



Opportunity Peterborough

**BUSINESS PLAN
2016/17**

&

2016-2019 VISION

***SECURING PETERBOROUGH'S
ECONOMIC GROWTH***

V3 23 MARCH 2016

1. VISION

[1.1] To drive the economic growth of the city, and secure Opportunity Peterborough's position as a widely respected, sustainable, deliverer of economic development, inward investment, and business and skills advice.

2. VISION & PLAN OVERVIEW

[2.1] On 1st February 2016, Opportunity Peterborough Board members met to consider the future of the company and assess a vision document for the company's growth and sustainability for the period 2016-2019. The vision document sets out a strategic approach for this period, forms the basis of this detailed business plan for the coming year, and is included at **Annex 1**.

[2.2] The remainder of this business plan will set out the detailed delivery mechanisms (finances, objectives, targets etc) for the coming year, which should be read in the context of the 3-year vision.

[2.3] Opportunity Peterborough ['OP'] has evolved in its 10-year existence from being wholly reliant upon public sector funding, to developing a cocktail of income streams to sustain its operations. It has consistently provided a service to the public sector by positively engaging with the private and third sectors. It has built up considerable credibility through the range of skills contained within its team, and in the delivery of transformational programmes.

[2.4] The proposal is to build on these opportunities – operating in the space between public/private/third sectors, a skilled workforce, a strong reputation – and offer a unique service to Peterborough and other partners. This will generate income through the following broad channels:

- Core Grant from PCC
- Economic development services provided to other local authorities
- Grant-funding for economic initiatives (eg Leader; EU funding)
- Bondholder membership, sponsorship and events
- Contracts for specialist services

[2.5] Aside from the grant from PCC which is a lump sum contribution to the core operating costs, other services and support will be charged out at levels ranging from gross costs + overheads, to flat-rate against outcomes, and full consultancy day rates.

[2.6] It will be vital that capacity of the team is maintained at a level to ensure delivery for partners. If delivery falters, the company's credibility will decrease, weakening our ability to secure new contracts. As such, some initial investment may have to be made 'at risk' but will be imperative if we are to secure the company: we can't sell what we don't have. It will be important, however, to ensure that pump-priming investment and securing of new business is held in balance and moderated.

[2.7] In light of that and to ensure satisfactory delivery of the company's remit, it is proposed to restructure the team and recruit 1 new member of staff (Inward Investment Officer). The restructuring will better align and refocus skill strengths and functions, while the new member of staff will support core key goals for the company around attracting new investment to drive up business rates growth locally.

[2.8] Considerable reference is made in the vision document to OP's reputation and "credibility". This credibility extends to local authority partners who see the value of OP's holistic and comprehensive approach to economic development: integrating skills, business growth, investment and innovation. OP is also the 'partner of choice' for many funding bids, with frequent invitations to

partner in funding bids, with academia and other organisations. It has established a strong reputation with national agencies and departments, including UKTI, British Standards Institute and the Future Cities Catapult. Crucially, it is building its engagement with local private sector partners, including larger Peterborough businesses: generating the opportunity to engage these in informing and influencing the direction of the city's economy. Some examples of secured and potential partnerships are included in the vision document, and a few are highlighted below:

- Economic development and skills to the local authority areas (Fenland DC contract already in place); Through to the second round of the selection process by the Foreign & Commonwealth Office to deliver the Smart City Leadership Programme to selected Indian cities;
- Partner in bids to EU and other funding streams;
- Additional support to PCC on special projects and programmes.

[2.9] It will also be important that the company's board membership reflects this strategic direction, and at the 1 February event, it was agreed that membership would be reviewed and new appointments suggested by existing members. Given that approach, it would seem an opportune time to undertake a skills requirement and skills audit and identify particular areas that would enhance OP's business prospects.

[2.10] OP has come a long way and had considerable successes. Its approach has evolved through both necessity and in response to opportunities. Its position alongside the public, private and third sectors means that it can offer unparalleled connections into all of those areas and optimise this for the city and the success of the business.

3. OBJECTIVES, ACTIVITIES & TARGETS

[3.1] The company's objectives need to reflect both its purpose for being (economic growth of the city) and how its operations are maximised to secure its long-term viability. As such, the objectives below are set out in terms of outcomes for the city ('City Objectives' such as the generation of new investment) and objectives for the successful operations of the company ('Business Objectives' such as promoting the company's successes).

CITY OBJECTIVES

- CO1 Attract investment to the city through both existing and new companies to increase business rate yields.
- CO2 Support business growth, enterprise development and job creation by providing a first-point of contact for businesses including initial advice, sign-posting and networking opportunities.
- CO3 Rebalance the economy by supporting the development of skills, the knowledge economy, and innovation.
- CO4 Raise the city's profile on the local, national and international stage to build confidence and underpin investment opportunities.

BUSINESS OBJECTIVES

- BO1 Ensure OP's reputation as an effective deliverer of, and innovator in, economic development services.
- BO2 Promote OP's successes to encourage business development opportunities.

