

Oxfordshire Strategic Economic Plan

Deep Dive Report: Oxfordshire's Foundational Economy

Prepared on behalf of Oxfordshire LEP

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Preface

In January 2023, Oxfordshire Local Enterprise Partnership (OxLEP) commissioned SQW – working with Oxford Brookes Business School and glass.ai – to prepare a refreshed **Strategic Economic Plan** for Oxfordshire.

To support the development of the Strategic Economic Plan, an **Independent Economic Review** was completed. As well as taking a fresh look at the county’s economic data and bringing together a wide range of existing evidence, the Review focused on four key questions, each of which has transformational, long-term implications for Oxfordshire’s economy:

- How do we **enable progression** within Oxfordshire and **achieve more inclusive economic growth**?
- How do we **advance Net Zero and sustainability** in shaping future economic growth?
- How do we **secure the future of the ‘foundational economy’** within Oxfordshire?
- Recognising Oxfordshire’s world class strengths, how do we **accelerate innovation and diffusion** – both within Oxfordshire and across the UK?

This topic paper considers the third of these questions, looking in detail at the **‘foundational economy’**, its importance to the county’s economic sustainability and its prospects for the future.

1. Our starting point for the Deep Dive

Introduction

- 1.1** Over the past decade, economic strategy in Oxfordshire has strongly focused on the county's world-class innovation assets and potential. The *Local Industrial Strategy* set an ambition for Oxfordshire to become “one of the top three global innovation ecosystems” by 2040, while the vision of the previous *Strategic Economic Plan* was for a “vibrant, sustainable, inclusive, world leading economy, driven by innovation, enterprise and research excellence”.
- 1.2** This focus on Oxfordshire's science and innovation assets is unsurprising, given their scale, distinctiveness and importance to the national economy. However, these ‘leading edge’ industries account for a relatively small proportion of the county's overall employment and business stock: even as they grow in importance and scale, much of Oxfordshire's economy will still be made up of services that cater to locally-generated demand, in areas including health and social care, local transport, retail, and so on. While these activities are important generators of economic output in themselves, they are also essential to Oxfordshire's quality of life and to its resilience and sustainability. Importantly, their success will also help to reinforce the county's ‘innovation-intensive’ offer. At the same time, there has been an increasing focus on the ‘social economy’, both in relation to the social enterprise and not-for-profit sector and the role that all businesses can play in achieving positive social and community outcomes.
- 1.3** OxLEP and partners therefore want the new Strategic Economic Plan to have a broader focus than its predecessors. The Independent Economic Review was configured to help inform this broader perspective. In this context, this deep dive introduces the concept of the **foundational economy** as a way of looking beyond the innovation-intensive ‘leading edge’ to explore how the wider economy can be made more resilient and productive. It gathers evidence and insights from a range of sources: material submitted through the Call for Evidence, stakeholder consultations, stakeholder workshops and a review of other evidence and data.

The foundational economy concept: Definitions and limitations

The foundational economy concept

- 1.4** The concept of the ‘foundational economy’ was initially advanced in the early 2010s. Researchers at the University of Manchester defined the term as: “*that part of the economy that creates and distributes goods and services consumed by all... because they support everyday life*”¹. The proposition was that an economic policy focused on the ‘leading edge’ of innovative businesses had meant that these ‘mundane’ sectors had been overlooked, despite the fact that

¹ Justin Bentham *et al* (2013), *Manifesto for the Foundational Economy*, CRESC Working Paper 131, University of Manchester

they account for a very large number of jobs and businesses and are highly ‘relatable’ to people’s daily lives. In sectoral terms, the original Manchester study referred to the foundational economy as including utilities, convenience retail, food processing, public transport, telecoms, education and health and social care – a diverse range of activities.

Some definitions

1.5 Subsequently, the Foundational Economy Collective, an academic consortium, defined the foundational economy in relation to a series of SIC codes from which total employment and GVA can be estimated². It identified three component parts of the foundational economy, referred to as:

- ‘The material foundational economy’: *“pipe and cable utilities, supermarkets etc. which through networks and branches continuously connect households to daily essentials.”*
- ‘The providential foundational economy’: *“a subset of (mainly) public sector welfare activities providing the universal services available to all citizens.”*
- ‘The overlooked economy’: *“goods and services culturally defined as essential and requiring occasional purchase, for example, consumer and household goods, holidays and travel etc.”*³

1.6 This wider definition is very extensive, although what links it together is the ‘everyday’ nature of the goods and services included and the *assumed* absence of some features, in that foundational economy sectors are said to be not high-tech or R&D-intensive, not easily exportable or tradable, often sheltered from competition and focused on local markets⁴.

1.7 Moving beyond sector definitions, a review of the literature found three ways in which the foundational economy has been used conceptually⁵:

- First, in thinking about **the foundational economy as the ‘residual’** in the absence of a dynamic industrial base. This is how it has sometimes been applied in post-industrial regions which have experienced a structural loss of employment in tradable sectors, leading to an economy reliant on local demand-oriented services, often within ‘thin’ markets.
- Second, in thinking about **the foundational economy as ‘rooted’ within a place**, through local employment, supply chains, business networks and contributions to the community in other ways. This is often cast as being about SMEs in their social context, where their place-based links make them unlikely to relocate, but where their resilience depends on the other supportive factors around them. In this context, the focus is less on

² Foundational Economy Collective, [Activity Classification](#).

³ Note that within the Activity Classification, SIC codes are only counted once (i.e., a job is determined in being in one of the three parts of the foundational economy, not several at once).

⁴ Rhys ap Gwilym (2019), *What is the Foundational Economy?*, Institute of Welsh Affairs.

⁵ This triple categorisation is drawn from Gwilym (2019)

what the ‘foundational economy’ produces (it might produce goods for export, for example), and more about what its contribution is locally⁶.

- Third, in thinking about **the ‘socially useful’**. This is often interpreted as being about the importance of health and social care and ‘wellbeing’ more broadly, and the extent to which this might be given greater prominence in economic policy, although it has also been extended to consider the ‘social economy’ and social value more broadly.

