

SHAREHOLDER CABINET COMMITTEE	AGENDA ITEM No. 4
1 March 2021	PUBLIC REPORT

Report of:	Executive Director, Place and Economy	
Cabinet Member(s) responsible:	Cllr Peter Hiller, Cabinet Member for Strategic Planning, Commercial Strategy, and Investments	
Contact Officer(s):	Steve Cox, Executive Director, Place and Economy	Tel. 01733 715660

OPPORTUNITY PETERBOROUGH 2020/21 UPDATE

RECOMMENDATIONS	
FROM: <i>Tom Hennessey, Chief Executive Opportunity Peterborough</i>	Deadline date: <i>N/A</i>
<p>It is recommended that the Shareholder Cabinet Committee:</p> <ol style="list-style-type: none"> 1. Note the contents of this report for 2020/21 2. Support Opportunity Peterborough's plans for 2021/22 	

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 a review of Opportunity Peterborough's activity over the last year as well as an overview of planned activity for the year ahead.

2.2

This report is for 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.

Our mission is to support 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.

4.2

We do 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.

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

- Leading the response to major job crises such as the recent 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 National Industrial Strategy and Local Industrial Strategy
- Representing Peterborough on strategic groups such as the CPCA's Economic Recovery Sub-Group and Mayoral Forum, both of which have been set up in response to the current COVID crisis
- 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.

4.4 During 2020/21, Opportunity Peterborough;

- Handled 35 inward investment enquiries, conducted 78 investor development meetings, and supported 42 investment projects creating c.700 jobs across Greater Peterborough
- Supported the creation of £21m+ of additional economic output in the Greater Peterborough area, a return of over £150 for every £1 invested by Peterborough City Council
- This service (and much more) costs Peterborough City Council £140,000 p.a. Market price for this service would exceed £935,000 p.a.

4.5 However, 2020 was also a challenging time for Opportunity Peterborough, as it was for many businesses, particularly in relation to the Cambridgeshire and Peterborough Combined Authority's procurement of its Business Growth Service. This new service replaces a number of the contracts Opportunity Peterborough held with the Combined Authority but unfortunately we were part of an unsuccessful consortium bidding for this contract.

4.6 Opportunity Peterborough was created as an Urban Regeneration Company in 2005 in order to help drive physical regeneration and economic growth in the city. Opportunity Peterborough was originally owned by 3 public sector shareholders which funded the company £1.2-1.4m p.a.

4.7 In 2010/2011, two of these shareholders were dissolved as part of changes to national policy and Opportunity Peterborough's remit changed to focus on economic development. Over the following years, due to increasing pressures on local authority budgets, Peterborough City Council's contribution to Opportunity Peterborough has reduced from c£500,000 to its present level of £140,000 p.a.

- 4.8 The company has adapted in order to generate income to support the continued delivery of its core mission. Over recent years that has seen Opportunity Peterborough delivering contracts on behalf of Fenland District Council, South Kesteven District Council, South Holland District Council, the Greater Cambridge Greater Peterborough LEP, and subsequently the Cambridgeshire and Peterborough Combined Authority, as well as in partnership with the British Standards Institute (BSI), which it has done with great success.
- 4.9 However, changes to the delivery environment, and continued pressure on all local authority budgets, mean that many of these funding options are no longer available to Opportunity Peterborough, at least in the short to medium term.
- 4.10 During this period, Opportunity Peterborough has continued to deliver for the city, in terms of job creation and inward investment; raising the aspirations of our young people through The Skills Service; supporting our rural economy with the £1.3m LEADER programme; and driving the Smart City and sustainability agendas through the Future City Demonstrator Programme, establishing Peterborough as thought leaders in the smart cities and circular economy movements at national and international levels and securing the title of Smart City of the Year at the World Smart City Expo in 2015. Over the coming years Opportunity Peterborough will seek to continue to deliver the same services to the city but will build on and expand its portfolio in order to further support the city's ambitions.
- 4.11 With continued City Council support, OP will transition from an inward investment promotion model to a place marketing model, additionally taking responsibility for the visitor economy, business tourism, and talent attraction to better support leisure, tourism, hospitality, and retail businesses; to support recruitment to the new ARU Peterborough; and to help fill existing skills gaps for businesses.
- 4.12 We will also take a lead on the development and delivery of an Innovation and Digital Economy Strategy for the city, ensuring that our businesses and residents are equipped to compete in the 21st century as we move to an ever more digitised world. Appropriate solutions will be identified and deployed in order to help address societal and environmental challenges, making the city a safer, greener, more user friendly environment that also respects the rights of its citizens to lead private lives.
- 4.13 And we will work with stakeholders to develop and deliver a robust startup support programme. Peterborough is already an incredibly entrepreneurial city but with the right support at critical junctions we can also help to improve survival rates and the achievement of growth aspirations.
- 4.14 To fulfil this ambition we will need to work closer with the city's institutions, businesses, and communities, as well as government agencies and other sources of expertise. We will need to become more commercial, increasing levels of private sector sponsorship, creating and promoting consultancy opportunities, and securing more grant funding to deliver these programmes and provide the city with the economic development company it needs.
- 4.15 We're off to a good start. The Skills Service has been taking a more commercial stance for a number of years and is attracting significant levels of funding from major companies and national funders, and Opportunity Peterborough has also recently secured a £715,000 investment from the CPCA into the Smart Manufacturing Alliance, a new subsidiary-turned-joint-venture established to support the development of a world class manufacturing cluster across Peterborough and Cambridgeshire.
- 4.16 Our approach will be a call-to-arms to the city's stakeholders, to generate excitement of what could be at what is a game changing time for the city, with the arrival of the new university, the securing of £23m in Towns Deal funding, and with a £300m+ regeneration programme for the city centre in the pipeline. More work needs to be done, but with the backing of Peterborough City Council we are confident that we can provide a catalyst for truly inclusive, sustainable, green growth that will improve the fortunes of residents and businesses alike.

