

**DELIVERING GROWTH THROUGH INNOVATION:
Expression of Interest for Devolution to Oxfordshire**

This proposal sets out the areas for devolution that Oxfordshire authorities are interested in exploring further with central government.

The document should be regarded as an initial expression of interest that has been developed in a short period of time by the Leaders of Oxfordshire local authorities, along with the local clinical commissioning group and other local partners. The process in getting to this point has been useful and in a short period of time there have been robust discussions covering a wide range of issues. There remain a number of issues in the document that require significant further discussion. There has not yet been wide consultation with councillors or the public. Any final proposals that are developed from these initial ideas will need to be subject to full and proper consultation with Oxfordshire's residents be formally approved by each council.

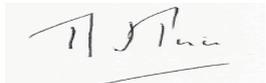
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*Due to the time constraints the document as submitted will be subject to respective LA Full Council or Cabinet ratification as appropriate

EXECUTIVE SUMMARY

Oxfordshire has a globally significant and very successful economy that has grown rapidly over the past few years. We know that with the right foundations and productively working together we can go even further in strengthening our position as a global cluster in innovation and continuing to grow our economic contribution locally and nationally. We have a robust and ambitious Strategic Economic Plan¹ that will result in around 100,000 new homes and an additional 85,600 new jobs by 2030. However existing funding mechanisms do not work well for us, in particular we are unable to provide the infrastructure that is needed to further accelerate growth.

These proposals for devolution to Oxfordshire set out how we will continue to work together differently to achieve faster delivery of the current Economic Plan, in return for sustained sources of funding and more local control over issues that are currently hampering delivery.

Our proposals cover

- A recognition that, in governance, form should follow function. We therefore agree to commit to undertaking a governance review of our existing joint working arrangements with a view to establishing a combined authority in support of a substantial devolution deal.
- Developing a new funding model to deliver infrastructure requirements. This would bring together funds secured through housing and employment delivery including, the City Deal, Local Growth Fund, New Homes Bonus and Business Rates growth. These proposals will give the Oxfordshire authorities a secure basis upon which to undertake prudential borrowing to unlock the significant infrastructure investment that is critical to realising Oxfordshire's economic potential.
- Alignment of the County Council's Economic Development team and associated budgets into Oxfordshire Local Enterprise Partnership
- Delivery of a coordinated business support service – Oxfordshire Business Support (OBS) incorporating ESIF, LGF and partner resources.
- Better matching local skills provision to the unique needs of our economy
- Securing delivery of around 100,000 new homes in Oxfordshire by 2031 as set out in our Strategic Housing Market Assessment and Strategic Economic Plan. Our existing commitments to City Deal delivery has seen significant completions above historic trends. This commitment is reflected in our offer to government but requires substantial infrastructure and policy support if we are to achieve such transformational growth.
- We will build upon our existing Growth Board working arrangements to support an integrated approach to strategic planning that builds on our District level local plans and we will explore innovative new mechanisms to deliver housing more effectively
- Securing a wider range of housing products including starter homes and key worker accommodation for the health, primary/secondary education and University/research sectors. This broadening and acknowledgement of the demand side pressure will deliver a more responsive housing mix beyond traditional key worker definitions.

¹ http://www.oxfordshirelep.com/sites/default/files/Oxford%20SEP_FINAL_March14_0.pdf

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- A new way of working across the public sector which includes a wider range of cross county working in the management of health and social care; our intention is to bring health budgets together to deliver better outcomes for Oxfordshire residents.

About Oxfordshire

Oxfordshire is home to 672,500 residents and has a globally important and unique economy. At its centre, Oxford is a global brand, known the world over for its pre-eminent academic institutions and its heritage.

Our economy is inextricably linked to the outputs from the two universities, the teaching hospital and its associated research functions, and a concentration of the UK's big science and research institutions. The changes proposed will help to develop increased productivity, faster growth and infrastructure capacity, thus realising the unique potential of the University and private sector research resources in Oxfordshire.

- The Oxford area is amongst the top five Technology Innovation Ecosystems in the world² and home to an impressive knowledge intensive cluster with over 1,500 high tech companies employing around 43,000 people.
- The county's economic output was valued at £19.2bn in 2013³, making us an important net contributor to the Treasury.
- We have the fastest growing economy of any LEP area since the recession, with economic growth of over 20% GVA between 2009 and 2013⁴ - more than double the growth rate of core city LEP areas such as Greater Manchester or the Leeds City Region, and higher than Greater London.
- We are the most innovative area in the country⁵, second only to London for growth of fast growing businesses⁶
- We currently have the lowest JSA claimant count in the country (2178 (0.5%) - July 2015)

Oxfordshire is home to one of the largest concentrations of research and development activity in Western Europe, and hosts the global headquarters and principal research and development facilities of some of the world's leading technology companies:

Our economic strength is centred around key innovation and knowledge rich sectors;

- Automotive and advanced manufacturing
- Life sciences
- Space and satellite applications
- Creative and digital
- Electronics, sensors and instrumentation

² Source: Technology Innovation Ecosystem Benchmarking Study: Key findings from Phase 1, Graham, 2013

³ 2013 is the latest year for which official government statistics are available.

