Symmetry Park, Ardley

Labour Market Analysis

savills

Symmetry Park, Ardley

Labour Market Assessment

Table of Contents

1.   Introduction

1.1.   Purpose and Summary

1.1.1.   This document is an analysis of the labour market area relevant to the proposed employment premises at Symmetry Park, Ardley . The primary purpose of the analysis is to assess whether this workforce would have the sufficient number of workers and skills for the proposed development to have a satisfactory workforce.

1.1.2.   The findings of this labour market analysis are that there is a good prospect of an appropriate workforce being available in the catchment area to staff the proposed development once it is operational, as well as other similar schemes if they were to come forward. There is a large, growing workforce in the catchment area. The historic and forecast level of employment demonstrates similar trends.

1.1.3.   The workforce has a diverse range of occupations and can broadly be considered better qualified and higher skilled than regional and national averages. There is also a noticeable specialisation in logistics.

1.1.4.   There is also a significant amount of proposed residential development that will be built within commutable distance to the proposed development by the end of 2036 which will further increase the labour force that could be drawn upon.

1.2.   Methodology

1.2.1.   The analysis establishes the geography of the labour market area from which the workforce is likely to come.

1.2.2.   It assesses the relevant labour force's profile. This covers historic and forecast population, employment, skills, education attainment and average of earnings. These indicators are benchmarked against regional and national comparators.

1.2.3.   It gives an assessment of labour force availability. The section analyses the historic economic activity rate, the unemployment level and jobseekers by occupation.

1.2.4.   It analyses the attractiveness of the labour market area by comparing average house prices.

1.2.5.   Major residential developments are identified in proximity to the proposed development. These will generate additional potential workforce for the proposed development.

1.3.   Structure

1.3.1.   The report structure is as follows:

- Section 2 – Labour market area
- Section 3 – Labour market profile
- Section 4 – Availability of workforce
- Section 5 – Local area attractiveness
- Section 6 – Wider demographic growth
- Section 7 – Conclusion.

2. Defining the Labour Market Area

2.1. The Proposed Development

2.1.1. This labour market analysis is prepared in the context of proposals to develop around 3.2m sq.ft of logistics (B8) and manufacturing (B2) space at Ardley, near Junction 10 of the M40. The proposed development comprises seven units ranging from about 115,000 sq.ft (11,000 sq.m) to 1,004,000 sq.ft (90,000 sq.m) for logistics use and ancillary office space. It is estimated that the proposal would generate 3,060 gross on-site jobs.

2.2. Labour Market Catchment

2.2.1. To identify an appropriate labour market area we began with a review of the Oxfordshire Growth Needs Assessment which assesses the Oxfordshire Functional Economic Market Area (FEMA). Though the FEMA indicates that Oxfordshire has a predominantly self-contained labour market, Cherwell is situated in the north-eastern edge of the county. The proposed development is likely to draw its workforce from beyond the Oxfordshire boundary.

2.2.2. We also undertook with analysis of Office for National Statistics (ONS) data on commuting patterns for Cherwell's workforce to identify the area from which its workforce is largely drawn. Based on the ONS data we identified the local authority areas from which 85% of Cherwell's workforce is drawn. We concluded that this was a reasonable geography for the labour market area.

2.2.3. **Figure 2.1** shows the local authorities from where the workforce is drawn. It shows that 60% of workers come from within Cherwell itself. The analysis shows the labour market area is comprised of Cherwell, South Northamptonshire, West Oxfordshire, Oxford, Stratford-on-Avon, Vale of White Horse and Aylesbury Vale.

