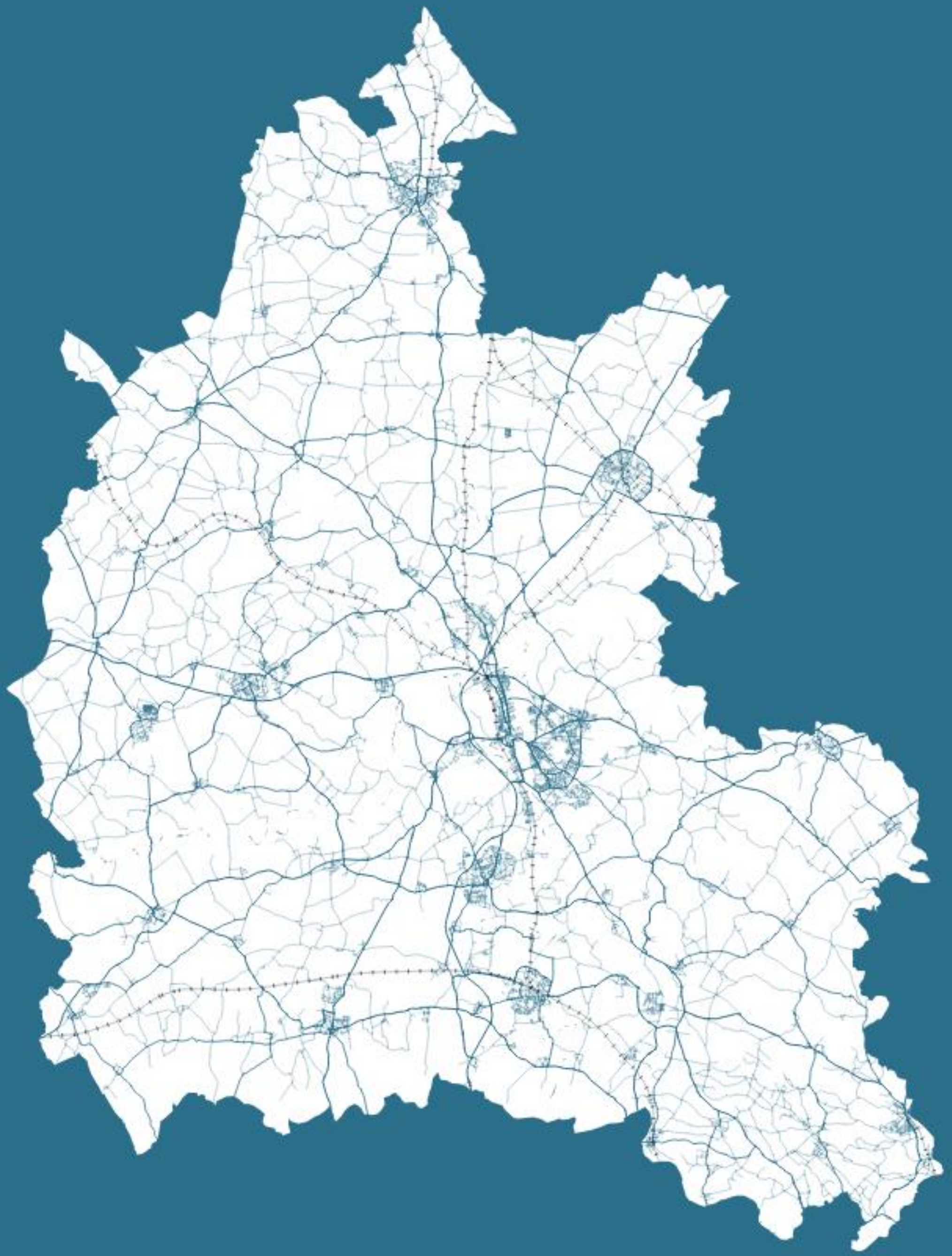
Metro——Dynamics

Future Oxfordshire Strategy

Phase 1 Report

Analysis of the Oxfordshire economy and delivery environment

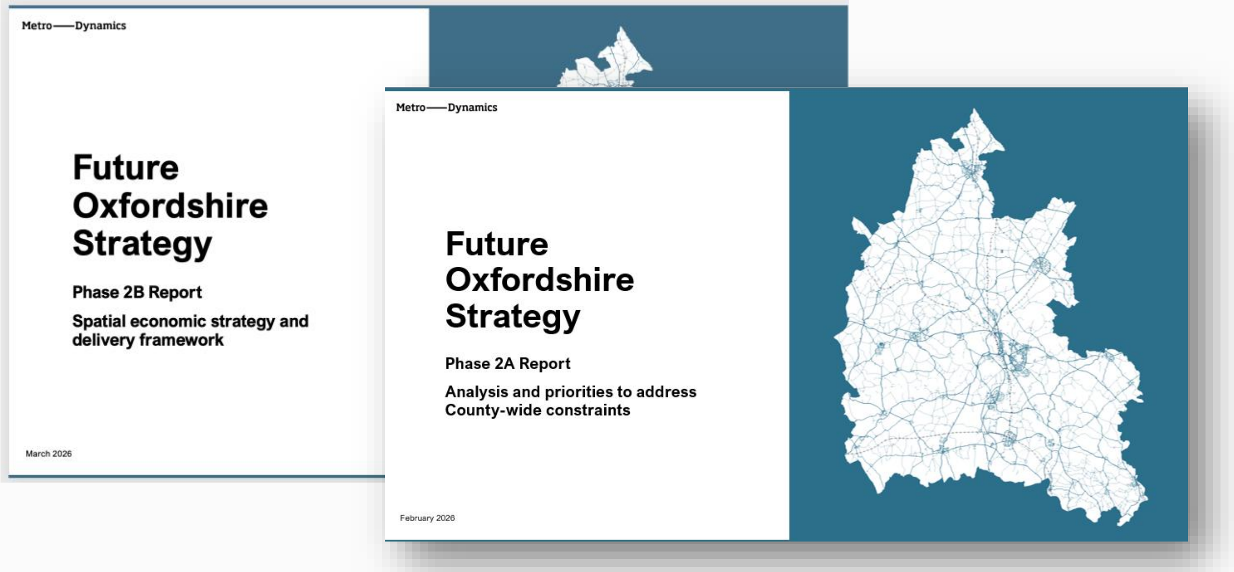
November 2025



Summary of Phase 1 and Next Steps

Introduction to this report

This report is the first output of the Future Oxfordshire Strategy project; this report assesses the structure, composition, performance and delivery environment of the Oxfordshire economy, to scope what is needed to advanced economic development in the county.



It is followed by two other reports from this project: Phase 2A, which set out Oxfordshire-wide strategic economic priorities, against clear evidence of growth opportunities and constraints. Phase 2B builds from both reports, including translating county-wide priorities into key spatial economic areas.

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Phase 1 has reviewed Oxfordshire's economy and delivery system, to understand where strategic economic focus is needed

In phase 1, we have reviewed existing strategies and current economic performance and characteristics and held discussions with a range of county and district council officers, with Oxfordshire Cabinet Members and partners from business and the university.

The aim of this has been to understand the specific dynamics and needs Oxfordshire's economy and delivery system, to identify what is needed from a Future Oxfordshire Economic Strategy and economic development model. At a headline summary, this review has highlighted 3 key factors at play in this environment, that inform the response that Oxfordshire could deploy:

1. **Economy** – Oxfordshire is a complex and diverse economy of sectors, employment centres and labour markets that have distinct roles, with different geographies and opportunities to address.
2. **Leadership and partnership** – Public sector economic leadership has been variable - historically, the county has not fully leant in. Shared ambition consensus and action is required to make the most of the county's growth potential
3. **Delivery** – Two tier system and LEP transition means that priorities for growth and levers to make an impact are fragmentated between different organisations, with high-profile Government and private actors creating an active yet unaligned delivery system

A complex economy and delivery environment, significant opportunity and barriers

- **Oxfordshire is a complex economic unit**, with a global, high-growth potential innovation city, high-tech science and business assets, large and small towns and a range of sectors from technical to agriculture to retail and leisure, with several economic areas
- **There is a breadth and depth of economic opportunity and barriers to growth to address**, and also genuine potential to make this next phase of growth more inclusive and sustainable
- **There is a lot of live economic development activity led by many different government actors for different geographies and aims** – OxCam Corridor, Oxford Growth Commission and Thames Valley in the future – in addition to investor-led activity
- **At the Oxfordshire level, there are a collection of strategies that focus on broad thematic interventions**, including inclusion, sustainability, infrastructure and innovation – it has historically been challenging to galvanise shared consensus and action
- There is a need for an overall theory for economic growth that reflects and responds to the **specific spatial and sectoral complexity of the economy.**
- There is a risk that without this, and a portfolio of specific projects to unlock growth within it, other actors will focus selectively on specific interventions that **will not be sufficient to enable growth and deeper benefits for residents and businesses.**
- **This is compounded by ongoing change in the local government environment**, complicating the geography at which to act – however the growth opportunities are live now regardless of administrative structures.
- Partnerships have begun to fill this gap, e.g. Equinox, but **a wider range of strategic actions may be required now, next and in the future.**

