



Opportunity Peterborough

Business Plan 2019/20

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Background

Opportunity Peterborough is the city's economic development company, a private, not-for-profit company, limited by guarantee. It was formed in 2005 as an Urban Regeneration Company but in 2010/11, with the dissolution of two of its shareholders, the East of England Development Agency and English Partnerships, it was reconstituted as an economic development company under the sole ownership of Peterborough City Council.

Today, Opportunity Peterborough's mission is to support economic growth across the city, improving prosperity, job opportunities, and life chances for those who live and work here. It does this by engaging with local companies to support growth and development, by marketing Peterborough to attract new businesses, by working with partners at a strategic level to create an enabling environment, and by playing a leading role in the city's skills agenda to ensure the current and future talent pool have the skills they need to drive the city forward.

Opportunity Peterborough receives a core grant from Peterborough City Council and also receives grant funding from European and national sources to deliver specific programmes that align with its mission. It delivers services on behalf of the Cambridgeshire and Peterborough Combined Authority via The Skills Service and provides economic development services on a commercial basis to other local authorities. It also runs a fee-based membership network for businesses and other stakeholders in and around the city.

Current Services 2018/19

Bondholder Network

The Bondholder Network is Opportunity Peterborough's flagship, fee paying membership network. Members receive a range of benefits including a monthly e-newsletter; access to up to 6 business breakfasts per year; discounted tickets to the Bondholder Dinner (Peterborough's premier business event, a black tie dinner in Peterborough Cathedral); access to the Bondholder portal – an online portal where Bondholders can promote their products and services, find suppliers, post good news stories, submit blog posts etc; and access to a jobs board to promote vacancies.

In order to remain relevant and meet the evolving needs of business, efforts need to be made to refresh the network. This could provide an opportunity to increase fees from the current, very low flat rate of £100 per year.

Inward Investment

Part of Opportunity Peterborough's core remit is to attract new investment to the city, whether that be new entrants to the city or additional investment in existing businesses. Opportunity Peterborough has a solid reputation for working with the Department of International Trade, as well as working directly with businesses and relocation consultants, to attract and secure such investment with the ultimate goal of creating good quality jobs for the residents of the Greater Peterborough area.

Over the 2018/19 period, Opportunity Peterborough has handled 20 inward investment enquiries of which 5 have landed, creating 120 jobs, and 10 are still ongoing.

Business Support

As well as attracting new investment into the city, Opportunity Peterborough works to support local businesses to achieve their growth aspirations. This can involve working with startups and pre-startups looking for support with their business plans and identification of grant funding through to assisting larger businesses with their approach to apprenticeships and assistance in finding new properties to accommodate their growth.

Opportunity Peterborough is also the accountable body for the Rural Peterborough and Rutland LEADER programme, a £1.3m EU and Defra grant funding programme to support rural businesses and community groups. Since it started in January 2015, the programme has funded 16 projects and allocated over £600k in grant funding. Projects funded vary from the development of a farm shop and educational centre; enabling the purchase of farm machinery to improve productivity; the redevelopment of farm outbuildings into holiday lets; the upgrading of village halls; a rural skills centre at Sacrewell Farm, and electric boat at Nene Park; and equipment to assist with nature conservation and income generation for Quercus Woodcraft.

Future Cities Demonstrator

The Future Cities Demonstrator programme is an Innovate UK funded programme, jointly delivered by Opportunity Peterborough and Peterborough City Council. The programme's citizen-centric approach to future cities saw the city win the title of World Smart City of the Year in 2015. It continues to act as a beacon of thought leadership in the field, identifying ways in which to implement circular economy principles at the strategic level in a bid to become a Circular City by 2050. The circular economy ethos is about moving from a linear economy, i.e. take-make-dispose, and moving to one whereby systems are rethought, reimagined, and redesigned in order to eliminate waste and maximise the value gained from resources and activity at any given stage of a process. Whilst these concepts are easily applied to the manufacturing process for example, at least theoretically, they can also be applied to service provision and even at a societal scale, and this is where Opportunity Peterborough is pushing the boundaries of the discussion about what could be achieved.

