



OEO Briefing Paper Series

Recent Changes in the  
Oxfordshire Economy –  
Quarterly Update

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## EXECUTIVE SUMMARY

- This report provides the latest in a new series of quarterly updates looking at recent changes in the Oxfordshire economy. It is based on the latest available published statistics up to the beginning of January 2006.
- New estimates show that gross value added (GVA) per head in Oxfordshire was 14% above the South East average in 2003. Within the South East, only Berkshire, Milton Keynes and Surrey have higher levels of GVA per head.
- Oxfordshire's GVA growth since 1998 has been above the South East average, but still lags behind the region's top performers (Berkshire and Surrey).
- Updated earnings data for 2005 reveals a less favourable picture for Oxfordshire. Average earnings are currently 3% below the South East average. Earnings growth since 1998 has been strong in Oxford City, but relatively weak in the other districts.
- New estimates of average household income show that income levels in Oxfordshire are 8% above the regional average and 28% above the English average. However, the data also reveals comparatively low income levels in a small number of wards (in Banbury, Bicester and Oxford).
- The number of benefit claimants in the county has changed very little during the last 12 months, and continues to be well below regional and national levels.
- Unemployment rates in Oxfordshire are currently amongst the lowest in the South East. The latest data show that claimant count rates are below 1% in all districts except Oxford City. West Oxfordshire has the lowest unemployment rate in the region (0.5%). The numbers unemployed in the county declined by 6% in the 12 months to November 2005, compared with a 10-11% increase at regional and national level.
- The number of job vacancies in the economy has declined in the last 12 months, particularly in Cherwell district. However, the ratio between numbers of unemployed claimants and job vacancies remains well below the South East and English averages.
- The latest employment data from the Annual Business Inquiry shows that employment in Oxfordshire increased by around 1.8% between 2003 and 2004. This compares favourably with increases of only 0.5% in the South East and 1.1% nationally. However, Oxfordshire's employment growth over

the longer period since 1998 has been below the regional and national rates.

- Oxfordshire continues to show strengths as a centre for knowledge-based employment. ABI data for 2004 reveals that almost 20% of the county's employment is in knowledge-intensive service activities (including R&D and higher education). This compares with 14% across the South East and only 11% nationally. However, employment growth in these sectors since 1998 has been relatively poor (only a 15% increase in Oxfordshire, compared with 27% in the South East). This suggests that the county has lost some ground to its competitors in sustaining the growth of knowledge-based employment in recent years.
- Updated VAT registration data for 2004 reveal a tougher business climate than in previous years, with 2% fewer new registrations and 10% more de-registrations than in 2003. However, this was a less severe downturn than that experienced in the South East and nationally, and rates of new VAT registrations in Oxfordshire remain above regional and national averages. New business formation rates appear to be particularly buoyant in South Oxfordshire, West Oxfordshire and Cherwell, but remain poor in Oxford City.
- The latest quarterly house price data for Oxfordshire confirms the continued worsening in the affordability of owner occupation in the county. The latest index of average house prices to earnings is 9.5 in Oxfordshire, compared with 8.4 in the South East and 7.2 in England & Wales.

## INTRODUCTION

This report provides the latest in a new series of quarterly updates looking at recent changes in the Oxfordshire economy. It has been prepared by the Oxfordshire Economic Observatory (OEO). The report draws mainly on official published statistics that have been released in the last three months, since the completion of the last quarterly report in early October 2005. The main areas in which new information for Oxfordshire and its districts has become available during the last quarter, and which are discussed in this report, are listed below:

- Revised estimates of local gross value added (for NUTS3 areas) for 1995-2003 (released by the Office for National Statistics (ONS) on 21 December 2005);
- Earnings data for 2005 from the Annual Survey of Hours and Earnings (released by ONS on 17 November 2005);
- New model-based estimates of household income at ward level for 2001/02 (released by ONS on 18 November 2005). These replace an earlier set of estimates for 1998/99;
- Updated DWP benefits data for the April-June 2005 quarter (released by the Department for Work & Pensions in October 2005);
- Latest monthly data on numbers of claimant unemployed, duration of unemployment and numbers of Job Centre Plus vacancies (for November 2005, released by ONS on 14 December 2005);
- Updated Annual Business Inquiry data for 2004 showing numbers in employment by industry sector (released by ONS on 14 December 2005);
- Data on numbers of VAT registrations and de-registrations in 2004 (released by ONS on 17 October 2005);
- Updated house price data for the July-September 2005 quarter (released by the Land Registry on 2 November 2005). This data has been combined with information on average earnings to construct an index of house price affordability for each of the Oxfordshire local authority districts.

Updated data from the Annual Population Survey (previously the Labour Force Survey) for the 12 months to June 2005 was also expected to be released by ONS in December 2005. However, publication of this data has been delayed due to the discovery of errors in the dataset. We hope to include the corrected data in our next Quarterly Report.

Other new data released in the last quarter that may be of interest to readers includes:

- Release of further underlying data from the Index of Multiple Deprivation 2004, including data for 2002 on secondary school absences and numbers of young people not staying on in education. Both datasets provide data at super output area (lower layer) level only; results are not available at ward, district or county level. Interested readers can locate these datasets at the Neighbourhood Statistics website ([www.statistics.gov.uk](http://www.statistics.gov.uk));
- Release of educational attainment data by location of pupil residence (released by the Department for Education & Science on 29 September 2005). The data shows GCSE results and Key Stage 2 & 3 results (for 11 and 14 year olds) for 2002. The data is released at ward level, and relates to the place of pupil residence rather than the location of the school. Interested readers will find this dataset at the Neighbourhood Statistics website;
- Mid-year population estimates for 2004 (released by ONS on 13 October 2005);
- Counts of VAT-based enterprises and local units for 2005, by industry sector and employment size band (released by ONS on 3 October 2005);
- Data on homelessness for 2003/04 (released by the Office of the Deputy Prime Minister on 15 December 2005).

