

# **Inclusive Growth - Creating a Fairer Local Economy**

**Oxford Strategic Partnership –  
18<sup>th</sup> February 2019**

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# Strategic economic context

- Growth Deal and Ox-Cam Corridor brings opportunity for significant inward investment to support our future economic growth ambitions in Oxfordshire.
- The Oxfordshire Local Industrial Strategy (LIS) will provide an ambitious, long-term vision for economic growth between now and 2040.
- Government is ‘betting on Oxford and Oxfordshire’s success’ – for us success is ensuring that this growth is managed in a way that brings benefits to all our residents and businesses.
- Discussions supporting the development of the LIS have identified the need to consider inclusive growth.



# So why should we care?

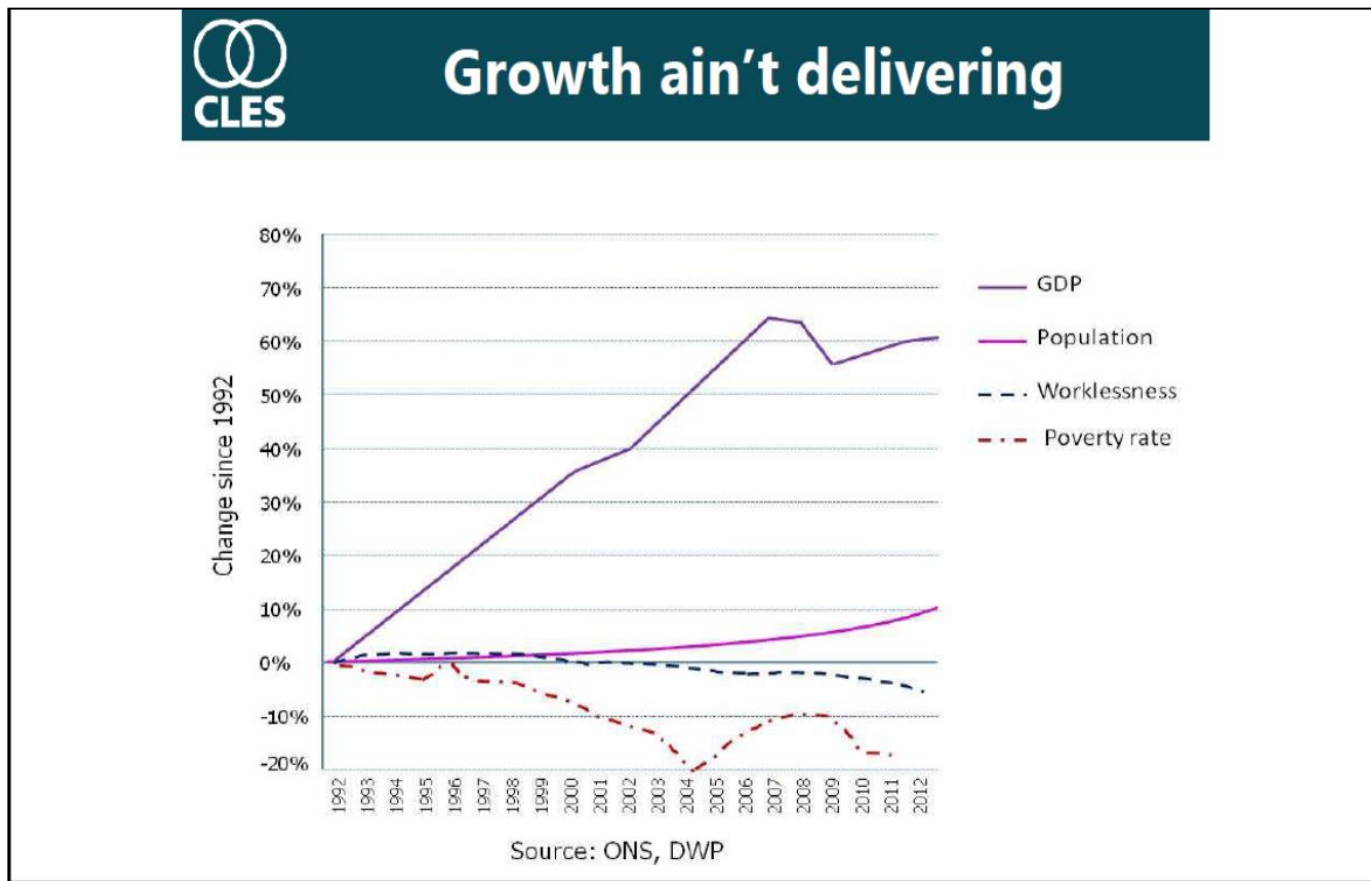
- Majority of policy makers agree that one of the best ways out of poverty for individuals is by being economically active.



