

## LEP Partnering Strategies

To:	Business Board
Meeting Date:	12 January 2021
Public report:	Yes
Lead Member:	Austen Adams, Chair of the Business Board
From:	John T Hill, Director of Business & Skills
Key decision:	No
Recommendations:	<p>The Business Board is invited to:</p> <ul style="list-style-type: none"><li>a) Note the current collaboration and best practice sharing between OxCam LEPs on local economic recovery planning; and</li><li>b) Recommend that the Combined Authority Board approve the Partnering Strategies approach between the Business Board and:<ul style="list-style-type: none"><li>i) The OxCam LEPs;</li><li>ii) NALEP, GLLEP &amp; SEMLEP; and</li><li>iii) The LEP Network.</li></ul></li></ul>

## 1. Purpose

- 1.1 To provide a summary of the collaboration ongoing between the Business Board and strategic partners within the LEP network, including the LEP Network itself.

## 2. Background

- 2.1 The CPCA's Business Board effectively acts as part of the national Local Enterprise Partnership network and delivers business support and investments to stimulate growth that is both greener and provides for greater levelling-up. To ensure that it does this in the most effective manner, it is important that it creates and shares, both new opportunities and delivery best practice between it, and other strategic partners within the LEP network. Hence, Officers propose to develop partnerships with specific LEPs designed across three timeframes:
- 2.2 **The Short Term** over the next 3 months, in which the focus will be on collaboration to share best practice between OxCam LEPs on local economic recovery planning. All have produced recovery strategies for Board approvals during November, and work will focus in the period December to February, on sharing economic impact insight and data, as well as early indications of the impact of the interventions within each LEP recovery strategy. This collaborative and co-creative approach to recovery planning, will feed into the CPCA's revised Local Economic Recovery Strategy, due for Board consideration in March 2021.
- 2.3 **The Medium Term** over the next 12 months the OxCam LEPs will demonstrate the value-add that the Arc provides to the UK, in strengthening longer-term national recovery, through the Arc's innovation assets and its ability to lead a net-zero technology-based recovery that "grows back greener". Collaborating in joint, large-scale and ambitious projects across the Arc, is proposed, to generate, for the CPCA and its local partners, greater allocation of resources through the Comprehensive Spending Review's focus on innovation, green recovery and levelling-up, than would otherwise have been the case, through a local-only approach. Hence, medium term partnering across the OxCam Arc is better not just for the national, but also the regional and local economies, offering economies of scale and greater ambition for all partners. Over this medium term, and as more data becomes available on the performance and efficacy of the Local Growth Fund investments made by the Business Board, we will seek to create and develop benchmarking and best practice sharing on the performance of the Business Board's interventions in comparison with other LEPs.
- 2.4 **The Longer Term** over the next 36 months, in which the focus will be on the implementation and mobilisation of the large-scale programmes across the OxCam Arc, in which Cambridgeshire & Peterborough local partners are involved. Delivery focus will also include the potential continuation and expansion of the AgriTech Growth Initiative with NALEP, SEMLEP and GLLEP. In addition, it will include collaboration across the wider LEP Network to implement the insight gained through Peer-to-Peer LEP benchmarking and best practice sharing, into the design and mobilisation of new interventions.
- 2.5 The goal of these various strategic partnerships will be to enable the Business Board to plan for short-term rebound and for longer-term regrowth, that goes beyond a "recovery" and instead focuses on opportunities to "build back better" through the development of a refreshed Local Industrial Strategy that identifies further interventions to enable more ambitious commitments to:

- Greening our economy in terms of carbon impacts locally, and a shift towards a net-zero carbon economy nationally and globally, through our leadership in technological innovation in the field.
- Levelling-up our economy in terms of GVA per head across our districts and the provision of greater opportunity for career and skills progression, delivering increased social mobility, well-being and health outcomes in the north, where they are lowest.

