



**CAMBRIDGESHIRE
& PETERBOROUGH**
COMBINED AUTHORITY

Agenda Item No: 2.4

Growth Works Management Review to 31 May 2022 (Q6 is April to June 2022)

To:	Skills Committee
Meeting Date:	4 July 2022
Public report:	Yes
Lead Member:	Councillor Lucy Nethsingha – Chair of Skills Committee
From:	Deputy Chief Officer Business Board and Senior Responsible Officer, Growth Works, Alan Downton, and Growth Co Chair, Nigel Parkinson
Key decision:	No
Recommendations:	<p>The Skills Committee is recommended to:</p> <p>Note the Growth Works programme performance up to 31 May 2022 (Q6 is April 2022 to 30th June 2022).</p>
Voting arrangements:	No vote required.

1. Purpose

- 1.1. Note the financial and non-financial performance of Growth Works and request any required changes to reporting going forward.
- 1.2. To note and comment upon the programme performance up to 31 May 2022. Please note the performance is up until 31 May 22, although the charts below are for Q6 that being April to end of June, so there is effectively still a month's activity to conclude the Q6 period.

2. Growth Works Service Line Performance

- 2.1. Growth Works is a programme which is designed for high growth / scale up businesses and is managed by the Cambridgeshire Peterborough Business Growth Company Limited (Growth Co) which is a subsidiary of the Combined Authority. Growth Co manages the Growth Works contract on behalf of the Combined Authority and the contract itself is led by Gateley Economic Growth Services (GEG) and a number of other private sector consortia partners. The data in this pack is provided to Growth Co and the Combined Authority monthly and there is a formal contractual meeting held with GEG and the consortia. In addition, Growth Co has a board, which meets on a quarterly basis. The performance of the Growth Works contract is reported to the Business Board and Skills Committee on a quarterly basis and the Combined Authority on a 6-month cycle.
- 2.2. Overall performance of the programme is solid, with four out of the five service lines working well contractually, although close focus is underway in Coaching, specifically on ERDF 'nudge grants' and the number of businesses provided with a diagnostic and then starting a coaching journey. Growth Co and Gateley Economic Growth Services (GEG) the prime contractor are working closely with YTKO who deliver the coaching service line to ensure there is a recovery plan which has a high level in confidence of being delivered.
- 2.3. The overall performance by Service Lines to 31 May 2022 are:

Service Line	Year 1 Target	Year 2 Target	Year 3 Target	Total Programme Target	Year 1 Actual	Year 2 (01-Jan to 31-May)	Programme Actual (15-Feb-2021 to 31-May-2022)
Coaching	46	1,454	1,723	3,223	139	531	670
Inward Investment	75	175	350	600	319	184	503
Skills: Apprenticeships	51	449	900	1,400	66	132	198
Skills: Jobs	20	130	200	350	4	10	14
Grants & Equity	397	474	584	1,455	439	212	651
Total	589	2,682	3,757	7,028	967	1,069	2,036

This table has been altered to reflect feedback from various parties

- 2.4. Regarding the CapEx grants above. Up to 31 March 2021 in year 1, 32 businesses were awarded CapEx grants. All 32 committed to deliver new jobs within 12 months and part of

the process is to ascertain evidence to support the jobs created and also to ascertain their completion status. Those not able to complete has resulted in a reallocation of funds, and a re-baselining of the jobs committed. As a consequence, the grants job committed total for Year one has been revised above to show 439 new jobs, from 497 to account for the 58 jobs that companies will not generate. Eight companies withdrew completely, and one company reduced its job creation to three.