2.2.4. We acknowledge that the local authorities of South Northamptonshire and Aylesbury-Vale are now part of West Northamptonshire (merged 2021) and Buckinghamshire (merged 2020) respectively. Despite this, both South Northamptonshire and Aylesbury-Vale have local plans detailing the areas' intended growth to 2029 and 2033. We have used the former local authorities of South Northamptonshire and Aylesbury-Vale throughout the report as we do not believe the new local authority boundaries represent realistic commuting catchments for the proposed development. The boundaries for the identified labour market area are shown in **Figure 2.2**.
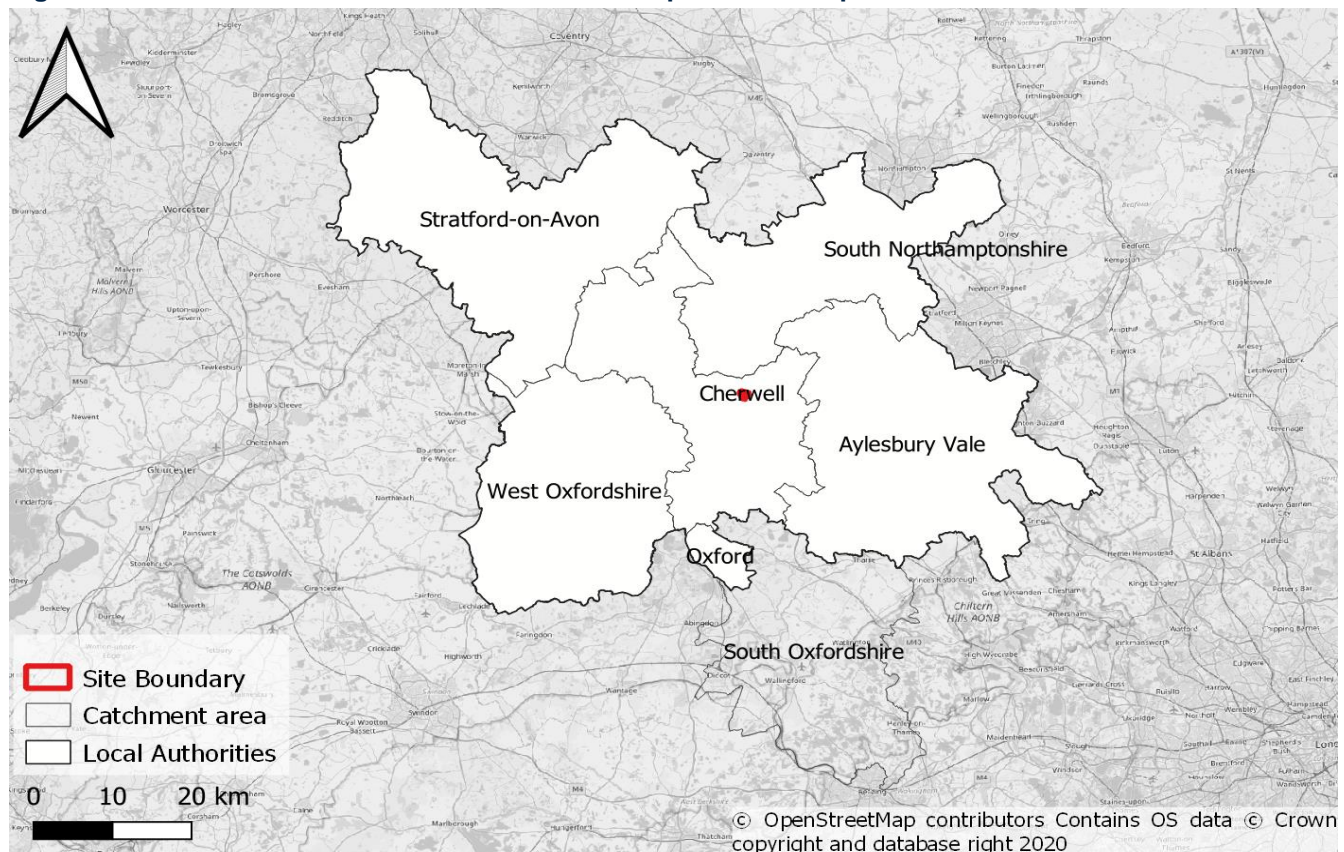
Figure 2.1 Cherwell's Workforce by Location of Residence by Local Authority
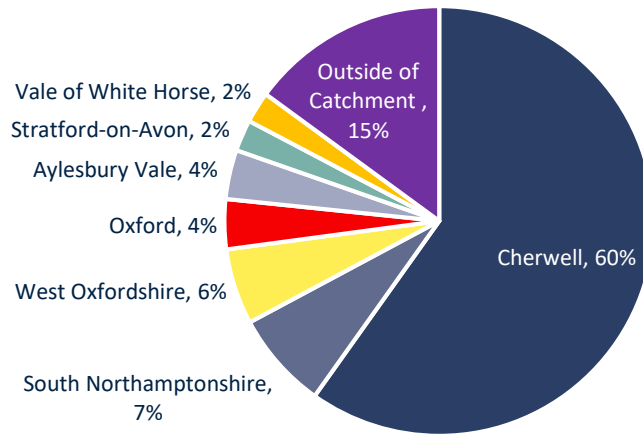
Source: ONS (2011)

2.2.5. **Figure 2.2** presents a map of the area. The red area within Cherwell Local Authority is Symmetry Park, Ardley .

Figure 2.2 Labour Force Catchment Area for the Proposed Development

Source QGIS 2022

3.   Profile of Workforce in the Labour Market Area

3.1.1.   This section presents an overview of population, employment levels, employment by industry, skills and earnings in the catchment area. The indicators are benchmarked against regional and national trends.

3.2.   The Labour Market Area's Population Growth is Higher than the Wider Region

3.2.1.   **Figure 3.1** presents historic and forecast population levels between the labour market area, the South East Region and the UK. Between 2011 and 2021 the growth in population in the catchment area significantly outpaced the region and UK. The forecast shows the labour market area growing slightly faster than the benchmarks to 2031.

3.2.2.   Between 2011 and 2021 the labour market area's population area grew from 900,000 to 991,000. It is expected to reach one million by 2031. This is a significant population from which the proposed development can draw.

3.2.3.   Between 2011 and 2021 the population in the labour market area grew at a rate of 1.0% per annum. Between 2011 and 2021 the growth rate for the South East and the UK were both 0.6% per annum. Between 2021 and 2031 the forecast growth rate in the labour market area is expected to be 0.3% per annum. This compares to a rate of 0.2% per annum for the wider area. Both historically and in the forecast period the growth in the labour market area's population is faster.