### 3. Partnering Across the OxCam Arc

- 3.1 The agreed vision for the Arc is to be a global hub for innovation, and home to exemplary models of green development that will inspire communities around the world. Within each of the economies of South East Midlands, Oxfordshire and Cambridgeshire & Peterborough, there are examples of world-leading innovation across multiple sectors that can, and are, delivering prosperity for the UK.
- 3.2 The Arc has a population of nearly four million people and is the location of firms and other employers that provide two million jobs, which together, generate £110 billion of economic output each year. The area has an incredible tradition of bringing the best minds together to create solutions to the most complex challenges. It is home to some of the world's greatest innovators who transform lives with their ideas, entrepreneurs who have created world leading products and services, and researchers and academics who are at the frontier of human discovery. It has produced more start-ups that have reached \$1 billion capitalisation (so called unicorns) than any other region of the UK, including London. It is also one of the few regions of the UK that is fiscally positive to the Treasury.
- 3.3 Within the Arc, Cambridgeshire and Peterborough is the outstanding growth engine, providing 43% of the Arc's growth in GVA and 31% of its employment growth between 2014-18, whilst constituting only 23% of its population. There is no reason to believe that the COVID-linked economic contraction has changed the fundamentals that drive Cambridgeshire and Peterborough's exceptional economic performance; if anything, the current challenges only underline the competitive edge which a strong innovation economy will give in the future.
- 3.4 The agreed ambition for the Arc is to unlock the potential of its scientific, technological and sector-based assets to create a world leading innovation economy. To this end, it intends to place increased focus on its strategic innovation infrastructure, to put the Arc at the centre of the government's ambition under the R&D Roadmap for the UK to be a world leading science superpower. This involves the development of five ambitious initiatives to network, integrate and enhance innovation assets across the Arc to produce:
- 3.5 **A Life Science Innovation Network** to build on the world-leading capability of the clusters around Oxford and Cambridge, which have been central to the UK's response to the COVID-19 crisis.
- 3.6 **A Sustainable Aviation Network** to forge a pathway towards zero-carbon aviation, delivering a leadership position for the UK in the evolving global market of 'green' aviation.
- 3.7 **A UK Space Gateway** to maximise the global potential of the Harwell Space Cluster and rocket propulsion and testing capability at Westcott Venture Park to position the UK as a

market leader in space technologies.

- 3.8 **A Future Mobility Network** to strengthen the Arc as the UK's hub for the development, testing and rollout of Connected and Autonomous Vehicles (CAV) and underpinning technologies.
- 3.9 **Zero Carbon Energy Network** to accelerate solutions to tackle climate change and enable us to advance towards a zero carbon Arc.
- 3.10 The focus of the Business Board's collaboration with SEMLEP and OxLEP will be to support the development of the initiatives for Life Science, Sustainable Aviation and Future Mobility, providing funding and convening partners to support the development of strategic outline business cases for submission into the 2021 Comprehensive Spending Review.
- 3.11 In the case of the Future Mobility Network this will involve the convening of partnerships between TWI in Cambridge, in the development of electric vehicle battery case manufacturing technologies, with facilities for emissions testing at Millbrook Proving Ground, CAV testing at Cranfield and Milton Keynes, the national CAV test centre at Culham Science Park and the pioneering work of companies such as Photocentric in Peterborough, in the development of 3D battery printing technology. The activity in our area will be spread across the TWI centre at Granta Park and a potential new TWI satellite on the evolving Peterborough university and research campus. On the new Peterborough Campus work will focus on friction stir welding and 3D printing technologies, and will potentially include a joint £50m Innovate UK and TWI Member funded research programme, a £20m CPCA investment in the new Peterborough campus research building and associated research facilities, £20m of UK Research Council and EU research Framework funding, as well as £5m of public-private sector start-up investment as a tech-Accelerator.
- 3.12 In the case of the Life Science innovation network, the specifics are less well defined currently. However, it will involve greater collaboration between the Life Science universities and associated business clusters of Cambridge and Oxford, generating increased opportunities for greater collaboration, accelerating innovation and the commercialisation of discoveries through the scaling up of high growth spinout companies.
- 3.13 In the case of the Sustainable Aviation network this will involve three centres collaborating across the Arc; the UK Zero Carbon Airport and Aviation Centre based at Cranfield's Global Research Airport, the Oxford Thermo-fluids and Energy Institute and the National Centre for Propulsion and Power at the New Whittle Laboratory in Cambridge.

