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Year 13 students at UTC Oxfordshire

A GAME-CHANGING YEAR FOR OXFORDSHIRE

[Oxfordshire Local Enterprise Partnership
(OxLEP) Ltd Annual Report – 2017/2018]



“We are building from a position of strength.”

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Nigel Tipple – Chief Executive, at our January Q&A event

WELCOME TO OUR ANNUAL REPORT FOR 2017/2018

This annual report is entitled: ‘A game-changing year for Oxfordshire’, reflecting the significant economic developments that emerged over the past 12 months, as Oxfordshire continued to demonstrate how it can be a ‘global asset’ to ‘UK PLC’ both now and – perhaps more importantly – longer-term too.

Clearly, the major change to our economic landscape will be the end of the UK’s membership of the European Union in March 2019.

It’s still unclear how negotiations will progress and indeed conclude, but – whatever Brexit brings – Oxfordshire is in a prime position to capitalise on the opportunities presented through global trade opportunities and collaboration. We are building from a position of strength.

One such opportunity is the development of an Oxfordshire Local Industrial Strategy (LIS).

Our ambition for Oxfordshire’s LIS is to position the county as one of the top-three innovation ecosystems globally – building on the region’s world-leading science and technology clusters – and to pioneer emerging transformative technologies and sectors, as part of the wider ‘Oxford-Cambridge Corridor’.

The LIS also provides a framework for delivery and investment for ‘UK PLC’ and will avoid ‘more of the same’, nurturing radical and transformational ideas.

This global potential was further-emphasised last autumn in the form of the Oxfordshire Transformative Technologies Alliance’s Science and Innovation Audit (SIA).

It stated that the UK economy – through Oxfordshire’s four emerging transformative technologies of digital health, space-led data applications, autonomous vehicles and

technologies underpinning quantum computing – can become a ‘global leader’ and, if fully-utilised, could be worth in the region of £180bn to the UK economy by 2030, around six per cent of the global economy in these technologies.

In addition, working through the Oxfordshire Growth Board a hugely-significant £215m Oxfordshire Growth Deal – announced by the Chancellor of the Exchequer last November – will boost productivity, invest in infrastructure to support the delivery of up to 100,000 new homes across the county by 2031 and will allow Oxfordshire to utilise world-class science and innovation assets, as well as making full use of our two government-backed enterprise zones.

The deal recognised the collaborative approach taken by the Oxfordshire Growth Board to ensure that, not just the county – but the wider region – benefits from a programme of sustainable growth.

We also saw the continued emergence of the retail sector within Oxfordshire, thanks to the £440m Westgate Oxford redevelopment and the opening of 30 new stores at Bicester Village, which now attracts over 6.5million visitors a year.

As we head into 2018/2019, Oxfordshire moves into a ‘game-changing’ period of growth and our vision for Oxfordshire to be a: ‘vibrant, sustainable, inclusive, world-leading economy – driven by innovation, enterprise and research excellence’ aligns with continued global activity.

Nigel Tipple – Chief Executive

'WORLD-CLASS' OXFORDSHIRE

Over the past year, Oxfordshire continued to reaffirm a world-leading economic position with significant developments and achievements announced.

THE JOINT EUROPEAN TORUS (JET) – CULHAM CENTRE FOR FUSION ENERGY

JET is the world's largest and most powerful tokamak and the focal point of the European fusion research programme. Milestones at JET have included the world's first controlled release of deuterium-tritium fusion power and the world record for fusion power (16 megawatts).

The Joint European Torus (JET) – Culham Centre for Fusion Energy



OUR PERFORMANCE IN NUMBERS

As the Local Enterprise Partnership for Oxfordshire, we are consistently striving for excellence to meet our vision for the county to have ‘a vibrant, sustainable, inclusive, world-leading economy – driven by innovation, enterprise and research excellence’.

Our agile set-up means we are able to provide an integrated range of services and functions to support dynamic economic growth – it has resulted in the following:



The 'Dreaming Spires' of Oxford



KEY

● OXLEP SKILLS

● OXLEP BUSINESS

THE PAST YEAR – FUNDED PROGRAMMES

We continue to make considerable progress in strengthening the county's economy by helping to secure substantial funding – around £600m to date.

BACKHILL TUNNEL, MILTON PARK

Shut for several decades, Backhill Tunnel links Milton Park and the adjacent A4130 in west Didcot. Its completion will now enable 9,000 people – working at Milton Park – to either cycle or walk to-and-from their place of work. We secured £1.4m of funding for the project via the government's Growing Places Fund, with further private works funded directly by MEPC.