Definitional limitations

- 1.8** These varying definitions and concepts present some challenges. In the first place, many of those goods and services that are ‘essential to daily life’ are not necessarily locally rooted: electricity supply (for example) is mostly delivered by multinational corporations and is regulated nationally (although there are opportunities for local micro-generation); most food retail spend is to half a dozen highly competitive retailers with sophisticated international supply chains (although increasing local ownership or diversity might be desirable). Deciding what is ‘essential’ and ‘mundane’ is often a subjective value judgement. There is also not always a clear dividing line between activities that are ‘mundane’ and everyday and those that are at the leading edge of technology: to use an obvious example, the way in which healthcare is delivered is highly influenced by the commercialisation of scientific knowledge, and there is a close relationship between innovators and providers in the NHS. Rather than adopting a strict *definition* of the foundational economy, it may make more sense to see it as a way of thinking about the economy and the importance of local ‘embeddedness’ and responsiveness to locally-generated demand.

The use of the foundational economy in policy

- 1.9** Despite definitional limitations, the concept of the foundational economy has had some traction in policy terms, mainly in Wales, Scotland and parts of Northern England. For example:
- In **Wales**, the Welsh Government has adopted a broad definition of the foundational economy, with policy actions focused on the growth of indigenous SMEs, supply chain development through the use of local procurement (which is now embedded within national procurement policy), and a Foundational Economy Challenge Fund, much of which focused on developing local solutions for care provision⁷.
 - In **Greater Manchester**, the Combined Authority has launched an innovation fund focused on health and care, hospitality and leisure, retail and early years and childcare⁸.
 - In **Preston**, the foundational economy has been further developed into the wider concept of ‘community wealth building’, linked with measures to develop locally ‘embedded’ businesses, support a greater diversity of business ownership models and use the public

⁶ Jack Watkins (2021), [A Better Balance: Business support for the foundational economy](#) (IWA/ CREW)

⁷ Business Wales, [Foundational Economy](#)

⁸ GMCA, [Foundational Economy Innovation Fund](#)

sector (through procurement and employment policies) as an anchor⁹. The approach taken in the ‘Preston Model’ has been further developed in several other areas¹⁰.

- 1.10** More broadly, there is a wider association between the concept of the foundational economy and the development of a more sustainable and resilient local economic model. The Manchester University researchers referenced at the start of this chapter define two central propositions to which a focus on the foundational economy ought to respond:

Box 1-1: Key principles underpinning the ‘foundational model’¹¹

- The well-being of current and future generations depends less on individual consumption and more on their social consumption of essential goods and services in the foundational economy. This includes the material infrastructure of pipes and cables which connect households plus providential services like health and care. But they are neither created nor renewed automatically as individual incomes increase.
- The distinctive, primary role of public policy should therefore be to secure the supply of basic goods and services for all citizens in a socially responsible way (not boosting private consumption to deliver economic growth). [This implies]: first, decent wages and conditions for the large numbers engaged as key workers in providing foundational goods and services; second foundational provision for the current generation of citizens should not aggravate the nature and climate emergency through its planetary burden.

- 1.11** These principles are ‘policy-based’, and derive from a view of the economy (and what it *should* be like, as well as what it *is* like) that goes beyond the measurement, description and promotion of a set of economic activities. In other parts of the UK, they are reflected explicitly in public policy¹². There are also some overlaps with the work being done by the Oxford-based **Doughnut Economics Action Lab** (DEAL), which advocates an understanding of the economy based on living within a space that is both “ecologically safe and socially just”¹³. But whether or not these principles have traction, the basic proposition that much of the economy is geared to serving local demand and that this is an important driver of employment and business growth is uncontentious.

⁹ Preston City Council, [Community Wealth Building 2.0: Leading resilience and recovery in Preston](#)

¹⁰ CLES, [The Preston Model](#)

¹¹ Karel Williams *et al* (2022), *The Foundational Economy: The infrastructure of everyday life*, Manchester University Press; Foundational Economy Collective (2020), [The Foundational Approach](#)

¹² For example, in Wales, the Wellbeing of Future Generations (Wales) Act 2015 “requires public bodies in Wales to think about the long-term impact of their decisions, to work better with people, communities and each other, and to prevent persistent problems such as poverty, health inequalities and climate change”. It identifies seven ‘wellbeing goals’, which are defined in law, and places a duty on public bodies to address all of them in a holistic manner. These are to some extent analogous to the nine objectives of the Future Oxfordshire Partnership Vision, although with a legal underpinning and an oversight mechanism through the Future Generations Commissioner. See [Future Generations Commissioner for Wales](#).

¹³ [Doughnut Economics Action Lab](#)

2. Understanding Oxfordshire's foundational economy

- 2.1** This chapter considers the scale of Oxfordshire's foundational economy, drawing on evidence provided during the Independent Economic Review to inform the new Strategic Economic Plan, including bilateral consultations and stakeholder workshops. It looks at the size and characteristics of the foundational economy, before focusing on a series of key issues relevant to the growth of the county's economy beyond the 'leading edge'.

The scale of Oxfordshire's foundational economy

- 2.2** Based on the Foundational Economy Collective SIC code definition, we find that in 2021, **the foundational economy accounted for around 228,000 employee jobs in Oxfordshire** – about 60% of all employment in the county¹⁴. The foundational economy's share of activity was especially high in Oxford, reflecting the city's concentration of health and public service jobs and its large leisure and hospitality sector:

Table 2-1: Foundational economy jobs in Oxfordshire

	Employee jobs, 2021	% of all employee jobs
Cherwell	47,335	56
Oxford	85,125	71
South Oxfordshire	32,290	53
Vale of White Horse	34,470	49
West Oxfordshire	28,675	60
Oxfordshire	227,895	60

Source: SQW analysis, based on Foundational Economy Collective definition and ONS, Business Register and Employment Survey

- 2.3** Of this total, around 12% of all employee jobs are in health and social work (with the sector accounting for 12% of all growth in employee jobs between 2009 and 2021). A further 14% are in retail and wholesale, and around 7% in Oxfordshire's important tourism and hospitality sector (visitor economy). As suggested in the previous chapter, assigning SIC code sectors to the foundational economy is imperfect and somewhat arbitrary - but the point is that a very substantial number of people in Oxfordshire work in activities that respond to locally-generated demand (and *need*), and which must be provided locally.

¹⁴ This definition includes the full range of industries identified by the Foundational Economy Collective, including mainly private sector activities such as retail, hospitality and some parts of the manufacturing sector. A narrower definition of public service activities defines around 30% of employee jobs as being in the foundational economy – still a very substantial share of the employment base.

