

To: Future Oxfordshire Partnership (formerly the Oxfordshire Growth Board)

Title of Report: Oxfordshire Economic Recovery Plan Update

Date: 13 June 2022

Report of: Nigel Tipple, Chief Executive, OxLEP & Chair of the Economic Recovery Task Group

Status: Open

Executive Summary and Purpose:

This paper provides the Future Oxfordshire Partnership with an update on the progress of the Oxfordshire Economic Recovery Plan, overseen by the Economic Recovery Task Group, and the headline performance of Oxfordshire's economy as it emerges from the challenges of the COVID-19 pandemic. It also identifies the need to continue to undertake a 'system-wide' approach to responding to the Levelling up and UK Shared Prosperity programmes recently published in order to maximise the resources available to support local communities and businesses as they move from recover to consolidation and growth.

How this report contributes to the Oxfordshire Strategic Vision Outcomes:

The Economic Recovery Plan supports a number of the outcomes set out under the Strategic Vision including:

- Our local economy will be globally competitive, sustainable, diverse and inclusive
- Our county will be a more equal, fair and inclusive place for everyone

Recommendations:

1. That the Future Oxfordshire Partnership notes the progress being made in delivering the Economic Recovery Plan and the key issues facing the economy
2. That the Future Oxfordshire Partnership maintains its support for continued whole-system working, through the Economic Recovery Task Group, to address the economic challenges faced in Oxfordshire. In so doing ensure the co-ordination of resources across the "whole system" structures to support investment in businesses and local communities

Appendices:

Appendix One – Economic Recovery Plan - Monitoring Plan

Introduction

1. The Oxfordshire Economic Recovery Plan (ERP) is part of an Oxfordshire 'whole-system' approach to tackling the impact of COVID-19 in the county. It sits alongside other plans and emergency response measures introduced by Oxfordshire partners to support residents, businesses and communities to recover, adapt to the pandemic and impacts arising from the EU exit.
2. The ERP is led by OxLEP on behalf of Oxfordshire partners and is overseen by an Economic Recovery Task Group comprising chief officers from each of Oxfordshire's local councils, alongside senior representatives from both Universities, the Future Oxfordshire Partnership and the Government's Cities & Local Growth Unit. The Task Group also draws on specific knowledge of the county's Destination Management Organisations (DMOs), Experience Oxfordshire and Cotswold DMO, to provide insight on the visitor economy which supported over 40,000 jobs and contributes £2.4bn year to the Oxfordshire economy (pre-covid).
3. The ERP was prepared during 2020 in response to the pandemic and comprises a range of interventions to support the Oxfordshire economy. It includes projects where:
 - a. funding is already secured by partners and is being flexed, where possible and within the parameters of each project, to respond to the changing needs of the economy;
 - b. specific response funding is available and being drawn down from Government to support recovery activity or be accelerated to deliver economic support, in line with the priorities set out under the ERP; and
 - c. there is a clear economic need and has been highlighted by the baseline assessment as a priority but funding has yet to be secured
4. The ERP is informed by a comprehensive economic baseline assessment of the Oxfordshire economy prepared by Cambridge Econometrics and Steer Economics which includes district level analysis, business and sector trends and short, medium and long term forecasts for recovery. It was undertaken in autumn 2020, with a further update of economic trends published in April 2021. The data has been used across Oxfordshire partners to support local and countywide planning and has also informed work on both the Oxfordshire Plan 2050 and Oxfordshire Infrastructure Strategy refresh, to ensure a consistent approach and understanding of the county's economy. We will be considering a refresh of the data over the next 12 months as the economy adjusts to both the impacts of Covid, EU exit and world events.
5. Both the Future Oxfordshire Partnership and the OxLEP Board has received regular updates from the Task Group as the ERP was developed; there has been updates to the Scrutiny Panel too. In addition to this, member briefings have also been undertaken with individual Oxfordshire councils.
6. The ERP and supporting economic baseline documents can be accessed via the OxLEP website at [Publications | OxLEP \(oxfordshirelep.com\)](https://www.oxfordshirelep.com/publications)