The part Government-funded refurbished Backhill Tunnel at Milton Park

LOCAL GROWTH FUNDS 1, 2 AND 3

Through the Local Growth Funds 1 and 2 (LGF1 and LGF2), we have secured £118.4m to support dynamic economic growth.

This substantial investment from Government brings forward at least £100m of additional investment from local partners and the private sector. By 2021, programmes will create at least 6,000 jobs and allow 4,000 homes to be built.

Our key LGF3 focus is on developing skills to meet the needs of local employers, building on Oxfordshire's strengths in research and development and opening-up new commercial development opportunities.

KEY ACHIEVEMENTS DURING 2017/2018 INCLUDED:

- The Northway and Marston Flood Alleviation Scheme, delivered by Oxford City Council, was completed in summer 2017. This scheme reduces the flood risk of 110 homes in the area
- The Advanced Skills Centre (part-delivered by Abingdon and Witney College) was completed in December 2017 and opened to students in January 2018. The centre will address skills shortages in science, technology, engineering and maths
- The Disruptive Innovation for Space Centre (part of LGF3) delivered by the Satellite Applications Catapult has commenced work. The project will provide a centralised facility for businesses to use for product prototyping and testing, solving the significant financial and logistical problems associated with the creation of innovative products
- The Smart Oxford: Culham City project (part of LGF3) delivered by the RACE Centre at the Culham Science Centre has commenced work. The project will establish a Connected and Autonomous Vehicle (CAV) service on the Culham Science Centre site. This will be the first of its kind in the UK

CITY DEAL

City Deal ensures we can support the county's economy through a £55.5m programme, creating 18,000 jobs.

KEY ACHIEVEMENTS DURING 2017/2018 INCLUDED:

- The Harwell Link Road – delivered by Oxfordshire County Council – was completed and opened in March 2018. This project is part of the wider Access to Enterprise Zone project
- QUAD1 (delivered at Harwell Campus) was completed in October 2017. SME occupiers are in place and fitting out their new premises

GROWING PLACES FUND

From a national fund of £500m, we received £9m to help support schemes addressing the infrastructure of Oxfordshire.

The Growing Places Fund has been designed to accelerate developments that may have stalled as a result of a restricted financial climate, to enable the creation of new jobs and homes.

KEY ACHIEVEMENTS DURING 2017/2018 INCLUDED:

- The Milton Park Employment Access Link (Backhill Tunnel) pedestrian and cycle tunnel, delivered by Oxfordshire County Council, was completed in September 2017. The tunnel improves cycle and pedestrian access to Milton Park from Didcot

For the latest on our government-funded programmes, go to: oxfordshirelep.com/about



