# To: Audit and Governance Committee

# Date: 9 January 2020

# Update from Economic Development Manager

# Update on Risk: Economic Growth as at 30 November 2019.

The Audit and Governance Committee requested an update on mitigation of the risks to the economic growth of the city.

# Risk register entry

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| Reference in risk register | Title | Description | Owner | CurrentImpact & probability | TargetImpact & probability | Comments | Status |
| CRR-031-18-19 | Economic Growth | Local, national or international factors adversely affect the economic growth of the City | Tom Bridgman  | 4 | 3 | 4 | 3 | An informal Brexit impact group of key employers has been set up. We have also been feeding into various national papers and briefings which are designed to inform the government's negotiating position. Also undertaking business surveys. | In progress |

# Update

Local, national and international factors will impact on the local economy. Post-election, the timing of the UK’s exit (“Brexit”) from the European Union and European Single Market could is likely to become clearer in the period to January 31st 2020, which is the soonest date Brexit could take place. There is the potential this could lead to termination or suspension of investment decisions, or some new investments, depending on the nature of the new relationship with Europe. The future trading relationship will become clearer in 6-9 months. It is too soon to understand wider trading relationships beyond Europe.

In the meantime, officers will need to keep a close eye on key events, government communications and speak regularly with major employers and business representative organisations. Communication with business will need to be resourced effectively over this period. The growth of academic spin-outs aside, the lack of new corporate investment decisions over the last 12 months has been concerning. The Economic Development Team will create space to meet with more medium and large employers to support potential investment where possible.

Economic Development Officers (EDO) from the Oxfordshire authorities are meeting regularly to discuss local economic resilience and Brexit related support needs and share intelligence. A system of business intelligence gathering, based on weekly reporting is now in place between councils, LEP and Central Government. An OxLEP intelligence report is be prepared each week through OxLEP (Oxfordshire Local Enterprise Partnership), with District/City EDO input where available. Issues facing businesses or the local economy more broadly, are therefore flagged nationally as areas of concern. Resource is limited but efforts to engage with businesses are being increased where possible. The LEP has been granted central government budget for 121 mentoring/advice worth c100 hours. The group has agreed to keep a close eye on business support demand patterns or issues faced based on the intelligence.

Structural changes and economic uncertainties continue to affect consumption on the high street leading to an evolution and adjustment in the local retail property market and proposals for new uses coming forward. Vacancy levels are being monitored. This looks positive at present, but the situation in the new year will need close monitoring.

The dearth of employment space coming forward over the last 24 months and indeed, losses to residential is a concern. We are engaging directly with developers to bring sites forward and have attracted £34million in Government funds to support major development at Oxford Station, Osney Mead Innovation Quarter and Northern Gateway. Indeed, major employment schemes such as Northern Gateway are being considered for Planning permission at present. This would make a major difference as the site makes up a large proportion of the projected employment space to come forward. The Science Park and Business Park are also working on new proposals. The City Council has also secured £1.9m for delivery of enterprise space at either George St, The Town Hall and Standingford House and working on a workspace and meanwhile use strategy to bring new players, typically experiencing affordability and flexibility barriers into the market and re-use space for alternative business offerings. Meanwhile uses in the city centre are already being actively pursued.

The Economic Development and City Centre Teams is resource limited but has advertised two fixed term roles in order to take more mitigating action where possible. The Council is working to develop a new economic strategy and city centre strategy, both aimed at ensuring an action plan is in place to deliver sustainable and inclusive growth locally, and that there is a vibrant city centre offering that provides for the whole community’s needs

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| **Name and contact details of author:-** |
| Name: Matt Peachey |
| Job title: Economic Development Manager |
| Service Area: Regeneration and Economy |
| Email: mpeachey@oxford.gov.uk  |