

SHAREHOLDER CABINET COMMITTEE	AGENDA ITEM No. 4
28 FEBRUARY 2022	PUBLIC REPORT

Report of:	Tom Hennessy, CEO – Opportunity Peterborough	
Cabinet Member(s) responsible:	Cllr Peter Hiller, Cabinet Member for Strategic Planning, Commercial Strategy, and Investments	
Contact Officer(s):	Tom Hennessy, CEO, Opportunity Peterborough	01733 317412

OPPORTUNITY PETERBOROUGH

RECOMMENDATIONS	
FROM: Tom Hennessy, CEO, Opportunity Peterborough	Deadline date: NA
<p>The Shareholder Cabinet Committee is asked to:</p> <ul style="list-style-type: none"> Note the achievements and impact of Opportunity Peterborough with regards to support for the local economy and jobs creation, as well as plans for the financial year 2022/23. 	

1. ORIGIN OF REPORT

1.1 This report is being submitted to the Shareholder Cabinet Committee at their request.

2. PURPOSE AND REASON FOR REPORT

2.1 The purpose of this report is to provide an update on the activities and achievements of Opportunity Peterborough, as well as on the company's plans for the financial year 2022/23.

2.2 This report is for the Shareholder Cabinet Committee to consider under its Terms of Reference No. 3.3.2 (a), *'To monitor performance and financial delivery of the companies, partnerships and charities set out above in line with Cabinet approved business plans...'*

3. TIMESCALES

Is this a Major Policy Item/Statutory Plan?	NO	If yes, date for Cabinet meeting	N/A
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4. BACKGROUND AND KEY ISSUES

4.1 Opportunity Peterborough is the city's economic development company.

4.1.1 Our mission is to support inclusive and sustainable economic growth across the Greater Peterborough area, improving prosperity, job opportunities, and life chances for those who live and work here whilst ensuring that growth embraces smart innovation, contributes to Peterborough's Net Zero Carbon target, and helps to build a resilient economy and city of the future.

4.1.2 We have traditionally done this by:

- Supporting Peterborough's businesses to grow, innovate, diversify, create new, good quality jobs, and become more resilient and more sustainable
- Attracting new companies to the city to create new, good quality jobs and support a diverse and vibrant economy
- Making sure students and workers have the skills they need to have power in the jobs market, and by raising the career aspirations of young people
- Working with partners at a strategic level to create an enabling environment by addressing barriers to growth in areas such as infrastructure and skills
- Delivering the Future Peterborough programme to help make Peterborough a smarter, more sustainable, resilient, and attractive city in which to work, live, and play.

4.1.3 In addition to its city focused services, Opportunity Peterborough has provided a range of services directly to Peterborough City Council, including (but not limited to):

- Leading the response to major job crises such as the John Lewis and Debenhams closure, and through organising events such as the jobs fair after the Thomas Cook closure
- Responding to consultations on behalf of Peterborough regarding the development of strategic documents such as the Local Economic Recovery Strategy, National Industrial Strategy and Local Industrial Strategy
- Representing Peterborough on strategic groups such as the CPCA's Economic Recovery Sub-Group, Business Advisory Panel, and Mayoral Forum, which have been set up in response to the current COVID crisis at various points
- Running the Bondholder Network which provides PCC with a highly effective channel through which to drive business engagement.
- Supporting PCC business facing teams by presenting the needs, challenges, language, and perceptions of business in ways that enhance policy making and service delivery.
- Supporting PCC in major initiatives such as the post lockdown re-opening of the city centre in which OP has played a critical role.

4.1.4 Below is an update regarding Opportunity Peterborough's progress on major programmes this year:

4.1.5

- **Promoting Peterborough** – We are building on our success in promoting the city to attract inward investment and expanding that work to become the city's Place Marketing Agency, incorporating inward investment, visitor economy, business tourism, and talent attraction. Working closely with partners, we are taking the lead in raising the profile and improving perceptions of the city, internally and externally, in order to increase the attraction and retention of international businesses; attract financial investment to aid the sustainable growth of our city; support the growth of businesses and the creation of high quality jobs; attract more people to live, work, study, and visit; and provide much needed support to the leisure, hospitality, retail, and tourism businesses in and around the city.