⁴ Source: <http://www.ons.gov.uk/ons/publications/re-reference-tables.html?edition=tcm%3A77-393471>

⁵ Benchmarking local innovation – the innovation geography of the UK, Enterprise Research Centre, June 2015, <http://www.enterpriseresearch.ac.uk/wp-content/uploads/2015/05/Benchmarking-Local-Innovation1.pdf>

⁶ Enterprise Research Centre

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World leading companies such as Oxford Instruments, Siemens MR Magnet Technology, BMW, Oxford University Press, Sophos, RM plc, Infineum and Sharp drive economic growth and innovation. They sit within an innovation ecosystem supported by world class academic and applied research organisations linked to Oxford University, and a host of globally renowned research establishments, including the Science & Technology Facilities Council; Rutherford Appleton Laboratory; Diamond Light Source, the national synchrotron facility; UK Atomic Energy Authority Culham Centre for Fusion Energy; the recently established European Space Agency and Satellite Applications Catapult Centre.

This unique mix of world leading business, academia and research, together capitalise on Oxford's global brand to drive local productivity and support many other local businesses. We have over 30,000 businesses in the county, with 3,500 new businesses created each year, and a GVA per head that is 17% higher than the UK average. We are also one of the country's key tourist destinations, with over 26m visitors to the county per annum, contributing over £1.5bn to the local economy in 2013⁷.

Whilst the local economy is growing steadily, we believe that we can generate more rapid growth if we get some underlying factors right. Like other Thames Valley Local Enterprise Partnerships, we operate in a globally competitive arena where historic success cannot be assumed to continue without significant attention to the supporting framework of people, facilities and connecting infrastructure..

Oxfordshire's economy has grown consistently over the period 1997 to 2013, contributing £19.2 billion to GDP in 2013. However, the Oxfordshire Innovation Engine Report published in 2014 found that the rate of growth in Oxfordshire had been constrained and could be significantly improved by many things, including:

- the need to accommodate additional growth in the 'Knowledge Spine' running between Harwell, Oxford and Bicester to accommodate high tech business and employment
- improve capacity of the strategic and local transport infrastructure, including fast public transport services; grow and develop business networks
- develop measures to encourage increased institutional investment building upon our strong and nationally significant sector propositions including Life science, Advanced Engineering (Motorsport), Satellite and Space Related Technology and Creative and Digital sector
- meet the demand for housing and commercial premises to respond to the urgent needs of the growing business base and economy.
- provide strong public and private sector leadership to realise Oxfordshire's potential through a new and agreed governance structure.

Many of these issues are addressed in our Strategic Economic Plan, which sets out the aims of creating more than 85,000 jobs by 2030, and the Strategic Housing Market Assessment for Oxfordshire which identifies the need for around an additional 100,000 houses by 2031. In particular, the Strategic Housing Market Assessment for Oxfordshire has led to a substantial acceleration of the release of land for new housing and employment land through the Local Plan process, with the

⁷ Source: *The Economic Impact of Tourism on Oxfordshire: Estimates for 2013* (Tourism South East Research Unit), September 2014

Cherwell Local Plan now adopted and others making refinements to land supply to address the scale of growth needed. This scale of growth is truly transformational, demonstrating local commitment to growth and signalling an “Open for Business” culture.

However, a number of underlying challenges remain, and the proposals set out in this document have been developed with the intention of tackling the constraints and enabling Oxfordshire's full economic growth potential to be unlocked.

- **The cost and availability of housing** – is being addressed through the SHMA and Growth Board process, but we see significant potential for the mix of housing to be improved and delivery to be maximised
- Delivering the **infrastructure** that the local economy and communities require
- Ensuring our residents are equipped with the **skills** that the high tech economy demands
- Provision of **public services** as the public sector continues to be squeezed financially, in particular addressing the ageing population and increasing demand for **health and social care**. As well as the key role of business and universities in driving the local economy we also need the broader public sector to rise to the challenge. Our health and social care services are also an extension of the delivery arm of Oxfordshire's research and scientific innovation programmes. We know that if the key issues such as educational attainment, skills, housing and infrastructure, are not addressed, innovation and growth will stall.

The local framework

We believe that we have a strong geographic basis for a devolution deal. Oxfordshire's economy and public service providers benefit from a high degree of coterminosity, with the functional economic area represented by a countywide Local Enterprise Partnership, aligned with our County, City and district Councils, and a single Clinical Commissioning Group that is broadly coterminous with the county.

In 2014 the six local authorities in Oxfordshire established the Oxfordshire Growth Board⁸ building upon the long standing Spatial Planning and Infrastructure Partnership. This is a Joint Statutory Committee charged with the delivery, on behalf of the Local Enterprise Partnership, of the projects agreed in the City Deal and Local Growth Deals that are delivered by the councils, working collaboratively. The Growth Board membership includes the Leaders of the six local authorities (who are the voting members) together with representatives from the Local Enterprise Partnership including the Oxfordshire Skills Board, Oxford and Oxford Brookes Universities. The, Homes and Communities Agency, Environment Agency, Network Rail and the Highways Agency are also represented.

