



Opportunity Peterborough

BUSINESS PLAN

2017/18

Driving the economic growth and prosperity of Peterborough
and enhancing Opportunity Peterborough's credibility as a
respected deliverer of economic development.

1. REVIEW

1.1 Key Achievements

Over the 2016/17 financial year, OP has continued to secure dramatic results for the Peterborough economy through its innovative and comprehensive approach to economic development – as recognised by government in awarding ‘Highly Commended’ in its Enterprising Britain awards.

Highlights of the year include:

- Continued support to attract inward investment: from manufacturers such as TRB-Seisenbacher through to skills organisation Success For All.
- Enhanced and targeted marketing of the city to potential investors; with collateral distributed to London intermediaries, and enhanced social media activity.
- Enterprise support to help 60 job seekers into their own businesses, and new creative artists into new ventures.
- Three awards have been made to rural businesses and organisations through the LEADER funding programme, with £122k distributed.
- Development of new collateral including the Business Spotlight book which has drawn considerable local and wider interest.
- Growing numbers of bondholders, high quality speakers at events and hugely successful annual dinner.
- Successful delivery of support to Fenland DC, enhancing its business engagement activity, inward investment opportunities and websites.
- Providing additional expert support and advice to PCC on projects ranging from community regeneration, to funding, and property viability assessment.
- Award-winning Skills Service, providing over 20,000 engagements between young people and businesses over the last school year, and an awe-inspiring Careers Show.
- Attracting new funding to the city for additional skills activity, and securing Work Experience contracts across Peterborough.
- In partnership with PCC, developing innovative and transformative ‘Future City’ activities, utilising data and digital connectivity as well as practical solutions for citizens and businesses, including the launch of the Circular Economy agenda and Share Peterborough platform. Through match-funding brokered by OP, the city’s first Innovation Lab was opened, generating new business opportunities for local enterprise.
- Following up on World Smart City 2015 award, extending Peterborough’s, and OP’s, international reach through events from Copenhagen to Amaravati (India), Barcelona to Taipei; not only for ‘smart’ or future cities initiatives, but also showcasing Peterborough’s economic potential for trade and investment.

In short, as well as delivering inward investment and business support, with the former reporting a **£1m un-anticipated increase in local business rates**, OP has led a wide range of transformational projects in the city, in its own right, and through positive collaboration with its partners.

During the year, Opportunity Peterborough has moved increasingly into the commercial space to generate revenue and secure its future. A range of commercial arrangements have been put in place, ranging from sponsorship, through to a commission share model with local partners. Alongside, a consultancy function has been established whereby staff sell their specific expertise to partners: from strategy writing and funding, through to project co-ordination, and business case development.

1.2 Challenges

One fundamental challenge persisting throughout the year has been to generate sufficient funding to keep Opportunity Peterborough afloat; whilst ensuring at the same time that this does not distract from the core remits of the company and result in a situation where the company is self-funding for its own sake and existence rather than having the impacts it is clear it can have.

In facing these challenges, considerable thanks must be given to our main funding partners: the commitment of PCC has been vital; the Skills Service has continued to receive funding through the year from the Greater Cambridge Greater Peterborough Enterprise Partnership, with a very positive strategic relationship building; whilst the InnovateUK Future Cities Demonstrator fund has enabled OP staff to support and drive the smart cities programme to considerable local, and wider, impacts.

Some projects have either closed during the year, owing to funding closing, or have not developed as anticipated, owing to other influences. With the closure of funding from DWP to support unemployed people into their own business, the Ignite programme has been paused. Clearly, should funding of this nature become available again, OP is well placed to bid for that and deliver a programme in the city. Equally, local cultural partners have decided to adopt a different approach to their project supporting young cultural entrepreneurs into their own business.

Changes in funding regimes and opportunities has resulted in the loss of some staff, and uncertainty for other staff members over long term futures. This is unfortunate as OP's greatest strength is, without a doubt, the dynamism, expertise and skills of its staff; their retention is key to the company's success.

The company has faced other challenges over the year, as it seeks to rationalise and modernise its internal systems. The accounts management processes have been improved over the course of the year, in partnership with Rawlinsons, but this has been very resource-hungry in terms of staff effort.

Overall, the staff have responded well to the challenges the company has faced. The team has adopted a far more commercially focused approach, seeking to explore and maximise revenue opportunities, whilst not losing their existing passion for delivering change in the city, and the wider economic area.