2.5. Programme outcomes and leading indicators to 31 May 2022 are:

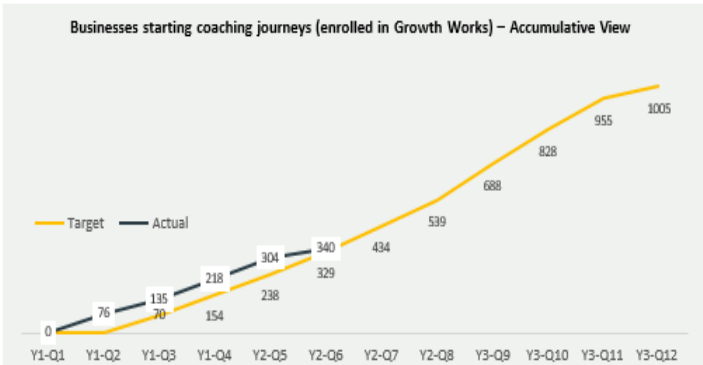
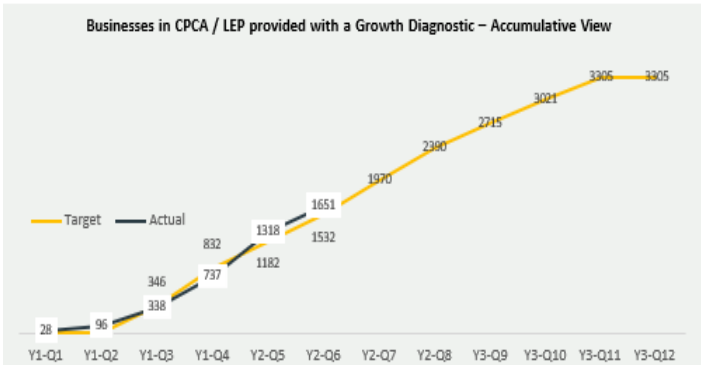
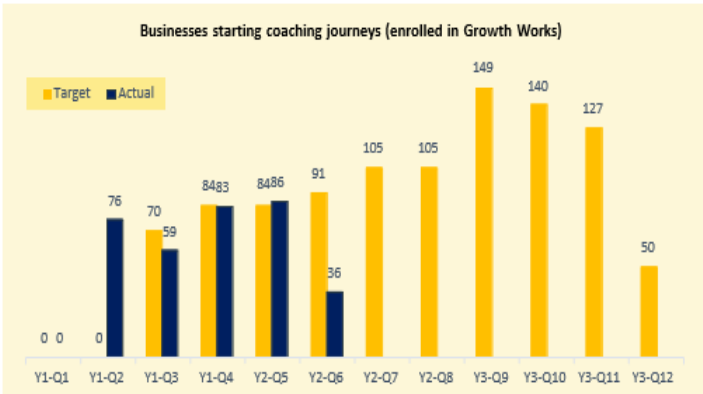
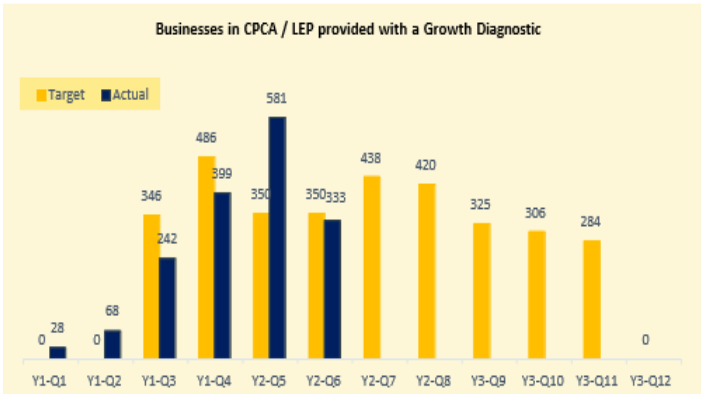
Dashboard Summary – Programme Outcome and Top Leading Indicators							
Service Line / Whole of Programme View	Target Indicator	Year 1 Target	Year 1 Actual	Year 2 Target	Year 2 Actual (to 31-May)	Current Quarter: Q6 – Target (01-Apr to 30-Jun)	Current Quarter: Q6 – Actual (01-Apr to 31-May)
All Service Lines – Outcome	Jobs committed (inc. Apprenticeships)	589	967	2,682	1,069	729	751
Top Leading Indicators - Growth Coaching	Businesses provided with (i.e. undertaken) a Growth Diagnostic	832	737	1,558	914	350	333
	Businesses starting coaching assignments (Growth support following diagnostic)	193	216	481	127	114	39
Top Leading Indicators - Inward Investment	Inward investors receiving information, diagnostics, and brokerage support)	18	153	62	77	15	23
	Inward investor commitments to expand or for new investments	6	15	15	6	4	4
Top Outcome and Leading Indicator – Skills	Additional training / learning outcomes (excludes apprenticeships)	209	257	748	246	198	80
	CO23s / SME Engagement	11	34	114	34	26	9
Top Leading Indicators - Grants & Equity	Companies receiving grants	18	43	26	18	6	7
	Small Business Capital Growth Investment Equity (£000)	1,000	1,500	8,000	0	1,500	0

This table has been altered to reflect feedback from various parties Growth Coaching Service Line Performance