- According to the OECD, economies with decreasing income inequality grow faster than those with rising inequality – resulting in an inclusive economy and more equitable society.



However this graph illustrates the reality for a significant number of people over the last few years – particularly since the financial crisis.



We have seen significant growth over time but not a corresponding sizeable fall in poverty.



And on the basis of the current measures of economic success Oxford (and Oxfordshire) are indeed doing well

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GVA per worker 2015–2017 (£)



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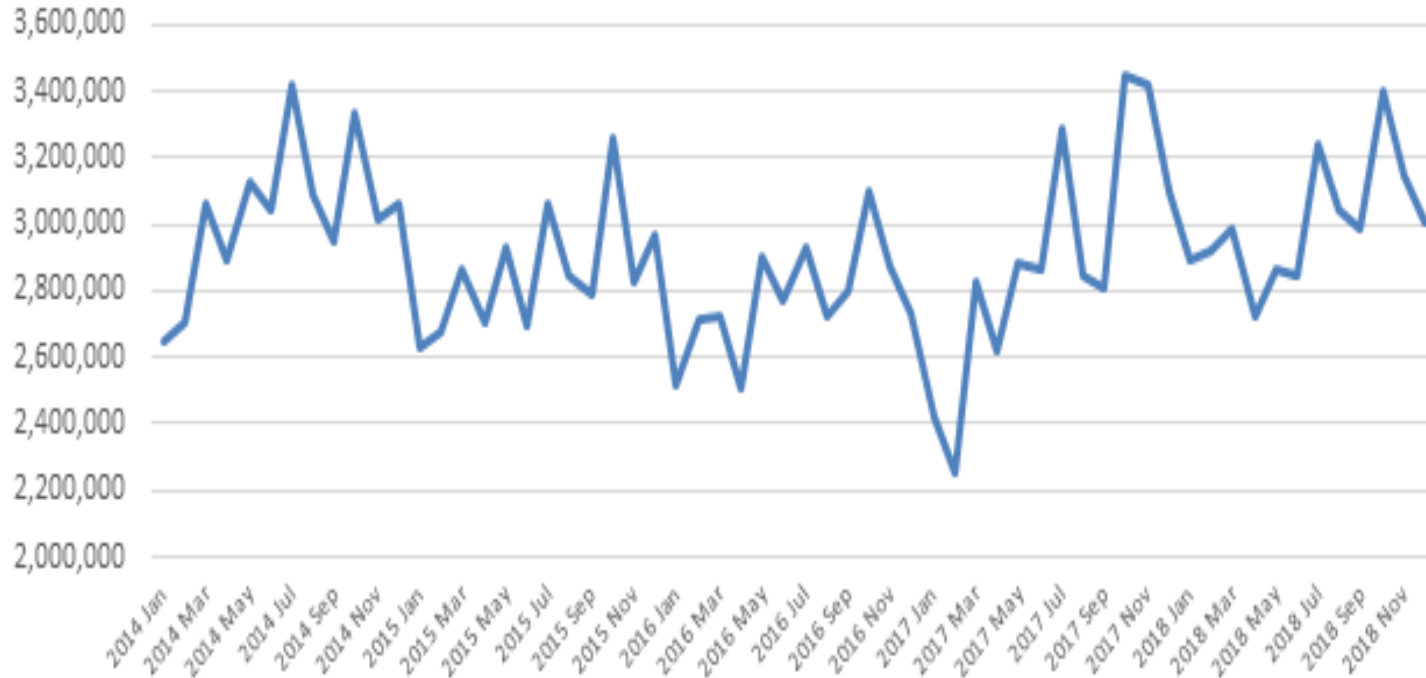
— Oxford

— National Average

Our local economy (Oxford and Oxfordshire) has been growing at a healthy rate when compared to other areas (GVA of £54,656 ranking Oxford 12th)



