

CABINET	AGENDA ITEM No. 11
20 June 2022	PUBLIC REPORT

Report of:	Adrian Chapman, Executive Director: Place and Economy	
Cabinet Member(s) responsible:	Cllr Wayne Fitzgerald, Leader of the Council	
Contact Officer(s):	Adrian Chapman, Executive Director: Place and Economy	Tel. 07920 160441

OPPORTUNITY PETERBOROUGH

RECOMMENDATIONS	
FROM: Executive Director, Place and Economy	Deadline date: N/A
<p>It is recommended that Cabinet:</p> <ul style="list-style-type: none"> • Approves, in principle, the integration of Opportunity Peterborough into the Council • Delegates authority to the Executive Director for Place and Economy, in consultation with the Leader of the Council, to formally engage with the Opportunity Peterborough Board in order to facilitate an effective transfer • Agrees to receive a further report following consultation with Opportunity Peterborough setting out the outcome of that consultation and to make any formal decision regarding transfer • Notes the exceptional performance of Opportunity Peterborough over many years, and formally thanks the Opportunity Peterborough Board of Directors for their governance and leadership 	

1. ORIGIN OF REPORT

1.1 This report is submitted to Cabinet following a referral from the Corporate Leadership Team.

2. PURPOSE AND REASON FOR REPORT

2.1 The purpose of this report is to enable Cabinet to consider a proposal relating to the way our economic development function is carried out.

2.2 This report is for [Insert name of Committee] to consider under its Terms of Reference No. 3.2.17, *'Cabinet will be responsible for the following functions in relation to the Council's companies, partnership and charities: (b) The decommissioning/winding up of existing companies, partnerships and charities.'*

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 For a number of reasons, the council's leadership, enabling and convening role in relation to economic development, including and particularly attracting inward investment into Peterborough, has never been more important:
- The council's own financial sustainability relies on the delivery of a comprehensive, successful growth strategy that grows the city in terms of jobs, housing, and economic outcomes
 - We need to respond imaginatively to the challenges households are facing in relation to financial hardship, both as a consequence of the current cost of living pressures as well as the legacy impacts of the pandemic (which may take years to fully play out)
 - We need to properly address the inequalities in our city which remain of significant concern – including those relating to educational attainment, skills, household income, health and wellbeing, and housing
 - We need to readily respond to the unique features of our city – including location, land and housing values, diversity of our population, readiness and willingness to grow, and a can-do policy adopted by our administration
- 4.2 The creation of the new Place, Economy and Communities directorate is the first step in organising ourselves in the right way to ensure we identify and seize funding and investment opportunities, and to help make sure we take the right decisions that respond best to the needs of existing and new communities. A restructure for the directorate is planned which will include a clearer leadership focus on (i) planning and infrastructure in all its forms, (ii) housing, (iii) responsive community services with a stronger focus on prevention, behaviour change and enforcement, and, critically, (iv) economic growth, inward investment, and regeneration.
- 4.3 An interim Chief Planner has already been appointed, and, at time of writing, shortlisting for an interim Assistant Director for Growth and Regeneration is underway. However, there is a more pressing need to establish a clear focus on the council's role in relation to economic development as the primary driver for enabling growth and regeneration.
- 4.4 The bulk of the work previously led by the Assistant Director for Growth and Regeneration has been redistributed across other core funded roles, supplemented by some additional external capacity. This includes high profile projects such as the Towns Fund, Levelling Up Fund, University, and the Shared Prosperity Fund. This has some positive benefits, not least moving away from single person dependency, but there is very little capacity across the council to sustain this approach. Further, aside from the Chief Executive and the Executive Director, neither of whom can give this the focus it needs, nobody is proactively monitoring and pursuing economic growth and regeneration opportunities which are abundant at present.
- 4.5 Alongside this, economic development in Peterborough is delivered via Opportunity Peterborough (OP), a wholly owned company that is funded by the council. The levels of investment the council has made in OP have reduced over many years, with the organisation diversifying to replace lost funding. The organisation now comprises a CEO plus three officers, along with five staff who form the Smart Manufacturing Alliance team (a joint venture with the CPCA using £715,000 of Local Growth Fund to establish a network for manufacturers from across Cambridgeshire and Peterborough with the aim of driving productivity, innovation, and sustainability, and creating a world class manufacturing cluster).
- 4.6 Alongside the Smart Manufacturing Alliance, OP deliver a range of other functions currently, including:
- **Inward investment** - Promotion of the city to attract more businesses to establish themselves in Peterborough and create good quality jobs. Support existing investor to achieve growth plans, securing further investment into the city.
 - **Visitor economy** – Promotion of the city to raise awareness of the city's attractions and events to encourage more people to explore the city and increase visitor spend from local communities to international tourists.

