

<u>Subject:</u> Chief Executive's Report	
Author: Nigel Tipple Tel: 0345 241 1196 Email: ChiefExec@oxfordshirelep.com	Board Meeting No. 15 12th June 2018 Agenda Item no: 4.2
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 up to the Q2 reporting period where data has been updated. Each section is supported by an appropriate annex within which the detail is set out.

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

Recommendation

That the Board:

Notes the report and progress to date,

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

and approves,

- **Annex 3 – Q4 LGF Data Reporting for submission**
- **The Director of Corporate Services as a full power signatory on the OxLEP Ltd bank account.**

1.) Operating Plan Update

The operating plan progress report at annex 1 which provides an update covering the outturn period to March 2018. As always figures reported are generally a quarter in arrears due to reporting cycles.

As the Board will recall we now also have a new reporting requirement for the LGF programmes in the form a new spreadsheet incl dashboard for programme reporting. The Board have previously signed off periods Q1-3 with delivery partners, the Q4 reporting is therefore attached at annex 3 for 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



- **Access to Enterprise Zone - Featherbed Lane**
Need for Compulsory Purchase Order and strategic project review continues however it is clear the construction finish target will be missed. We will now begin to explore options for reallocation of funds.



- **Oxford North (Formerly Northern Gateway)**
Agreement has been reached between the project sponsor Thomas White Ltd and local planning and transport authorities. The project is now moving towards contracting.
- **Innovation Support for Business (ISfB) Phase 2 -**
We along with delivery partners have been working on the ISfB proposal since September 2015. DCLG approved the programme with a start date of April 2017 though programme activity has been constrained by lack of a GFA to date which we anticipate will now be signed in early June 2018. Programme delivery will therefore be truncated from a 3-year programme to a 2-year programme.
- **Phase 2 Hinksey Hill (Science Transit) -**
Preliminary Design completion currently forecast for September 2018 but this is likely to be delayed reflecting longer than anticipated modelling activity. Review needed by September, should progress stall then we would need to consider reallocation of resources.
- **Didcot Science Bridge –**
Government has announced that the Didcot Garden Town HIF EOI (including Science Bridge) has been shortlisted to the next round. Government will now work with OCC to develop a business case.
- **Science Vale Cycling Route –**
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. As a result, completion by March 2019 may be unachievable, further review in September 2018.
- **Didcot Station Car Park - NR** footbridge programme has slipped and is still under review by NR contractor. Amber to reflect phased opening of Multi-Storey Car Park to accommodate NR works delays.
- **Queen Street -**
Final stages to be completed by October 2018

2.) Finance Update

Outturn reports are prepared each month in order to review actual expenditure 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.

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). The Outturn Report is attached at annex 2

The Board will recall we appointed Richardsons as our Auditors for the 2017/18 year and included a separate controls review to support our corporate development. The Audit and process is covered at section 5 of this Agenda.

The finance and Audit Committee (F&AC) met on the 29th May 2018 to consider the Accounts and External Audit process. They also noted the positive progress made against the operational Controls Review recommendations previously reported to Board and the additional recommendations arising from the 2017/18 audit which are already being actioned.

The Board should also note that an annual review of the Financial Regulations is a best practice requirement. The F&AC noted and agreed that the review should be delayed on this occasion to allow time to fully reflect the significant organisational changes (and impact) planned over the next few months. This could require changes to the way funds were drawn down and the possible introduction of direct income requiring additional controls to be introduced.

The Director of Corporate Services also advised that some of the detail included within the current Financial Regulations would be better captured in an updated financial procedures process ensuring that minor procedural changes/adjustments did not trigger frequent updates to the Regulations. This will be progressed over the Autumn as the organisational changes and recruitment process concludes and will be reviewed by the Finance and Audit Committee before returning to Board for consideration and approval.

The Committee also noted the need to approve a change to the Company Bank Mandate so that the Director of Corporate Services could act as a full power signatory, providing additional resilience and capacity alongside the Chief Executive, Director of Business Development and the Board Chair and Deputy Chair. This recommendation is included for Board approval.

The Board will also note that following the decision of OCC to terminate the secondment agreement early, we have initiated a full recruitment campaign. This required an adjustment in year to the budget included at annex 2 to cover specialist support and paid promotion of the vacancies. Without such an approach the scale of the recruitment campaign would place unmanageable demands on the remaining staff resources and would potentially introduce further operational risks. This budget variation (within year and approved budget) was reported to Finance and Audit committee and is anticipated to be in the order of £20k which can be accommodated through forecast operational underspend.

3.) Energy Strategy

Following a competition in March 2017, BEIS funded 13 Local Enterprise Partnerships to develop energy strategies for their areas. Further funding was then made available by BEIS in financial year 2017/18 to support energy strategy development for the remaining 25 LEPs in England, including Oxfordshire, we were allocated £40,000 to support the process.

