



AT THE RIGHT LEVEL

A strategic case for city-led growth,
innovation and renewal

By Zayn Qureshi

Executive Summary

The COVID-19 pandemic has proven the resilience and strength of England's local government in keeping our communities safe. Equally, the ongoing socio-economic consequences demonstrate the need for strong place-based leadership and governance at the right level to help our recovery. This is especially true for Oxford, one of our country's leading cities that has a global impact with demonstrated leadership in areas such as medical science and biotech. Oxford is also a key part of the Arc, and one of the few parts of UK that makes a net contribution to the Exchequer and will be a focal point for post-pandemic and post-Brexit growth. Faced with the need for robust social and economic strategies for recovery, there is an imperative to make a clear case for strong urban leadership driving renewal from the pandemic. With this in mind, 'At the Right Level' is seeking to highlight Oxford's case for city governance as a compact global city.

Background

National context

The impact of the COVID-19 pandemic has had far-reaching implications for the UK and its economy. In mid-August, it became clear that the UK suffered more than any other major European nation during the period of lockdown and is now in a deeper recession than any other reported by a European or North American country¹. The 20.4 percent fall in output in the second quarter of 2020 has been noted to be the largest quarterly reduction ever and the largest of any major developed economy². According to the Institute of Employment Studies, redundancy notifications are more than double the levels seen in the Great Recession³, with the number of people notified in HR1 forms as being at risk of redundancy in June and July 2020 rising to 300,000. In light of this and the sharp increase of market volatility during the initial phase of the pandemic, the Centre for Economic Performance emphasised maintaining liquidity as a key priority for monetary policy⁴. This points to the need to support the economic potential and assets that can help the UK recover.

The levelling up agenda, aimed at reducing the UK's wide regional inequalities, was set as a flagship manifesto commitment before the pandemic struck. After gaining his 80-seat majority in December 2019, the prime minister acknowledged outside of 10 Downing Street the overwhelming mandate given

1 The New York Times (2020) – Britain's New Record: A recession worse than in Europe and North America

2 Financial Times (2020) – Coronavirus Business Update: UK economy shrinks by a fifth

3 Institute for Employment Studies (2020) – On Notice: Estimating the Impact on redundancies of the COVID-19 crisis

4 Centre for Economic Performance (2020) – Strategy, investment and policy for a stronger and sustainable recovery: An action plan

by the people to unite and level up the United Kingdom⁵. The challenge of how to manage economic recovery whilst also levelling up has now come into sharp focus. Since the announcement of the devolution and local recovery white paper in July 2020, which has been devised for 'levelling up' economic and democratic opportunities⁶, many questions have been asked as to what this means for local government. If the broader purpose of the agenda is to bridge the gap of socio-economic inequality across the country, then how this is done in line with the economic offer and potential of different places, and what this means for their wider region, needs to be taken into consideration.

The pandemic continues to highlight stark inequalities within our society. A study by the Institute for Fiscal Studies has shown that school closures over the first lockdown period created substantial inequality between pupils from differing socio-economic backgrounds, particularly around time spent learning. Children have had wildly differing experiences of home learning⁷, exposing pre-existing disparities in home environments. This has demonstrated the need for levelling up not only in terms of the physical and economic infrastructure, but the opportunities available to our youth across the country. The urgency to deliver on the levelling up agenda is not only evident in light of the economic impact of the pandemic, but also owing to how it has brought to the surface pre-existing and multifaceted dimensions of our societal inequality.

Oxford Context

Oxford is a coherent economic entity, with an independent and unique strategic national offer. The city is a vital economic node of national significance, with the local economy contributing £6.75bn in GVA to the national economy per year, not accounting for its knock-on effects and supply chains, and a set of industrial assets which are undeniably attractive to people and investment. Illustrating this, Oxford has been ranked 8th in the UK's top 10 cities for the highest net private sector jobs growth. Between 2017-18, there was a 3.3 percent increase in private sector jobs⁸. A large part of Oxford's unique economic strength is based on the universities, science and business parks and related local assets that drive innovation on a national and international level. Oxford's institutions, including Oxford Brookes, the University of Oxford, its associated research facilities, and collaborations with neighbouring facilities such as Culham and Harwell, are essential to the UK's place as a world-leader in innovation. This was demonstrated during the pandemic and the global search for a vaccine – with a leading global contender led by the University of Oxford and its spin-out company, Vaccitech in partnership with pharma giant AstraZeneca. Due to its distinctive and nationally-significant anchor institutions, Oxford also powers the 'Knowledge Spine', connecting research centres across different housing and employment markets in the wider county. Adding to all of this, Oxford's strategic position in the Oxford-Cambridge Arc, and the Thames Valley, requires city governance for reasons of both pragmatism and principle.