- **Bondholder Network** – Generic business network offering 5-6 business breakfasts per year, members portal, monthly newsletters, discounted tickets to the Bondholder Dinner. Currently c.130 members paying £100 p.a.
- **Bondholder Dinner** – Annual black-tie dinner held for 450 guests in Peterborough Cathedral.
- **Advanced Capabilities for Manufacturing – Industry 4.0 (ACMI4.0)** – An EU funded (ERDF) programme to support the adoption of industry 4.0 technologies by manufacturers across Cambridgeshire and Peterborough. Delivered in partnership by Opportunity Peterborough and the Smart Manufacturing Alliance. Support consists of grants of up to £20,000 and 12 hours of free support. Due for completion June 2023.
- **Town's Fund** – Opportunity Peterborough has led on the development of a feasibility study for an enterprise and skills hub/digital incubator, due to be presented to the Towns Fund Board later this month.
- **LEADER** – An EU funded (EAFRD) programme to support rural businesses and community groups. One applicant project remaining due to delays in completion. Due for completion by 20th June this year. Wrap up time required (confirm with Programme and Operations Manager).

4.7 Given the context described in this report, it is now vital we re-establish a responsive, dynamic, and entrepreneurial approach to economic growth and development. As previously mentioned, we are recruiting an interim Assistant Director for Growth and Regeneration who will help to maintain oversight, in the short term, across the portfolio of existing and emerging projects and programmes. Alongside this, it is recommended that we internalise the economic development function, so that these two aspects – economic growth and economic development – can be fully aligned to create a seamless, end-to-end focus on fully maximising the economic, external investment and growth and regeneration opportunities available to us.

4.8 In practice, this would mean transferring the OP staff team into the council, and, alongside the interim Chief Planner and interim AD for Growth and Regeneration, considering how best to structure our resource to meet the aspirations and requirements set out at the start of the report in an affordable way.

4.9 If this proposal is supported by Cabinet, the process of entering into formal negotiations with the Opportunity Peterborough Board of Directors will commence in order to establish the best route forward for an orderly transition. We will concurrently need to work on the financial implications of this model to ensure it is both affordable and sustainable. Depending upon the outcome of that consultation, a further report will then be presented to Cabinet setting our firm and final recommendations.

5. CONSULTATION

5.1 Informal discussion has taken place with the Opportunity Peterborough Chief Executive, who in turn has informally briefed the Board of Directors.

5.2 If the recommendations are agreed by both the council and the OP Board, formal consultation with Directors, funders, and, critically, employees will need to take place, the latter in accordance with appropriate legislation.

6. ANTICIPATED OUTCOMES OR IMPACT

6.1 Assuming the recommendations are agreed, the council will develop a coherent and joined-up approach to economic development, growth and regeneration, contributing directly to improved outcomes for our residents and employers, and supporting our financial sustainability programme.

7. REASON FOR THE RECOMMENDATION

7.1 The recommendations are proposed in order to improve the effectiveness of our whole growth, regeneration and economic development functions.

8. ALTERNATIVE OPTIONS CONSIDERED

8.1 Not to negotiate a transfer as set out in this report; this however is discounted as we have identified the need to bolster our capacity across our growth, regeneration and economic development functions in order to maximise the benefits to the city.

9. IMPLICATIONS

Financial Implications

9.1 As part of the council's budget, funding for Opportunity Peterborough has reduced this year, and further reduces to zero in 2023/24. Provision will therefore need to be made to fund the costs of staff and services that are not currently funded through grants. This will be achieved through realigning existing budgets in the Place and Economy Directorate that are available as a result of staff turnover.

Legal Implications

9.2 Opportunity Peterborough is a wholly owned company of the council, and appropriate legal advice will need to be sought to ensure a lawful transfer of staff and services, if agreed. Formal staff consultation will also need to take place under TUPE legislation.

Equalities Implications

9.3 None.

Carbon Impact Assessment

9.4 This proposal is to transfer Opportunity Peterborough services and staff into the council and will have no Carbon impacts

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.