4.17 We will do this through the following workstreams:

- **Promoting Peterborough** – We will work with partners to transition from the city's economic and investment promotion agency to its Place Marketing Agency, incorporating inward investment, visitor economy, business tourism, and talent attraction. We will seek to raise the profile and improve perceptions of the city, internally and externally, and in doing so 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, and study in, and visit; and provide much needed support to the leisure, hospitality, retail, and tourism business in and around the city.
- **The Skills Service** – We will build on the Skills Services excellent work to date to develop innovative new programmes and activities to help drive the development of skills in the city, raising the aspirations of young people and addressing key issues regarding youth unemployment.
- **Startup Peterborough** – Peterborough is an entrepreneurial city. We will support and encourage our entrepreneurs through the development of a startup programme, backed by private sector partners and incorporating peer networks, workshops, bootcamps, incubators, and competitions and awards in order to drive up business creation levels in the city and, more importantly, increase business survival rates.
- **Smart Manufacturing Alliance** – OP has led the development of a Smart Manufacturing Alliance. Through the launch of this new joint venture with the Cambridgeshire and Peterborough Combined Authority later this year, we will help to develop a world class manufacturing cluster by providing businesses with the support they need to increase productivity, innovation, sustainability, resilience, competitiveness, and ultimately, profitability, whilst support the creation of high quality jobs.
- **Innovate Peterborough** – We will deliver a £1.3m grant funding programme to drive increased innovation within Peterborough's SMEs, helping to make them more productive and competitive, and helping them to create new products and services to address societal and environmental challenges. (Subject to a successful ERDF application). This will build on our ongoing participation in the GrowIN4.0 EU funded programme, developing tools to support businesses in the identification and deployment of new and emerging technologies.
- **Future Peterborough** – Peterborough was identified as one of the UK's four Future City Demonstrators following an Innovate UK competition, going on to win the title of World Smart City of the Year in 2015 for its citizen-centric approach. Since then the programme has carved out a niche for the city as a thought leader in the ever-growing circular economy movement. Building on its excellent work to date, the two key themes of Future Peterborough will be innovation and sustainability, making Peterborough a smarter, more productive, more resilient, and more pleasant place to live and work. We will focus on driving innovation and sustainability in business but also in the community, and at the strategic level, supporting public service transformation and infrastructure improvements in order to support Peterborough City Council's targets of Net Zero by 2030 and becoming a Circular City by 2050, and through the development of an Innovation and Digital Economy Strategy.
- **The Opportunity Peterborough Bondholder Network** – We will increase the value of the network to its members and grow membership numbers, increasing opportunities for business to promote themselves, increase local sales, develop a sense of community and identity, and learn about and shape local plans.

- 4.18 At Opportunity Peterborough we believe that, at this time of need, we can make a real difference to the future prospects of the city, its businesses, its communities, and its citizens but we will all need to think differently. To do this we are proposing a new way forward, working in closer partnership with stakeholders from across the public, private, and voluntary and charitable sectors, to support a comprehensive economic recovery with inclusivity and sustainability at its heart. At the same time, our approach will help to build a more resilient economy and city, able to better withstand future economic, social, and environmental shocks. Whatever happens in the future we must ensure that we are providing opportunities for all of our residents to fulfil their potential, and do so in a way that minimises the impact on the environment, delivering a healthy and pleasant city for future generations.
- 4.19 Fundamentally we believe that we can make Peterborough a better place – a better place to work, to invest and do business, to visit and enjoy, and above all, to call home.
- 4.20 We will measure the direct impact of our programmes as well as monitor improvements in key measures relative to where we stand against national and regional figures, as well as to geographic neighbours. We will set annual performance targets and publicly publish annual reviews to ensure transparency and accountability.
- 4.21 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. This can be seen in Annex 1 – OP and PCC Priorities.

5. CONSULTATION

- 5.1 Opportunity Peterborough conducts informal consultation with partners, stakeholders, and clients when developing its programmes and services. No formal consultation process is required.

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 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 – 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. This can be seen in Annex 1 – OP and PCC Priorities.

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.

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 plans for 2021/22.

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 Peterborough City Council Corporate Strategy 2019-2022

11. APPENDICES

11.1 Appendix A - PCC OP Priorities Matrix