



<u>Subject: Chief Executive's Report</u>	
Author: Nigel Tipple Tel: 0345 241 1196 Email: ChiefExec@oxfordshirelep.com	Board Meeting No. 14 6th March 2018 Agenda Item no: 3b
Oxfordshire Local Enterprise Partnership Ltd: OxLEP Ltd, First Floor, Jericho Building, Activate Learning – City of Oxford College, Oxpens Road, Oxford, OX1 1SA	

Summary

The report provides an operational programme and financial update and seeks approval for the OxLEP Branding Refresh and Annual Report 2016/17 narrative. Each section is supported by an appropriate annex within which the detail is set out. The Branding refresh reflects the boards previous approval of the communications strategy and response to the NAO Review of LEP transparency.

The report is supported by the following annexes:

- Annex 1 – Operating Plan 2017/18
- Annex 2 – Finance Update
- Annex 3 – LGF Q3 LGF Data reporting
- Annex 4 – Communications Update

Recommendation

That the Board:

Notes the report and,

- **Annex 1 -Operating Plan update 2017/18**
- **Annex 2 - Finance**
- **Annex 4 – Communications Update**

Approves

- **The Finance and Audit Committee written procedures recommendation to use a proportion of the Growing Places Fund (GPF) capital reserves to underwrite the potential £288k risk as detailed in paragraph 5.**
- **Annex 3 Q3 LGF data reporting**

1.) Operating Plan Update

ITEM 3b

The operating plan progress report (annex 1) provides an update covering the outturn period to December 2017. As always figures reported are generally a quarter in arrears due to reporting cycles.

We reported previously that for 2017/18 financial year Government have introduced a new spreadsheet incl dashboard for LGF programme reporting. The Board signed off the Q1 and Q2 reports in December having completed the reports sitting behind the dashboards with delivery partners. The Q3 reporting is therefore attached at annex 4 for Board consideration and approval.

We continue to liaise with the Growth Board Executive to ensure we align where possible the reporting and data collection.

The projects are RAG status coded with “Blue” to denote completed project:



Projects requiring action



Projects requiring monitoring – Listed below



Projects on track - noted



Project completed

Operating Programme Progress updates 2016/17 Outturn



- **Apprenticeship Programme** - No significant change change since last reporting period, we are awaiting government outcome reporting, current data relates to the period to July 2017 only (last academic year). We continue to deliver outcomes and to support individuals in line with the project objectives despite the reporting challenges. Evidence to date suggests that nationally all age apprenticeship starts have decreased by 6.6% over the same time period in 2016.
- **Oxford North (Formerly Northern Gateway)**
No further update, the Project is delayed due to planning, the sponsor Thomas White Ltd is progressing detailed discussions highways have progressed but planning and viability discussions associated with affordable housing remain outstanding. We will continue to monitor.
- **Saietta Group Ltd (formerly Agility Global Ltd) GPF** – We continue to monitor closely with a view to both payment schedule and jobs outputs. A further update will be provided in June in line with milestone outputs
- **Innovation Support for Business (ISfB) Phase 2** - DCLG approved the programme with a start date of April 2017 though programme activity has been constrained by significant delays in the GFA to date.
- **Disruptive Innovation for Space Centre (DISC)** - Amber status due to change request and contract renegotiation. This change enables the grant to be used to build a greater capability to be used by SMEs. We are now reviewing a Change Request to enable delivery to progress, this is being considered at the March 2018 Board.
- **Didcot Science Bridge** - Announcement regarding HIF delayed until March 2018. This has delayed the development of the Strategic Outline Business Case.
- **Access to enterprise zone - Featherbed Lane:** No Change, evidence preparation is underway for Compulsory Purchase. Amber RAG due to delay in land purchase, delivery review in May 2018.

ITEM 3b

- **Science Vale Cycling Route** – No Change, land issues are delaying progress on several routes however those routes which can be accelerated have been, and where appropriate alternative routes have been proposed to avoid complex barriers. Delivery review in May 2018.
- **Didcot Station Car Park** - NR footbridge programme has slipped and is still under review by NR contractor
- **Queen Street** - No change, works packages are being reviewed due to programme timing and suspension of works for opening of Westgate. Delivery review May 2018.
- **ESIF Programme:** EARFD - RPA have now extended the deadline for EoIs to 31 May 2018

2.) Finance Update

Outturn reports are prepared each month in order to review actuals against the year to date budget as well as full year projections against the annual budget, in order to assess how the funds are used throughout the period and to identify anticipated overspends. These detailed reports were not prepared historically due to lack of resources and supporting infrastructure to allow for effective reporting.

