



# The Enterprise Partnership

## Outline Proposal

**Greater Cambridge - Greater Peterborough**



"To lead our area's growth to 100,000 significant businesses and create 160,000 new jobs by 2025 in an internationally renowned low carbon, knowledge-based economy"

# Supporters

Anglia Ruskin University  
Anglian Water  
Avlar BioVentures  
Barker Storey Matthews  
Barnack Group  
Borough Council of King's Lynn and West Norfolk  
Cambridge Building Society  
Cambridge City Council  
Cambridge Network  
Cambridge Regional College  
Cambridge Water  
Cambridgeshire Chambers of Commerce  
Cambridgeshire Constabulary  
Cambridgeshire County Council  
Cambridgeshire Horizons  
Citylife, social enterprise centre  
College of West Anglia  
Countryside Properties Plc  
Crightons of Peterborough  
East Cambridgeshire District Council  
Federation of Small Businesses  
Fenland District Council  
Forest Heath District Council  
Foster Refrigerator UK Ltd  
Gallagher Estates  
Greater Cambridge Partnership  
Guy-Raymond Engineering Ltd  
Huntingdonshire District Council  
Huntingdonshire Regional College  
Imperial War Museum Duxford  
Institute of Directors  
Jockey Club Estates  
Johnson Matthey  
KL Technologies Ltd  
Larkfleet Homes  
Learning Resources Ltd  
Marshall Aerospace  
Middleton Aggregates Ltd  
MTL  
NetSupport  
Norfolk Green  
North Hertfordshire District Council  
Opportunity Peterborough  
PCL Ceramics Ltd  
Perkins Engines  
Peterborough City Council  
Peterborough Regional College  
Rutland County Council  
Smye Holland Partnership  
South Cambridgeshire District Council  
St Edmundsbury Borough Council  
St John's Innovation Centre  
Stephenson Smart  
Stream Foods Ltd  
UK Centre for Economic and Environmental Development  
University of Cambridge  
Urban and Civic  
Uttlesford District Council  
Williams Refrigeration

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# Executive Summary

Leaders from businesses, local authorities, universities and social enterprises wish to establish a Greater Cambridge and Greater Peterborough Local Enterprise Partnership based on the complementary functional economic areas of the cities of Cambridge and Peterborough, together with neighbouring market towns and communities.

## **An economic geography of scale and national significance**

Ours is a significant and distinctive economic geography that makes a net positive contribution to the UK economy and boasts some of the country's most globally competitive clusters which, if fostered, can help to lead the UK's economic recovery over the coming years.

Together, our 1.3 million population (estimated to grow rapidly to over 1.5m by 2031), around 700,000 jobs, and 60,000 businesses generate approximately £30bn a year for the UK economy in sectors with high growth potential. We recognise that meeting the needs and ambitions of this growing area requires a step change in business success, unlocking the ability of the private sector to create jobs, wealth and offset the impact of public sector job losses.

## **Our mission**

**We believe our partnership can “lead our area's growth to 100,000 significant businesses and create 160,000 new jobs by 2025 in an internationally renowned low carbon, knowledge-based economy”.**

We will base our future success on improving the business environment for our area to enable ambitious private sector growth and being identified globally as a place to be successful. We will broaden and deepen:

- The Cambridge ideas brand to become Europe's leading high-tech research and development centre
- The Peterborough Environment City current designation to become the UK's Environment Capital
- The strengths, opportunities and synergies of our market towns and rural economy.

Collaboration with other local enterprise partnerships and relationships with adjoining counties, as well as other cities, is a crucial part of creating flexible national and international alliances that will enable our local area to have a global impact. The Greater Cambridge-Greater Peterborough Local Enterprise Partnership will work across boundaries – whatever pattern of local enterprise partnerships emerges and wherever needed – on issues of shared interest, including economic development; strengthening relationships, minimising costs and co-operating to deliver shared outcomes.

## **Our strengths and constraints**

We have a diverse economy with national and international strengths in ICT, creative industries, bio-medical, low carbon and environmental goods, high value engineering and manufacturing sectors – all sectors with significant export potential which have driven our economy to be one of the few net contributors to national wealth.