Figure 3.1 Historic and Forecast Population Growth (2011=100)
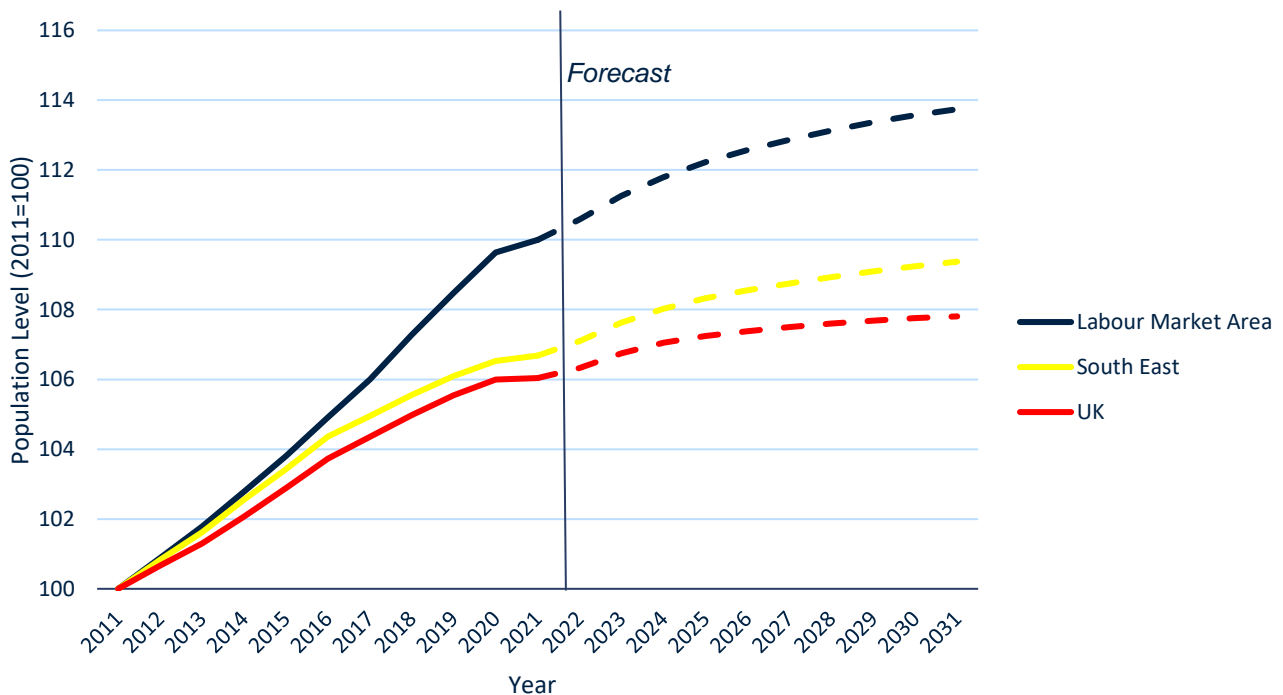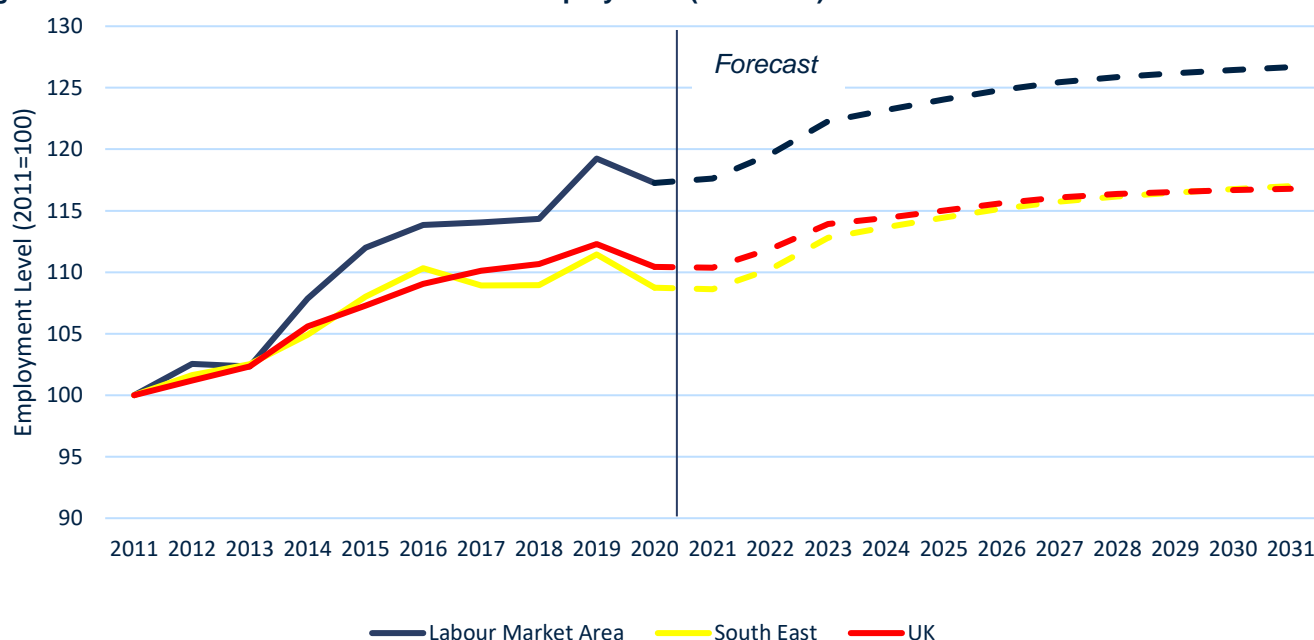

Source: Oxford Economics (2022)

3.3. Employment is Expected to Grow at a Slightly Faster Rate than the South East and the UK

3.3.1.   **Figure 3.2** compares historic and forecast employment levels between the labour market area, the South East region and the UK. Between and 2011 and 2021 the growth in employment in the labour market area significantly outpaced the region and UK. Over the forecast period it is expected to grow at a slightly faster rate.

3.3.2.   Between 2011 and 2021 employment grew by a strong rate of 1.6% per annum compared to the region and UK which grew at rates of 0.8% and 1.0% per annum respectively. Between 2021 and 2031 the growth in employment is expected to slow to about 1.0% per annum in the labour market area. In the South East and the UK the annual growth rate is forecast to also dip slightly to 0.7% and 0.6% per annum respectively between 2021 and 2031.

Figure 3.2 Historic and Forecasted Level of Employment (2011=100)

Source: Oxford Economics (2022)

3.4. The Labour Market Area has a High Concentration of Logistics Employment

3.4.1.   **Table 3.1** presents the structure of employment by industry. The distribution of employment in the labour market area is broadly consistent with the region and the UK. However there is a notable concentration of employment in the transport & storage sector.

