

BUSINESS BOARD	AGENDA ITEM NO: 1.5
23 SEPTEMBER 2019	PUBLIC REPORT

OXCAM ARC UPDATE – SEPTEMBER 2019

1.0 PURPOSE

- 1.1 To provide Business Board members with an update on the OxCam Arc activities, specifically around the work of the Productivity Group and collaboration between the Combined Authority Business Board and the three Local Enterprise Partnerships.

<u>DECISION REQUIRED</u>	
Lead Members:	Austen Adams, Interim Chair of the Business Board & Portfolio Holder for Economic Growth
Lead Officer:	John T Hill, Director of Business and Skills
Forward Plan Ref: N/A Key Decision: No	
<p>The Business Board are asked to note current plans by the OxCam Productivity Group to develop three Strategic Outline Business Cases for input into the Spending Review, concerning:</p> <ol style="list-style-type: none"> 1. A Business Growth Service 2. An Inward Investment Service 3. An Integrated Skills Network 	

2.0 FULL SCOPE OF COLLABORATION ACROSS THE OXCAM ARC

- 2.1 In addition to the top-level governance structures of the Arc which include a Leaders & Chairs Group and a CEOs Group, there are four thematic working groups covering:
- (a) Productivity
 - (b) Place-making
 - (c) Connectivity and Infrastructure
 - (d) Environment
- 2.2 The CEOs of the three LEPs and CA Business board hold a rotating chair for the Productivity Group which also involves representation from various Local Authorities and the Arc Universities Group.

- 2.3 This update covers only the activity of the Productivity Group, as being most relevant to the remit of the Business Board.
- 2.4 It summarises the Productivity Group's priorities and sets out its ambitions to work across the Arc and in particular across the LEPs and Combined Authority to raise business growth, productivity, innovation, skills and exports.

3.0 BACKGROUND

- 3.1 Government has recognised the economic opportunity presented by the Arc as significant. But also, that it will not happen by itself, and will take concerted and coordinated work by both central government and the local areas to ensure that the Arc remains an economic asset of international standing over the coming decades, whilst retaining and improving a high-quality natural environment for future generations.
- 3.2 From a productivity perspective, the Arc contains over two million jobs, generating £111 billion of annual Gross Value Added (GVA). It is a highly productive and prosperous region with global strengths in science, technology and high-value manufacturing.
- 3.3 The Arc as a whole is a strongly knowledge-intensive economy. It contains ten diverse universities, including the Universities of Oxford and Cambridge, two of the world's greatest and most internationally recognisable centres of learning, and a network of cutting-edge science parks, research institutions, businesses and incubators.
- 3.4 It is also home to two globally renowned life sciences clusters in Oxford and Cambridge – the most productive life sciences clusters in Europe, which already compete internationally with the global leaders in San Francisco and Boston, Massachusetts.
- 3.5 The Arc is additionally a world leader in advanced manufacturing, with particular specialisms in high-performance technology, space and satellite technology and motorsport engineering.

4.0 PRIORITIES

- 4.1 The four Local Industrial Strategies have set out how the Combined Authority will work with the three LEPs on three priority areas:
 - 4.1.1 The development of a single innovation ecosystem, led by the universities to connect the numerous knowledge assets to deliver higher R&D investment, UK leadership in transformative technologies, and a continued post-EU Exit future as a global centre for research, including:
 - (a) Collaborating more intensely across the Arc, identifying and delivering joint R&D projects and providing a pipeline of talent;
 - (b) Developing a network of 'Living Laboratories' that both trial technologies Arc and address the Grand Challenges.

- (c) Channelling foreign investment into the knowledge assets and projects that will make the biggest impact on Arc-wide and UK growth.

4.1.2 The development of an effective skills ecosystem, better able to offer communities' access to higher-paid employment and businesses access to the workforce they need to achieve a doubling in our economy, including:

- (a) Working more effectively with local employers to increase apprenticeship uptake across the Arc, supporting employers to optimise use of their Apprenticeship Levy to drive social mobility;
- (b) Working more effectively with local employers to tailor the role of T-Levels using local labour market intelligence;
- (c) Establishing an Arc-wide skills marketplace, connecting businesses with skills providers and people to generate more apprenticeships, STEM skills, T-Levels and technical degrees.

4.1.3 The development of a world-leading ecosystem for high-growth businesses that effectively removes the barriers to growth, particularly in accessing the support firms need to scale-up rapidly, securing the right finance and access to the right commercial premises to grow, including:

- (a) Supporting firms to commercialise technologies, grow to scale, and export more;
- (b) Developing a Global Growth Network of internationally-focused businesses, scale-ups and sectoral clusters, able to foster a breakthrough growth region and a driver for the UK economy.
- (c) Establishing an Arc-wide growth support marketplace that targets the firms that can deliver the biggest shift in growth, productivity and exports across our cities and towns.

5.0 NEXT STEPS

5.1 Through the Arc Productivity Group, the three LEPs and the Combined Authority have commissioned, through the Arc Governance Process and budgets for cross-Arc working, the production of Strategic Outline Business Cases to be submitted into the Spring 2020 HMG Spending Review. These reflect the three priority themes specified above and include:

- (a) A Business Growth Service incorporating growth coaching and access to growth finance, targeted towards the firms able to generate greatest growth, spread more inclusively across the places with the highest absorptive capacity for growth and need for greater equality of access to higher value jobs, career opportunities and economic prosperity.
- (b) An Inward Investment Service that can operate across the whole geography to achieve a step change in foreign direct investment, especially into inward investment knowledge-based assets such as R&D, high-tech incubators and accelerators, innovation launchpads and flagship projects such as the New universities for Peterborough and Milton Keynes.

- (c) An Integrated Skills Network delivering greater choice for vocational learning, inspiring the workforce of the future to work in high growth sectors within the Arc. Establishing a functional apprenticeship levy marketplace to increase apprenticeships, employment placements and T-Levels.

6.0 SIGNIFICANT IMPLICATIONS

- 6.1 There are no significant implications.

7.0 FINANCIAL IMPLICATIONS

- 7.1 There are no direct financial implications.

8.0 LEGAL IMPLICATIONS

- 8.1 There are no direct legal implications.

9.0 APPENDICES

- 9.1 None.

<u>Background papers</u>	<u>Location</u>
Local Industrial Strategy	https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/818886/Cambridge SIN-GL_E_PAGE.pdf