Readers requiring further statistical information on the Oxfordshire economy, including access to the underlying datasets discussed in this report, may wish to visit the following useful websites:

- Oxfordshire Data Observatory – go to [www.oxfordshirepartnership.org.uk](http://www.oxfordshirepartnership.org.uk) and follow the link to the Data Observatory. These web pages provide a growing range of data on the Oxfordshire economy, including statistical profiles of each of the 137 wards in Oxfordshire. Profiles of each of the five Oxfordshire local authority districts are also available;
- ONS Neighbourhood Statistics – [www.statistics.gov.uk](http://www.statistics.gov.uk);
- National Online Manpower Information System (NOMIS) – complements the ONS website, with a narrower focus on labour market data and more time series data available. [www.nomisweb.co.uk](http://www.nomisweb.co.uk);
- Local Knowledge Database – a useful online resource providing a wide range of statistical data at district and ward level, operated by the Local

Futures Group. Full access to the datasets requires a subscription. Includes useful comparative and mapping tools. [www.localknowledge.co.uk](http://www.localknowledge.co.uk).

Wherever possible in this report we have provided a district-level breakdown of the results for each of the types of data discussed. We have also constructed a series of “economic indicator league tables”, which show the rank positions for each of the five Oxfordshire districts vis-à-vis all other local authority districts in the South East region. Wherever possible, changes within the last 12 months are highlighted, and there is also some discussion of longer term trends.

## **GROSS VALUE ADDED**

ONS released updated and revised estimates of gross value added for Oxfordshire in December 2005. Gross value added (GVA) measures the total monetary value of an economy’s output, and is one of the most useful indicators of overall economic performance. The latest estimates provide data for 2003 and a revised time series back to 1995. It is therefore possible to look at GVA growth in Oxfordshire over this period. Separate estimates of GVA for the Oxfordshire districts are not currently available.

The latest figures show that GVA per head in Oxfordshire was £20,155 in 2003. This is 14% above the South East average (£17,631) and 22% above the English average (£16,521). Oxfordshire’s GVA per head is currently the fourth highest amongst the 14 NUTS3 areas in the South East, behind Berkshire (£26,510), Milton Keynes (£23,676) and Surrey (£21,454) (see Table 1).

The growth in GVA per head in Oxfordshire between 1995 and 2003 was 63%, which is above both the South East (58%) and English averages (51%). However, both Berkshire and Surrey continue to outperform the Oxfordshire economy, with GVA per head growth of 86% and 74% respectively in these counties between 1995 and 2003 (Table 1).

## **AVERAGE EARNINGS**

Earnings data for 2005 was released by ONS in November 2005. The figures provide a snapshot of average earnings in April 2005, and are part of an annual series that goes back to 1998. Figures are available both for Oxfordshire and the individual districts. Table 2 summarises the relevant data, showing average gross weekly earnings for full-time workers in 2005. Two sets of figures are shown, one relating to the earnings of those people working in Oxfordshire and the other relating to the earnings of Oxfordshire residents. The assessment of Oxfordshire’s relative performance differs depending on which of these measures is used. Both measures are of interest, but we focus here mainly on the workplace-based measure. This indicates the earnings levels of those working in

the county and is therefore a better measure of the strength of the county's economy, since the figure is not distorted by the high earnings of those commuting to work outside Oxfordshire.

**Table 1 – Gross Value Added per Head in Oxfordshire and Other NUTS3 Areas in South East England**

Area	GVA per Head (£), 2002	GVA per Head (£), 2003	% Growth in GVA per Head, 1995-2003
England	15,711	16,521	50.8
South East	16,791	17,631	58.1
Berkshire	25,236	26,510	85.7
Milton Keynes	22,441	23,676	59.7
Surrey	20,455	21,454	74.2
<b>Oxfordshire</b>	<b>19,190</b>	<b>20,155</b>	<b>62.6</b>
Buckinghamshire CC	18,110	18,937	49.7
Southampton	17,100	18,237	45.6
Portsmouth	17,197	18,163	61.9
West Sussex	16,207	17,051	46.6
Brighton & Hove	15,027	15,924	52.3
Hampshire CC	14,986	15,731	54.7
Kent CC	12,749	13,377	43.0
East Sussex CC	10,614	11,014	26.8
Medway	10,307	10,807	52.3
Isle of Wight	10,181	10,720	60.1

Source: ONS, Revised estimates of local GVA (released on 21 December 2005).

Table 2 reveals that average full-time weekly earnings levels for those people working in Oxfordshire were about £524 in 2005. This is slightly below the English average (£526) and 3% below the South East average (£539). The table also shows variations in average earnings at the district level. Earnings are highest in Oxford City (£560/week) and Vale of White Horse (£542), and lowest in Cherwell (£478) and West Oxfordshire (£486). Earnings levels in Cherwell, West Oxfordshire and South Oxfordshire are currently below the English average.