This approach is again gaining national and international attention and a very successful conference for over 100 circular economy practitioners from across Europe was held by team in January 2019. It will be important to build on this success across 2019/20 to ensure that tangible projects and results can be seen to be delivered in and around the city, both in the private and public spheres.

Citywide Funding

Opportunity Peterborough identifies funding opportunities to support Peterborough City Council's strategic aims, as well as on behalf of private sector businesses and other city stakeholders who would benefit from grant funding.

This work stream also sees Opportunity Peterborough contributing to important strategic initiatives and programme boards in order to help shape and deliver programmes and projects that produce

maximum benefits for the businesses and communities of the city. Programmes contributed to include the Higher Education Steering Group which is helping to shape and oversee the development of the University of Peterborough programme; Integrated Communities, a Ministry of Housing, Communities, and Local Government funded programme to overcome barriers to integration within communities; and the Health and Care Sector Work Academy Steering Group which oversees the delivery of a Department for Work and Pensions funded programme, linked to the Cambridgeshire and Peterborough Devolution Deal, to support work progression and address skills gaps within the health and care sector.

The Skills Service

The majority of The Skills Services' activity is funded by the Cambridgeshire and Peterborough Combined Authority (CPCA). The brokerage service sees The Skills Service brokering relationships between employers and secondary schools across Peterborough, Rutland, South Kesteven, South Holland, King's Lynn & West Norfolk, Fenland, East Cambridgeshire, and Huntingdonshire. Business representatives engage with young people in a number of ways including mentoring, enterprise challenges, careers fairs, mock interviews, and CV workshops, in order to help broaden young people's knowledge about the world of work and careers opportunities, raise aspirations, and improve employability skills. In 2018/19, The Skills Service presented an award to Caterpillar Perkins in recognition of the 200 individual volunteers that they had provided to support the programme since the start of their involvement. Coincidentally, across 2018/19 Caterpillar Perkins have also donated 200 volunteer hours to the programme.

In 2019/20 the geographic scope of this service will reduce under a new CPCA contract that will now cover Peterborough, Huntingdonshire, Fenland, and East Cambridgeshire.

The Careers Enterprise Company contract involved The Skills Service team engaging with secondary school's senior teams to help them identify their priorities and strategic approach to Careers Education, Information, Advice and Guidance (CEIAG). An extension of this contract for The Skills Service into 2019/20, albeit for a reduced geography, is currently being considered by the CPCA.

The Skills Service team also deliver a work experience service within the Peterborough area. This involves the provision of a matchmaking service to schools, allowing pupils to find short term placements, as well as undertaking health and safety checks on employer's premises ahead of placements.

South Holland District Council

Opportunity Peterborough currently provides economic development services to South Holland District Council under a 2 year contract. Services are particularly focused around support for inward investment, strategic and policy input, and support for improving marketing and communications activity.

The Council's Strategy Board met in February 2019 and decided not to utilise a 6 month break clause which provides a strong indication that the contract will continue until May 2021.

Context

The City

Peterborough is one of the fastest growing cities in the country and is home to a diverse population of 198,914 people, 62.6% of whom are of working age. The economy of Peterborough features an equally diverse mix of sectors and is made up of 6,840 enterprises which combined to produce a GVA of £5,439m in 2016 and operate at a productivity level of £45,239 per job. By employment, Peterborough's largest sector is Business Administration and Support Services, with Professional, Scientific and Technical the largest sector by number of businesses. With an economic activity rate of 77.1%, a gross weekly pay of £507, a house price to earnings ratio of 7.39 and with commercial property and land costs below the UK average, Peterborough is an attractive place to live and do business.

Local Authorities

Opportunity Peterborough operates in a complex and ever changing landscape. It has a close and positive relationship with its sole shareholder, Peterborough City Council. The Council has always been supportive of the work of Opportunity Peterborough and its commitment to the company, through times when the public purse has been under great pressure and scrutiny, has been much appreciated.