Wider relevance to Oxfordshire

2.4 Beyond its scale in employment terms, consultation with local stakeholders highlighted several aspects of the foundational economy that are especially relevant to Oxfordshire:

- **The foundational economy has a central role in ensuring quality of life and local sustainability.** Put simply, it ensures that places ‘work’, in having viable services and a good quality of life. As demand rises over time for services that need to be provided locally with significant personal input (for example, in social care), ensuring the resilience of the foundational economy is likely to become more important.
- **The foundational economy is vital to Oxfordshire’s knowledge core.** Oxfordshire’s universities, science parks and major companies are important consumers of ‘foundational economy’ services (both directly and indirectly through their staff), and there is an interest (on both sustainability and supply chain reliability grounds) to purchase locally. Having an efficient local supplier market is an important part of the ease of doing business in the county. More broadly, high quality local services reinforce Oxfordshire’s attractiveness as an investment location, and growth in ‘tradable’ sectors generates further growth in non-tradables¹⁵.
- **The foundational economy is vital to overall productivity growth and climate change adaptation.** As noted in other papers within the evidence base, Oxfordshire’s productivity is below the UK average (perhaps surprisingly, given the scale of some of its assets). Raising overall productivity will depend on improving output per hour worked across the economy (not just in the ‘leading edge’)¹⁶. Likewise, given its scale, adaptation in the foundational sectors will be crucial in meeting the county’s climate change targets.
- **The foundational economy is central to the Future Oxfordshire Partnership Vision** and its nine objectives. For example, achieving a “*happier, healthier population*” will clearly depend on the effectiveness of the local businesses and services that contribute to quality of life.

2.5 Two further points are important to note, building on these aspects. First, **the foundational economy is not separate from the ‘leading edge’, it has a symbiotic relationship with it.** Second, in many other parts of the UK, the importance of the foundational economy has been emphasised because of an absence of alternative drivers. But the picture in Oxfordshire is very different: **in a relatively affluent county with a stock of globally-significant economic assets, the issue is how all sectors of the economy work together to ensure resilience.**

¹⁵ Analysis of differential local performance indicates that every additional job in tradable sectors creates an additional job in non-tradables. Martin R, Sunley P, Tyler P, and Gardiner B (2016) ‘Divergent cities in post-industrial Britain’, *Cambridge Journal of Regions, Economy and Society*, 9(2), 269–299

¹⁶ Giles Wilkes (2021), [Firing on all cylinders: Why restoring growth is a matter for every UK sector](#), Institute for Government

Key opportunities for Oxfordshire's foundational economy

2.6 Taking these observations into account, the following paragraphs consider three key questions for Oxfordshire's foundational economy:

- First, **what are the opportunities for building resilience in public services**, ensuring that in a budget-constrained environment, service providers are able to respond to (or perhaps reduce, through proactive measures) rising demand?
- Second, **what are the opportunities for the development of the 'social economy'**, recognising the value of different ownership models and the contribution that business can make to wider social outcomes?
- Third, **what are the opportunities for productivity growth beyond the 'leading edge' industries**, recognising that there is scope for productivity gain in all sectors. This will be central to overall economic growth (and service sustainability) in the context of a tight labour market and demographic change?

Building public service resilience

Health and social care

2.7 Oxfordshire's emerging *Health and Wellbeing Strategy* also explicitly recognises the links between health and economic wellbeing, especially in relation to stable and well-paid employment and in reducing health inequalities¹⁷. The key issue highlighted by consultees in relation to public service resilience was severe workforce pressure, linked with a tight labour market, competition from other employers and high living costs.

Health

2.8 In the **health** sector, these pressures are widely recognised. Oxfordshire's NHS workforce is growing quite rapidly: between 2018 and 2023, full-time equivalent staff in the county's NHS hospital and community health trust increased by around 23% (compared with 21% across England), although within the context of substantial staff turnover and carried vacancies¹⁸. Nationally, the *NHS Long-term Workforce Plan* anticipates a substantial shortfall in professional and support staff over the medium term, identifying a need to increase the supply of medical education and training by between 50% and 65% by 2030/31¹⁹. Linked with this, the Government has announced a series of measures to increase recruitment through (for example) additional medical school places, with Oxford University's large teaching capacity making an important contribution to health service resilience nationally.

¹⁷ Draft *Oxfordshire Health and Wellbeing Strategy 2024-30*

¹⁸ NHS Workforce Statistics, June 2023. Oxfordshire data relates to the Oxford Health NHS Foundation Trust (5,611 FTE staff in June 2023) and Oxford University Hospitals NHS Foundation Trust (12,468 staff).

¹⁹ NHS England (June 2023), *NHS Long Term Workforce Plan*

- 2.9** This expansion of health service activities and recruitment will support better health outcomes. These should also translate into economic benefits: recent research on behalf of the NHS Confederation found that every £1 spent on the NHS corresponds to an economic benefit of £4, with spend on community and primary care having the greatest effect on growth²⁰. The research found that this economic impact was mostly derived from workforce productivity (i.e., reduced sickness rates and absence) and the consequences of spending and tax revenue from the NHS workforce. Elsewhere, recent reports have also considered the positive effects of investment in primary and community care on increasing labour market participation²¹.
- 2.10** In addition, there is an economic relationship between NHS activity and economic benefits derived from health innovation, which is highly relevant to Oxfordshire. The county's life science assets are discussed further in the separate deep dive paper on innovation and diffusion, but it is worth noting the very substantial contribution that local NHS institutions make to health research (and vice-versa). Oxford University Hospitals' current research portfolio consists of over 1,400 active studies, covering conditions including cancer, dementia and stroke, and with facilities including a large Early Phase Clinical Trials Unit at Churchill Hospital to test new cancer treatments²².
- 2.11** While the benefits of research conducted in Oxfordshire are ultimately disseminated globally, there is evidence that **research activity itself has a positive effect on patient outcomes regardless of the eventual impact of the research**. Recent findings include the observation that patients admitted to research-active hospitals tend to have greater confidence in medical staff and are better informed about their condition and medication. So the presence of health research leads to local health benefits²³.