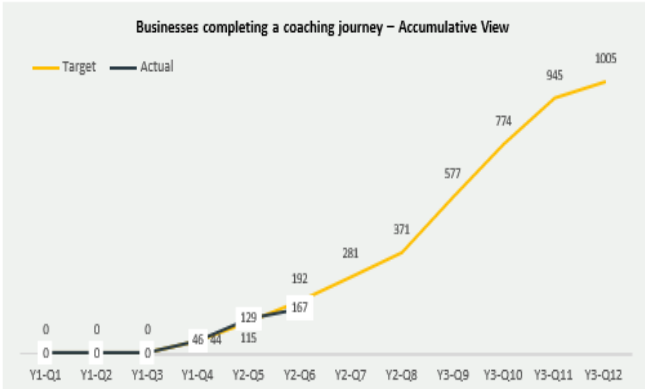
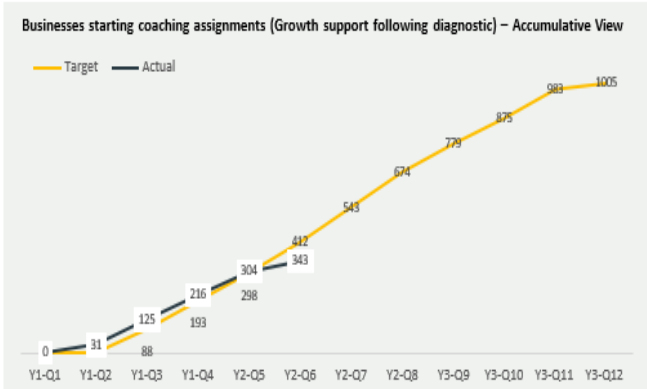
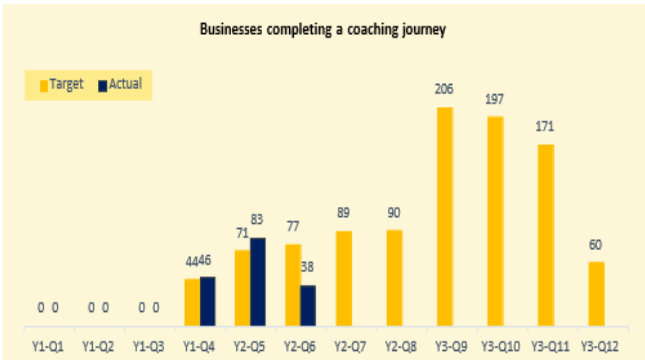
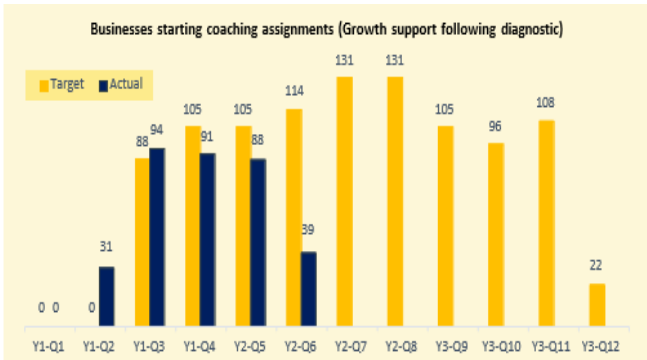
2.6. Table breakdown of performance to 31 May 2022

Target / Indicator	Contract Deliverables - Targets				Contract Deliverables - Performance				Q5 Actual	(Q6) This Quarter					Q7 Target	Q8 Target
	Year 1 Target	Year 2 Target	Year 3 Target	Whole of Contract Target	Year-1 Actual	Year-2 Actual (01-Jan 2022 to 31-May 2022)	Year-3 Actual	Whole of Contract Actual (15-Feb 2021 to 31-May 2022)		Q6 Target (01-Apr to 30-Jun)	Actual (30/04)	Actual (31/05)	Actual (30/06)	Q6 Total to 31/05		
Jobs created (forecast / committed)	46	1454	1723	3223	139	531		670	106	481	*365	60		425	541	383
Businesses provided with (i.e. undertaken) a Growth Diagnostic	832	1558	915	3305	**737	914		1,651	581	350	217	116		333	438	420
Businesses starting coaching journeys (enrolled in Growth Works)	154	385	466	1005	218	122		340	86	91	10	26		36	105	105
Businesses starting coaching assignments (Growth support following diagnostic)	193	481	331	1005	216	127		343	88	114	15	24		39	131	131
Businesses completing a coaching journey	44	327	634	1005	46	121		167	83	77	17	21		38	89	90
Business profiles matched (S/M/L in %)	67½% / 30% / 2¼%	52½% / 36¼% / 11¼%	38¼% / 48¼% / 12½%	50% / 40% / 10%	57% / 35% / 8%	71% / 27% / 2%		66% / 29% / 5%	67% / 29% / 4%	60% / 30% / 10%	70% / 30% / 0%	61% / 32% / 6%		67% / 30% / 3%	50% / 40% / 10%	40% / 45% / 15%
GVA generated (£ 000)	£0	33,000	70,000	103,000	TBD	TBD		TBD	TBD	6,000	TBD	TBD		TBD	9,000	15,000

2.7. Performance shown as a line and bar chart to 31 May 2022



2.8. Businesses provided with a diagnostic are just ahead of forecast, but with the forecast trajectory in front of them, we are seeking a plan these will be met and also a high level of confidence. Businesses starting coaching assignments actual is starting to fall behind and forecast, which is also requiring some close attention, although for both this report is to 31 May 22 and there is actually the month of June before Q6 concludes.



2.9. Business challenges cited by companies on their diagnostic forms. Data shown is to 31 May 2022.



2.10. Businesses completing a Diagnostic form are asked to give their reasons or business challenges / concerns for engaging with Growth Works with Coaching. The table above lists the reasons and the number of recorded entries against each (where a company may record more than one reason). There are 4,283 in total, an increase of 282 entries in the month 1st to 31 May.

