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Introduction to the work of OxLEP

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Chief Executive

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Oxfordshire Growth Board Scrutiny Panel
30 May 2019



Agenda Item 6

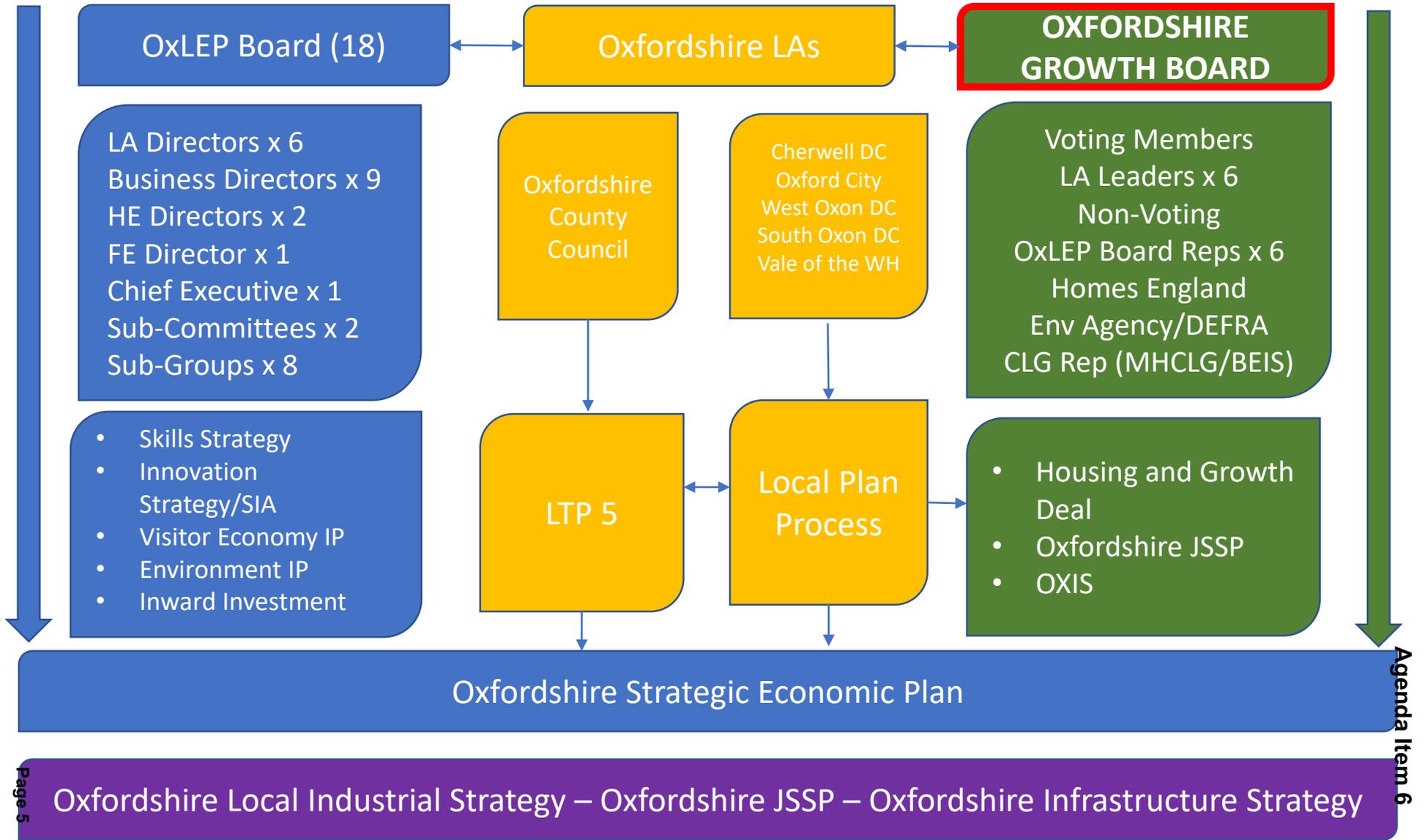
Structure of this briefing:

- **Organisational structure**
 - How we feed into the Growth Board
 - Our Board, committees and sub-groups
 - Directorate structure and responsibilities
 - Government reporting and accountability
 - Operational delivery
- **Looking ahead**
 - LEP Review and National Assurance Framework
 - Oxford-Cambridge Arc
 - Business Planning Period 2019 to 2021
- **The Local Industrial Strategy – an update**