Oxford understands the need to be as strong as possible in the recovery from COVID-19 and in ameliorating the economic consequences of lockdown. It has

5 BBC (2019) – General Election: Boris Johnson – 'We are going to unite and level up'

6 Centre for Cities (2020) – Where next for English Devolution?

7 IFS (2020) – Primary school closures created substantial inequality in time spent learning between pupils from poorer and better off families – and re-opening schools may be the only remedy

8 Centre for Cities (2020) – Cities Outlook 2020

grasped the nature of the specific challenges and opportunities that require a city level focus. While Oxford has a strong economy, the benefits are not equally felt by all residents, leading it to be the 2nd most unequal city in the UK⁹. This disparity is likely to be exacerbated by the pandemic. To this end, the city council has developed a draft economic strategy underpinned by inclusive growth and ecological sustainability. By valuing Oxford as a key strategic city, with a proud 1,000-year tradition of democratic and economic self-governance, these plans will enjoy greater longevity and impact. Additionally, maintaining a democratic voice for communities will be increasingly difficult if we move to further one-size fits all unitarisation, especially as England already has the largest local government units in Europe. As the country reforms for levelling up and recovery, strong city-based governance will prove critical as the most effective conduit between the residents and communities of Oxford and beyond this to sub-regional, regional and national governance. Relatedly, the economic success of the Oxford-Cambridge Arc will rest upon the dynamism and distinctiveness of its three main cities – Cambridge, Milton Keynes, and Oxford. These are considerations that the city council recognises and has been preparing for through the forthcoming economic strategy.

Economic Strategy

The overarching ambition of the city council is for Oxford to have ‘a productive, inclusive and environmentally responsible economy’, which can be achieved through harnessing the benefits of being a compact global city. The economic strategy has been developed on the back of, and is aligned with, multiple different strategies. This includes Oxford’s Local Plan, the council’s Corporate Plan, the Oxfordshire Local Industrial Strategy, and the Oxford 2050 vision. It goes hand in hand with the COVID-19 recovery strategy and serves as its long-term delivery vehicle. The economic strategy builds on existing strengths and successes of the city council and is underpinned by three priorities that include developing a more inclusive economy, becoming a stronger global city, and building an environmentally responsible economy.

Regarding the latter, the city council has embraced innovation in clean growth, and Oxford’s anchor institutions have further advanced the road to decarbonisation. The strategy displays a council commitment to using its convening power to marshal local communities and businesses around a coherent pathway to a cleaner economy. Guided by this, in February 2021 the city council coordinated 21 local stakeholders including the universities, institutions and largest economic anchors to sign a Zero Carbon Oxford Charter. Stakeholders committed to achieving net zero carbon emissions in the city by 2040. This marked the creation of a Zero Carbon Oxford Partnership for the city.¹⁰ Relatedly, the council has appointed an independent scientific advisor to consult on decisions around climate change¹¹. And most significantly, Oxford was the first city in the country to hold a citizens’ assembly on climate change.¹² Here, a sense of place, scale and identity counts. The gains that can be made through well-coordinated action at city level, such as through the Zero Carbon Partnership, would be diluted significantly if attempted across a much wider,

9 Centre for Cities (2018) – Cities Outlook 2018

10 Oxford City Council (2021) – Leaders across Oxford support 2040 net zero carbon emissions pledge

11 Oxford University (2020) – Professor Nick Eyre Appointed Oxford City Council Scientific Advisor

12 Oxford City Council (2019) – Oxford Citizens’ Assembly On Climate Change Report Published

more dispersed and diverse geography.

While Oxford is already a strong global city, there is a recognition that a lot more could be done to strengthen the city's contribution to the national and international economy. Tied to this are a number of issues that hold Oxford back from realising the extent of its potential as a compact global city. These are factors that might arise at a local level, but which affect the region as well as potential productivity impacts on a wider, more national scale. For example, graduate retention appears to be lower than average.

In addition, traffic congestion and infrastructure concerns relating to this make the city itself difficult to get around, something which impedes integrated innovation potential. In addressing this, one of the ten ambitions set in the economic strategy for the next ten years includes "expedit[ing] infrastructure developments that unlock economic opportunities". Getting infrastructure delivered at pace, particularly important now that levelling up has been tied to national recovery, requires nimble and locally intelligent and driven delivery vehicles. Through this, the city council can work with strategic partners, including neighbouring districts and the county council, toward solving issues around housing affordability and connectivity that affect not only Oxford but the wider region. Key here is recognising the city's role in convening with other stakeholders and driving the agenda forward.

Oxford – Cambridge Arc Spatial Framework

The Oxford-Cambridge Arc, and the innovative potential found within it, has been recognised by government as the key to the nation's economic recovery and renewal. However, it has also been noted as being 'an area constrained by inadequate infrastructure, a stressed and fragmented natural environment, [and] escalating housing costs'. These are all issues that hold it back from reaching its full economic and environmental potential. In identifying the Arc as 'a national economic priority area' in February 2021 the government published their Spatial Framework plans for the region¹³. In developing the framework, the government is taking a 'strategic approach to planning for growth and infrastructure to realise [the] transformational opportunity' held within the Arc.

Overall, the Spatial Framework will support 'better spatial planning, provide a blueprint for better targeted public investment, give investors greater long-term certainty over growth plans, and allow communities to shape the future of places across the region'. It is based on 10 core principles including being inclusive, sustainable, evidence based and digital first to name a few. Its intention is to identify different opportunity areas for growth including environment, housing, and infrastructure development.