**Table 2 – Average Gross Weekly Earnings for Full-Time Workers (2005)**

Area	Average Earnings by Area of Workplace (£)	Average Earnings by Area of Residence (£)
England	526.1	527.7
South East	539.0	577.0
<b>Oxfordshire</b>	<b>523.7</b>	<b>563.7</b>
Cherwell	477.6	518.8
Oxford City	560.1	495.2
South Oxfordshire	509.1	687.2
Vale of White Horse	542.1	575.0
West Oxfordshire	486.4	550.0

Source: ONS, Annual Survey of Hours and Earnings.

Table 3 provides an earnings league table for all 67 local authority districts in the South East region, using workplace-based earnings data for 2005. The relatively mediocre performance of all of the Oxfordshire districts is evident. The top performing district in the county is Oxford City, which is ranked only 24th out of the 67 South East districts. Vale of White Horse (ranked 25th) and South Oxfordshire (ranked 34th) are the next best performers, followed by West Oxfordshire (42nd) and Cherwell (48th). The relative performance of the Oxfordshire districts is improved little overall if we look instead at the residence-based earnings measure (see Table 4). South Oxfordshire's ranking does improve significantly, from only 34th to 10th. However, this is offset by a significant worsening in Oxford City's ranking, from 24th to 53rd.

Between 1998 and 2005, average earnings in Oxfordshire increased by 30% (see Table 5). This is identical to the average increase in the South East, but slightly below the earnings growth experienced in England as a whole (32%). Within the county, earnings growth has been strongest in Oxford City (an increase of 39%), with smaller increases in the other districts (ranging from 23% to 27%).

**Table 3 – Average Gross Weekly Earnings for Full-Time Workers, By Area of Workplace (2005), South East Local Authority Districts**

District and Rank	(£)	District and Rank	(£)
1 – Windsor & Maidenhead	719.1	35 – Horsham	507.1
2 – Wokingham	703.6	36 – Test Valley	502.7
3 – Runnymede	698.7	37 – Tandridge	501.3
4 – Mole Valley	696.1	38 – Portsmouth	496.7
5 – Spelthorne	694.6	39 – East Hampshire	496.1
6 – Bracknell Forest	693.7	40 – Mid Sussex	496.0
7 – South Buckinghamshire	676.2	41 – Fareham	490.6
8 – Elmbridge	662.5	<b>42 – West Oxfordshire</b>	<b>486.4</b>
9 – Slough	657.0	43 – Gravesham	484.0
10 – Woking	646.4	44 – New Forest	481.2
11 – Rushmoor	637.0	45 – Ashford	480.7
12 – Hart	634.4	46 – Adur	480.2
13 – Surrey Heath	623.4	47 – Tonbridge & Malling	479.0
14 – Reading	618.1	<b>48 – Cherwell</b>	<b>477.6</b>
15 – West Berkshire	595.2	49 – Havant	476.6
16 – Basingstoke & Deane	593.1	50 – Eastleigh	473.0
17 – Guildford	587.4	51 – Lewes	467.4
18 – Crawley	586.7	52 – Shepway	467.2
19 – Reigate & Banstead	583.4	53 – Medway Towns	466.9
20 – Epsom & Ewell	574.2	54 – Canterbury	465.9
21 – Waverley	564.1	55 – Brighton & Hove	463.8
22 – Wycombe	562.8	56 – Eastbourne	462.9
23 – Dover	562.7	57 – Swale	458.6
<b>24 – Oxford City</b>	<b>560.1</b>	58 – Maidstone	441.8
<b>25 – Vale of White Horse</b>	<b>542.1</b>	59 – Worthing	438.2
26 – Winchester	535.8	60 – Gosport	433.7
27 – Milton Keynes	535.3	61 – Chichester	432.3
28 – Dartford	529.3	62 – Rother	425.0
29 – Chiltern	527.3	63 – Isle of Wight	416.5
30 – Southampton	521.2	64 – Wealden	412.6
31 – Aylesbury Vale	518.6	65 – Hastings	399.5
32 – Sevenoaks	517.1	66 – Arun	396.3
33 – Tunbridge Wells	514.7	67 – Thanet	N/A
<b>34 – South Oxfordshire</b>	<b>509.1</b>		

Source: ONS, Annual Survey of Hours and Earnings (Workplace-Based Analysis).

**Table 4 – Average Gross Weekly Earnings for Full-Time Workers, By Area of Residence (2005), South East Local Authority Districts**

District and Rank	(£)	District and Rank	(£)
1 – Elmbridge	1,111.6	35 – Reading	544.8
2 – Mole Valley	807.3	36 – Test Valley	542.7
3 – Windsor & Maidenhead	806.4	37 – Maidstone	540.1
4 – Chiltern	764.6	38 – Shepway	539.4
5 – Hart	727.5	39 – Dartford	535.2
6 – South Buckinghamshire	724.0	40 – Canterbury	531.6
7 – Wokingham	716.4	41 – Milton Keynes	530.7
8 – Sevenoaks	713.4	42 – Ashford	528.0
9 – Surrey Heath	704.2	43 – Eastleigh	524.3
<b>10 – South Oxfordshire</b>	<b>687.2</b>	44 – Lewes	521.9
11 – Winchester	686.9	<b>45 – Cherwell</b>	<b>518.8</b>
12 – Guildford	685.5	46 – Gravesham	516.1
13 – Woking	685.2	47 – New Forest	512.0
14 – Reigate & Banstead	682.7	48 – Slough	508.6
15 – Waverley	678.0	49 – Thanet	506.7
16 – Tandridge	676.2	50 – Fareham	500.4
17 – Runnymede	674.3	51 – Brighton & Hove	500.1
18 – Epsom & Ewell	653.5	52 – Havant	498.1
19 – Wycombe	639.7	<b>53 – Oxford City</b>	<b>495.2</b>
20 – Horsham	627.9	54 – Rushmoor	494.1
21 – East Hampshire	624.8	55 – Medway Towns	487.8
22 – Mid Sussex	617.2	56 – Crawley	484.6
23 – Tunbridge Wells	608.1	57 – Southampton	467.7
24 – Spelthorne	607.4	58 – Swale	467.6
25 – Bracknell Forest	605.9	59 – Dover	467.0
26 – West Berkshire	603.4	60 – Worthing	460.3
27 – Tonbridge & Malling	603.0	61 – Portsmouth	452.8
28 – Aylesbury Vale	597.8	62 – Eastbourne	449.8
29 – Basingstoke & Deane	580.9	63 – Gosport	446.4
<b>30 – Vale of White Horse</b>	<b>575.0</b>	64 – Isle of Wight	442.2
30 – Wealden	575.0	65 – Adur	435.7
32 – Chichester	554.1	66 – Arun	434.7
<b>33 – West Oxfordshire</b>	<b>550.0</b>	67 – Hastings	392.2
34 – Rother	549.4		