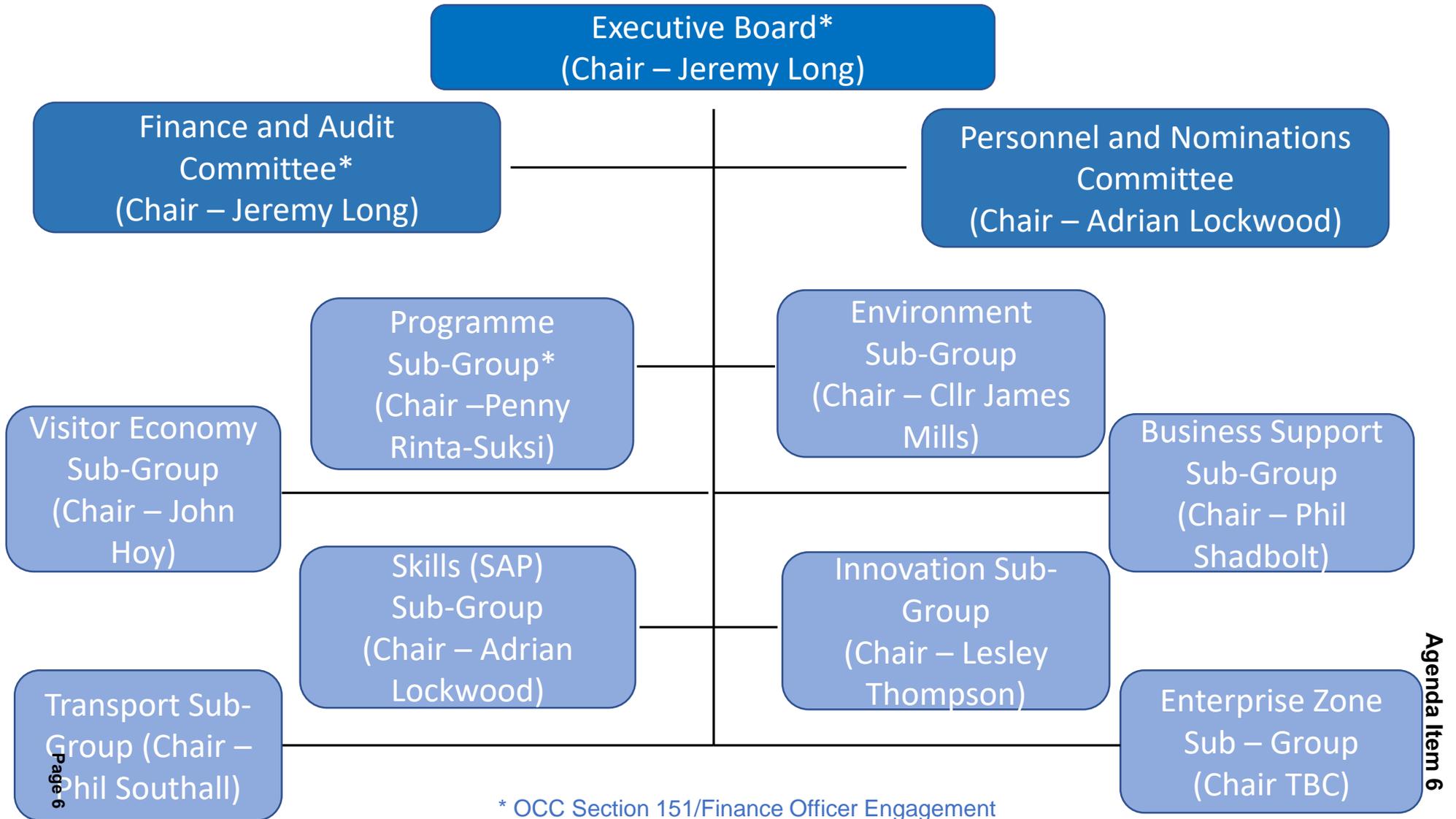
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Organisational structure

How we feed into the Growth Board:

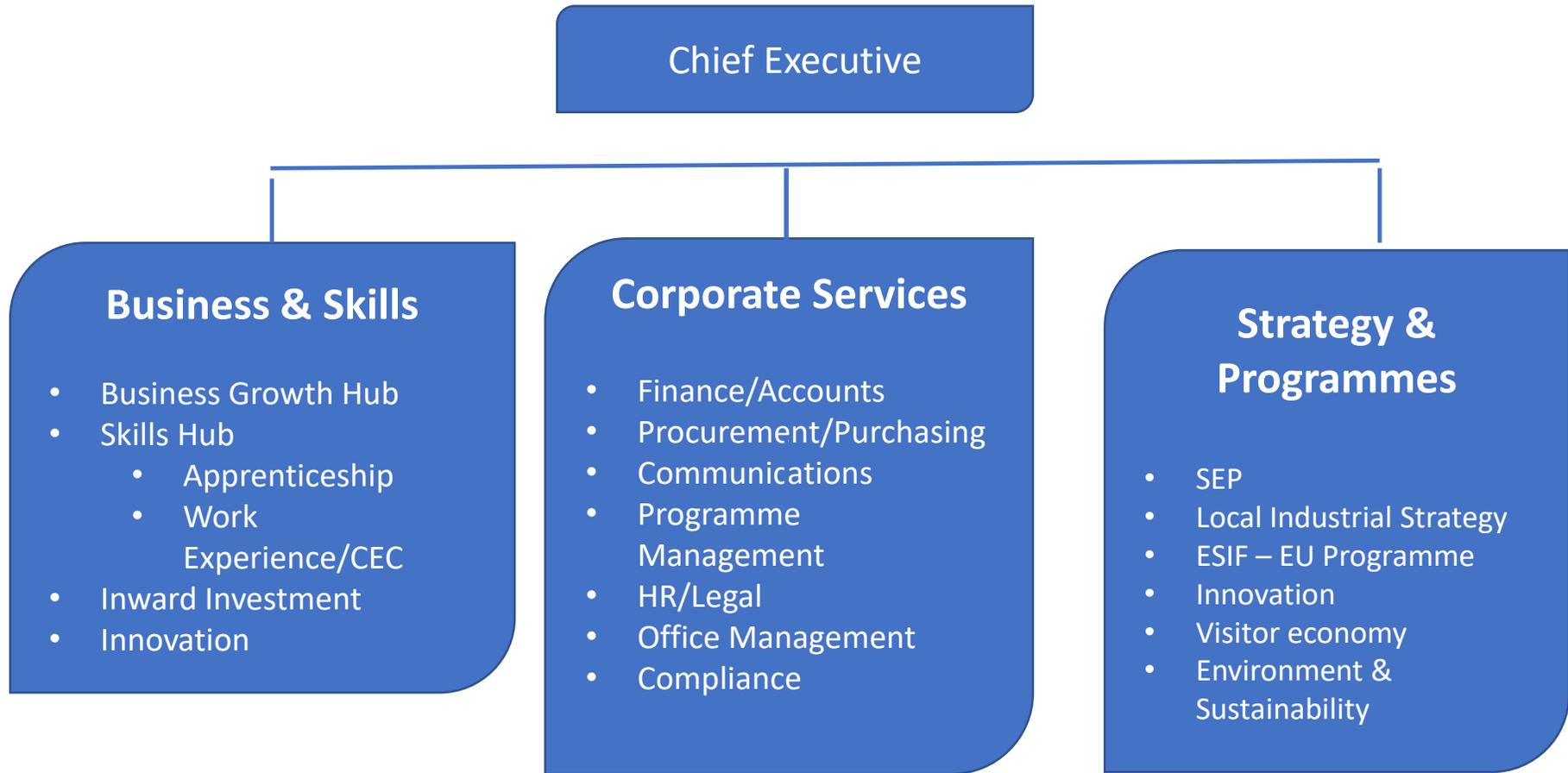


Our Board, committees and sub-groups:

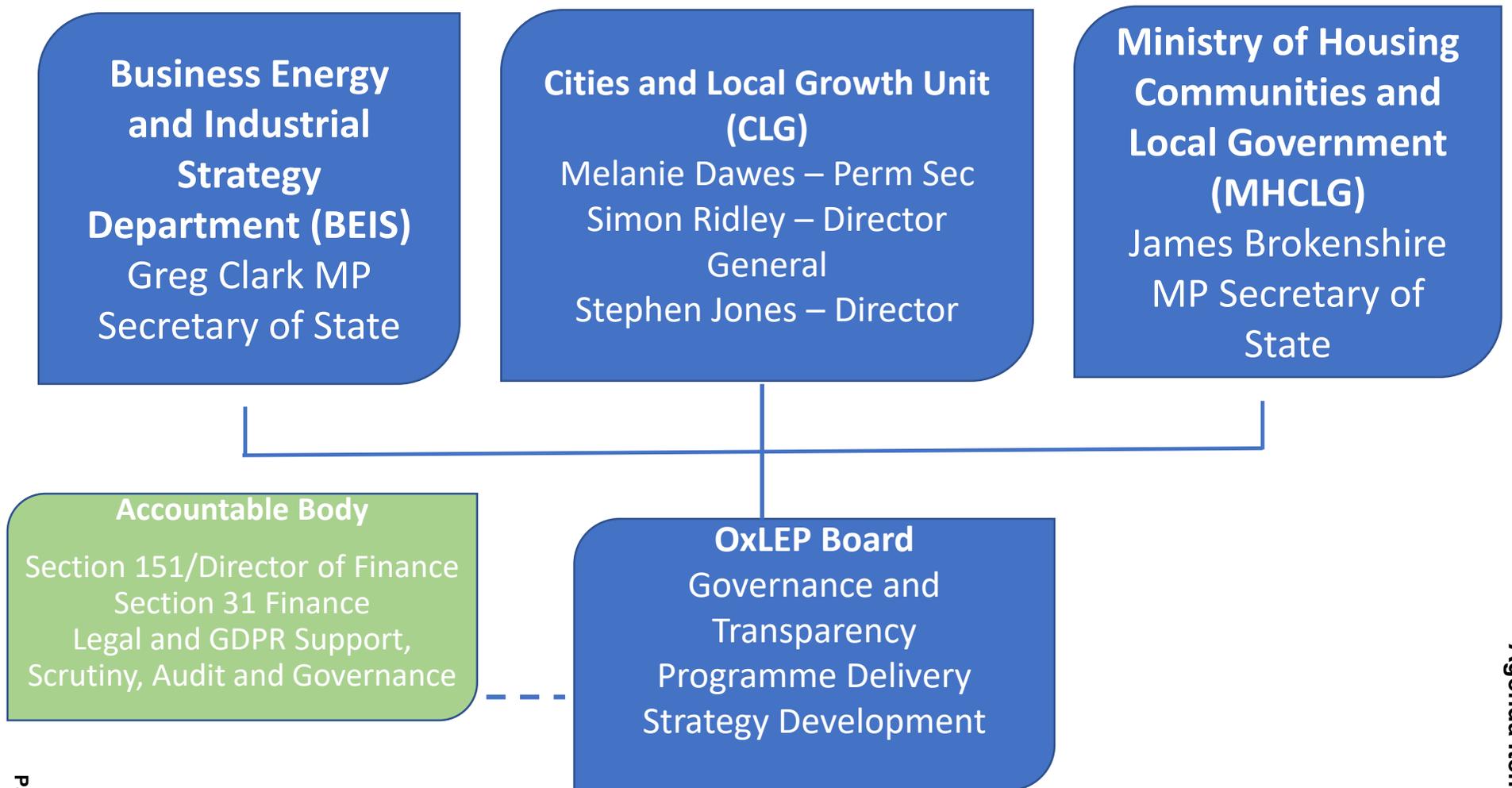


* OCC Section 151/Finance Officer Engagement

Directorate structure and responsibilities:



Government reporting and accountability:



Operational delivery:

- **Growing Places Fund:** £9m grant (£16m programme)
- **Oxford and Oxfordshire City Deal:** £55.5m grant (£1.3bn programme)
- **Enterprise Zone programme:**
 - **EZ One: Harwell Campus and Milton Park:** £136m Business Rate Programme
 - **EZ Two: Didcot Growth Accelerator:** £119m Business Rate Programme
- **HE Pinch Point:** £10m Grant (£29.5m programme)
- **European Structural Investment Fund:** £19m grant (£39m programme)
- **Local Growth Fund:**
 - **LGF Round One:** £143m grant (£240m programme)
 - **LGF Round Two:** £9.9m grant (£606m programme)
 - **LGF Round Three:** £24m grant (£177m programme)
- **Housing and Growth Deal*:** £215m grant programme
- **Housing Infrastructure Fund*:** £218m grant programme

** In partnership with the Oxfordshire Growth Board*

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Looking ahead

LEP Review and National Assurance Framework guidance for 2019

The Ministry of Housing, Communities and Local Government undertakes an annual performance review with each Local Enterprise Partnership – these reviews consider performance over the previous 12 months in the areas of **governance**, **delivery** and **strategy**. This was announced earlier this month.

Best practice:

- **Continuous improvement:** LEPs have made significant proactive improvements, including substantial governance restructures to improve accountability and transparency
- **Culture:** Good governance which is embedded throughout the LEP and decision making
- **Project management:** Proactive in the management of LGF programmes and take active steps to mitigate risk
- **Stakeholder engagement:** Strong convenors of local, regional and national stakeholders

Areas of improvement:

- **Separation of duties**
- **Diversity**
- **Branding**

To support this, our work is aligned with Government's **National Assurance Framework** for Local Enterprise Partnerships, which sets out our governance arrangements, policies and protocols.

Oxford-Cambridge Arc

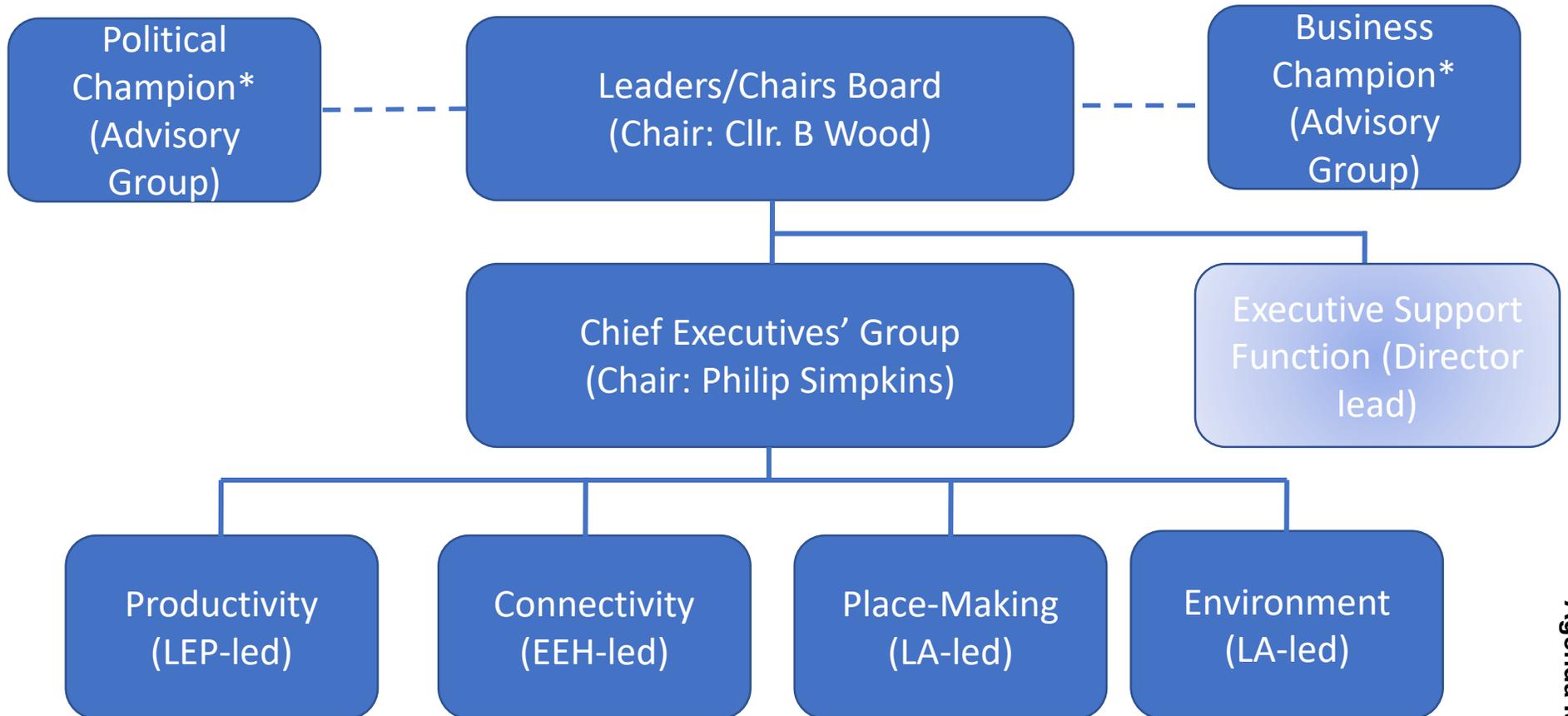
An overview:

- The *Oxford-Cambridge Arc* offers a successful, innovative and productive knowledge-economy that contributes over £111 billion GVA nationally, with potential to do more.
- The UK government has clearly positioned the *Oxford-Cambridge Arc*'s growth potential as 'a national priority'.
- Success can be accelerated if we position the Arc's potential clearly in the minds of global investors.
- 'UK PLC' can capitalise on the *Oxford-Cambridge Arc*'s growth potential, through leveraging ALL the economic strengths across the region.
- Backed by a long-term plan and an investment partnership between government and local leadership, the *Oxford-Cambridge Arc* offers a once-in-a-generation opportunity.