Social care

- 2.12** The **social care** sector also faces critical pressures. Nationally, the Care Quality Commission (CQC) found in 2022 that the majority of local NHS leaders considered that their areas were experiencing a "social care workforce crisis", noting that *"in many cases, providers are losing the battle to attract and retain staff... The persistent understaffing across health and social care poses a serious risk to the safety and wellbeing of people who use services"*²⁴.
- 2.13** Locally, **there is evidence that some of these pressures are more acute in Oxfordshire than elsewhere in the country**. Among the adult social care workforce, Skills for Care estimates that vacancy rates increased in 2022 relative to previous years, with staff turnover

²⁰ NHS Confederation/ CF (October 2022), [The link between investing in health and economic growth](#)

²¹ Bamba, Munford, Brown et al (2018), [Health for Wealth: Building a Healthier Northern Powerhouse for UK Productivity](#), Northern Health Science Alliance

²² Oxford University Hospitals NHS Foundation Trust, [Working together to beat cancer](#)

^{1. 23} Leon Jonker *et al* (February 2019), 'Patients admitted to more research-active hospitals have more confidence in staff and are better informed about their condition and medication: Results from a retrospective cross-sectional study', [Journal of Evaluation in Clinical Practice](#) 26/1

²⁴ Care Quality Commission (October 2022), [State of Care 2021/22 - Workforce](#)

substantially greater than the England average²⁵. To a large extent, this is linked with competition for staff in a tight labour market, especially where public finances exert downward pressure on sector pay: in consultation, several stakeholders commented on competition for staff from the retail and other sectors. While all-industries workplace pay in Oxfordshire is some 10.5% above the England average, this ‘pay premium’ falls away in the care sector, and in some occupations, local pay is below the levels commanded nationally. Set against high housing and other living costs in Oxfordshire, recruitment and retention challenges are unsurprising.

Table 2-2: Relative hourly pay in Oxfordshire’s adult social care sector

Job role	Hourly pay (Oxfordshire), £	Hourly pay (England), £	‘Oxfordshire pay premium’ (%)
Social worker	18.10	19.49	-7.1
Senior care worker	11.29	10.41	8.5
Care worker	9.96	9.66	3.1
Support & outreach	9.87	9.89	-0.2
All industries	18.21	16.48	10.5

Source: Adult Social Care Workforce Dataset (Skills for Care 2022) (estimated job pay rates); ONS Annual Survey of Hours and Earnings 2022 (all industries rate). Note that job rates other than social worker pay are based on jobs in the private sector

2.14 Consequently, **Oxfordshire’s social care sector is reliant on international staff**. In 2022, around 71% of staff identified as British by nationality (compared with 83% across England). While this makes a vital contribution to service delivery, Oxfordshire’s draft *Adult Social Care Workforce Development Strategy* notes some of the resilience challenges presented by reliance on overseas staff, especially given the complexities of recruitment via the care worker visa programme and pre-Brexit reliance on European migration²⁶.

Addressing the pressures and building resilience

2.15 Addressing these pressures is very challenging, given their association with long-term, ‘structural’ rising demand. However, in broad terms, there are perhaps four ‘routes’ to improving the resilience of the health and care sector, relevant to the Strategic Economic Plan:

Supporting entry, retention and progression in the social care workforce

2.16 Oxfordshire’s emerging *Adult Social Care Workforce Development Strategy* aims to reduce vacancy and turnover rates, drive inclusivity and diversity in the sector (recognising that the composition of social care workforce is relatively ethnically diverse, and there is a need to

²⁵ The social care staff vacancy rate in 2022 was 11.4% in Oxfordshire, compared with 10.7% in England. Vacancies increased by 70% in 2021/22 relative to the previous year; and staff turnover in 200 was estimated at 45% in Oxfordshire in 2022, compared with 33% in England overall. Skills for Care, *A summary of the social care sector and workforce in Oxfordshire 2021/22*

²⁶ Oxfordshire County Council (2023), *Adult Social Care Workforce Development Strategy – Discussion Paper*

reflect this diversity at senior levels), promote opportunities to develop a career and develop workforce skills. In respect of the latter, the *Local Skills Improvement Plan* identifies social care as a priority sector, highlighting ways in which the further education curriculum can be developed to meet demand.

- 2.17** However, low pay in the sector is a key barrier to recruitment. In consultation, stakeholders highlighted the potential for key worker housing to address Oxfordshire’s very high housing costs. This is also being considered by the County Council (with scope for extension to other sectors):

“One of the barriers to people, both coming into the social care workforce, and indeed remaining, is the high cost of housing in an expensive place like Oxfordshire.... We aren’t going to be able to open up the shop in the county – within our schools, hospitals, fire stations or the social care workforce – unless we think about where people are going to live”.

Kevin Gordon, Children’s Services Director, Oxfordshire County Council²⁷

Productivity growth through investment in technology and systems

- 2.18** The social care sector has been characterised as a “*low productivity growth and low-pay sector*”²⁸. While there are challenges in measuring sector productivity, there is evidence that nationally, productivity has declined over time, and the social care sector has generally been slow to innovate and to adopt new technologies²⁹.

- 2.19** For many years, the adoption of digital technologies has been seen as a route both to increasing the independence of service users and saving money overall – both through the introduction of smart devices to support clients and the introduction of business systems (such as more efficient digital rostering programme) to manage workflows better. However, introducing these is challenging, as a recent report by Oxford Brookes’ Institute of Public Care explains:

“The sector operates in a precarious financial environment, characterised by short-term financial imperatives and spending review periods. This impacts on the sector’s ability and capacity to take a more strategic approach to digital technology innovation.... New technologies tend to be subject to isolated, small-scale pilots or developed outside of mainstream social care practice, leading to difficulties in scaling up and adoption across the system. In adult social care, many providers are small organisations, [so] there is often a lack of dedicated resources for digital technology investment”³⁰

²⁷ Quoted in *Oxfordshire Live* (November 2022), [Key workers could be offered discounted housing across Oxfordshire to help social care staffing crisis](#)

²⁸ DHSC (December 2021), [Evidence review for adult social care reform](#)

²⁹ Ibid.

³⁰ Oxford Brookes University Institute of Public Care/ NHSX (February 2021), [Adoption and scalability of technology innovation in the adult social care sector: Rapid research review](#)

- 2.20** Consequently, the potential benefits of digitalisation and technology adoption in social care have been slow to materialise, despite the productivity gains to which this could potentially lead (and, as a consequence, improvements in pay within the sector).
- 2.21** However, **Oxfordshire contains several institutions and firms engaged in social care innovation**. As well as firms engaged in the development of patient monitoring systems and devices (such as Oxehealth, based at Oxford Science Park), these include research institutions within Oxford's universities with expertise in the deployment of digital technology into the care sector, such as Oxford Brookes' Institute of Public Care (cited above) and the Oxford Institute of Digital Health at Oxford University³¹. There is also evidence of collaboration between local medtech firms and social care providers to introduce new devices into care settings: recently, this has included the trialling of virtual reality technology developed by the Oxford start-up ROVR Systems within residential care homes in Oxford, as part of a partnership with Oxfordshire County Council's IHub innovation lab³². This could potentially hold out the prospect of earlier adoption within Oxfordshire if the relationships between providers and innovators can evolve further. **It also demonstrates the synergy between the 'foundational economy' and investment in innovation**, much of which is taking place locally.

