

**To: City Executive Board**

**Date: 12<sup>th</sup> March 2014**

**Report of: David Edwards, Executive Director Regeneration and housing**

**Title of Report: Oxfordshire Strategic Economic Plan**

## **Summary and Recommendations**

**Purpose of report:** To provide an update on the progress for the development of the Oxfordshire Strategic Economic Plan and outline the timetable for its submission to Government and any commitments being asked of the City Council.

**Key decision yes**

**Executive lead member: Cllr Bob Price**

**Policy Framework: No**

**Recommendation(s):**

- 1. To formally support the overarching focus of the Oxfordshire Strategic Economic Plan**
- 2. To delegate authority to the Executive Director, Housing and Regeneration, in consultation with the Council Leader, to make an necessary editorial changes and to endorse the final Strategic Economic Plan prior to its submission to Government**
- 3. To delegate authority to the Executive Director, Housing and Regeneration, in consultation with the Council Leader, to lead on negotiations with partners and Government on any invitation to enter into a Local Growth Deal.**

## **Introduction**

1. As part of the 2013 Spending Review, the Government announced proposals for strengthening of the role of Local Enterprise Partnerships by introducing the concept of Growth Deals which will be supported by a Single Local Growth Fund. Through Growth Deals Local Enterprise Partnerships can seek freedoms and flexibilities from Government as well as a share of the new Single Local Growth Fund. Growth Deals (and

access to the Single Local Growth Fund) will be based on the production of a Strategic Economic Plan. The Strategic Economic Plan is to be a new multi-year local growth strategy that demonstrates how Local Enterprise Partnerships will deliver growth based on a strong rationale, value for money and partnerships for delivery.

2. The Government anticipated that a Local Enterprise Partnership's Strategic Economic Plan, City Deals and its European Structural and Investment Funds Strategy will be designed and function as an integrated package. With all three using the same evidence, rationale and contributing to achieving the same vision.
3. Following completion of the Strategic Economic Plan *some* Local Enterprise Partnerships will be invited to negotiate a Growth Deal funded from the Single Local Growth fund. These negotiations will be completed in time for the beginning of 2015/16 financial year.
4. The Single Local Growth Fund is a competitive pot and access to it will depend on the strength of the Strategic Economic Plan. The Growth fund is not new money: it is the bringing together of a number of existing funds – mainly transport related capital funds.
5. A poor Strategic Economic Plan – or one which does not fully support the City's growth potential – could result in a fall in the level of resources available to support growth in the City and a weakening of our credibility with Government.

### **Overview of the Oxfordshire Strategic Economic Plan**

6. The ambition set out in the Strategic Economic Plan builds on the narrative developed as part of the City Deal - that the Oxfordshire economy has the greatest potential of any location in the UK to deliver world leading technology and business innovation building upon our academic research.
7. The overall vision for the Oxfordshire Strategic Economic Plan is:

“By 2030 Oxfordshire will be a vibrant, sustainable, inclusive world leading economy, driven by innovation, enterprise and research excellence”
8. Initial drafting of the Strategic Economic Plan was based around four Thematic Objectives built around innovation and quality of life:
  - Innovative Enterprise – innovation-led growth is at the heart of our strategy, underpinned by the strength of our University research and development capacity, business collaboration and supply chain potential
  - Innovative Place – providing both the quality and choice of homes needed to support growth whilst capitalising upon the exceptional quality of life, vibrant economy and dynamic urban and rural communities
  - Innovative People – delivering specialist and flexible skills at all levels as required by our businesses with full employment and fulfilling jobs

- Innovative Connectivity – allowing people to move freely, connect easily and providing the services and facilities needed by a dynamic, growing and dispersed economy.
9. Late in the process it was decided to add a geographic dimension to the Plan focusing on the three growth points identified in the City Deal (Bicester, Oxford and Science Vale). Whilst this allows the strategic issues facing the City to be expressed it did present a challenge in drafting a coherent strategy for the LEP area within the timescale. The rationale for this geographic focus is to reinforce the Knowledge Spine concept centred on the major economic growth centres: Bicester, Oxford and Science Vale including the Enterprise Zone (Harwell and Milton Park) promoted as part of the City Deal. Indeed many of the interventions put forward in the Strategic Economic Plan are already in the City Deal or are extensions of City Deal activity.
  10. The narrative included in the Strategic Economic Plan that is specific to Oxford reflects the opportunities and challenges identified in the Oxford Economic Growth Strategy developed by the Oxford Strategic Partnership. Oxford City is uniquely placed to contribute to the growth of the Oxfordshire and national economy but faces significant barriers to growth which must be overcome (particularly with regard to local transport connectivity and housing supply and affordability); and has to ensure that in future all of Oxford's residents can share better in the benefits of economic growth.

### **Timetable and Next Steps**

11. Discussions are continuing with the Local Enterprise Partnership and other partners to produce a final Strategic Economic Plan that will be delivered to the Government no later than the 31<sup>st</sup> March 2014.
12. The Government will undertake a formal assessment of the Strategic Economic Plan following its submission in March. The criteria against which the assessment will be undertaken was published in July 2013 (Growth Deals: Initial Guidance for Local Enterprise Partnerships, BIS July 2013). Formal feedback and a final assessment from the Government is expected in June 2014.
13. Whilst there is no formal ranking or 'minimum standard' for the Strategic Economic Plan, the Government's assessment will influence the size and scope of any Local Growth Deal the Local Enterprise Partnership is invited to negotiate. A poor plan will receive a small allocation from the Single Local Growth Fund.
14. Negotiations for Local Growth Deals will begin in June 2014 and be concluded in time for implementation to begin in April 2015.

### **Financial and Resource Implications**

15. The City Council will continue to support the Local Enterprise Partnership to develop and finalise the Strategic Economic Plan by providing staffing support to work alongside County Council and other partners.

16. The City Council will ensure that adequate resources are in place to undertake any necessary work on specific project development and project management relating to key City Council projects and commitments that arise if we are invited to enter into a Local Growth Deal.
17. The City Council is not making any new financial commitments in the delivery of the Strategic Economic Plan.

### **Legal Implications**

18. There are no legal implications arising from this report.

### **Risks**

19. There are two notable risks associated with the Strategic Economic Plan
20. Firstly; that the Plan does not reflect the issues specific to the City's economy. Officers at the City Council have engaged extensively with the process of developing the Strategic Economic Plan in an effort to ensure the opportunities and challenges specific to Oxford are recognised and reflected in the Plan. The final drafting to the Strategic Economic Plan is the responsibility of the Local Enterprise Partnership.
21. Secondly, that the final Plan is not endorsed by the Government. This is highly unlikely. But it is possible that the Plan is judged by Government to be of insufficient quality to develop into a Local Growth Deal. Whilst the endorsement of the Strategic Economic Plan will be based on its merits in articulating barriers and opportunities for growth, invitations to develop a Local Growth Deal will be a competition based on the quality and deliverability of Plans from other Local Enterprise Partnerships.

### **Climate Change / Environmental Impact**

22. Any projects involving the City Council that come out of the Strategic Economic Plan will have due regard to climate change and environmental impact.

### **Equalities Impact**

23. Any projects involving the City Council that come out of the Strategic Economic Plan will have due regard to equalities impacts.

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**List of background papers: none**

**Version number: two**