

# GCGP ECONOMIC PRIORITIES

Discussion



From the Greater Cambridge Greater Peterborough LEP



# CORE GCGP FOCUS

WORKING WITH STAKEHOLDERS TO  
DRIVE BUSINESS-LED ECONOMIC  
GROWTH AND JOB CREATION

## STRUCTURE OF THIS PRESENTATION

Starting point is our existing economy and Strategic  
Economic Plan

- ⚙️ Assess the impact GCGP is making
- ⚙️ Changing economic environment
- ⚙️ What the evidence is telling us about business growth
- ⚙️ GCGP activity areas
- ⚙️ GCGP intervention toolkit and example products

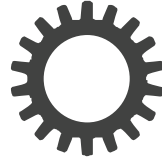


# OUR ECONOMY FROM A BUSINESS PERSPECTIVE

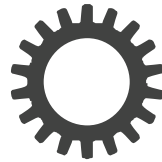


GCGP  
£36bn  
GVA

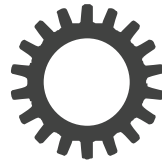
(as at 2017, 2011 prices)



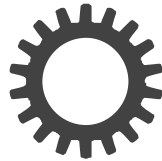
of which nearly half is focused on the cities:  
Cambridge/South Cams is £9.5bn, and  
Peterborough is £4.9bn



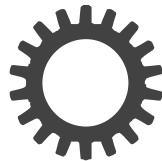
driven by 81,000 businesses employing 828,000  
people



generating £19.5bn in exports



ranked second for Innovation overall, although 10<sup>th</sup> for  
'New to Market' innovation



GVA growth significantly above UK but Productivity  
only in the top third of LEP areas



# OUR EXISTING GCGP ECONOMIC STRATEGY

In 2014 we said we would:

Take a spatial approach:

- ⚙ Greater Peterborough as a premier business location
- ⚙ Foster and spread the Greater Cambridge phenomenon
- ⚙ Addressing business challenges of rural areas and releasing the business potential of the Market Towns

combined with prioritising sectors:

- ⚙ Life Sciences
- ⚙ Food & Drink (Agri-Tech)
- ⚙ Aerospace, Automotive and Defence
- ⚙ Clean-tech
- ⚙ Digital and Creative

and delivering a range of business-focused activities and act as a catalyst



We have:

- ⚙ Invested in Greater Peterborough, including the City Centre, University of Peterborough, and Junction 20.
- ⚙ Supported new commercial space for Greater Cambridge, including the five Cambridge Compass Enterprise Zone sites and the Cambridge Biomedical campus
- ⚙ Supported innovation and growth in rural areas/market towns through the Agri-tech Programme and transport investment
- ⚙ Funded Collusion's network of hubs linking artists, SMEs, the digital sector and local communities e.g. Wisbech, King's Lynn, Bury St Edmunds
- ⚙ Invested via Medtech Accelerator in early stage product development
- ⚙ ...and many more direct interventions
- ⚙ Action in innovation, skills, inward investment, business support, infrastructure, Europe, sustainability and financial support





















MISSION POSSIBLE!





iMET





## DELIVERING REAL RESULTS...

£147M

GROWTH DEAL FUNDING

8,000

JOBS TO BE CREATED AS A RESULT  
OF GROWTH DEAL FUNDING SO FAR

2,000+

BUSINESS ENGAGED

73

INWARD INVESTMENT SUCCESSES IN  
THE LAST 12 MONTHS

1,500+

BUSINESSES SUPPORTED BY  
SIGNPOST 2 GROW

140

SCHOOLS & SIXTH FORM COLLEGES  
CONNECTED WITH



# PROGRESS WITH PRIORITY SECTORS

- ⚙️ **GETTING STRONGER:** Life Sciences, Agri-tech and Clean-tech
- ⚙️ **HOLDING UP:** Digital and Creative, and Advanced Manufacturing
- ⚙️ **LOSING PRESENCE AND JOBS:** Aerospace, Automotive and Defence, and Food & Drink manufacturing
- ⚙️ Other sectors all have important roles in supporting economic growth (but General Manufacturing also losing presence)

## Long term economic forecasts – view with caution





# CONSTRAINTS ON INCLUSIVE ECONOMIC GROWTH

- ⚙️ Mismatch of available and required **skills** (attraction and retention of labour)
- ⚙️ Fragility of the core **infrastructure; connectivity** and housing
- ⚙️ Rising living cost and **affordability**
- ⚙️ Problems obtaining affordable laboratory and **incubator** space
- ⚙️ Availability and suitability of **land/premises** for SMEs to expand
- ⚙️ **Retention** of investment; scale-up often occurs elsewhere
- ⚙️ Lack of **awareness** by SMEs of what support and capabilities are on offer
- ⚙️ Access to **finance** at the different stages of growth
- ⚙️ Increasing cost of **energy** and challenges to exploiting low carbon market
- ⚙️ Creating **new business models** to exploit and capture value
- ⚙️ Declining UK-based **supply chains**