Running parallel to work on energy strategies, BEIS have also asked LEPs to work together in regions to establish Energy Hubs. The Greater South-East Energy Hub (made up of 11 LEP areas, including London) is being set up with £1.29m from BEIS. The Hub will employ up to eight staff members who will work with individual LEPs to work up business cases and investment opportunities for the projects emerging from energy strategies. The Hub is expected to be operational by September.

The Energy Strategy has been supported by a Steering Group comprising public, private and voluntary partners, which is helping to drive the development of the energy strategy. The first workshop, held on the 27 February attracted around 60 participants who explored the energy opportunities and challenges that that would inform and shape the draft strategy. The first draft of the energy strategy was considered by the Steering Group on 29 March and our Environment & Sustainability Sub Group on 4 April.

The second energy strategy workshop was held on 18 April where we worked with participants to refine the objective, discuss and hone the main findings of the strategy and the strategic responses, project overview and conclusion. Most importantly, it identified the key stakeholders and their roles in implementing the strategy.

We presented the emerging findings to the Growth Board meeting on 26 April following which a revised draft of the strategy was circulated to the Steering Group (including local authority energy officers) in mid-May. We expect a final draft of the document later this month for sign off.

4.) ESIF Programme Progress

The ESIF programme can be most easily understood as being organised around three headline programmes:

- The Business Support Programme, to provide an integrated and coherent package of support to business across Oxfordshire to deliver growth through innovation;
- Labour Market and Community Development Programme, to deliver a series of measures across the county to help our people enter and thrive in the local labour market, and to help local people and communities tackle some of their key economic, environmental and social challenges;
- Rural development programme – to help rural businesses develop and grow and to increase tourism and local food processing activities.

Business support

OxLEP was awarded 1m ERDF (£2m with match) for a business start-up and support programme. The programme, named [Elevate](#), was launched in June 2017.

- The Elevate programme will help businesses start-up and scale-up by offering a comprehensive package of measures including:
- Network Navigators who represent the key business and industry sectors in Oxfordshire, and are experts in their relevant fields. They will help businesses get connected to other key contacts in the relevant sectors or area, as well as showing them the support that is available both locally and nationally;
- New FREE workshops that will cover a variety of topics to help residents to start and grow a business;
- Oxfordshire Business Enterprise (OBE) who offer free and impartial advice to help residents start a business. They provide support on a range of business issues including self-employment to forming a company, and from marketing to bookkeeping;
- Grants of between £1,000 and £5,000 to pre-start, start-up and growing businesses.

- To date 50 workshops, covering a wide range of subjects, have been held.

University of Oxford, Cherwell District Council, Oxford City Council and Oxford University Hospitals NHS Foundation Trust and ourselves (as lead partner) has been awarded £2.6 million to run the Innovation Support for Business Programme (£5.2m with match). This programme will be launched in 2018 but has been in operation since April 2017. The IfSB will support innovative Oxfordshire's SMEs by:

- assisting them to develop and commercialise innovations;
- enhancing the research and innovation infrastructure in Oxfordshire;
- promoting business investment in research and innovation; and
- developing links between businesses and researchers.

Progress so far includes:

- 126 businesses engaged
- 35 ISfB2 clients signed up
- 119 hours of business support delivered

The Low Carbon Hub was successful in winning the £1.4m low carbon element of the business support programme, and their project, called OxFutures, will be launched later this year.

The remaining £1.4 ERDF is allocated to projects that seek to support social enterprises in Oxfordshire, and to provide support for SME's seeking finance. OxLEP have submitted applications for both projects which are currently being processed. All the ERDF projects described above will run for three years.

Labour Market and Community Development Programme

Activate Learning launched the £1.2m three year [Building Better Opportunities](#) programme in August 2016. The project aims to help Oxfordshire's long term unemployed residents access training and employment. As at July 314 residents have been engaged in the project and 33 of these have gained evidenced jobs.

[Back on Track](#) is a £1m project run by Activate Learning and other delivery partners to help transform the lives of youngsters at risk of becoming NEET (Not in Education, Employment or Training) or who have recently become NEET. There are 2 key workers in place and a project manager. Activate Learning have engaged with 26 secondary schools with 122 referrals from schools and 20 registered on the programme. The team are working closely with Oxfordshire County Council's EET team.

[Unlocking Potential](#) is part of the Building Better Opportunities scheme funded by the Big Lottery and European Social Fund.

Oxford City Council is the Lead Organisation and is working with 9 partners across the county: ACE Training, Aspire, Base 33, BYHP, OUCT, SOFEA, Synolos, Trax and Yellow Submarine.