Running parallel to this, an Arc-wide economic strategy will also be developed that will analyse forecast of future growth, identify specific infrastructure requirements, and the investments needed to deliver full economic potential. Both will complement one another, with the framework helping deliver on the priorities of the strategy. Other key areas of focus for Spatial Framework include the Arc's environment, transport and infrastructure requirements, and housing and planning.

There are three phases to the development of the Spatial Framework. The first

¹³ MHCLG (2021) – Planning for sustainable growth in the Oxford-Cambridge Arc: an introduction to the spatial framework

includes developing a vision for the future of the Arc with public engagement commencing in the summer of 2021. The second phase will develop options to turn the vision into policy, with these options being published for consultation in Spring 2022. Finally, a draft Spatial Framework will be published in autumn 2022 after responses to the consultation are considered. Shortly after this a final framework should be ready for use.

Oxfordshire Inclusive Economy Initiative

Oxford's unique innovation assets, its world-renowned anchor institutions, and thriving R&D business sector makes the city's local economy one of the strongest in England. The success of its economy manifests in Oxford contributing over £6.5bn to the national economy per year. At the same time, Oxford is the second most unequal city in the UK, with multiple long-term issues contributing to this disparity. Amongst these can be included earnings, housing, educational attainment, health outcomes, and food poverty¹⁴. In 2019, the housing affordability ratio for Oxford was 17.23, making it the least affordable city in the UK¹⁵. When it comes to life expectancy, inequality at birth has widened from 8.5 years in 2010/12 to 9.5 years in 2017/18. These statistics indicate some of the stark differences in socio-economic and health outcomes between high and low-income individuals and families in the city. While the pandemic has laid bare how prevalent these disparities are across communities within our country, the extent of inequality within Oxford and the wider region was something already recognised by local stakeholders.

Oxford City Council, along with the Oxford Strategic Partnership, and Oxford Local Enterprise Partnership, initiated a series of Inclusive Economy Seminars¹⁶ across the city in late 2019 and early 2020 that were designed to bring core strategic partners together and facilitate dialogue on what the future ambitions of an inclusive economy should be. These helped identify what the main interventions would be required in achieving an inclusive economy, and what each stakeholder in the local state needs to do to deliver on this shared ambition. Each seminar focused on different aspects of the inclusive economy including defining the challenges and potential interventions, place-based strategies, economic opportunities for all, and advancing an inclusive economy initiative for Oxfordshire. This has resulted in the publication of a draft summary report findings on the Oxfordshire Inclusive Economy Initiative in late 2020, with a final report scheduled for publication in 2021¹⁷.

One of the thoughts that has underpinned the ambitions of Oxford City Council and that of its key partners for an inclusive economy is that economic growth in and of itself will not reduce inequalities. There is a need to seize the initiative in searching for and implementing the correct interventions to help guide the process towards imbedding inclusivity

14 Oxford Strategic Partnership & OxLEP – Oxfordshire Inclusive Economy Initiative: Summary Report Findings [A final report is scheduled for publication in 2021]

15 Centre for Cities – Cities Data Tool

16 Oxford Strategic Partnership – Inclusive Growth Seminar Series

17 Oxford Strategic Partnership & OxLEP – Oxfordshire Inclusive Economy Initiative: Summary Report Findings [A final report is scheduled for publication in 2021]

within the local economy. Related to this, the city council has already spearheaded initiatives aimed towards inclusivity, including the employer recognition scheme associated with the Oxford Living Wage¹⁸. Overall, building an inclusive economy has now been adopted as a core objective by the Oxfordshire Growth Board and the Local Industrial Strategy, and is now being advanced within the Oxford-Cambridge Arc.

At the Right Level: where do we go from here?

The pandemic has given the national levelling up agenda new impetus, in light of the need for localities to recover from the pandemic and ensure that their local economies are resilient and adaptable in light of what may be yet to come. Looking at Oxford's context, particularly in the drive to embed inclusivity within the local economy, it is evident that if we are to recover successfully as a nation, levelling up needs to occur on a local basis as well. Further putting this into context of what the devolution and local recovery white paper might bring, it is extremely important to understand that levelling up and recovering from the pandemic needs to be carried out at the right level for our communities to feel any benefit. Whether it be decarbonisation, local and inclusive growth, strategic approaches to homelessness, COVID-19 recovery response and transport connectivity, the city's political leadership has consistently risen to complex place policy challenges with muscular and creative thinking to optimise Oxford's future. It is vital not to lose sight of this.

Ultimately, there are three aspects to what needs to be happen going forward. There is an evident need for **Levelling Up and Recovery from the Pandemic**. The guiding question here needs to grasp '**How does Oxford recover and grow?**'.

The second element of this is in how to do this through **Good Growth**. In line with existing ambition for an inclusive and sustainable local economy, we need to understand '**How do we make sure recovery and growth happen fairly without people being left behind?**'.