# WHAT ARE THE KEY BUSINESS DISRUPTORS / DRIVERS AHEAD?

- ⚙ What can GCGP businesses do better here than elsewhere?
- ⚙ As an area we have a concentration of businesses at the forefront of major industrial change - leading on technologies that combine the physical, digital and/or biological worlds.
- ⚙ World-class IP generation...but challenges of rurality / labour supply and skills / business growth
- ⚙ Business eco-system (Energy, Labour, Materials – challenges over data/Net access, wider environment of investment, legal/IP, political, quality of life, ageing population, global competition for resources)
- ⚙ Govt focus on rebalancing the UK economy (internally, and balance of trade).
- ⚙ Brexit uncertainties



## Third age of Industrial evolution

Computerisation; physical automation within factories



## Fourth age of Industrial evolution

Cyber Physical Systems (Internet of Things; Internet of Systems;; AI and autonomous control; Smart businesses)



# BASED ON THE EVIDENCE, BUSINESS-LED PRIORITIES FOR UNLOCKING PRODUCTIVITY AND GROWTH

GCGP lead activity:

## INNOVATION

Supporting a core competency  
across our area

## BUSINESS GROWTH

Potential of existing businesses  
in a diverse economy

## INWARD INVESTMENT

Continue to attract and retain  
world-class businesses

## DIGITISED ECONOMY

Key enabler of Industry 4.0

GCGP shared activity:

## SKILLS

Focusing on business-  
led skills

GCGP influencing activity:

## HOUSING; HEALTH AND SOCIAL CARE; STRATEGIC INFRASTRUCTU RE

Public and private sector  
delivery



# TOOLKIT OF POTENTIAL GCGP INTERVENTIONS TO DELIVER THOSE PRIORITIES

- ⚙️ Innovation programmes (such as Agri-tech programme) and support for cross-cutting digital economy
- ⚙️ Direct investment to support business growth, including financial instruments that recycle funding and achieve leverage
- ⚙️ Inward Investment (Sector specialists and Market Intelligence)
- ⚙️ Enterprise Zones
- ⚙️ Business support (Signpost2Grow and Signpost2Skills): Facilitating business scale-up and supply chain development
- ⚙️ Developing the talent pool (and its mobility): 1. Invest in skills infrastructure 2. Stimulate business demand for skills 3. Shaping the learner demand 4. Developing an employer-responsive provider base.
- ⚙️ Business-led partnership championing of potential of GCGP economy, and influencing funding programmes.
- ⚙️ Supportive role in infrastructure delivery (business critical utilities, transport and housing issues)