4.1.6 In April 2021, Opportunity Peterborough took responsibility for the Visit Peterborough website and social media channels. A number of improvements have been made to the site content, communications strategy, and specific campaigns (including promotion of the city centre animation initiative) that have resulted in a doubling in site visitor numbers compared to 2019 figures. The Visit Peterborough website also made it into the top 10 sources of ticket sales for The Cresset for the first time.

4.1.7 £15,000 was secured from the Café Culture fund to make further upgrades to the site to improve user experience. This includes the ability to integrate a promotional video into the header banner, improved navigation, Instagram integration, and the addition of an events submission module so that venues and events organisers can manage their own

profiles and data. Unfortunately, plans to support this work with the development of a promotional video for the city, and an associated online campaign, have been put on hold due to the freezing of the Welcome Back Fund.

- 4.1.8 This will form a key element in the development of a membership network for retail, hospitality, leisure, and tourism business, enabling Opportunity Peterborough to develop a sustainable financial model to increase the quality and quantity of promotional activity, resulting in increased visitor numbers, dwell time, overnight stays, and ultimately visitor spend.
- 4.1.9 The team continues to work closely with PCC's tourism manager, Peterborough Positive, City Culture Peterborough and other stakeholders in order to shape the short, medium, and long term approach to delivering better visitor economy outcomes for the city.
- 4.1.10 To date in 2021/22 Opportunity Peterborough has supported 19 inward investment enquiries, resulting in 5 new businesses establishing themselves in the city creating an additional 334 jobs. This equates to an additional £10m of additional economic activity in the city (GVA) without taking into consideration the associated capital investment in the city and the additional business rates that will be paid to Peterborough City Council as a result of newly constructed facilities. This equates to a return on investment of £71 for every £1 of funding received from Peterborough City Council.
- 4.1.11
- **Business Support** - Opportunity Peterborough worked with a number of partners and sponsors from around the city including Peterborough Workspace, CityFibre, XL Displays, the Business and IP Centre, Anglian Capital, Flex Space, and The Local View, to deliver two startup boot camps supporting 40 new businesses in the city.
- Opportunity Peterborough has is also supporting the Business and IP Centre's Jumpstart competition for startups by assessing 38 applicants business plans and mentoring 3 shortlisted applicants through their pitch development.
- 4.1.12
- **Smart Manufacturing Alliance** - The Smart Manufacturing Alliance, a joint venture between Opportunity Peterborough and the Cambridgeshire and Peterborough Combined Authority, was officially launched in October of 2021. This is a new networking organisation tasked with supporting manufacturing businesses across Cambridgeshire and Peterborough to improve productivity, innovation, and sustainability, and create a world class manufacturing cluster. The Alliance has so far secured 15 members with a further 18 in the pipeline and has hosted a number of events for existing and prospective members. It has also established an Advisory Board of exceptional industry representatives to help support the activities of the organisation. These include:
 - PKB Trade
 - Xaar
 - Chambers of Commerce
 - TWI
 - Huxley Bertram
 - The Business Board
 - ARU Peterborough
 - Korten
 - University Centre Peterborough
 - Huawei
 - The Institute for Manufacturing, University of Cambridge
 - Make UK

- Le Mark
- The National Centre for Food Manufacturing, University of Lincoln
- Photocentric
- Metalcraft
- Lintott
- OAL

- 4.1.13
- **ACMI4.0** - Advanced Capacities for Manufacturing – Industry 4.0 (ACMI4.0) is an ERDF (EU) funded business support and grant funding programme being delivered by Opportunity Peterborough and the Smart Manufacturing Alliance. Manufacturing SMEs and businesses in their supply chains can benefit from 12hrs support and up to £20,000 funding to support investment into industry 4.0 technologies such as 3D printing, AI, automation, sensors, and much more. This programme was launched in October 2021 and has already developed a healthy pipeline of grant applicants.
- 4.1.14
- **Towns Fund** - As part of the Towns Fund programme, Opportunity Peterborough has been tasked with delivering a feasibility for an Enterprise and Skills Centre, informally referred to as the Digital Incubator. The report is progressing well with very positive stakeholder input into determining a sustainable and impactful model. The final report will be completed by the end of March 2022.
- 4.1.15
- **Strategy** - Opportunity Peterborough continues to represent the city's interest in the development of strategic work such as the development of the CPCA's Economic and Skills Strategy, and as a member of the East Anglian Productivity Forum, part of a national programme run by The Productivity Institute.
- 4.1.16
- **The Skills Service and Future Peterborough** - Unfortunately, due to an increasingly challenging funding environment, key elements of Opportunity Peterborough's work, namely The Skills Service and Future Peterborough, were put on hold indefinitely resulting in 6 redundancies in September 2021.