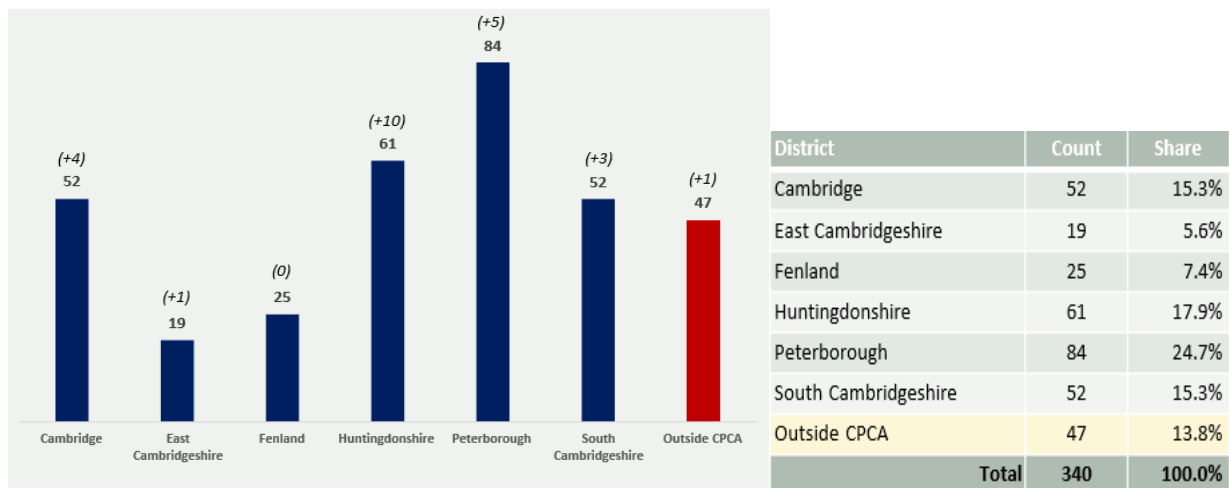
- Green bars indicate people and talent challenges. These make up 26.1% of entries
- Grey bars indicate operational and infrastructure efficiency and effectiveness challenges. These make up 21.8% of entries
- Purple bars indicate growth specific challenges. These make up 32.5% of the entries
- The brown bar indicates finance as a challenge. This makes up 15.2% of entries
- Others (blue bar) make up 4.3% of entries.

2.11. Business Challenges by District.

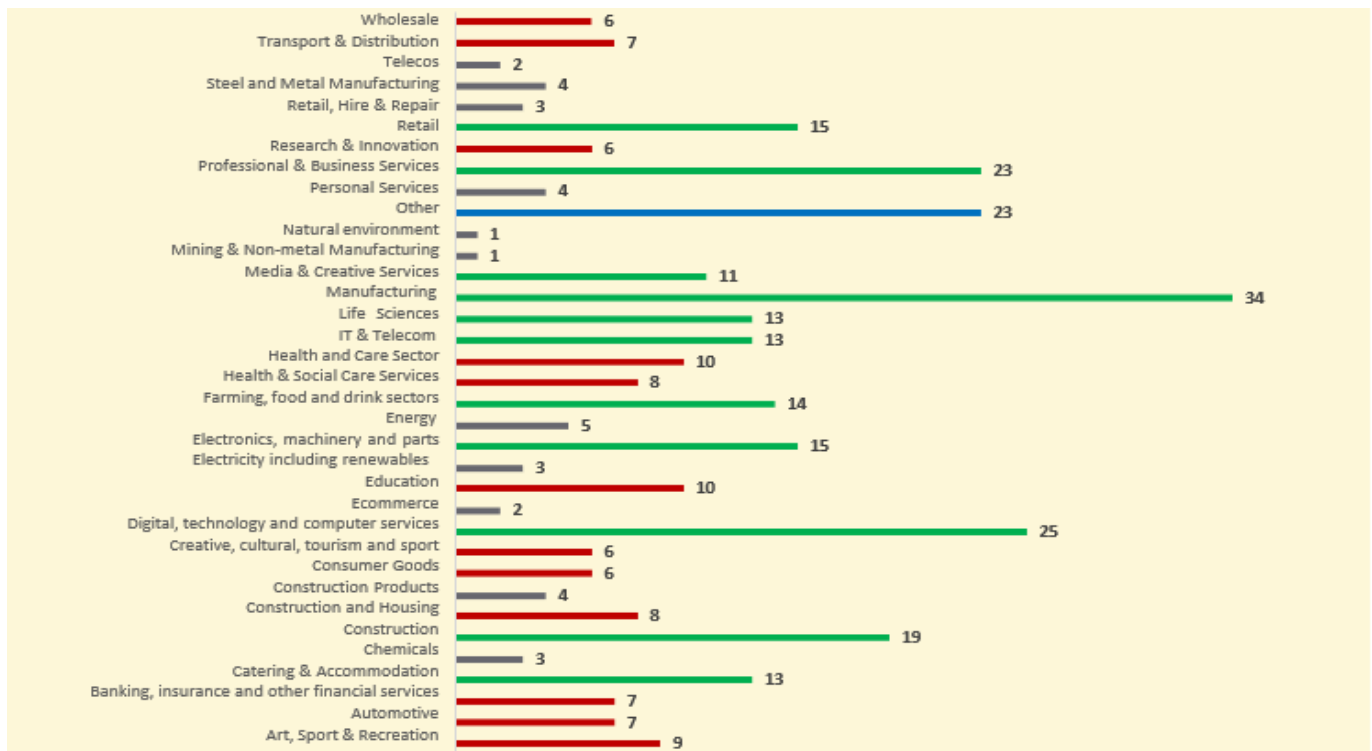
Challenge	Cambridge CC	East Cambs DC	Fenland DC	Hunts DC	Peterborough CC	South Cambs DC
Need growth finance	83	37	26	105	115	86
Need to find the right new people	76	33	35	126	135	101
Need to improve skills deficits in current team	23	17	13	56	58	27
Need more effective people development strategy	15	7	8	30	39	26
Need new equipment	40	30	36	95	89	49
Need bigger premises	32	24	18	50	41	24
Need to improve productivity	24	17	15	44	51	27
Need more effective marketing	57	17	24	107	124	70
Need more effective sales	45	12	13	56	70	57
Need more effective growth strategy	40	15	17	71	69	55
Need more effective leadership and management	18	11	4	27	39	15
Other	22	9	10	36	34	22