The Oxfordshire partners recognise that there will, on occasions, be priorities with implications which stretch beyond Oxfordshire. Where this is the case the partners will look to form project teams with adjoining authorities and Local Enterprise

⁸ Terms of reference for the Growth Board are available at:
<https://www.oxfordshire.gov.uk/cms/sites/default/files/folders/documents/communityandliving/ourworkwithcommunities/oxfordshirepartnership/TermsOfReference.pdf>

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Partnerships that enable appropriate solutions to be developed and taken forward in support of project delivery. England's Economic Heartland is an example of an alliance with neighbors that provides a forum for such discussions; equally Oxfordshire will work with other adjoining neighbors where that is appropriate for the issue under consideration. The Oxford to Cambridge Expressway study is an example of the kind of project that will be undertaken on a collaborative basis using this approach.

The Health and Wellbeing Board oversees all health issues in the County via a well-established Joint Health and Wellbeing Strategy which brings together the intentions and outcomes of Oxfordshire's District Councils, the County Council and all parts of the NHS. The Health and Wellbeing Board oversees c£330M of pooled budgets, the local Children's Trust and safeguarding boards and takes a lead role on health and housing related issues.

Structure of this document

Oxfordshire has an ambitious Innovation led Strategic Economic Plan structured into sections on:

- Connectivity
- People
- Place
- Enterprise

These devolution proposals will support a more secure delivery of our Strategic Economic Plan commitments and will build upon our successful city deal and LGF programmes. Our proposals are structured under these SEP priority themes and are designed to deliver our common objectives. For each area we identify the rationale; what we are offering, what we ask of Government and what we plan to deliver.

We have also included an additional strand on public sector reform, covering a proposal for devolution of health budgets and finally we set out the financial approach we intend to adopt alongside governance arrangements.

We believe that these are a powerful set of proposals that will allow Oxfordshire to strengthen its role as a key driver of national economic growth and better meet the needs of our residents, academic institutions and business.

Proposed areas of devolution in Oxfordshire

Connectivity

Proposal 1: Infrastructure provision

Accelerated planning and delivery of infrastructure growth in Oxfordshire achieved through sustained and committed funding streams locally secured through tax revenues arising from new development.

Rationale

Infrastructure investment in Oxfordshire has increased substantially through Local Growth Fund and City Deal arrangements with funding of over £200m secured to deliver £1bn of infrastructure development. However, even with this increased investment we have a massive deficit of well over £1bn in committed funding in order to meet our major infrastructure requirements. The problem is two-fold: insufficient amount of funding against need and, lack of funding certainty. This creates an environment of limited investment confidence from both public and private sectors to forward fund infrastructure planning and delivery which we know would have a positive impact on accelerated growth. We have examples of large development sites which will not come forward as hoped, due to the scale of infrastructure needed to unlock the whole of the site. This slows down the delivery trajectory and adds risk to overall delivery. A good example of this is the Didcot power station site, where comprehensive redevelopment is dependent upon a new bridge across the main London to Bristol and South Wales railway line. The costs of providing this bridge are significant and will not be funded through the redevelopment alone.

Sustained sources of funding are needed to supplement the bid processes for national infrastructure money (in particular the Local Growth Fund, which we hope will be retained in future), and to complement other funding routes for an internationally significant growth area, such as Innovate UK.

We propose the creation of a new infrastructure investment fund through the retention of the uplift in business rate income that is generated from increased economic growth, and invested in prioritised infrastructure.

Offer

Oxfordshire authorities will use a locally agreed element of New Homes Bonus to forward fund, through borrowing or direct financing, locally agreed prioritised infrastructure investment. Such an approach will address strategic and local infrastructure constraints which affect delivery of existing approved schemes and unlock growth. Scheme priorities will be agreed locally but managed through the Growth Board and allow Oxfordshire authorities to deliver locally while also funding early stage work to identify and plan for emerging strategic infrastructure priorities.

Ask

Government is requested to commit to providing the New Homes Bonus for the next 20 years to support the Strategic Economic Plan outcomes. This would allow the

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Oxfordshire authorities to take a structured approach to the use of New Homes Bonus to support investment into locally important infrastructure schemes. Potentially, such a commitment could unlock in excess of £350m to help realise Oxfordshire's economic potential by providing the certainty required to facilitate borrowing .

Deliverables

Through this funding, we will be able to support a strengthened approach to the design, development and delivery of infrastructure schemes to support growth:

- a) direct delivery of smaller scale schemes such as expansion of schools, junction capacity and enhancement projects;
- b) assessment and design for major infrastructure proposals such as improving the nationally important corridors of the M40, A40, A420 and A34;
- c) to support cross-boundary infrastructure projects and bids such as the Oxford to Cambridge expressway;
- d) to deliver our major infrastructure proposals, including for example
 - medium sized schemes with match-funding such as the Lodge Hill A34 slip roads;
 - a new by-pass to support job and housing growth at Culham;
 - develop distribution networks to support jobs and housing growth in Bicester and Banbury such as the SE Perimeter Road to support Local Plan allocated growth in Banbury;
 - further regeneration and growth at Milton Park through the Science Bridge proposal and potential expansion of the EZ to include the Didcot A Power Station and adjacent land .
 - a new Park and Ride system for Oxford, including rapid transit corridors in line with the County's Local Transport Plan.
 - Improve the A40 capacity to support more investment into West Oxfordshire creating more jobs and reducing the need to commute out.
 - Rail investment including new stations and reopening lines to serve employment sites such as the Oxford Eastern Arc

With this funding, we will be able to forward fund major initiatives that will provide the basis for working with development partners and the private sector to deliver growth oriented projects.