Oxford-Cambridge Arc

- Strong Local Industrial Strategies focused ‘on place’ being developed
- Informal but strengthened *Oxford-Cambridge Arc* working arrangements agreed:
 - Leaders/Chairs’ Group
 - Chief Executives’ Group
 - Thematic Lead Groups
- Agreement reached on reporting/thematic-lead structure
 - **Productivity** (LEP-led), **Connectivity** (EEH-led), **Place-making** (LA-led)
- Government appointing a Ministerial Champion and Business Champion to drive opportunities with Advisory Board capacity
- Productivity-Lead
 - Joint commissioning of Oxford-Cambridge Economic Vision building on place
 - LEP commissioned (OxLEP client lead)
 - Working arrangements agreed with CLG Officials
 - Focuses upon cross arc opportunities and assets

Oxford-Cambridge Arc – indicative working arrangements



Business planning period – 2019 to 2021

- **Business planning period – 2019 to 2021**
 - Operating plan programme delivery/resilience (LGF/ESIF/LIS – UKSPF)
 - Recruitment and retention of staff essential
 - Maximising operational stability – securing income/core funding post March 2020
 - Communications: “We” not “I”, and “us” not “the LEP”
- **Board and team resilience**
 - Sub-group working arrangements strengthened
- **LEP Review/policy recommendation – implementation**
 - Gender Diversity Action Plan
 - Appointment of a ‘Gender Champion’
 - Responding to the ‘public meeting’ requirements
 - Improving transparency of decision-making
 - Strengthening administrative/programme capacity
- **New National Assurance Framework Guidance 2019**
 - Full compliance – noting points above

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The Local Industrial Strategy – an update

What Is The LIS and What Does It Aim To Do?

- Statement of intent – clear strategic narrative which defines and positions Oxfordshire’s leadership role in UK economy
- Build on key Oxfordshire strategies e.g. Skills, Energy, Innovation
- Not more of the same – radical and transformational
- Maximises and connects the strategic assets and capabilities across Oxfordshire
- Provide a framework for delivery and investment
- Provides momentum and direction for Oxford – Cambridge Arc

The Oxfordshire Local Industrial Strategy: Guiding Principles

As part of the launch of the UK National Industrial Strategy, Oxfordshire was invited by Government to develop a Local Industrial Strategy in wave one.

This is a huge opportunity to build an ambitious programme for long-term economic growth.

The Oxfordshire Local Industrial Strategy is centered around three principles:

1. Oxfordshire can deliver for the UK

As one of three net contributors to the exchequer, Oxfordshire will deliver economic growth and manufacturing and supply chain opportunities for the rest of the UK.

2. Oxfordshire is a great place to invest

Oxfordshire has a world-class innovation ecosystem with a concentration of global assets and strengths. This, along with our strengths in research and talented workforce, make Oxfordshire a great place to invest.

3. Oxfordshire has international potential

Many of Oxfordshire's industries already compete on a global level, and in new emerging markets. Investing in Oxfordshire will support us in our international potential.

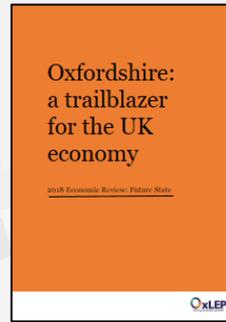
The Oxfordshire Local Industrial Strategy

A compelling vision founded on a comprehensive evidence base



Economic Review: Baseline

This is an objective assessment of Oxfordshire's economic performance to date. It provides evidence which has helped us shape future plans for growth, with a detailed economic and spatial analysis.



Future State Assessment

This sets out an ambitious growth trajectory for Oxfordshire, taking into account the global megatrends shaping future growth, stakeholder views and the evidence from the Baseline Economic Review.



Oxfordshire Local Industrial Strategy

The Oxfordshire Local Industrial Strategy sets out how Oxfordshire can achieve its ambition to become a top three global innovation ecosystem by 2040. It is a prospectus for Oxfordshire, and designed to help stakeholders and investors understand how they can contribute to the delivery of sustainable and inclusive growth in Oxfordshire over the next twenty years.



Investment Prospectus

The Prospectus will underpin the Oxfordshire Industrial Strategy. It will take forward the policy interventions central to the Strategy, setting out in more detail how we will work with partners and investors across Oxfordshire, the UK and internationally to deliver them.

And informed by an extensive programme of engagement which has seen over 300 organisations participating in the strategy process:



HMG Check and Challenge sessions on evidence base and approach



Bilateral meetings with key stakeholder Senior Leadership Teams and Boards



Spatial planning sessions with local authorities, science parks and investors



Set piece workshops and working sessions with business leaders, millennials, sector and thematic groups, and the wider OxLEP Family



Analysis of competing global innovation ecosystems and challenger locations

LIS Evidence Base

What Is The Data Telling Us?