Source: ONS, Annual Survey of Hours and Earnings (Residence-Based Analysis).

**Table 5 – Change in Average Gross Weekly Earnings for Full-Time Workers, 1998-2005, Workplace-Based**

Area	Average Earnings (£/week)			% Change, 1998-2005
	1998	2004	2005	
England	399.7	508.5	526.1	31.6
South East	413.3	529.2	539.0	30.4
<b>Oxfordshire</b>	<b>402.1</b>	<b>516.8</b>	<b>523.7</b>	<b>30.2</b>
Cherwell	376.2	489.5	477.6	27.0
Oxford City	402.4	528.5	560.1	39.2
South Oxfordshire	402.2	502.8	509.1	26.6
Vale of White Horse	432.2	537.3	542.1	25.4
West Oxfordshire	396.5	508.4	486.4	22.7

Source: ONS, Annual Survey of Hours and Earnings (Workplace-Based Analysis).

## HOUSEHOLD INCOME

Updated estimates of household income at ward level were released by ONS in November 2005. The new estimates relate to the position in 2001/02 and replace an earlier set of estimates for 1998/99. The figures are therefore somewhat dated, but they are of interest since they provide information on income levels at a finer geographical level than other sources. The key results for Oxfordshire are shown in Table 6.

The average gross weekly household income in Oxfordshire is estimated at £710 in 2001/02. This is 8% above the South East average (£658) and 28% above the English average (£555). Household income levels are above the South East average in all of the Oxfordshire districts except Oxford City. Income levels are highest in South Oxfordshire (£767) and Vale of White Horse (£755), and lowest in Oxford City (£621). Cherwell (£699) and West Oxfordshire (£713) are between these two extremes.

Variations in household income levels are of course much wider when analysed at local authority ward level. Average household income ranges from a low of £480 per week (in Blackbird Leys ward in Oxford City) to £1,100 (in Otmoor ward in Cherwell). Nine of the 137 wards in Oxfordshire (around 7%) have an average household income below the English average. These are all located in Cherwell (Banbury Neithrop, Banbury Ruscote & Bicester Town) and Oxford City (Blackbird Leys, Carfax, Churchill, Cowley, Northfield Brook & St Mary's).

**Table 6 – Estimates of Average Gross Household Income, 2001/02**

Area	Mean Household Income (£/week)	Lowest Ward Income	Highest Ward Income
England	555	230	1,920
South East	658	340	1,920
<b>Oxfordshire</b>	<b>710</b>	<b>480</b>	<b>1,100</b>
Cherwell	699	490 (Banbury Ruscote)	1,100 (Otmoor)
Oxford City	621	480 (Blackbird Leys)	850 (Summertown)
South Oxfordshire	767	580 (Didcot Park)	1,050 (Shiplake)
Vale of White Horse	755	620 (Abingdon Caldecott)	950 (Longworth)
West Oxfordshire	713	590 (Chipping Norton & Witney Central)	860 (Brize Norton & Shilton)

Source: ONS, Model-Based Estimates of Household Income for Wards, 2001/02.

## **BENEFIT CLAIMANTS**

The latest data on numbers of benefit claimants in Oxfordshire was released by the Department for Work & Pensions in October 2005. The data is for May 2005 and relates to working age claimants. The relevant benefits are income support, job seekers allowance, incapacity benefit, disability living allowance and severe disablement allowance. The number of claimants therefore provides a measure of the numbers of people on low incomes, as well as those excluded from the labour market through unemployment, ill health or disability. Table 7 summarises the relevant figures, and also provides comparative data for May 2004.

Overall, around 7% of the working age population in Oxfordshire were claiming one or more of the benefits listed above in May 2005. This compares with 9% in the South East and 13% in England. Amongst the Oxfordshire districts, the highest proportion of claimants is found in Oxford City (9%). There was little change in the number of claimants in Oxfordshire in the 12 months to May 2005. An increase in the number of claimants in Oxford City was offset by declines in most of the other districts.

**Table 7 – Benefit Claimants as Proportion of Working Age Population**

Area	Total Benefit Claimants		Claimants as % of Working Age Population	
	May 2004	May 2005	May 2004	May 2005
England	3,985,200	3,956,000	13.1	13.0
South East	429,600	433,700	8.8	8.8
<b>Oxfordshire</b>	<b>26,200</b>	<b>26,200</b>	<b>6.7</b>	<b>6.8</b>
Cherwell	5,700	5,800	6.8	6.7
Oxford City	8,400	8,900	8.9	9.4
South Oxfordshire	4,600	4,500	5.7	5.6
Vale of White Horse	4,200	3,900	5.8	5.7
West Oxfordshire	3,300	3,100	5.5	5.5

Source: Department for Work & Pensions (NOMIS).

