

OVERVIEW AND SCRUTINY COMMITTEE	AGENDA ITEM No: 5
26th October 2020	PUBLIC REPORT

STRATEGY OVERVIEW OF BUSINESS & SKILLS DIRECTORATE

PURPOSE:

- 1.1. To update the members of the Overview and Scrutiny Committee on the strategic direction and activities of the Combined Authority around Business and Skills

<u>RECOMMENDATION</u>
Lead Officer: John T Hill, Director Business & Skills
The Overview and Scrutiny Committee are recommended to: (a) Note the contents of the report

2. BACKGROUND

- 2.1 The devolution deal and the creation of the Combined Authority gives Cambridgeshire and Peterborough the opportunity to take greater control of the skills system which is so central to achieving our vision of making Cambridgeshire and Peterborough the leading place in the world to live, work and learn.
- 2.2 The acquisition of the Local Enterprise Partnership by the Combined Authority gives Cambridgeshire and Peterborough the opportunity to better integrate and coordinate business growth support and investment with the other three key levers of economic development, namely: skills, housing, transport and infrastructure development.
- 2.3 The purpose of the B&S Directorate is to support businesses to grow and become more productive, in a range of ways which respond to the distinctive needs and characteristics of our different economies. This includes work to support people to have the right skills to access better job opportunities. To expediently respond to the immediate and long term skills needs of new and well established businesses.
- 2.4 The following is an update on how the work of the Combined Authority around business & skills is progressing against our target outcomes of:
 - Doubling the GVA of the area by 2042
 - Increasing the productivity of the area – as measured by GVA/Hour Worked (target to be confirmed)

- Creation of new jobs (target to be confirmed)
- Increasing Apprenticeships by 1,800 additional Apprenticeships over 3 year 2020 – 2023
- Increase in the number of individuals retraining and companies creating jobs to attract new talent into sectors

2.5 **Six key strategies** are designed to realise these goals;

- The Local Industrial Strategy
- The four Sector Growth Strategies
- The COVID 19 Local Economic Recovery Strategy
- The Skills Strategy
- The AEB Commissioning Strategy
- The Market Town Masterplans for Growth

2.5 **Local Industrial Strategy**

- The Local Industrial Strategy (LIS) is being updated through the Local Economic Recovery Strategy (LERS), already approved in draft form and being updated in November against a stronger evidence base. Refreshes of the LERS are scheduled for January & May.
- The LIS is also informed by the Sector Growth Strategies for
 - ICT/Digital Strategy - Complete & integrated into LERS
 - Advanced Materials & Manufacturing (AM&M) - Complete & integrated into LERS
 - AgriTech - submitted to the Business Board in November 2020
 - Life Science & Healthcare - submitted to the Business Board in November 2020

2.6 **Two key interventions** on business support and investment are designed to deliver the outcomes targeted:

- **The Local Growth Fund** – all but £600k of the £147m of funds have now been allocated in the following areas (see appendix 1) that correspond with four of the five Pillars of the LERS

- **Accelerating Start-Ups, Scale-Ups & Set-Ups** – Through Start-up & Growth Finance & Advice - Investment of £19,670,502 potentially creating 13743 jobs
- **Accelerating Hi-Tech Jobs Growth** – Through Innovation & Incubation Centres - Investment of £22,973,882 potentially creating 38677 jobs
- **Accelerating Recovery in Construction** - Through Transport Infrastructure Improvements - Investment of £62,129,000 potentially creating 5191 jobs
- **Retraining & Upskilling for New Jobs** – Through Improved Education Capacity - Investment of £32,819,720 potentially creating 22142 jobs
- **The Business Growth Service** will generate over 1,000 jobs per annum, replacing the Growth Hub. This is the Business Board's flagship programme and most productive job generating investment. It will account for 1 in 3 jobs generated by the business board over the next 6 years.