**Are there any other key types of interventions we could explore?**

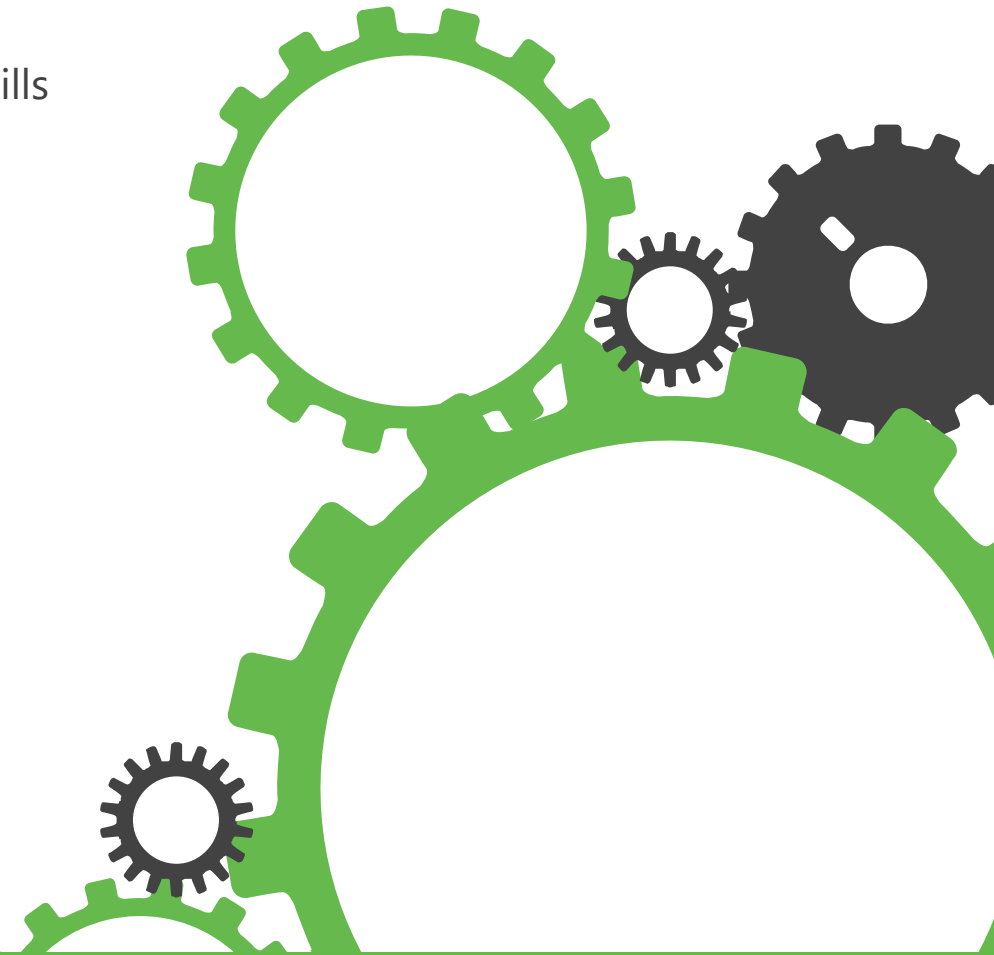
# WORKSHOP DISCUSSION PART A

Question 1: What approaches needed for business growth and productivity across GCGP area?

- ⚙ Direct investment
- ⚙ Incubation space / mentoring / business support advice / signposting / skills
- ⚙ Productivity challenge funding
- ⚙ Inward investment and retention

Question 2: What role for Innovation?

- ⚙ Retention and support of fast growth IP businesses
- ⚙ How to leverage the Science & Innovation Audit / SIIC ?
- ⚙ Business space (post Incubator)
- ⚙ Understanding of sectors





# WORKSHOP DISCUSSION PART B

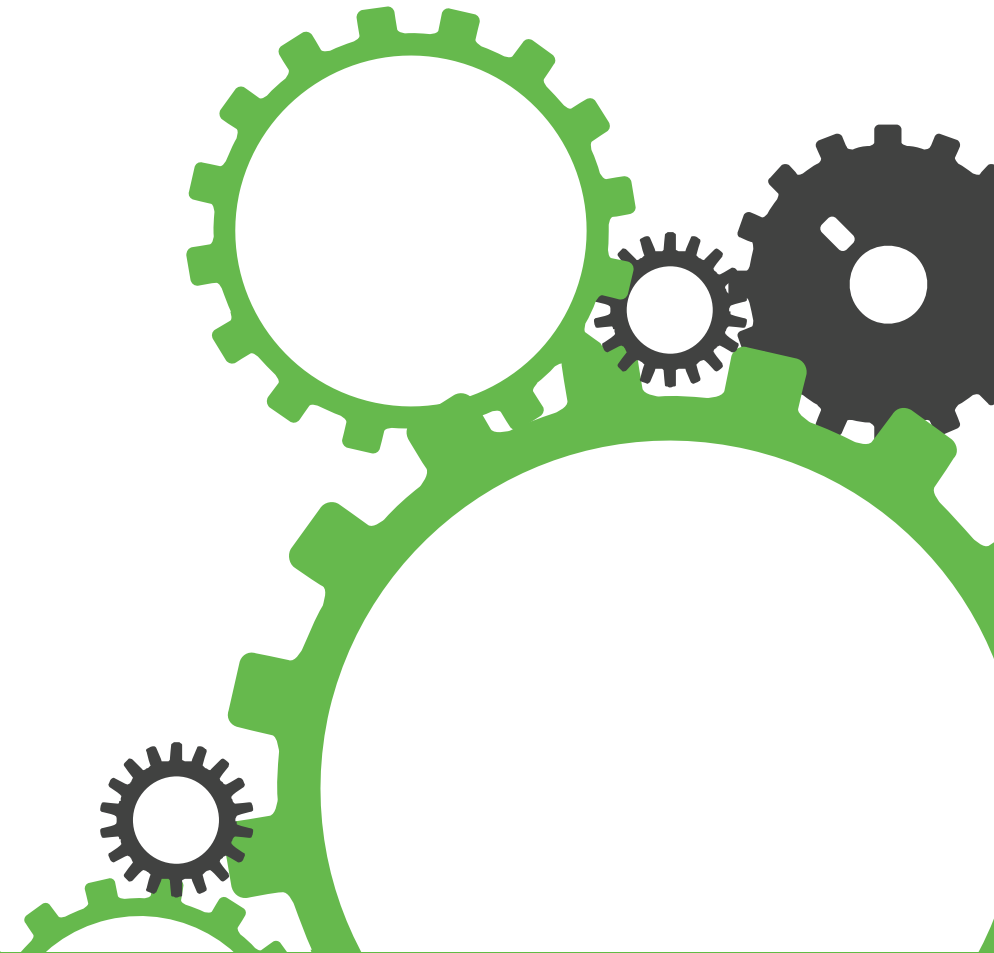
Question 3: Funding and Finance tools?