Note: Figures include persons of working age who are claiming one or more of the following benefits: income support, job seekers allowance, incapacity benefit, disability living allowance and severe disablement allowance.

## **CLAIMANT UNEMPLOYMENT**

Claimant unemployment rates continue to be very low in Oxfordshire, with the exception of Oxford City. In November 2005, there were 3,450 Oxfordshire residents out of work and claiming Job Seekers Allowance. This represents 0.9% of the working age population, and compares with rates of 1.5% in the South East as a whole and 2.3% in England. Claimant unemployment rates are currently below 1% in Cherwell (0.9%), South Oxfordshire (0.7%), Vale of White Horse (0.6%) and West Oxfordshire (0.5%). Oxford City is the exception to this strong overall performance, with an unemployment rate of 1.4% in November 2005, although this is still just below the South East average (see Table 8).

At local authority ward level, only six of the 137 wards in Oxfordshire currently have an unemployment rate above the English average. Five of these wards are in Oxford City (Barton & Sandhills, Blackbird Leys, Cowley, Northfield Brook and Rose Hill & Iffley) and the other in Cherwell (Banbury Ruscot).

Within the last 12 months, Oxfordshire has seen a 6% reduction in the number of unemployed claimants. This compares with average increases of 10% in the South East and of 11% in England as a whole. Within Oxfordshire, Cherwell is the exception to this overall pattern, with a 6% increase in the number of claimants in the year to November 2005. All the other Oxfordshire districts saw a reduction in unemployment levels during the year (Table 8).

**Table 8 – Claimant Count Unemployed as Percentage of the Resident Working Age Population**

Area	November 2004		November 2005	
	(No)	(%)	(No)	(%)
England	651,318	2.1	722,684	2.3
South East	67,259	1.4	73,877	1.5
<b>Oxfordshire</b>	<b>3,668</b>	<b>0.9</b>	<b>3,451</b>	<b>0.9</b>
Cherwell	710	0.8	756	0.9
Oxford City	1,542	1.5	1,412	1.4
South Oxfordshire	620	0.8	574	0.7
Vale of White Horse	463	0.7	426	0.6
West Oxfordshire	333	0.6	283	0.5

Source: ONS, monthly claimant count data (NOMIS).

We have again ranked each of the 67 local authority districts in the South East on this measure, i.e. according to the proportion of their working age population who are currently claimant unemployed (see Table 9). The results show that West Oxfordshire has the lowest unemployment rate in the South East, with Vale of White Horse ranked equal second and South Oxfordshire equal fourth. The rankings for these three districts have improved in the last 12 months. Cherwell is also in the top half of the regional unemployment league table, currently ranked equal 14th (with ten other local authority districts). Oxford City is the only weak performer, and is ranked 40th out of the 67 South East districts. However, this is an improvement on its position in the league table in the last 12 months.

The proportion of long-term unemployed claimants (out of work for more than 12 months) is currently 15%, which is slightly above the South East (13%) and English averages (14%). Oxford City and South Oxfordshire have the highest proportions of long-term unemployed (see Table 10). There has been a slight increase in the proportion of long-term claimants in the county in the last 12 months, compared with reductions at regional and national level.

**Table 9 – Claimant Unemployed as Percentage of Resident Working Age Population (November 2005), South East Local Authority Districts**

District and Rank	(%)	District and Rank	(%)
<b>1 – West Oxfordshire</b>	<b>0.5</b>	35 – Chichester	1.2
2 – Hart	0.6	35 – Windsor & Maidenhead	1.2
<b>2 – Vale of White Horse</b>	<b>0.6</b>	37 – Maidstone	1.3
4 – Mole Valley	0.7	37 – Rushmoor	1.3
<b>4 – South Oxfordshire</b>	<b>0.7</b>	37 – Worthing	1.3
4 – Waverley	0.7	40 – Gosport	1.4
7 – Aylesbury Vale	0.8	<b>40 – Oxford City</b>	<b>1.4</b>
7 – Elmbridge	0.8	42 – Adur	1.5
7 – Mid Sussex	0.8	42 – Arun	1.5
7 – Surrey Heath	0.8	42 – Ashford	1.5
7 – Tandridge	0.8	42 – Crawley	1.5
7 – Wokingham	0.8	42 – Spelthorne	1.5
<b>13 – Cherwell</b>	<b>0.9</b>	42 – Wycombe	1.5
13 – East Hampshire	0.9	48 – Lewes	1.6
13 – Epsom & Ewell	0.9	49 – Canterbury	1.7
13 – Guildford	0.9	49 – Rother	1.7
13 – New Forest	0.9	51 – Milton Keynes	1.8
13 – Reigate & Banstead	0.9	52 – Dartford	2.0
13 – Runnymede	0.9	52 – Havant	2.0
13 – Test Valley	0.9	52 – Southampton	2.0
13 – Wealden	0.9	55 – Portsmouth	2.1
13 – West Berkshire	0.9	56 – Reading	2.2
13 – Winchester	0.9	57 – Isle of Wight	2.3
24 – Chiltern	1.0	58 – Medway Towns	2.5
24 – Fareham	1.0	58 – Slough	2.5
24 – Horsham	1.0	58 – Swale	2.5
24 – Sevenoaks	1.0	61 – Dover	2.6
24 – South Buckinghamshire	1.0	61 – Eastbourne	2.6
24 – Tunbridge Wells	1.0	61 – Gravesham	2.6
30 – Basingstoke & Deane	1.1	64 – Shepway	2.7
30 – Bracknell Forest	1.1	65 – Brighton & Hove	3.1
30 – Eastleigh	1.1	66 – Hastings	3.3
30 – Tonbridge & Malling	1.1	67 – Thanet	3.7
30 – Woking	1.1		

Source: ONS, Monthly claimant count (NOMIS).