Peterborough City Council is facing ever increasing pressure on its budget due to a combination of increased demands on its services, especially around housing and social care, and ever increasing cuts to its funding from central government. Opportunity Peterborough must now face the very real possibility that core funding from Peterborough City Council may not be available, at least to current levels, post 2019/20. As a precautionary measure, Opportunity Peterborough has been increasing its commercial work and diversifying its income streams in recent years. In order to continue to deliver existing levels of service it is becoming increasingly prudent to make every effort to identify and secure an equivalent level of funding from alternative sources over the 2019/20 period.

Conversely, budgetary pressure on neighbouring local authorities may provide an opportunity in that it may be seen as more efficient to outsource non-statutory economic development activity to Opportunity Peterborough rather than continue to deliver it in-house. This approach could be further leveraged should they wish to pool resources in order to procure a cohesive service and thereby gain from efficiencies in delivery.

Cambridgeshire and Peterborough Combined Authority

The CPCA is responsible for the development of the Local Industrial Strategy and Skills Strategy for the Cambridgeshire and Peterborough area. These documents and associated plans will set the context in which economic development is delivered well into the future.

Opportunity Peterborough has developed a very positive relationship with the CPCA and is making considerable contributions to the development of these key strategic documents. Discussions have also been ongoing regarding what role Opportunity Peterborough may play in the new economic development landscape. There may be considerable scope for Opportunity Peterborough to deliver services that build on the work of The Skills Service and Opportunity Peterborough's impressive track

record of inward investment successes. However, this cannot be guaranteed as no decision has been made by the CPCA about the preferred delivery mechanism. As such it will be important for Opportunity Peterborough to continue to demonstrate excellence in terms of outcomes and value for money achieved over the next year in order to position itself as the provider of choice should such opportunities arise. It must also develop a plan, and work towards a model, that does not include funding from the CPCA for these services so that it can continue to operate and have a positive impact on the Greater Peterborough economy in such circumstances.

Grant Funded Programmes

The final funding awards from the LEADER programme will be allocated by June 2019. After this the work required to administer the programme will be greatly reduced requiring light touch monitoring of the funded projects and the processing of claims until 2021.

The final tranche of funding related to the delivery of the Future Cities Demonstrator programme is due to be transferred from Peterborough City Council to Opportunity Peterborough at the start of the 2019/20 financial year. It is likely that, in line with the business case presented to Peterborough City Council, this funding will be spent within the year.

Locally, European Structural and Investment Funds (ESIF), including the European Regional Development Fund and the European Social Fund, are controlled by the CPCA. It is likely that the majority of the outstanding funds from these pots will be used to deliver the CPCA's Local Industrial Strategy and Skills Strategy through the development of the mechanisms required to do so. As such, it is unlikely that these funding pots will be available to other organisations through local calls, and with a minimum match requirement of £500,000 these pots have usually been beyond the means of Opportunity Peterborough to access.

The Local Growth Fund, also controlled by the CPCA, will predominantly be used to provide loans rather than grants, thereby creating a revolving fund. Unless Opportunity Peterborough were to move to a business model that generated significant income to repay such a loan this would not be a viable funding option.

With the UK moving ever closer to Brexit it is becoming harder to access European funding related to partnership programmes. A number of opportunities are being pursued but this cannot be relied upon as a long term funding solution. Likewise, the UK Government's Shared Prosperity Fund, being brought in to replace the ESIF funds, has not been launched and is a work in progress so no plans can be developed based on access to it.

Competitors and Collaborators

Opportunity Peterborough operates in a complex, multi-stakeholder environment where many of the participants are facing ever greater competition for limited resources whilst working towards similar aims. As such, Opportunity Peterborough's approach will be to build and deepen collaborative relationships with partners, seeking to use resources and address challenges in the most efficient, effective, and pragmatic ways possible. By understanding each other and working together, organisations are likely to better achieve their aims and ensure their longevity.