The actual figures are produced using several sources of information such as Sage 50 reports to extract transactions which go directly through OxLEP bank, reports extracted from the OCC IBC portal for transactions which go through OCC (Intercompany transactions) and information from individual budget managers. The Outturn Report is attached at annex 2

3.) Communication Update

Please see that detailed report at Annex 4 attached

4.) OxLEP Skills Update

Please see separate report from the Skills Board at agenda item 7

5.) OxLEP Business Update

Oxfordshire Business Support – Growth Hub

The Growth Hub team is now 100% complete with Helen Brind joining us as Growth Hub Manager replacing Heather Martin and Ellen Carey joining us as Communications and Events Executive. With the team at full capacity we are now in a position to maximise current support opportunities and further develop the offer by offering additional workshops, accelerator programmes and market place events.

Oxfordshire Business Support is now known as OxLEP Business. The new logo has now been circulated to all sub-contracting partners and all collateral will be updated over the coming months demonstrating a more “joined-up” and universal look across all the OxLEP brands and channels.

- The ERDF program of Start-up and Growth support continues. To date 2000 hours of support has been given to in excess of 400 local businesses through workshops participation and 121 support via our team of Network Navigators.
- Round 2 of the Elevate competitive grant competition resulted in 5 Oxfordshire based businesses receiving approx. £27k of grant funding. Round 3 has now closed and the review panel meets on the 14 March. We are on track for Growth Grants applications however it has become apparent that Start Up Grants applications will be a problem based on the number of applications received to date. Discussions are underway as to potential solutions.

ITEM 3b

Our Network Navigators continue to engage with businesses at a local level, however having gone from five navigators to three navigators we are currently looking to recruit an additional 2 navigators. One of these positions will be a lead navigator who will provide increased local, additional hands on support for the existing navigators. Red Quadrant is responsible for the recruitment of Navigators however OxLEP business have been involved drafting of the advert, job descriptions and will be involved in a subsequent face to face interviews.

Innovation Support For Business (ISfB) Phase 2 programme

A paper was submitted to the Finance and Audit Committee by written procedures to outline the risk of a shortfall in small and medium sized enterprise (SME) match funding to contribute to the ISfB Phase 2 programme. The accountable body, Oxfordshire County Council, have sought assurance that the risk which totals £288k is underwritten as part of the overall £5,163,266 investment. Following clarification and further discussion, the Finance and Audit Committee recommended that:

- The Board sign off the ISfB Collaboration Agreement as the Lead Delivery Partner noting a clause indemnifying Oxfordshire County Council for the potential shortfall of SME match funding.
- And, recommend that the Board approve the use of Growing Places Fund (GPF) capital Reserves to underwrite the £288k risk

Invest in Oxfordshire Programme

Staffing:

- Sebastian Johnson, Head of Innovation and Inward Investment successfully completed his probationary period and has been confirmed in post with initial contract to March 2020.
- Following confirmation from Oxford Academic Health Science Network (AHSN) and the Science Technology Facilities Council (STFC) that they are not able to continue funding the Life Sciences Business Development Manager into the second year we gave notice to the post holder who has now left. We are reviewing how best to collectively support investment into the sector moving forward with partners.

Inward investment enquiries:

Our team has been active in account management with businesses and working with our wider partners in the county and at the Department for International Trade (DIT) on inward investment opportunities.

Key achievements for 2017/18 to date include:

- 131 inward investment enquiries from new or existing investors logged this year.
- We have a strong pipeline of projects progressing with 141 active enquiries of which 98 are potential Foreign Direct Investment (FDI)
- We continue to focus on supporting business with a total of 86 account management visits to date. These have been captured working with the District Navigators/Economic Development Officers (EDO's) through the Evolutive shared CRM database
- We will be developing an enhanced approach to account management across the DIT, EDO and wider network to better align account management intelligence and client experience
- The team have supported 42 inward investment successes to date accounting for 602 jobs (28 FDI of which 10 are higher value)
- We are currently working with DIT and partners at Land Security (Westgate) and Value Retail (Bicester village) to capture data on the 90 new investments at Westgate and 30 new investments/expansions at Bicester Village respectively.