**Table 10 – Proportion of Long Term Claimant Unemployed**

Area	Claiming for Over 12 Months		As % of All Claimants	
	Nov 2004	Nov 2005	Nov 2004	Nov 2005
England	100,745	102,845	15.6	14.3
South East	9,370	9,340	14.0	12.7
<b>Oxfordshire</b>	<b>530</b>	<b>510</b>	<b>14.5</b>	<b>14.8</b>
Cherwell	100	90	14.1	12.2
Oxford City	250	240	16.3	17.2
South Oxfordshire	100	95	16.1	16.8
Vale of White Horse	40	50	8.9	11.3
West Oxfordshire	40	30	12.3	10.7

Source: ONS, monthly claimant count data (NOMIS).

### **JOB CENTRE VACANCIES**

The number of vacancies notified to Job Centres has declined in Oxfordshire during the last 12 months, although this is also the case at regional and national level. Table 11 summarises the latest relevant data, for November 2005. There are currently approximately 2.1 unemployed claimants per notified vacancy in Oxfordshire. This is well below the figures for the South East (2.9) and England (3.4). Despite the declining number of vacancies in the economy, overall these figures confirm the relatively strong current labour market position in the county.

Figures for the individual Oxfordshire districts reveal some variation, with evidence of near full employment conditions in Vale of White Horse and West Oxfordshire (1.2 to 1.3 unemployed claimants per vacancy). This contrasts with slacker labour market conditions in Oxford City and South Oxfordshire (with between 2.6 and 2.8 unemployed per vacancy). Cherwell is between these two extremes (2.0 unemployed claimants per vacancy), and has seen a deterioration in its labour market position in the last 12 months.

**Table 11 – Job Centre Plus Vacancies and Claimant Unemployed (November 2005)**

Area	Notified Vacancies		Claimants per Notified Vacancy	
	Nov 2004	Nov 2005	Nov 2004	Nov 2005
England	238,707	212,750	2.7	3.4
South East	26,912	25,532	2.5	2.9
<b>Oxfordshire</b>	<b>1,938</b>	<b>1,675</b>	<b>1.9</b>	<b>2.1</b>
Cherwell	613	374	1.2	2.0
Oxford City	491	508	3.1	2.8
South Oxfordshire	238	225	2.6	2.6
Vale of White Horse	307	322	1.5	1.3
West Oxfordshire	289	246	1.2	1.2

Source: ONS, monthly claimant count and Job Centre Plus vacancy data (NOMIS).

## **EMPLOYMENT TRENDS**

Information on employment trends in Oxfordshire is provided by two datasets, the Annual Population Survey (previously the Labour Force Survey) and the Annual Business Inquiry. Both datasets are sample-based and so are subject to some degree of error. The Annual Business Inquiry (ABI) provides a detailed breakdown of employment by industry sector, but unlike the APS/LFS it does not include the self employed. Results from the ABI for 2004 were released by ONS in December 2005 and the key findings are reported here (see Table 12).

The latest figures show that the number of employees working in Oxfordshire increased from 309,700 in 2003 to 315,300 in 2004. This represents an increase of 1.8% during the year, which is above the average increase in the South East (0.5%) and England (1.1%). Employment growth in Oxfordshire since 1998 has been less impressive, with only a 4.6% increase recorded between 1998 and 2004. This compares with growth of 6.4% in the South East and 6.5% nationally.

Employment trends for the Oxfordshire districts are shown in Table 12, although it should be noted that the ABI data is less reliable at this geographic level. Indeed, some of the figures appear to be puzzling, with an improbably large increase in employment levels recorded in Cherwell between 2003 and 2004, and an equally large decrease recorded in Vale of White Horse over the same period. These figures are not supported by employment estimates from the Labour Force Survey for 2003 and 2004 for these districts. All figures at district level should therefore be treated with great caution.

**Table 12 – Employment Trends in Oxfordshire, 1998-2004**

Area	Employees in Employment			% Change, 1998-2004
	1998	2003	2004	
England	21,155,000	22,286,300	22,532,800	+ 6.5
South East	3,425,100	3,627,500	3,643,900	+ 6.4
<b>Oxfordshire</b>	<b>301,400</b>	<b>309,700</b>	<b>315,300</b>	<b>+ 4.6</b>
Cherwell	63,400	63,700	71,500	+ 12.8
Oxford City	94,800	96,700	98,500	+ 4.0
South Oxfordshire	51,500	53,500	54,800	+ 6.5
Vale of White Horse	56,700	60,800	53,600	- 5.5
West Oxfordshire	35,100	35,000	36,900	+ 5.0

Source: ONS, Annual Business Inquiry (NOMIS).

Note: Employment totals at local authority district level should be treated with caution.