TOTAL BY GEOGRAPHY	475	229	219	803	864	559
Variance from Mar'22	(+35)	(+26)	(+9)	(+63)	(+64)	(+47)

2.12. Businesses starting coaching journeys (enrolled in Growth Coaching) by CPCA district. Data shown is to 31 May 2022 as total to date.



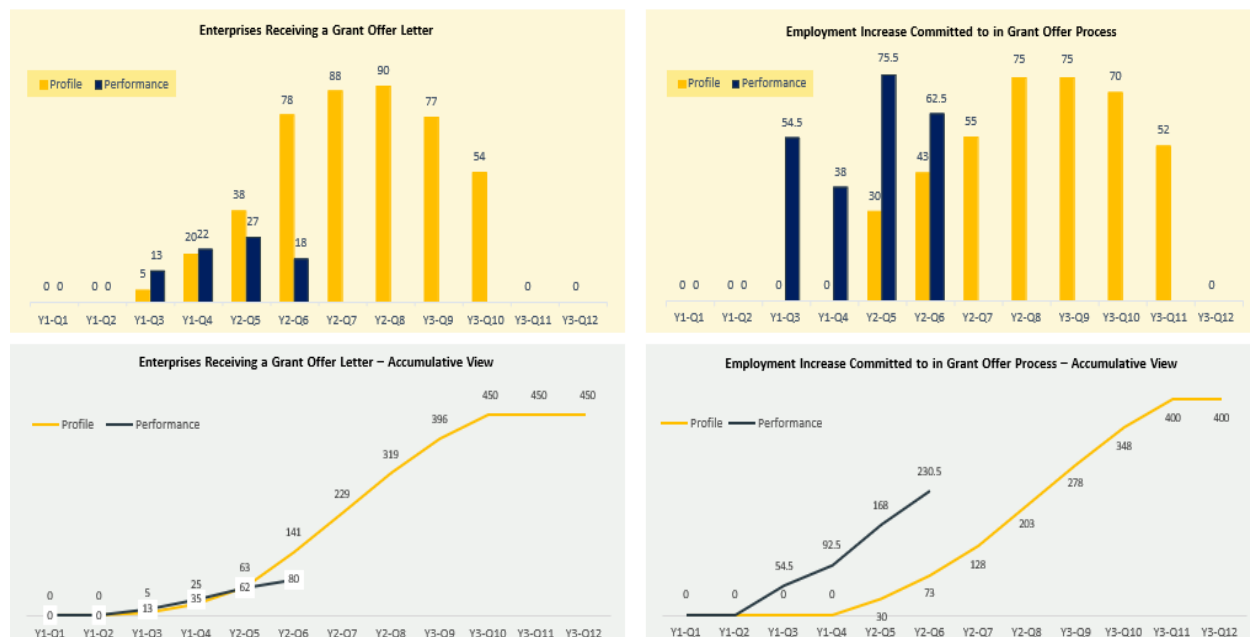
2.13. Businesses starting coaching journeys (enrolled in Growth Coaching) by sector. Data shown is to 31 May 2022.