World-class retail experience at Bicester Village



Globally-renowned automotive and engineering sectors – ProDrive

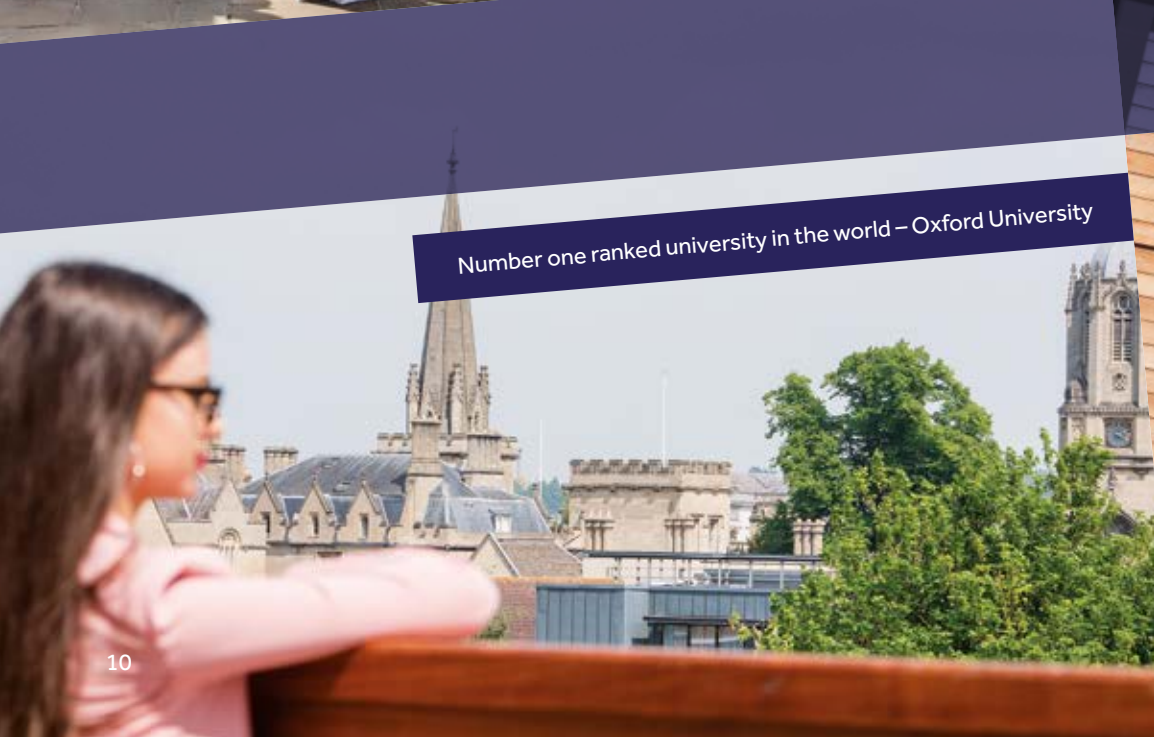


Major space projects at Harwell Campus



A focus on place-making – Milton Park

OXFORDSHIRE'S GLOBAL STRENGTHS



Number one ranked university in the world – Oxford University



High-class AI and robotics research at Remote Applications in Challenging Environments – Culham Science Centre



Globally-significant research at Culham Centre for Fusion Energy



Four transformative technologies, including space-led data applications, worth up to £180bn

THE PAST YEAR – EUROPEAN FUNDING

Through a range of European funding streams, we are able to support the growth of the Oxfordshire economy across a variety of strategic priorities for the county.

OXWASH

Based in Oxford – OXWASH is a fast-growing SME that aims to take a sustainable approach to solving laundry, textile and garment care, minimising waste and detrimental environmental impact where possible. OXWASH engaged with our ISfB programme during the past year.



OXWASH – supported by our ISfB programme

EUROPEAN FUNDING

We continue to secure allocations of European funding for Oxfordshire, supporting a variety of key economic areas, from rural development to small business growth.

This includes an allocation of around €22.8m (approximately £13.4m) of European Structural and Investment Funds (ESIF) for the period 2014 to 2020.

The Oxfordshire European Structural and Investment Funds Strategy (Oxfordshire ESIF) sets out overarching strategic priorities for the county.

THE ALLOCATION IS MADE-UP OF TWO FUNDS:

- The European Regional Development Fund (ERDF) – to support innovation and business support
- The European Social Fund (ESF) – to support social inclusion and skills development

We were also allocated around €3.45m (approximately £2.5m) European Agricultural Fund for Rural Development which focuses on rural tourism, food production and small business development.

Our Innovation Support for Business (ISfB) programme supports eligible start-ups and small and medium enterprises to develop and commercialise innovations.

This is achieved through a number of methods, including:

UTILISING ‘GO-CREATE’ GRANTS:

- Grants that support up to a third of a business’ innovation project costs, up to a maximum of £50,000

PROVIDING INNOVATION SUPPORT:

- Via coaching and mentoring
- Through workshops, seminars and master classes
- By supporting access to equipment, expertise and resources

PROVIDING CO-WORKING SPACES FOR START-UPS ACROSS THE COUNTY:

- Bicester: Eco Business Centre
- Oxford: SmartOxford Incubator
- Begbroke: Agile Lab and Prototyping Lab



European Union
European Regional Development Fund





Home to two government-backed enterprise zones – including Science Vale



Globally-renowned rural strengths – The Cotswolds



Thriving small business community



Major investment in our towns and cities – including Westgate Oxford

MORE OF OXFORDSHIRE'S GLOBAL STRENGTHS



Home to international businesses – MINI Oxford



Sustainable living at Elmsbrook, NW Bicester



Entrepreneurial spirit supported – Oxfordshire is home to two of the UK's 13 \$1bn tech businesses



Cutteslowe Roundabout, Oxford – beneficiary of major infrastructure investment

OUR BOARD

The strategic leadership and direction of the organisation is provided by our Board of Non-executive Directors, representing a variety of sectors and based across the county.

WESTGATE OXFORD

Opened in autumn 2017, the redeveloped Westgate Oxford has brought over 125 new stores, restaurants and cafes to the heart of the city. The £440m facility covers 800,000 sq ft (74,300 sq m) and has led to the creation of around 3,500 full-time jobs.