- ⚙ Debt v. Equity v. Mezzazine
- ⚙ Investment size
- ⚙ Sector focus
- ⚙ Commissioning / calls / procure.

Question 4: Leveraging funding?

- ⚙ Enterprise Zones
- ⚙ Replacement for EU Funding
- ⚙ Private finance
- ⚙ Industrial Strategy opportunities

(nb. Skills addressed in more detail in next Agenda item)





# NEXT STEPS

## September Board

- ⚙️ Outline prospectus for intervention activity
- ⚙️ Strategic Economic narrative (drawing from the SEEB) to drive influencing role

## October Board

- ⚙️ Launch prospectus



# SUPPORTING INFORMATION

# OUR CORE FOCUS:

Working with stakeholders to drive business-led economic growth and job creation

## Primary Activity:

Inward Investment, business start-up and growth, R&D&I agenda (key sectors), business investment, skills

## Who is our Primary Customer:

Business and investors (private and public sector)

### Influence

- ⚙ Infrastructure delivery (business critical utilities, transport, and housing issues)

### Continue

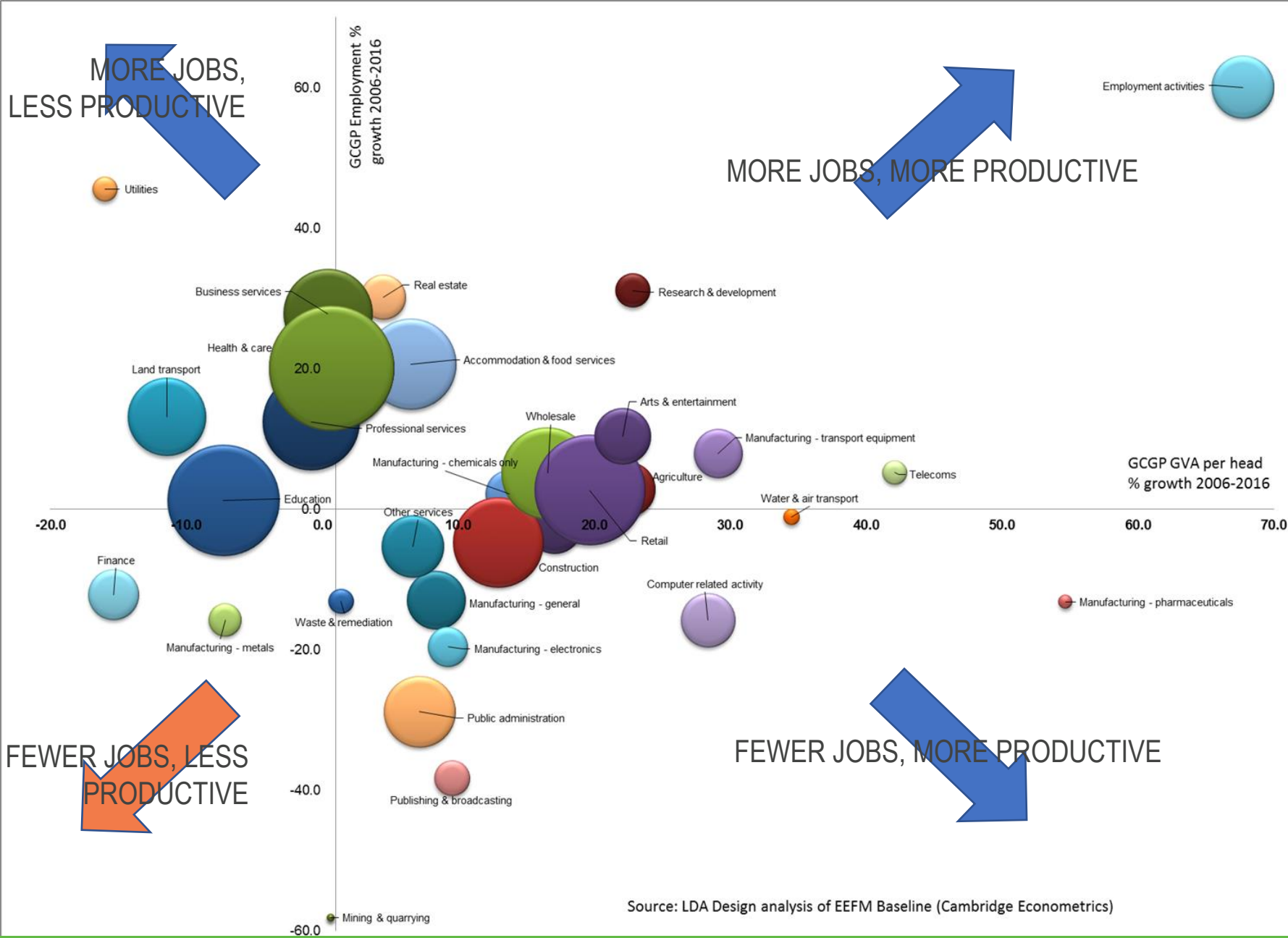
- ⚙ Signpost2Grow (Growth Hub) SME Business support
- ⚙ R&D support programmes (inc. Agri-tech programme)
- ⚙ Signpost2Skills (but more business focused).