ERP – Key Developments

7. A range of projects across the ERP are in delivery and making a positive impact on the ground to help local businesses and communities recover from the impact of the pandemic, across each of the themes under the plan – *Reskilling People; Resilient Business; Reviving Places; and Rebuilding Connectivity*. Updates on the progress of projects identified will continue to be monitored on a quarterly basis, as part of the Task Group’s work including evaluation and impact assessment of grants and support measures introduced at the start of the response phase.
8. Additionally, the group along with partners continues to seek to secure further investment from budgets and funds which have been released by Government in recent months, such as the Levelling Up 2 programme and UK Shared Prosperity Fund to support economic recovery across the County.
9. Additionally OxLEP has previously secured investment of c£750,000 to support skills development within small businesses focusing on increasing opportunities for promoting apprenticeship pathways and has invested in ‘Green Skills’. We have also developed and agreed programmes of support for our Visitor Economy and a comprehensive Social Contract programmes with a combined value of c£3.3m through the Contain Outbreak Management Fund (COMF) which is now being mobilised alongside c£1.35m dedicated OxLEP business support programmes and commissioned business support delivered in West Oxfordshire and Cherwell Districts.
10. Through our ERP Task Group we are now actively supporting the development of programme submissions for both LUF2 (competitive) [Levelling Up Fund Round 2: application guidance \(publishing.service.gov.uk\)](#) and UKSPF (allocated funds) [UK Shared Prosperity Fund: prospectus - GOV.UK \(www.gov.uk\)](#) which will result in a co-ordinated a package of project submissions under each programme which will potentially include Infrastructure, public realm and business and skills support aligned to programme priorities. The submissions will be made against the government set deadlines- LUF 2 bids by 12 Noon 6th July and UKSPF Investment Plans submitted by July 2022.
11. Regardless of the outcome of the competitive LUF 2 bid, a number of key projects within the ERP have been developed, are ready for delivery, and align well with UKSPF particularly to support businesses, skills development and retraining for young people, town centre renaissance initiatives and support for rebuilding the visitor economy. A number of these have now been funded as pilots of structured programmes but a number remain unfunded despite the urgency of need for these initiatives hence the consideration of co-ordinated UKSPF investment. It is imperative that Oxfordshire partners continue to work collaboratively as a ‘whole-system’ to co-ordinate and maximise the deployment funds which have been secured within the county to move these areas forward at pace.

Economic Recovery – Key Headlines

12. The updated baseline assessment highlighted that, whilst it will experience a short but focused contraction, the Oxfordshire economy has, on the whole, been

resilient to the challenges created by the pandemic. The county's diverse business base and technology sectors have adapted to the main shocks created. However, there are areas which have been exposed: most notably the visitor economy which has struggled to recapture market share.

Unemployment

13. The latest monthly out of work benefit claimant count data (for March 2022) shows that Oxfordshire's unemployment rate is 2.4% (10455) and remains lower than the national rate of 4.2%. Out of work benefits have fallen sharply from the peak of c18,000 at the peak of the pandemic but are still near double pre-pandemic levels. Job vacancies as measured by job postings (weighted to take account of multiple postings) are at a record high with many sectors reporting chronic labour shortages – including the visitor economy and logistics

Job Retention Scheme (Furlough)

14. The JRS was withdrawn in September 2021. At the close of the JRS there were 10,200 residents claiming JRS. Out of work benefits continued to fall post JRS closure.

The Visitor Economy

15. The Visitor Economy, comprising retail, tourism, leisure, arts, culture and heritage, is a vital component of our economy. It supports over 40,000 jobs and is the largest employer of women, provides vital employment and apprenticeship opportunities for young people, offer flexible employment which is critical for working families and also offers important routes back into work for people seeking to return to employment having had long term health matters.
16. The sector has been the hardest hit by the pandemic and is beginning the process of resetting itself and recovering with great caution, amid real concerns for the future. Intelligence from both the county's main DMOs report a mixed picture.
17. Considering the precariousness with which the sector still finds itself in, and the multi-faceted long-term nature of the challenges it faces, it is essential that support for the visitor economy sector is strategically sustained. Oxfordshire partners need to pursue a whole-system approach, working with the private sector, transport providers and other key strategic stakeholders to maximise resources to businesses where it is needed most, and avoid unnecessary duplication and confusion in the marketplace to help rebuild the sector and opportunities for local residents to secure long term employment.

Financial Implications

18. There are number of grants and funds which have been channelled into Oxfordshire to support the county respond and recover from the impacts of the pandemic. It is essential that Oxfordshire partners continue to adopt a system-wide approach to deploying resources and ensure that these are channelled to support agreed priorities , with investment at the appropriate scale to mitigate duplication and confusion for end beneficiaries whilst also addressing need on the ground.

Legal Implications

19. None

Conclusion

20. Recent economic data shows that there remain key areas within the economy where there is a need to continue to focus limited resources in a co-ordinated way, in order to maximise support where it is needed most. Progress is being made in the delivery of the ERP with a number of projects making a positive impact on the ground. However, a number of key areas within the plan, particularly to support skills, business support booster and supply chain matters, which are positioned to commence delivery but still require resourcing to move forward. Continued work at a system-level will be critical get these funded and mobilised.

Background Papers

21. The ERP Monitoring Plan, covering progress updates for the period to the end of Q4 2022 at Appendix One to this paper.

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