4.2 **2022/23 – Opportunities and Challenges**

- 4.2.1 It is expected that, as per Peterborough City Council's budget consultation and in response to the financial challenges faced by the Council, City Council funding for Opportunity Peterborough will reduce from £140,000 p.a. in 2021/22 to £75,000 in 2022/23, with a further reduction to £0 in 2023/24.
- 4.2.2 As a result, at current staffing levels and with no additional income raised, Opportunity Peterborough would be facing a shortfall of £110,000 in 2023/24. As such difficult decisions will have to be made at Opportunity Peterborough regarding which services the company will continue to provide and build on, and which will have to cease, even if temporarily. Whatever Opportunity Peterborough focuses on must provide the opportunity to generate revenue and become self-funding either through membership, sponsorship, paid for services, or grant funding.
- 4.2.3 In the short term, Opportunity will focus on its place marketing work, including inward investment, visitor economy (Visit Peterborough), business tourism, and talent attraction; the Smart Manufacturing Alliance and the ACMI4.0 programme; and the Bondholder Network.
- 4.2.4
- **Place Marketing** – Inward investment, the attraction of new companies to the city with the aim of supporting a more vibrant and diverse economy and the creation of good quality jobs, has always been a core part of Opportunity Peterborough's approach to economic development and continues to be a priority for Peterborough City Council. Opportunity Peterborough is currently exploring opportunities to generate income to support this work, primarily focussed on the development of a paid-for membership

network with sponsorship opportunities, for businesses interested in and benefitting from this work. This would primarily be developers, property agents, chartered surveyors, architects, construction companies, and professional service businesses, but would be open to any business that wanted to become actively involved in the promotion of the city. Promotional work in the area would not be limited to securing new investment from incoming businesses, but also on securing capital investment in order to support the city's ambitious development programme.

- 4.2.5 A similar membership and sponsorship model is being developed around the Visit Peterborough brand, specifically to promote Peterborough's leisure, tourism, retail, and hospitality offer aimed at local communities, and national and international audiences alike. In this space Opportunity Peterborough would act as the city's Destination Management Organisation, providing a shop window for the city but working closely with all stakeholders to ensure a coordinated and collaborative effort with coherent and consistent messaging. Initial activity has been, and will continue to be, focussed on local communities, helping them to explore and re-engage with the city as we begin to recover from the last two years. As we enter years two and three we will expand our marketing reach both regionally and nationally, promoting the city as an overnight destination from which to explore local attractions as well as those in the surrounding area. In years three and four our reach will expand again to engage with an international audience, playing to the strengths of our diverse communities, and targeting specific audiences touring the UK or visiting the city in its own right.
- 4.2.6 Similarly, Opportunity Peterborough will be working with hotels and other venues such as the Arena and Kingsgate, to promote the city as a destination for conferences and exhibitions, generating revenue for these businesses but also benefiting the city through increased indirect spend.
- 4.2.7 Finally, Opportunity Peterborough will be seeking to work with FE and HE providers in the city, as well as large employers to promote Peterborough as a great place for new talent, whether that be in terms of studying or experienced talent looking for new opportunities. This will help to fill identified skills gaps in the city and ensure our businesses have access to the workforce they need to meet their growth ambitions.
- 4.2.8
- **Smart Manufacturing Alliance** – The Smart Manufacturing Alliance is a joint venture between Opportunity Peterborough and the Cambridgeshire and Peterborough Combined Authority. The Alliance has received equity investment from the Combined Authority via the Local Growth Fund. This investment provides funding to support the Alliance through its first five years, in decreasing increments, as it establishes its commercial model again based on membership fees, sponsorship, and paid for services. This funding is in place and so this work to support the development of a world class manufacturing cluster across Cambridgeshire and Peterborough will continue.
- 4.2.9
- **ACMI4.0** – Likewise, the Advanced Capabilities for Manufacturing – Industry 4.0 (ACMI4.0) programme has already secured funding from the European Regional Development Fund and will therefore continue supporting manufacturing SMEs, and those in their supply chain, to better understand and invest in industry 4.0 technologies until September 2023.
- 4.2.10
- **Bondholder Network** – The Bondholder Network is a foundational element of Opportunity Peterborough work to support Peterborough businesses. The business breakfasts, monthly newsletters, members portal, blogs, and offers will continue to support our members and we will be working with them to identify new ways of adding value in order to grow the network. We are also greatly looking forward to the highly anticipated return of the Bondholder Dinner later in 2022.
- 4.2.11 All of this work is dependent on Opportunity Peterborough being able to raise the relevant and required funding to successfully deliver these services. Unfortunately, the nature of economic development means that large parts of our work which is more strategic, or designed to address