People

Proposal 2: Skills and employment⁹

In a challenging landscape of near full employment, our ambition is to secure the skills base needed by local employers to support further innovation led growth, and the transfer of new ideas across our economy through an aligned and responsive local skills infrastructure..

Ask

Control of all SFA funding should be vested in the devolved body to ensure that resource is targeted to address local priorities identified by the LEP and local employers. We will ensure that this funding stream is better aligned to local resources to meet employer demands rather than priorities identified at national level or driven by the provider network.

We therefore propose devolved funding and responsibility for;

- Skills Funding Agency adult skills budgets
- Skills Funding Agency apprenticeship budgets
- Skills Funding Agency adult community learning budgets
- National Careers Service information advice and guidance allocations

Working through OxLEP's Skills Board will seek to align and pool resources to re-shape training and learning provision in Oxfordshire to ensure the skills and training that Oxfordshire employers demand, both current and projected are available, easily accessible and more responsive to employer needs. Research shows national current provision pays insufficient regard to the local needs of Oxfordshire's employers, particularly in knowledge rich sectors that drive growth.

Rationale

Oxfordshire is one of the strongest, fastest growing economies in the UK and was recently cited as the most innovative. As one of only three net contributors to UKPLC (£19.2bn GVA 2013) we also have the lowest JSA claimant count (2178 (0.5%) - July 2015) nationally.

An economy based on 'big science' and innovation has a unique set of skills and training requirements that the current national approach and SFA infrastructure is unable to support fully.

The complexity of the system is the greatest barrier. Employers find it confusing, difficult to navigate and overly bureaucratic.

We are aware that the SFA funds 452 providers that deliver in Oxfordshire – of which only c24 deliver substantive outcomes. This creates duplication, confusion and over-supply in some curriculum areas, with other curriculum areas under supplied.

Eleven Oxfordshire based providers draw in excess of £33.8m of funding into the county – however the complexity of the system makes it challenging to understand exactly how much of that supports delivery on Oxfordshire. The table below details the split between the different types of delivery.

⁹ All data is based on 2013/14 academic year which is the last full data set we have access to

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Delivery	Funding
16-18 Apprenticeships	£7,235,219
19+ Apprenticeships	£8,817,273
Non-apprenticeship adult skills	£13,285,900
Community learning	£2,239,545
Discretionary support/24+ loans	£2,228,998
Total	£33,806,934

Within this challenging, excessively complex environment employer engagement has frequently turned into employer enragement.

To simplify this and encourage additional take up of training and up-skilling the current multiple top down funding streams need to be aligned and commissioned locally to deliver best value for the area, better coordination of funding bids, better alignment to the drivers of growth and increased flexibility in the system to respond to the needs of employers - many of which do not fit the current prescriptive nature of the skills system.

Equally within the current envelope of provision we see significant mismatches between provision and our economy. Professional, Scientific and Technical sectors account for 21% of our business base, yet only 5% of SFA funds support provision within those sectors.

Our challenge may be characterised by the UK Space sector. Predicted to grow to a £40bn sector by 2030 with c100,000 new jobs nationally its clear the UK is a global leader in the sector. Research goes onto to suggest that c10%-12% of those predicted new jobs (many of which have yet to be invented) will be within the Harwell travel to work area. In its current form the skills infrastructure is struggling to support this level of growth in a specialist sector, its questionable how aware the skills infrastructure is of its growth potential, and how responsive they can be to the specialist demands of employers in the sector. Young people currently in the education system will be essential to drive and support growth – yet it could be argued that the vast majority of those who inform, advise and guide young people are blissfully unaware of what’s going on around them – focussed on the ‘here and now’ with little if any room for ‘horizon scanning’.

Our Strategic Economic Plan sets out ambitious plans for 85,600 new jobs to 2030. We have significant opportunities for accelerated economic growth, to increase productivity, innovation and GVA – based on a devolved and more responsive skills infrastructure.

Offer

Oxfordshire Local Enterprise Partnership and the Oxfordshire Skills Board will work with Government and local Further Education and training providers to re-shape training provision across the county. This will improve skills levels, recognising training as well as qualifications and better address the current and future skills needs of our economy.