3.4.2.   The transport and storage sector (which is relevant to the proposed development) is the largest industrial sector by employment in the labour market area. On the national level the sector is the eighth largest. The sector's relative importance is shown by the location quotient (LQ) in **Table 3.1**. (The LQ is a measure of an area's relative industrial specialisation. It gives an indication of an area's competitive advantage in the sector and highlights the area of the economy that could most benefit from investment.)

3.4.3.   The large transport and storage sector in the labour market area would be of benefit to the proposed

development. It shows there would a large labour pool of workers with the appropriate training, skills and experience.

Table 3.1 Structure of Employment (% Share of Total Employment) and LQ of Labour Market Area

	Labour Market Area	South East	UK	Location Quotient (1.00=UK)
Transport & Storage	16%	4%	5%	3.08
Education	12%	10%	9%	1.42
Manufacturing	8%	6%	8%	1.03
Information & Communication	4%	6%	4%	1.01
Professional, Scientific & Tech	9%	9%	9%	1.00
Construction	5%	5%	5%	0.96
Arts, Entertainment & Recreation	2%	2%	2%	0.91
Other Service Activities	2%	2%	2%	0.90
Accommodation and Food Services	6%	7%	7%	0.87
Human Health & Social Work	11%	13%	14%	0.82
Administrative & Support	7%	8%	9%	0.80
Wholesale & Retail Trade	10%	15%	15%	0.71
Public Administration & Defence	3%	3%	5%	0.57

Source: NOMIS (2021). Nb – some figures may not be exact due to rounding

3.5. The Labour Market Area Has Higher Occupational Skills and Educational Attainment

3.5.1. **Figure 3.3** presents occupational skills in the labour market area. The occupations at the top of the bars are the highly skilled workers and those at the bottom are the least-skilled. The labour market area has a higher percentage of workers in the higher skilled occupational categories compared to the South East region and the UK.

3.5.2. There is a wide spread of worker's occupational classes in the catchment. This is another positive indication that there is an appropriate workforce in the catchment area, as the logistics sector is an industry which places particular significance on a diverse workforce with a varied skillset.

Figure 3.3 Occupation by Residence (2021)
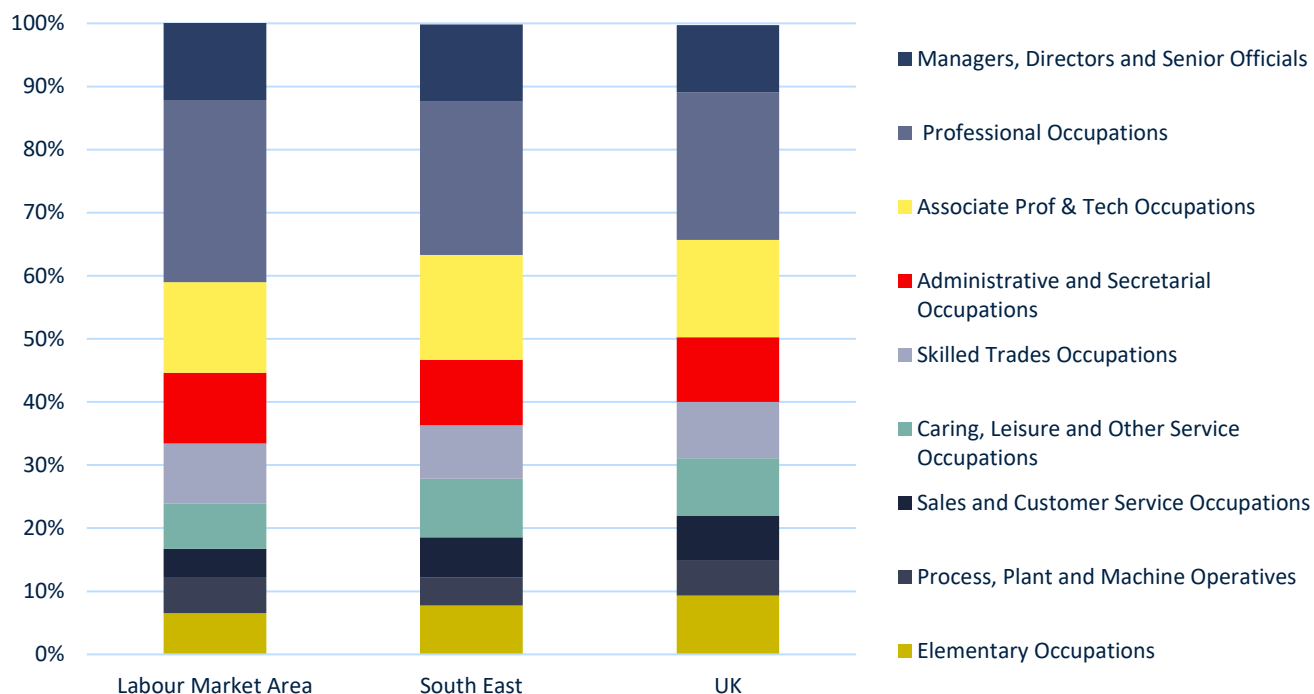
Source: ONS (2022)

3.5.3.   **Table 3.2** presents educational attainment. It shows that the labour market area residents on average have higher level qualifications (NVQ 4+) compared with the South East region and the UK. With a range of skilled positions required in the logistics sector, this is a positive match with the skills of the local labour force.