Metro——Dynamics

Different constraints and opportunities to address in different places, and an opportunity to make the whole greater than the sum of its parts

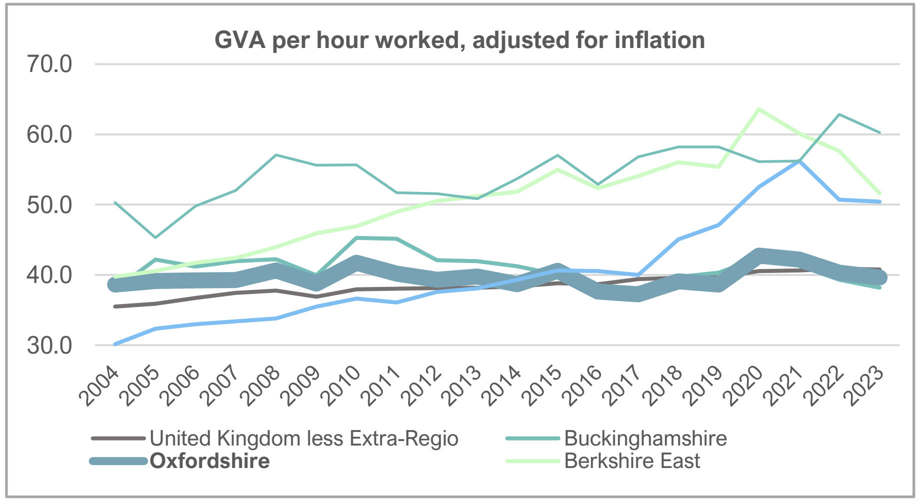
Area	Economic characteristics		Economic development approach		
	Strengths and opportunities	**Challenges and constraints**	**Priority actions**	**Outcomes targeted**	**Strategy and delivery Qs**
Oxfordshire	• Diverse sector strengths and multiple growth points	• Overall productivity stagnant and lagging behind neighbours • Combined with housing costs means lower GDHI than neighbours	• County wide skills support delivery, infrastructure and transport investment	• Above national average productivity and output growth	• What does good growth look like for each area? What are we trying to achieve? • What are the key opportunities to focus on to get there? • What does a networked and integrated county wide and area-based approach look like? • What makes sense to mobilise early to make an impact?
Greater Oxford	• Productivity growth higher than rest of County and UK • Global innovation and research assets	• Residential growth needed to meet growth needs • Physically constrained and small housing sites	• Integrated housing and infrastructure delivery • Coordinated inward investment	• Above County average productivity and output growth • Increased scale up	
Major connected towns – Banbury and Bicester	• Large planned / committed housing sites • Strong road and rail connections out of County • Strong employment and growth in advanced manufacturing, logistics	• Resi capacity w/o planned sites • Shrinking high employing sectors – manufacturing, retail and wholesale, agrifood, other services • Limited connectivity in County • Matching local mid level skills	• Support to sector and growth projects, across Oxfordshire boundaries • Housing and employment site delivery	• Growth in sectors maximising regional / national connectivity	
Abingdon-Didcot-Harwell-science parks corridor (Science Vale +)	• Science and innovation assets, growth businesses • Potential residential land capacity underused connecting corridor	• Constrained housing supply and infrastructure for growing labour market • Gap in innovation infusion into business base • Lack of space for scaleups • Matching local mid level skills	• Coordinated inward investment and promotion • Integrated infrastructure and housing delivery	• Growing investment in science parks • More new businesses, scaleups and innovation diffusion increasing growth	
West Oxfordshire	• High quality of life • High visitor economy employment • Planned housing growth	• Housing affordability and under-delivery • High car dependency • Limited spillover into higher-value sectors	• Unlock housing as an economic enabler • Support productivity improvements in visitor and foundational sectors • Skills and transport interventions	• Sustained high productivity • Stronger integration with county innovation economy • Diversified economic activity	

Findings from Phase 1: Economy

Oxfordshire's economy contains several different components which vary in economic activity and performance

As an economic unit, Oxfordshire's productivity sits below comparators - and has seen relatively stagnant growth over the last 20 years. In 2023, productivity in Oxfordshire stood at around £40 per hour worked, compared with £52 in Berkshire West, and £60 in Swindon. This varies between places – productivity has grown by 18.1% in Oxford since 2019, compared to 7.2% in Cherwell. **This lower and uneven productivity is reflected in household incomes.** Gross Disposable Household Income (GDHI) per head in Oxfordshire (£26,621) sits well below nearby high-performing areas such as West Berkshire (£28,281) and Buckinghamshire (£30,659). Economic activity in Oxfordshire is uneven, with a set of urban and corridor-based clusters generating a large share of output. Oxford dominates in knowledge-intensive industries. Rural and market-town areas contribute less to overall GVA, reflecting differences in sectoral mix, business density and access to infrastructure.

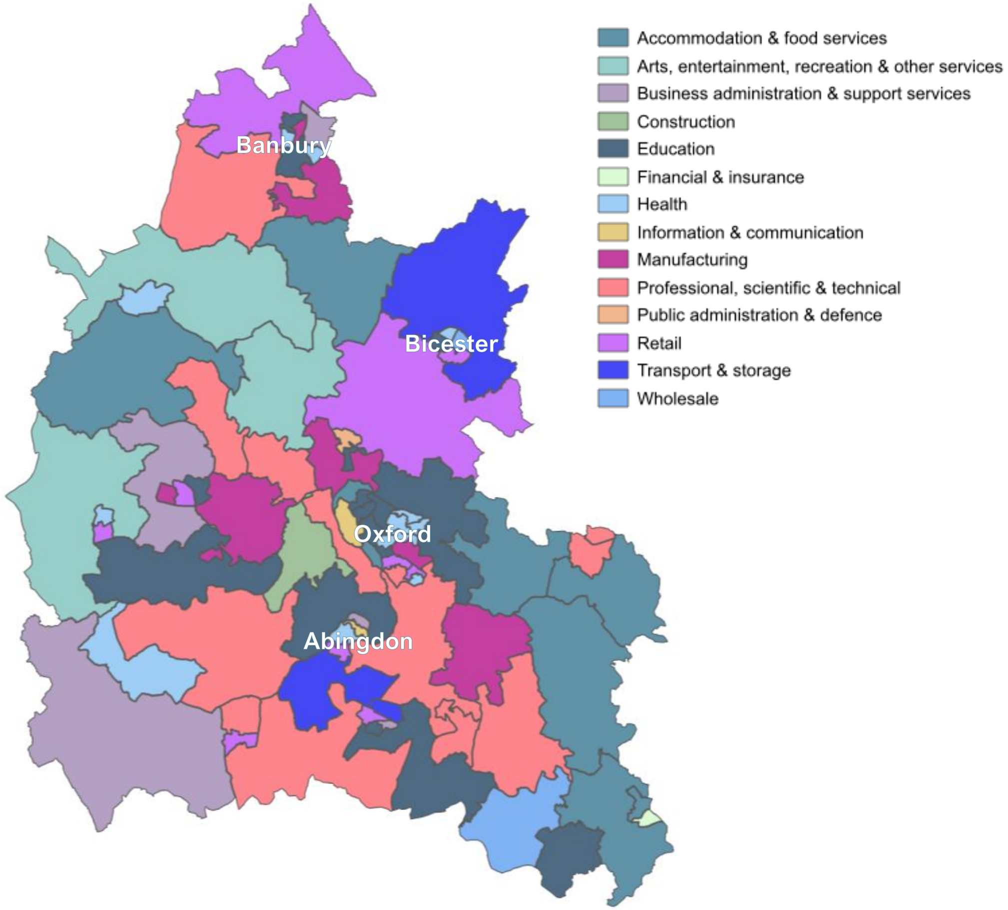
Overall, Oxfordshire punches above its weight in global innovation, but prosperity is less evenly spread and shared than in Berkshire or Buckinghamshire.