# City centre footfall

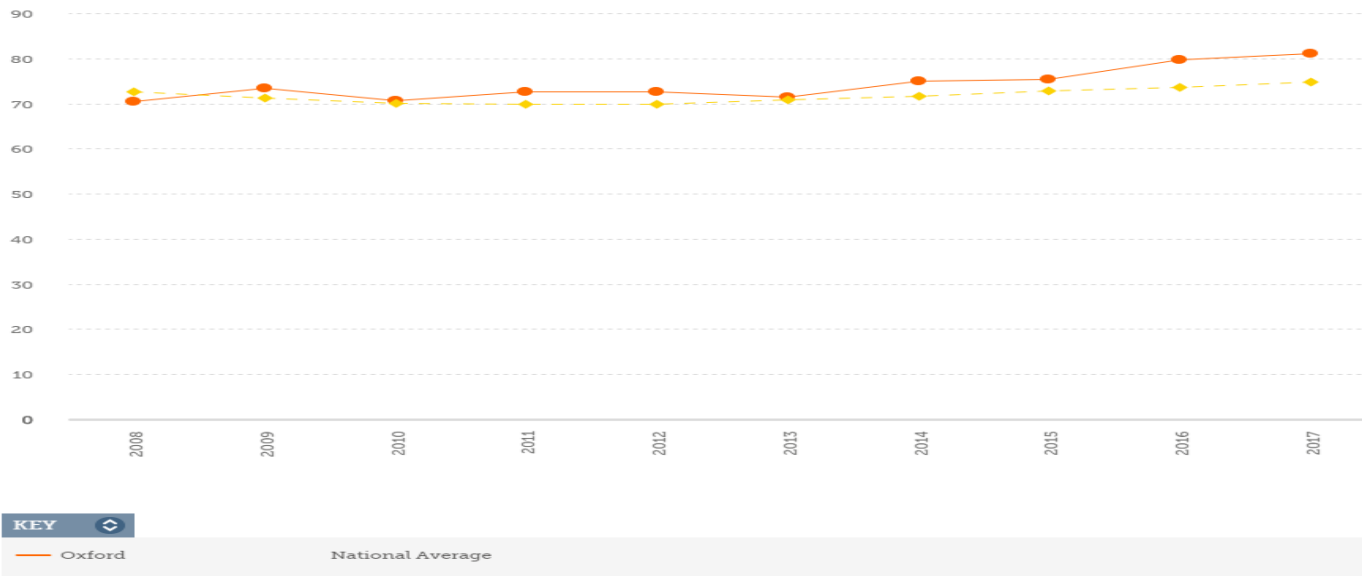


- The city centre has seen a growth in footfall following the opening of The Westgate centre;
- Tourist numbers and visits to the city and region continue on an upward trend currently estimated at 7m tourists a year spending over £800m per annum and supporting 13% of the city's employment.



