

To: City Executive Board

Date: 9th October 2013

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

Title of Report: CITY DEAL BID

Summary and Recommendations

Purpose of report: To provide an update on progress on the City Deal Bid to Government and the commitments being asked of Oxford City Council, the proposed governance arrangements and the timetable for presentation to the Ad hoc Ministerial Group.

Key decision? Yes

Executive lead member: Cllr Bob Price

Policy Framework: No

Recommendation(s):

- To note this report;
- To formally support the overarching focus of the City Deal Bid;
- To agree in principle to the commitments being asked of Oxford City Council;
- To note the governance arrangements in principle, and to receive future reports which will provide the detail of what the Joint Statutory Committee will be carrying out and what delegations will need to be made to it;
- To delegate authority to the Chief Executive to lead on negotiations with partners and Government

Appendices to report:

Appendix One – Risk Register

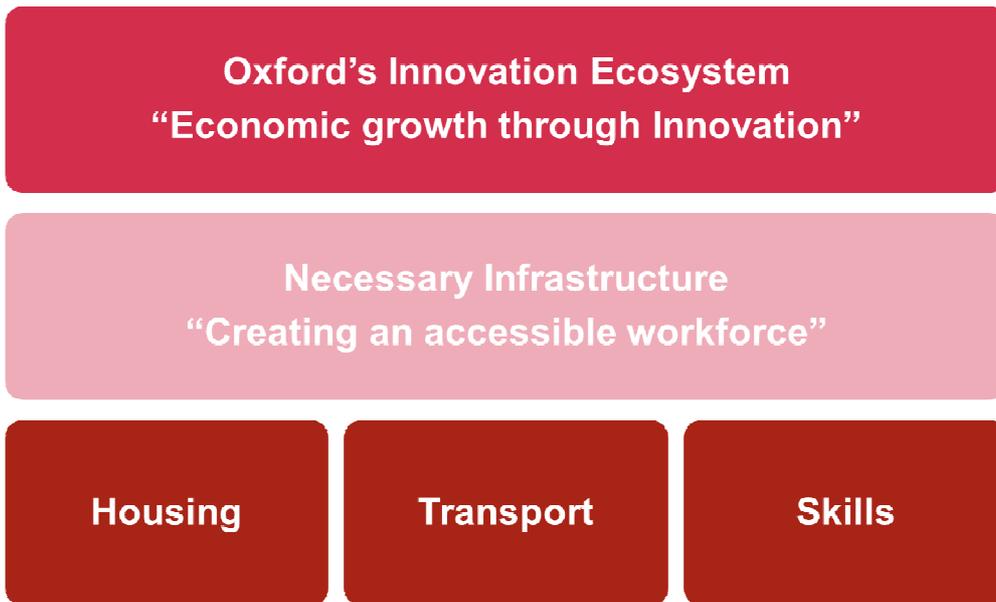
Appendix Two - Initial Equalities Impact Assessment

Introduction

1. In July 2012 Government agreed the first wave of city deals with the eight largest cities outside London and their wider economic areas. 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.
2. 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.
3. The Expression of Interest submission from Oxford focused 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.
4. The bid brought 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
5. In February 2013 Government announced that all 20 submissions had been successful and were invited to go through to the next stage of the process by completing a Negotiation Document and preparing a presentation to an Ad hoc Ministerial Group.
6. A City Deal Bid Team comprising representatives from the six local authorities, the Local Enterprise Partnership, University of Oxford and Oxford Brookes Universities and representatives of Science and Research organisations at Harwell and Culham has been overseeing the development of the bid. The County Council has chaired the Bid Team and been leading on co-ordination with support provided by the City Council.

Overview of the ambition of the Oxford and Oxfordshire City Deal

7. The ambition is summarised as follows:



8. The ambition is based on the common understanding that the Oxford and 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
9. Furthermore, our central location, with transport links to London, Heathrow and the Midlands, as well as the South Coast and West Country provides us with the foundation of a transport infrastructure that enables our businesses and universities to compete in a global market

The City Deal Proposal

10. In summary the proposal is focused on the delivery of an ambitious Knowledge Economy centred on the major economic growth centres: Bicester, Oxford and Science Vale including the Enterprise Zone (Harwell Oxford and Milton Park).
11. The City Deal represents an opportunity to ensure Oxford and Oxfordshire overcomes the historic barriers to innovation and enterprise through a transformational network of connected hubs, creating an ecosystem where research, innovation, investment and enterprise meet and flourish.
12. The City Deal projects have been divided into those that are priorities for delivery in Phase 1, with a committed start before the end of 2015, and those that are in later stages.
13. Discussions are taking place with partners and Government civil servants advising the Bid Team and will continue through to submission of the final Negotiation Document in October 2013.

