



Subject: Local Industrial Strategy Response	
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Summary

This report provides the Board with an update on the progress being made in the development of our Industrial Strategy Response, following the invitation from Government within the Housing & Growth Deal to work with Oxfordshire, as one of three trailblazer areas, to prepare a Local Industrial Strategy. The paper also provides further details on discussions with neighbouring LEPs and stakeholders regarding the wider development of the Oxford- Cambridge corridor.

The report is supported by the following annex:

Annex One – Summary of Industrial White Paper: Foundations, Grand Challenges and Key Policies

Recommendation

That the Board:

- **Notes the progress made in discussions with HMG on the development of the Oxfordshire Local Industrial Strategy**
- **Notes the engagement with neighbouring LEPs and stakeholders on the emerging Oxford - Cambridge corridor**

1. Industrial Strategy White Paper

The Industrial Strategy White Paper was launched in November 2017 and is recognised as, potentially, one of the most important economic policy developments in a generation. Following the decision to leave the EU and the imminent arrival of BREXIT, the strategy is seen as pivotal to

shaping the future direction of the UK economy, improving productivity across the country and accelerating growth.

The White Paper has set out the five foundations for productivity:

- **Ideas** – *the world’s most innovative economy*
- **People** – *good jobs and greater earning power for all*
- **Infrastructure** – *a major upgrade to the UK’s infrastructure*
- **Business Environment** – *the best place to start and grow a business*
- **Places** – *prosperous communities across the UK*

Alongside these foundations, the White Paper identifies four grand challenges which the UK must address and harness to put the country at the forefront of the industries of the future:

- Artificial intelligence & the data economy
- Future of mobility
- Clean growth
- Ageing society

A summary of the White Paper and the key policies which shape the Strategy is attached as Annex One.

A key objective of the strategy, is to deepen the world leading expertise which the UK possesses and develop interventions, models and collaboration between public and private sector parties which can extend these competitive advantages into other areas and markets. The strengths and strategic assets which sit within Oxfordshire clearly fit within this and are, crucially, national and international assets which can provide market leadership for the UK and drive productivity and growth.

2. Oxfordshire Local Industrial Strategy

The LIS is a key part of the Oxfordshire Housing & Growth Deal and has been identified as the providing the framework for delivering the ambitions of the productivity stream. As one of three ‘trailblazers’ in the country, the process offers a real opportunity to articulate our vision and long term priorities for the Oxfordshire economy, as well as building a strategic dialogue with Ministers on how Oxfordshire can deliver the Government’s objectives and drive productivity and growth across the UK.

The LIS will build on the Oxfordshire Strategic Economic Plan (SEP) and our ambition is for it to provide a framework to guide Government, public and private sector investment decisions including the UK Shared Prosperity Fund, Sector Deals, Industrial Strategy Challenge Funding and other funds and financing tools to deliver the strategy.

Developing Our Approach

Since the publication of the White Paper in late November, the Government has been developing its approach to bring the ambitions of the document to life. It has recently set out that Local Industrial Strategies will be a **long-term** vision that looks to opportunities to 2030 and beyond. It will be backed by a rigorous **evidence base**, and **focused** on a select number of strengths and interventions. Above all, it will be a **collaborative** effort: a joint vision for the area between Government, local leaders, and business.

As part of the preparatory work, the Executive Team has identified a series of key objectives which frame the LIS and guide our approach which builds on our refreshed SEP and the strategic opportunities which our world class science and technology clusters and innovation ecosystem offers:

- clearly articulating the global potential of Oxfordshire, and setting out its investment requirements in order to truly challenge its international competitor regions
- accessing and attracting investment to sustain and develop Oxfordshire's leadership in critical emerging sectors which will have both UK and international impact for trade and investment growth, as we leave the EU
- shaping the LIS in the context of the wider ambitions of the Oxford – Cambridge Corridor
- ensuring that the continued success of Oxfordshire demonstrably benefits all areas of the country

In addition to this we are identifying a small number of key principles which will align with the themes of the White Paper:

- investing in emerging critical sectors which provides for technology and digital convergence (and, therefore, greater synergies and spillover opportunities) which can best deliver early mover adoption to the UK
- strengthening the innovation ecosystem of Oxfordshire to accelerate commercialisation and technology transfer of world class research into industry which can deepen industry / academic collaboration in support of genuinely scaling up high growth companies
- building pathways and mechanisms for young people to nurture and retain talent and develop the skills needed to capture opportunities in the emerging growth sectors of Oxfordshire, and facilitating social mobility for those at risk of social exclusion
- creating 'places' which can support the translation of ideas, knowledge and innovation into transforming how local communities, urban centres and business locations function and interact through the concept of 'Living Labs'

A core working group comprising senior stakeholders from local government, universities and the private sector has been established to oversee the development of the LIS, and will meet fortnightly to provide robust 'check and challenge' and strategic input. It will also interact with the chairs of each of the LEP subgroups to ensure ideas and thinking are fed into the LIS process and that we have full engagement from across our governance structure.

Preliminary meetings have been held with other key regional and national partners to discuss their engagement and contribution to the LIS development process, with others scheduled. There is strong understanding of the opportunity that the LIS offers and an interest to engage from:

- Advanced Oxford
- Key science parks including Harwell, Culham and Milton Park
- OSI and OUI
- Innovate UK
- TechNation

- Catapult Network
- Visit Britain

A detailed engagement plan will be developed jointly with Government during March, which will encompass the critical milestones and timelines which the process will need to meet. This will include progress reports and presentations to the OxLEP Board and Growth Board as well as challenge sessions with Ministers and the newly formed Industrial Strategy Council.

Resources

The LIS offers a unique opportunity but it also requires substantial additional resources in order to deliver a genuinely transformational plan, which is built on a robust evidence base and meets the Government's ambitions for a market focused approach and fully engaged stakeholder community at regional and national level.

We have pressed, and continue to press, Government for a capacity building fund similar to that provided to LEPs in preparing their SEPs (c£250k), in order that we can develop a strong and robust LIS. We have also highlighted that the two other trailblazers, Greater Manchester and the West Midlands, are both Mayoral Combined Authorities with annual operating budgets of over £30m and substantially larger staffing resources than OxLEP.

Discussions continue through the Cities and Local Growth Unit and we remain optimistic that capacity funding will be allocated to Oxfordshire. A draft specification has been developed to procure consultancy support to work with the Executive Team and Stakeholder Working Group. However, there is an urgency to continue pressing Ministers directly over the need to properly resource the process, in order to achieve the outcome we collectively desire and believe is beneficial to delivering the White Paper.

3. Oxford – Cambridge Corridor

In the Autumn Budget, in response to the National Infrastructure Commission report into the Oxford -Cambridge Corridor, the Government set out its ambition to create a dynamic new growth corridor for the 21st Century. Central to this commitment is the alignment and development of ambitious Local Industrial Strategies led by LEPs and the MCA across the corridor, which would back the world class science and innovation assets in the region as well as supporting growing sectors and businesses.

Building on this, a joint letter from Director Generals from MHCLG and DfT was shared with local government, LEP, college and university leaders in January setting out the next steps in the development of the corridor. The letter reinforced the desire for the development of a shared economic vision for the corridor which builds on emerging local industrial strategies. It also commits to establishing a x-departmental Corridor Programme to co-ordinate Whitehall engagement, led by a dedicated team within the Cities and Local Growth Unit.

We have worked with colleagues at SEMLEP, TVBLEP, Herts LEP and the Cambridgeshire & Peterborough MCA on developing a specification to commission consultancy support to work with LEPs, Growth Boards and Government to develop a long term economic vision for the corridor. This has been actively shared with all local authorities across the corridor and with Cities and Local Growth Unit. Further discussions will take place with partners across the corridor during March, with a view hosting a joint Government – X corridor stakeholder workshop to discuss and develop

the vision. We anticipate close and active co-ordination between this work and the wider development of our Local Industrial Strategy.