Tying these two elements together is the **Local State** of Oxford, taking this to be wider than local government, including key education and health anchor institutions, as well as community and business stakeholders. Understanding the roles and responsibilities that each have in Oxford's journey of levelling up and recovering from the pandemic, defining '**Who oversees the delivery of recovery and growth?**' will ensure a streamlined and directed recovery.

Levelling Up and Recovery

With strong city-led governance, Oxford is able to use its unique assets and particular strengths to recover stronger than before. Focusing these assets in the right direction will streamline the city's local levelling up efforts. In looking at recovery, each locality will need to gain an understanding of assets and strengths that can be utilised in the process, as well as priority areas that need to be addressed.

Oxford's globally significant research and development assets will present an opportunity for the city's own levelling up and recovery journey. How to retain and grow this asset base, and the countless innovation opportunities deriving from it,

18 Oxford City Council – The Oxford Living Wage

will heavily influence the way recovery manifests on a local and regional level, and the impact that these assets can have on the national effort. Through targeted investment in this base, and the companies attached to it, there will be a knock-on effect on wider employment opportunities that would benefit local communities. Something particularly beneficial given the scarring consequences that the current recession will continue to have on local people who lose their jobs.

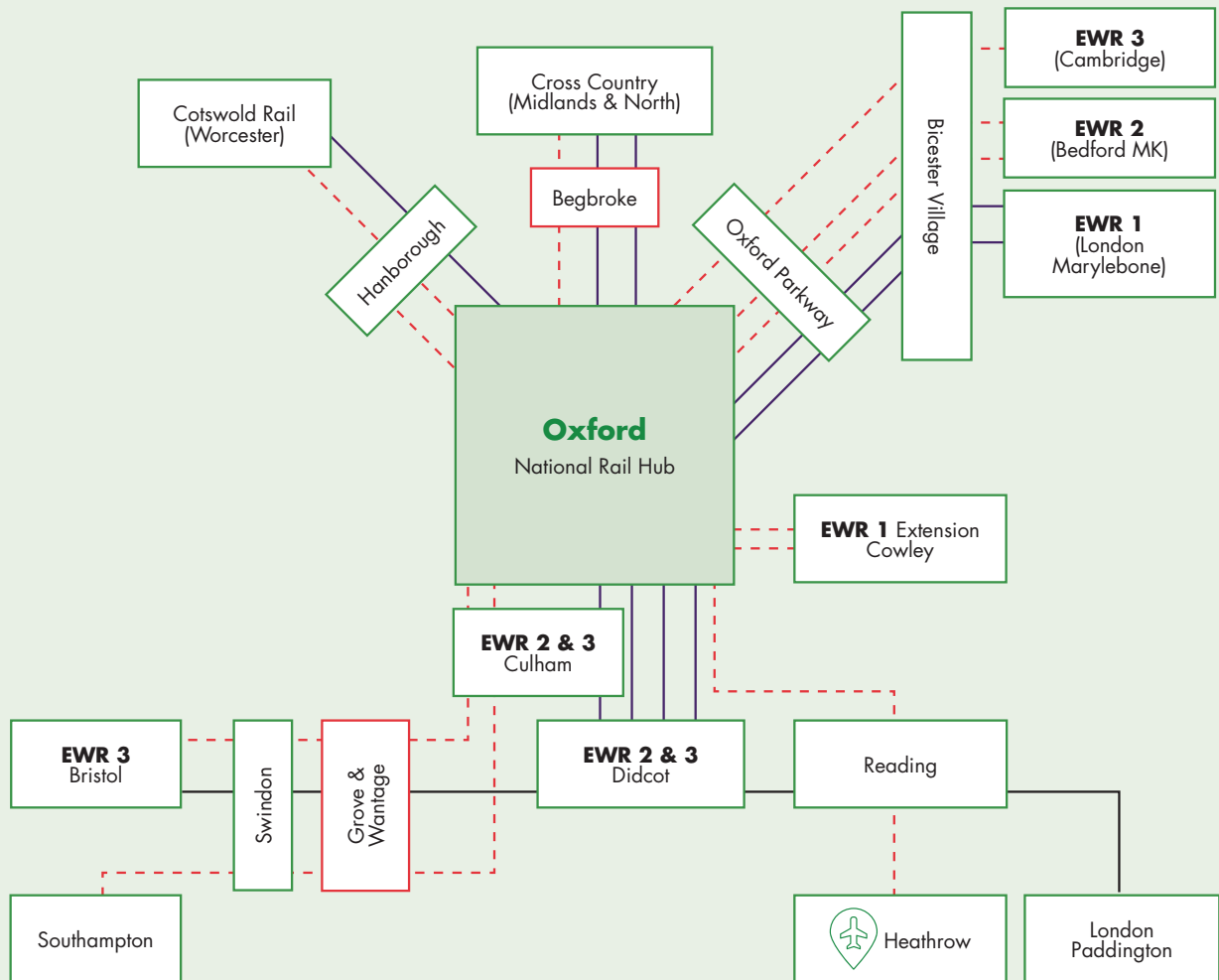
In making the case for Oxford's role in driving forward regional levelling up and recovery efforts, attention needs to be given to both existing strengths and barriers to growth. An area that needs to be looked at is the certainty and longevity of investment funding. Without there being certainty that funding will be available from government on a long-term, sustainable basis, the delivery on shared strategies of growth becomes more challenging. This will be further compounded when faced with changing national priorities as the government deals with the pandemic, and how these changing priorities will affect funding flows on a local level. Managing this will entail developing a holistic and collaborative approach to growth funding, with Oxford City Council using its convening power to work with local state stakeholders in finding a way to alleviate current budgetary pressures. Relatedly, in attracting further investment in growth and economic development, the city council can take a leadership role in supporting initiatives that showcase the city and region's rich innovation ecosystem. Especially in areas proven by the pandemic to be of particular importance for the future – including health-tech and clean growth.

