

Cherwell Council

Executive

3 October 2016

<p>Report on Refresh of Oxfordshire Local Enterprise Partnership (OxLEP) Strategic Economic Plan</p>

Report of Head of Strategic Planning and the Economy

This report is public

Purpose of report

To consider the 2016 refresh of the OxLEP Strategic Economic Plan.

1.0 Recommendations

The meeting is recommended:

- 1.1 To endorse the refreshed Strategic Economic Plan in principle.

2.0 Introduction

- 2.1 The OxLEP is currently refreshing the Strategic Economic Plan (SEP) for Oxfordshire so that it is more closely aligned with Oxfordshire's current economic environment.
- 2.2 A process of engagement with key stakeholders such as Cherwell District Council and public consultation has led to the current draft SEP.
- 2.3 It is of note that Cherwell is a member of both the Oxfordshire LEP (OxLEP) and the South East Midlands LEP (SEMLEP). This report relates to OxLEP only.

3.0 Report Details

- 3.1. Earlier this year the Oxfordshire Local Enterprise Partnership (OxLEP) published a consultation draft of an updated Strategic Economic Plan (SEP) for Oxfordshire. Cherwell District Council and a number of other stakeholders submitted a number of comments to this initial draft. In response OxLEP have prepared a revised version, which they have asked key stakeholders to consider formally. A copy of the revised draft SEP is attached as Appendix 1.

- 3.2. The SEP provides an important framework to enable Oxfordshire to secure support and infrastructure funding from Government.
- 3.3. The first SEP for Oxfordshire was published in 2014. The decision to refresh the SEP was taken in response to a number of factors including new evidence and insight, greater global economic uncertainty, and engagement with stakeholders. OxLEP's intention is to 'refresh' the SEP but not to fundamentally 'rewrite' it. Broad continuity and consistency is sought what has gone before, albeit with some updating and refocusing. Compared to the original the refreshed version is intended to be higher level, shorter and clearer.

The purpose of a LEP Strategic Economic Plan

- 3.4. Guidance on Strategic Economic Plans was published by Government in July 2013. The guidance states that Local Enterprise Partnerships have a key role in providing leadership and establishing a strategic vision of growth for their area. Government is looking for an approach which brings together the Local Enterprise Partnership and its partners across the Local Enterprise Partnership area around a common growth agenda. It expects these plans to explain the drivers and barriers to growth specific to each Local Enterprise Partnership area, but to have regard to national policy on growth, including for example on housing, transport, skills, industrial strategy, flooding and rural economies.
- 3.5. The purpose of the LEP is to support economic growth in Oxfordshire. The SEP is therefore focused on economic enhancement in its widest sense – support for businesses, workforce skills development, apprenticeship provision, social inclusion etc. It will also seek to ensure that economic growth is sustainable and delivers social and environmental as well as economic benefits. However, the balancing of these three factors – economic, social and environmental – is a matter that is developed and tested through Local Plans, which for Cherwell was adopted in July 2015. Local Plans are statutory documents, the SEP is not. So the development of the SEP relates closely to the Local Plans and the Local Transport Plan led by the County Council.
- 3.6. The current SEP describes in detail the Oxfordshire economy – its attributes, challenges and opportunities. It also, as required by the guidance, sets out an agreed list of infrastructure and other projects to help enhance and grow the economy. The current SEP therefore was a bidding document that allowed the government to apportion to Oxfordshire a proportion of the £2 billion available for such projects throughout England for the period 2015/6.
- 3.7. On the basis of the current SEP, OxLEP were allocated the following funding for infrastructure in Oxfordshire:
- £108.56 million for a range of road improvements
 - A further £9.9 million for transport improvements in north Oxford and to the west of the city centre, and the establishment of the Activate Care Suite to improve adult social care and healthcare in Oxfordshire.
- 3.8. However, two years on, much has changed and there is a need for a stock-take; a reflection of what has been achieved; and renewed focus. This has been given further impetus by the post-election commitment to LEPs and, hence, the need to clarify delivery priorities over the duration of the current parliament.

The Process of reviewing the OxLEP SEP

- 3.9 All of Oxfordshire’s local authorities have been, and continue to be, fully engaged in the SEP refresh process, both as individual Councils and through our role on the SEP Refresh Steering Group.
- 3.10 A Steering Group oversight the SEP refresh included the Oxfordshire Local Authorities, the Universities, the Environment Agency, TOE2, the Earth Trust, Experience Oxfordshire, Community First Oxfordshire as well as business representatives drawn from OxLEP sub groups.
- 3.11 A consultancy, SQW, was appointed to undertake the day-to-day work on the SEP refresh. They were selected under the county council’s public procurement procedures.
- 3.12 Workshops on the SEP refresh took place across the county throughout February and March 2016 to provide an insight into the economic future of Oxfordshire. A period of public consultation then followed in April and May whereby local residents, public bodies, stakeholders and business submitted their comments on the proposed SEP refresh.
- 3.13 The consultation period for the Oxfordshire SEP Refresh closed on 27th May 2016. All consultation responses have been published by OxLEP on its website.
- 3.14 The LEP has considered the comments received during the public consultation period and drafted the revised SEP 2016 (see Appendix 1).