Source: ONS Subregional Productivity

Employment patterns reflect a diverse economic base, not solely based on professional, science and technical activity

Mode sector of employment by MSOA

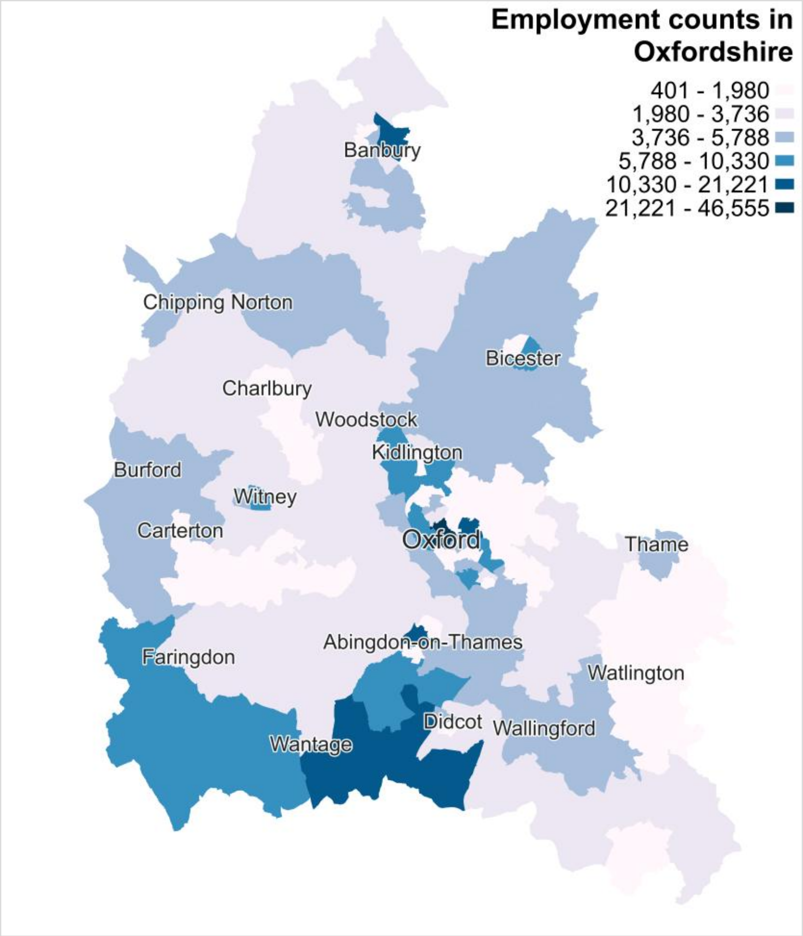


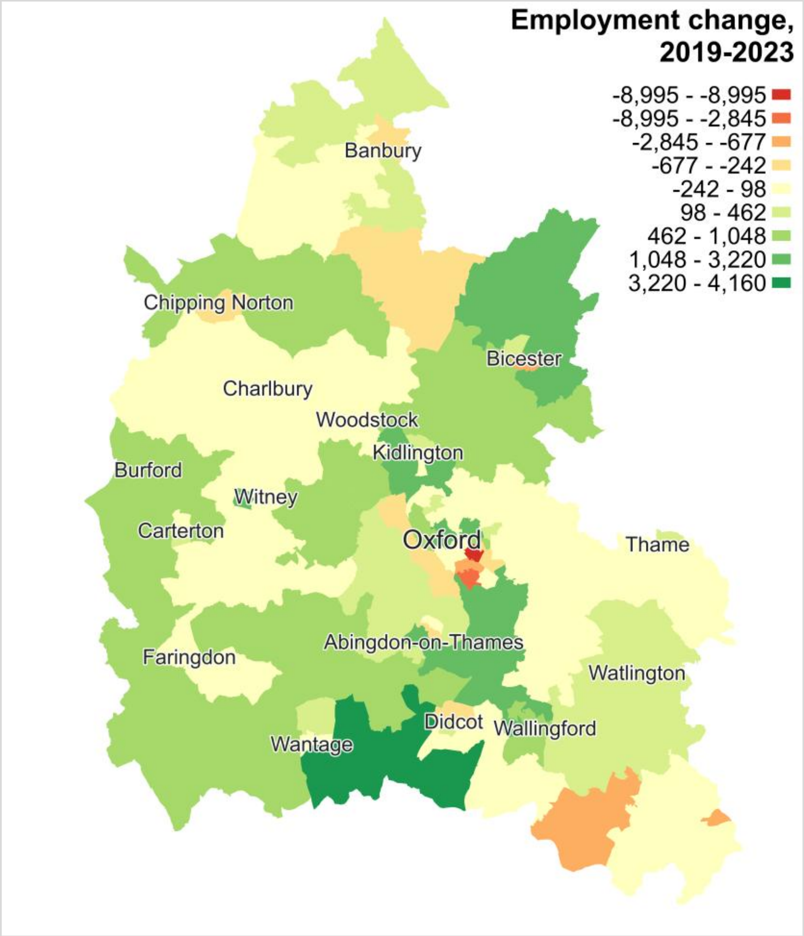
This map shows the most common employment sector in each MSOA across Oxfordshire, demonstrating the variation in types of economic activity and is distinct yet connected economic areas. This is also reflected in varied GVA output across sectors between the Oxfordshire districts with connections outside of the county boundary – advanced manufacturing around Banbury looks to the UK's Motorsport Valley, for example, across the OxCam corridor and into the Midlands.

For Oxfordshire's economic strategy, there is likely a range of growth opportunities linked to these differing economic characteristics as well as differing constraints and barriers to address.

Source: BRES, 2023

Oxfordshire's major growth locations





Employment levels are highest in Oxford and other urban areas, as well as around Harwell, reflecting the current concentration of jobs across the county.

However, changes since 2019 show that recent employment growth has been concentrated in peri-urban locations, **including around Bicester, towns across South Oxfordshire, and the Harwell area.**

By contrast, Banbury and Didcot town centres have seen employment decline, while South Oxford has experienced particularly significant job losses.

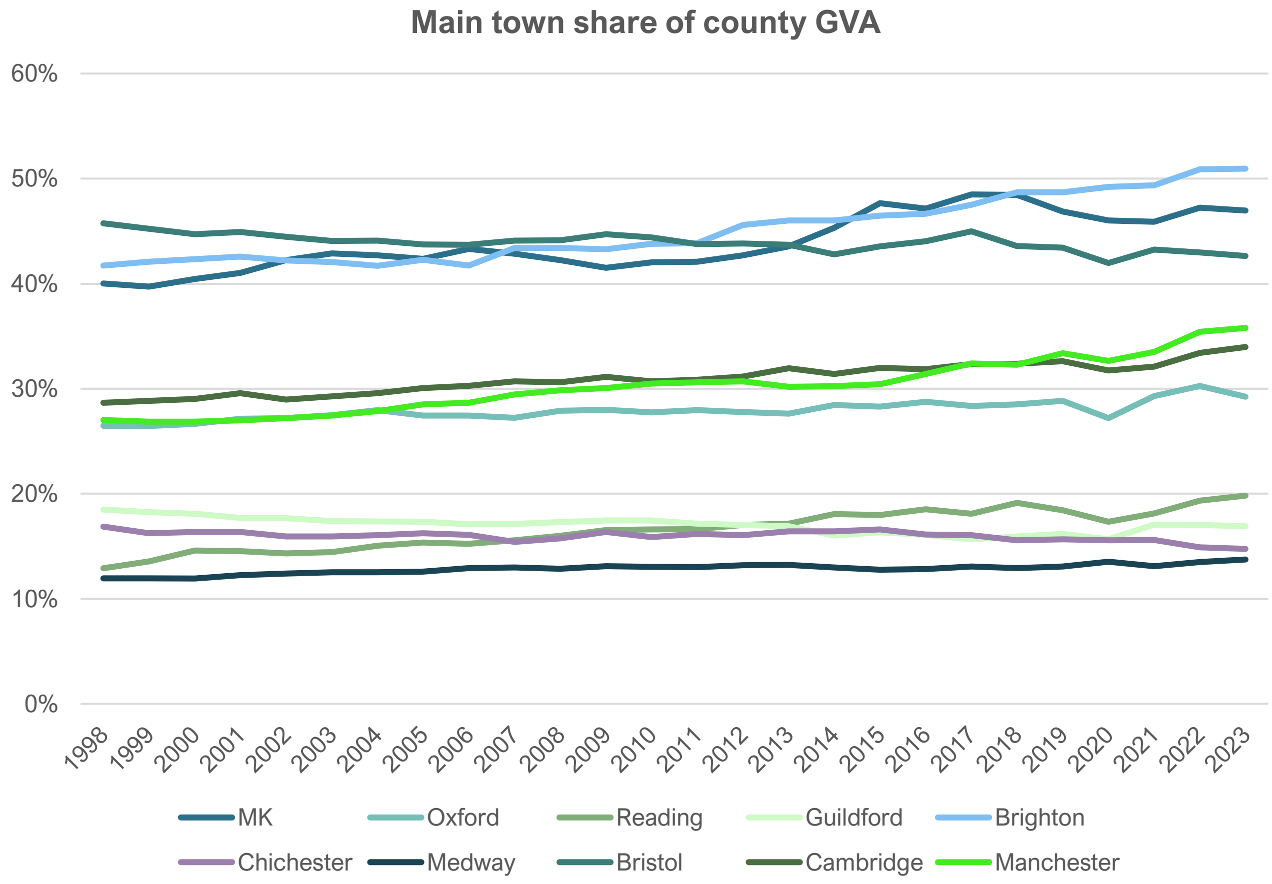
Source: BRES, 2023

Oxford anchors the county, within a more balanced economic geography

Oxford is Oxfordshire's primary economic engine, contributing around **30%** of county GVA – above the city's share of the county's population. However, this places the city **between** comparator patterns, rather than at either extreme.

Oxfordshire is **not as economically concentrated** around its main centre as places such as Milton Keynes or Brighton. Equally, it is **not as polycentric** as counties where the leading centre accounts for a smaller share of total output (e.g. Guildford or Chichester).