# Employment

Employment Rate 2008–2017

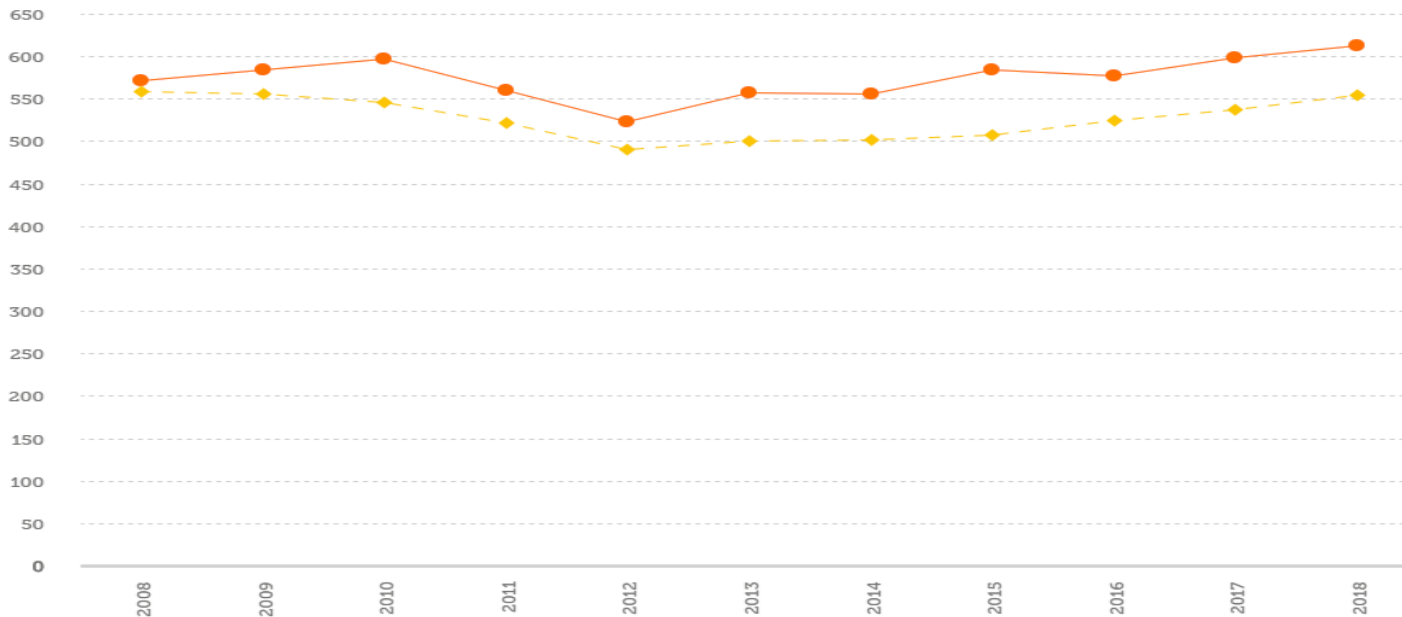


- The employment rate has grown steadily since the financial crisis and is now above the national average, underpinned by a 17.5% growth in jobs over the last year.
- We are almost at full employment



# Earnings

Average Weekly Workplace Earnings 2008–2018 (£)



KEY

— Oxford      - - - National Average

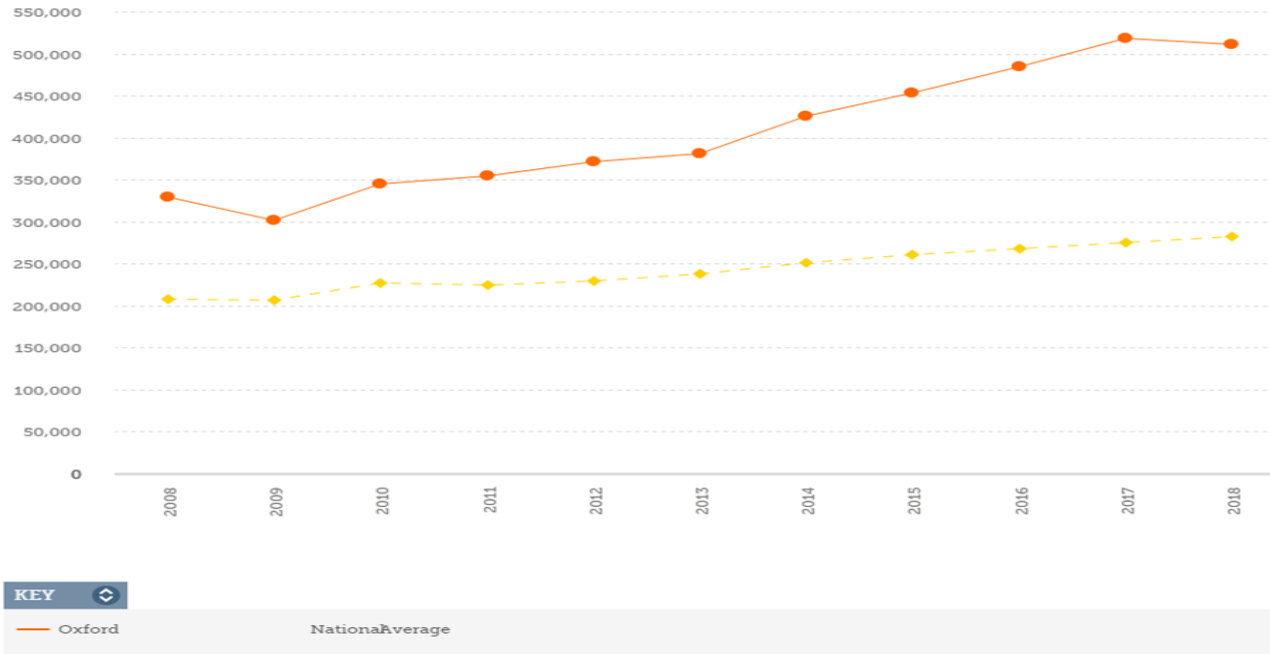
Average weekly workplace earnings have risen from £572.50 in 2008 to £618.20 in 2018, an increase of approximately 7%.