Table 3.2 Qualifications of Labour Market Area Residents (2020)

Qualification	Labour Market Area	South East	UK
NVQ 4+	16%	14%	14%
NVQ 3+	23%	20%	31%
NVQ 2+	29%	33%	25%
NVQ 1+	29%	29%	28%
Other / No Qualifications	1%	2%	2%

Source: ONS (2022)

3.6. The Labour Market Area has Higher Average Earnings

3.6.1. **Figure 3.4** compares salaries across the relevant geographies. Average salaries in the labour market area are higher than the South East region and the UK. This is likely to be driven by the labour market area's more productive workforce.

3.6.2. According to the ONS, as of April 2021, the average annual salary in the UK is £31,720. In comparison, the average annual salary for a worker in the logistics industry is £37,500. This is of obvious benefit to the proposed development as it is likely to enhance the attractiveness of the site to its' potential workforce.

Figure 3.6 Average Annual Salaries (2021)
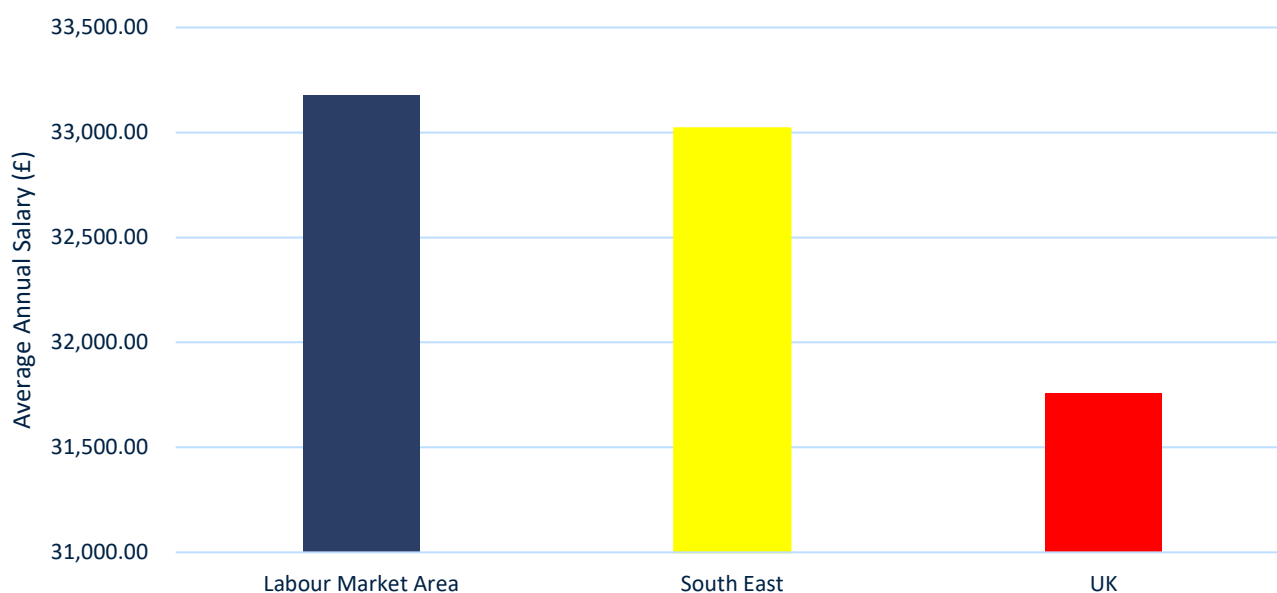
Source: ONS (2022)

4.   Workforce Availability in the Labour Market Area

4.1.1.   This section presents the rate of economic activity, the unemployment rate and jobseekers to assess overall workforce availability.

4.2.   The Labour Market Area Has a High Economic Activity Rate

4.2.1.   **Figure 4.1** presents the economic activity rate of the population. The economic activity rate is the percentage of the population, both those who are employed and those who are unemployed, who wish to work.

4.2.2.   Between 2011 and 2020 the rate of economic activity of the population was generally well above that of the wider South East and the UK. In 2021 it fell below the South East region although remained higher than the national average. The fall is most likely related to the Covid19 pandemic and is expected to be temporary.

4.2.3.   The level of economically active people in the labour market area was 525,000 in 2004 and rose to 544,000 by 2021. This was a growth rate of 0.3% per annum. This represents a significant pool of economically active residents from which the proposed development could draw.

4.2.4.   The labour market area's historically high rate of economic activity does suggest a tight labour market. The planned increase in the local population and workforce will be an offsetting trend.