Oxfordshire's position is closest to Cambridge in headline share terms – with an important caveat therefore on boundary definitions.



Source: Sub-Regional GVA, ONS

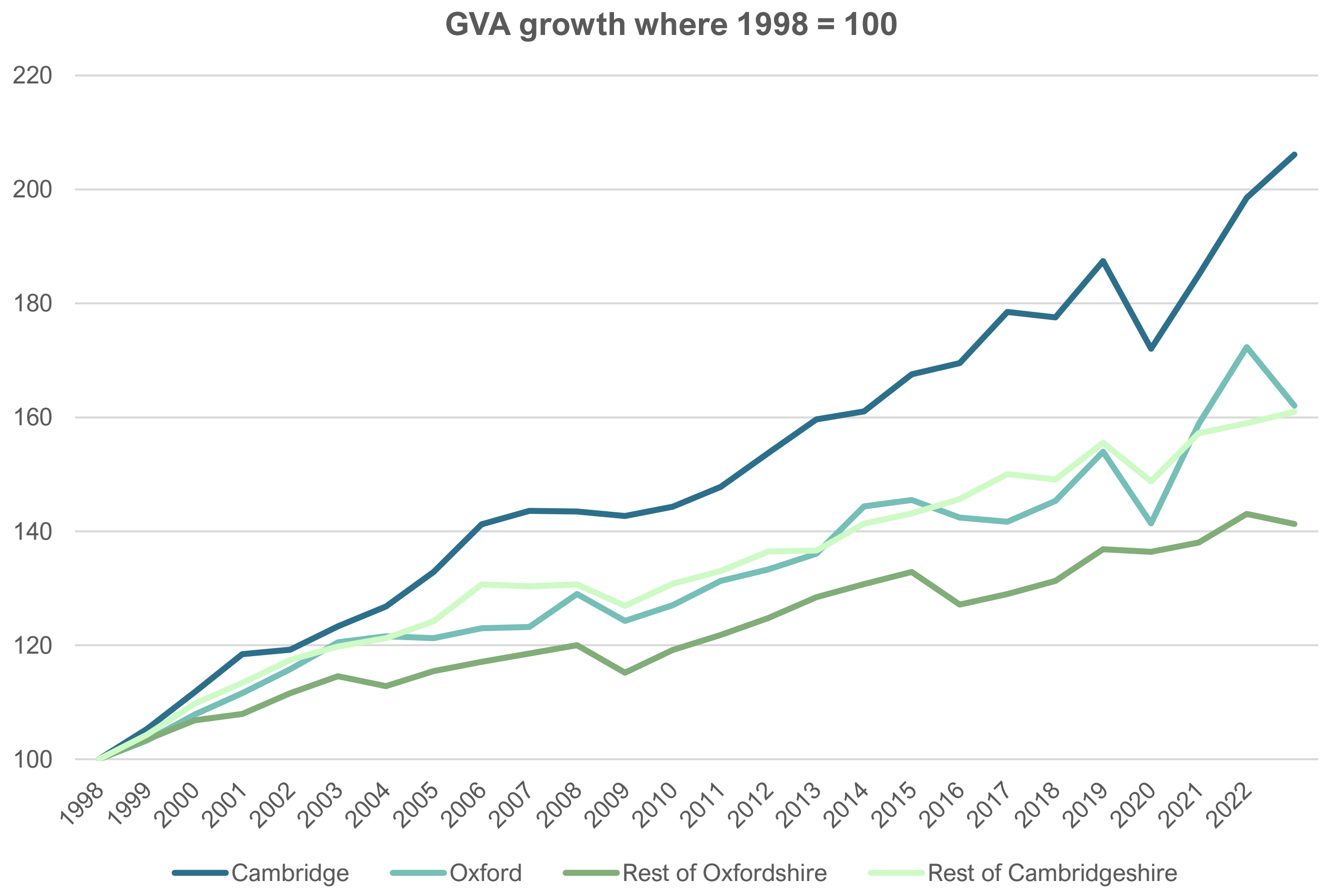
When comparing Oxfordshire and Cambridgeshire further, there is divergence between the cities' trajectories

Both counties have experienced substantial economic growth since 1998. However, Oxford and the rest of Oxfordshire have grown more slowly than their counterparts in Cambridgeshire.

In particular, there has been a divergence between the cities themselves, with Cambridge's growth rate accelerating significantly over time, while Oxford's has been more modest.

Notably, Oxford's trajectory now aligns more closely with the wider Cambridgeshire economy than with Cambridge city.

These comparisons come with the caveat that both cities have tight administrative boundaries, meaning the functional economic areas extend beyond what is shown in this chart.

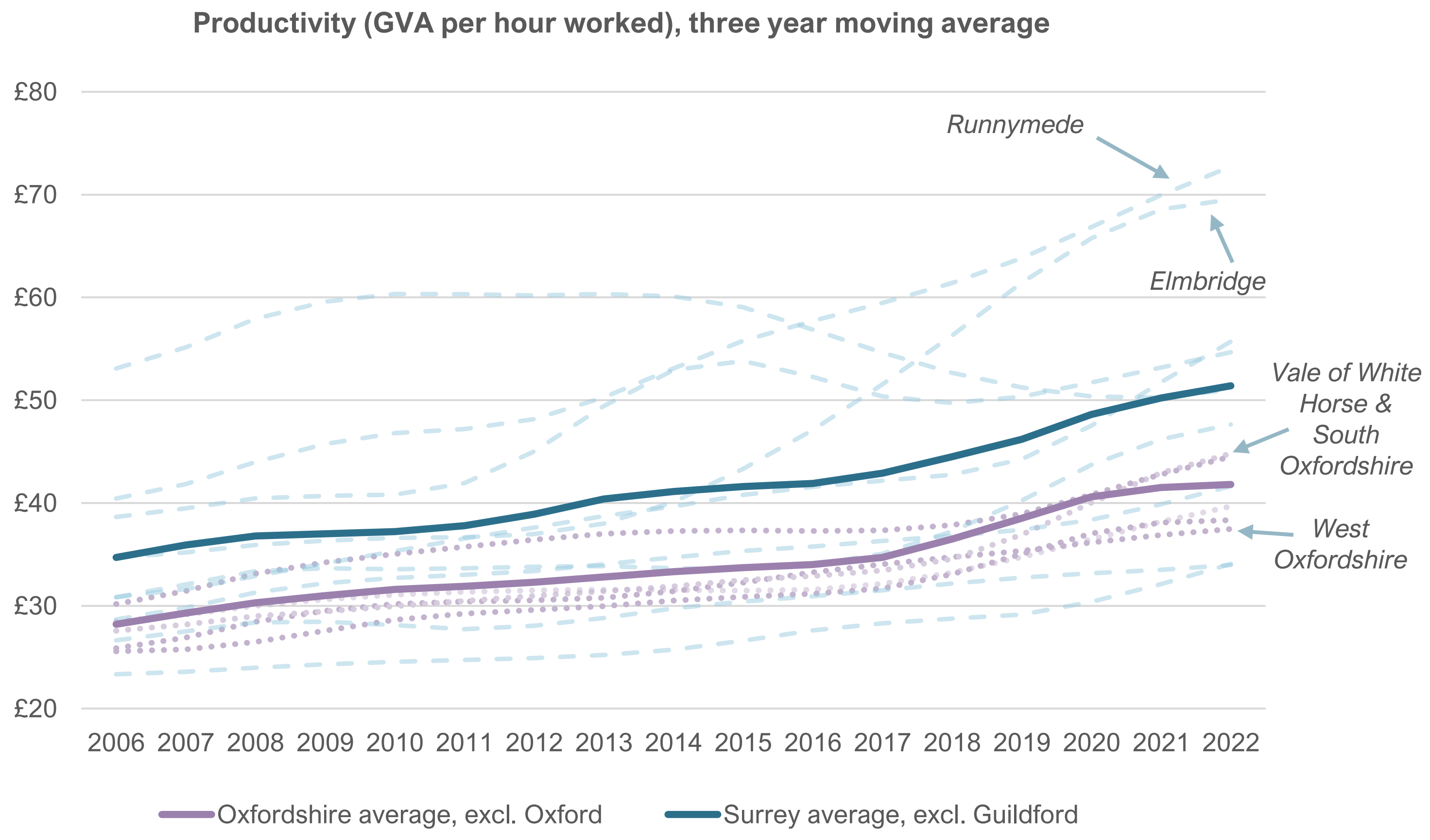


Source: Sub-Regional GVA, ONS

Beyond Greater Oxford, there is also untapped potential in market towns

When comparing Surrey's market towns, they show a spreading of economic growth. Several Surrey districts – notably Runnymede and Elmbridge – record significantly higher productivity than seen in Oxfordshire, reflecting concentrations of corporate head offices, high-value business services, and strong connectivity to Heathrow and London.

Overall, there is more varied productivity performance than in Oxfordshire, where non-Oxford districts cluster within a narrower band, outperforming Surrey's weakest areas, but with a material gap on average.