### Increase

- ⚙ Inward Investment & Innovation sector support (credible sector specialists)
- ⚙ Scale-up programme
- ⚙ Digital economy support
- ⚙ Direct investment in business growth

Maximise leverage (private and public sector)



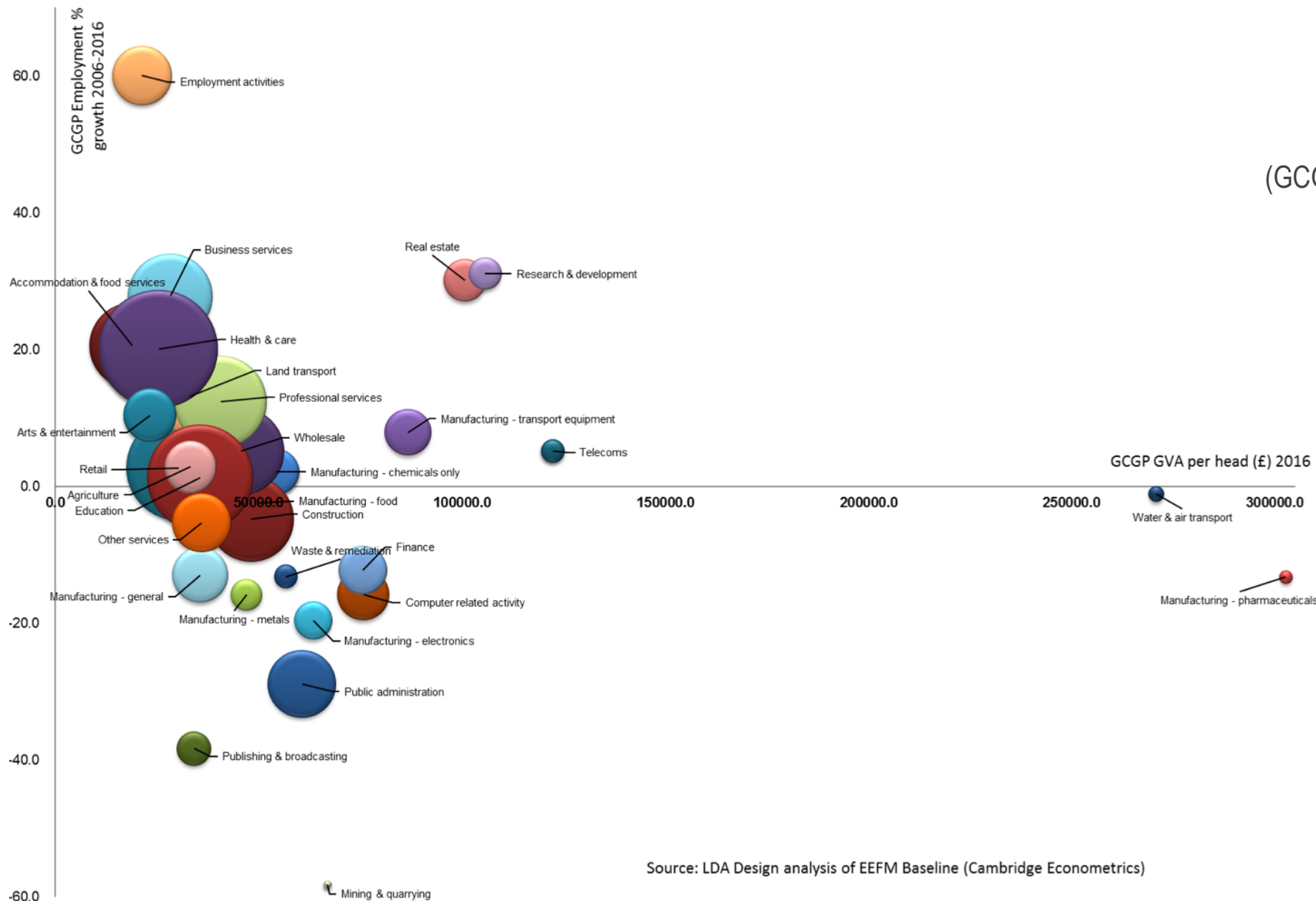


# PRODUCTIVITY BY SECTOR LAST DECADE

(GCGP SECTOR CHANGE IN JOBS MAPPED AGAINST INCREASE IN GVA PER HEAD)