2. FUTURE PLAN

It is imperative OP builds on its successes and strengths rather than diverting into wholly new areas of activity. It is important, however, that it does maximise those opportunities. So, for example, through the Future Cities activity, OP has established excellent relationships with InnovateUK and international partners, which could lead to crucial new funding and economic opportunities. OP has strong credibility in the area of skills development: it should exploit that with other government agencies as well as the LEP, and ideally in other geographies.

The holistic approach to economic development (integrating business connections, inward investment, innovation and skills) should not be underestimated, and these are all areas of strength that OP will seek to explore and maximise going forward.

Fundamentally, whether it is termed 'commercialisation', 'consultancy', 'sales of services', it is vital that Opportunity Peterborough identifies significant revenue streams if it is to continue to survive,

and if it is to continue to have the impact on Peterborough that has seen claimant count fall to record levels, investment enquiries reach new heights, and the city's profile reach out onto a global stage.

2.1 Financial Strategy 2017/18

Given OP's unique position between the public, private, and third sectors, it will continue to maintain its approach of generating revenue from a cocktail of approaches – core funding, grants, sponsorship/membership, and sold services.

An outline of the likely areas of funding for 2017/18 is indicated below.

PCC Funding

Funding from PCC is to support OP in attracting inward investment and driving up increased business rate revenue for the council.

Grants

A number of grant areas are included in this: LEADER, the Skills Service and Future Cities. Further funding may be secured through bids to Horizon 2020 and InnovateUK potentially, among others.

Bondholder Network

Includes membership fees and special events and sponsorship. Additional funding routes are being explored alongside these but no commitments can be made at this stage. The Bondholder network continues to attract new members – both through the quality of support from the team, but also the quality of the events that OP organises.

Consultancy & Other Activities

OP will explore a range of activities to secure additional funding. This could range from providing services to neighbouring authorities, to additional skills activities and provision of specialist economic support.

Overall, OP will have to cut its cloth to meet the funding that is available. Non- realisation of new funding streams or ceasing of existing grants would require staff restructuring, and the loss of exceptional and committed staff.

To mitigate risk, OP will consistently monitor its reserves and ensure these are sufficient to cover any wind-up costs should that eventuality become likely.

2.2 Strategic Programmes Overview

The Skills Service

The Skills Service is one of OP's most successful initiatives. Although its contributions to overall overheads may not be as high as some other areas of activity, it consistently builds credibility and the team consistently develop new business opportunities. More important are the outcomes that the programme is delivering: it is being shown to be a valuable resource for local young people, schools and business (testimonials have been supplied by pupils, teachers and leading business people which demonstrate its impact and the esteem in which it is held).

Going forward, OP will seek to continue to collaborate with the LEP and other partners to secure funding to maintain this valuable service to the city and beyond. Moving into 2017, the team will be tasked with finding additional sources of funding which can supplement any downturn in funding, should that occur.

Future Cities Programme

Having led the bid to InnovateUK to secure £3m for Peterborough to become a ‘future cities demonstrator’ OP has worked closely with the Council to explore and realise new, innovative, and integrated approaches to service delivery in the city: catalysing major engagement from local businesses (across all sectors) and developing projects that are having real impact on local citizens and companies. The success of the project has also seen Peterborough feature on a wide-ranging national and international stage (an important asset in driving up interest in and knowledge of the city).

The Future Peterborough team will be exploring enhanced collaboration with a range of partners, including Cambridgeshire and the Combined Authority, as well as cities more widely, academic institutions, government departments and major private sector partners.

Alongside this, Peterborough itself can continue to develop its own initiatives around providing a more connected and integrated city, further promoting its Smart City Leadership work and its Circular Economy aspirations. Strategic links with national and international partners, and the strong connections OP has developed with these partners, including the British Standards Institute, the Foreign & Commonwealth Office, InnovateUK and the Future Cities Catapult, are invaluable. OP’s credibility means that we have positioned both the company and the city as a partner of choice for a range of funding opportunities from Horizon2020 to InnovateUK.

2.3 Priorities & Objectives

Fundamentally, OP must satisfy its relationship with its sole member, Peterborough City Council. As such, there will continue to be a strong focus on Inward Investment activity to realise continued growth in business rates.

However, it is clear that a vibrant economy comes not only from new inward investment but from the successful growth of existing companies, and OP will continue to be a vital connector and sign-posting function for local businesses looking to access new business opportunities, funding and skills support. This holistic and comprehensive approach to supporting economic growth is based on building confidence in the city and although its breadth may appear challenging, it is part of OP’s strength and uniqueness of offer – making OP a true and recognised voice for business in the city.

