

To: Council

Date: 30th September 2013

Report of: City Development

Title of Report: The Oxfordshire Local Enterprise Partnership

Summary and Recommendations

Purpose of report: To provide members with an update on the work of the Oxfordshire Local Enterprise Partnership and recent developments in the delivery of the City Deal..

Report approved by:

Finance: Emma Burson, Finance Business Partner

Legal: Emma Griffiths, Supervising Lawyer

Executive lead member: Councillor Bob Price

Policy Framework: The Corporate Plan

Recommendation:

1. Council is asked to note the contents of the report and to ask questions on it.

The role of the Oxfordshire Local Enterprise Partnership

1. The Oxfordshire Local Enterprise Partnership (LEP) is responsible for the development of the Oxfordshire economy and is now established as part of the economic growth landscape. The Partnership appointed a Chief Executive, Nigel Tipple, just over a year ago and whilst he is still heavily supported by Oxfordshire County Council staff and services, the Partnership is now located in the Innovation Centre and has a number of seconded employees and temporary appointments.
2. There have also been minor adjustments to the governance structure with the Board extended to include representatives of all the Districts. Councillor Bob Price, Leader of Oxford City Council, remains as the City Council's representative. Cllr Price is also a representative of the LEP on the Oxfordshire Skills Board. Richard Venables, Managing Partner of VSL Ltd, has joined the Board as a representative of the

Oxford City business community, nominated by the Oxford Strategic Partnership

3. Over the last year the LEP has delivered a series of important outcomes:
 - a. Concluded and signed off a City Deal with BIS and the Cabinet Office
 - b. Prepared and submitted the Oxfordshire Strategic Economic Plan
 - c. Negotiated the first Local Growth Deal for Oxfordshire
 - d. Prepared the European Structural investment Funds Strategy for Oxfordshire.

4. City Deal

5. The City Deal was signed at Harwell in January and the focus has now turned to delivering the four work streams in the Deal and strengthening the wider governance arrangements. In line with the agreement in the City Deal a joint committee of the Oxfordshire local authorities has been established as a 'Growth Board' charged with delivering the City Deal, it met for the first time in 'shadow' form in September. CEB approved the terms of reference and City Council membership of the Board in September.
6. The key elements of the City Deal are:
 - a. Innovation - The Oxfordshire Support for Business Programme has been launched This provides benefits for businesses through increased funding (channelled through existing University and Oxford Investment Opportunities Network structures), vouchers to reduce the cost of leadership development, and the use of research facilities and training sessions for start-up entrepreneurs. This is supported by a team of 9 Network Navigators who work part time with the programme team to help those seeking support to access it effectively. A new web portal, support grants, vouchers and training are also available as part of this initiative.
 - b. The City Deal provided financial support for the development of four incubator/innovation 'hubs', at Begbroke, the Churchill site, Culham and Harwell. Completion dates range from mid 2015 to early 2017.
 - c. Skills - The skills element of the City Deal provides support for apprenticeships and a new careers advice and guidance structure that is designed to radically improve school and college students access to information about the transition to work. Some further details are provided in Annex 1.

- d. Transport - The City Deal and the SEF focus on key elements of the Oxfordshire road network where improvements are required to support the economic developments that are planned. Approved projects include a programme of schemes to relieve congestion and enhance access at the Milton and Chilton interchanges on the A34, the Hinksey hill /A423 southern bypass and the Northern Gateway development site (Wolvercote and Cutteslowe roundabouts). Science Transit phase one is a package of measures that will improve connectivity all along the route from Science Vale to Oxford including junction enhancements and improved public transport.
- e. Housing - The City Deal committed the Oxfordshire Districts to provide an accelerated development of 7500 houses between 2015 and 2018, and to work together to deliver the enhanced housing requirements identified by the Strategic Housing Market Assessment...

7. Oxfordshire Strategic Economic Plan

- 8. Oxfordshire's Strategic Economic Plan(SEP) was developed by the Local Enterprise Partnership (LEP) in partnership with the business community, academic institutions and the Local Authorities; and was submitted to Government on the 31st March 2014.It has subsequently been endorsed by Government. This Plan sets out the long term vision and ambitions for economic growth in the county.
- 9. 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 enormous potential to deliver world leading technology and business innovation built upon research conducted in the HE sector and our big science facilities. The 'strapline' 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"

- 10. The Plan is based around four Thematic Objectives :

- a. 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
- b. 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

- c. Innovative People – delivering specialist and flexible skills at all levels as required by our businesses with full employment and fulfilling jobs
 - d. Innovative Connectivity – allowing people to move freely, connect easily and providing the services and facilities needed by a dynamic, growing and dispersed economy.
11. The Plan also has a geographic dimension focusing on the three growth points identified in the City Deal (Bicester, Oxford City and Science Vale). The rationale for this geographic focus was to reinforce the Knowledge Spine concept that was promoted in 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.