The refresh of the Oxfordshire SEP

- 3.15 The OxLEP vision is that, “By 2030, Oxfordshire will be recognised as a vibrant, sustainable, inclusive, world leading economy, driven by innovation, enterprise and research excellence”.
- 3.16 The process has been concerned with “refreshing” the SEP – not fundamentally “rewriting” it – and there is broad continuity and consistency with what has gone before (with some updating and refocusing).
- 3.17 The SEP is structured around its four programmes of People; Place; Enterprise and Connectivity, as the following diagram illustrates:-



- 3.18 As a result of the refresh a number of changes have been to update the OxLEP SEP, this includes additional text referring to the uncertainty following the Brexit

vote, and stating that the focus on jobs growth through implementing key projects is even more important in this context.

3.19 Within this overall context, the refreshed SEP has been informed by:

- The progress that has been made through other strategic plans led by the LEP; including the Strategic Environmental and Economic Investment Plan; the Oxfordshire Creative, Cultural, Heritage and Tourism Investment Plan; and the Oxfordshire European Structural Investment Plan (ESIF).
- Wider strategic processes within Oxfordshire, including the Innovation Strategy (led by the University of Oxford); and the refresh of the Oxfordshire Skills Strategy.
- major studies within the county (such as the Greenbelt study; the work to assess strategic spatial options for Oxford's unmet needs and options emerging through district and city Local Plans; the update of the Oxfordshire Innovation Engine; and the Oxfordshire Infrastructure Framework).
- Wider strategic processes including, inter alia, those linked to skills (including the refresh of the Oxfordshire Skills Strategy) and training (Local Area Review across Oxfordshire, Buckinghamshire and Berkshire); to transport and connectivity (alongside Northamptonshire, Buckinghamshire, Milton Keynes, Luton, Bedford and Central Bedfordshire); and to broader economic growth narratives (across Oxfordshire, Buckinghamshire and Northamptonshire).

3.20 OxLEP has also made extensive changes to the SEP to address the comments received on the earlier consultation draft. The overall structure of the SEP has been altered so that it reads more logically and smoothly. New illustrations have been added including a map showing Oxfordshire's strategic economic assets and another showing its strategic environmental assets (pages 9 and 110); a table (page 13) that shows the main funding streams; a new info-graphic (page 14) that breaks down the priorities of the SEEIP, CCHTIP, Skills Strategy and Innovation Strategy as they relate to People, Place, Enterprise and Connectivity; congestion heat maps (page 40).

3.21 OxLEP have also attempted to make the relationship between the SEP and Local Plans as clear as possible by including additional content and noting the leading statutory role of each Local Plan in determining the location and scale of growth planned in each District as well as the determination of individual planning applications.

3.22 The revised draft clarifies the SEPs priorities to 2020. The overall priority for Oxfordshire's places is to plan simultaneously for both jobs and housing growth, putting in place the infrastructure required for both, whilst also protecting and where possible enhancing environmental quality and social inclusion. The SEP recognises the need for improvements to both physical and virtual connectivity and supports the implementation of an Oxfordshire Infrastructure Strategy.

3.23 The LEP has dropped the term '*Commitments*' in favour of '*Actions to deliver our Programme*'. Where possible, the LEP has indicated where it is either a direct deliverer of a service, a supporter, an enabler, or an influencer. Actions have been made SMART where it is possible to do so.