Source: Sub-Regional GVA, ONS

District commuting shows several economic hubs

Census 2021 commuting data shows the different commuting patterns for the four non-Oxford districts (with pandemic related caveats). Most are fairly self contained.

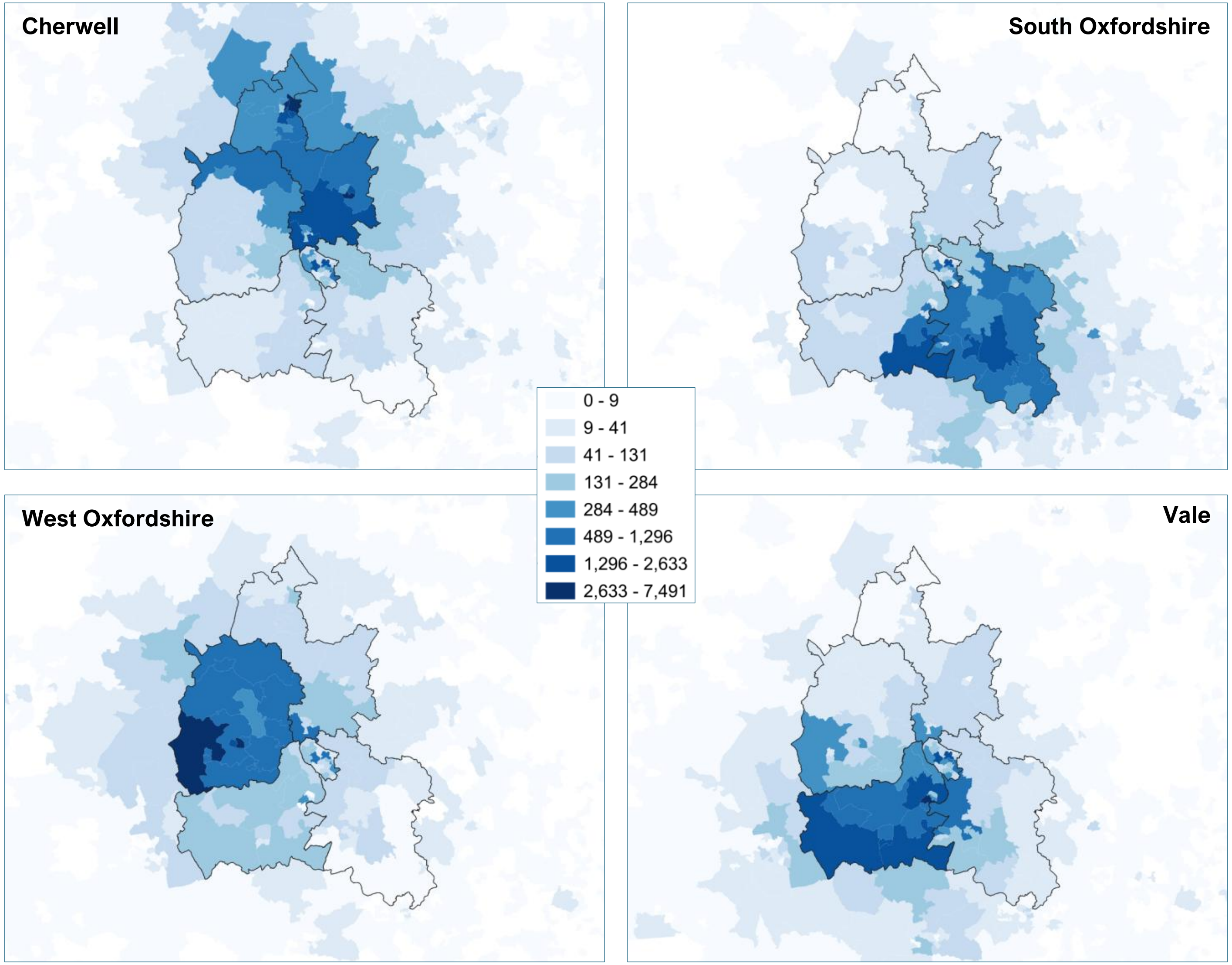
For Vale residents, the major commuting destinations are spread across the districts.

West Oxfordshire is evenly spread with the highest number travelling into Burford.

For South Oxfordshire, the MSOA that is the single highest destination for commuters is the area containing Harwell Campus.

Cherwell's major sites are Banbury, Bicester, and Bicester Village, with spillover into Buckinghamshire, for example.

Each has between 1,000 and 1,500 commuters to Headington – West and South Oxfordshire send half the number of commuters to Oxford city centre as the other two.

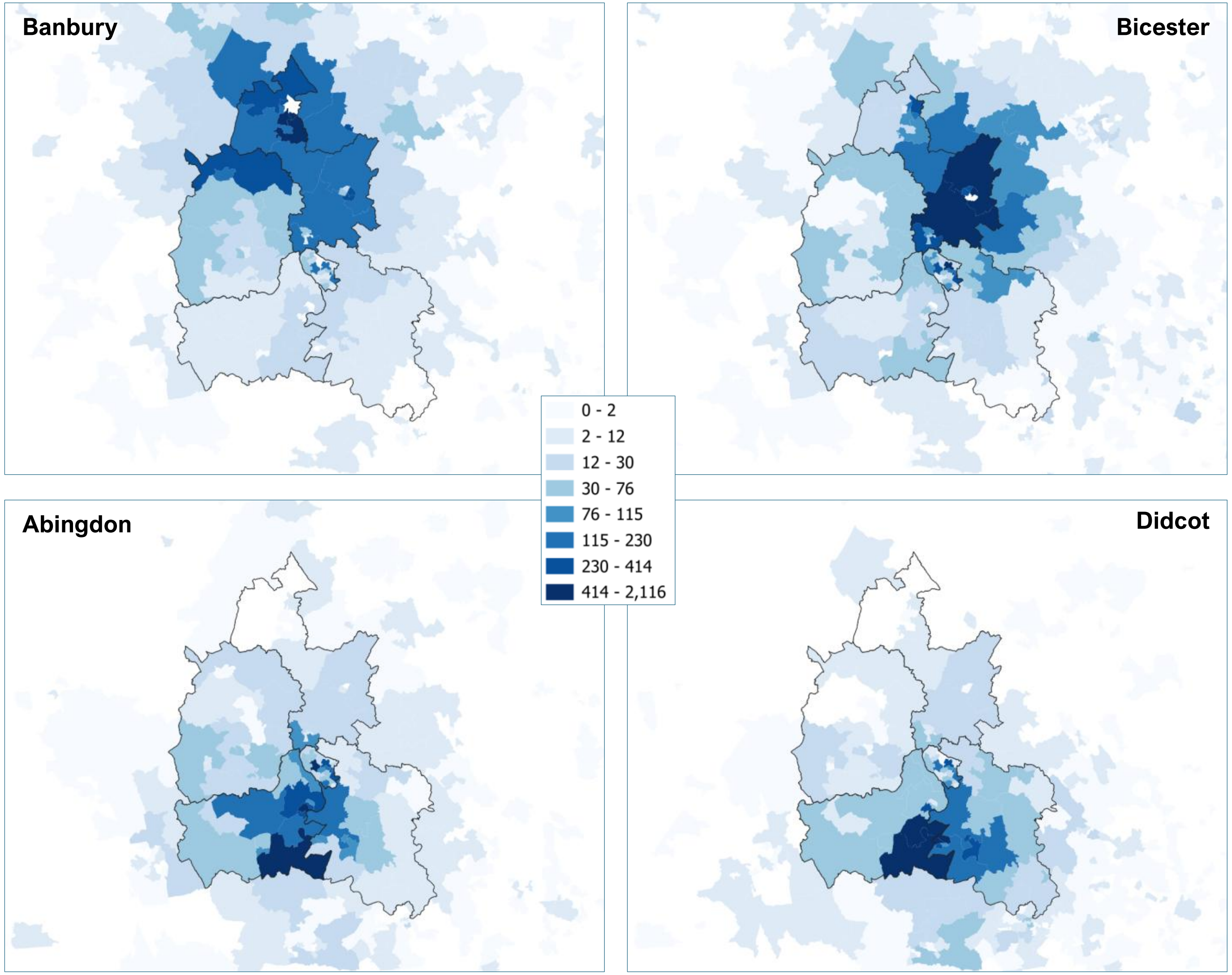


Market town commuting also shows this variation

These maps show the same data for the four largest non-Oxford towns.

Banbury's commuters are spread out across Cherwell, though largely self-contained within the district with moderate spillover outside of the county. Bicester shows strong commuting into the area containing Bicester Village, as well as links into Oxford city centre and some spillover outside of the country

Both Abingdon and Didcot have commuting flows that are concentrated in the employment land in and around the two towns, with similar levels of commuting into Oxford city centre as Bicester.



Sector growth in Oxfordshire towns and cities further highlights the different economic role each one could play

The following slides present the results of a spatial sector analysis focused on Oxfordshire's major urban settlements using custom MSOA definitions. The analysis focuses on employment in these areas, how their sectors compare to Oxfordshire and national concentrations using LQs, and their Compound Annual Growth Rate (CAGR) between 2019 and 2024.