#### 4. Partnering Across the Rural Economy

- 4.1 Our rural economy is recognised as having significant strengths in arable crops and horticulture, and to a lesser extent, in pigs and poultry. All are supported by strong supply chains including food processing and distribution hubs, as well as a large stock of Grade 1 Fenland. In addition, the economy has significant strengths in science and research around crop breeding, crop protection and agri-tech innovation. This includes academic and independent research centres at Cambridge University, NIAB and Agri TechE, which also exploit synergies in the region's strengths in bio-tech and artificial intelligence. There are loose networks in the sector across the wider East Anglia area and into the Midlands and

Lincolnshire. However, the sector needs more formal networks to link innovators, scientists and businesses with technology and finance.

- 4.2 The Eastern Agri-Tech Growth Initiative, was established to bridge this networking gap and to offer firms financial support to innovate and grow. It brings together leading agriculture, research, science and technology assets in the East of England to strengthen a nationally significant, vibrant cluster that brings a truly global reach and impetus to the developing UK Agri-Tech sector. Grant funding from the Business Board provides a significant boost to the sector by supporting businesses looking to invest in specialist equipment; new market and supply chain development; ways to improve productivity and efficiency, and the application and commercialisation of Research and Development.
- 4.3 The Initiative already benefits from a strong partnership with the New Anglia Local Enterprise Partnership (NALEP) and is delivered across our joint area. NALEP and the Business Board partner to promote directly to businesses across the food, drink & horticulture value chain as well as working through key intermediaries including banks, accountants and sector specific consultants. The Initiative has two main funds:
- An Agri-Tech Growth Fund which provides grants of between £10,000 and £150,000 to increase productivity through new or improved products or processes.
  - An R&D and Prototyping Fund which provides grants of between £10,000 and £60,000 to support the development of novel technologies, products or processes for the sector.
- 4.4 The scheme has now closed to applicants and has provided 120 grants, totalling just over £6.9m and stimulating £17.3m in private sector investment into equipment, facilities and research. This has generated 770 new and safeguarded jobs.
- 4.4 The Business Board and NALEP partner in the governance of the initiative through the Eastern Agri-Tech Programme Board. The Programme Board has been given delegated authority to take decisions on applications for grant support on behalf of the Business Board and NALEP. Both are represented on the Programme Board. A Member of the Business Board Chairs the Programme Board. Martin Lutman, the CPCA's Agri-Tech Specialist, manages the scheme on behalf of the Business Board and NALEP and acts as the Secretariat to the Programme Board. The CPCA is the Accountable Body for the Initiative.
- 4.5 The current scheme will close and all expenditure completed by 31<sup>st</sup> March 2021. However, it is proposed that a wider partnership is explored to include NALEP, SEMLEP and GLLEP to extend the span, scale and the scope of the initiative. Early stage discussions are underway, and subject to approval of this strategy, will be developed towards a coordinated set of applications for Shared Prosperity Funding, to each of the four Boards' for a joint Rural Growth Initiative across Cambridgeshire, Norfolk, Suffolk, Lincolnshire, Northamptonshire and Bedfordshire.

## 5. Partnering Across the Wider LEP Network

- 5.1 As part of the Business Board's Continuous Improvement Process, applied to its development of strategy, intervention design, delivery and monitoring, it is essential that it is provided with high quality data to benchmark its performance against peer organisations. To provide this, officers have evaluated and assessed the 2019 Peer-to-Peer Review in which all LEPs were paired to explore issues arising from the 2018 Annual Performance

Reviews across the LEP network. The CPCA Business Board were not involved in this, due to it not having been in operation for sufficient time.