BO3 Ensure OP's business operations are efficient and effective, and embody the company's Core Values (see Annex 3).

BO4 Ensure OP's long-term financial viability

[3.2] The activities planned to address these objectives, and associated targets, are included in the Activity Planner below. These are broken down by operational area, based on the revised corporate structure, referencing back to the particular objectives. Also included are a range of targets which will be used to measure performance.

4. FINANCE

[4.1] With a grant of £100k from PCC confirmed on a recurring basis against increased business rates resulting from increased inward investment activity secured through OP's work, there is greater certainty over the basic level of funds available.

[4.2] Overall turnover for the company has consistently exceeded £1million on a purely not-for-profit basis. This has been largely the result of specific grant-aided projects – such as the Future Cities Demonstrator – with much of that money being required to be dispersed. The grants and other contracts are important, however, in providing contributions to core costs: in effect, building the pot to cover the company as a whole. The plan continues to be to develop a cocktail of funding, with income levels varying from fixed costs for publicly funded grants to levels that can be set at a more commercial level.

[4.3] Reserves will be brought forward from 2015-16, which the end of year accounts will confirm, to support and underwrite expense in future years. The majority cost for OP is its staff complement, but this will be rigorously monitored and tied to income funding.

[4.4] It is always difficult to guarantee funding: some contracts are well understood, others are being developed through proactive business development. All staff have been charged with generating income, whilst ensuring that the company continues to deliver its core remit around economic growth, with many staff showing entrepreneurial spirit. Income generation will also form a key part of the Performance and Development Reviews of all staff.

5. RISK LOG

[5.1] OP's risk log is shown in the attached Annex . This focuses both on the strategic risks for OP and also internal operational risks. Financial issues will remain a major risk for the company while uncertainty of guaranteed funding remains. This in turn could lead to staff questioning their futures and being tempted elsewhere. The reality is that most staff seem to be committed to the OP programmes and are involving themselves proactively with trying to secure the company's future.

There will be project specific risks. The implication of these will vary but their risks are being consistently monitored by the management team and all mitigation routes explored.

6. MONITORING

[6.1] An Activity Log will be updated with a RAG status for each board meeting. Additionally, each business area will develop a delivery plan for key actions over the coming year. Although an operational level mechanism, these will be shared with Board at the meetings to indicate progress against specific actions.

[6.2] Finance is a key concern for the company, particular directors, and it is intended that in 2016-17, OP's management accounts and reporting systems will be reviewed and refreshed. Rawlinson's

efforts in getting the company's accounts in order have been tremendous and the company is in a much better position. Given the nature of funding and the complexities of the accounts, however, it is intended that the in-house provision be reinforced through the existing staff complement. It is anticipated that this will improve financial monitoring not only for the Board but also budget heads.

[6.3] Regular meetings of the senior management team will include assessment of project and programme delivery along with a regular review of the Risk Register and accounts to ensure robust programme management and diligence.

7. Conclusion

[7.1] OP has built-up considerable credibility with the city, its businesses, and local partners. It will not be complacent, however, and will ensure that credibility is robust and justified, and is used as a mechanism to attract additional funding.

[7.2] There will be a number of key priorities going forward. Fundamentally, however, these must align with the following principles, which OP has always applied:

- Exploring creative and innovative ways of driving economic growth;
- Delivering what we say we will;
- Working with our partners in the public private and third sectors collaboratively and with mutual respect;
- Selling the story of the city's successes, and those of Opportunity Peterborough.

[7.3] To be added to this list of priorities is the imperative to secure alternative funding to complement core funding and reduce the impact on local public sector finance.

OVERVIEW OF ACTIVITIES	Core Grant	External Grant Funding	Contracted / Additional Income
BUSINESS OPERATIONS	Finance & Office Management		Support to LA contracts management
	Basic HR	Recruitment to posts	
	Programme overview	Programme Management: LEADER, WE&EU, WIN, SEPARATE	Overview to FCD, Skills et al
ECONOMIC STRATEGY, FUNDING & CONTRACTS	Economic Strategies	LEADER & WE@EU projects	Economic Strategy support & Contract management to LAs
	Develop internationalisation & export support	Strategic & EU Funding Team	Special bespoke strategy contracts
	Level of business engagement & intelligence		Management of EIC
ENTERPRISE GROWTH & INVESTMENT	Business Engagement, Networks & Start-up Support	Bondholder recruitment	Business-face support to LA contracts
	Business Intelligence	Enterprise support	Intelligence reports for clients
	Inward Investment	WIN	
MARKETING & COMMUNICATIONS	City B2B marketing	CRM integration with Circular Economy	Marketing support to LA contracts
	OP PR	Bondholder support & Corporate Partner Scheme	
	Internal comms	Advice/support to funded projects	
SPECIAL PROGRAMMES		Future Peterborough (Innovating Teams; Circular City; Data Exploitation; Digital Economy)	Smart City Leadership
		Skills Service	Skills Service (+Boombiz, Ducks)
			Work Experience