However, our ability to grow has been constrained by under-investment in transport infrastructure, inadequate broadband infrastructure, skills disparities and shortages, a dependency on public sector employment, and a chronic shortage of affordable homes.

## **Looking forward**

To achieve our mission we have to do things differently. Our proposal is to apply our experience and strong track record of delivery across administrative boundaries. In the larger proposed footprint, delivery is currently fragmented.

The Local Enterprise Board will assess this capacity and form new structures for economic development and work with businesses to mobilise new private sector skills and experience.

Our intention is to turn this outline proposal into a full working plan in order to move to a substantive Greater Cambridge-Greater Peterborough Local Enterprise Partnership during 2011/12.

# Introduction

This is an outline proposal from business, local authority, university and social enterprise leaders to establish a Greater Cambridge-Greater Peterborough Local Enterprise Partnership. We believe our partnership can “lead our area’s growth to 100,000 significant businesses and create 160,000 new jobs by 2025 in an internationally renowned low carbon, knowledge-based economy”

To achieve this success we have to build on our track record and refresh our approach. This document outlines the major elements of our thinking to date. We look forward to early government feedback in order to turn our proposals into practice.



*“Lead our area’s growth to 100,000 significant businesses and create 160,000 new jobs by 2025 in an internationally renowned low carbon, knowledge-based economy”*

# The Greater Cambridge - Greater Peterborough economic geography

The complementary functional economic areas of the cities of Cambridge and Peterborough, together with neighbouring market towns and communities, are a significant and distinctive economic geography that makes important contributions to the UK economy.

Together, our 1.3 million population (estimated to grow rapidly to over 1.5m by 2031), around 700,000 jobs, and 60,000 enterprises generate approximately £30bn a year for the UK economy.

The area covers Cambridgeshire, Peterborough City, Rutland, Cambridge, East Cambridgeshire, Fenland, Huntingdonshire and South Cambridgeshire Districts but beyond these administrative boundaries, the real economic geography extends into parts of North Hertfordshire, Uttlesford, St Edmundsbury and Forest Heath; South Holland and King's Lynn & West Norfolk.

The area is bound together by:

- A genuinely global brand, not least through the University of Cambridge one of the world's leading research universities, and the multiple knowledge-based and internationally competitive clusters that this brand helps to support; the further development of which is critical to the UK's wider productivity goals.
- The challenges of supporting Cambridge's centre of world-class learning and expertise with a much broader base of skills participation

and workforce development that meets business needs. This is beginning to be met, inter alia, by much more recent Higher Education Institutes – including Anglia Ruskin University (campuses in Cambridge and Peterborough) – with a strong focus on participation and applied learning. A network of Further Education colleges supplies craft and technician level skills across the geography.

- The strong and overlapping commuting patterns into the two cities, creating both coherent housing and labour market areas. Peterborough and Cambridge are the only two centres of net in-commuting across the geography: Cambridge 56,000 daily and Peterborough 30,000 commuters daily.
- A large number of market towns which are service and employment centres for rural areas, with niche economic profiles and business dynamism that contributes to the wider Greater Cambridge-Greater Peterborough economy.

*Businesses with national and international significance in a number of key sectors and technologies*