Towns and cities in Oxfordshire have different mixes of business sectors. Each has a distinct mix, and none resembles Oxford, whose economy is dominated by education and health. The towns demonstrate broadly foundational-focused economies, with retail, logistics, agri-food, hospitality and local services playing a large role in shaping overall employment.

Presence of National Industrial Strategy sectors in towns is generally low in levels of employment. There are small but notable pockets – digital in Abingdon, and advanced manufacturing in Abingdon, Banbury and Bicester – but nothing comparable to Oxford's concentration in life sciences and research-intensive activities.

In Banbury and Bicester, transport and logistics is expanding quickly. Bicester also shows broader growth across several smaller sectors, including professional business services, whereas Banbury's sectors are larger but are showing challenging growth patterns. In Didcot, transport and logistics is again a major growth driver, while both Didcot and Abingdon otherwise show moderate or stable performance across their largest sectors. Abingdon has clearer potentially emerging strengths, while Didcot's profile is more mixed.

This analysis highlights the tailored approach required for each town, but also an opportunity develop sectors across towns, linked to wider growth opportunities.

Spatial sector analysis: Abingdon

Grounded in **foundational sectors**, notably retail and wholesale, which remain concentrated and have grown ahead of county and national trends. Clear **digital** strength (high LQ, steady growth), suggesting an established and successful specialism. **Advanced manufacturing** is growing but is below Oxfordshire's concentration, potentially indicating more room to grow. Similarly, **life sciences** activity is small, below the county average, but expanding rapidly.

Abingdon	Employment in 2024	Oxfordshire LQ	Great Britain LQ	Change in Employment 2019-24	CAGR	Oxfordshire CAGR	National CAGR
Health & Social Care	2,525	1.2	1.1	-37	-0.3%	1.6%	2.5%
Education	2,506	0.9	1.7	+419	3.7%	1.4%	0.8%
Retail & Wholesale	2,094	1.3	1.3	+130	1.3%	-1.7%	-1.6%
Digital	1,454	2.1	2.2	+113	1.6%	2.5%	1.3%
Agri-Food	1,165	1.1	0.9	-146	-2.3%	-1.5%	0.0%
Hospitality Services	1,040	0.8	0.7	+56	1.1%	-0.5%	0.8%
Other Services	1,011	0.9	0.9	+91	1.9%	-0.7%	0.8%
Construction	833	1.0	0.9	-151	-3.3%	-3.2%	1.1%
Advanced Manufacturing	742	0.8	1.3	+148	4.6%	0.9%	-0.7%
Public Administration	680	1.5	0.8	+213	7.8%	0.7%	3.1%
Creative & Cultural	417	0.6	0.8	+9	0.4%	1.0%	1.2%
Life Sciences & MedTech	394	0.5	3.0	+108	6.6%	7.1%	2.4%
Professional Business Services	390	0.6	0.7	+40	2.2%	1.3%	2.8%
Real Estate	390	1.2	1.1	+229	19.4%	3.4%	3.0%
Administrative Services	385	0.7	0.4	-290	-10.6%	-1.4%	-0.1%
Transport & logistics	378	0.6	0.5	+125	8.3%	3.1%	1.0%
Finance & Insurance	293	0.8	0.4	-10	-0.7%	3.1%	1.2%
Utilities	249	1.5	1.3	+75	7.4%	2.8%	1.3%
Manufacturing	213	0.6	0.4	-68	-5.4%	-2.7%	-2.0%
Legal Services	157	1.3	0.8	+54	8.9%	-0.7%	1.0%
Air & Aerospace	0	0.0	0.0	0	0.0%	3.4%	-0.1%

Spatial sector analysis: Didcot

Clear strength and specialism in **retail** and in **transport and logistics**, the latter linked to warehouse and distribution growth. **Agri-food** also shows a high concentration, though this may reflect MSOA boundaries, and the sector has shed substantial employment. Beyond these, the picture is mixed, with few strong specialisms and limited presence in IS8 sectors.

Didcot	Employment in 2024	Oxfordshire LQ	Great Britain LQ	Change in Employment 2019-24	CAGR	Oxfordshire CAGR	National CAGR
Retail & Wholesale	1,422	1.8	1.8	+231	3.6%	-1.7%	-1.6%
Transport & logistics	1,021	3.5	2.7	+569	17.7%	3.1%	1.0%
Education	890	0.7	1.2	+97	2.3%	1.4%	0.8%
Health & Social Care	885	0.8	0.7	+83	2.0%	1.6%	2.5%
Agri-Food	767	1.5	1.2	-897	-14.4%	-1.5%	0.0%
Hospitality Services	737	1.1	1.0	+64	1.8%	-0.5%	0.8%
Other Services	587	1.0	1.0	-72	-2.3%	-0.7%	0.8%
Construction	345	0.9	0.8	+5	0.3%	-3.2%	1.1%
Administrative Services	320	1.3	0.7	-890	-23.4%	-1.4%	-0.1%
Advanced Manufacturing	296	0.7	1.0	+94	7.9%	0.9%	-0.7%
Real Estate	291	1.8	1.6	+70	5.7%	3.4%	3.0%
Utilities	224	2.8	2.3	+119	16.3%	2.8%	1.3%
Manufacturing	162	0.9	0.6	+17	2.2%	-2.7%	-2.0%
Creative & Cultural	158	0.4	0.6	+17	2.2%	1.0%	1.2%
Digital	127	0.4	0.4	-17	-2.5%	2.5%	1.3%
Public Administration	110	0.5	0.3	-31	-4.9%	0.7%	3.1%
Professional Business Services	105	0.3	0.4	+10	1.9%	1.3%	2.8%
Finance & Insurance	96	0.6	0.2	+2	0.3%	3.1%	1.2%
Legal Services	47	0.8	0.5	+8	3.8%	-0.7%	1.0%
Life Sciences & MedTech	15	0.0	0.2	+15	New	7.1%	2.4%
Air & Aerospace	0	0.0	0.0	-10	-100.0%	3.4%	-0.1%

Spatial sector analysis: Banbury

Notable specialisms in 5 of 6 largest sectors – e.g., **retail**, **agri-food**, and **other services** – but of those only two have grown since 2019, with **transport and logistics** the fastest growing of the largest six. Town also lacks the strong **education** sector seen in the county overall. **Advanced manufacturing** is expanding moderately but remains below the wider Oxfordshire concentration, while **manufacturing** is shrinking despite a relatively high local concentration

Banbury	Employment in 2024	Oxfordshire LQ	Great Britain LQ	Change in Employment 2019-24	CAGR	Oxfordshire CAGR	National CAGR
Retail & Wholesale	4,897	1.6	1.6	-29	-0.1%	-1.7%	-1.6%
Agri-Food	4,348	2.2	1.8	-271	-1.2%	-1.5%	0.0%
Other Services	3,944	1.8	1.8	-1,719	-7.0%	-0.7%	0.8%
Health & Social Care	3,733	0.9	0.8	+315	1.8%	1.6%	2.5%
Transport & logistics	2,252	2.0	1.5	+900	10.7%	3.1%	1.0%
Administrative Services	1,957	2.0	1.2	-299	-2.8%	-1.4%	-0.1%
Education	1,956	0.4	0.7	-191	-1.8%	1.4%	0.8%
Hospitality Services	1,877	0.8	0.7	+195	2.2%	-0.5%	0.8%
Advanced Manufacturing	1,845	1.1	1.7	+157	1.8%	0.9%	-0.7%
Manufacturing	1,222	1.8	1.2	-410	-5.6%	-2.7%	-2.0%
Construction	1,137	0.7	0.7	+82	1.5%	-3.2%	1.1%
Digital	880	0.7	0.7	+174	4.5%	2.5%	1.3%
Finance & Insurance	581	0.9	0.4	+34	1.2%	3.1%	1.2%
Professional Business Services	520	0.4	0.5	+25	1.0%	1.3%	2.8%
Public Administration	490	0.6	0.3	-16	-0.6%	0.7%	3.1%
Creative & Cultural	437	0.3	0.5	-132	-5.1%	1.0%	1.2%
Real Estate	405	0.7	0.6	+113	6.8%	3.4%	3.0%
Legal Services	251	1.1	0.7	-119	-7.5%	-0.7%	1.0%
Utilities	150	0.5	0.4	+53	9.2%	2.8%	1.3%
Air & Aerospace	130	0.9	0.5	+130	New	3.4%	-0.1%
Life Sciences & MedTech	56	0.0	0.2	+22	10.7%	7.1%	2.4%

Spatial sector analysis: Bicester

Notable concentrations across several of its top ten sectors, with particularly strong growth in **transport and logistics**, **professional business services** and **advanced manufacturing.** The wider mix shows stability, with only limited decline outside retail and wholesale – although that contraction is significant given it is Bicester's largest sector and reflects wider county and national trends.