This project was designed to provide a comprehensive, intensive and integrated package of engagement activities, real work experience, accredited entry-level training, employability development, one-to-one holistic support and work readiness opportunities to 220 young people aged 17-19 NEET for 6 months or more in the county.

However, since the design of the project there has been a 53% reduction in the number of NEET. This is impacting on the ability of partners to deliver, as many are struggling to find the NEET

young people to be part of the project. There have been 26 participants so far and the project is waiting to hear back from the Big Lottery if the age group can be extended up to 21.

The £387,000 [Oxfordshire Community Grants Scheme](#) is run by Oxford City Council. The project seeks to provide grants from £5,000 to £50,000 for community groups across the county to help resident's access training and jobs. The project was launched in October 2016 and will end in 2018.

A number of ESF applications are being processed in relation to the following calls published in the summer of 2017:

- £2.45 for projects focussed on [skills opportunities for growth in Oxfordshire](#);
- £1.2m for projects related to [training and employment for jobseekers and inactive people in Oxfordshire](#);
- £572,000 for [workforce](#) development

Depending on the outcome of the current application process there remains ESF to be allocated, including £1.2m for training and employment for jobseekers and inactive people, and a further £2m for skills opportunities for growth. We are currently in discussion with DWP about the timing of future calls, recognizing that the date for Brexit is looming. In the meantime, we are exploring a joint call with TV Berks and TV Bucks LEPs and the NHS using our £1.2m allocation for a project focused on people with mental health issues.

Rural development

The [European Agricultural Fund for Rural Development](#) was launched nationally in January 2017. In Oxfordshire the focus is on:

- Business Development
- Tourism
- Food processing

The grants are for capital items which will help the business grow and create jobs.

On 29th July 2017, Lord Gardiner announced a £200m boost to rural businesses. As a result the Growth Programme allocation has been topped up. The new EAFRD allocation for Oxfordshire is £2,793,225, broken down as:

- Business Development – £872,780
- Food Processing – £872,779
- Tourism Infrastructure - £1,047,666

Under the Tourism Infrastructure fund applicants can now apply for the whole amount, as such larger, more strategic projects are possible. The closing date for Expressions of Interests has now closed. To date 24 applications have been made by Oxfordshire businesses; 15 under the Business Development programme, 2 under Food Processing and 7 under Rural Tourism.

We are slightly oversubscribed across the programme by £37,661. It remains to be seen however, the number of projects that will proceed to full business case.

5.) Communications

During the last quarter, the Communications team has focussed efforts on two primary key areas, aligned with our overall communications strategy:

1. Building on a narrative that Oxfordshire can be/and continues to be a 'global asset' to the UK economy
2. Creating meaningful engagement with the Oxfordshire SME community, promoting the following messages:

- OxLEP champions Oxfordshire’s economic potential, acting as a catalyst and convenor to drive growth
- OxLEP embraces business growth, innovation and inward investment for the benefit of Oxfordshire
- OxLEP empowers people and employers to develop their skills

To support the ‘global asset’ narrative, we have secured the retained PR support services of Tala. They will be meeting this remit through a 12-month calendar of activity and engagement, targeting specific stakeholders.

This includes:

Quarterly House of Commons events (hosted by Oxfordshire MPs)	Each event will focus on promoting one of the four transformative technologies, cited within the Science Innovation Audit and will showcase ‘global’ Oxfordshire-based businesses
Invest in Oxfordshire quarterly executive report	Informing, UK decision makers of inward investment successes in Oxfordshire
‘Core’ sector trade media engagement	Building sector intelligence and generate media coverage in key titles

The in-house team has continued to engage the Oxfordshire SME community through several initiatives, including:

Supporting Oxfordshire businesses to engage in key national initiatives	<ul style="list-style-type: none"> • The Local Industrial Strategy • Oxfordshire Growth Deal (in particular – its ‘productivity’ strand) • Emerging ‘Oxford-Cambridge Corridor’ • Science and innovation ‘ecosystem’
Continuation of quarterly Q&A events (based on our four priority areas)	The ‘Place’ Q&A event took place at Milton Park in late-April, with around 70 business leaders attending. The next Q&A event is scheduled for 10 July
Creation of Business Survey 2018	Following-on from the 2017 survey, leading on an Oxfordshire SME business survey, that will create meaningful statistics for final use

The in-house team has been bolstered by the appointment of a PR and Communications Apprentice, who has been in post since-February.

Additional resource has been focussed in the following areas:

- Communicating changes around the introduction of GDPR guidelines
- Implementing and continuing to review our digital presence
- Implementing branding changes
- Communicating recruitment opportunities at OxLEP
- Leading on OxLEP’s presence at Business in Oxford 2018
- Updating our photography portfolio to reflect ‘global strengths’