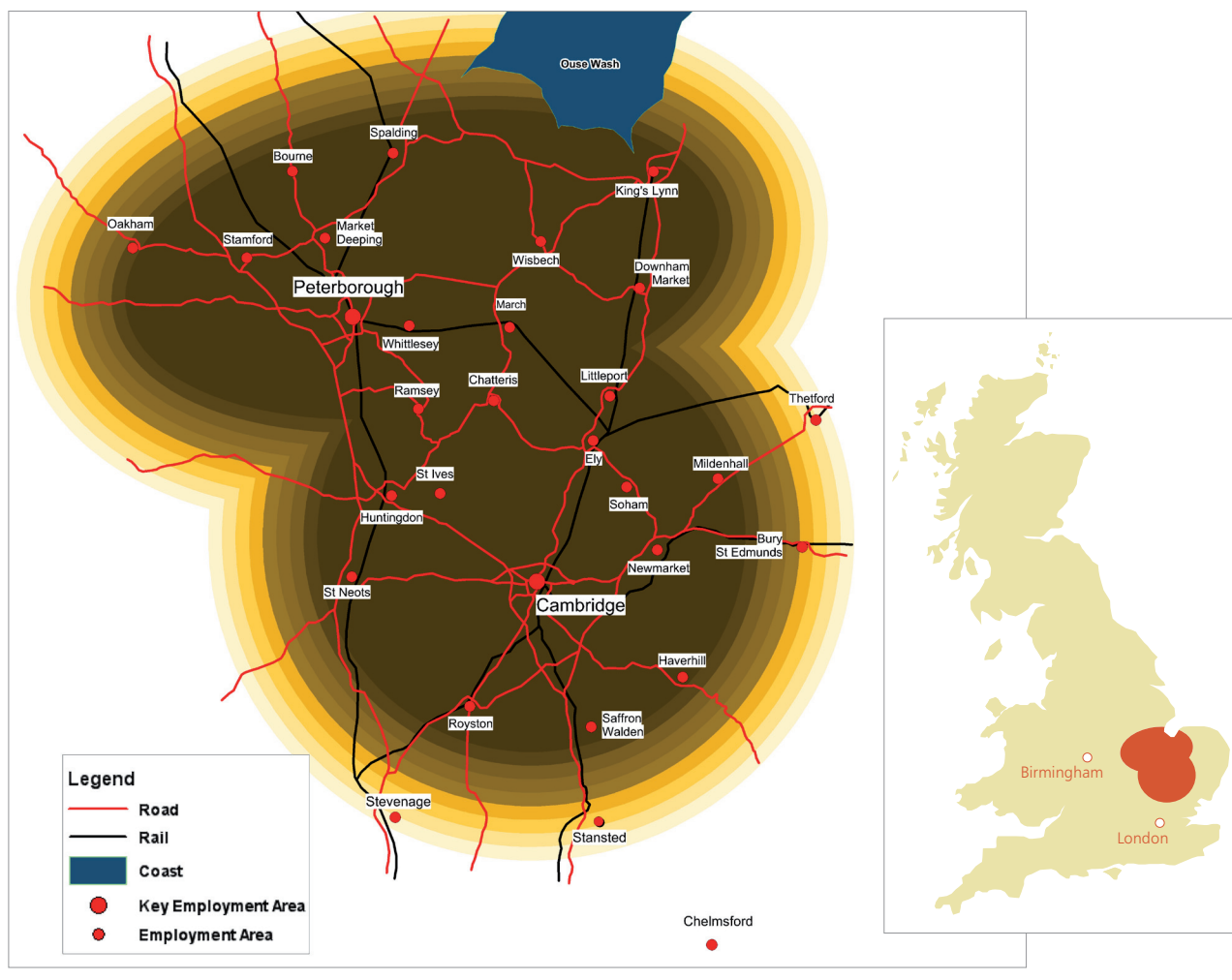
- The shared transport issues of improving radial routes to London (and north-south corridors more generally), reducing trunk road bottlenecks, improving the much weaker east-west connectivity to key ports, and the difficulties of sustainable transport in an area of dispersed market towns and communities.
- Businesses with national and international significance in a number of key sectors and technologies, including a growing low carbon environmental goods and services sector, able to anchor overlapping major clusters across the whole Greater Cambridge-Greater Peterborough economic footprint.
- A large rural hinterland with major assets for agriculture, food and drink, environment

and renewable energy and visitor economy development.

- Established networks of small and medium-sized enterprises.

Collaboration with other local enterprise partnerships and relationships with adjoining counties, as well as other cities, is a crucial part of creating national and international alliances that will enable our local area to have a global impact. The Greater Cambridge-Greater Peterborough Local Enterprise Partnership will work flexibly across boundaries – whatever pattern of local enterprise partnerships emerges and wherever needed – on issues of shared interest, including economic development; strengthening relationships, minimising costs and co-operating to achieve shared outcomes.