Figure 4.1 Economic Activity in the Labour Market Area and Wider Geographies

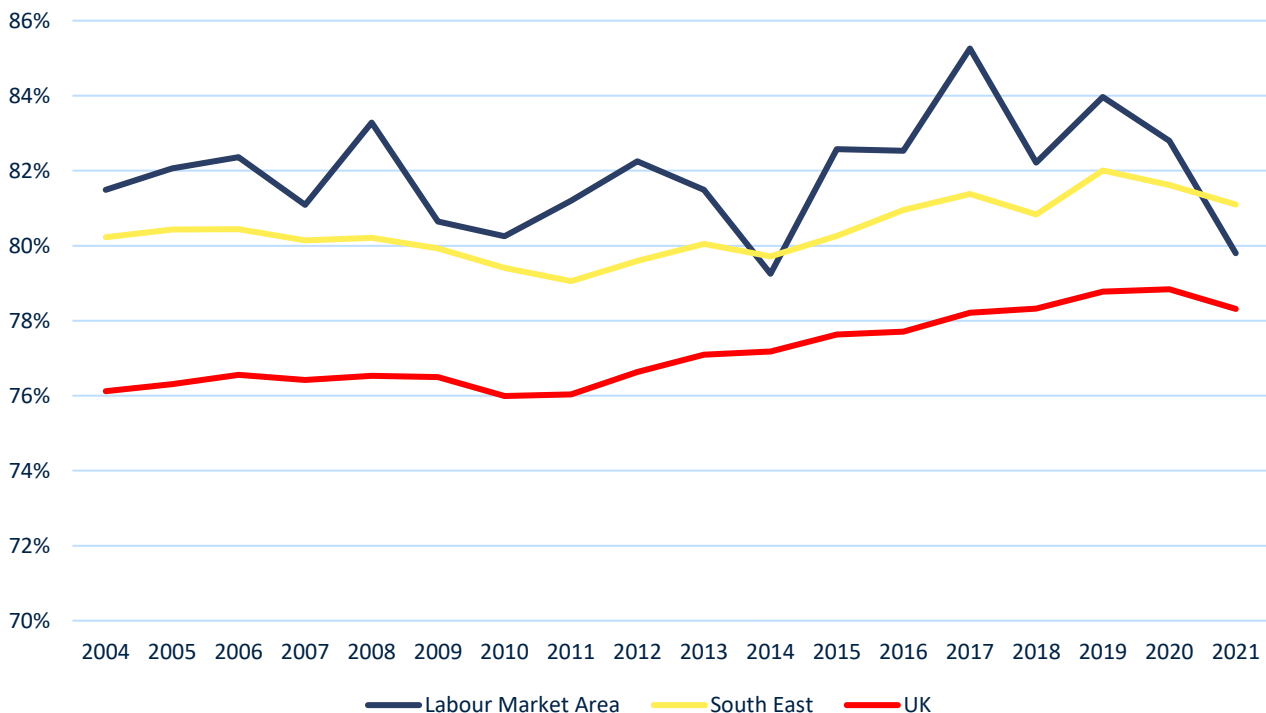*Source: ONS (2022)*

### 4.3. The Labour Market Area Has a Lower Unemployment Rate

4.3.1. **Figure 4.2** presents the unemployment rates in the labour market area, the South East region and the UK.

4.3.2. The unemployment level has been consistently lower in the catchment area than in the South East and the UK between 2011 and 2021. This low unemployment level is likely to be an indication of the highly skilled and well qualified residents of the catchment area.

4.3.3. In 2011 there were 22,300 unemployed residents in the labour market area. By 2021 this had fallen to 15,400.

4.3.4. Though the falling unemployment rate could bring into the question the availability of potential local workers to staff the proposed development once it is operational, this is unlikely to be the case. The labour market area is productive with a highly skilled, well qualified and diverse workforce. The area is forecast to continue to attract new homes and jobs to maintain its' growth, with resulting new residents looking for local employment.

Figure 4.2 Unemployment in Labour Market Area and Wider Geographies
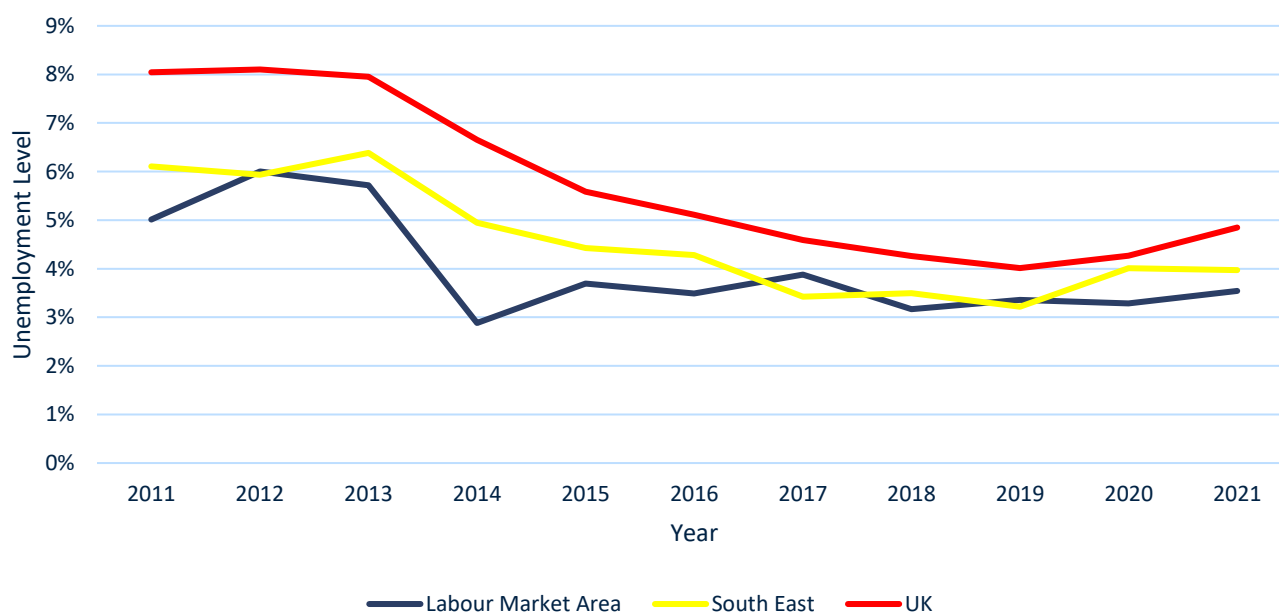
Source: ONS (2022)

4.4. Jobseekers in the Catchment Area are Seeking a Range of Employment Opportunities

4.4.1. **Table 4.1** shows the sectors of employment sought by jobseekers in Cherwell between 2016 and 2021. The table shows that the most in demand employment sector of jobseekers is positions in sales and customer services.

4.4.2. A wide range of employment opportunities are being sought which is positive for the logistics sector which typically requires a variety of different occupations.