Attracting further investment will also have to factor in the impact of lifestyle changes pertaining to work culture on the levelling up agenda. The increase in working from home brought on by the pandemic is one of many changes to work patterns likely to continue. Oxford's road to levelling up and recovery will require an evaluation of physical infrastructure strategies including those relating to transport. The importance of connectivity underpins this. Currently, the most convenient way to travel to and between the rich variety of clusters and campuses around Oxford and the region is by car. Going forward, a central aspect of strengthening and growing these unique assets needs to consider a more sustainable transport model to connect them together. The pandemic has changed how we get to and where we work. Related to this is the consideration that needs to be given to emerging spin outs and the type of lab spaces that will be needed for innovative industries. While there will be an increase of working from home, it still remains that face-to-face interaction will help drive innovation forward. And accommodating these companies within the Oxfordshire region and broader Arc area will be key in regional levelling up and recovery efforts. Addressing this is an area of focus where the city council needs to continue its engagement with key local, regional and national stakeholders. Already, there are a number of projects that bring together influential stakeholders, such as Oxfordshire County Council, Network Rail, and the University of Oxford to focus on key related investments such as the Oxford West End Innovation District and fulfilling the Oxford Station Master Plan.

Station Redevelopment

Oxfordshire's rail system acts as a 'bottleneck' to future network expansion. The Oxfordshire Rail Corridor Study identified the need for a 70 percent increase in rail services by 2028, with growth concentrated on Oxford Station. The re-development of the station is key to growth and the sustainability of the wider regional economy.

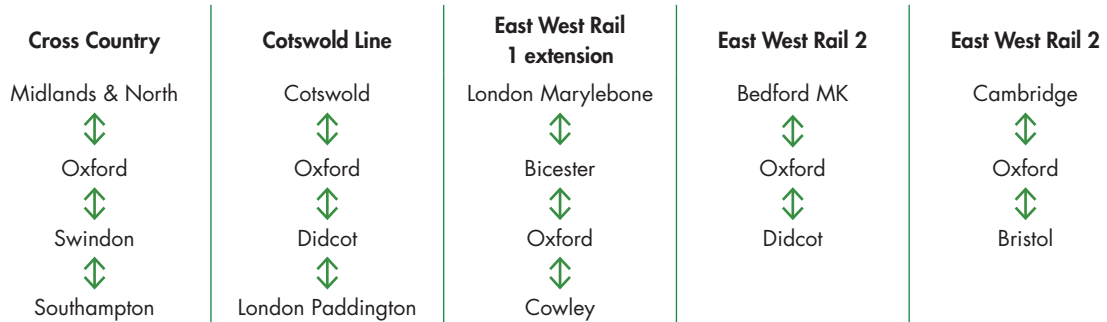
Figure 1: Indicative Service Patterns



Legend

- Current Rail Network
- - - Future Additional Rail Development
- Existing Interchange Hubs
- Proposed New Transit Interchange Hubs

Potential indicative passenger routes of regional connectivity via Oxford rail transport hub



Considering it will serve as a hub for the East-West railway, the station has a key role in expanding Oxford's reach across the Oxford-Cambridge Arc. Recognising this, Network Rail have applied for £160m funding to improve rail infrastructure along the Oxford Rail Corridor.

The redevelopment of Oxford station sits within the wider regeneration of the city's West End. Key schemes cover Osney Mead, Oxpens, and other adjacent sites that are coming together to form the Oxford West End Innovation District (OxWID). Adding to this are other key sites in charitable ownership. OxWID will create a new nationally significant R&D space in the heart of the city, alongside facilities for spin-out companies and residential housing. The first scheme entails plans to convert the Osney Mead Industrial Estate into an innovation quarter. The second is aimed at developing a mixed-use site in the city centre to deliver new homes, office space, and flood mitigation measures. The Innovation District will be a gateway development into Oxford's innovation ecosystem, with the station at its heart. The success of these schemes will entail continued engagement and partnership working with stakeholders central to their success, both within the city and more widely across the region.

Our increasing reliance on digital technologies during the pandemic will continue post-recovery, further emphasising the importance of developing a robust digital infrastructure. Many companies are increasing capacity for online working to engage global markets. Adapting to the convergence of digital technologies, facilitated by the city council, will increase inward investment into Oxford and the region. At the same time, the necessary shift to digital schooling following the national lockdown highlighted the prevalence of a digital divide disadvantaging children from low socio-economic backgrounds¹⁹. This shows the importance of developing the soft skills to engage with digital infrastructure and represents another area of consideration for the city council in leading regional levelling up efforts.