# House Prices

Mean house price 2008–2018 (£)



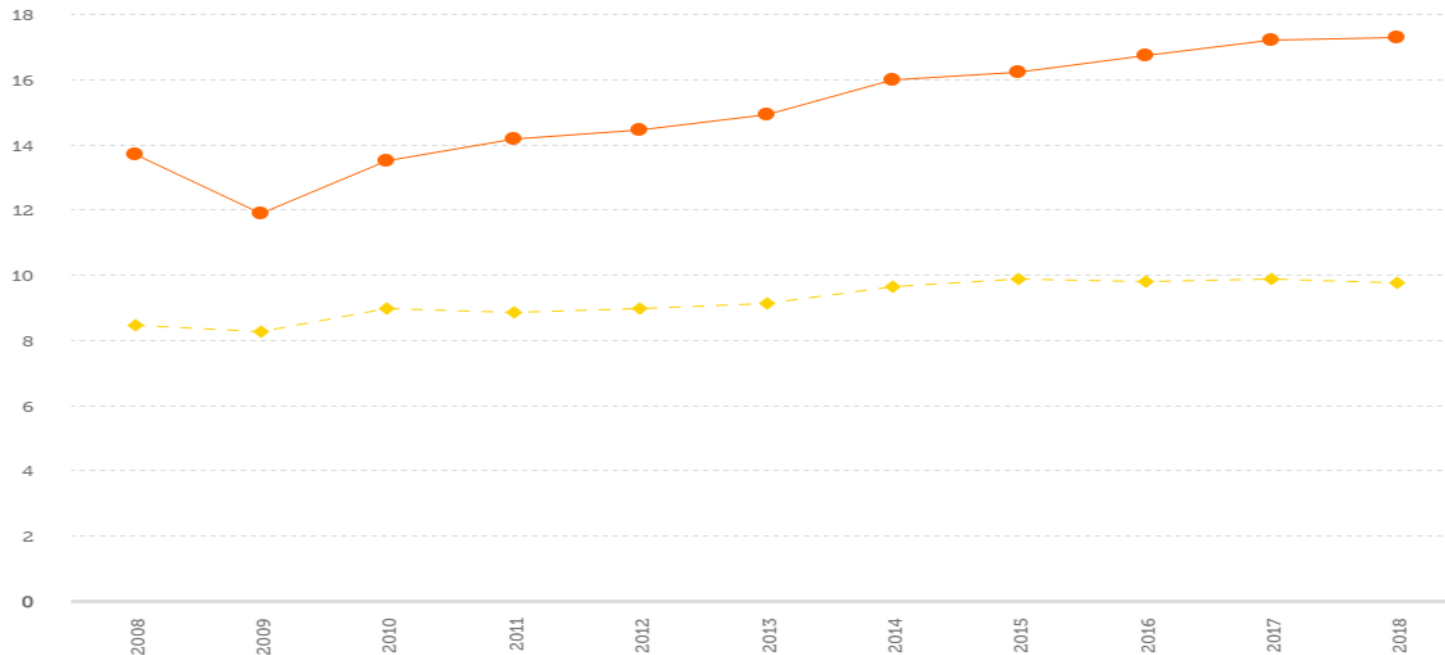
But despite the positive growth indicators, we don't seem to see a corresponding impact on all our communities and residents in the same way

- According to the Office for National Statistics composite price index, UK prices in 2018 were 29.98% higher than average prices throughout 2008 based on an average inflation rate of 2.66.
- Over the same period, the average house price for Oxford has increased more than 60% from approximately £320,000 to nearly £520,000
- In Oxford over the same period the average weekly earnings (by dwellings) only rose by 7% (from £572.50 to £612.80).



# Housing availability & affordability

Housing Affordability Ratio 2008–2018



- Oxford is now the least affordable city in the UK (the ratio for Oxford was 17.3 in 2018, up from 13.7 in 2008).
- Over the last 12 years we've had 4,498 dwellings (net) completed against a target of 5,250 dwellings (net), leaving us with a deficit of 752 dwellings.



## Proportion of people paid below the real national living wage

Description	Jobs (0000)	% Earning Below Real National Living Wage
Oxfordshire	49	15%
Cherwell	14	19%
Oxford	11	10%
South Oxfordshire	8	16%
Vale of White Horse	9	14%
West Oxfordshire	8	18%

When it comes to lower quartile earnings, the percentage of people paid below the national real living wage of £8.75 in Oxford/Oxfordshire stands at 10.3% and 14.6% respectively. If you focus on part time female workers, 30% of the workers are affected.

