



**Subject:** Local Industrial Strategy Trailblazer Update

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**Summary**

This paper provides the Board with an update on the progress being made in the development of the Oxfordshire Local Industrial Strategy (LIS) and formal approval process with Government, since the submission of the technical draft and supporting documents at the end of December. It details the revised timetable for Ministerial approval and scope of the signed off LIS, following recently updated guidance received from Government officials.

**Recommendation**

**That the Board:**

- notes the progress made since the December Board and the proposed Government sign off process for the LIS by June
- agrees on the proposed key areas and priorities of the LIS being advanced in the initial phase of discussions with departments

**1. Progress to Date**

The LIS Technical Draft and supporting documents was submitted to HMG on 21<sup>st</sup> December, with the anticipation that discussions with relevant departments and policy officials would commence in January, and ministerial sign off of the final document by the end of March.

The process and timetable, however, has been impacted by Government's continuing efforts to conclude BREXIT negotiations, with ministers and senior officials across Whitehall needing to prioritise time and resources to resolve outstanding matters. This has meant that there has been insufficient bandwidth across departments to commence meetings on the LIS; this is also the case for other LEPs and the Mayoral Combined Authority (MCA) along the Oxford-Cambridge Arc.

Despite these delays we have been able to continue to develop our proposition, with a particular focus on our ambition within the LIS for Oxfordshire to play a leading role in delivering the Industrial Strategy national target to be spending 2.4% of GDP on Research & Development activity across the economy by 2027. A workshop was convened in January bringing together R&D intensive businesses, senior representatives from our Universities and UKRI with the BEIS policy team leading

on the roadmap for the 2.4% target. The output from this session, together with research undertaken by the Smart Specialisation Hub (a national innovation policy centre) will be discussed at next meeting of the OxLEP Innovation Sub Group on 28<sup>th</sup> February, to help refine our proposition and support follow up discussions with the BEIS team.

In addition, to this we are working closely with our local authority partners to ensure that the ambitions of the LIS, and supporting evidence, are fully integrating and aligned with the emerging work on the Oxfordshire Plan 2050 and Oxfordshire Rail Study. The Growth Board Executive Officer Group of senior officers is commencing work in translating the ambitions set out in the LIS for our world leading hubs and new technology clusters, into the spatial framework which will be required. Alongside this, a spatial development workshop bringing together senior planning officers and economic development staff to jointly work on these areas is being organised for early April.

## **2. Revised Engagement Timetable, Focus and Approval Process**

A number of meetings have taken place with officials in recent weeks where we, together with other LEPs and the MCA along the Ox-Cam Arc, pressed for further clarity on the process by which discussions with departments would commence. It is clear there are three emerging factors which are shaping Government's approach to the sign off process:

- there is limited bandwidth within departments at this present time, impacted by BREXIT deliberations and the constraints that this is placing on wider policy development and any investment decisions in the immediate future, especially with focus on funding being placed squarely on the future comprehensive spending review;
- as the three trailblazer areas move towards the sign off process, officials are reflecting on the experience so far and refining the Government's approach towards LIS's more generally and what will be manageable across Whitehall in ensuring the remaining 27 local strategies can be signed off by March 2020; and
- the increasing focus across Government on the Arc and the desire to scale up, where possible, policy areas identified across individual LIS's and agree interventions which can support the ambitions for developing the Oxford-Cambridge vision

In recent days, we have received revised guidance on the process which aims for **Ministerial sign off of the LIS by the end of May / beginning of June**, and for the LIS TO be a joint HMG / Oxfordshire document and branded accordingly. To meet this timetable, officials have detailed that departmental discussions would need to be concluded by the end of March, at the latest. This is to enable the inter-departmental approval process to be finalised by the end of April and enter the ministerial process in May. This remains subject to developments within Government.