Developing new business models

- 2.22** The social care 'market' contains a large number of small businesses and third sector providers, although a combination of pressures on local authority budgets and the narrow margins referred to above has led to some consolidation in the sector. However, there has been interest recently in developing opportunities for **micro-enterprise**, where homecare can be provided more flexibly within local communities. The proposition is that if networked and supported effectively, small-scale providers could offer a more locally-responsive, personal approach within their localities, offering greater reassurance to service users and their families as well as fulfilling local employment opportunities.
- 2.23** In Oxfordshire, the **Community Catalysts** network began offering support to bring together small providers, through a partnership with Oxfordshire County Council³³. Initially operating in Cherwell, the project has subsequently been extended to Vale of White Horse, helping individual social entrepreneurs.
- 2.24** Returning to the foundational economy literature discussed in Chapter 1, the development of micro-enterprises in social care offer a route to a more locally-based and inclusive economic model. Evaluation of Community Catalysts' social care micro-enterprise development found net savings to the local authority as a result, as well as benefits in terms of local social

³¹ Oxford University research also includes analysis of the implementation of technology projects in health and care settings and how failures in complex deployments can be overcome. See Oxford University, [Non-adoption, Abandonment and Challenges to Scale-up, Spread and Sustainability \(NASSS\) Framework](#)

³² BBC (May 2023), [Oxford care home residents trial virtual reality walking](#)

³³ [Oxfordshire Community Catalysts](#)

connectedness, better staff retention in social care, greater autonomy and ‘control’ for people in care worker roles, and increased resilience in the sector overall³⁴.

Public health and the economy

- 2.25** Finally, in consultation, stakeholders highlighted the role of public health in contributing to the resilience of the health and social care system. Put simply, better general population health and lower health inequalities reduce pressure on the system – and as the Buckinghamshire, Oxfordshire and Berkshire West *Integrated Care Strategy* notes, some 40% of all years lived with ill-health and disability are accounted for by the four main behaviours leading to ill-health: smoking, physical inactivity, an unhealthy diet and alcohol misuse³⁵.
- 2.26** Reflecting the analysis of the relationship between health and economic outcomes cited above, consultees commented on the role that employers could play in supporting workforce health, for example in encouraging active travel, or in investing in support for mental health in the workplace. Other community-driven initiatives also have an impact on health outcomes: Oxfordshire’s **Food Strategy** references a number of ways in which community-based approaches to food can yield health benefits, including through schemes to embed local and sustainable food sourcing within institutional catering, expanding services aimed at tackling food poverty and increasing food-related knowledge and skills³⁶. **This highlights an interconnection between different parts of the foundational economy**, as new approaches to food production, catering and foodservice contribute to the long-term sustainability of health and social care by improving overall wellbeing.

Public services beyond health and social care

- 2.27** Within the literature, there is a greater focus on long-term workforce and sustainability pressures in health and social care than in other branches of public service – and this was reflected in the consultations carried out as part of this deep dive. Nonetheless, partners referenced challenges in recruitment and retention in a range of public service-delivery jobs: Oxford Bus Company (for example) has run a series of fast-track application processes and financial incentives to increase driver recruitment. To some extent, these mirror post-pandemic shortages in ‘essential’ roles elsewhere in the country, although they are perhaps more pronounced in Oxfordshire than elsewhere (Oxford Bus Company noted that while it mostly recruits locally, it has seen a recent increase in recruitment of people from outside the county). The market response to shortage (increased pay and better conditions) is to some extent a rebalancing of the economic relationship towards those engaged in service provision, although high living costs will have wiped out some of these gains.

³⁴ New Economics Foundation (May 2020), [Community micro-enterprise as a driver of local economic development in social care](#). Note that this study precedes the Oxfordshire projects, although draws on the Community Catalysts model elsewhere in the country.

³⁵ Buckinghamshire, Oxfordshire and Berkshire West ICB (March 2023), [Integrated Care Strategy](#)

³⁶ Oxfordshire Councils (May 2022), [Oxfordshire Food Strategy](#)

Developing the social economy

2.28 As set out in Chapter 1, the concept of the foundational economy has frequently been used in the context of community-based economic development, for example through the ‘community wealth-building’ approaches used in Preston and elsewhere. Two aspects of this are especially relevant to Oxfordshire: first, the development of the community and voluntary sector, and second in the promotion and mainstreaming of socially responsible businesses.

Building the voluntary and community sector

2.29 Oxfordshire has a large voluntary and community sector. In 2023, there were 3,190 local charities that defined their remit as specifically working in Oxfordshire – a figure which excludes charities that operate nationally, which of course includes some (such as Oxfam) that are headquartered in the county³⁷. It is also likely that participation in volunteering is relatively high in Oxfordshire: official data make it hard to be conclusive at local level, but formal volunteering rates are higher in the South East than in any other English region other than the South West, tend to be higher in rural locations, and tend to be higher among professional and managerial socioeconomic groups³⁸. Given Oxfordshire’s demographics and socio-economic profile, it is likely that there is a high degree of ‘social capital’ within the county, which appears to be borne out by the large number of community interest organisations and their prominent role. This is an important asset for Oxfordshire.

2.30 The third sector is an important provider of public services (including under contract to statutory agencies). In some cases, Oxfordshire-based charities have expanded into large organisations, making an important contribution to the economy as employers as well as through their core functions. One example of an Oxfordshire charity which has expanded over time is highlighted in the box below:

Box 2-1: Aspire Oxfordshire

Aspire Oxfordshire provides a range of services for people experiencing homelessness, unemployment and other forms of disadvantage. Established in 2001, the charity had an income of some £2.9 million in 2021/22, including from training and consultancy services as well as charitable sources and public sector contracts. In the past year, it supported around 2,000 vulnerable people, including supporting over 200 people into paid employment. Recently, it has expanded its community economic development activity with the establishment of an enterprise hub in Cowley.