### Greater Cambridge-Greater Peterborough location



# The rationale for the proposal

## A different approach to the Greater Cambridge-Greater Peterborough area

The challenges of delivering sustainable balanced growth across this geography are significant:

- Whilst we are a functional economic area of national scale and scope, we are anchored by two cities of medium size. There is a much larger area and population in our market towns and rural communities. Our proposals will build business growth of national quality and significance in a non-metropolitan setting, and provide an example for many other areas outside the 'core cities' and their city regions.
- Future economic growth potential is constrained by an increasingly tight labour market, itself a function of the shortage of good quality and affordable housing and supporting infrastructure. Addressing our housing and transport deficits is critical if we are to achieve our huge economic potential, and these issues have been identified by businesses as key areas for focus within our Local Enterprise Partnership.
- The high growth, high-tech, research and development-led Cambridge brand sits alongside a number of clusters of national significance in Peterborough and our market town economy. Yet these pockets of excellence are surrounded by very low levels of wealth, job and business opportunity. The focus of our Local Enterprise Partnership on business growth seeks the deepening and broadening of the

global brand to deliver an economic 'super cluster' at a scale which can compete with both existing US and emerging knowledge-based economies.

- Our economic geography has been fragmented in the recent past by both administrative and, in some sense, 'cultural' barriers to working together. Covering potentially over a dozen local authority areas (both two tier and unitary) in two separate regions, has been a major obstacle to coordinated strategic leadership. The role of the 'Cambridge phenomenon' has been powerful and persuasive globally, but less engaged sub-regionally. Our new partnership finally brings together a forward-looking leadership team that can transcend historic differences and administrative blockages.
- The nature of our businesses requires us to be outward-looking in terms of customers, suppliers and stakeholders. Collaboration with other local enterprise partnerships and relationships with adjoining counties, as well as other cities and areas with compatible economic clusters, is a crucial part of creating flexible national and international alliances that will enable our local area to have a global impact and achieve greater international competitiveness.

Our proposal outlines how we will convert these challenges into tangible business opportunity.



# Strong leadership driving high levels of ambition

Our new partnership brings together businesses, local authorities, universities and social enterprises with a shared ambition for growth, but who recognise this must be sustainable and the benefits accessible by all. It must be driven by a low carbon economy, matched by increased delivery of new and affordable housing, and supported by high quality infrastructure. We will look to build on existing successes such as Cambridgeshire's Quality Charter for Growth and the Peterborough Cultural Trust.

At the same time, we acknowledge the current pressures and constraints on public expenditure. We can help address these with new, innovative ways to attract and deploy private sector leadership, expertise and resources for the future success of our economy. Capturing the potential of our area cannot be taken for granted in the current climate and constraints. Failure to be proactive and remove barriers to growth will put at risk huge potential to continue to grow our area's economy to the benefit of 'UK PLC'.

Based on this approach, the mission of the Greater Cambridge-Greater Peterborough Local Enterprise Partnership is to "lead our area's growth to 100,000 significant businesses and create 160,000 new jobs by 2025 in an internationally renowned low carbon, knowledge-based economy".

We will base our future success on improving the business environment for our area to enable ambitious private sector growth and being identified globally as a place to be successful. We will broaden and deepen:

- The Cambridge ideas brand to become Europe's leading high-tech research and development centre
- The Peterborough Environment City current designation to become the UK's Environment Capital
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*We will base our future success on improving the business environment for our area to enable ambitious private sector growth and being identified globally as a place to be successful*

# Delivering the vision

The conceptual framework for the Greater Cambridge-Greater Peterborough Local Enterprise Partnership is sketched below:



*Low carbon environmental goods and services – Where Peterborough is home to 335 companies and organisations with 6000 jobs and a £600m turnover*

To lead and support delivery of our mission, the Greater Cambridge-Greater Peterborough Local Enterprise Partnership will:

- Provide the strategic economic leadership for the area, providing a business-led voice which can:
  - Set and build consensus for collective priorities for the Greater Cambridge-Greater Peterborough economy
  - Promote and connect us nationally and globally and build a relationship with government
  - Increase the number of businesses exporting goods and expand our export market
  - Collaborate strategically with other local enterprise partnerships and create national and international alliances that will bring us impact globally
  - Inform and influence the alignment of economic and spatial planning
  - Influence the statutory and service agendas of our public sector partners.
- Underpin this leadership with principles of:
  - Empowering individuals to participate in, and benefit from, the success of the Greater Cambridge-Greater Peterborough area
  - Ensuring development makes the most of low carbon opportunities and contributes to increasing standards and a reduced environmental footprint.
- Produce the economic evidence base, research and intelligence to support the mission and priorities of the area; and a business plan that puts these priorities into practice. Early iterations of this business plan will audit and refine the skills and business support architecture and business need across the geography to produce a prioritised programme of development and resourcing plan. It will also assess the public sector integrated development programmes, local investment plans and growth programmes and the geography to promote a coordinated programme of growth and development.
- Lead on negotiations with government (and particularly the new responsibilities of UK Trade and Industry), other local enterprise partnerships, and international partners as appropriate, to position the area in the global market as a sought after location for inward investment.
- Develop new and innovative ways to raise the finance and resources necessary to deliver the business plan, in a context of highly constrained public investment over the Comprehensive Spending Review period (2011-14). We will build on our current work by bringing forward proposals for tax increment financing, local

infrastructure tariff and equity investment, and making better use of public assets (building on our Total Capital Pathfinder work).

- Commission, assure and ensure business influence in delivery of a range of programme activity. These programmes will build on the strengths of the area, identify opportunities for using public assets and expertise for business advantage, and address the barriers to growth and development. Whilst the precise portfolio will be determined by the Local Enterprise Partnership Board, initial business requirements for investment include:

- Business growth investments in innovation and knowledge exchange to strengthen key clusters where both Greater Cambridge and Greater Peterborough already have a strong offer, agglomeration qualities and the potential for synergies across and between those sectors and technologies:
  - ICT and telecommunications – rooted in our internationally significant ICT, software and telecoms cluster employing nearly 50,000 individuals. Key businesses include ARM, the world’s premier semiconductor IP supplier and Autonomy, a University of Cambridge spin-out which is now the second largest pure software company in Europe.
  - Biotech and life sciences – A cluster of nearly 600 companies including Napp Pharmaceuticals, Amgen, Bepak, Nestor and Medimmune. The presence of Addenbrooke’s an internationally renowned NHS Trust university teaching hospital, further strengthens and supports the cluster, as does the planned Cambridge Biomedical Campus already chosen as home by the Medical Research Council, Cancer Research UK and GlaxoSmithKline.
  - Low carbon environmental goods

*Technology-based creative companies turn over more than £1 billion per annum in the area*

and services – Where Peterborough is home to 335 companies and organisations with 6000 jobs and a £600m turnover that anchors a much broader sector of firms and capabilities across the area. We will build on existing innovation and commercialisation strengths to enable business growth.

- Manufacturing, engineering and processing – The cities host engineering firms with a global presence, such as Perkins which for 75 years has led the field in the design and manufacture of high-performance diesel engines, BAe Systems and Marshall Aerospace, one of Europe’s leading aerospace companies with extensive experience in aircraft design, aircraft manufacture and aircraft maintenance. There are also strong capabilities along the A1 corridor from Huntingdon to Grantham, and in Kings Lynn.
- Agriculture, food and drink – A strong and fast evolving food processing and agribusiness sector. The University of Lincoln’s R&D foundation at the National Centre for Food Manufacturing in Holbeach and the strong agricultural roots in the Fens has helped attract inward