Officials have set out the following key points which we will need to work towards in a very condensed period, to meet this revised timetable:

- preparation of a reworked, shorter LIS strategy document by 13<sup>th</sup> March based around a new template structure which focuses on 3-4 policy areas
- the revised strategy will also include a suite of priorities which will be explored at an Ox-Cam level – this section would be common to each of the Arc based strategies
- development of a series of short policy papers on specific LIS areas to support departmental engagement during March, once dates have been agreed

- response to feedback provided on our evidence base by the LIS Analytical Panel (5<sup>th</sup> March) and strategy document by the LIS Implementation Policy Board meetings (13<sup>th</sup> March)

Officials have stressed that this revised approach reflects experience of the recent Manchester and Midlands negotiations and should, therefore, be seen as the start of the process and efforts to land opportunities which, they believe, will have the greatest traction. We have been informed that the wider ambition we have set out in our submission is not being lost but there is acknowledgement that there will need to be careful management of stakeholder expectation. We are working to clarify with officials the status and visibility of our technical document, which has been shared widely with our partners across the public sector, business community and academia and has been well received as a clear statement of our ambitions for Oxfordshire, and the document proposed to be published in June.

#### *Initial Priorities for Discussion*

Considering these developments we have been in discussion with officials and our partners in the Arc to adopt a consistent approach which considers those ambitions which:

- can be reasonably explored at an Arc level;
- should be progressed initially with departments as part of the Oxfordshire LIS; and
- interventions which can be developed locally with partners or through other mechanisms in the short term

We have reviewed with officials the 22 broad policy areas under the four pillars of the LIS which are detailed in the Technical Document submitted to HMG.

It is proposed that the following areas are explored, in the first instance, at **an Arc level** with partner LEPs / MCA:

#### *Pillar One*

- Internationalisation strategy
- Brand development and promotion
- Digital investment plan

#### *Pillar Two*

- Enhanced Growth Hub
- World Class Scale Up Programme
- Funds and finance

#### *Pillar Four*

- Apprenticeship Levy flexibilities
- T Levels development

The following areas will form the basis of the initial priority areas for discussion at **an Oxfordshire level and be explored as part of the revised LIS document**:

- Pillar Two – Network of World Leading Technology Clusters and Hubs
  - International Space Cluster, Harwell
  - Global Quantum Computing Hub, Harwell
  - Global EnergyTec Cluster, Harwell
  - UK Robotics & CAV Cluster, Culham
  - Global Fusion Technology Cluster, Culham
  - Global Health & Life Sciences Quarter, Oxford

- Global Business District, Oxford
- Global Innovation District, Begbroke
- Pillar Three - Living Labs
  - Focused initially on the Clean Growth Grand Challenge and linked to our planned housing growth under the Housing & Growth Deal

We are working with our partners in these priority areas to develop the initial policy papers which set out in further detail the principles and ambitions for each of these hubs and developments. These will be shared with departmental policy leads ahead of meetings with officials.

The remaining policy areas within the LIS Technical Document would continue to be explored and discussed with HMG, where appropriate, through other established mechanisms such as MHCLG and DfT for the implementation of the Oxfordshire Infrastructure Strategy and BEIS Energy Unit for the implementation of the Oxfordshire Energy Strategy. We will also work with local partners to continue to develop the thinking behind these and other policy areas which can be progressed at a local level in the first instance.

### **3. Next Steps**

These recent developments mean we will need to work at pace to meet the revised timetable set by HMG. We also need to continue to maintain the momentum generated by the LIS process which has successfully mobilised partners and stakeholders behind a clear vision for Oxfordshire and builds on the Housing & Growth Deal and our successful track record under the City Deal, Local Growth Fund and European Structural Funds which has delivered an investment programme worth £2.2billion for Oxfordshire.

Subject to Board approval, we will work intensively with officials and Oxfordshire partners to develop the reworked LIS and secure Ministerial approval by the end of May. We would anticipate arranging an additional briefing session prior to the formal sign off process.

Moving forward, we will work with our Oxfordshire partners to commence the development of the planned investment prospectus which will set out how we will look to resource the LIS and its policy areas, together with a detailed delivery programme.