# SECTOR JOB CHANGES

(GCGP SECTOR JOBS MAPPED AGAINST GVA PER HEAD)

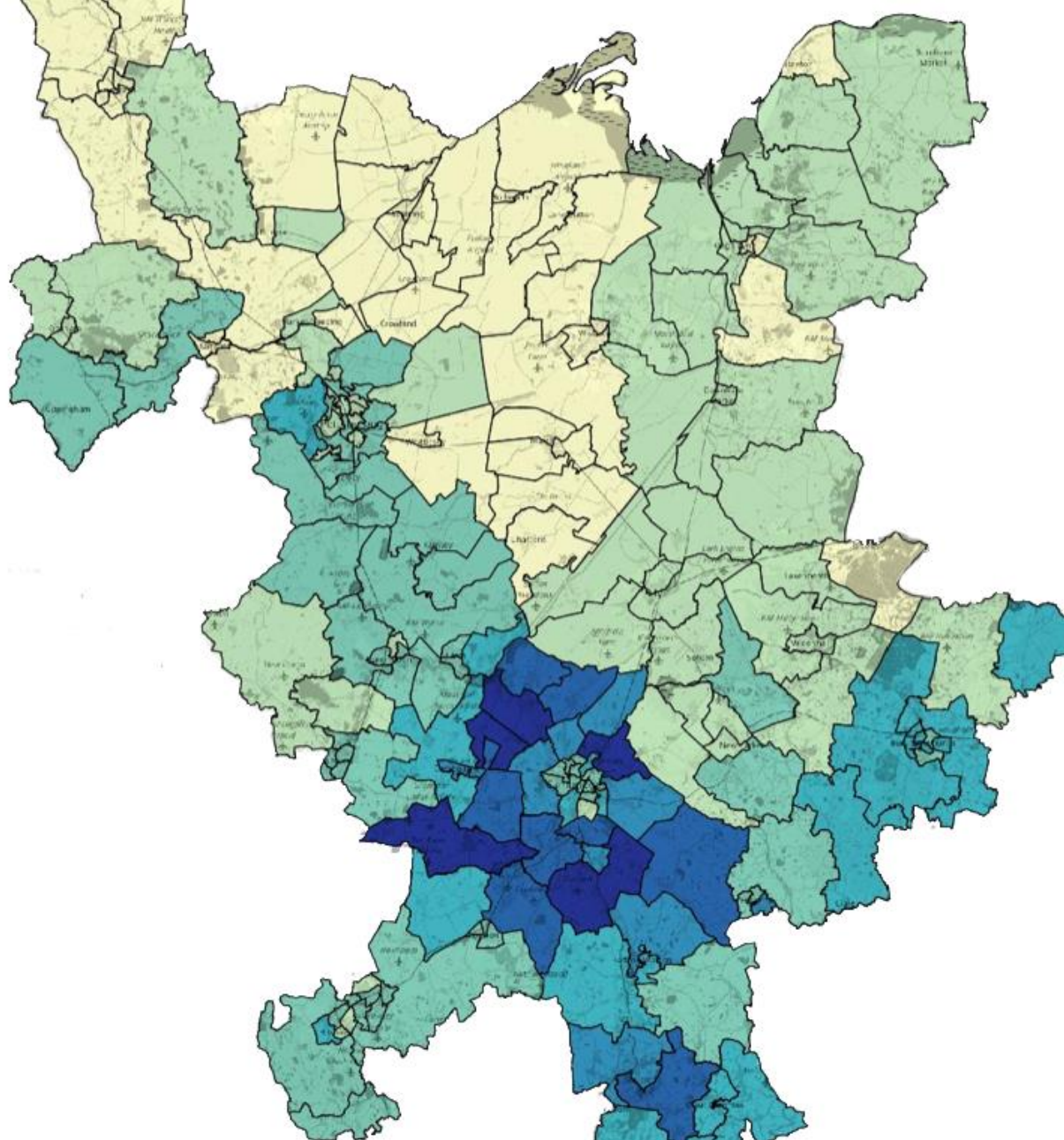


Source: LDA Design analysis of EEFM Baseline (Cambridge Econometrics)