Growth Deal – Investment section of the Productivity Strand:

- Richard Byard and Sebastian Johnson are meeting with senior DIT colleagues on 6th March to initiate discussions on the investment opportunities within the productivity strand of the Growth Deal

Events:

- We organised a very positive roundtable meeting with locally active commercial agents and our EDO partners across the county to talk about improved collaboration in our approach to inward investment and marketing Oxfordshire.
- We have partnered with UK Property Forums to run the [Oxfordshire Property Festival](#) on 19th April 2018. A range of talks and presentations about property and investment opportunities in Oxfordshire and an awards ceremony and dinner in the evening. Good registration numbers have been achieved for the event with the dinner is sold out.
- We are organising a visit to Westgate and Bicester Village in April for the DIT's Retail team to enable a better understanding of the new retail offer and proposition in Oxfordshire

6.) Board Away-day outcomes

A summary of the substantive outcomes from the Board Away-day session held on the 20th December are captured below. The output from the session focused upon three specific areas, priorities for 2018/19, the role of the Board and sub-groups set in the context of the Mary Ney review, Assurance Framework and good governance , preparation of the Local Industrial Strategy, these are summarised below.

Taking each of the three areas in more detail :

- Priorities for 2018/19
 - Full compliance with HMG LEP Governance and Transparency Review (Mary Ney)
 - Board and Sub-Group operational review
 - Supporting delivery of the Housing and Growth Deal and specifically the Productivity Strand
 - Preparing our Local Industrial Strategy (LIS)
 - Actively engaging in the Ox-Cam Corridor development and LIS
 - Delivery of our City Deal, LGF and ESIF Programme pipeline

Actions Taken to support the Priorities identified:

- HMG LEP Governance and Transparency Review (Mary Ney)
 - Launched new Web Site ensuring full transparency and easier navigation
 - Adopted all recommendations in the Review including a full Policy refresh
 - All Board Agenda, Papers and Minutes to be published 5 days prior to Board on the web site by 28th February 2018
 - Published the Confidentiality Policy exemptions in line with Local Government Policy
 - Provided updated Declarations of Interest (DoI) for all Board directors
 - Publish our reviewed 2018 Assurance Framework on our web site by 28th February 2018
- Board and Sub-Group operational review
 - Reviewed Sub-Group terms of reference to ensure consistency along with a refresh of members.
 - Initiated recruitment of new Board Directors (NED's) in line with our Articles and By-Laws including a focus on gender and diversity.
 - We have agreed to apply the same approach to all Sub-Group Agenda, Papers and Minutes with effect from the 31st March 2018
 - We have extended the DoI policy to our Corporate Management Team, LA Section 151 Officers, and Sub-Group members. These all to be updated and published by 31st March 2018
 - Board operation and agenda management reviewed to increase visibility and value of Sub-Group input
- Supporting delivery of the Housing and Growth Deal

ITEM 3b

- Developed with deal Partners a delivery Programme with key milestone outputs and outcomes. This defines commitments and work stream packages, in our case the Productivity theme but not exclusively.
- Initiated cross government departmental discussions to advance the deal, DCMS, BEIS, DIT, DfE and MHCLG.
- Allocated specific team resources to engage at programme and strategic level including exploring shared posts and funding to assist with delivery.
- Preparing our Local Industrial Strategy (LIS)
 - Detailed negotiations initiated with BEIS/MHCLG/DCMS/DIT/DfE/CEC to realise the Oxfordshire potential to drive UK Plc/Post Brexit agenda
 - Formed a cross partner oversight team including LA, University, Business, Science and Health sector.
 - Developed and consulted with Government on a brief to support delivery of an Oxfordshire LIS as part of the “Trailblazer” programme
 - Reviewed operational resources and allocated funding/staff to support this activity though awaiting Government response to our request for capacity funding to support accelerated delivery
- Actively engaging in the Ox-Cam Corridor development and LIS
 - As above, brief drafted, government and LEPs/GCGP MCA and LA’s engaged in progressing.
 - LEP/GCGP MCA/LA Steering group being formed to oversee commission and development work.
- Delivery of our City Deal, LGF and ESIF Programme pipeline
 - Programme Sub-Group formed to provide additional capacity and oversight of all programmes
 - Programme Management and Compliance resource refocused to support operational delivery.
 - Refocused to be a whole company resource under the new Director of Corporate Services sitting alongside finance, with external legal resource.
 - Additional technical ESIF compliance resource being commissioned to assist pre and post delivery capacity
 - Project and programme evaluation support being commissioned
 - Programme Board reviewing programmes for slippage, delays or reprogramming.
 - Direct reporting line into Board including performance, financial and programme reporting