The Oxfordshire Economy



ECONOMY

£23bn
GVA generated
each year



3.9%
GVA growth
year on year
since 2006



1 of 3
net County
contributors to
the UK
exchequer

POPULATION



51%
of working age
population
educated to
degree level or
above



2.6%
unemployment
rate in the
working age
population

STRENGTHS



1st

Oxford University
rank in Times
Higher Education
global rankings
2018



£600m

largest fund for
university spin
outs in Europe:
Oxford Sciences
Innovation



\$1bn

track record of
growing
businesses
with market
values of over
\$1 billion



50,000

New private
sector jobs
created
since 2011



30m

visitors to
Oxfordshire
each year,
many of them
international

CHALLENGES



50%

higher median
house prices
than the English
average



3%

annual growth in
apprenticeships,
well below the UK
average of 12.5%



7%

full fibre rollout,
well behind
many
international
competitors



55%

increase
population aged
over 85 by 55%

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Oxfordshire's Critical Economic Sectors, Assets and Growth Opportunities

Begbroke Science Park

- key sectors: advanced engineering, medical tech*
- 60+ world leading research and technology companies employing 900+ staff
 - Begbroke Innovation Escalator spin out hub
 - Proposed 4000 homes as part of wider A44 corridor vision to double capacity at Begbroke including new station and linking to Oxford Airport and Oxford Parkway

Living Labs Testbeds

- Undertake smart living pilots at scale using emerging technologies integrated into major housing development to tackle Grand Challenges:
- Bicester Garden Town 13000 homes (inc healthy town and EcoTown)
 - Didcot Garden Town 15000 homes
 - West Oxfordshire Garden Village 7000 homes

Harwell Campus

- key sectors: Health Sciences (med tech, life sciences, digital health), Space Applications, Energy*
- 200+ world leading research and technology companies on site employing c6000 people
 - designated UK Space Agency gateway with UK largest space cluster of 80+ growth companies
 - location of critical UK strategic assets including Diamond Light Synchrotron, Medical Research Council, Public Health England
 - EZ1 development site of 93ha
 - Proposed 1000 new homes as part of Harwell Innovation Village

Upper Heyford Film City

key sectors: creative industries inc proposed 130 acres international film & tv studio complex



Motorsport Valley

key sectors: advanced engineering, battery technology, high performance motorsport technologies

Oxford City Science Area

- key sectors: Life Sciences, AI, Digital Health, Quantum Computing, HQ CBD*
- Oxford BioEscalator
 - Old Road Campus Medical Research Centre
 - John Radcliffe, Nuffield & Churchill Hospitals Quarter
 - Centre for Applied Semi-Conductivity
 - Oxford Science Park
 - Osney Innovation District
 - Oxford Northern Gateway
 - Oxford Station Quarter and Central Business District

Culham Science Park

- key sectors: Energy, Robotics & Autonomous Systems*
- Over 2000+ world leading scientists on site working with UK strategic assets
 - Centre for Fusion Energy
 - Remote Applications in Challenging Environment Centre (RACE)
 - 3500 homes proposed at adjacent Culham Smart Village providing testbed for new forms of mobility via Autonomous Vehicles

Milton Park / Didcot Garden Town

- key sectors: Life Sciences*
- 250+ high technology companies employing 9000+ people, encompassing leading life sciences cluster
 - EZ1 package of 9 separate development sites totalling 21ha
 - Adjacent to EZ2 Didcot Growth Accelerator offering grow on space across 102ha of land
 - Testing of new forms of mobility via Autonomous Vehicles pilot linked to Didcot Garden Town

Williams Innovation & Technology Campus

key sectors: advanced engineering inc new high performance technology campus cluster

- World leading assets across the length and breadth of County
 - Largest space cluster in Europe
 - UK hub for Formula 1 and high performance manufacturing technology innovation
 - Globally significant health and life sciences sectors
 - UK Hotspot for creative and digital industries
 - Pioneering energy and low carbon sector
- Highest concentration of science assets in Western Europe
- One of UK's most significant tourism & hospitality markets – 30m visitors per annum

The Oxfordshire economy is growing rapidly but requires dynamic policy interventions due to its truly unique structure

Cornerstone business sectors:

Mature sectors and markets, for example:

- Professional services,
- Leisure, Retail
- Hospitality and Tourism
- Healthcare



High growth business sectors:

High growth, technology-driven new market entrants, internationally focused, for example:

- Space technologies
- Life sciences
- Quantum computing
- Autonomous vehicles
- Robotics



Cornerstone businesses support breakthrough businesses, providing them with essential services and supply chains.