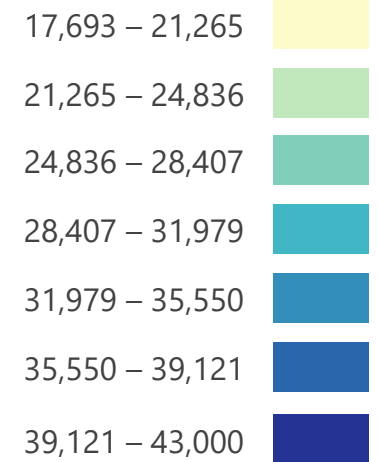


# AND WHERE THE HIGHEST GVA JOBS ARE CURRENTLY LOCATED

THIS SLIDE SHOWS PRODUCTIVITY AVERAGES

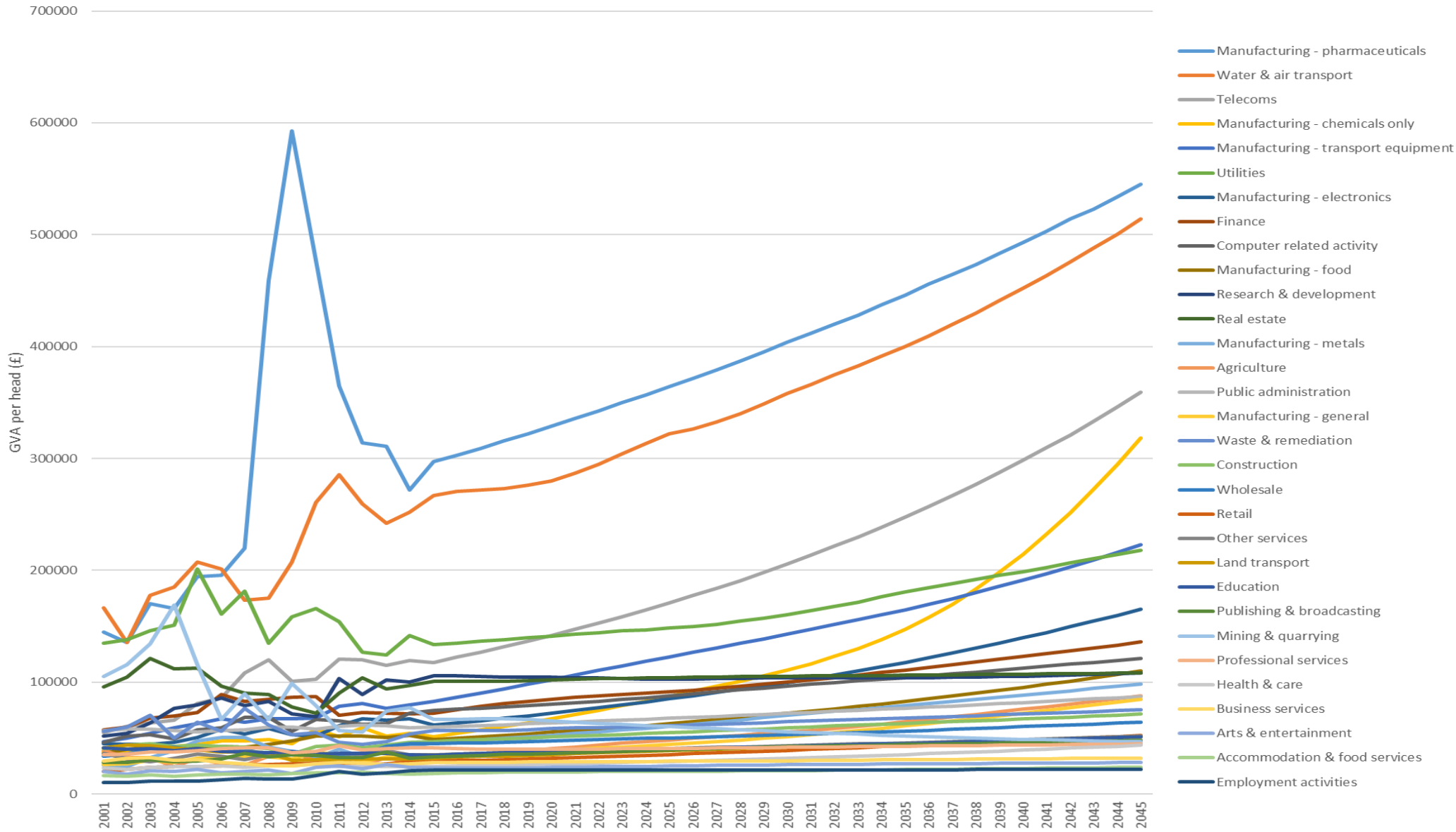


GVA per worker, 2015



GVA PER HEAD (£)