Innovation

14. At the heart of the proposal is the world class Science and Innovation for which Oxfordshire is known. The ambition is to deliver a number of key innovation schemes across the City Deal area. These will enable the development of start-up business' to spin out from the Universities across a range of sectors; they will then join up those companies with other business' who can provide them with support, enabling small companies to find the right skills to grow within the county, with differing projects each focussing on specific innovation areas.
15. At the time of writing this report the Phase 1 projects that are the core of the City Deal bid are:
- Begbroke Accelerator Building
 - Harwell Open Innovation Centre
 - Oxford Bio Escalator
 - Science Vale (Culham) Advanced Manufacturing Hub
 - Business Support for Innovation (County wide)
 - Science Vale (Culham) High Tech Skills Hub
 - One Stop for Information / Advice / Guidance / Apprenticeships and Educational Development (County wide)
 - Oxford Housing projects – Barton, West End, Northern Gateway and Accelerated Housing Programme
16. With public sector investment of nearly £10m already identified, and twice as much private sector investment, the City Deal looks to secure in the order of £60m of investment from Government to enable this network of innovation hubs and the corresponding support system to be delivered.

Skills

17. The skills projects have been prioritised on the basis of those that are mostly closely aligned with the innovation priorities and that can be delivered without delay.
18. In support of our ambition to deliver the network of innovation hubs, the City Deal looks to secure locally agreed priorities for how funding from the Skills Funding Agency is invested. It also looks to develop a one stop shop for information, advice and guidance on apprenticeships and education development.
19. In seeking genuine devolution of control from Whitehall to the local community, the proposal will help ensure that the investment in skills equips us to unlock the potential that exists within our economy.

Infrastructure

20. The infrastructure schemes are prioritised in terms of their relationship to delivering the innovation priorities and include key A40 Northern Gateway infrastructure and lead the preparation of a longer term strategy for the A34 and to work with the private sector to begin delivering the Oxford Science Transit – a truly integrated multi-modal transport system that

builds upon the investment in rail and bus services and delivers a high quality, high frequency service linking our core areas of economic growth.

21. It should be noted that since the programme started the Government announced changes to the way it was planning on funding infrastructure projects, with the creation of the Local Growth Deals. We have therefore had to separate out the City Deal proposals into two phases, one which remains part of the City Deal, and the other which will form part of the wider funding from the Local Growth Fund.

Housing

22. The housing schemes for Oxford are Barton, West End (Westgate and Oxpens), Northern Gateway and an accelerated housing programme. This will result in just over 3000 new houses over a ten year period.
23. As part of the deal we are asking Government to increase the borrowing cap on the Housing Revenue Account to enable Oxford City Council to raise £121m funding for this housing to meet demand created by new jobs.

Timetable and Next Steps

24. Discussions are continuing with partners through the City Deal Bid Team alongside liaison and feedback from Government civil servants and advisers.
25. The Negotiation Document will be finalised together with a presentation that will be delivered to an Ad hoc Ministerial Group. Both of these will be signed off by the City Deal Bid Team, the Local Enterprise Partnership and the Oxfordshire Local Authority Leaders Group.
26. The Negotiation Document will be formally submitted to Government no later than 11th October 2013.
27. The following group will deliver the presentation to the Ad hoc Ministerial Group which has been provisionally set for 24th October 2013:
 - Cllr Ian Hudspeth, Leader, Oxfordshire County Council
 - Cllr Bob Price, Leader, Oxford City Council
 - Adrian Shooter CBE, Chair, Oxfordshire Local Enterprise Partnership
 - Professor Ian Walmsley, Pro Vice Chancellor, University of Oxford
 - Professor Steven Cowley, Chief Executive Officer, United Kingdom Atomic Energy Authority (Culham)
28. Following the presentation, further negotiation will take place with Government with a view to the City Deal being agreed by the end of the year.