**Table 13 – Employment in Knowledge-Intensive Service Activities**

Area	% of All Employees in Following Sectors, 2004:		
	KIBS	R&D and Higher Education	All Knowledge-Intensive Services
England	8.8	2.4	11.2
South East	10.9	3.0	13.9
<b>Oxfordshire</b>	<b>11.9</b>	<b>7.7</b>	<b>19.6</b>
Area	% Growth in Number of Employees, 1998-2004:		
	KIBS	R&D and Higher Education	All Knowledge-Intensive Services
England	22.7	15.8	21.2
South East	30.2	17.8	27.3
<b>Oxfordshire</b>	<b>27.0</b>	<b>0.1</b>	<b>14.9</b>

Source: ONS, Annual Business Inquiry.

Note: For definition of KIBS sectors, see Appendix.

## **EMPLOYMENT IN THE KNOWLEDGE ECONOMY**

The latest Annual Business Inquiry data for 2004 confirms Oxfordshire's continued strength in knowledge intensive service activities. Table 13 shows employment in a range of knowledge intensive activities, including knowledge-intensive business services (KIBS), research and development activity and higher education. Detailed definitions of the sectors included as knowledge intensive are listed in the Appendix to this report. These activities when combined accounted for almost 20% of total employees working in Oxfordshire in 2004. This compares with averages of 14% in the South East and 11% in England as a whole. Oxfordshire's representation in the R&D and higher education sectors is particularly impressive, at over three times the national average.

Recent employment trends in these knowledge intensive activities have been less impressive, suggesting that Oxfordshire has lost some ground to its competitors in the sustaining and growth of knowledge-based employment in recent years. The county experienced only a 15% increase in the number of employees in knowledge intensive services between 1998 and 2004, compared with increases of 27% in the South East and 21% nationally.

## **BUSINESS BIRTHS AND DEATHS**

Annual data on numbers of VAT registrations and de-registrations in 2004 was released in October 2005. This provides a proxy measure of the number of business births and deaths, and the overall business climate. The relevant data for Oxfordshire and the five districts is shown in Tables 14 and 15. Compared with the position in 2003, the number of VAT registrations in Oxfordshire fell very slightly in 2004 (by 2%), and the number of de-registrations increased (by 10%). A larger reduction in new VAT registrations was experienced at regional and national level, with a 7% reduction in the South East and a 5% reduction nationally.

Despite the recent slight reduction, the rate of new VAT registrations in Oxfordshire continues at above regional and national rates. In 2004, there were 46.2 VAT registrations per 10,000 adult residents in Oxfordshire, compared with an average of 43.5 in the South East and 39.3 in England. VAT registration rates are highest in South Oxfordshire (60.7 per 10,000 adults), West Oxfordshire (57.6) and Cherwell (50.0), and lowest in Oxford City (26.9).

**Table 14 – VAT Registrations and De-Registrations, 2003 and 2004**

Area	VAT Registrations		VAT De-Registrations	
	2003	2004	2003	2004
England	166,505	158,535	146,390	156,140
South East	30,470	28,360	26,875	28,245
<b>Oxfordshire</b>	<b>2,365</b>	<b>2,315</b>	<b>1,860</b>	<b>2,050</b>
Cherwell	535	530	380	445
Oxford City	335	330	270	285
South Oxfordshire	615	620	515	580
Vale of White Horse	425	390	340	370
West Oxfordshire	455	445	360	370

Source: ONS, VAT Registration Data (NOMIS).

**Table 15 – VAT Registrations per 10,000 Adults, 2004**

Area	VAT Registrations	Adult Population (Aged 16+)	Registrations per 10,000 Adults
England	158,535	40,339,000	39.3
South East	28,360	6,527,000	43.5
<b>Oxfordshire</b>	<b>2,315</b>	<b>500,800</b>	<b>46.2</b>
Cherwell	530	105,900	50.0
Oxford City	330	122,800	26.9
South Oxfordshire	620	102,100	60.7
Vale of White Horse	390	92,600	42.1
West Oxfordshire	445	77,300	57.6

Source: Small Business Service.

## HOUSE PRICES AND AFFORDABILITY

Updated house price data for the July-September 2005 quarter shows that the average price in Oxfordshire at that time was £257,900. This is 10% above the South East average (£234,800) and 33% above the average for England and Wales (£194,600). House prices in the county increased by just over 1% in the 12 months to July-September 2005. This compares with average price increases of 3.0% in the South East and 3.5% in England and Wales (see Table 16).

**Table 16 – Average (Mean) House Prices, All Properties**

Area	July-Sept 2004 (£)	July-Sept 2005 (£)	% Change
England & Wales	187,971	194,589	+ 3.5
South East	227,991	234,833	+ 3.0
<b>Oxfordshire</b>	<b>254,779</b>	<b>257,929</b>	<b>+ 1.2</b>
Cherwell	217,401	222,121	+ 2.2
Oxford City	265,580	283,891	+ 6.9
South Oxfordshire	272,817	286,510	+ 5.0
Vale of White Horse	259,504	249,280	- 6.5
West Oxfordshire	268,486	250,999	- 6.5

Source: HM Land Registry.

Table 17 provides a house price league table for the 67 local authority districts in the South East. All of Oxfordshire's districts, with the exception of Cherwell, are in the top half of the rankings. Average prices are currently highest in South Oxfordshire (£286,500, ranked 16th highest in the South East), followed by Oxford City (£283,900, ranked 21st). Prices are lowest in Cherwell, averaging £222,100 and currently ranked 37th of the 67 South East districts.