Two aspects of Aspire’s activities are especially relevant to this study of Oxfordshire’s foundational economy. First, the charitable contribution of Oxford’s key institutions: its main training, enterprise and support facility is provided as a charitable gift by Christ

³⁷ Charity Commission.

³⁸ ONS (May 2022), [Social capital headline indicators](#)

Church, Oxford. Second, its interaction with other partnerships established to support the development of Oxfordshire's social economy, including support for Oxfordshire Social Enterprise Partnership (see below) in delivering its enterprise support programme. While this is only one example of over 3,000 charities in Oxfordshire, it illustrates how social organisations benefit from the county's wider 'ecosystem', including those that are very much part of its world-leading innovation offer.

Source: *Aspire Oxfordshire (2022), Trustees Report and Consolidated Financial Statements 2021/22*

2.31 At county-wide level, **Oxfordshire Community and Voluntary Action** provides a coordinating role, offering training, networking and sector representation. However, much of the voluntary sector is locally-based, and in many cases is an important provider of local community services. Voluntary organisations are not immune to the pressures on public spending highlighted above, although access to independent sources of revenue contributes to their sustainability and to diversity of provision in the county.

Developing socially responsible businesses

2.32 Significant progress has been made in Oxfordshire in developing networks of businesses with 'social purpose'. The **Oxfordshire Social Enterprise Partnership (OSEP)** adopts a broad definition, representing and supporting "social entrepreneurs, social enterprises, enterprising charities and purposeful business across Oxfordshire". The point of this definition is to broaden out the concept of social purpose from those enterprises that are charitable in their objectives or operate as not-for-profit, to include commercial entrepreneurs who are addressing social and environmental challenges³⁹.

2.33 During the workshops carried out as part of the development of the Strategic Economic Plan, stakeholders noted an increasing interest from business in applying best practice in social and environmental responsibility. This reflects a combination of market forces and societal expectations: key drivers were cited as:

- Opportunities for **differentiation in the market**, as consumers are increasingly concerned about firms' environmental and ethical credentials.
- **Recruitment and retention**, as staff are increasingly motivated by values, and seek to work for organisations that reflect socially responsible principles. This was seen as especially applying to younger, 'Gen-Z' workers, reflecting trends that are widely cited elsewhere⁴⁰. Linked with this, in a tight labour market, better work-life balance and perspectives on the firm as a 'good place to work' become increasingly important.

³⁹ [Oxfordshire Social Enterprise Partnership](#)

⁴⁰ Deloitte (2023), [Understanding Generation Z in the workplace](#); EY (2021), [Gen Z Segmentation Study Insights Report](#)

- Demand on businesses to demonstrate **social value**, especially where they are seeking public sector contracts, coupled with the increasing sophistication of social value regimes.

2.34 However, stakeholders also noted the ‘internal’ drive from individual entrepreneurs and businesses to operate in a more explicitly socially responsible way, linked with the wider general salience of environmental and social issues and with the specific nature of the goods and services that firms are offering.

2.35 They also reflected on the extent to which employers need to continue to evolve, in seeking to fill jobs given both labour and skills shortages. Through a submission to the Call for Evidence, one stakeholder described it in the following terms:

We spend a lot of time, effort and resources working with individuals to get them ‘job ready’, but I’m not sure we even know what that means. We spend much less time getting employers ‘recruitment ready’. In service sectors at the lower paid end of the labour market, employers are desperate for staff, yet their recruitment practices prevent them from engaging properly with those who are seeking just these positions. [Submission to the Call for Evidence, March 2023]

2.36 While the shift towards social and environmental responsibility extends beyond Oxfordshire, stakeholders noted that the nature of Oxfordshire’s economy presents opportunities for leadership that may not be available elsewhere: “if we can drive this agenda anywhere, it will be in Oxfordshire”. There is some evidence for this in the development in Oxfordshire of the **Bcorp** movement, a global network and programme of accreditation for socially and environmentally responsible businesses, which has grown rapidly in membership in recent years. There is a concentration of Bcorp accredited businesses in the county (across a wide range of sectors), with Oxfordshire one of six ‘B Local’ networks in the UK⁴¹. As with some of the other aspects of the foundational economy set out in this paper, the likelihood is that Oxfordshire’s stock of innovative businesses and generally buoyant economy has a positive mutually reinforcing effect on the ability of firms to invest in higher social and environmental standards.

Productivity growth in firms beyond the ‘leading edge’

2.37 The foundational economy definition in Chapter 1 extends to a wide range of activities mainly operating in the private sector. This encompasses much of the economy and therefore much of the economy’s potential for productivity growth. While there is not scope within the confines of this paper to provide a sector-by-sector analysis of this across the economy, we highlight specific opportunities in the following paragraphs in relation to two sectors, the **visitor economy** and **transport and logistics** (both of which are important in Oxfordshire) before making some general observations.

⁴¹ [Bcorporation UK](#)

The visitor economy

- 2.38** Within its somewhat fuzzy definition, interpretations of the foundational economy generally consider tourism and hospitality to be included within it, given that it tends to be relatively labour-intensive and very much associated with local environmental assets. Although tourism policy tends to focus on attracting visitors to the county, parts of the industry are also closely associated with local demand, for example in relation to the food and drink offer.
- 2.39** In Oxfordshire, the visitor economy employs around 42,000 people and accounts for some £2.5 billion in annual GVA. The recent **Destination Management Plan** notes the wide range of attractions that the county has (the Cotswolds, Blenheim, the city of Oxford, and so on). Rather than adding to the stock of attractions, it proposes “making more of what the county already has”, by improving the quality of the offer through business support, getting the ‘basics’ right and strengthening the environmental sustainability of Oxfordshire’s tourism product⁴².
- 2.40** More generally, there should be scope for productivity growth within the sector through technology adoption within SME operators, improved management practices and so on.