Business Plan 2019/20

Strategic Vision

The proposed strategic vision for Opportunity Peterborough is:

To establish Opportunity Peterborough as the exemplar provider of economic development services in the Eastern Regions

Working toward this vision would require the team to maximise the delivery of outcomes in, and impact on, the local economy, delivering optimum value for money to our stakeholders. Such results would underpin the business case for the continuation of funding for Opportunity Peterborough and be an essential element of securing new business, thereby securing the company's future as well as supporting job security for the team. The continuation and expansion of services provided by Opportunity Peterborough would then translate into greater support for local business growth and increased economic opportunities for Greater Peterborough communities, thus creating a virtuous circle.

Priorities

Building from the proposed vision, the following priorities have been identified for 2019/20:

- Secure sustainable investment and funding (see Business Development)
- Develop the best team possible (see Operations)
- Deliver maximum impact and value for money (see Existing Commitments)
- Operate in a sustainable manner (see Operations)

The following sections will outline how these priorities will be addressed.

Operations

Opportunity Peterborough's future success will predominantly lie in its greatest asset, the team. It will therefore be essential to ensure that the required skills and capacity are available in order to not only maintain credibility by delivering on existing commitments, but also to build for the future. A number of pressure points currently exist within the company. Some of these are temporary but others are more structural.

Hiring to two posts in particular would have a significant impact on the effectiveness of the organisation. They are Office Administrator/PA and Head of Economic Development. The Office Administrator/PA would support the Finance Manager regarding the management of business operations, picking up the more basic tasks around accounts, HR, and office administration, as well as providing a basic PA service to the Chief Executive that would include diary management and preparation for meetings. This would free up valuable time of the Finance Manager who would then be able to focus on higher value activity relating to the sound running of the company.

The Head of Economic Development would take responsibility for the management of the economic development team, which would incorporate inward investment, business growth, strategic development, and the LEADER programme. This would alleviate a great deal of the Chief Executive's

current workload which has been carried over from his previous role, as well as reducing the number of direct reports managed by the Chief Executive. The Head of Economic Development would be able to give greater focus to the successful delivery of existing commitments, essential to underpinning Opportunity Peterborough's credibility, whilst allowing the Chief Executive to focus on leading, managing, and growing the company.

Once the Head of Economic Development position has been filled, Senior Management Team meetings will be reinstated in order to allow strategic discussions to inform decision making. Personal Development Reviews will also be reinstated once the Head of Economic Development role has been filled. It will be important that they are able to set the direction for their team rather than coming into post and immediately adopting someone else's plans.

Continuous personal development is important to both the performance of the company and the satisfaction of the team. Opportunities to partake in training will therefore be taken whenever relevant low-cost or free sessions can be identified, and more expensive courses will be assessed on case-by-case basis.

Informal, monthly team catch-ups will also continue as these appear to be valued by the team as an important information sharing opportunity. Information sharing will also be aided by the consolidation of the team into one office.

Robust and prudent financial management will be essential to building stability and sustainability. A lot of work has gone into laying the foundations for this over the course of 2018/19 and this has provided a much clearer view of the opportunities and risks facing the company. Delegating budgetary responsibility to budget holders, and implementing a budgetary control system will further build the robustness needed to prepare for the future. The Finance Manager will be involved at the earliest stages of any new project planning or funding application development so that all of the potential impacts can be understood and planned for in advance.

Small cost savings will be made by switching to a cloud-based accounting system. This will also provide for greater flexibility in the administration of the system as well as better business continuity planning. A review of services provided by third parties will also be undertaken. With the appointment of an Office Administrator/PA it is likely that a number of functions could be brought back in-house resulting in potential savings.

Opportunity Peterborough has not invested in its IT infrastructure for some time. It is recommended that the company investigates opportunities to upgrade its current provision.

Looking ahead, it will be important to provide the team with clarity and consistency on issues relating to annual leave, flexi, TOIL, expenses, procurement, and the monitoring, recording and sharing of intelligence and performance. It will also assist the team to provide clarity around roles, responsibilities and performance expectations. Taking care not to implement an authoritative or overly bureaucratic regime, such clarity will help to drive effectiveness, increase impact and improve levels of job satisfaction, as well as building on already high level of credibility with external stakeholders.