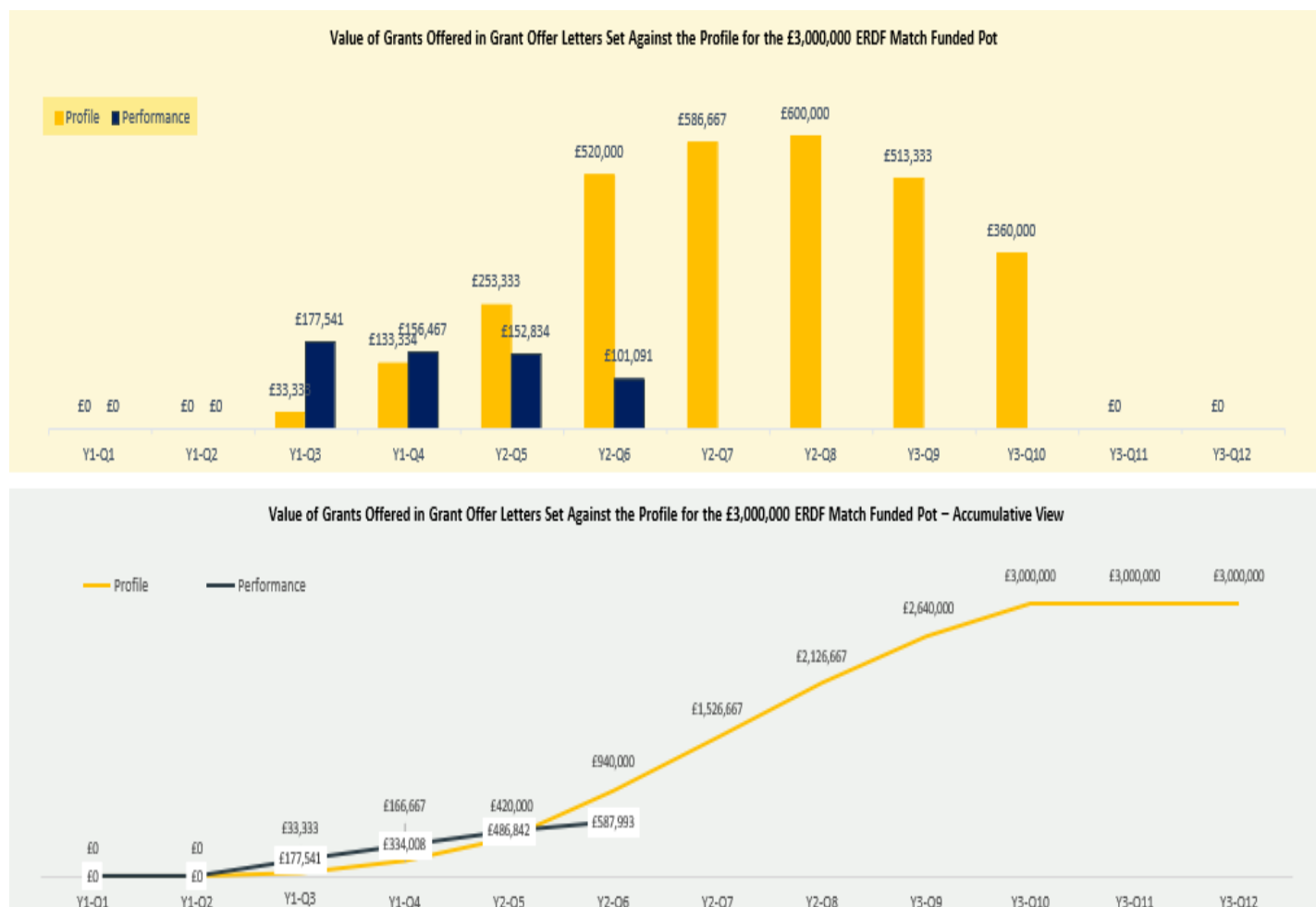
2.14. At 31 May 2022 a total of 313 companies had started their coaching journeys through enrolment in Growth Coaching.

- Green bars indicate sectors with eleven or more companies
- Brown bars indicate sectors with between six and ten companies
- Grey bars indicate sectors with between one and five companies.
- The Blue bar indicates 'other'

3. Growth Coaching Service – ERDF Revenue / Nudge Grants



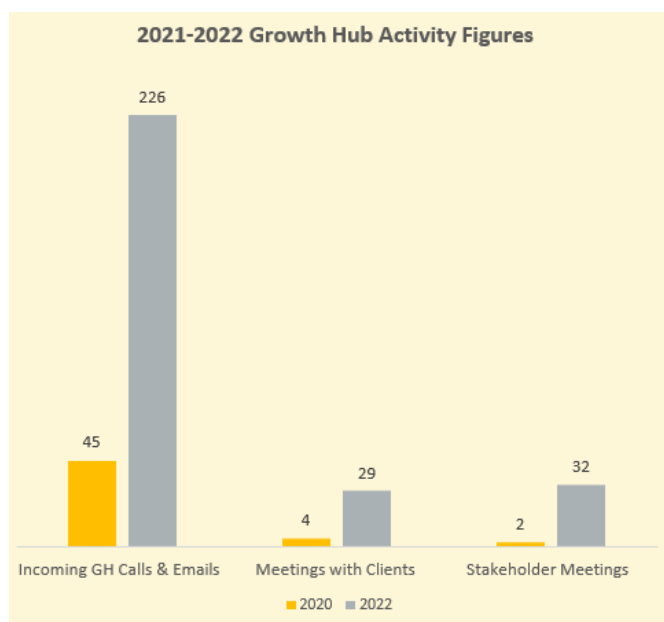
3.1. Value of ERDF ‘nudge grants’ with a grant offer letter



- 3.2. The value of ERDF nudge grants are c.£400,000 behind profile. Growth Co has conducted an audit to a) ensure processes in YTKO are compliant and robust, which they are and b) ascertain why the level of committed businesses are not converting into actual outcomes. Growth Co and Officers in the Combined authority are working closely with YTKO and Gateley Economic Growth services to understand what the barriers are. In the meantime YTKO are developing a recovery plan which will be discussed in early July 22.