Bicester	Employment in 2024	Oxfordshire LQ	Great Britain LQ	Change in Employment 2019-24	CAGR	Oxfordshire CAGR	National CAGR
Retail & Wholesale	4,688	2.2	2.2	-739	-2.9%	-1.7%	-1.6%
Agri-Food	2,766	1.9	1.6	+27	0.2%	-1.5%	0.0%
Hospitality Services	2,145	1.2	1.0	+47	0.4%	-0.5%	0.8%
Health & Social Care	2,142	0.7	0.6	+106	1.0%	1.6%	2.5%
Transport & logistics	1,588	1.9	1.5	+1,032	23.3%	3.1%	1.0%
Other Services	1,294	0.8	0.8	+171	2.9%	-0.7%	0.8%
Professional Business Services	1,286	1.5	1.7	+922	28.7%	1.3%	2.8%
Education	1,281	0.3	0.6	+139	2.3%	1.4%	0.8%
Advanced Manufacturing	1,244	1.0	1.5	+360	7.1%	0.9%	-0.7%
Administrative Services	1,211	1.7	1.0	-150	-2.3%	-1.4%	-0.1%
Digital	880	0.9	1.0	+323	9.6%	2.5%	1.3%
Real Estate	864	1.9	1.7	+156	4.1%	3.4%	3.0%
Construction	822	0.7	0.7	+93	2.4%	-3.2%	1.1%
Manufacturing	548	1.1	0.7	-40	-1.4%	-2.7%	-2.0%
Finance & Insurance	404	0.8	0.3	+121	7.4%	3.1%	1.2%
Public Administration	375	0.6	0.3	+30	1.7%	0.7%	3.1%
Creative & Cultural	275	0.3	0.4	+88	8.0%	1.0%	1.2%
Utilities	214	0.9	0.8	+100	13.3%	2.8%	1.3%
Life Sciences & MedTech	131	0.1	0.7	-40	-5.2%	7.1%	2.4%
Legal Services	89	0.5	0.3	+26	7.0%	-0.7%	1.0%
Air & Aerospace	5	0.0	0.0	+0	0.0%	3.4%	-0.1%

Spatial sector analysis: Oxford

Health and **education** are the leading sectors, together accounting for roughly as much employment as all other sectors combined. Outside these two anchors, there has been broad contraction, including in **professional business services** and **advanced manufacturing**, though **digital** and **life sciences** have expanded strongly. This contraction points to a potential narrowing of Oxford's economic base, with growth concentrated in a small number of knowledge-intensive businesses.

Oxford	Employment in 2024	Oxfordshire LQ	Great Britain LQ	Change in Employment 2019-24	CAGR	Oxfordshire CAGR	National CAGR
Education	39,337	2.0	3.8	+2,828	1.5%	1.4%	0.8%
Health & Social Care	25,240	1.6	1.4	+2,670	2.3%	1.6%	2.5%
Hospitality Services	8,626	0.9	0.8	-673	-1.5%	-0.5%	0.8%
Retail & Wholesale	6,150	0.5	0.5	-2,684	-7.0%	-1.7%	-1.6%
Creative & Cultural	5,623	1.1	1.5	-550	-1.8%	1.0%	1.2%
Other Services	4,495	0.5	0.5	-604	-2.5%	-0.7%	0.8%
Digital	4,358	0.9	0.9	+956	5.1%	2.5%	1.3%
Agri-Food	4,189	0.6	0.5	-430	-1.9%	-1.5%	0.0%
Professional Business Services	3,823	0.9	1.0	-1,394	-6.0%	1.3%	2.8%
Advanced Manufacturing	3,811	0.6	0.9	-2,707	-10.2%	0.9%	-0.7%
Life Sciences & MedTech	3,676	0.7	3.8	+1,185	8.1%	7.1%	2.4%
Administrative Services	3,453	0.9	0.5	+957	6.7%	-1.4%	-0.1%
Public Administration	3,317	1.0	0.6	+105	0.6%	0.7%	3.1%
Transport & logistics	2,604	0.6	0.5	-1,203	-7.3%	3.1%	1.0%
Construction	2,208	0.4	0.3	-4,696	-20.4%	-3.2%	1.1%
Finance & Insurance	1,636	0.6	0.3	+85	1.1%	3.1%	1.2%
Real Estate	1,605	0.7	0.6	+193	2.6%	3.4%	3.0%
Legal Services	835	1.0	0.6	-113	-2.5%	-0.7%	1.0%
Manufacturing	502	0.2	0.1	-296	-8.9%	-2.7%	-2.0%
Utilities	314	0.3	0.2	-250	-11.1%	2.8%	1.3%
Air & Aerospace	5	0.0	0.0	+0	0.0%	3.4%	-0.1%

Findings from Phase 1: Delivery

There is a lot of economic development activity, focused in and across Oxfordshire at different overlapping geographies with different agendas

Ox-cam corridor

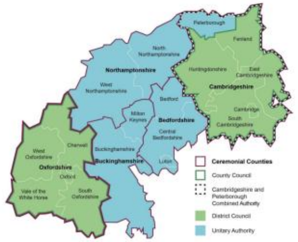


Figure 1.1 – The Oxford-Cambridge Arc

Theory of growth: Agglomeration of high-value sectors (life sciences, AI, advanced manufacturing) in a connected geography reduces transaction costs, fosters knowledge spillovers, and attracts investment. Aligning infrastructure investment with sectoral clusters to maximise positive spillovers and productivity gains, linking innovation hubs with intermediate nodes to create a supercluster that competes globally, reducing congestion costs and enabling labour mobility to support higher GVA growth.

Government-led ED capacity and approach: Predominantly in housing, transport and infrastructure
Cambridge Growth Commission, HMG Dev Co, £400m to deliver affordable homes, infrastructure, and business expansion.
Oxford Growth Commission, reopening of the Cowley Branch railway line
Reinforcement of the East West Rail project, potentially two new water reservoirs, oxcam investment prospectus

Thames valley devolution area

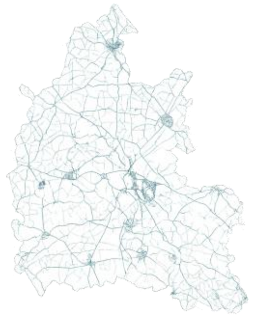
Theory of growth: Pan-regional agglomeration connecting currently separate labour markets and knowledge economies to drive additional growth to counteract stagnation elsewhere in the region.

MSA ED capacity and approach: Standard level 3 powers around housing, transport, skills, spatial planning, investment

Could focus precisely on developing new cross-sector investment propositions, using investment and planning, and enabling labour market connectivity and alleviating constraints on growth through housing, transport, skills interventions. SDS 30 year plan.

MSA powers could also be focused on supporting non-pan regional growth opportunities at the Oxfordshire level

Oxfordshire



Theory of growth: one of the outcomes of this project. A precise spatial and sectoral theory of the different components of Oxfordshire will grow and what is needed to unlock this, potentially including:

- Growing Oxford
- Banbury & Bicester
- Science Vale
- West Oxfordshire

Emerging approach: Establishing shared priorities and projects around components of the economy where public sector intervention or convening is needed to support growth. Economy-led rather than organisation-led, to withstand structural change
Potential capacity: inward investment network with Equinox, sector and cluster development, town regeneration commercial and housing, transport investment, skills pathways into mid-level technical jobs

Current economic priorities are broad, and reflective of a historic approach that has struggled to galvanise collective action

OxLEP's Strategic Economic Plan	**Enable businesses** to thrive and encourage pervasive innovation	**Widen access** to current opportunities and equip people and places as jobs change over the next decade	**Secure resilient infrastructure** for planned growth, consistent with Oxfordshire's commitment to net zero carbon by 2050	**Ensure Oxfordshire's places** are sustainable and inclusive, and that local communities flourish.	
Oxfordshire Infrastructure Strategy	**Environment** Build resilience, restore biodiversity, support zero-carbon ambitions.	**Placeshaping** Create sustainable, vibrant communities with quality housing and growth.	**Health** Improve wellbeing, reduce inequalities, create inclusive communities.	**Productivity** Harness business innovation, reduce skills gaps, promote inclusive economy.	**Connectivity** Expand digital access, enable transport links, support innovative technologies.
Local Skills Improvement Plan	**Partnership** Bringing employers and training providers together	**Inclusive** Making sure training is accessible to all	**Aspiration** Promoting exciting careers opportunities in key sectors	**Careers** Long-term careers, not short-term jobs	
OxRail 2040: Plan for Rail	**Improving connectivity and enhancing infrastructure** Defining the changes required	**Climate action** Setting out how climate mitigation and adaptation in rail	**Rail as a placeshaper** The role of stations and rail in shaping inclusive and connected communities		

- Inclusivity and placemaking
- Connectivity and infrastructure
- Climate and sustainability
- Innovation and business growth

Metro——Dynamics

Different constraints and opportunities to address in different places, and an opportunity to make the whole greater than the sum of its parts

<table>
<tr><th rowspan="2">Area</th><th colspan="2">Economic characteristics</th><th colspan="3">Economic development approach</th></tr>
<tr><th>Strengths and opportunities</th><th>Challenges and constraints</th><th>Priority actions</th><th>Outcomes targeted</th><th>Strategy and delivery Qs</th></tr>
<tr><td>Oxfordshire</td><td>• Diverse sector strengths and multiple growth points</td><td>• Overall productivity stagnant and lagging behind neighbours
• Combined with housing costs means lower GDHI than neighbours</td><td>• County wide skills support delivery, infrastructure and transport investment</td><td>• Above national average productivity and output growth</td><td rowspan="5">• What does good growth look like for each area? What are we trying to achieve?