Existing Commitments 2019/20

As a minimum, it will be essential to deliver excellent levels of service and value for money for stakeholders regarding existing commitments. To not do so would result in reputational damage which would greatly weaken Opportunity Peterborough's credibility and, by extension, future security. Existing commitments include:

- Supporting economic growth and job creation in Peterborough as per Peterborough City Council Core Funding contribution
- Providing strategic funding services to citywide stakeholders and advising on the creation of strategic plans and initiatives as per Peterborough City Councils Citywide Funding contribution
- Delivering inward investment and economic development services under contract to South Holland District Council
- Providing services and added value to members of the Bondholder Network
- Delivery of the EU and Defra-backed LEADER grant funding programme to support rural businesses and community groups
- Delivery of circular economy outputs and outcomes related to the Innovate UK Future Cities Demonstrator funding
- Delivery of outputs related to the Leicester Smart Audit
- Supporting schools to improve their careers education, information, advice and guidance outcomes and other outcomes related to the raising of young people's aspirations as outlined under CPCA/Skills Service brokerage contract (Possible extension of the Careers Enterprise Company contract for Peterborough and Huntingdonshire)
- Fulfilment of work experience services to schools in the Peterborough area
- Delivery of inward investment and job creation targets as outlined in the CPCA/OP Inward Investment Pilot contract

Business Development 2019/20 and beyond

The above work outlines the minimum baseline of activity for the Opportunity Peterborough team over the 2019/20 period. However, it will be essential to use this as a base from which to drive the company forward in order to provide options for growth and evolution. This will mean building on the company's strengths and credibility to increase the paid for services provided to existing partners as well as selling existing and new services to others. In some instances this will result in increases in income within the 2019/20 period, in others it will lay the foundations for income generation that will support Opportunity Peterborough's sustainability in years to come. Such opportunities include, but are not limited to:

- Commercial opportunities related to the brokerage service provided by The Skills Service. This could include the provision of additional services to schools over and above those provided for under the CPCA; provision of services to businesses wishing to increase engagement with schools and their future workforce; schools/local authorities/other bodies in geographies not covered by the new CPCA contract; and extension of services to organisations with different client groups that may benefit from Skills Service services e.g. housing associations, ex-forces, and ex-offender support groups.

- The provision of work experience services to schools and businesses in local authority areas other than Peterborough.
- Proposals for the development of a Corporate Partnership Programme have been approved by Opportunity Peterborough's Board. This programme would seek financial contributions from a number of key partners from business service sectors across the city. This funding would be used to deliver a comprehensive calendar of events to Bondholders, adding value to their membership whilst also supporting them in the attainment of the growth ambitions, as well as enabling Opportunity Peterborough to increase its inward investment activity thereby delivering new investment and jobs to the city. In return, Corporate Partners would receive a return on investment in the form of new client acquisition related to increased brand exposure and client engagement with existing Peterborough businesses and new entrants to the city.
- A proposal for a refresh of the Bondholder Network, heavily linked to and financed by the proposed Corporate Partner programme, has been approved by Opportunity Peterborough Board. It is proposed that the increased value available to members would justify a move to a tiered fee structure based on members employee size, in line with many similar networks; would attract new members to join, thereby increasing revenues as well as the value to members; and would justify the time and resources that the Opportunity Peterborough team invests in it.
- Peterborough has a proud history in manufacturing and engineering, and the manufacturing sector provides a large proportion of the jobs and economic output of the city. Manufacturing is a sector that helps to generate wealth that is then circulated around the rest of the economy via spend in its supply chain, with service providers, and through the expenditure of its employees. This sector is key to Peterborough's future growth ambitions and could be a source of many good value, highly skilled jobs but it is facing challenges on a number of fronts. These include skills shortages, a lack of interest in the sector from school leavers, pressure from globalisation, toughening environmental regulation, and pressures to adapt to the use of AI and automation in order to increase productivity competitiveness. In other areas of the country, and around the world, is at least in part provided by manufacturing associations; networks of manufacturing and engineering companies coming together to learn from industry experts, and each other, as well as to work together to identify and address sectoral challenges. There is no such group currently active in Peterborough and the formation of a manufacturing association could help to drive growth and productivity improvements within the sector, as well as providing a mechanism for addressing challenges such a skills shortages. Such a group could be funded through corporate sponsorship and a fee paying membership structure, and in aligning with recommendations from the CPCA Local Industrial Strategy and Advanced Manufacturing Strategy, could attract funding from the CPCA and/or other organisations.
- Attracting new businesses to the Greater Peterborough area is a long term objective of the CPCA and the delivery of the Greater Peterborough Inward Investment Pilot positions Opportunity Peterborough well as the agent of choice for this activity post-2019/20. However, decisions relating to the preferred mechanism for delivery of such a service will be made early in 2019/20 and it will therefore be imperative for the team to demonstrate value and deliver outcomes quickly in order to positively influence business case development.