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We will

- Develop proposals to align the Government's Adult Skills and Apprenticeship budgets alongside local resources based on the agreed objectives of an Oxfordshire local outcome agreement aligned to the Governments Productivity Plan
- Be at the forefront of reviewing post 16 education and training provision in line with Governments objectives – with a clear ambition to extend the reach of the review to include our most influential providers (c24) - not just FE and 6th form colleges (4) – widening the scope of the review to more accurately reflect the most influential in our provider network
- Formally align the County Council's Economic Development team and associated budgets into Oxfordshire Local Enterprise Partnership (subject to confirmed on-going funding to OxLEP post March 16)
- Bring forward increased levels of apprenticeship delivery – to support the Government's target of 3m additional starts by 2020
- Align local budgets such as the Adult Community Learning budget, ESF and local programmes
- Through our emerging 'Opportunities to Inspire - 02i' create a local infrastructure where young people and those that advise and guide young people have access to top quality employer engagement and labour market intelligence based on growth locally as well as nationally

Deliverables

- A significantly enhanced and more productive skills eco-system that ensures a larger percentage of public money is spent on skills that employers need and value and lead to better job outcomes.
- A more flexible, agile system that focuses greater emphasis on innovation and science and sectors experiencing current labour shortage and projected growth.
- A step change in STEM take up – our aim is to double provision to meet employer demand.
- A better qualified workforce – 7% increase to level 2, 15% to level 3
- Through 02i we will work jointly with the Careers and Enterprise Company to coordinate employer-education activity more effectively, creating a network of Enterprise Advisors, more meaningful engagements between schools and business and better quality work experience placements.

Place

Proposal 3: Planning and Housing delivery

To drive delivery of around 100,000 additional houses that are identified in Oxfordshire's Strategic Housing Market Assessment. The county's growth potential is severely hampered by the excessively high housing costs that prevail in both the purchasing and rental markets. Major recruitment and retention problems are being experienced by many parts of both the public and private sectors for technically and professionally qualified staff. The future success of the University of Oxford as a leading global research and innovation centre is under threat due to the cost and availability of housing.

Rationale

In order to deliver this scale of new housing we have identified a need to:

- Align strategic infrastructure and housing investment
- Take a longer term view of development with local plans looking beyond a 15 year period to provide effective place shaping and the highest quality development.
- Working in partnership with the HCA, we would seek to align and deploy existing HCA products where appropriate to address local market failure, and to support the county's housing priorities
- Make effective use of the HCA's Regeneration based CPO powers
- Address housing mix, tenures and models of delivery through increased collaboration with the HCA, building on the strong operational links already in place within the Cherwell DC area.
- Commit retained business rate income uplift in addition to New Homes Bonus to support local and strategic infrastructure investment
- Give further support to communities wishing to develop neighbourhood plans in order to accelerate and smooth the delivery of new homes.
- Increase the planning capacity and resources available to accelerate housing and commercial development

The Homes and Communities Agency performs a valuable national role in assisting Registered Providers to provide affordable housing and, increasingly, a wider range of housing tenures. We would look to develop a more comprehensive partnership with the HCA, building on existing working arrangements, in order to ensure the successful deployment of HCA products that are relevant to Oxfordshire. We recognise the challenges of high house prices, an overheated urban economy and complexity of maintaining the outstanding rural environment alongside an ambitious knowledge economy growth agenda. We would aim to establish operational level project teams to ensure a finely targeted and local approach to housing provision.

Offer

To support an integrated approach to strategic planning that builds on local plans and powers, and introduce innovative new mechanisms to deliver housing more quickly. Within this framework, councils and neighbourhood planning groups will utilise this strategic planning approach when determining locations and levels of growth. Local partners will look beyond a 15 year period to provide effective place

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shaping and the highest quality development. We will deliver a harmonised approach to development that accelerates growth and is fully supported by local communities

In partnership with the HCA, we will produce an Oxfordshire housing investment strategy, with a consolidation of existing HCA products to address the county's housing priorities. With an ambitious delivery plan we will ensure government and local authority funding is strategically placed to address the barriers to housing delivery, create more effective partnerships with house builders and greatly accelerate delivery of the housing products that best suit the Oxfordshire economy.

In particular, we are keen to ensure that the scale of housing investment and HCA engagement at locations such as Bicester is broadened across the County, with a sharper focus on addressing the cost of construction, housing type, support for starter homes, key worker, rural housing and housing affordability.

Ask

To enable effective planning and delivery the Oxfordshire councils require greater control over the planning framework. We ask for removal of the five year land supply requirement, which, although it seeks to maintain the pace of house building, inadvertently undermines our plans for sustainable growth, regeneration of our towns and the confidence of our communities. We will deliver our housing targets through having a strong and strategically planned pipeline of schemes that are being worked up in partnership with developers and communities such that they have pre-application approval and are ready to bring forward as and when other sites are delayed. Neighbourhood plans will encompass these new projects providing we and they can ensure they come forward at an appropriate time, in tandem with transport initiatives and school provision.

We seek government commitment to remove the facility for developers to retrospectively appeal against affordable housing allocations. The affordable housing element of our developments provide opportunities for home ownership, intermediate rent and affordable rent to support employment growth. In all cases we will ensure schemes are viable by means of independent viability assessments and will work constructively with developers to provide optimum solutions to meet all housing needs.

We ask for further planning freedoms to develop a long pipeline of schemes that we will manage to ensure delivery of our target housing numbers.

Additionally to allow us to postpone sites that are not being brought forward in a timely way we ask for powers to allow us to push back such sites and bring forward others to replace them. This will incentivise developers to accelerate development. It will help resolve the problem of development land being sterilised as land owners will realise that if sites are not automatically allocated in perpetuity their value drops and restrictive option agreements are not a good buy.