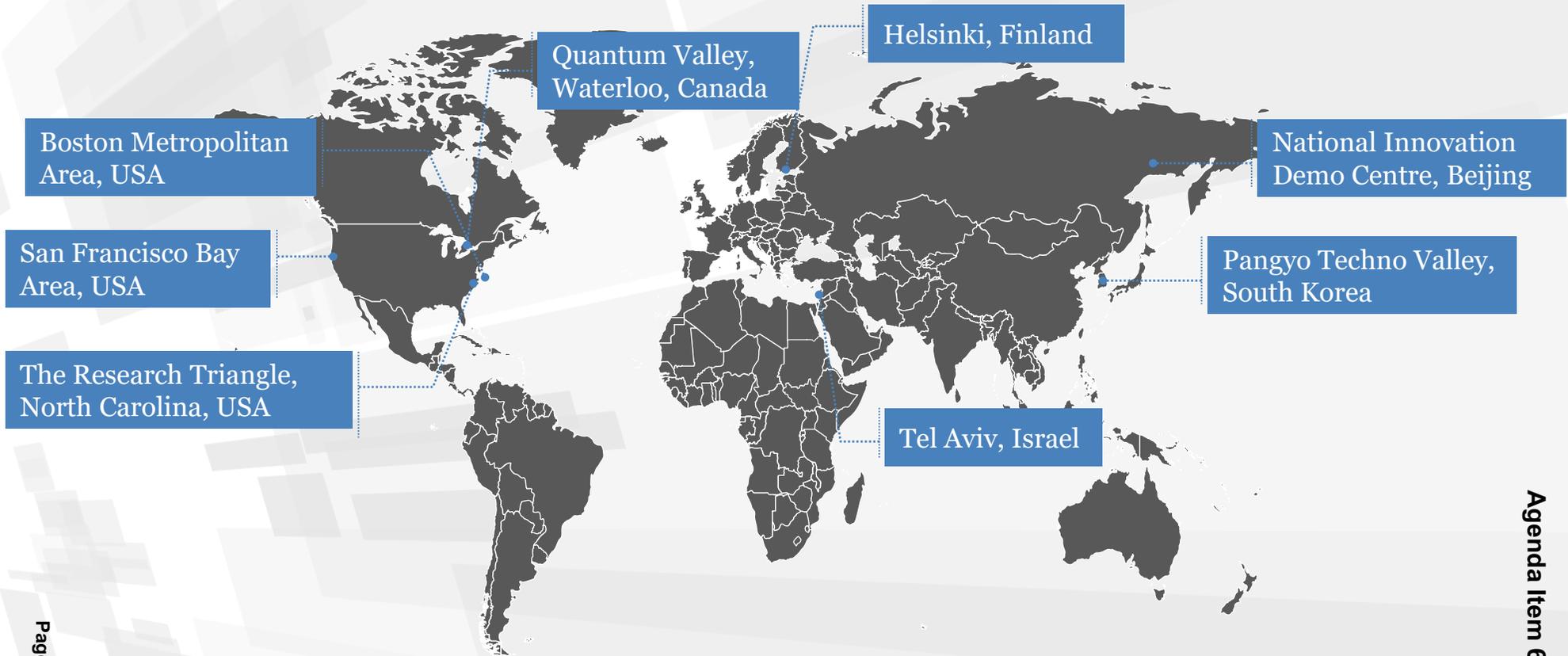
2.4%
growth year-on-year in the number of businesses⁴



9%
growth year-on-year in the number of businesses⁵

Breakthrough businesses stimulate growth throughout the economy, and can transform cornerstone business models through sharing innovation and technology that can improve productivity.

Benchmarking: Oxfordshire's global competitors



Six characteristics of a globally leading innovation ecosystem



Iconic brand & vision

Distinctive vision
Clear and confident proposition



Liveable place

Connected
Sustainable
Community
Affordable



Strong financing

Government priming
Access to finance
FDI / MNC investment
Revolving investment



Commercial culture

Creative entrepreneurship
Business dynamism & leadership
Cluster & localisation benefits
Broad risk appetite



Keystone assets

Leading universities
Growth hubs/ clusters
National assets
Keystone companies



Talent proposition

Multicultural and diverse workforce
Retention of global talent
Fluid labour market



Vision Statement

To position Oxfordshire as one of the top three global innovation ecosystems by 2040, building on the region's world leading science and technology clusters to be a pioneer for the UK in emerging transformative technologies and sectors

VISION:

Oxfordshire will be a top three global innovation ecosystem by 2040, building on our world-leading science and technology clusters to be a pioneer for the UK for emerging transformative technologies and sectors