4.4.3. The rise in jobseekers in 2020 is likely to be the result of the Covid19 pandemic. The number fell significantly

in 2021.

4.4.4.   The low unemployment rates and fall in jobseekers do suggest a tight labour market. The planned increase in the local population and workforce will tend to ease this restriction. The forecast growth for the labour market area is detailed in **Chapter 6.**

Table 4.1 Jobseekers by Occupation in Labour Market Area

	2016	2017	2018	2019	2020	2021
Managers and Senior Officials	155	170	70	40	75	40
Professional Occupations	15	10	5	5	5	0
Associate Professional and Technical Occupations	30	10	10	0	0	0
Administrative and Secretarial Occupations	155	115	70	30	40	10
Skilled Trade Occupations	40	35	20	10	10	0
Personal Service Occupations	30	15	10	0	0	0
Sales and Customer Service Occupations	1,420	1,455	905	475	565	220
Process, Plant and Machine Operatives	35	30	20	10	10	10
Elementary Occupations	225	165	135	70	1,865	510
Occupation Unknown	215	135	140	220	100	30
Total	**2,320**	**2,140**	**1,385**	**860**	**2,670**	**820**

Source: ONS (2022)

5. Attractiveness of the Labour Market Area

5.1.1. This chapter compares house prices in Cherwell with the other local authorities within the labour market area. This is used to determine an element of the attractiveness of the local area.

5.2. House Prices in Cherwell are Amongst the Most Affordable in the Labour Market Area

5.2.1. **Figure 5.1** compares house prices in Cherwell with the rest of the local authorities in the labour market area. As of 2021 the average house price in Cherwell was £325,000. This is lower than the average for the wider labour market area of £357,000. The lower average house prices in Cherwell is beneficial because it increases the attractiveness of the local area to potential workers.

5.2.2. The figure shows that the average house price in Cherwell is lower than anywhere else in Oxfordshire and the second lowest in the labour market area after South Northamptonshire. This would attract more workers to the area who are in search of more affordable housing.

Figure 5.1 Average House Prices in Cherwell Compared to the Rest of the Catchment Area
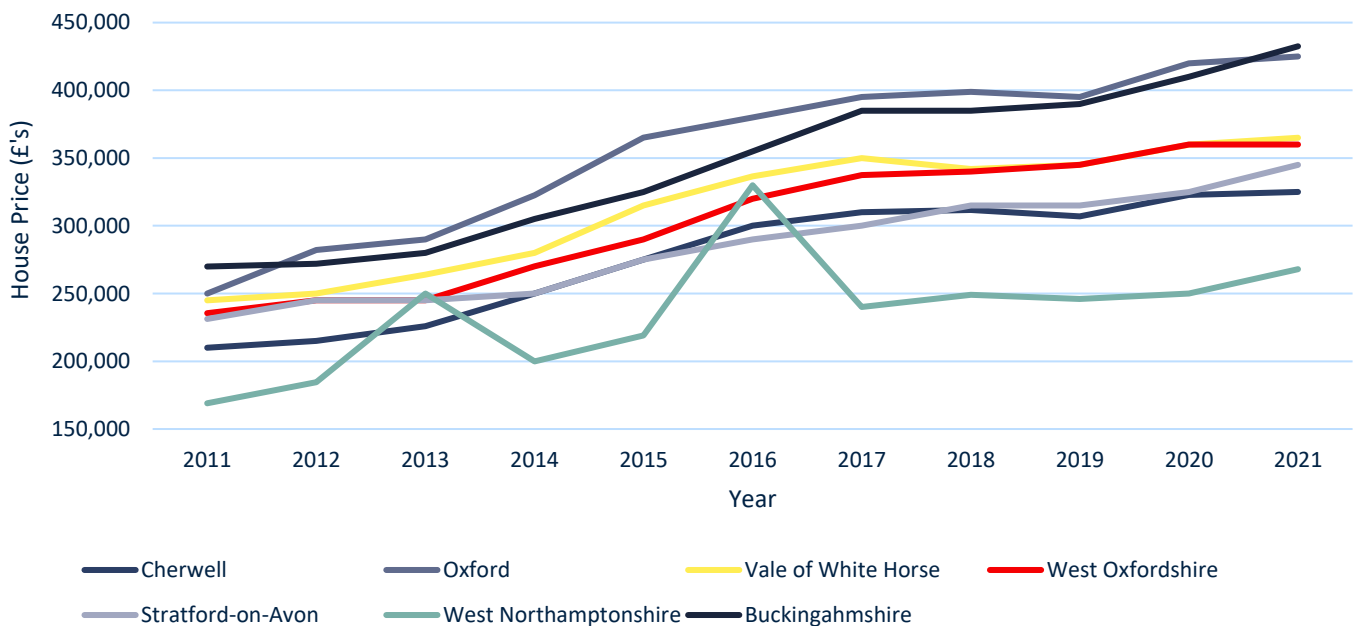
Source: ONS (2022), NB - Buckinghamshire has been used instead of Aylesbury Vale, as Aylesbury Vale was absorbed into Buckinghamshire Council in 2020 and West Northamptonshire has been used instead South Northamptonshire as South Northamptonshire was absorbed into West Northamptonshire in 2021.

6.   Wider Demographic Growth in the Labour Market Area

6.1.1.   The purpose of this section is to identify major residential developments in the pipeline which will contribute to an increase in the size of labour force in the labour market area.

6.2.   About 90,000 New Homes are Expected to be Built in the Labour Market Area by 2036,

6.2.1.   The Cherwell Local Plan plans for about 23,000 homes to be built over the plan period (2011-2031). This represents a significant increase in potential workforce to staff the proposed development. The average household in Cherwell has 1.4 economically active persons. The new housing could increase the population of economically active persons by 32,200. This would increase the workforce in Cherwell significantly.