2.7 The Skills Strategy

Five key interventions are designed to deliver the outcomes targeted:

- **The new University of Peterborough – Phase 1**
 - Academic Delivery Partner appointed – ARU
 - Project management consultants appointed – MACE
 - Building contractor appointed – B&K
 - The build will be a 5300 sqm, 3 storey rectangular building and cost £28.6M. The completion of the build will be June 2022 and doors will open to up to 2000 students in September 2022.
- **The new University of Peterborough – Phase 2**
 - Funding allocation from Getting Building Fund secured. The application is being progressed through the Local Growth Fund Assurance Framework and will be completed by October 2020.
 - Planning application process and building design underway.
 - Procurement of the building contractor and Research Centre Operator being planned.
 - The Programme Management consultants (MACE) working on Phase 1 will support delivery of Phase 2 and ensure that all construction work is managed efficiently.
 - The build will be a 2200m² Research and Development facility to compliment the Phase 1 teaching facility. The completion of the building will be end of January 2022.

- **Increased Apprenticeships**

- In response to the lack of Levy utilisation, the CPCA launched their Levy Pooling Service to unlock the potential of an additional £20m of Apprenticeship funding for the region.
- To date the CPCA Levy Pooling has accumulated a Levy Pot of £5m, which is being utilised by SMEs who have no access to funding for apprenticeships.
- The Skills Brokerage due for mobilisation in November will provide resources to match young talent, with employers and training providers.

- **Retraining Scheme**

- A new pilot to prepare adults for changes to the economy, including those brought about by automation or those that have been disrupted due to Covid-19.
- Targeted towards helping people develop the necessary skills and training to adapt and embrace new ways of working.
- Partners include Marshall Cambridge with 20 new jobs and 130 Apprenticeships, Cambridgeshire & Peterborough NHS Trusts and Care Sector for 200+ new entrants and the Digital Sector to generate more Data Scientists, Computer Programmers, Coders and progress to a new AI Level 7 Apprenticeships.

- **Adult Education**

- The Adult Education Budget had an annual allocation of £11.53m in 2019/20 which increases to £11.8m in 2020/21. The allocation is delivered by 12 grant providers comprised of four local authorities and 8 local further education colleges and 5 independent training providers.
- The strategic and operational intent is to focus on the outcome and impact of adult education participation and achievement for residents who are low skilled or on low pay by:
 - increasing learner progression into FE, apprenticeships and sustainable jobs;
 - increasing social confidence and pay that is linked to adult learning and reducing the skills gaps of priority sectors
 - increasing digital skills to reduce exclusion Post-COVID

2.8 **Market Town Masterplans**

£13.1m has been provisioned from the Combined authority Gainshare fund to invest in projects identified by the people, businesses and local authorities of each of our 11 Market towns. These include:

- £3.1m ringfenced for St Neots and matched against the Future High Streets Fund

- £10m to support the delivery and implementation of the other 10 approved Market Town Masterplans.
- Proposals recently approved from Fenland and Huntingdonshire District Councils include:
 - **St Ives, Huntingdon & Ramsey** – feasibility work and development studies to accelerate delivery of Prospectus for Growth masterplan for each town. In addition, there will be investment for the introduction of footfall counters to better monitor pedestrian flows and visitor numbers, similar in approach in St. Neots that has helped to better plan COVID 19 response initiatives.
 - **Chatteris** – create a project funding pot to support town community groups
 - **Whittlesey** – Installation of interactive flooding signs
 - **Wisbech** – Wisbech ‘Market Place’ improvements The Skills

3.0 FINANCIAL IMPLICATIONS

3.1 There are no financial implications put forward in the paper.

4.0 LEGAL IMPLICATIONS

4.1 There are no direct legal implications arising from this report’

5.0 APPENDICES

Tables of Investments from the Local Growth Fund against the 5 pillars of our COVID 19, economic recovery strategy.