market failure, is less commercially viable and will have to cease, at least until alternative funding sources can be identified or ad hoc funding is made available. This work includes, but is not limited to:

- Leading the response to major job crises such as the John Lewis and Debenhams closure, and through organising events such as the jobs fair after the Thomas Cook closure
- Responding to consultations on behalf of Peterborough regarding the development of strategic documents such as the Local Economic Recovery Strategy, National Industrial Strategy and Local Industrial Strategy
- Representing Peterborough on strategic groups such as the CPCA's Economic Recovery Sub-Group, Business Advisory Panel, and Mayoral Forum, which have been set up in response to the current COVID crisis at various points
- Supporting PCC business facing teams by presenting the needs, challenges, language, and perceptions of business in ways that enhance policy making and service delivery.
- Supporting PCC in major initiatives such as the post lockdown re-opening of the city centre in which OP has played a critical role.

4.2.12 Whilst this is a narrowing of Opportunity Peterborough's services we intend to do less, better, ensuring that we maximise our positive impact on the city in these key areas. It is also important that we focus on those activities that provide an opportunity to generate income in the short to medium term in order that the company remains a going concern and remains in place to support the growth of the city's economy. We will, of course, remain vigilant and open to new opportunities in order that we can expand our services and increase our impact on the city whenever possible.

5. CONSULTATION

5.1 No consultation is required at this time.

6. ANTICIPATED OUTCOMES OR IMPACT

6.1 That the Shareholder Cabinet Committee notes the contents of this report and continues to support Opportunity Peterborough in its mission - to support inclusive and sustainable economic growth across the Greater Peterborough area, improving prosperity, job opportunities, and life chances for those who live and work here whilst ensuring that such growth embraces smart innovation, contributes to Peterborough's Net Zero Carbon target, and helps to build a resilient economy and city of the future.

7. REASON FOR THE RECOMMENDATION

7.1 We believe that, with the continued support of the Council, we can make Peterborough a better place to work, to invest and do business, to visit and enjoy, and above all, to call home.

Our work programme has been mapped against Peterborough City Council priorities to ensure that what we are providing aligns with what matters most to the Council and the communities it serves.

By supporting the delivery of these priorities we believe that we can also reduce demand on the Council's services thereby having a positive budgetary impact as well as increase the Council's income via increased business rates receipts.

8. ALTERNATIVE OPTIONS CONSIDERED

8.1 This report is predominantly for information.

The alternative to supporting Opportunity Peterborough's plans is:

- To not support Opportunity Peterborough's work and progress to date.

This has been rejected on the basis that Opportunity Peterborough's work programme closely aligns with, and adds value to, the Council's own priorities and provides excellent value for money as a means of meeting these priorities.

9. IMPLICATIONS

Financial Implications

9.1 There are no financial implications arising from this report.

Legal Implications

9.2 There are no legal implications arising from this report.

Equalities Implications

9.3 There are no equalities implications arising from this report.

10. BACKGROUND DOCUMENTS

Used to prepare this report, in accordance with the Local Government (Access to Information) Act 1985

10.1 None

11. APPENDICES

11.1 None

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