The £440m redeveloped Westgate Oxford, opened in October 2017

THE OXLEP BOARD

In recent years, it has become common for companies and public bodies to produce a corporate governance statement to assure stakeholders of the steps taken by organisations to act in a responsible and ethical manner.

The OxLEP Board – made-up of Non-executive Directors and our Chief Executive – has a duty to ensure our financial affairs are conducted in an environment of good governance and financial probity. We achieve this through maintaining a governance framework, ensuring our staff work within parameters set out by our Board.

This governance framework consists of policies and procedures, control systems and external validation to ensure our organisation is fulfilling its obligations.

All business contains an element of risk and, while the framework exists to manage risk to a reasonable level, it cannot eliminate all risk of failure to achieve aims and objectives.

To increase local economic growth and private sector investment, all Local Enterprise Partnerships in England are acutely aware of our public responsibility in exercising how we spend government funds. To underpin this, the government ensures each LEP adheres to a National Assurance Framework – this makes sure LEPs have in place robust systems and processes to effectively manage funding from central Government budgets.

The current OxLEP Board consists of the following members. All Board members are registered as directors of the company ‘OxLEP Ltd’ with Companies House.

Please note: This was the make-up of our Board at the end of the 2017/2018 fiscal year:

OUR BOARD

POSITION	NAME	REPRESENTING
Chair	Jeremy Long	Private sector
Deputy-chair	Adrian Lockwood	Oxfordshire Skills Board (private sector)
Vice-chair	Cllr. Bob Price	Chair of Oxfordshire Growth Board and representing Oxford City Council
	Cllr. Matt Barber	Vale of White Horse District Council
	Cllr. John Cotton	South Oxfordshire District Council
Local authority representatives	Cllr. Ian Hudspeth	Oxfordshire County Council
	Cllr. James Mills	West Oxfordshire District Council
	Cllr. Barry Wood	Cherwell District Council
Private sector representatives	Bob Bradley	Private sector
	Sally Dicketts	Further education
	Prof. Alistair Fitt	Higher education
	Prof. Andrew Harrison	Private sector – Science Vale Oxford UK
	Penny Rinta-Suksi	Private sector
	Phil Shadbolt	Private sector – Bicester Vision
	Phil Southall	Private sector
	Richard Venables	Private sector – Oxford Strategic Partnership
OxLEP Ltd Chief Executive	Prof. Ian Walmsley	Higher education
	Nigel Tipple	Attends ex officio and is not entitled to be admitted to membership

OUR COMMITTEES AND SUB-GROUPS

It is important that our stakeholders are clear as to how decisions are made at OxLEP. Working with our Board – our committees and sub-groups make recommendations on a range of activities.

RACE (REMOTE APPLICATIONS IN CHALLENGING ENVIRONMENTS)

Based at Culham Science Centre and part of the UK Government’s Robotics and Autonomous Systems Strategy (RAS), RACE (pictured) is a world-class facility supporting the development and growth in remote handling. It conducts R&D into remote applications and offers access to state-of-the-art facilities and remote handling equipment.



Demonstrating virtual reality capabilities at Remote Applications in Challenging Environments, Culham Science Centre

THE NOMINATIONS AND PERSONNEL COMMITTEE

The Board has established a Nominations and Personnel Committee to review and report on key issues dealing with the recruitment and retention of Board directors and our staff. The Committee is chaired by our Deputy Chairman and includes four other non-executive directors.

The Committee is responsible for overseeing the recruitment and performance of the Board of Directors and reports back to the Board on that subject.

Our Nominations and Personnel Committee met twice during this fiscal year – subjects covered included approving actions triggered by the Mary Ney Review, papers on the organisational structure and policies and procedures for staff, as well as approving the recruitment of new Board members during the fiscal year.

Three non-executive director vacancies became available during the year, following the completion of respective terms for Board directors. Their replacements were recruited through an open Nolan-compliant process.

Board diversity continues to be recognised as an important issue. We recognise that improvements can always be made to the level of diversity on our Board and it is our aim to work with groups to enhance this, ensuring we are both diverse and representative of the business communities we support, when recruiting new Board directors.

Recognising the importance of gender, religion or ethnicity, we aim to recruit high-calibre individuals to our Board, supporting us to meet our vision for Oxfordshire as a ‘vibrant, sustainable, inclusive and world-leading economy’.

THE FINANCE AND AUDIT COMMITTEE

The Finance and Audit Committee provides internal challenge and scrutiny to the financial processes and procedures within our organisation. It is chaired by the Board Chairman and also includes four other non-executive directors.

