

# **Cherwell District Council**

## **Executive**

**3 March 2014**

### **Oxford and Oxfordshire City Deal**

## **Report of the Director of Development**

### **Purpose of report**

For Members of the Executive to note the City Deal and, in particular, to have regard to those aspects of the document which will have an impact on this Authority.

### **1.0 Recommendations**

The meeting is recommended:

- 1.1 To note the report and in particular those aspects which will have a potential impact on Cherwell.
- 1.2 To note the intention to create a Joint Committee under the Local Government Act 1972 and the Local Authorities (Arrangement for the Discharge of Functions) (England) Regulations 2012.

### **2.0 Introduction**

- 2.1 Cities and their surrounding areas are home to 74% of the population and 78% of the jobs, making them important to the long-term growth and economic success of England.
- 2.2 The country needs more business and employment opportunities to grow the economy. The Government believes that transferring powers to the cities will make it easier for them to achieve economic growth and as a result introduced an initiative which committed to unlocking the full growth potential through city deals.
- 2.3 The first wave of these was in the summer of 2012 and focused on the eight largest cities outside of the Capital. The second wave followed in 2013 and was an invitation to a further 20 city areas, including Oxford.
- 2.4 The purpose of these deals was to give England's cities new powers and freedoms. City Deals are agreements between government and a city that give the city control to:

- take charge and responsibility of decisions that affect their area
- do what they think is best to help businesses grow
- create economic growth
- decide how public money should be spent.

2.5 With the help of the Cities Policy Unit these cities were charged with negotiating deals that would give each city new powers in exchange for greater responsibility to stimulate and support economic growth in their area. Each city had to put forward a proposal by January 2013 that showed how they hoped to do this.

2.6 Despite a wealth of assets in the area, Oxford and Oxfordshire have underperformed; growth has been constrained due to insufficient public transport and an at capacity road network, under developed business networks insufficient, housing supply and lack of critical mass to support growth and investment.

### **3.0 Report Details**

3.1 The “Deal” attempts to address some of these challenges and is attached as Appendix 1. It is not the intention to repeat much of its content here, but to draw out the salient points which will have a potential impact on Cherwell.

3.2 The deal focuses on innovation led growth and in particular the investing in new incubation centres to nurture small businesses. One of these will be the Begbroke Innovation Accelerator focusing on advanced engineering, with a total of £11.2m being made available for its development.

3.3 Across the County local partners will look to accelerate the delivery of 7,500 homes. One of the key elements to this will be the lifting of the Housing Revenue Account debt cap for Oxford City. In addition to this there is a commitment to deliver the emerging housing needs soon to be identified within the Countywide Strategic Housing Market Assessment.

3.4 A review of potential Local Development Order locations will take place, and for Cherwell the most likely consideration will be in respect of Graven Hill.

3.5 The key transport projects which are included, although mainly located in other districts, will clearly have a significant impact on the district and particularly the development of the Oxford Science Transit.

3.6 Likewise, the programmes to support apprenticeships and the support for young people as they transition into work will undoubtedly have a direct impact upon the district’s young people’s chances of finding employment.

3.7 It is the intention to establish a Joint Committee under the Local Government Act 1972 and the Local Authorities (Arrangements for the Discharge of Functions) (England) Regulations 2012 to oversee these arrangements and to take decisions that will be binding on the partner authorities. This will be comprised of six Local Authority and six private sector representatives (non-voting) chaired on a rotational basis by a Local Authority Leader. This will

require the Executive to delegate decision making powers to the Joint Committee on matters within its terms of reference and this will be the subject of a further more detailed report at the appropriate time.

## **4.0 Conclusion and Reasons for Recommendations**

- 4.1 The deal brings with it a significant number of challenges, but also a significant amount of funding which would not normally have been available. By signalling ambition in this way, it also paves the way for the production of the Local Enterprise Partnerships Strategic Economic Plan and, ultimately, a Growth Fund Bid.

## **5.0 Consultation**

- 5.1 A considerable amount of partner resources went into the production of the document as it went through the various drafting processes.

## **6.0 Alternative Options and Reasons for Rejection**

- 6.1 The following alternative options have been identified and rejected for the reasons as set out below.

**Option 1:** To note the plan and the envisaged governance arrangements. This is the preferred option and supported by the information in the report.

**Option 2:** Executive could refuse to support the document or engage in the process, but this is not recommended in view of the fact that the City Deal has already been agreed and there are significant amounts of funding involved.

## **7.0 Implications**

### **Financial and Resource Implications**

- 7.1 A sum in excess of £170m is associated with the deal and a further £2 billion per year is being made available through the Growth Fund process, with more promised in future years. The exact opportunity and impact upon Cherwell are not known at this stage.

Comments checked by:

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## **Legal Implications**

- 7.2 The governance structure being created envisages a Committee/Board being established with the power to bind the local authorities. This cannot be chaired by a non-councillor and the non-councillors cannot have voting rights. Its terms of reference are not yet clear and there will be a further report at the appropriate time seeking agreement to its terms of reference and the delegation of appropriate executive decision making powers, plus the appointment of a member to it.

Comments checked by:

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## **Risks**

- 7.3 There are a considerable number of potential risks associated with this arrangement, the most significant being non delivery of the promises made and the potential impact that this might have on future funding bids. There are also risks associated with the governance arrangements and the inability of the private sector members to vote. The likelihood of these occurring will be reduced by all of the partners continuing to work towards achieving the promises made, and the governance arrangements being considered as part of a subsequent more detailed report.

Comments checked by:

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## **8.0 Decision Information**

### **Key Decision**

**Financial Threshold Met: No**

**Community Impact Threshold Met: Yes**

**Wards Affected Potentially district wide**

### **Links to Corporate Plan and Policy Framework**

This could explicitly impact upon all of the Councils priorities

### **Lead Councillor**

Councillor Barry Wood – Leader of the Council

## Document Information

Appendix No	Title
1	Oxford and Oxfordshire City Deal
<b>Background Papers</b>	
None	
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