More broadly, the skills agenda is a vital part of the inclusive economy framework. It is also a key route through which to facilitate social mobility in Oxford's local community and ensure that levelling up and recovery is directed by good growth. Understanding how the skills agenda links to Oxford and Oxfordshire's local economy needs is increasingly important within the context of recession and projected job losses.

Good Growth

Levelling up and recovering from the pandemic must be underpinned by the ambition of creating an inclusive local economy whose benefits are felt and shared by every community in Oxford. In order to successfully achieve this, the imperative to level up and recover needs to be guided by principles of good growth. This should be viewed as an all-encompassing, holistic, approach combining multiple policy agendas aimed at levelling up Oxford's communities and embedding inclusivity within the local economy. Key elements include clean local growth, community input through neighbourhood participative democracy and co-design, and robust social infrastructure amongst many others. Good growth is where the need for deeper collaborative working and meaningful engagement between the key stakeholders of the local state, including business, government, and local community, is paramount. Equally, defining how this engagement works, and what it means for each stakeholder will ensure that recovery occurs through good growth.

¹⁹ The Telegraph (2020) – Children Left Behind As Schools Go Digital

Important factors for good growth include:

- **The role of planning** in embedding good growth within the recovery will be essential, both in planning policy, and aligning shared objectives of delivering an inclusive local economy. This highlights the importance of partnership working and is demonstrated through collaborative work occurring on the Oxfordshire Plan 2050 by the five district planning authorities of Oxfordshire with engagement from county council. Relatedly, looking at planning strategy through a business lens will give businesses confidence that Oxford and the wider region is an area that they can continue to invest in.
- **Local business** has a unique role in driving forward levelling up and recovery through good growth. The relationship between business and community will increasingly become significant in developing resilience to the socio-economic effects of the pandemic. Recovery through good growth will bring focus on the broader social responsibilities that businesses have toward their community. Understanding community as also encompassing the business community demonstrating that they have a stake in local issues.
- **Community co-design and neighbourhood democracy**, through giving the local community a voice, are an integral part of good growth. Oxford has set a precedent in this by being the first city in the UK to organise a citizen's assembly on climate change. This form of co-design involves convening of the local community with parts of the local state, including local government. For good growth, it is vital that engagement happening effectively with parts of the community it is aimed to benefit the most.
- **Physical infrastructure** is crucial to social mobility and equality of access, particularly in an area with Oxford's housing demands and target. Providing clean and sustainable infrastructure to all communities is a central challenge of modern governance. Equally, infrastructure needs in an urban context, such as Oxford, are different from a rural context as they are cumulatively triggered from growth within and beyond the city limits. The opportunities for modal shift and health improvements through physical infrastructure are very real in a compact city like Oxford. The need to get first/last mile investment in Oxford is critical to the wider economy.
- **Social infrastructure** is fundamental to good growth's success. For Oxford's local communities to benefit from the growth potential that recovery will bring, and for the city to address socio-economic and health disparities, structural challenges need to be addressed. Social value in procurement, education, and corporate social responsibility come into play with strong collaboration between local stakeholders required. The need for this has increased during the course of the pandemic with the need for fast, flexible, targeted and aligned responses, which has led to the city council moving to an increasingly localised model of delivery. Investment in education will enable local industries, including those based in the Arc region, to be more accessible to local people. Developing social infrastructure to enables community empowerment.
- **Clean growth** is a vital part of good growth, and they need to be taken together to be successful. Economic and environmental aspects of growth cannot be addressed effectively unless there is an integrated approach to

place. There is an imperative to align strategies, given clean growth links closely to health and wellbeing and physical infrastructure in place. For its part, the city council recognise this and alignment is occurring through the establishment of a Zero Carbon Oxford Partnership involving all of the city's major businesses and institutions. A good growth strategy for Oxford based on place dynamics should encompass frameworks for climate change strategy, health and wellbeing strategy, local plans, the forthcoming economic strategy, and the approach to post-COVID recovery strategy around skills.

- **Social mobility**, and opportunities to facilitate this, open up by linking the city's local community to the vast offer and potential of Oxford's knowledge intensive economy. It is important, now more than ever, to ensure our local economies are robust enough to stimulate growth using the existing potential found locally. Working through the framework of the skills agenda, Oxford's anchor institutions and businesses should ensure good jobs and training opportunities are accessible to local people. The city council is well-placed to facilitate these possibilities.

The Local State

Oxford's local state includes the research and development clusters, anchor institutions, and government that all drive the city forward in being globally significant. It is this local state that has a particular role in tying the first two elements together: in delivering levelling up and recovery through good growth. Discussing the local state in this context covers the roles and responsibilities of Oxford's local economic anchors and clusters, the universities, the health eco-system, as well as key local government partners, including Oxfordshire's district and county councils, that all drive the city forward in being globally significant. It is also these institutions that will have a large responsibility in helping achieve the goals of meeting the objectives of the inclusivity agenda, and other key strategies including, but not limited to, the Oxford 2050 vision and the new Council Strategy 2020-2024.