Transport and logistics

- 2.41** Oxfordshire has a large logistics sector, reflecting its position on the M40 and the strategic route from Southampton to the Midlands. This is reflected in some large existing logistics parks and some very substantial new projects: for example, Symmetry Park near Bicester will ultimately offer around 963,000 sq ft of logistics space⁴³. Demand is high: at Symmetry Park, the first of three phases is completed and occupied, and the second phase is pre-let, reflecting generally high demand in the logistics sector nationally.
- 2.42** Similar workforce supply constraints apply to the logistics sector as in much of the rest of the economy⁴⁴. Considering the sector more broadly, Oxfordshire County Council published a **Freight and Logistics Strategy** in 2022 to inform the new Local Transport Plan (LTP4). Linked with the greater emphasis on air quality and net zero objectives, the new Freight and Logistics Strategy takes a different approach to previous freight strategies. Whereas earlier approaches were mainly concerned with the transport of goods and the impact of this on the highways network, the new Strategy considers broader factors, defining logistics as “*the overall process of managing how resources are acquired, stored, and transported to their final destination*”⁴⁵. The Freight Strategy considers a number of opportunities for the use of technology and different forms of organisation to develop more efficient and environmentally sustainable distribution arrangements, including:

⁴² OxLEP/ Blue Sail (2023) *Oxfordshire Visitor Economy Vision and Destination Management Plan 2023-28*

⁴³ Tritax Symmetry, [Symmetry Park](#)

⁴⁴ Logistics UK (August 2023), [Staff shortages halting the wheels of logistics](#)

⁴⁵ Oxfordshire County Council (July 2022), [Freight and Logistics Strategy 2022-50](#)

- In relation to **long-distance freight**, transferring some road freight to rail (which will require an upgrading of Oxfordshire’s rail infrastructure, as set out in the Oxfordshire Rail Corridor Study⁴⁶) and the use of connected autonomous vehicles to enable HGV ‘platooning’ on the strategic road network⁴⁷.
- In relation to **local movement**, supporting the rollout of alternative fuel sources (electric vehicle charging for light vehicles, but potentially a range of different forms of energy for larger vehicles, which need to be explored further; and the better use of open data to plan for road usage and to mitigate the impact of disruption).
- In relation to **‘final mile’ logistics**, investigating the scope for local freight consolidation facilities and the potential for the expansion of sustainable urban distribution services, such as bike freight.

2.43 As this differentiation between different types of logistics activity demonstrates, the logistics sector both responds to local and national demand: both are essential and equally important. The sector also demonstrates the integration between the ‘everyday’ and the ‘innovative’: logistics management is already quite technology-intensive, and the development of (for example) autonomous vehicles demands substantial investment in initial R&D and eventual deployment in industry. As with several other foundational sectors, **innovation taking place within Oxfordshire is a key driver**: the UK’s first trials of connected autonomous vehicles took place at Milton Park in 2018, and OXA (an Oxford University spin-out based at Oxford Business Park North) is a global leader in vehicle autonomy and has secured investment as a result from prospective end-users in the distribution sector⁴⁸.

The wider private sector-led foundational economy

2.44 Beyond these two sectors, stakeholders observed that there were extensive – and widely-distributed – opportunities for growth across the economy. Firms cited included those in local service and supply activities that are not necessarily engaged in *technology innovation*, but which have nonetheless developed successful business models within existing sectors (the rapid growth of a coffee roaster and café in Witney was cited in this context: the point is that even within markets that are apparently saturated, **new entrants with innovative or more efficient business models drive up sector productivity through competition**)⁴⁹. In some parts of the foundational economy (retail, foodservice, creative media, some business services), barriers to entry are relatively low and openness to new services and ways of working may be high. In this context, rather than being sheltered, some foundational sectors

⁴⁶ Network Rail (June 2021), *Oxfordshire Rail Corridor Study: Strategic Report*

⁴⁷ There have been several strategic freight studies published in recent years, including by England’s Economic Heartland (2019) and by Network Rail and National Highways (2021) in relation to the Solent-Midlands route. The (obvious) point is that strategic logistics planning needs to take place at a larger geography than Oxfordshire, given the county’s central position.

⁴⁸ Such as Ocado. See www.oxa.tech.

⁴⁹ See [UE Coffee Roasters](#), Witney. There is a strong body of evidence in the literature that competition drives productivity – for a summary, see Competition and Markets Authority (2015), [Productivity and Competition: A summary of the evidence](#).

are very much open to change and competition with economic benefits overall (even though this will create losers as well as winners in the short run).

- 2.45** However, stakeholders also cited **supply-side constraints** on the private sector-led foundational economy. Those relating to labour have already been cited and are widespread, linked with high demand and the county's high housing costs (although in some cases, these are mitigated by Oxfordshire's central location and accessibility from population centres in neighbouring counties). Workspace was also cited as a key constraint, especially in relation smaller-scale industrial premises, partly because of pressure for residential and logistics uses. Access to premises was highlighted as a limit on SME expansion plans.
- 2.46** Finally, looking across Oxfordshire's wider business base, there is evidence of quite widespread **networking**, which is mostly driven by the private sector. One local authority consultee commented that there was little need for public sector 'animation', given the range of networking bodies and associations that already exist: OSEP cited above, Thames Valley Chamber of Commerce, B4, Oxfordshire Women in Business, Responsible Oxfordshire Business Involvement Network (ROBIN), and a wide range of groups operating at district and local town level. While it would be helpful to map these networks and their business connections in more detail, their extent ought to be seen as an asset for Oxfordshire's foundational economy.

Box 2-1: Foundational economy: Key observations made during stakeholder workshops, March 2023

- There are barriers and opportunities in the foundational economy. These include access to workspaces, land and property, as well as housing for staff. Part of the problem is that people in the 'innovation economy' crowd out other businesses who don't have the same access to capital.
- We need to consider the need to 'future-proof' our foundational economy, responding to the potential for automation in the future and the different skills this may require.
- Artificial intelligence is a huge opportunity for Oxfordshire (especially given technical expertise locally). We need to make sure our businesses make the most of this opportunity and use it to drive productivity growth, for example in the use of AI in the residential care sector.
- Access to commercial space and the utilities and grid connection are a practical barrier to some employers expanding. However, the nature of work has radically changed post-pandemic, and the use of workspace rapidly changing as people shift to home working.
- The current skills infrastructure is generally good. However, there are some major geographic/transport barriers for people looking to access skill training.
- Related to this, bus services are starting to disappear in rural areas, creating a real challenges for these communities (e.g. older people getting to medical/food centres, children/young people getting to education opportunities).
- There needs to be collaboration between the private and public sectors to improve the resilience of both.
- Long-term investors in Oxfordshire have a different relationship with communities and there should be opportunities to build on this.
- The combination of spin-outs from the universities is a massive opportunity for Oxfordshire, but it is not clear that we are maximising on this, and embedding them within our existing business base.
- Housing affordability/ availability is a key issue. Demand far outweighs supply, and there is a real need for a constructive conversation about what our priorities are moving forward: we can't address care crisis without addressing housing supply.