Appendix 1: Growth investments

LGF Project	Project Description	Primary Sector	Lead Organisation	Region Authority	LGF Amount	Direct Job Creation	Indirect Job Creation	TOTAL Job Creation
Accelerating Start-Ups, Scale-Ups & Set-Ups – Through Start-up & Growth Finance & Advice								
The Business Growth Service	GROW TH COACHING, EQUITY INVESTMENTS, SKILLS & FDI	All	CPCA	Huntingdonshire District Council	£5,407,000	47	5890	5937
Illumina Genomics Accelerator	START-UP TECH ACCERATOR EQUITY INVESTMENTS	Life Science	Illumina Cambridge Ltd	South Cambridgeshire District Council	£1,000,000	1033		1033
Startcodon Life Science Accelerator	START-UP TECH ACCERATOR EQUITY INVESTMENTS	Life Science	Start Codon Ltd	South Cambridgeshire District Council	£3,342,250	1730	3460	5190
Ascendal Transport Accelerator	START-UP TECH ACCERATOR EQUITY INVESTMENTS	Transport	Ascendal Ltd	South Cambridgeshire District Council	£965,000	2	200	202
Medtech Accelerator	START-UP TECH ACCERATOR EQUITY INVESTMENTS	Life Science	Health Enterprise East	South Cambridgeshire District Council	£500,000	0	0	0
Peterborough & Fens Manufacturing Association	EQUITY INVESTMENT IN START-UP BUSINESS NETWORK	Business Growth	Opportunity Peterborough	Peterborough City Council	£715,000	113	191	304
Terraviva Company Expansion	GROW TH GRANT	Advanced Manufacturing	Terraviva	South Cambridgeshire District Council	£120,000	15	Not available	15
Aerotron Company Expansion	GROW TH GRANT	Advanced Manufacturing	Aerotron Ltd	Fenland District Council	£1,400,000	140	15	155
Agri-Tech Growth Initiative	GROW TH GRANTS	AgriTech	CPCA	CPCA Wide projects	£3,036,252	300	0	300
Growing Places Fund Extension	GROW TH GRANTS	All	CPCA	CPCA Wide projects	£85,000	320	0	320
Signpost to Grant - CPCA Growth Hub	GROW TH GRANTS	All	CPCA	CPCA Wide projects	£120,000	0	0	0
COVID Capital Growth Grant Scheme	GROW TH GRANTS	All	CPCA	CPCA Wide projects	£3,000,000	287	Not available	287
TOTAL					£19,670,502	3,987	9,756	13,743

Accelerating Hi-Tech Jobs Growth – Through Innovation & Incubation Centres								
Hauxton House Incubation Centre	INCUBATOR	Life Science	o2h Ltd	South Cambs District	£438,000	192	138	330
South Fenland Enterprise Park	INCUBATOR	Business Growth	Fenland District Council	Fenland District	£997,032	30	46	76
Photocentric 3D Centre of Excellence	INNOVATION CENTRE	Business Growth	Photocentric Ltd	Peterborough City	£1,875,000	1078	106	1184
Cambridge Biomedical Campus	INNOVATION CENTRE & INCUBATOR	Life Science	Cambridge University Health Partnership	Cambridge City	£3,000,000	880	2204	3084
NIAB - AgriTech Start Up Incubator	INNOVATION CENTRE & INCUBATOR	AgriTech	NIAB	Huntingdonshire District	£2,484,000	990	805	1795
NIAB - Agri-Gate Hasse Fen extension	INNOVATION CENTRE & INCUBATOR	AgriTech	NIAB	East Cambridge District	£599,850	65	510	575
TWI Engineering Centre	INNOVATION CENTRE	Advanced Manufacturing	TWI Ltd	South Cambs District	£2,100,000	104	0	104
Biomedical Innovation Centre	INNOVATION CENTRE & INCUBATOR	Life Science	Cambridge University	Cambridge City	£1,000,000	880	2204	3084
Haverhill Epicentre - Jaynic	INCUBATOR	Life Science	Jaynic Investment LLP	West Suffolk District	£2,600,000	300	1600	1900
TWI Ecosystem Innovation Centre	INNOVATION CENTRE & INCUBATOR	Advanced Manufacturing	TWI Ltd	South Cambs District	£1,230,000	4	150	154
West Cambs Innovation Park	INCUBATOR	Life Science	Uni of Cambridge	Cambridge City	£3,000,000	380	150	530
TTP Life Sciences Incubator	INCUBATOR	Life Science	TTP	South Cambs District	£2,300,000	236	10	246
University of Peterborough Phase 2	INNOVATION CENTRE & INCUBATOR	INNOVATION CENTRE & INCUBATOR	Photocentric Ltd	Peterborough City	£14,600,000	871	1325	2196
Aracaris Capital Living Cell Centre	INNOVATION CENTRE	Life Science	Aracaris Ltd	South Cambs District	£1,350,000	200	0	200
TOTAL					£37,573,882	20757	17920	38677