6.2.2.   **Table 6.1** presents the key allocated residential development sites in Cherwell for more than 1,000 homes. The sites would deliver over 13,000 homes. The table also shows the distance of each of the housing sites from the subject site. Each of the major sites is within nine miles of the proposed development. Their proximity shows that additional workers will be located close to the proposed development.

6.2.3.   The local plans for the other authorities that comprise the labour market area indicate an additional 66,854 homes will be built in the labour market area by 2036. Combined with the 23,000 new homes in Cherwell indicates that there will be around 90,000 new homes in the labour market area by 2036.

6.2.4.   Using the same estimate of 1.4 economically active people per household suggests that there will be an additional 126,000 economically active residents in the labour market area by 2036.

6.2.5.   According to **Table 3.1** 16% of workers in the labour market area are employed in the Transport and Storage sector, the sector most closely tied to logistics. If this proportion is applied to the 126,000 estimated new residents, we predict that there would be 20,160 additional specialist logistics workers living in the labour market area by 2036, who could potentially work at the proposed development once it is operational.

6.2.6.   Savills' Socio-Economic report on Symmetry Park, Ardley estimated that once operational, there will be an additional 2,430 on and off-site jobs. With a likely pool of 20,160 additional specialist logistics workers to occupy these roles these by 2036, this highlights the strong prospect of a substantial, appropriately trained potential workforce to staff the proposed development once operational.

Table 6.1 Cherwell Local Plan Housing Plan Pipeline 2011-2031

Sites of 1,000 Homes	Anticipated Supply Over Plan Period (2011-2031)	Distance from Subject Site
North West Bicester	3,293	3 miles
Grove Hill, Bicester	2,100	5 miles
South West Bicester Phase 1	1,742	4 miles
South East Bicester	1,500	4 miles
Bankside Phase 1, Banbury	1,090	9 miles
South of Salt Way – East, Banbury	1,345	8 miles
Former RAF Site, Upper Heyford	2,361	4 miles

Source: Cherwell Local Plan(2011-2031), Google (2022)

Table 6.2 Rest of Labour Market Area Local Plan Housing Plan Pipeline

Local Authority	Timeframe	Anticipated Supply over Plan Period
Aylesbury Vale	2013-2033	21,000
Stratford-on-Avon	2011-2031	14,600
West Oxfordshire	2018-2031	13,200
Oxford	2016-2036	10,884
South Northamptonshire	2011-2029	7,170
Total		**66,854**

Source: Vale of Aylesbury Local Plan (2013-2033), Stratford-on-Avon Core Strategy(2011-2031), West Oxfordshire Local Plan (2031), Oxford Local Plan (2036), South Northamptonshire Local Plan (2011-2029) Google (2022)

7.   Conclusion

7.1.1.   The findings of this labour market analysis are that there is a suitably sized and qualified workforce within the labour market area. This area has a large, suitably skilled and qualified potential workforce that is growing faster than the wider region and the UK. The area also has a notable specialisation in logistics.

7.1.2.   There is significant amount of proposed residential development in the labour market area that will be built within commuting distance to the proposed development by 2036. This will increase the potential labour force that the proposed development will be able to draw upon. House prices are relatively low in Cherwell compared to most of the labour market area which could draw more workers to the housing market close to the proposed development.

7.1.3.   The labour market analysis identifies a good pool of existing and future labour that could work at the proposed development. The population of the labour market area is forecast to grow at a slightly higher rate than the South East and the UK. The level of employment in the labour market area is also forecast to grow at a slightly higher rate than the South East and the UK between 2011 and 2031.

7.1.4.   Proportional to total employment, the labour market area has a concentration of logistics employment which is three times larger than the proportion on the national level.

7.1.5.   The labour market area contains a diverse range of skills and qualifications which supports the logistics sector.

7.1.6.   The labour market area has a higher economic activity rate compared to the South East region. There is a lower unemployment level in the labour market area compared to the South East and the UK. Job seekers in the labour market area are seeking a wide range of employment opportunities. While these indicators suggest a relatively tight local labour market the planned growth in the local population and workforce will increase the supply of labour.

7.1.7.   House prices in Cherwell are the lowest in Oxfordshire and the second lowest in the labour market area which may mean that more potential workers move to the area in search of more affordable housing.

7.1.8.   23,000 new homes will be built in Cherwell, in close proximity to the proposed development by 2031, with an additional 66,854 being built in the labour market area by 2036. Based on current dwellings per household in the labour market area these additional 90,000 homes should increase the economically active population by 126,000. This increased population will significantly contribute to the potential workforce of the proposed development. Based on the current proportion of total labour market area workers being employed in logistics, we predict that there would be 20,160 additional specialist logistics workers living in the labour market area by 2036, who could potentially work at the proposed development once it is operational.

7.1.9.   Savills' Socio-Economic report on Symmetry Park, Ardley estimated that once operational, there will be an additional 2,430 on and off-site jobs. With a likely pool of 20,160 additional specialist logistics workers to occupy these roles these by 2036, this highlights the strong prospect of a substantial, appropriately trained potential workforce to staff the proposed development once operational.

7.1.10.   The findings of this labour market analysis are that there is a good prospect of an appropriate workforce

being available in the catchment area to staff the proposed development once it is operational. An additional 20,160 specialist logistics workers are expected to move into the area by 2036 which will further increase the potential workforce who can be drawn on to staff the estimated 2,430 on and off-site jobs which will be created once the proposed development is operational.