The convening power of the local state and importance for key stakeholders to engage in partnership working to achieve shared objectives is already apparent in many parts of Oxford City Council's work and will be critical in its journey of levelling up and recovery. This is evident through the work that Oxfordshire's councils have done through the Oxfordshire Growth Board with regard to the Housing and Growth Deal.

In order to maintain and develop effective partnership working, there needs to be a substantial alignment of strategies and plans so they make sense when set against one another. There is a clear requirement for strategies on different areas including economic, climate change, transport, education, and housing. However, these individual strategies also need to be curated in a way that makes sense holistically, reflecting the realities of place, and are realistically deliverable. In developing strategies on different policy areas, the elements that contribute to bringing them forward have to be understood and communicated in a way that is relevant to local stakeholders.

Doing so will make it easier to consider the right level of intervention for the convening power of the local state in delivering outcomes. Partnership working extends beyond local government, and, therefore, it is critically important that the city council and OxLEP, as a key partner, continue to work together to deliver the right kind of local response to the national programmes found within the Oxfordshire Local Industrial Strategy in Oxford.

As a core element of the local state, local government is at the centre of driving forward the road to levelling up and recovery through good growth. It has a set of direct responsibilities and actions that it can undertake to facilitate Oxford's sustainable good growth. The scope of action to enable this is large, and encompasses tackling health and socio-economic inequalities, mitigating the consequences of climate change, building an inclusive economy, and providing business support for local SME's to name a few. These are all areas where the city council is already making considerable headway, and its continued leadership in facing these issues will be the foundation of a good growth recovery. Equally, making a robust recovery from the pandemic and ensuring the benefits of Oxford as a compact global city are felt as widely as possible throughout the Oxford-Cambridge Arc and beyond will only be achieved through strong city leadership alongside cross boundary cooperation with neighbouring districts and the county council.

Central-local government relations are a key part of decision making on the right level. Therefore, a clear conversation is required on how to deliver on shared objectives of the city council and central government in a joined-up manner that indicates a realistic way for delivery on things like local infrastructure needs.

Local anchors

The other core element of the local state are the universities, the University of Oxford and Oxford Brookes. As key contributors to the city's economy, with global reputations, they have a significant role in driving Oxford forward and delivering on good growth. The global recognition of the University of Oxford plays a big role in attracting business and inward investment into the area, while Oxford Brookes has worked to unlock the skills potential of Oxfordshire's youth through the Brookes Engage programme²⁰. It is vital that the working relationship between the city council and both universities continues to strengthen and be built upon in different areas of communal interest. Additionally, continuing efforts to understand and engage with different local agendas to tackle prevalent shared issues will help develop an understanding of the universities' role in supporting Oxford's local community.

In gaining a fuller picture of what the post-pandemic economic landscape will be, and the required actions needed for recovery through good growth, the other necessary area of collaboration is with the region's private sector Local Economic Anchors. As a global facing city rooted in place, Oxford has a strong presence of anchors, and with this the social capital needed to help direct recovery through good growth. Core anchors include the BMW Mini Plant in Cowley, Oxfam GB, Oxford Biomedica, Activate Learning, Unipart, the Westgate Shopping Centre, the Oxford Bus Company, and the Science and Business Parks to name a few. Areas that would benefit from sustained partnership working are in education and the skills agenda particularly in defining the role that these economic anchors can play in developing a resilient and skilled local workforce in the face of COVID-19-inspired large-scale unemployment. For their part, the city council have engaged in sustained dialogue with these anchors on recovering from the pandemic over the late summer and autumn months of 2020.

The city council recognises the intrinsic connection between health and the

20 Oxford Brookes – Brookes Engage

economy, and the importance of a successful economy as a determinant of health and wellbeing. This is why healthcare institutions, including the Oxford University Hospitals NHS Foundation Trust, Oxford Health NHS Foundation Trust, their constituent hospitals, and primary care services, are the vital third element of the local state. They have a unique role and responsibility in working with the other stakeholders of the local state to tackle the socio-economic and health deprivation within pockets of Oxford's communities. It has been noted that given the level of scale at which the parts of the health system works at, in terms of its internationally significant work, there isn't equal focus given to tackling the local inequalities as effectively as could be. Finding a way to navigate these two realities while understanding how the health system can work across the local state to use this innovation to tackle these local issues will be a critical part of levelling up and recovery through good growth.

Delivering at the right level

The pandemic has shone a light on the centralised nature of our political system. Countless examples throughout the year, from data sharing on R rates with local authorities, to the command of track and trace, demonstrate the extent and consequences of the drift towards centralisation. Equally, it has demonstrated the power of, and need for, local government's ability to work across organisational and geographic boundaries as a system that can be strategic and responsive to communities. The services needed to support local communities throughout the pandemic, whether health, police, transport, or other social services all sit within varying geographies and demonstrate the need for collaborative working.