Oxfordshire partners seek a commitment from the HCA to work proactively through our Growth Board and future governance arrangements to jointly prioritise and align investment priorities and powers to improve effectiveness and housing delivery. Alongside this devolved approach we see major potential for building a closer understanding with mortgage providers of

the scale and pace of house building across the County. This joint approach with the HCA would include exploring bespoke mortgage packages, such as Lloyds is developing in support of the UK's largest self-build development at Graven Hill, Bicester.

Deliverables

Oxfordshire's partners intend to drive housing delivery proactively by delivering the vision and outcomes set out in the SHMA and SEP. To deliver our vision and sustainable growth we need to plan for growth in such a way that employment growth and housing development are supported by targeted infrastructure investment.

Our experience over the past five years has taught us that unplanned housing development has created major infrastructure gaps, putting pressure on towns and villages and causing resentment and hostility towards housing growth. We will seek to overcome this problem by long term planning with the full involvement of local communities, and a logical phasing of development to enable essential infrastructure to be delivered in tandem with growth.

The partnership is already showing through the City Deal and the current Local Plans that the scale and pace of housing delivery could be and has been accelerated. Considerable land is being released for housing growth on both brown and green field sites, to meet the needs identified in the Oxfordshire SHMA, and the Local Plans are identifying the right locations for meeting this need.

The partnership is keen to focus the use of HCA powers to unlock a number of identified sites and thus accelerate additional growth, secure a wider range of housing products including starter homes and self-build that better support knowledge economy growth. Housing output will increase in line with the targets in the investment strategy.

Enterprise

Proposal 4: Business growth

To support the start-up, growth and scale up of strong resilient innovative and entrepreneurial companies by harnessing the combined efforts of government funded business development and support agencies with the aim of enhancing access to initiatives through greater alignment to and partnership with our Oxfordshire Business Support (OBS) programme – our Growth Hub – which in turn drives business productivity and growth.

Rationale

Numerous organisations are engaged in driving business support, inward investment and business growth – from national programmes such as UKTI, Innovate UK and Growth Accelerator to local organisations such as Invest in Oxfordshire, and local authority economic development resources. In addition the research base in Oxfordshire is an attractor to a range of business sectors needing innovative solutions to their commercial challenges.

There is evidence of overlapping objectives and duplication in business support provision . This leads to confusion and frustration on the part of high growth potential companies which can have multiple organisations offering the same type of support.

The Oxfordshire Strategic Economic Plan identifies that *'levels of uptake of some of the nationally developed business support schemes are not as high as would be expected. The main reason is the complexity of offers and support that can be communicated to a business, leaving a feeling of confusion and inertia'*.

Offer

Building on the success of our Oxfordshire Business Support (OBS) programme we seek to extend and enhance the range of valued business support services on offer locally including those to small businesses who are an important part of the Oxfordshire economy. By working more collaboratively with national programmes we will provide a co-ordinated, consortia based approach – a localised single point of contact to business that aligns the various programmes, whether national, sector based or local by simplifying the awareness of and access to existing programmes.

Increased levels of investment into the Science Vale Oxford Enterprise Zone

Building on our existing relationships with UKTI we will develop an inward investment and business growth strategy that will increase foreign investment projects and will offer a tailored support programme for high growth companies investing in the county through Invest in Oxfordshire.

We will increase the percentage of medium and large companies from 11.5% to exceed the national average of 11.7% in order to greatly increase Oxfordshire's GVA. We will achieve this by improving technology readiness of our high growth knowledge economy businesses and providing the right levels of support at the right time. Oxfordshire will retain more of its high growth companies which will grow and thrive.

A better coordinated business support offer across the local 'economic development family' by better alignment across OxLEP, OBS and local authority resources through the emerging Joint Oxfordshire Business Support (JOBS) initiative.

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Greater awareness of the Oxfordshire offer internationally that drives increased levels of investment by developing sector analysis 'deep dives' across our primary sectors of;

- Automotive & motorsports
- Space & satellite technologies
- Life Sciences
- Creative & digital
- Electronic, sensors & instrumentation

Ask

To work in partnership with existing government funded business support programmes to deliver a more collaborative, coordinated offer to high growth potential businesses to greatly increase growth, business retention and productivity.

Deliverables

- We will achieve the targets we set through the strategy for increasing the number of companies within Oxfordshire in the medium and large end of the employment spectrum.
- Alignment of national programmes locally through Oxfordshire Business Support Programme, to provide an integrated and coherent package of support to business across Oxfordshire to deliver growth through innovation
- Increased networking and connectivity between research institutions, businesses, SMEs and start-ups: the lack of fertile dialogue and exchange has been identified as a clear constraint on growth potential. We will in particular be broadening the scope of the existing initiatives in this area, and continuing them into the future
- Support to link high growth potential entrepreneurs, SMEs, start-ups and academia to grow
- Provision of high quality support to SMEs to strengthen core management and systems, acquire business skills and advice and improve resilience

Our programme will have active engagement and involvement of the universities alongside other key organisations (large companies, sector bodies, innovation experts, etc) in support of the design and development of the programmes. This will help to ensure that Oxfordshire SMEs better exploit the regional knowledge base provide long term support for companies through developing sustainable models of delivery.