4. The Growth Hub

4.1. Growth Hub Performance



- 4.2. The table above compares 2020 with 2022, as any comparison during Covid is not a good comparison.
- 4.3. The Growth Hub is seeing many start-ups coming through the libraries due to their relationship with BIPC / Libraries. From July 2022 the Growth Hub will join up with the Libraries / BIPC / NatWest to deliver start up clubs across the region starting off in Wisbech at the Rosmini Centre.

5. Inward Investment Service Line

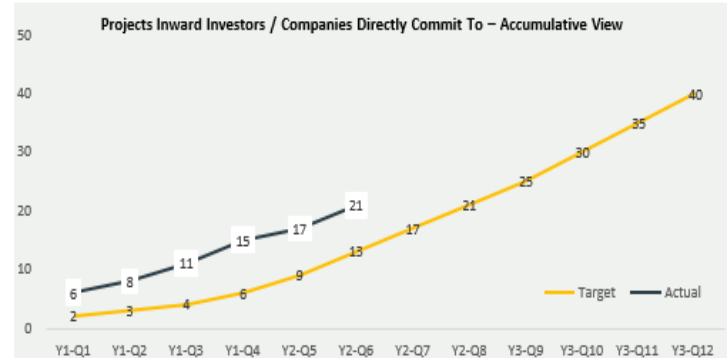
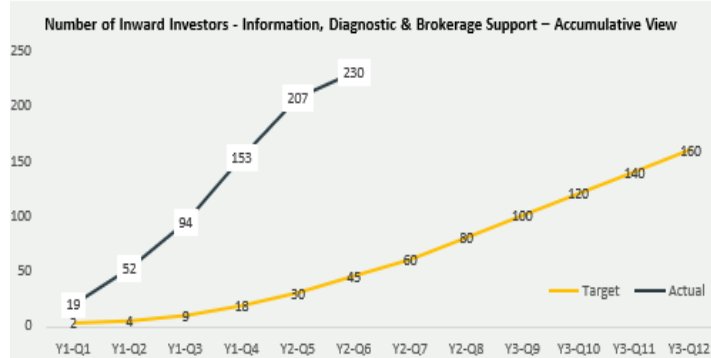
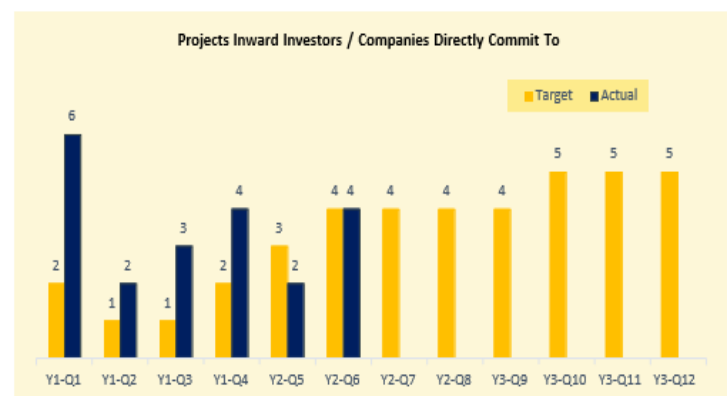
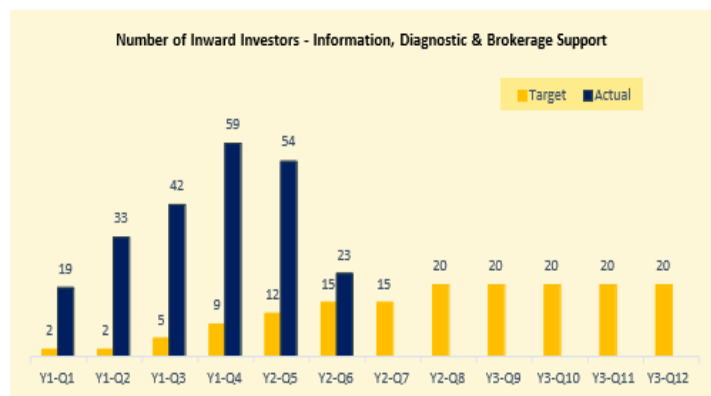
- 5.1. The Inward Investment Service Line is building relationships with other trade promotion agencies in order to support delegations from markets such as Canada, the US and South East Asia into CPCA. The service was successful in being awarded £400,000 of LGF recycled funding, which will be ratified by the Combined Authority Board on 27th June 2022. The team plans to run additional market access programmes and marketing campaigns to increase global awareness of the CPCA region.
- 5.2. The service has maintained its momentum in rallying international networks to drive lead generation in absence of any marketing and the inward investment service landed two very significant wins with average salaries ranging between £80-£150K; both for semi-

conductor companies with HQs in Germany and the USA. Both of these opportunities were globally mobile, and CPCA won these investments over both national and international locations.