- investment from across Europe achieving ground breaking initiatives in food technology. Key businesses include British Sugar, Mars UK Ltd, Premier Foods, Nestlé Purina, Bakkavor, and Produce World Group, all UK market leaders. A world-renowned equine industry is located around Newmarket.
- Logistics – Building on Peterborough’s strengths as a value added logistics hub and home to a range of nationally important logistics operators including IKEA, Amazon, Tesco and Debenhams.
  - Water and energy – Operating in the driest region in the country both Anglian Water, Britain’s largest water and waste utility with over 5m customers, and Cambridge Water companies are sector leaders and there is a strong R&D and commercial presence in the cities; with a range of major employers like Cummins Generator Technologies (Stamford) and significant bio-renewables production companies across the rural economy.
  - Creative industries – Technology-based creative companies turn over more than £1 billion per annum in the area. The key sub-sectors demonstrating best national growth (publishing, software and computer gaming) are also our most established creative industry clusters. Ten percent of the UK’s computer games developers are within five miles of Cambridge city centre. Key businesses include: Bauer Media, Cambridge University Press, the BAFTA-winning Sony Computer Entertainment’s Cambridge Studio, Supreme Being (urban fashion) and Jagex whose ‘RuneScape’ is the world’s most popular, free massively multiplayer online role-playing game.
  - Visitor economy – More than 20 million visitors come each year to our distinctive heritage attractions such as Cambridge, Ely, Stamford and Peterborough, horse racing at Newmarket, the Imperial War Museum at Duxford, and our rural habitats, such as Wicken Fen, Great Fen and Rutland Water, our Fenland waterways and the North Norfolk Coast.
- Supporting the case for investment in the physical infrastructure and social capital needed for a successful economy by identifying needs and contributing to overcoming barriers in the following areas:
    - Skills, employment and workforce development – Business surveys in the region continue to highlight the importance of the skill base to drive growth, competitiveness and innovation. For advanced knowledge-based companies, the need for education and training at the highest level is crucial, for both prospective and current employees. Provision must be developed to ensure that the region continues to be a globally leading high technology hub. In addition, we recognise that skills disparities across Greater Cambridge and Greater Peterborough are among the highest in the country. Greater Peterborough has long been one of the most prominent national Higher Education ‘coldspots’, although this is

*Identifying needs and  
contributing to overcoming  
barriers*

beginning to be addressed by Anglia Ruskin University and University of Lincoln to the north. Increasingly businesses report skills shortages, particularly in technical, scientific and managerial skills, with Fenland, Forest Heath, Kings Lynn and Peterborough having NVQ Level 4 attainment in the working age population at very low levels when compared nationally. In order for our economy to continue to grow, and to ensure that all are able to benefit from that growth, skills levels across the entire functional economic area must improve and must meet business needs.

- Transport and Infrastructure – Funding packages to address the identified £5bn infrastructure gap and enable growth and improved connectivity between our cities, market towns and rural areas, and between Greater Cambridge–Greater Peterborough and the international market. A particular priority will be to lead partners towards deliverable solutions to address the economically-stifling congestion on the A14, where improvements are temporarily stalled pending the outcome of the Comprehensive Spending Review, and other trunk road bottlenecks. Similarly we will work with infrastructure providers to solve broadband, water and energy deficiencies that currently inhibit our economic growth.
- Major strategic sites and new settlements – Assist in bringing forward major transformational investments at Northstowe (9500 homes; 9000 jobs) and other major sites around Cambridge (10000 homes), the Addenbrooke’s biomedical campus (8000 jobs; ‘staff housing’), Great Haddon (5350 homes; 9000 jobs), Peterborough Station Quarter, St Neots Sustainable Urban Extension (5000 homes; 25Ha employment land) and potentially Alconbury and Magna Park.
- Responding to changing circumstances – The outcomes of the ‘Strategic Defence and Security Review (SDSR)’ in the Greater Peterborough-Greater Cambridge area will be significant. There are a number of prominent facilities across the geography – including at Wittering (Peterborough), Wyton (Huntingdonshire), Mildenhall (Forest Heath) etc. Recent work has shown that the closure of RAF Cottesmore potentially accounts for a 10% GVA reduction in the Rutland economy; RAF Marham contributes around £100m.p.a. to the West Norfolk economy. These types of facilities have a disproportionate impact on rural and market town economies.
- Housing supply and affordability – With a rapidly growing population and designated growth areas and growth points, Greater Cambridge and Greater Peterborough need to catalyse the planned delivery of 100,000 new homes in sustainable communities over the next 20 years; together with addressing severe issues of affordability in both urban and rural areas.