Accelerating Recovery in Construction - Through Transport Infrastructure Improvements								
Whittlesey King's Dyke Crossing	ROAD IMPROVEMENT	Transport		Peterborough City Council	£8,000,000	315	0	315
Bourges Boulevard Phase 1	ROAD IMPROVEMENT	Transport	Peterborough City	Peterborough City Council	£2,100,000	240	0	240
Bourges Boulevard Phase 2	ROAD IMPROVEMENT	Transport	Peterborough City	Peterborough City Council	£9,200,000	100	0	100
A47/A15 Junction 20	ROAD IMPROVEMENT	Transport	Peterborough City	Peterborough City Council	£6,300,000	228	0	228
Wisbech Access Strategy	ROAD IMPROVEMENT	Transport	Cambridgeshire County	Fenland District Council	£6,000,000	1600	0	1600
Lancaster Way Phase 1 Loan	ROAD IMPROVEMENT	Business Growth	Grovermere	East Cambridge District	£1,000,000	540	0	540
Lancaster way Phase 2 Loan	ROAD IMPROVEMENT	Transport	Grovermere	East Cambridge District	£3,680,000		0	0
Lancaster way Phase 2 Grant	ROAD IMPROVEMENT	Transport	Grovermere	East Cambridge District	£1,455,000		Not available	0
Ely Southern Bypass	ROAD IMPROVEMENT	Transport	Cambridgeshire County	East Cambridge District	£22,000,000	1950	0	1950
Manea & Whittlesea Stations	RAIL IMPROVEMENT	Transport	Cambridgeshire County	Fenland District Council	£395,000	0	0	0
CAM Promotion Company	METRO SYSTEM	Transport	CPCA	CPCA	£999,000	60	33	93
Soham Station	RAIL IMPROVEMENT	Transport	Cambridgeshire County	East Cambridge District	£1,000,000	125	TBC	125
TOTAL					£62,129,000	5158	33	5191

Accelerating Upskilling & Retraining – Through Improved Education Capacity & Provision								
Metalcraft Adv Man Centre	APPRENTICESHIP ACADEMY & INCUBATOR	Advanced Manufacturing	Metalcraft	Fenland District	£3,160,000	14	30	44
University of Peterborough Phase 1	UNIVERSITY	Multi-Sector	CPCA	Peterborough City	£12,500,000	2195	19000	21195
March Adult Education Centre	SKILLS TRAINING CENTRE	Multi-Sector	Cambridgeshire Skills	Fenland District	£400,000	141	0	141
PRC Food Manufacturing Centre	APPRENTICESHIP ACADEMY	Food Processing	Peterborough City Council	Peterborough City	£586,000	53	0	53
Endurance Skills Training Centre	APPRENTICESHIP ACADEMY	Transport	Endurance Estates Ltd	Huntingdonshire District	£2,400,000	94	575	669
iMET Skills Training Centre	APPRENTICESHIP ACADEMY	Advanced Manufacturing	Camb Regional College	Huntingdonshire District I	£10,500,000	1	0	1
CITB Construction Academy	APPRENTICESHIP ACADEMY	Construction	CITB	Kings Lynn & West Norfolk	£450,000	1	0	1
CRC Construction Skills Hub	APPRENTICESHIP ACADEMY	Construction	Camb Regional College	Huntingdonshire District	£2,500,000	18	20	38
AEB Innovation Grant	SKILLS TRAINING GRANTS	Multi-Sector	CPCA	CPCA Wide	£323,720	0	0	0
TOTAL					£32,819,720	2517	19625	22142