Oxford City Council have proven that they are a committed leader in collaborating with strategic partners to serve local communities, especially during the pandemic. However, in order to truly deliver a good growth recovery, the central issue of budgetary uncertainty needs to be addressed. For this reason, Localis is calling for a £1bn Endowment Deal for Oxford, taking the form of a single long-term investment strategy for city-led growth. This deal would give Oxford City Council power to: target investment in key physical and transport infrastructure requirements, build the capacity needed to develop a skills supply chain, give strategic planning powers relating to Oxford's decarbonisation targets, and allow for city led investment strategies on social, digital, and smart energy infrastructure.

It would allow the city council to direct growth at the right level for Oxford to become an inclusive and sustainable compact global city and in so doing broaden its offer to the different economic areas within which it sits. Considering its functional role within the Oxford-Cambridge Arc, the Thames Valley, and the FEMA's that centre on the city, a long-term investment strategy would allow Oxford to play a stronger and more effective part in all of these configurations. Oxford being able to invest in its own good growth will allow for wider benefit to be seen across the Arc, and crucially, make the city a better engine for growth within it. This will accelerate the transformation of the Arc 'into a world leading economic area'²¹. Relatedly, the success of Oxford goes hand in hand with the success of Oxfordshire as a whole. The city having the power to drive growth will equally require continued and strengthened collaboration with its neighbouring districts and county partners to ensure that Oxford's successful growth continues to benefit its wider region.

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Governance at the Right Level

This recommendation is designed to situate Oxford as a compact global city within the aegis of governance frameworks not just vested in Oxford City Council but also extending sub-regionally to those of Oxfordshire County Council and OXLEP and regionally to the nationally vital Oxford-Cambridge Arc – so as to provide sufficient power and resource at the right level to allow the city to deliver for its residents and to further accelerate the growth potential of the arc and the county.

Oxford's ability to grow at the city level

- The power to raise levies to fund placemaking efforts:
 - On businesses, in a manner similar to the provisions laid out in the Business Rates Supplement Act.
 - On residents, in a progressive manner using council tax bands as a guide.
- A long-term endowment fund for supporting good growth within the city.

Oxford's relationship with the County and the Arc

- Co-decision powers with Oxfordshire County Council on local transport infrastructure decisions.
- Some strategic planning powers for the city council, specifically on the ability to go further within the city than national and regional targets dictate for planning standards and design codes relating to good growth targets.
- Key cities for the Arc's future growth, including Oxford, Cambridge, and Milton Keynes need to have a clear voice on its governance i.e through representation on the proposed Arc growth body.

Oxford City Council's relationship with its residents

- Statutory convening role in the development, alongside County and Arc partners, of a skills supply chain for the City of Oxford which focuses on maximising the human potential of the city's resident population.
- The city should put forward a transparent community asset and social infrastructure investment strategy as part of a revised social contract with residents.

Barriers and Obstacles to be addressed

- A lack of certainty on the availability of long-term funding makes the delivery of growth strategies more difficult, leading to detrimental consequences for investment in place. An holistic approach to growth funding is required in providing certainty. One where different elements of the local state come together to alleviate budgeting pressures and pool resources over a wider geographic area.

- The current funding system is set up in a way that leads to a competition for central pot funds. This system is not sustainable in the long term as localities look to recover and address place-based infrastructure challenges. There needs to be a long-term approach for funding to meet these needs that doesn't have to appeal to the national rhetoric at the expense of community issues not being addressed.
- The national standardised housing requirements present in the Future Homes Standard 2025 highlights an issue around the best way to ensure robust national policy translates to deal with local needs and requirements.
- The proposals set out in the planning white paper pose a challenge to local authorities in the significant changes intended to the current framework. The ability to formulate a strategic vision, and the importance of strategic partnerships, is lacking. The work that Oxfordshire's authorities are doing together in meeting regional housing needs through the Growth Board should have been held as an exemplar scheme in the planning white paper.

Challenges to be addressed

- On climate change, the city council needs to continue to show leadership in communicating the understanding reached in the citizens' assembly to the rest of the people of Oxford. And ensuring that the debate is inclusive, allowing every part of the city's community to engage with it.
- To tackle the socio-economic and health disparities in Oxford's local communities, there needs to be clarity on the best way to harness and leverage the relationships and assets across the city's public sector, including in healthcare and education, to take constructive steps to address the issue.
- In addressing local health policy challenges, the city council needs to engage more with the cutting-edge research coming from the innovation ecosystem in identifying and tackling specific problems. As an example, Oxfordshire is faced with the challenges that arise with successful ageing. Dealing with this population will require efficient communication support, remote monitoring devices, and the best use of data to improve health outcomes. Oxfordshire's health and social care needs serve as a basis for innovation in the health tech area. Here, local government, including the city council, are well positioned to collaborate with the health tech, healthcare and academic networks involved to say what it needs to support the local population.
- The city council can help empower communities by making more local services agile and adaptable to community need. Finding a way to deliver a city-wide service while catering to the specific needs of different communities on the hyperlocal level will require bold innovation.

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