Oxfordshire Local Growth Deal

12. 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 are invited to bid for freedoms and flexibilities from Government as well as for a share of the new Single Local Growth Fund. Growth Deals (and access to the Single Local Growth Fund) are based on the production and the content of a Strategic Economic Plan.
13. The Oxfordshire Growth Deal was based on the projects and priorities developed by the Local Transport Board and the Strategic Planning and Infrastructure Partnership. Some £900m of the annual £2bn national LGF pot was allocated to LEPs on a formula basis (and in essence had already been allocated to local Transport Board approved projects), with the remaining £1.1bn allocated following a process of “competitive tension” based on the ambition, rationale and deliverability of the Strategic Economic Plan.
14. The Oxfordshire LEP has secured £108.5m from the Government’s Local Growth Fund to support economic growth in the area – with £9.2m of new funding confirmed for 2015/16 and £53.7m for 2016/17 to 2021. Within this package of funding were four schemes that have direct benefit to the City:
- a. Headington Phase 1 & Eastern Arc Transport Improvements - a package of junction and local road improvements to support growth in the Headington area of Oxford - a centre for medical research and the location of the bio-escalator at Oxford University Old Road campus, which was part-funded via the Oxford City Deal.
 - b. Oxfordshire Flood Risk Management Scheme (Western Conveyance) and Upstream Flood Storage at Northway - a comprehensive package of measures to mitigate the risks of

damage to homes, businesses and transport connections caused by excessive flooding.

- c. Centre for Applied Superconductivity - a new centre of innovation to coordinate the interaction between key industry players, Oxford University, cryogenics companies, and end users (including SMEs) on the Harwell campus and at the Culham Centre for Fusion Research Campus.
- d. Oxfordshire Centre for Technology and Innovation - development of a Technology and Innovation Training Centre in Blackbird Leys operated by Oxford City College to address skills shortages across engineering, electrical, design, and emerging technologies.

Oxfordshire European Structural Funds

- 15. The European Structural and Investment Funds for 2014 to 2020 exist to promote smart, sustainable and inclusive growth across all member states of the European Union. Allocation of the funds to each member state is based on economic performance compared to the average for the EU. Distribution within the member state is determined by national government following guidance issued by the EU. Essentially distribution is based on population and relative economic performance with the national government choosing the appropriate spatial level to allocate funding. In England the allocation is based on Local Enterprise Partnership (LEP) geographies, this is change from the previous programmes where funding was allocated to regions.
- 16. The European Structural and Investment Funds available to the United Kingdom comprise two cohesion policy funds, a programme for rural development from the Common Agricultural Policy, and a smaller programme from the Common Fisheries Policy. These funds are:
 - a. The European Regional Development Fund (ERDF);
 - b. The European Social Fund (ESF);
 - c. The European Agricultural Fund for Rural Development (EAFRD); and
 - d. The European Maritime and Fisheries Fund (European Fisheries Fund for the 2007-2013 programme period).
- 17. In Oxfordshire only ERDF, ESF and EAFRD is available. Overall Oxfordshire has very good economic performance and it also has a relatively small population. Consequently, of the 39 LEP areas in England, Oxfordshire receives the second lowest allocation (only Buckinghamshire Thames Valley LEP received a lower allocation) – a little over £19.5m. However, this is the first year that Oxfordshire has received any form of allocation.

18. The Structural Funds programme for 2014-2020 is significantly different from previous programmes. The key change is that the investment funds contribute to a new single “EU Growth Programme” to be financed by ERDF and ESF with a contribution from EAFRD (a separate EAFRD allocation will also fund LEADER programmes in some rural areas). There are two significant changes for the 2014 programme: firstly, it is a rationalisation of investment programmes - from 12 separate ones for 2007-13 to essentially one programme with four funds; secondly there is a much stronger emphasis on economic and employment growth and much less focus on capacity building, equalities and community cohesion and large scale infrastructure programmes (except in the less developed areas).
19. Following approval of the Oxfordshire EU Strategic Investment Funds (ESIF) Strategy the Local Enterprise Partnership must now prepare a Local Implementation Plan (LIP). In essence the LIP will be a three year rolling management plan updated annually. The first iteration of the Plan will cover activity which will operate over the first half of the programme and be brought into the programme through project calls (bidding rounds) opened during 2015, 2016 and 2017.
- a. Through the development of the Plan the Local Enterprise Partnership will:
 - b. Agree the types of investment/activities it wishes to bring forward.
 - c. Decide whether these will be secured through opt-in provision of national (government appointed) suppliers or project calls.
 - d. Profile the ESIF allocation to these investments over time.
 - e. Set out the level of ESIF deliverables it would expect to secure from these investments.
 - f. Set out arrangements for monitoring local performance against these profiles.

Resources

20. The City Council has not currently committed any financial resources to the Oxfordshire LEP, although there is a commitment in terms of member and staff time for attending meetings and coordination and communication of decisions. In addition the Economic Development Team Manager has spent one day a week working directly with the LEP to support the development of the Business Support theme of the European Structural Funds programme.

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List of background papers:

Further information can be found on the web site link below.

<http://www.oxfordshirelep.org.uk/cms/content/about-oxfordshire-local-enterprise-partnership>

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