Securing Peterborough’s economy for the future will need to continue to embrace everything from business support to inward investment, innovation and skills. The government’s ‘Industrial Strategy’ sets out clear aspirations around increasing productivity and international engagement.

Underpinning the former are innovation, skills and new business efficiency, whilst international engagement in a post-Brexit world, means forming partnerships with a wide range of global partners. Opportunity Peterborough’s strategy (business, economic and city-scale) aligns with the aspirations of the industrial strategy perfectly.

The key areas of activity and objectives are indicated in the table below.

Activity Area	Aim	Delivery	Targets	Monitoring
Inward Investment	To raise Peterborough's profile and increase business rate returns.	Proactive campaigns, social media, engagement with intermediaries, delegation support.	6 converted enquiries pa	Monthly (SMT) Qtrly (Board)
Strategic Partnerships & Funding	To connect OP & city with new funding opportunities.	Use of Grant-Finder; develop programme specific bids; liaison with local partners.	2 new major funds secured	Monthly (SMT) Qtrly (Board)
Innovation & Future Cities	To develop new initiatives in the city to support innovation and deployment of smart city approaches & connectivity.	Deploy new funding streams to support innovative approaches locally and with major strategic partners (incl Cambs).	Data – digital connected city outcomes. New innovation support model. Smart City Leadership programme continued.	Monthly (SMT) Qtrly (Board)
Skills Development	To ensure high quality pathways to work-readiness, and skills opportunities.	Securing and enhancing the existing Skills Service. Expansion of Skills Service offer with partners (topic & geographic).	Funder KPIs Careers Show roll-out	Monthly (SMT) Qtrly (Board)
Revenue Opportunities	To secure OP's short, medium and long-term viability, to ensure it can continue to function successfully as a respected deliverer of economic development.	Further commission-share agreements secured. Bondholder events and membership. Consultancy services based on skills of the team.	3 new agreements 300 members by year end 4 contracts secured/won	Monthly (SMT) Qtrly (Board)
Marketing & Communications	To raise city and OP's profile for enhanced credibility, both as a place to do business (city) and as a respected partner to business (OP).	Press media PR Radio & TV National/int'national media / specialist / trade articles	20 pa 7 pa 4 pa	Monthly (SMT) Qtrly (Board)

Reporting on key milestones and outputs will be provided through an enhanced Programme Management tool, which will be used regularly by the OP Senior Management Team, and with the Board at its regular meetings. Wherever possible, Board members will be invited to participate more directly with the Executive on key areas of interest.

2.4 Risks

The biggest risk facing OP is the certainty of funding. By its nature, the company is fleet-of-foot and opportunistic, but certainty and security of funding would enable a step-change in delivering economic growth. Enhanced financial management and programme management systems, alongside the regularity of SMT meetings, means that the company is now better placed than ever to plan for and mitigate against risks and their impacts.

Below is a risk register relating to anticipated risks

Risk Area	Description	Impact /5	Likelihood /5	Score (IxL) /25	Mitigation
Funding – capacity (general)	Funding is insufficient to meet capacity requirement	4	4	16	Clarity with funding partners around expectations
Funding – Skills	GCGP funding ceases	5	3	15	Close liaison with LEP and/or alternative funders
Funding – Future Cities	Legacy funding unavailable	5	2	10	Develop alternative funding routes
Funding – Commercial	Lack of interest from participating businesses	4	2	8	Build confidence through delivery & credibility
Political	Alternative structures for economic development established	5	1	5	Retain confidence of partners through consistent delivery
Macro-economy	Downturn in economy could deter businesses from supporting OP	4	1	4	Business confidence is relatively high; monitor the situation and exploit opportunities as they arise
Staff retention	Uncertainty around funding and/or political structures means good staff are lost	4	1	4	Provided above risks are successfully mitigated, staff are committed and morale is high.

3. CONCLUSION

The confidence in the Peterborough economy is high. The city consistently outperforms a number of UK cities in terms of its growth and increasing prosperity. Its profile nationally and internationally is increasing rapidly – presenting new opportunities to explore for economic growth and investment.

Opportunity Peterborough has deliberately adopted a comprehensive approach to supporting and driving business confidence. The direct outputs are not always easy to prove or demonstrate, unfortunately, but the support for OP from local businesses and major partners should be testament to its impact and credibility.

There will always be challenges around capacity, funding and expectations, but through the approaches recommended in this business plan, with an evolutionary rather than revolutionary route to enhanced revenue generation and financial sustainability, OP should continue to be a major supported of the Peterborough economy, and a key route for business to have a voice on the city's strategic direction, and it will continue to be a willing and able partner in a wider economic geography.