

# Economic Growth Strategy for Cambridgeshire and Peterborough

## 1. Purpose

- 1.1 The strategy sets out clear priorities to inform investment decisions, based on the most up to date evidence available. Its primary goal is to reduce inequality and drive levelling up within and between the three economies of Peterborough, Fenland and Greater Cambridge. It is designed to complement the emerging transport and health and wellbeing plans by reinforcing the evidence around those interventions that are likely to have most impact on good growth.

## 2. Background

- 2.1 The Economic Growth Strategy builds on the fundamentals of the economy set out in the Cambridgeshire and Peterborough Independent Economic Review and reflects the data that has emerged as a result of leaving the European Union and the effects of Covid-19.
- 2.2 The complementary Employment and Skills Strategy was endorsed by the Skills Committee and the Combined Authority Board in January 2022, and the Economic Growth Strategy incorporates the main priorities from the Employment and Skills Strategy and is consistent with it.
- 2.3 The Economic Growth Strategy has been consulted on, and had input into it, from the Business Board and the Mayor and has been developed through workshops with a wide circle of partners and stakeholders for their input, including the Business Advisory Panel, all of the constituent local authority CEOs and economic development officers. In addition, the Chair and Vice-Chair of the Business Board, officers in the Combined Authority and the Mayor convened individual meetings with each of the local authority leaders. Feedback has been overwhelmingly positive.
- 2.4 The Business Board and Combined Authority Board also met on 5<sup>th</sup> April 2022, with one of the discussions seeking feedback on how they felt the consultation process and timeline for developing the Economic Growth Strategy had been. Again, feedback was positive.
- 2.5 The Economic Growth Strategy is designed to reinforce the sustainable growth approach agreed by the Combined Authority Board. Its primary goal is to reduce inequality and drive levelling up within and between the three economies of Peterborough, Fenland and Greater Cambridge. Its goal is not economic growth for its own sake, but to drive growth in a way that harnesses the unique assets and strengths of our places and businesses to ensure that our economy actively improves the lives of residents, through enabling access to good jobs in successful, sustainable, growing businesses. Good economic growth is a core component of a compassionate, cooperative and community driven approach.
- 2.6 Cambridgeshire and Peterborough is a major growth engine for the UK. Peterborough is the fastest growing city in the UK and a major centre of green engineering and manufacturing. The Fens is at the forefront of global and UK climate change adaptation and high-tech agriculture and environmental management. Cambridge is the driving force for much of the human science and digital discovery in the UK. Cambridgeshire and Peterborough's economy is the most innovative and fastest growing economy in the UK outside London

and has recovered faster from the impact of the Covid 19 pandemic. Our economy is a major net contributor to the UK exchequer and our future success is vital for both global Britain and the UK public purse.

- 2.7 Cambridgeshire and Peterborough consists of three distinct economies. Peterborough, Greater Cambridge and Fenland, which overlap and interconnect, but each have very different opportunities and challenges. Our strategy remains to ensure that each can thrive for their own communities and to benefit neighbouring areas and the economy. Our economy is also very unequal and has become more so over the pandemic. Whilst overall employment levels appear to have recovered faster than the UK average, the young, old and disadvantaged have been disproportionately affected. Overall economic activity levels were falling before the pandemic, as particularly older people left the workforce earlier and young people found it harder to access employment and enterprise. We have lower health outcomes and lower healthy life expectancy in many of our communities. Wages in Peterborough and parts of the Fens are low and there is a lack of good jobs that provide routes for progression and a lack of support and opportunity for enterprise.
- 2.8 Elsewhere the barriers to future growth and maintaining our success are becoming increasingly complex challenges. In Greater Cambridge, high housing costs, coupled with congestion and low public transport connectivity, make it harder for people to enjoy the high quality of life they deserve and for businesses to attract highly skilled people. At the same time, too many residents are not benefiting from recent success. Recent evidence is clear about the challenges facing new entrepreneurs and business start-ups in the city. Views about growth are also changing. The pressures on our environment in terms of water management and supply, biodiversity and habitat loss and climate change have changed people's perception of growth and its benefits.
- 2.9 The strategy has 6 core priorities for economic growth:
1. Reduce inequalities and improve quality of life
  2. Accelerating local placemaking and renewal
  3. Ensuring transition to a green, low-carbon economy
  4. Accelerating business growth
  5. Creating good quality jobs in high performing businesses
  6. Supporting people to develop quality skills in a world-class skills system.
- 2.10 The strategy recommends that this is delivered through a series of programme themes, each tailored to meet the needs of our three economies and to maximise the economic linkages between them. These are:
- Expanded programme of Business Support, Inward Investment & Innovation
  - Skills and employment support for good jobs
  - Investment in Local Placemaking and Renewal
  - Connectivity

### 3. Next steps in the process

- 3.1 Refining strategy interventions and actions - many of these will require further work to develop and scope them prior to detailed funding allocations, particularly where that funding is not fully identified and will require additional Government investment.

- 3.2 Refining delivery support mechanisms – for example, the strategy recommends a detailed review of future business support arrangements, to ensure that as current EU and Recovery fund projects end and the new Shared Prosperity Fund programme comes on stream, that Cambridgeshire and Peterborough is taking a strategic approach, identifying where additional support is needed at an efficient scale and where localised approaches are likely to be most effective.
- 3.3 The Economic Growth Strategy is a strategic framework against which future funding will be administered and will therefore be reviewed and updated annually, if required.

## 4. Appendices

4.1 Appendix 1 – Economic Growth Strategy

4.2 Appendix 2 – Summary of Good Growth