Housing affordability is a function both of house prices and local earnings or incomes. Table 18 calculates a crude "index of affordability" for each of the Oxfordshire districts. The index shows the average (mean) house price as a multiple of the average (mean) annual earnings for full-time workers in each district. The higher the index value, the less affordable is owner occupation for people working in that area. The average index value for Oxfordshire in the July-September 2005 quarter was 9.5, slightly above the South East average (8.4) and well above the average for England and Wales (7.2).

**Table 17 – Average (Mean) House Prices (July-September 2005), South East Local Authority Districts**

District and Rank	(£)	District and Rank	(£)
1 – Elmbridge	468,570	35 – Lewes	229,411
2 – South Buckinghamshire	434,473	36 – Basingstoke & Deane	223,678
3 – Chiltern	370,903	<b>37 – Cherwell</b>	<b>222,121</b>
4 – Mole Valley	352,793	38 – Maidstone	220,273
5 – Windsor & Maidenhead	351,785	39 – Bracknell Forest	219,851
6 – Waverley	336,893	40 – Rother	219,647
7 – Sevenoaks	334,492	41 – Brighton & Hove	219,066
8 – Winchester	325,038	42 – Ashford	214,519
9 – Guildford	324,265	43 – Fareham	210,620
10 – Tandridge	312,769	44 – Eastleigh	209,013
11 – Tunbridge Wells	307,206	45 – Arun	208,746
12 – Reigate & Banstead	301,384	46 – Canterbury	204,694
13 – Epsom & Ewell	299,963	47 – Reading	202,676
14 – Wycombe	294,459	48 – Adur	200,682
15 – Chichester	292,589	49 – Gravesham	189,251
<b>16 – South Oxfordshire</b>	<b>286,510</b>	50 – Havant	188,175
17 – Runnymede	286,211	51 – Dartford	187,072
18 – Wokingham	284,637	52 – Slough	187,063
19 – Hart	284,516	53 – Shepway	186,228
20 – East Hampshire	284,093	54 – Worthing	185,579
<b>21 – Oxford City</b>	<b>283,891</b>	55 – Rushmoor	183,361
22 – Woking	282,582	56 – Swale	181,272
23 – Surrey Heath	280,089	57 – Crawley	180,138
24 – Wealden	273,636	58 – Eastbourne	180,135
25 – Horsham	267,863	59 – Milton Keynes	178,650
26 – New Forest	260,345	60 – Isle of Wight	177,770
27 – Mid Sussex	254,753	61 – Dover	169,822
28 – West Berkshire	252,649	62 – Southampton	165,275
29 – Test Valley	252,561	63 – Gosport	162,208
<b>30 – West Oxfordshire</b>	<b>250,999</b>	64 – Thanet	161,695
<b>31 – Vale of White Horse</b>	<b>249,280</b>	65 – Portsmouth	156,634
32 – Tonbridge & Malling	241,950	66 – Medway Towns	154,717
33 – Spelthorne	238,770	67 – Hastings	150,859
34 – Aylesbury Vale	230,430		

Source: HM Land Registry.

**Table 18 – Index of Housing Affordability (Average House Prices as Ratio of Average Annual Full-Time Earnings, By Area of Workplace) (July-September 2005)**

Area	Average House Price (July-Sept 2005)	Average Full-Time Earnings (April 2005)	Index of Affordability
England & Wales	194,589	27,180	7.2
South East	234,833	28,028	8.4
<b>Oxfordshire</b>	<b>257,929</b>	<b>27,232</b>	<b>9.5</b>
Cherwell	222,121	24,835	8.9
Oxford City	283,891	29,125	9.7
South Oxfordshire	286,510	26,473	10.8
Vale of White Horse	249,280	28,189	8.8
West Oxfordshire	250,999	25,293	9.9

Source: HM Land Registry and ONS, Annual Survey of Hours and Earnings.

The index of affordability is currently above the South East average in all of the Oxfordshire districts, and is highest in South Oxfordshire (10.8). The index value is also approaching 10 in both West Oxfordshire (9.9) and Oxford City (9.7).

## **FURTHER INFORMATION**

Selected documents relevant to the Oxfordshire economy published in the last quarter:

Cherwell District Council, Economic Development Strategy 2006-2011 – Draft 3, November 22nd 2005

Learning & Skills Council MKOB, Monthly Economic Intelligence Report, October to December 2005

Oxford Trust, Oxford Networks – Oxfordshire’s Growing Technology Economy, November 2005



## APPENDIX

Knowledge intensive business services (KIBS), discussed in the section on Employment in Knowledge Economy, are defined as including the following 2003 Standard Industrial Classification (SIC) categories (and their equivalents in the 1992 version of the SIC):

- 65.11 – Central banking
- 65.23 – Other financial intermediation not classified elsewhere
- 67.11 – Administration of financial markets
- 67.12 – Security broking & fund management
  
- 70.31 – Real estate agencies
- 70.32 – Management of real estate on a fee or contract basis
  
- 72.10 – Hardware consultancy
- 72.21 – Publishing of software
- 72.22 – Other software consultancy & supply
- 72.40 – Data base activities
- 72.60 – Other computer related activities
  
- 74.11 – Legal activities
- 74.12 – Accounting, book-keeping & auditing activities; tax consultancy
- 74.13 – Market research & public opinion polling
- 74.14 – Business & management consultancy activities
- 74.20 – Architectural & engineering activities & related technical consultancy
- 74.30 – Technical testing & analysis
- 74.40 – Advertising
- 74.87 – Other business activities not classified elsewhere

In addition, the following sectors are also defined as knowledge intensive:

- 73.10 – Research & development: natural sciences & engineering
- 73.20 – Research & development: social sciences & humanities
  
- 80.30 – Higher education