- 3.24 The refreshed SEP aims to play a supportive role in helping Councils as Planning Authorities to deliver future growth. Delivering the scale of growth, particularly housing growth, envisaged in Oxfordshire by Local Plans resulting from the application of the SHMA will be challenging. Given that the availability of housing is a vitally important factor for any local economy, it is essential that the SEP keeps abreast of policy as it emerges. The SEP has added additional text to acknowledge the challenge faced by the local planning authorities in providing for housing and employment growth over the next 20 years, and to outline how OxLEP will provide support wherever possible to ensure the delivery of new homes and jobs.
- 3.25 Greater detail has been added on some of the important cross boundary links between Oxfordshire and neighbouring areas, relating to transport and tourism.
- 3.26 In response to comments from Cherwell and others, OxLEP has added an additional priority to the People strand to ensure that the specialist skills of those military personnel in Oxfordshire who choose to remain in the county when they leave service life are used as far as possible in the local economy.
- 3.27. Additional detail has also been added to outline how the SEP will be delivered. The LEP will work through clear governance and management arrangements building on the progress made over the last two years.
- 3.28 There was criticism from some respondents on the earlier consultation, including from Cherwell District Council, that the SEP was too Oxford centric and that it did not acknowledge the areas outside Oxford City and the Oxfordshire Knowledge Spine. In response, OxLEP has added additional text to describe the key roles played by the market towns and the rural areas in the Oxfordshire economy, as well as the gains for the County from the focus on the knowledge spine.
- 3.29 The revised SEP still retains a main focus on the Knowledge Spine. Two main reasons have been given for the main focus on the Knowledge Spine: firstly, it includes the main concentration of economic assets in the county and the greatest opportunities for growth; and secondly many of the jobs likely to be created in the Knowledge Spine are science and engineering related and are well paid. It is stated that these types of job have the greatest local multiplier effects in terms of generating demand for local goods and services.

The Oxfordshire Knowledge Spine



Relationship to the Oxfordshire SHMA

3.30 The SEP relies on the figures for new housing and jobs as set in the Strategic Housing Market Assessment (SHMA) published in 2014. In the consultation some concern was expressed about using the SHMA for the refresh of the SEP. Having been commissioned and accepted by the Local Planning Authorities it is appropriate for the SEP to use the same figures as are being used in the statutory documents, the Local Plans, developed for each District. The Local Plan for Cherwell adopted in July 2015 meets the SHMA in full. It is not for OxLEP to challenge the SHMA through the SEP.

Next steps

3.31 The revised SEP is being considered at the following over the autumn months:

- The six Local Authority Executive and Cabinet meetings
- The OxLEP Board
- The Oxfordshire Growth Board
- The Oxfordshire Skills Board

3.33 Following this formal consideration, OxLEP will further revise the SEP in light of any comments received from these bodies, and the final SEP will be published in November 2016.

4.0 Conclusion and Reasons for Recommendations

- 4.1 The SEP is an important strategy affecting the District. It will influence decisions made on infrastructure funding and local authorities are required to give it due consideration in preparing their Local Plans.
- 4.3. The refresh of the SEP is timely and has provided an opportunity to more closely align the SEP with the economic needs of Cherwell as set out in the adopted Cherwell Local Plan. A key issue is to secure the continuing level of economic activity we are seeing in Cherwell with major new investors at allocated employment sites alongside the planned housing growth at Banbury, Bicester and Upper Heyford.
- 4.4 The refreshed SEP has an important role to play in supporting the delivery of the economic objectives identified in the Cherwell Local Plan, to help fund the necessary infrastructure identified in the Cherwell Infrastructure Delivery Plan and maintain support the partnership provision of business support measures that already exists between OxLEP and the Cherwell District Council.

5.0 Consultation

CDC was a consultee in the development of the OxLEP SEP and a member of the steering group which oversaw its preparation.

6.0 Alternative Options and Reasons for Rejection

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

Option 1: Reject the OxLEP SEP

This is not proposed given the level of engagement to secure a refreshed SEP that is aligned with the Cherwell Local Plan.

Option 2: Seek further amendments

This is not recommended as all substantive issues have been addressed through the process of refreshing the SEP such that it is now aligned with the Cherwell Local Plan.

Option 3: Endorse the OxLEP SEP in principle.

This is recommended given the close alignment with the Cherwell Local Plan that has been secured. It is also clear that the SEP stands to support the ambition of the Cherwell Local Plan to growth the economy of the Cherwell District.

7.0 Implications

Financial and Resource Implications

- 7.1 There are no direct financial implications from the OxLEP SEP. But it is of note that the final agreed SEP is a significant basis for access to funding for infrastructure across Oxfordshire.

Comments checked by:

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Legal Implications

- 7.2 There are no direct legal implications for Cherwell District Council from the OxLEP SEP. The basis for the preparation of the refreshed SEP is set out in the report.

Comments checked by:

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8.0 Decision Information

Key Decision

Financial Threshold Met: No

Community Impact Threshold Met: No

Wards Affected

All

Links to Corporate Plan and Policy Framework

All

Lead Councillor

Councillor Lynn Pratt – Lead Member for Estates and the Economy

Document Information

Appendix No	Title
One	CDC comments to OxLEP on 28 May 2016
Two	Draft SEP
Background Papers	
None	
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**Contact
Information**

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