Cherwell District Council

Executive

3 March 2014

Oxfordshire Strategic Economic Plan

Report of Director of Development

Purpose of report

For members of the Executive to note and consider the current versions of the South East Midlands and Oxfordshire Enterprise Partnerships Strategic Economic Plans.

1.0 Recommendations

The meeting is recommended:

1.1 To note and consider the Oxfordshire and South East Midlands Strategic Economic Plans.

1.2 To note the proposed governance arrangements in respect to the Oxfordshire plan in particular, and to agree to receive future reports which will provide the detail of what the Joint Statutory Committee will be responsible for and the areas of delegation.

1.3 To delegate authority to the Chief Executive in consultation with the Leader of the Council to endorse if required the final Strategic Economic Plans prior to their submission to Government.

2.0 Introduction

2.1 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 can seek freedoms and flexibilities from Government as well as a share of the new Single Local Growth Fund. Growth Deals (and access to the Single Local Growth Fund) will be based on the production of a Strategic Economic Plan. The Strategic Economic Plan will be a new multi-year local growth strategy that demonstrates how Local Enterprise Partnerships will deliver growth based on a strong rationale, value for money and partnerships for delivery.

2.2 The Government anticipated that a Local Enterprise Partnership's Strategic Economic Plan, City Deals and its European Structural and Investment Funds Strategy would be designed and intended to function as an integrated package. With all three using the same evidence, rationale and ultimately contributing to achieving the same vision.

2.3 The Single Local Growth Fund is a competitive pot and access to it will depend on the strength of the Strategic Economic Plan. The Growth fund is not new money; it is the bringing together of a number of existing funds – mainly transport related capital funds.

2.4 A poor Strategic Economic Plan – or one which does not fully support economic growth - could result in a fall in the level of resources available and a weakening of the various agencies credibility with Government.

2.5 Alongside the Local Growth Fund, every Local Enterprise Partnership is being given responsibility for drawing up investment plans for over £5 billion of European Structural and Investment Funds for England for the period 2014-2020 but this is not the subject of this report, which concentrates upon matters relating to the Growth Fund and the associated economic plans.

3.0 Report Details

3.1 In response to the Government's requirements and associated bidding process, both of the LEP's which overlap this district are in the process of producing their draft plans in order to set out their vision and priorities for the areas that they cover.

3.2 The Government timetable for the process required first draft strategies to be submitted by the end of December. Feedback would then be given during January and February, with a final version of the document being submitted towards the end of March. Government would then start the formal assessment process, with final assessments by the end of June 2014 followed by implementation of these deals from April 2015 onwards. Both documents are therefore currently at the first draft stage.

3.3 Whilst there is no formal ranking or 'minimum standard' for the Strategic Economic Plan, Government's assessment will influence the size and scope of any growth deal the Local Enterprise Partnership is invited to negotiate. Logically a poor plan will receive a small allocation from the Local Growth Fund.

3.4 This Council has already invested considerable time and effort into supporting the preparation of the documents and the LEPs more generally, including the Head of Planning Policy and Economic Development drafting the "Rural" section of one of the documents, significant involvement of a member of the Economic Development Team, the Director of Development participating in a the key strategy groups and the Chief Executive leading on the ESIF process.

3.5 The SEMLEP plan is a lengthy document, and in view of this only the Executive Summary has been attached as Appendix 1 to this report. Complete versions are available on request to any Members who may wish to view the full set of documents.

3.6 The main focus of the plan is based around the four investment pillars of business productivity, markets, workforce skills and infrastructure supported by the eight key objectives.

3.7 The final version of the Oxfordshire plan is awaited, but early drafts focused on the four Thematic Objectives built around innovation and quality of life:

- 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;

- 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;

- Innovative People – delivering specialist and flexible skills at all levels as required by our businesses with full employment and fulfilling jobs;

- Innovative Connectivity – allowing people to move freely, connect easily and providing the services and facilities needed by a dynamic, growing and dispersed economy.

3.8 It has recently been decided however to significantly review this approach and add a geographic dimension to the Plan focusing on the three growth points identified in the City Deal (Bicester, Oxford and Science Vale). Whilst this allows the strategic issues facing the area to be expressed, it does present a challenge in drafting a coherent strategy for the LEP area.

3.9 The rationale for this geographic focus was to reinforce the Knowledge Spine concept centred on the major economic growth centres: Bicester, Oxford and Science Vale including the Enterprise Zone (Harwell and Milton Park) promoted as part of 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.

3.10 This will clearly have a significant impact upon the final version of the plan which is still awaited at the time of writing this report, hence the recommendation to delegate final endorsement of the plan to the Chief Executive in consultation with the Leader.

3.11 Discussions are well advanced between the LEP's as to how they will prioritise projects, address cross boundary issues including determining the lead for projects and then ultimately the potential allocation of funding.

3.12 The Local Authority Chief Executives and Leaders Group have reviewed governance arrangements for the delivery of the Oxfordshire Plan 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.

3.13 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 are intended to be limited to delivering the City Deal and Strategic Economic Plan and would not have any general powers of competence. Specifically, planning powers would remain with the Local Authorities as at present.

3.14 There may be a potential to also agree with Government a streamlined approach to 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 and, for this Authority, the most obvious candidate would be Graven Hill.

3.15 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.

3.16 This will be the subject of further report by the Head of Law and Governance at the appropriate time.

4.0 Conclusion and Reasons for Recommendations

4.1 Going forward, the majority of growth funding and a significant number of other funding streams will either flow directly or be heavily influenced by the LEP's and therefore it is important to engage and influence both plans.

5.0 Consultation

5.1 Both LEP's have drawn on partners resources to input into the documents as they have been through the drafting process.

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, assist and ultimately support the production and submission of the plans. This is the preferred option and supported by the information in the report.

Option 2: Executive could refuse to consider the documents or engage in the process, but this is not recommended in view of the significant amount of potential funding involved.

7.0 Implications

Financial and Resource Implications

7.1 The Council will continue to support the Local Enterprise Partnership to develop and finalise the Strategic Economic Plan by providing staffing support to work alongside County Council and other partners.

The Council will consider what resources need to be in place to undertake any necessary work on specific project development and project management relating to projects and commitments that arise if the LEP is invited to enter into a Growth Deal.

A sum of £2 billion pounds is associated with the Growth Fund, with more promised in future years. For this first round half of that amount is available for allocation under the competitive bidding process.

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Legal Implications

7.2 If a Joint Statutory Committee is to be established with power to bind the local authorities the governance structure will need careful consideration. Any non-local authority members of the Committee would need to have non-voting status and the Chairman would need to be a Councillor. Once the details are known this will need to be the subject of a further report.

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Risks

7.3 There are two notable risks associated with the Strategic Economic Plan.

Any risks associated with this document would impact more directly on the LEP's, but clearly the most significant risk for CDC is that funding which could potentially be invested within the district is lost to another area.

Secondly, that the final Plan is not endorsed by Government. This is highly unlikely. But it is possible that the plan is judged by Government to be of insufficient quality to develop into a Local Growth Deal. Whilst the endorsement of the Strategic Economic Plan will be based on its merits in articulating barriers and opportunities for growth, invitations to develop a Local Growth Deal will be a competition based on the quality and deliverability of Plans from other Local Enterprise Partnerships.

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8.0 Decision Information

Key Decision

Financial Threshold Met: **No**

Community Impact Threshold Met: **No**

Wards Affected

Not yet known

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	Executive Summaries from the SEMLEP Draft Strategic Economic Plans
Background Papers	
None	
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