Financial and Resource Implications

29. If the City Deal bid is agreed, the key financial implications relating to Oxford City Council will be the increased borrowing cap on the Housing Revenue Account to allow us to borrow £121 million.
30. The City Council will continue to support the City Deal bid process and has provided project management staffing support to work alongside County Council staff to co-ordinate the development of the City Deal Bid. The City Council will continue to provide this staffing support.
31. 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 form part of the City Deal.

Legal Implications

32. 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.
33. 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. There may be 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
34. It is proposed that the JSC is made up of the six Local Authorities plus a representative from each of the Local Enterprise Partnership, University of Oxford, Oxford Brookes University and Harwell Oxford
35. If the bid is successful binding agreements will be developed. Legal advice will be provided to the City Executive Board by the City Council's in-house legal team on the legal implications or issues arising from the work of the JSC. In the event that specialist legal advice is required at any stage, the Council will obtain it.

Risks

36. A Risk register has been prepared and is appended.

Climate Change / Environmental Impact

37. All projects that come out of the City Deal will have due regard to climate change and environmental impact. New buildings, including new homes,

will be built to appropriate environmental and sustainable standards.
These homes are already identified in approved Development Plans.

Equalities Impact

38. 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.

39. An initial Equalities Impact Assessment is attached as Appendix Two.

Name and contact details of author:-

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List of background papers:

Version number: v5.1

Appendix One - Risk Register

No.	Risk Description Link to Corporate Obj	Gross Risk		Cause of Risk	Mitigation	Net Risk		Further Management of Risk: Transfer/Accept/Reduce/Avoid		Monitoring Effectiveness				Current Risk	
		I	P			I	P	Action: Action Owner:	Outcome required: Milestone Date:	Q1	Q2	Q3	Q4	I	P
					Mitigating Control: Level of Effectiveness: (HML)			Action: Action Owner:	Outcome required: Milestone Date:	Q1 ☹	Q2 ☹	Q3 ☹	Q4 ☹		
1	Challenges of partnership and governance	3	3	Progress with delivery of City Deal dependencies on partnership working and governance	Mitigating control: Active role in Bid Team, negotiations and governance through the Joint Statutory Committee 1.2.1 dialogue outside formal meetings with partners Level of Effectiveness: M	2	2	Action: Exec Director (Hsg and Regen) to monitor risk level and agree action. Action Owner: Economic Development Team leader Mitigating Control: Head of Service Control owner: Director	Outcome required: Milestone Date:						
2	Government rejects bid	5	3	Bid not focussed enough, asks and offers too vague or not in line with Government guidelines / requirements	Mitigating control: Active role in Bid Team and input into bid and project list. Providing feedback on proposed presentation to Govt. Listening to feedback from Govt officials and acting on it Level of Effectiveness: M	5	1	Action: Chief Executive to monitor risk level and agree action. Action Owner: Exec Director (Hsg and Regen) Mitigating Control: Head of Service Control owner: Director							

3	Commitments made by partners (e.g. funding, land, staffing) are unable to be met or financial modelling is incorrect	3	3	Commitments not checked or signed off by Chief Executives and S151 Officers or equivalents	<p>Mitigating control: Bid Team is being rigorous in approach to project identification and financial information and modelling. Consultants have been engaged to undertake modelling. Chief Execs and S151 Officers are signing off project financials. Leaders are signing off the final bid</p> <p>Level of Effectiveness: M</p>	2	1	<p>Action: Chief Executive to monitor risk level and agree action. Action Owner: Exec Director (Hsg and Regen) Mitigating Control: Head of Service Control owner: Director</p>								
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191	Challenge of staffing and resource	3	2	Not having resource or staff required to deliver the projects and overall ambitions of City Deal	<p>Mitigating control: Each partner committing resource to support the City Deal Board and the individual projects</p> <p>Level of Effectiveness: M</p>	2	1	<p>Action: Chief Executive to monitor risk level and agree action. Action Owner: Exec Director (Hsg and Regen) Mitigating Control: Head of Service Control owner: Director</p>								
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