Proposal 5: Public sector reform

We have developed strong working relationships between the county, city and district councils and other partners. However, recognising that, in governance, form should follow function. We therefore agree to commit to undertaking a governance review of our existing joint working arrangements with a view to establishing a combined authority in support of a substantial devolution deal.

We will build on these relationships with new models of joint working, based on a 'one team' approach for Oxfordshire's local government to deliver services for residents that are more efficient and at a lower cost. This work is at an early stage and detailed proposals will be developed in coming months.

We are keen to explore broader possibilities with other partners (eg transport providers and the Environment Agency) and consider new ways of working that will lead to better outcomes for Oxfordshire residents.

Proposal 6: Health, Social Care and Wellbeing

Proposal

Oxfordshire is well placed to make a transformative step-change in service delivery across Health, Social Care and associated wellbeing of the County, building on twenty years' experience of pooled budgets and close joint working.

Our proposal is:

- To bring together the public money spent on the health and social care of Oxfordshire residents and seek the powers to manage it as a whole. This means bringing the c.£150M spent on GP and primary care services and the c.£250M spent on specialist services under local control, making a total 'pot' of c. £1.23BN of health and social care funding to be allocated under a unified planning system co-designed with NHS England.
- Clear and strong governance is critical. We propose to review the well-established shared governance arrangements of the Health and Wellbeing Board and its subsidiary Boards to oversee the future planning and allocation of this shared resource. We would also review and re-define the relationship between the Health and Wellbeing Board to ensure synergy with the development of the strengthened Oxfordshire Growth Board proposed elsewhere in this paper.
- In addition, we would work closely with our major NHS and Social Care providers, building on the success of the Oxfordshire Transformation Board which enshrines strong collaboration between commissioner and provider.
- These new arrangements would see major benefits for the people of Oxfordshire in three areas which would go beyond traditional health and social care integration. These are:
Benefits for People - Plan and design the next generation of integrated GP, hospital and social services as a unified whole alongside the funding for specialist services on which our local teaching hospitals crucially depend.

A Better Start in Life - Current arrangements feature a strong multi-agency Children's Trust which plans services for children and keeps them safe. Aligning this work more closely with GP services, specialist services and the evolving Growth Board will allow us to achieve better health outcomes for children.

Benefits for Place - Good health and a sense of wellbeing are intimately bound up with issues such as community design, active travel, housing quality and commuting. Aligning the work of District Councils, County Council and the NHS through the planning system would facilitate better planning of communities as a whole.

This would give us an exciting opportunity to marry the Health and Wellbeing agenda with the County's ambitious plans for new homes and build in developments such as key worker housing, extra care housing and health care villages.

Ask

We would therefore ask Government:

- To work with us as we review the governance arrangements of the Health and Wellbeing Board, exploring any further powers needed, and find ways to dovetail this with the governance that will be required to support the devolution of funding and decision making powers.
- To identify and devolve Oxfordshire's 'share' of primary care and specialist commissioning resource to Oxfordshire CCG by arrangement with NHS England.
- To work with us to find the best ways to build health and wellbeing into the local planning system.
- To relax controls over management costs in the NHS locally to give the flexibility to manage the new system effectively.

Rationale

Demand on local services continues to grow as the population ages, with local growth projections for over 85s set to rise higher than the England average.

We also need to meet head-on the growing pressure on resources across the whole system.

Oxfordshire's health system has begun to meet this challenge and work is underway to transform primary care, social care, community services and hospital services.

Devolution would bring the following benefits which would assist us in meeting these challenges:

- Unified commissioning of all health and social care services.
- Aligning more closely health and social care commissioning with the research and innovation of our universities.
- Aligning unified health and wellbeing plans with the aligned plans of 5 District Councils to create healthier communities.

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- Greater transparency and clarity in decision making which is directly accountable to the public.

Offer

We wish to work alongside Government to:

- Re-shape services to meet the vision set out in the NHS 5 year forward view, working closely with NHS England
- Work closely with NHS Trusts and Oxford University to fast-track clinical innovation.
- Explore the potential for aligning health and wellbeing considerations in the planning of local communities
- Develop the governance arrangements necessary to oversee the new responsibilities we have requested.

Deliverables

In terms of improved health and wellbeing outcomes, the proposed arrangements would expect to deliver:

- A new system of 24/7 primary care to meet the needs of the 21st century.
- Re-shaped out of hospital services which genuinely 'merge' health and social care provision.
- Better coordinated urgent care service to avoid unnecessary admissions.
- A fast-track for health innovation to get research directly from test-bed to bedside.
- To experiment with place-based planning to tailor services to the needs of local residents.
- Improved collaboration between providers who will deliver services to meet specified outcomes.
- To explore the link between health provision, the local planning process and developer contributions.

Financing

Financing our Strategic Infrastructure aspirations (Proposal 1)

Oxfordshire needs infrastructure investment if we are to fulfil our ambition to deliver significant housing and economic growth. We need that infrastructure now, therefore a commitment to new and sustained sources of funding are required to give the authorities in Oxfordshire the confidence to either directly fund or undertake borrowing to deliver significant infrastructure investment which will realise Oxfordshire's economic potential. Using funds secured through accelerated housing and employment delivery, City Deal and LGF, the use of New Homes Bonus and the uplift in general Business Rates secured locally as part of this bid, our infrastructure programme can be developed and delivered.