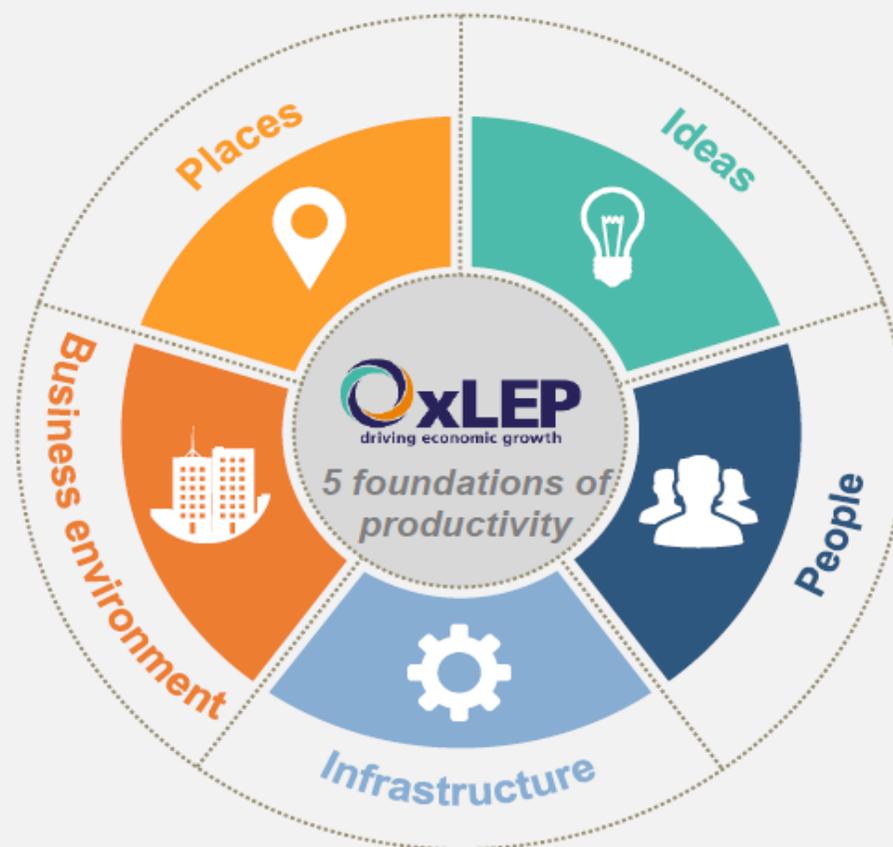
I A globally connected and competitive ecosystem	II A powerhouse for commercialising transformative technologies	III A living laboratory solving The Grand Challenges
<p><i>Oxfordshire's ecosystem is internationally renowned due to the strength and concentration of world class assets and innovation. This pillar will focus on developing the critical components and infrastructure of the innovation ecosystem (physical, digital, business, financial, human) to increase international connectivity and compete at a global level.</i></p>	<p><i>Oxfordshire is a commercial hub, known globally for being a place which brings researchers, businesses and innovators together. This pillar will focus on maximising technology innovation, R&D and commercialisation by putting in place mechanisms throughout the business lifecycle to support and accelerate global leadership in critical emerging sectors and technologies.</i></p>	<p><i>Oxfordshire's environment and demographics, together with its ambitions for housing growth, creates the platform for developing new innovation in place making, at scale. This pillar will focus on developing Oxfordshire as a globally recognised sustainable, liveable place utilising new technologies and services developed within the ecosystem to tackle the four Grand Challenges set out in the Industrial Strategy</i></p>
IV A skills system creating opportunities at every stage of life		
<p><i>Oxfordshire's economic success is tied to the dynamic and skilled workforce it is able to access, develop, nurture and retain. As a cross cutting priority, the focus of this foundation pillar will be to build an education and skills system which is agile and responsive to the needs of Oxfordshire's businesses and innovation ecosystem, and which creates the pathways that can provide young people and local communities to develop the skills needed to access new employment opportunities which will be created</i></p>		

Our vision for the Oxfordshire Industrial Strategy is to position Oxfordshire as one of the top three global innovation ecosystems by 2040, building on the region's world leading science and technology clusters to be a pioneer for the UK in emerging transformative technologies and sectors

As part of our vision, we will:

We will deliver our ambitions by setting out interventions linked to five foundations of productivity:

<p>GVA</p>	<p>PRODUCTIVITY</p>
<p>Double the Oxfordshire economy to be worth £46bn GVA^{1*}</p>	<p>Deliver a minimum of 2% per annum growth in productivity²</p>
<p>JOBS</p>	<p>R&D</p>
<p>Create a minimum of 108,000 net new private sector jobs in Oxfordshire³</p>	<p>Contribute towards the Government's 2.4% R&D target⁴</p>



Understanding The Role of Oxford – Cambridge Arc



- HMG advancing the Arc as central to wider economic and investment plans
- Ox-Cam Economic Vision document prepared, building on four LIS's developed by LEPs across the Arc
- Looking to scale up and align interventions set out in LIS at Arc level, where possible and appropriate
- We need to consider and position our priorities and investment case accordingly
- Need to retain our national and international offer

LIS Whitehall Engagement – HMG Proposed Approach

OXFORDSHIRE

- Science Parks and Technology Hubs
- Living Labs

Progressed locally by Oxfordshire

- *Oxfordshire Infrastructure Strategy*
- *Oxfordshire Energy Strategy*
- *'Connecting Globally' platform*

- Discussions commenced with DCMS and BEIS Energy Team but at exploratory stage
- Interest from British Business Bank in exploring an Arc-wide Investment Fund – very early stages and request made for HMT engagement

ARC WIDE

- Skills Development
- Digital Investment Plan
- Internationalisation Strategy and Brand
- Business Scale Up and Support
- Investment Funds

So, Where Are We In The Process?



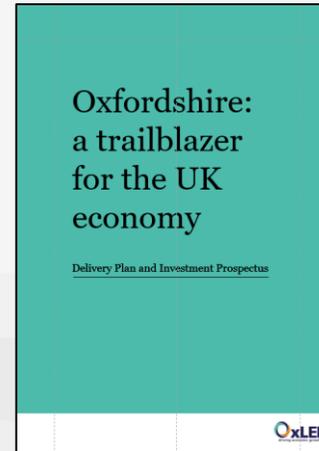
- 21st Dec - technical document submitted for negotiation
- Jan - some discussions with policy teams e.g. R&D 2.4% ambition
- Feb - request for policy papers to inform departmental meetings
- Mar – preparation of reworked shorter document around new template / structure



- BREXIT significantly impacting on bandwidth of departments to meet
- March - Formal negotiations commence with some departments but initially at Arc level
- Apr – Oxfordshire discussions to commence



- July – revised date for Ministerial sign off and publication of LIS



July - commence development of prospectus and delivery plan focused on CSR Timetable in parallel with Arc ambitions

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Any questions welcome...

T: @OxfordshireLEP

L: Oxfordshire Local Enterprise Partnership