• What are the key opportunities to focus on to get there?

• What does a networked and integrated county wide and area-based approach look like?

• What makes sense to mobilise early to make an impact?</td></tr>
<tr><td>Greater Oxford</td><td>• Productivity growth higher than rest of County and UK
• Global innovation and research assets</td><td>• Residential growth needed to meet growth needs
• Physically constrained and small housing sites</td><td>• Integrated housing and infrastructure delivery
• Coordinated inward investment</td><td>• Above County average productivity and output growth
• Increased scale up</td></tr>
<tr><td>Major connected towns – Banbury and Bicester</td><td>• Large planned / committed housing sites
• Strong road and rail connections out of County
• Strong employment and growth in advanced manufacturing, logistics</td><td>• Resi capacity w/o planned sites
• Shrinking high employing sectors – manufacturing, retail and wholesale, agrifood, other services
• Limited connectivity in County
• Matching local mid level skills</td><td>• Support to sector and growth projects, across Oxfordshire boundaries
• Housing and employment site delivery</td><td>• Growth in sectors maximising regional / national connectivity</td></tr>
<tr><td>Abingdon-Didcot-Harwell-science parks corridor (Science Vale +)</td><td>• Science and innovation assets, growth businesses
• Potential residential land capacity underused connecting corridor</td><td>• Constrained housing supply and infrastructure for growing labour market
• Gap in innovation infusion into business base
• Lack of space for scaleups
• Matching local mid level skills</td><td>• Coordinated inward investment and promotion
• Integrated infrastructure and housing delivery</td><td>• Growing investment in science parks
• More new businesses, scaleups and innovation diffusion increasing growth</td></tr>
<tr><td>West Oxfordshire</td><td>• High quality of life
• High visitor economy employment
• Planned housing growth</td><td>• Housing affordability and under-delivery
• High car dependency
• Limited spillover into higher-value sectors</td><td>• Unlock housing as an economic enabler
• Support productivity improvements in visitor and foundational sectors
• Skills and transport interventions</td><td>• Sustained high productivity
• Stronger integration with county innovation economy
• Diversified economic activity</td></tr>
</table>

Findings from Phase 1: Overall strengths, weaknesses, opportunities and threats

Strengths

From engagement and analysis, we can see a significant set of economic strengths and some good delivery foundations from which Oxfordshire can build a new economic development approach.

Economy

- World class high value innovation and research assets and capabilities with interventional investor interest, global spillovers, University spinouts and startups, and globally significant firms across emerging technologies.
- High quality of life and levels of employment and skills.
- Diverse sector strengths across the economy, including growth in the Industrial Strategy 8 sectors, for example:
  - Oxford - concentration of education and research, health and manufacturing activity with assets in the Universities, the John Radcliffe, and manufacturing at the MINI plant
  - Vale of White Horse and South Oxfordshire - professional and technical industries, clean energy, strength of science and innovation assets at Harwell, Milton Park, Culham and Howbery
  - Cherwell – strong retail activity centred on Bicester Village alongside a notable manufacturing presence
- High value economic output from Oxford – accounting for 29.3% of the County's GVA output.
- Productivity in Oxford City growing faster than the rest of the County and national average at 18.1% since 2019.

Delivery

- Well recognised 'brand' of Oxford and Oxfordshire with University, Councils and partners having national and global reach.
- Active University and private sector partnerships in innovative and high-tech areas of the economy.
- Strong civic participation and social capital – particularly in South Oxfordshire, the Vale of the White Horse, and Oxford – high levels of volunteering, local engagement, and social trust.
- VCSE organisations strong delivery partners in community services.

Weaknesses

The county's economy is not short of economic risks and constraints to address, and the delivery environment has and continues to be complex, dynamic and challenging.

Economy

- County wide productivity challenge – Oxfordshire overall productivity hasn't outpaced national averages, lags behind neighbours including Berkshire and Swindon, and has remained relatively stagnant over the past 20 years.
- Oxford is too small and growth is too slow to alone drive higher County growth.
- Recent decline in GVA in some sectors – notably advanced manufacturing in South Oxfordshire.
- Oxfordshire's gross disposable household income is lower than neighbouring Berkshire and Buckinghamshire.
- Market towns are not performing economically as strongly as they could be given the demographics of residents.
- Public transport reach is limiting labour market mobility, particularly for towns such as Witney and Banbury.
- Despite high employment, structural barriers keep people from the right jobs – knowledge gap.
- Lack of space and support for scaleups.
- Gap in innovation diffusion in the business base.

Delivery

- Diverging views on growth across the County limiting public sector attention and action.
- Existing economic strategies are broad in focus with some perceived complacency around Oxfordshire's strengths and need to grow.
- Lower levels of government economic development funding available than in the past.
- Existing business support disjointed – not integrated into Enterprise Oxfordshire, and perceived as generic – not geared towards Oxfordshire's sector specialisms, strengths and assets.
- Limited capacity in Oxfordshire economic development teams around strategy, account management, inward investment and investor relations, business environment and skills, compared with strengths in spatial planning.
- Gap in deep understanding and strategy around labour markets and skills connected to growth strategy.
- Economic development system lacks depth of data on local firms and the labour market.
- Enterprise Oxfordshire seen as the Council's body, rather than in partnership with business and Universities.
- Varying economic development capacity across District Councils.

Opportunities

There are unrivalled global economic opportunities, growth projects and investment prospects focused on Oxfordshire, Oxford, its science and business parks and the wider Thames Valley and OxCam corridor, as well as an active Government and private delivery landscape.

Economy

- Global investment opportunities in innovative firms.
- Growth potential in emerging technologies and sectors with existing assets that hasn't yet been realised across the County – including:
    - Battery supply chain
    - Engineering biology
    - Quantum tech
    - Biopharma
    - Omics
    - Telecomms supply chain
- Polycentric economy offering multiple opportunities for growth across labour markets.
- High levels of professional and knowledge workers are now working remotely for part or much of their week, increasing opportunities for higher daytime and midweek spending in market towns and rural areas.
- Potential opportunities to curate towns - e.g. Banbury development capacity for housing and economic activity, projects linking growth areas to towns – e.g. shuttle connections from business parks and new active travel infrastructure like the proposed bridge at Culham connecting homes, jobs, and the town centre.

System

- Dynamic institutional environment and opportunity to reshape economic development with local government reform.
- Thames Valley devolution – new powers, funding and collaboration – including on inward investment, skills and growth.
- Government backed initiatives for accelerating growth opportunities including:
    - OxCam Growth Corridor
    - Corridor into the West Midlands
    - Developing assets – Culham AI Growth Zone, EZs
- Opportunity to develop a compelling sector focused Local Growth Plan to galvanise public and private partners and investors across the County.
- Opportunity to develop Enterprise Oxfordshire with business and University partnerships and sector expertise, providing an integrated service across:
    - Inward investment and investor relations
    - Business support that targets the whole business lifecycle – startup, scaleup, internationalisation, exit
    - Employment and training system developing apprenticeships, school leaver routes, and long-term skilled jobs, linking to employment sites and investment.

Threats

Oxfordshire's knowledge economy faces global competition and communities are at risk of not fully benefitting from the growth that will come. Delivery systems face challenges with cuts to local growth funding in the interim period ahead of a strategic authority being established.

Economy

- Risk of trend in declining productivity continuing across Oxfordshire, against modest national growth – threatening future increases in incomes and quality of life against high cost of living and housing.
- A headline reading of overall output risks missing the support needed for IS8, innovative and high value growth sectors – e.g. Oxford's strongest recent GVA growth has come from from real estate and administration sectors.
- Constraints to future growth across the County include public transport connectivity and a sufficient and affordable housing offer.
- Without the right strategy, the polycentric nature of the County could hold back growth as the economy is missing the agglomeration effects of a large central city, an integrated labour market, and evenly spread GVA output and productivity.
- Need to support more inclusive innovation and the foundational economy to prevent deepening inequalities through a focus on high value growth and inward investment.

System

- Geographic focus of future economic development funding may be focused away from the South East and more place-based funding allocations based on deprivation levels.
- Risk that low intervention between public and private sector partners in economic development will prevent Oxfordshire from reaching its potential – including specifically:
    - Risk that underdeveloped sector expertise in the system constrains support for business growth and connecting to developing sector skills and expertise locally.
    - EZs and economic centres risk delaying / missing out on growth and revenue generation without quicker process for populating firm occupation on sites.

At Metro Dynamics, we **care** about places, our clients, and our colleagues.

We are an **independent** organisation, **curious** about our work, and **collaborative** in our approach. We strive to **make a difference** in all that we do.

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