

Labour supply scenario aligned to the Joint Local Plan housing requirement

This document addresses action number 14 and was raised at the Matter 4 hearing session:

Add to the library a calculation for the ELNA labour supply scenario but aligned to the JLP housing requirement.

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The effect of changing the labour supply scenario on employment requirement (Policy JT1)

The note in Annex A calculates an alternative labour supply scenario to that set out in the South Oxfordshire and Vale of White Horse Employment Land Needs Assessment ([examination library reference HES08](#)). This alternative labour supply scenario forecasts a requirement of 31.7ha of employment land over the Plan Period 2021-41, lower than the 49.3ha under the preferred scenario (a hybrid of Labour Demand for office uses and Past Trends for Industrial uses).

Annex A: Alternative labour supply scenario calculation

Introduction

This note has been prepared following feedback received on the Labour Supply scenario set out in the South Oxfordshire and Vale of White Horse ELNA. This includes:

To consider the total economically active population associated with the housing need across South Oxfordshire and Vale of White Horse over the local plan period

To consider commuting patterns, double jobbing and unemployment levels

As a result, it was agreed that an alternative labour supply scenario should be provided to consider the impact of such changes on the forecast employment land requirements in South Oxfordshire and Vale of White Horse.

Approach

The Labour Supply scenario considers the potential population increase in South Oxfordshire and Vale of White Horse associated with the additional homes forecast over the Local Plan period, and how much employment land would be necessary to broadly match forecast growth of the resident workforce. This Scenario estimates the number of new jobs needed to match the future economically active population, and how much employment space would be needed to accommodate the E(g)/B class component of these jobs.

The alternative labour supply-based scenario reflects population projections and other demographic assumptions that have been provided by the consultants preparing the Local Housing Needs Assessment ([examination library reference HES15.1](#)) for the Councils. The study projections indicate that the housing requirement will result in the economically active population growing by 10,700 people in South Oxfordshire and 11,593 in VOWH across the 2021-2041 period.

In order to convert the economically active population to workforce jobs, a number of assumptions are applied.

- The unemployment rate is set at 2.37% in South Oxfordshire and 2.85% in VOWH, in line with the average unemployment rate for both districts over the Plan Period 2021-41 from the Oxford Economics forecasts.
- The percentage of the local workforce that commutes out of South Oxfordshire and VOWH is based on data from Census 2011. The percentage that commute out is 45.3% in South Oxfordshire and 40.3% in VOWH, while the percentage that commute in is 37.9% in South Oxfordshire and 39.5% in VOWH.
- A double jobbing allowance of 4% is applied, in line with national trends.

The application of these assumptions is set out in [Table 1](#).

Table 1 Alternative Labour Supply Scenario Assumptions

	South Oxfordshire (Change 2021-41)	VOWH (Change 2021-41)	Total (Change 2021-41)
Economically active population	10,700	11,593	22,293
Unemployment	10,447	11,263	21,709
Out commute	4,729	4,540	9,269
Live and work in the area	5,718	6,723	12,441
In commute	3,495	4,380	7,875
Total local workforce	9,212	11,103	20,315
Double jobbing (4%)	9,596	11,566	21,162
Total jobs	9,596	11,566	21,162

Source: ORS

This increase in labour supply is then distributed between the different planning use classes following the growth forecasted by Oxford Economics in terms of labour demand, such that declining industries follow the loss predicted in the forecast and growing industries accommodate all of the additional labour supply accordingly.

This shows that 10,722 jobs would be supported by population growth across the employment land use classes, with 4,339 in South Oxfordshire and 6,384 in VOWH. This translates to a requirement for 188,598 m² of floorspace (76,108 m² in South Oxfordshire and 112,490 m² in VOWH) or 31.7 ha of employment land (12.7ha in South Oxfordshire and 18.9ha in VOWH).

Table 2 Additional Employment Land (ha) – Alternative Labour Supply Scenario

Use	Jobs Change		Additional Floorspace Requirements (m ²)		Additional Employment Land Requirements (ha)	
	SO	VOWH	SO	VOWH	SO	VOWH
Workforce Jobs	9,596	11,566	-	-	-	-
E(g)(i)	3,715	5,460	41,980	61,696	4.2	6.2
E(g)(ii)	923	1,408	46,155	70,417	11.5	17.6
E(g)(iii)	-87	-144	-4,069	-6,774	-1.0	-1.7
B2	-203	-323	-7,299	-11,618	-1.8	-2.9
B8	-9	-18	-658	-1,232	-0.1	-0.3
Total	4,339	6,384	76,108	112,490	12.7	18.9

Source: AECOM

Comparison

A summary of all forecasting scenarios is set out in **Table 3**. This shows that the preferred scenario taken forward in the ELNA forecasts greater demand for employment land (49.3ha) than the revised labour supply scenario (31.7ha).

Table 3 Summary of Forecast Requirements (2021-41)

Presented in the ELNA					Alternative Scenario
	Labour Demand	Past Take-Up	Labour Supply (Original)	Preferred Scenario (Hybrid of Labour Demand for office Uses and Past Trends for Industrial Uses)	Labour Supply (Revised)
Employment (FTEs)	7,306	11,952	455	10,059	10,722
Office (E(g)(i))	6,867	9,361	2,259	6,867	9,175
R&D (E(g)(ii))	1,701	1,099	559	1,701	2,331
<i>Sub-total Office</i>	8,568	10,460	2,818	8,568	11,506
Light Industrial (E(g)(iii))	-482	32	-842	32	-231
Industrial B2	-708	452	-999	452	-526
Warehouse (B8)	-72	1,007	-522	1,007	-27
<i>Sub-total Industrial</i>	-1,262	1,491	-2,363	1,491	-784
Floorspace (m²)	109,463	249,030	-58,562	250,932	188,598
Office (E(g)(i))	77,593	105,784	25,519	77,593	103,676
R&D (E(g)(ii))	85,043	54,951	27,987	85,043	116,572
<i>Sub-total Office</i>	162,637	160,735	53,506	162,636	220,248
Light Industrial (E(g)(iii))	-22,631	1,502	-39,578	1,502	-10,843
Industrial B2	-25,482	16,270	-35,955	16,270	-18,917
Warehouse (B8)	-5,061	70,524	-36,535	70,524	-1,890
<i>Sub-total Industrial</i>	-53,174	88,296	-112,068	88,296	-31,650
Land (Ha)	15.9	44.4	-17.5	49.3	31.7
Office (E(g)(i))	7.8	10.6	2.5	7.8	10.4
R&D (E(g)(ii))	21.3	13.7	7	21.3	29.1
<i>Sub-total Office</i>	29.1	24.3	9.5	29.1	39.5
Light Industrial (E(g)(iii))	-5.7	0.4	-9.8	0.4	-2.7
Industrial B2	-6.4	4.1	-9	4.1	-4.7
Warehouse (B8)	-1.1	15.7	-8.1	15.7	-0.4
<i>Sub-total Industrial</i>	-13.2	20.2	-26.9	20.2	-7.8

Conclusion

This note has provided an alternative labour supply scenario to that set out in the South Oxfordshire and Vale of White Horse ELNA, aligned to the JLP housing requirement. This alternative labour supply scenario forecasts a requirement of 31.7ha of employment land over the Plan Period 2021-41, lower than the 49.3ha under the preferred scenario (a hybrid of Labour Demand for office uses and Past Trends for Industrial uses).