3. Looking to the future

- 3.1** As explained in Chapter 1, the concept of the ‘foundational economy’ has often been used for analytical purposes in local economies where there are relatively few ‘leading edge’ innovative assets or major companies, and where responsiveness to everyday local demand is the mainstay of most local jobs and businesses. This often leads to a set of policy suggestions linked with the local public sector as a driver of demand (e.g., through local procurement policies) and through the development of local supply chain initiatives to drive greater resilience.
- 3.2** The picture in Oxfordshire is very different. Oxfordshire is not a peripheral economy: on the contrary, it is at the centre of the UK’s economic asset base and is generally well-performing. But much of the foundational economy – the goods and services needed to support everyday life – is vital to the success of the whole. The evidence presented in this deep dive is that while there are important and challenging supply side constraints on the foundational economy – especially in core public services – innovation is underway, some of which is likely to be relevant beyond Oxfordshire.
- 3.3** Looking to the future, three themes are worth highlighting, relating to **changing pressures for social and environmental sustainability; sectoral ‘blurring’ and interaction between innovation and foundational activities; and opportunities for system changes and new business models.**

Social and environmental sustainability

- 3.4** Like all other aspects of Oxfordshire’s economy, the foundational economy will be impacted by the transition to net zero. The wider implications of decarbonisation are set out in a separate deep dive paper and will, for some foundational economy sectors, be quite far-reaching (e.g., in logistics).
- 3.5** Linked with the discussion in Chapter 3, three points are especially important for Oxfordshire:
- First, **there may be scope for greater localisation and circularity of supply chains.** There are already several initiatives underway in Oxfordshire to support a ‘local first’ approach, for example through the delivery of the Oxfordshire Food Strategy and the approach to procurement developed through the Oxfordshire Inclusive Economy Partnership. On a broader scale, the shift to net zero ought to help drive the development of Oxfordshire’s ‘circular economy’, through the re-use of goods and materials. Some specific examples of firms engaged in recycling and re-use are cited in a report on the circular economy for Oxfordshire County Council prepared in 2019, but the shift to circularity is likely to be cross-sectoral, as re-use becomes more common in building materials, fuels, foodstuffs, and so on. This might itself lead to new relationships between firms in the supply chain, perhaps reinforcing local networks and business connections.

- Second, **it will be increasingly important for firms to demonstrate their environmental and social sustainability.** This is evidenced in Chapter 2 by the growth of the ‘purposeful business’ concept in Oxfordshire and the expansion of the BCorp movement. As consumer and worker expectations change, sustainability and social responsibility are likely to be rewarded in the marketplace. Given levels of existing activity, there is scope for Oxfordshire to take a leading role.
- Third, **there is still more to do in improving recruitment and employment practices in relation to those working (or seeking to work) in lower paid jobs,** many of which are within the foundational economy. There is an opportunity here to work with employers and develop new and different solutions. This is likely to be important in relation to social sustainability, and helping to address exclusion from the labour market.
- Fourth, **there ought to be more opportunities to leverage Oxfordshire’s social capital.** This is an affluent county with high levels of social engagement and a stock of anchor institutions with a record of philanthropy. There should be scope for innovation in social and community provision that would be more difficult to achieve in places with less favourable conditions.

Interaction between innovation and the foundational economy

3.6 As we have set out throughout this paper, the division between an ‘innovative’ set of activities and a larger ‘foundational’ economy is somewhat artificial. Even sectors that appear to be highly ‘mundane’ in the goods and services they provide are often highly innovative. For example, supermarket retail provides, from the perspective of the consumer, a simple, ‘everyday’ offer, and it employs large numbers of people with relatively low qualifications on relatively low salaries, recruited locally. But it operates through complex supply chain and inventory management systems, enabled through very sophisticated technology and investment, the industry is highly competitive, and individual operators are only viable because of both the ‘innovative’ and the ‘foundational’ ends of the business. In Oxfordshire, there ought to be opportunities to build stronger local connections between ‘originators’ of innovation and foundational users.

System changes and new business models

3.7 Finally, there is evidence that some of the pressures on public services in Oxfordshire are significant (as they are throughout the Greater South East), and this presents challenges in maintaining service resilience and quality of life. But there are opportunities for innovation, in new business models and the more effective adoption of technology, which are being pioneered within the county. Looking to the future, Oxfordshire’s population will continue to age and demand for health and care will increase – so innovation within these core services will continue to be a high priority.

4. Oxfordshire's foundational economy: Summary SWOT analysis

- 4.1** Building on this paper, the table below provides a summary SWOT statement, informing the new Strategic Economic Plan. Given the diversity of the foundational economy, some of these factors apply to some sectors more than others.

Strengths	<ul style="list-style-type: none"> • Oxfordshire's foundational economy contains a large and diverse set of activities with a substantial employment base (although there are challenges in defining the foundational economy). • There is a wide range of foundational economy employment opportunities. • There are high levels of 'social capital' (such as propensity to volunteer, the existence of charitable and philanthropic organisations, etc.). • Within those foundational sectors that are mostly commercially driven, there is evidence of local demand, partly driven by relatively high local purchasing power, and evidence of scope for innovation. • There is a diverse, mainly private sector led, series of business networks.
Weaknesses	<ul style="list-style-type: none"> • There are significant workforce shortages across much of the foundational economy, especially in public services. • Parts of the foundational economy are relatively precarious and characterised by thin margins with limited capacity for investment (e.g., in parts of the social care sector). • Productivity remains quite low overall. This is counter-intuitive, given the strengths of Oxfordshire's science and innovation base and central location. The implication is that parts of the foundational economy are not as productive as they might be.
Opportunities	<ul style="list-style-type: none"> • There is an increasing recognition of the links between health, community wellbeing and economic development, which are reflected in strategy. • There is growing business interest in/ recognition of social and environmental responsibility, and growing business leadership in this area. • There is a presence in Oxfordshire of firms and institutions engaged in innovation to support the foundational economy, with opportunities to develop closer links between innovators and foundational economy sectors. • Innovative employment and recruitment practices within the foundational economy could help to address labour shortages and also increase social inclusion. • There are opportunities to diversify income streams.
Threats	<ul style="list-style-type: none"> • Public service resilience is impacted by rising demand and rising costs. • Public spending pressures are likely to negatively impact some service providers and charities reliant on government funding.

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