Note: The estimates in this analysis have been defined as the Living Wage Foundation's living wage which is different to the national living wage)



# Food poverty



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	The Minimum Wage	National Living Wage	Real Living Wage	Oxford Living Wage
<b>What is it?</b>	£7.38	£7.83	£9.00	£10.02
<b>Is it the law?</b>	Yes	Yes	Voluntary	Voluntary
<b>What age group is covered?</b>	21 and older	25 and older	18 and older	18 and older
<b>Gross yearly salary (35 hours)</b>	£13,412	£14,251	£16,380	£18,236

£15,960



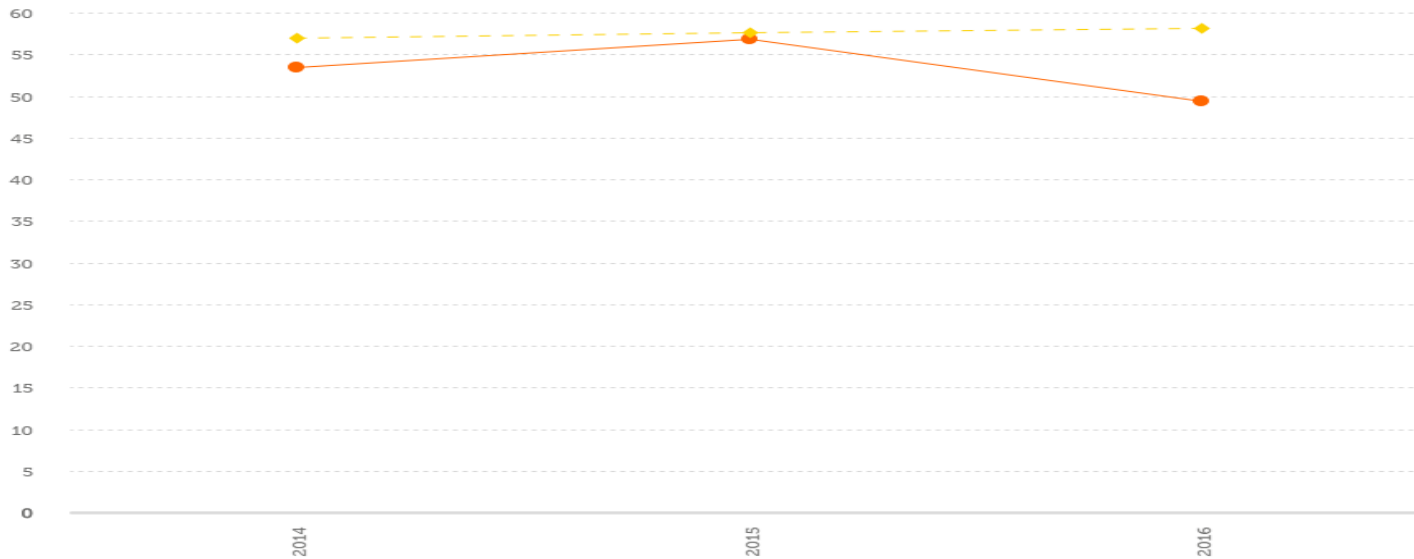
A family would need to spend 42% of after-housing budget on food

Anecdotal evidence indicates that food poverty is worsening. Good Food Oxford has estimated that a typical family in Oxford needs to spend 42 % of their after housing budget on food and would need to be earning approximately £16,000 (gross yearly @35 hrs a week) to be described as not being in food poverty. An individual earning at the national living wage (minimum wage) would only earn £14,250 (gross yearly @35 hrs a week) and we have seen a jump in individuals turning to foodbanks for support.



# Educational Attainment

Pupils Achieving 5A\*-C GCSEs inc. Maths & Eng. 2014–2016



KEY

— Oxford

— National Average

- Education attainment in Oxford continues to be low and does not seem to be getting any better.
- A significant number of pupils are leaving school without achieving 5A – C GCSEs including maths and English resulting in approximately 22% of the city's resident population having no or low qualifications.
- This has direct implications for individuals in terms of their economic and health outcomes as well as social mobility. And it is a ticking time bomb in terms of our ability to remain a choice destination for businesses.