The Committee reviews financial regulations and procedures to ensure a sound controlled environment is in place and also receives and considers the reports from both internal and external audit on their independent assessments of the control environment.

The S151 Officer from our Accountable Body (Oxfordshire County Council) is invited to attend all meetings along with OxLEP staff involved in relevant processes.

The Finance and Audit Committee met twice during this fiscal year. In this fiscal year, the Committee received and agreed an operating budget and also prepared and agreed the company’s financial regulations.

The Committee has responsibility for ensuring the proper preparation of the company accounts for 2017/2018.

OUR SUB-GROUPS

We have eight sub-groups, all with the responsibility of developing recommendations for our Board to consider.

THESE SUB-GROUPS ARE:

- Oxfordshire Skills Board
- Programme
- Innovation
- Business Support
- Transport
- Enterprise Zones
- Visitor Economy
- Environment and Sustainability

ANNUAL ACCOUNTS FOR 2017/2018

As a Local Enterprise Partnership, we take our responsibilities seriously, which is why we offer fully-transparent financial accountability.

HARWELL LINK ROAD

The Harwell Link Road – an £11.65m City Deal project connecting the B4493 to the A417 – allows thousands of Harwell workers, along with other members of the public, easier access around the area. By improving the local transport network, the road provides the confidence necessary to attract more business investment and highly-skilled employees.



Harwell Link Road – an £11.65m City Deal project

OUR FINANCIAL PERFORMANCE

Here, we outline the financial performance for OxLEP Ltd between April 2017 and March 2018.

OxLEP Ltd receives grant funding to support our day-to-day core activity from the following sources:

- The UK Government
- The European Union
- Other restricted grants
- Management fees, generated by OxLEP Ltd activities

The company is supported by Oxfordshire County Council – as our accountable body – whose responsibility it is for managing the major capital investment programmes on our behalf.

The financial information was presented to – and approved by – our Finance and Audit Committee on 29 May 2018 and the main Board on 12 June 2018.

For the latest set of audited accounts, go to: oxfordshirelep.com/publications

	2016/2017	2017/2018
INCOME		
Government grant income	£500,000	£500,000
Restricted grant income	£1,466,922	£1,726,857
TOTAL	£1,966,922	£2,226,857
EXPENDITURE		
Staff costs	£1,405,359	£1,658,010
Contracted services	£181,607	£51,334
Office/administrative expenses	£216,775	£155,795
Consultancy, legal and professional services	£163,181	£113,010
Project costs	£0	£248,708
TOTAL	£1,966,922	£2,226,857



"Our economy remains one of the UK's most agile and is ready to realise its genuine global potential."

THE OXFORD FOUNDRY (UNIVERSITY OF OXFORD)

The Oxford Foundry – opened in October 2017 – is the University of Oxford's new entrepreneurship centre, that aims to create a diverse, student-led community that embraces innovation and creativity, supporting the university's 24,000 students to become entrepreneurial people.



IN SUMMARY: JEREMY LONG – CHAIR



Thank you for taking the time to read our annual report for 2017/2018. We hope that 'A game-changing year for Oxfordshire' has outlined how the county can be a 'global asset' to 'UK PLC'.

It has been a significant 12-months for the county, and – as the Local Enterprise Partnership

for Oxfordshire – we have once again played a significant role, contributing strategically across key areas of our thriving regional economy, which is in a great position to make the most of the tremendous opportunities in the coming decade and beyond, supporting dynamic economic growth.

As a county, we are very much in the 'spotlight', developing one of three government-backed Local Industrial Strategies, securing a momentous housing and growth deal and being earmarked as part of an area of 'national priority' – according to the National Infrastructure Commission – via the emerging 'Oxford-Cambridge Corridor'.

It's clear that Oxfordshire is a county with tremendous strengths that can be utilised to support a post-Brexit economy.

With less than a year to go until the UK withdraws its membership from the European Union, our message to the Oxfordshire business community is one of reassurance.

As a county – we continue to generate new jobs and attract new businesses.

Between 2012 and 2016 we have seen the creation of around 43,000 new jobs in Oxfordshire and although the primary concern for many businesses – whether local, national or international – is what Brexit terms will be confirmed over the coming months, the county's economy remains one of the most agile in the UK and ready to realise its genuine global potential.

Jeremy Long – Chair

43k

new jobs created in Oxfordshire between 2012 and 2016



For the latest vlogs and blogs on key issues, go to: oxfordshirelep.com/news