- Likewise, the long term provision of skills-based services in line with the CPCA Skills Strategy provides an opportunity to continue to build upon the great successes and reputation of The Skills Service. Again, a delivery plan linked to the CPCA Skills Strategy is in development and key decisions regarding the long term delivery model for the required services will be made in early 2019/20. It will be essential for the team to demonstrate early successes, value for money, and alignment with the emerging strategy regarding the existing contract in order to build the business case for Opportunity Peterborough as a provider of choice post-2019/20.

In addition to these specific opportunities, Opportunity Peterborough must seek out, explore, and be open to additional business development opportunities. From a commercial perspective these opportunities will be based on the company’s assets – the skills, knowledge, and reputation of the team, and/or its unique access to businesses, schools, young people, and local authorities. Based on these assets, Opportunity Peterborough’s primary target markets will be businesses with growth aspirations; education providers wishing to increase engagement with the private sector and/or deliver increased value to their learners; and local authorities, including the CPCA, wishing to support economic growth within their areas. The team must be lateral in their approach to business development, without straying from the core remit of creating economic opportunities for businesses and communities.

Measuring success

2019/20 will be deemed a success when the following criteria are achieved:

- All existing commitments are delivered to a high standard and this is recognised by the commissioning parties.
- The company generates a surplus (this may be reinvested into IT in-year if it is prudent to do so).
- The Corporate Partnership, Bondholder Network, and Manufacturing Association initiatives are delivered in-year or are ready for implementation for the start of 2020/21.
- At least one CPCA contract is secured for 2020/21 and beyond (skills or inward investment).

Risks and Mitigation

Risk	Likelihood	Impact	Mitigation
Current capacity deficits affect service delivery.	3	4	Recruit to key posts as a matter of urgency.
Unable to recruit appropriately skilled and experienced staff.	3	4	Continuous review of pay and benefits. Remain flexible re: transferrable skills. Remain open to the use of agencies.
A contract is cancelled mid-year	1	4	Ensure excellence in delivery against targets and in customer service. In the worst case

			scenario, make structural adjustments as necessary.
Finance & Audit Committee decide Opportunity Peterborough is no longer a going concern.	1	5	Reduce costs. Implement prudent financial management and budgetary control. Establish confidence through transparency and accountability.
Become over-reliant on single source of funding.	3	3	Remain open to, and actively seek, new clients and sources of grant funding.
Funding from Peterborough City Council is not available post 2019/20	3	5	Secure contracts with other/new clients, preferably for more than one year.
Combined Authority does not contract any services from Opportunity Peterborough post-2019/20	2	5	Explore whether options exist for participation in alternative approaches.

Conclusion

The future for Opportunity Peterborough looks brighter today than it has done for some time. The financial position in which it finds itself is set to provide stability for some time to come. This will relieve pressure on the team, providing them with the space to focus on delivery and entrench their position as a provider of choice when it comes to the delivery of economic development and skills-related services. It will also enable them to explore opportunities to negotiate the continuation of existing contracts whilst building on past successes to win additional contracts with clients old and new. In order to achieve this a number of changes will need to be made to staffing structures, processes and procedures, and culture. In order to move to a more commercial model, the whole team will need to start thinking and acting more like a private sector business. A number of changes are already underway but in its entirety this will constitute a step-change for Opportunity Peterborough.

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