approach	+ 33.4 ha	deficit/ new land needed
Based on higher past-completions approach	+ 50.4 ha	deficit/new land needed

10.12 In terms of locations for future development, the most obvious area for a major share is land at Downs Road on the west side of Witney. As well as wider sustainability factors, this reflects this location's better strategic road access, its proven attractiveness to the market and occupiers and fewer environmental constraints than other possible areas. In Chipping Norton, need was seen for need for a modest amount of additional land, probably for business/mixed employment use. In Carterton, given the amount of employment land still available and being developed (e.g. at Ventura Park and West Oxfordshire Business Park), any further provision would be to meet longer term needs. A modest amount of flexible, mixed use employment land would be appropriate for this purpose, but with greater emphasis on industrial space. Both these smaller towns would benefit from some low cost, small units for start-up firms.

10.13 While these amounts of land provide broad estimates of potential market demand and the implications of different policy aspirations, the actual land requirements to be used as the basis for future planning need to be determined following consideration of the preferred economic strategy for the District. To help formulate this strategy, several possible scenarios for future economic growth in the District were considered, along with the key strategic objectives which should support these. This process took account of the District's current strengths, weaknesses and opportunities identified earlier, economic trends within it and the region, relevant planning policies, national sustainability aims, and the aims of both local and regional economic development strategies. The industrial and service sectors which appear to gain competitive advantage from being in the District were identified and their future prospects assessed.

10.14 From this, the following strategic objectives were identified as appropriate for West Oxfordshire. Many of these would be common to any economic strategy for the District but would be taken forward to a greater or lesser degree depending on the level and type of economic future sought.

- *Maintaining a diverse local economy adaptable to change*
- *Promoting growth in high growth/high productivity sectors and clusters*
- *Retaining the District's industrial strengths*
- *Seeking to exploit the District's proximity to Oxford*
- *Supporting indigenous growth*
- *Assisting workforce training to meet business needs and improve productivity*
- *Promoting a culture of entrepreneurship*
- *Promoting workforce flexibility & flexible working*
- *Aiming to reduce out-commuting*
- *Promoting higher spend, sustainable tourism based on the District's inherent qualities and assets*
- *Focusing growth on towns but continue to support the rural economy*
- *Ensuring adequate provision of business sites and premises*
- *Differentiating the District's employment space*
- *Promoting local supply chains*
- *Active promotion of the District as a business location*
- *Seek to Improve Infrastructure.*

10.15 Three possible pictures of future growth in the District were considered, which might form the basis for an economic strategy. These describe different levels of economic growth and activity, different amounts of employment land provision, and different types of objectives and levels of intervention by the Council. While the emphasis may be on providing for B class employment uses, fostering other sectors such as retail and tourism related uses will also be important elements of these strategies.

- *Scenario 1: Steady Growth* – under this, the District would continue along broadly similar economic lines to those in the recent past. This would reflect continuing with an approach which has led to a reasonably successful local economy to date. The focus would be on supporting indigenous economic growth, with modest inward investment and slightly lower levels of employment land provision than recent rates of development, 33 ha over the next 20 years.

- *Scenario 2: Aim for Higher Growth*: this envisages somewhat higher economic growth in the District than the *Steady Growth* scenario, with levels of development closer to the higher rates seen over the last five years and would mean providing significantly more employment land than Scenario 1, in the order of 50 ha in total. It would still support growth of indigenous firms but also more actively promote the District and encourage more relocations of firms from elsewhere, both industrial firms and high value/knowledge based activities, aiming to capitalise more on proximity to Oxford's growth. While most of the objectives associated with it would be the same as for scenario 1, much greater emphasis would be given to some, such as promoting growth in high growth/high productivity sectors and clusters; promoting a culture of entrepreneurship and ensuring adequate provision of business sites and premises.

- *Scenario 3: Indigenous Growth*: this aims for growth levels lower than the *Steady Growth* scenario described above, broadly matching levels of new jobs to the growth of local labour supply. Such a scenario would reflect an approach aimed at reducing pressures on labour supply and housing and minimising new land requirements. It would imply a significantly lower level of economic development than in recent years. It could mean no additional land requirement to be made, or only a modest 10 ha more if slightly more than the minimum job requirement was planned for to help reduce out-commuting. Key objectives linked to this scenario would also include many from scenario 1, but with no active promotion of the District and much less emphasis on, for example, seeking to exploit the District's proximity to Oxford; promoting a culture of entrepreneurship and ensuring adequate provision of business sites and premises.

10.16 Each of these alternatives comes with different benefits and risks, and their deliverability varies in terms of potential constraints such as labour supply and infrastructure. The extent to which each accords with wider economic strategies and planning policies also differs. The study assessed the different scenarios against such factors. While the decision on which approach is preferable is for the District Council, from the factors considered in this study a level of growth and package of objectives closer to scenario 1: *Steady Growth* appear to offer important benefits with fewer risks and potential constraints.

10.17 The amount of new employment land to be allocated would follow a choice of economic strategy by the District Council, but informed by the estimates made above. Forecasts for a period 20 years ahead will be affected by many changing factors, both local and global. To minimise the risk of over-provision if the study's estimates turn out to on the high side, or if future demand requires less office space than predicted, it will be important to closely monitor demand and take-up for different employment uses to gain early warning of demand exceeding forecast levels and respond accordingly. A `plan, monitor and manage' approach, under the more flexible Local Development Framework (LDF) process, could usefully be applied, as well as some flexibility in the mix of employment uses allowed on new sites.