- 5.2 Based on this learning, it is proposed that the Business Board partners with the West of England LEP and Combined Authority during 2021, as part of the LEP Network, Peer-to-Peer Review, to assess the Business Board's level of effectiveness and efficacy in delivering its programmes, its timeliness and effectiveness of response to the COVID-19 pandemic and its economic impacts and the effectiveness of its processes and partnerships to develop recovery plans. This will involve a focus on strategic direction and tactical prioritisation in delivery.
- 5.3 Our objective is to conduct the Peer-to-Peer Review with our partner between January and April 2021, alongside, and supportive of, the Annual Performance Review process with BEIS. Issues to be explored will include:
- How robust, but also agile our strategic priorities for economic recovery planning have been in the Covid-19 operating environment and in a rapidly shifting economy.
  - How our pre-existing understanding of risk to the local economy had informed our approach on COVID-19 and how agile our improvements in insight were during the pandemic.
  - How our approach to developing strategy and operational delivery changed as a result of the crisis, and how this informed our recovery plans
  - How our relationship with central and local government changed during the crisis, and how this influenced both the way we thought about recovery planning, and the substance of those plans
  - How we are seeking to change our priorities in consequence of the events of recent months, and how we are articulating that change to our stakeholders locally.
  - How we intend to identify, secure and organise the necessary resources to create a role that places the Business Board in a leadership position for recovery and future growth
- 5.4 The methodology we will adopt will involve three stages; planning and pre-work in the form of data gathering and research, the peer review sessions themselves and post-work involving action plans and follow-up. The peer review sessions will include;
- The Business Board Chair, and Chief Officer
  - Various Senior Responsible Officers with a subject specialism particularly relevant to matters under discussion
  - A representative from business (not board member) who has independent insight into the work of the LEP without being involved in its day to day operations, and
  - A representative of a partner organisation (such as a local authority)
- 5.5 The logic of involving a peer external to the Business Board is to bring into the room individuals with relevant local knowledge but with the independent mindset necessary to

facilitate a more rigorous conversation.

- 5.6 The central challenge for the peer review will be to facilitate a meaningful, robust and challenging assessment of the Business Board's activities relating to both long term economic development and shorter-term economic recovery planning. In line with Government guidelines, a facilitator will be used to:
- Review the information provided and draw out some key themes under each of the strategic heads that provide the focus for the peer review process.
  - Carry out preparatory video conference discussion with the Chair, Chief Officer and the other "external peers" selected to provide a different viewpoint. This is intended to set ground rules and expectations around the need for robust, mutual challenge.
  - Identify which individuals will attend and make clear the roles that the various attendees will perform at the peer review sessions.

## Significant Implications

### 6. Financial Implications

- 6.1 Subject to the availability of fresh funding from Government as part of the announced Shared Prosperity Fund, CPCA Officers will seek to agree with NALEP, SEMLEP and GLLEP Officers, that each will prepare applications for their respective Boards for Shared Prosperity Funds, to relaunch and extend the current Agri-Tech Growth Initiative. This application will be subject to the respective Local Assurance Frameworks and to a joint review with NALEP on the performance and efficacy of the current scheme with recommendations for improvements to be made to any potential future scheme.
- 6.2 Within the current 2020/21 and provisional 2021/22 MTFP, it is proposed to allocate a total of £50,000 across budget lines, to fund the development of two Strategic Outline Business Cases, to be submitted into the 2021 Comprehensive Spending Review. One SOBC will be funded from the Trade & Investment Programme budget line within 2020/21, whilst the other will be from the Shared Prosperity Pilot Fund in 2021/22, subject to Board approval of the draft budget. These SOBCs will request increases to the CPCA's allocation of the Shared Prosperity Funds to fund strategic elements of the following OxCam Innovation Initiatives, to be delivered Cambridgeshire & Peterborough. These include:
- 6.3 The OxCam Sustainable Aviation Initiative, for which the CPCA will seek £25m of funding to match investment by the University of Cambridge to develop new research capability within the Whittle Laboratory, at the West Cambridge site, for net-zero jet propulsion technology development.
- 6.4 The OxCam Future Mobility Initiative, for which the CPCA will seek £20m of funding to match investment by TWI to develop new research capability within the new University & Research Campus in Peterborough, for electric vehicle battery manufacturing technology development.

## 4. Legal Implications

4.1 There are no legal implications