Oxfordshire has three proposals to put to Government on sustained sources of funding:

Long term certainty over New Homes Bonus

This year Oxfordshire will receive nearly £16 million in new homes bonus payments and is estimated to be £20 million per annum by the time the full annual amount becomes payable. If Government commit to providing the New Homes Bonus for the next 20 years to align with the Strategic Economic Plan timetable, this will give the Oxfordshire Councils certainty over circa £0.5bn of income which could be used to support borrowing aligned to planned housing growth to fund an annual investment strategy thereby enabling investment to be targeted and delivered locally.

Business rates

Oxfordshire will generate almost £300 million of business rates in 2015/16, with approximately half returned to central government. This return to government includes growth above the baseline of some £5m. If Oxfordshire was able to retain all business rate income for 20-25 years above an agreed baseline formula including agreement to cancel the reset scheduled for 2020 we would be able to use this income to invest directly in projects or undertake advanced borrowing to further boost our investment delivery. Even before taking into account the ambition of the Strategic Economic Plan to deliver an additional 85,600 jobs and the associated increase in business rate growth that would generate, we would be able to undertake borrowing in the region of £75 m. With the additional jobs and accelerated infrastructure delivery this ability to borrow would grow exponentially.

Freedom to set fees for planning and licensing locally

The government sets fees for planning and licensing applications and these do not cover the costs we incur in delivering those services. We estimate the shortfall is between £2 and £3 million per annum. If we were able to cover costs we would be able to build and sustain our planning, transport and infrastructure teams to ensure value is added for the customer, quicker response times, develop self-help guidance and faster determination timelines.

Financing our Skills and Employment aspirations (Proposal 2)

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To ensure that resources are targeted to address local priorities and better aligned to meet local employer demands, we propose the Government devolves all SFA funding to Oxfordshire.

We therefore propose devolved funding and responsibility for;

- Skills Funding Agency adult skills budgets
- Skills Funding Agency apprenticeship budgets
- Skills Funding Agency adult community learning budgets
- National Careers Service information advice and guidance allocations

Financing our Housing and Planning aspirations (Proposal 3)

In order to improve effectiveness in the use of resource and accelerate housing delivery, we propose to work with the HCA to align investment priorities and target CPO powers effectively in support of the Oxfordshire Strategic Economic Plan outcomes.

Financing our Business Growth aspirations (Proposal 4)

To maximise economic growth, business retention and GVA, we propose that we work in partnership with UKTI, Growth Accelerator and Innovate UK, to direct their investment into Oxfordshire in support of our business growth and inward investment objectives. We would seek to direct this funding towards appropriate foreign investment opportunities and support for high growth, knowledge economy businesses.

Financing our Public Sector Reform aspirations (Proposal 5)

The six Councils in Oxfordshire are proactively planning for financial independence in delivery of services to residents by eliminating our reliance on Revenue Support Grant by 2020. Furthermore, new models of joint working are planned that will provide those services more efficiently and at a lower cost.

Financing our Health and Wellbeing aspirations (Proposal 6)

To take a transformative step-change in the health and wellbeing of the County, building on twenty years' experience of pooled budgets and close joint working, we propose the bringing together of the public money spent on the health and social care of Oxfordshire residents and seek the powers to manage it as a whole. This would consolidate health and social care funding of around £1.23bn and provide for a holistic approach to the growing pressure on resources across the whole system.

Financing the Oxfordshire proposals for devolution

		£bn
Proposal 1	New Homes Bonus (Oxfordshire offer)	0.35
Proposal 1	Borrowing against uplift in Business Rates (Oxfordshire offer)	0.1
Proposal 1	Local Growth Fund ask	0.4
Proposal 1	Local Growth Fund Offer	0.6
Proposal 1	Highways England ask	1.0
Proposal 2	Devolution of SFA funding	0.3
Proposal 6	Devolution of Health & Social Care funding	1.2
	TOTAL PROPOSALS	3.95

Governance

We think that we have robust joint working arrangements in place through the LEP and Growth Board and these allow us to take a strategic approach to planning for growth as evidenced by our Strategic Economic Plan, our City Deal and Local Growth Fund Arrangements.

We know that there are many important players beyond local authorities in Oxfordshire and we are delighted to have a strong LEP membership with full engagement of both local universities and the business sector. Local authorities through the Growth Board will continue to work closely with the LEP to understand and meet the needs of these globally important partners.

Our Offer

We are already committed to expanding and strengthening the role of the Growth Board to direct the completion of a spatial strategy for the county by 2018. As part of our co-location plans between county and district, we are committed to developing a strategic planning and infrastructure framework for the county. Working alongside the LEP we will support a review of the Strategic Economic Plan, this will enable all objectively assessed needs for the county, including jobs, housing and infrastructure, to be positioned strategically, and then allocated in a timely and effective manner locally.

However we recognise that in governance terms form should follow function.

We recognise that greater devolution of power and funding could see a reform of the Growth Board to enable it to be more strategic and take a stronger role in driving delivery. We therefore agree to commit to undertaking a governance review of our existing joint working arrangements with a view to establishing a combined authority in support of a substantial devolution deal for Oxfordshire.