

To: City Executive Board

Date: 13th February 2013

Report of: David Edwards, Executive Director, Regeneration and Housing

Title of Report: CITY DEAL – EXPRESSION OF INTEREST SUBMISSION TO GOVERNMENT

Summary and Recommendations

Purpose of report: To provide a briefing on the City Deal Expression of Interest submitted to Government on 15th January 2013

Key decision? No

Executive lead member: Cllr Bob Price

Policy Framework: No

Recommendation(s):

- To note this report;
- To formally support the submission;
- In the event of the submission being successful to delegate authority to the Executive Director, Housing and Regeneration to lead on developing the bid and negotiations with partners and Government

Appendices to report:

Appendix One – Oxford and Oxfordshire City Deal Submission

Introduction

1. During 2011 and the first half of 2012, Government were negotiating the first wave of city deals with the eight largest cities outside London and their wider economic areas.
2. These agreements were bespoke to reflect the different needs of individual places, but every deal aimed to:
 - Give cities additional powers and tools to drive local economic growth;
 - Unlock projects or initiatives that would boost their economies; and

- Strengthen the governance arrangements dealing with economic development.
3. In October 2012 Government invited a further 20 cities, including Oxford, to submit expressions of interest for a second wave of City Deals. This group consisted of the next 14 largest cities and the six fastest growing cities, of which Oxford is one.
 4. Wave 2 City Deals will be different to Wave 1. First, Wave 2 is a competitive process and the indications have been that only 10/12 submissions will go forward.
 5. Secondly, Wave 2 City Deals are expected to focus on a single economic issue which requires an innovative and/or transformative solution and to identify a bespoke package of actions from Government and offers from local partners.
 6. In late February/early March 2013 Government will announce a Core Package of resources that will be made available to the successful cities. This is likely to include measures related to skills training and inward investment.
 7. We understand that all 20 cities that were invited to submit expressions of interest did so by the deadline of 15th January 2013.

Partners

8. The invitation to bid was made to Oxford City Council, with Oxfordshire County Council and the Oxfordshire Local Enterprise Partnership (LEP).
9. Oxford City Council led the bid and chaired a Bid Team that also included representatives from the County Council, South, Vale, West and Cherwell District Councils and the LEP.
10. In addition, a range of partners are central to the bid, including the University of Oxford, Oxford Brookes University, Oxford University Hospitals NHS Trust, Science and Technology Facilities Council and the Homes and Communities Agency

The Submission

11. The submission document is attached as appendix one. It follows a fixed template provided by Government, and, as required addresses the functional economic area not just the city in its tight boundary context. This is illustrated in the map in section E1 of the submission.
12. The submission focus is on transformational growth through stimulating the local knowledge economy. The combination of the two world class universities and 'Big Science' in the Science Vale are central to the bid.

13. The bid brings together a partnership of business, research institutions, local authorities and the LEP to collaborate and accelerate the growth of the city region's knowledge based economy by creating a new 'knowledge economy spine'. This is based on a network of centres supported by new enterprise and innovation centres and development in the city regions principal economic nodes of Oxford City, Bicester and Science Vale
14. Civil Servants from the Cabinet Office and Department for Business, Innovation and Skills provided guidance to the Bid Team throughout the development of the bid.

Next Steps

15. Government has indicated that it will announce the successful cities in mid February 2013.
16. Successful cities will have a further nine months to work up their city deal bids with City Deals being agreed in November 2013.

Financial Implications

17. Section C3 of the submission outlines the local resources that will be expected to be invested if the bid is successful and the City Deal taken forward. At this stage there is no financial commitment, but we have identified across all the Local Authorities the initial potential for up to £20m local authority gap funding / borrowing / investment matched by LEP single pot, with £100m institutional / private investment and generating over £240m Gross Value Added.
18. The nature of City Deals is that they may present financial risks for local authorities. With this in mind the Oxfordshire Local Authority Treasurers Group has been meeting throughout the process to review potential financial implications and risk. A representative of the Treasurers Group attended Bid Team meetings. Any proposals for formal financial commitments would come to CEB or full Council.

Legal Implications

19. The Local Authority Chief Executives and Leaders Group have reviewed governance arrangements and have agreed a model based on a Joint Statutory Committee (JSC). This is, in effect a joint Executive Committee which carries out defined functions on behalf of the constituent bodies. Further details can be found in section E2 of the submission.
20. A JSC is a model often adopted for working with a range of Local Authorities, as in the context of waste partnerships or police authorities. The JSC powers would be limited to delivering the City Deal and would not have any general powers of competence. Specifically, planning powers would remain with the Local Authorities as at present. The submission has identified the potential to agree with Government streamlined planning

powers, but this would only be considered in relation to strategic sites which are already allocated for development in Development Plans, and would be subject to individual consideration.

21. Section 151 Officers as part of the Treasurers Group have an awareness of the bid through the Treasurers Group representation on the Bid Team.
22. If the bid is successful binding agreements will be developed and legal advice provided by the City Council's in-house legal team and in the event that specialist legal advice is required at any stage, the Council will obtain it.

Risks

23. A full risk register will be completed if the submission is successful and the Oxford and Oxfordshire City Deal goes forward.
24. Key financial risks have been identified and reviewed as part of the bid process as outlined in 18 above.

Climate Change / Environmental Impact

25. All projects that come out of the City Deal will have due regard to climate change and environmental impact. New buildings, including potentially 8,000 new homes, will be built to appropriate environmental and sustainable standards. These homes are already identified in approved Development Plans.

Equalities Impact

26. An initial equality impact assessment will be undertaken if the bid is successful and the Oxford and Oxfordshire City Deal goes ahead.
27. The benefits to Oxford and the city region will be significant and very positive to all through economic growth, new employment, higher skills attainment, improved inward investment, stronger infrastructure and increased housing delivery.
28. Section D1 of the submission outlines the employment, economic and wider social benefits that can be expected.

Name and contact details of author:-

Name: Sebastian Johnson Job title: Strategic Policy and Partnership Officer Service Area / Department: Seconded to City Development Tel: 01865 252317 e-mail: srjohnson@oxford.gov.uk
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List of background papers: None
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