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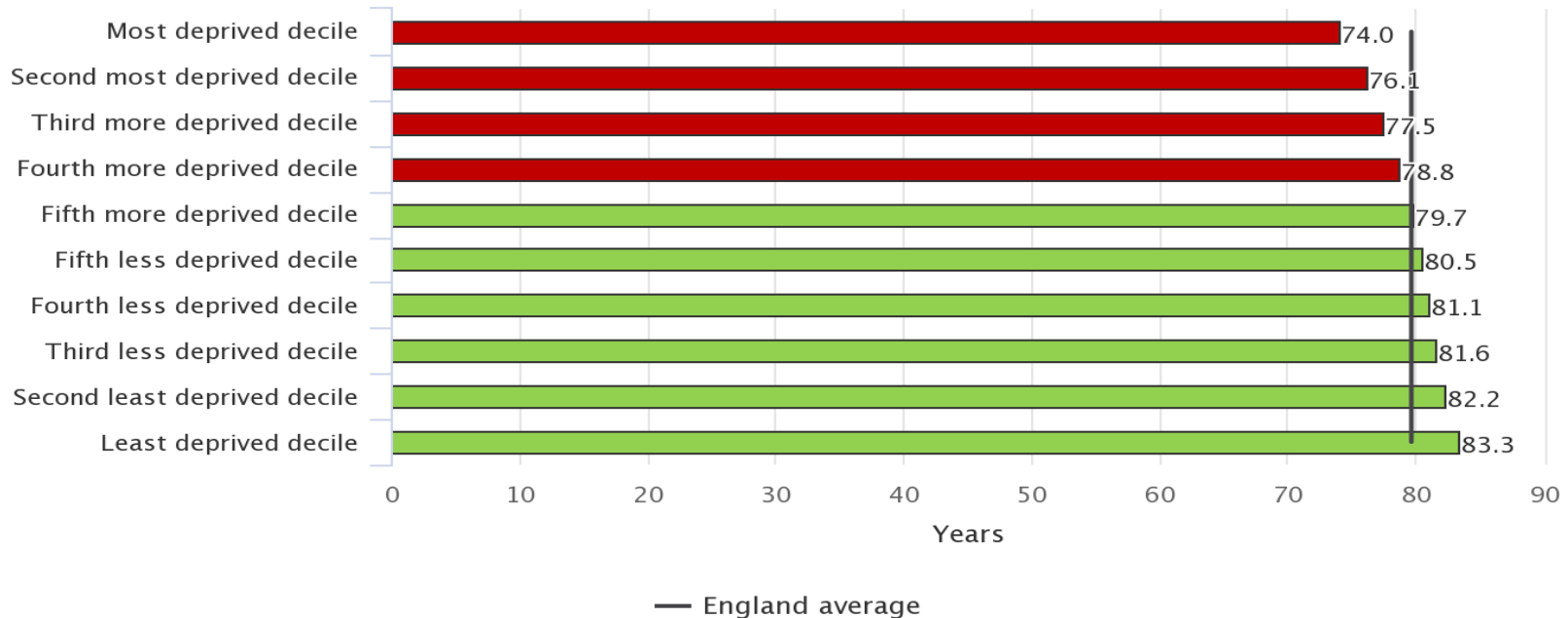


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# Health outcomes and inequality

Life expectancy at birth (Male) – England, 2015 – 17 – Data partitioned by LSOA11 deprivation deciles within area (IMD2015)



- Health outcomes and inequality have worsened for some of our city residents from the more deprived areas.
- Overall life expectancy at birth for men has widened to 9.5 (from 8.5 years in 2010/12 ) for males between the most and least deprived areas.)



# So what does this mean for us?

- Inclusive Growth is a concept that is now coming of age – we can draw upon the knowledge and experience of others;
  - What does this mean for Oxford and Oxfordshire?
  - Are current interventions working? If not why?
  - What should be the areas of focus?
- Hold a series of seminars, co-hosted by the OSP, which bring speakers with experience in both the theory and practice of Inclusive Growth. This will help us;
  - Be clear about the challenges and how we can address these;
  - Consider what additional evidence we need to gather
  - Understand what has worked elsewhere – and what hasn't
  - Consider how we measure success
  - Ensure we are collectively working to the same objectives and outcomes.
- This should then lead to work with businesses, University, OxLEP, public bodies and others resulting in specific recommendations on the interventions that can help ensure our economic success benefits all sections of our communities and businesses.



# Discussion

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