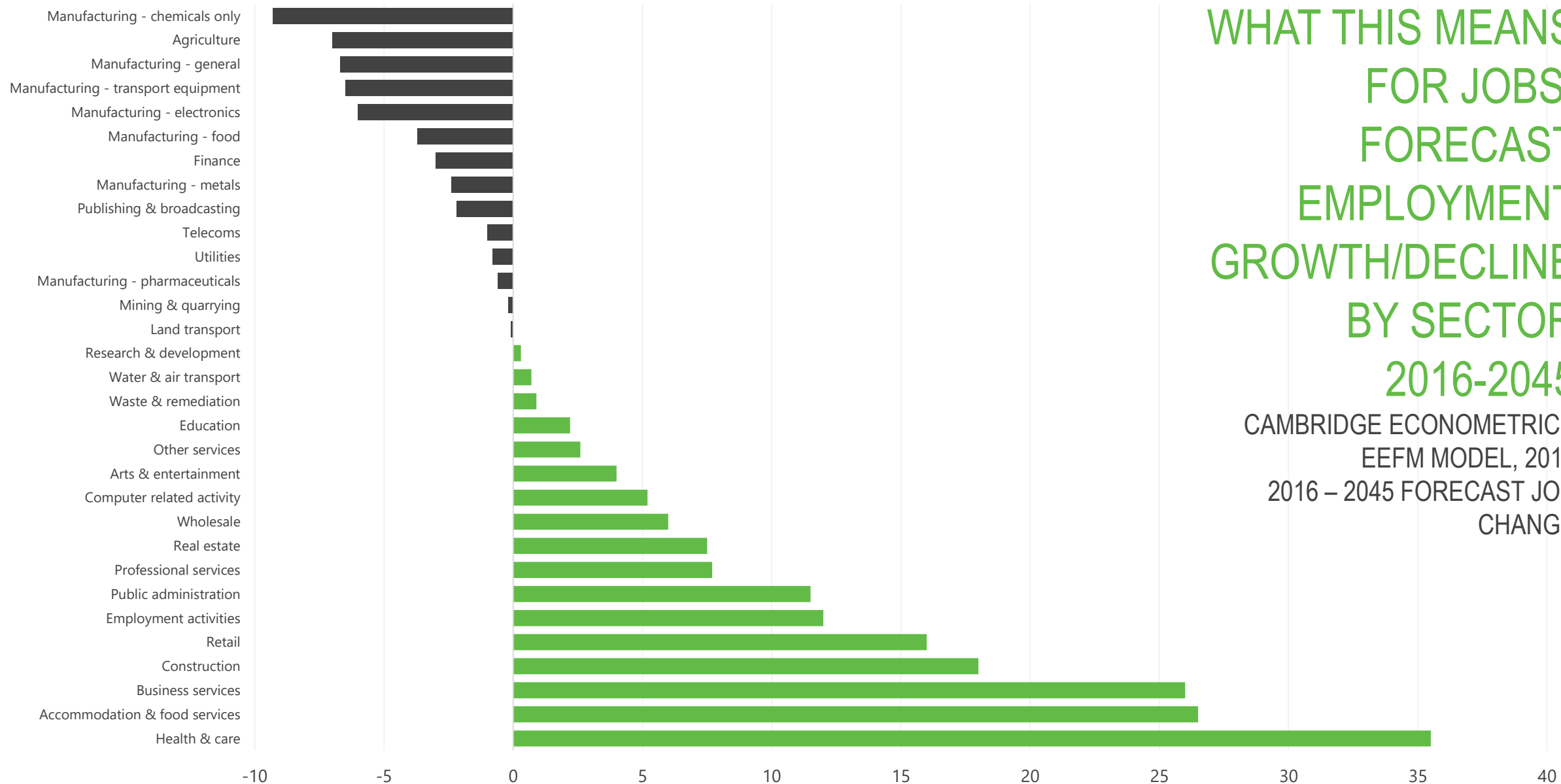
AND SEE  
SECTOR GVA  
PER HEAD  
FORECASTS  
(PRODUCTIVITY  
FORECASTS)





# WHAT THIS MEANS FOR JOBS: FORECAST EMPLOYMENT GROWTH/DECLINE BY SECTOR 2016-2045

CAMBRIDGE ECONOMETRICS  
EEFM MODEL, 2016  
2016 – 2045 FORECAST JOB  
CHANGE



# WE CAN ALSO IDENTIFY JOB OPENINGS

(INCLUDES CHURN) BY OCCUPATION 2016-2022 (EMSI, 2016)