# Building the capacity to deliver

Our proposal is to apply our experience and strong track record of delivery across administrative boundaries in our individual local geographies.

In our larger proposed footprint, delivery is currently fragmented between at least two Regional Development Agencies, three major local delivery companies (Opportunity Peterborough, Cambridgeshire Horizons and Greater Cambridge Partnership), and a number of growth teams and substantive structures across the local authorities and partners.

When appointed, the Local Enterprise Board supported by its executive team will assess this capacity and contribute with its special economic focus to a review of partnership structures which is already underway. With businesses, we will look to mobilise new private sector skills and experience.

In terms of first steps in this process, the Greater Cambridge-Greater Peterborough Local Enterprise Partnership will move swiftly after 6 September to:

- Establish a shadow Greater Cambridge-Greater Peterborough Local Enterprise Partnership board and executive support arrangements in a transparent and democratic manner in accordance with best business practice. The shadow board will develop a business plan, programme of work, commissioning and

resourcing plans and Regional Growth Fund bid to progress the agreed vision and priorities of the partnership.

- Define a transition process for full implementation, responding to the Comprehensive Spending Review (CSR) and White Paper outcomes and opportunities in the autumn.
- Consider how Regional Growth Fund, other existing and new resources post-CSR can be used as a catalyst for business growth and increased private sector employment.

The final arrangements for accountability and membership of the Greater Cambridge-Greater Peterborough Local Enterprise Partnership Board will be subject to consultation with business and public and voluntary sectors. We will establish what appropriate governance is but some principles are already identified:

- A small, focused Local Enterprise Partnership Board will be drawn from business, local authority, university and social enterprise leadership, with a prominent business person as chairman.
- A lean executive team will support the Board, drawing in funding and commissioning interventions and activities



- Project teams will support business growth and enabling investment programmes and projects
- A clear relationship will be established between the Local Enterprise Partnership Board and:
  - Local authorities – ensuring Local Enterprise Partnership priorities are influencing growth policy and delivery
  - Businesses – securing a strong coherent and inclusive business direction, mobilising and engaging business leaders in priority setting and implementation of specific activities to improve Greater Cambridge-Greater Peterborough’s economic and business performance

Our intention is to turn this outline proposal into a full working plan in order to move to a substantive Greater Cambridge-Greater Peterborough Local Enterprise Partnership between December 2010 and March 2011, launching in time for the 2011/12 financial year.



# A fresh relationship with Government

We ask government to work with us to forge a new approach to economic development – supporting changes that enable us put resources behind a single strategy for our local economy. We seek:

- Powers of general competency to deliver our strategy
- The freedom to establish vehicles to hold and manage funds and raise finance locally
- The co-operation of central government departments and agencies to deliver our strategy by aligning its investments to meet priorities in our area
- The ability to manage, apply for and distribute EU funding



*Forge a new approach to economic development*

# Benefits and returns

This outline proposal is business-driven, and, as such, the leadership team is focused on a 'bottom-line' of business returns:

- A doubling of GVA over a twenty year period – from £30 billion to £60 billion annually.
- Growth in number of significant businesses (as measured by Inter-Departmental Business Register) from 60,000 to 100,000 by 2025
- Creation of 160,000 net new jobs by 2025
- Delivery of 100,000 new homes over a 20 year period

The quality and character of growth, however, is equally paramount, and entails:

- The Greater Cambridge-Greater Peterborough's recognition as an international leader in low carbon, knowledge-based development – with business strengths in key sectors (environmental goods and services, ICT, high-value engineering, biotech and life sciences, and agri-business) attracting both inward investment and increased indigenous growth
- Sustainable and balanced development of both the cities and market towns, attracting the internationally mobile business community, embracing high quality environment and design standards, delivering carbon reduction and reductions in our environmental footprint, and equipping our communities with the skills and employability to take advantage of and participate in our increasing economic success.

These returns make investment in the Greater Cambridge-Greater Peterborough Local Enterprise Partnership of national as well as local significance. On this basis, we commend our proposal to government.