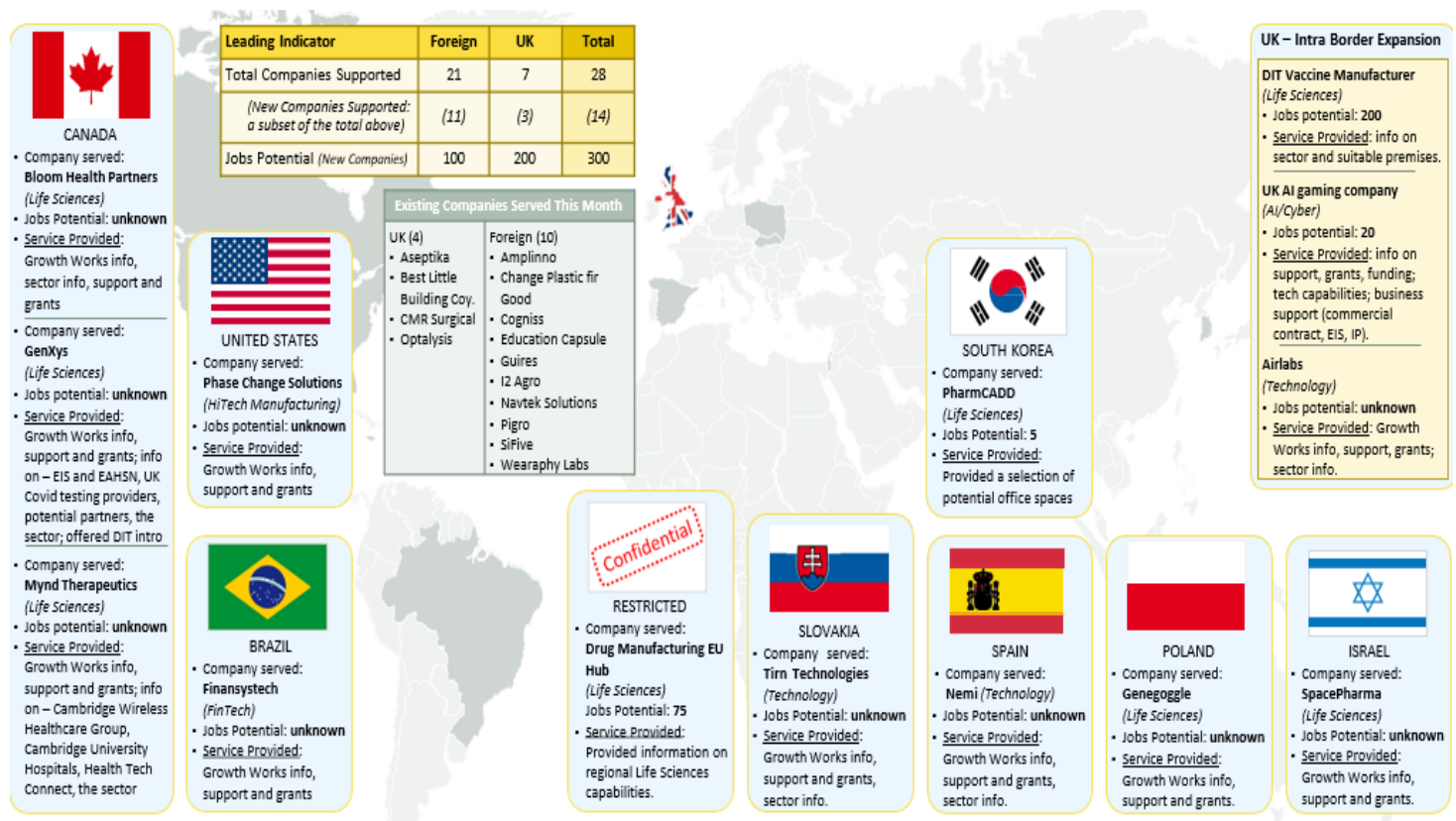
5.3. Table breakdown of performance to 31 May 2022

Target / Indicator	Contract Deliverables - Targets				Contract Deliverables - Performance				Q5 Actual	(Q6) This Quarter					Q7 Target	Q8 Target
	Year 1 Target	Year 2 Target	Year 3 Target	Whole of Contract Target	Year-1 Actual	Year-2 Actual (01-Jan 2022 to 31-May 2022)	Year-3 Actual	Whole of Contract Actual (15-Feb 2021 to 31-May 2022)		Q6 Target (01-Apr to 30-Jun)	Actual (30/04)	Actual (31/05)	Actual (30/06)	Q6 Total to 31/05		
Jobs created (forecast / committed)	75	175	350	600	*323	184		507	18	45	**26	140		166	45	80
Inward investors receiving information, diagnostics, and brokerage support)	18	62	80	160	153	77		*230	54	15	9	14		23	15	20
Inward investor commitments to expand or for new investments	6	15	19	40	15	6		21	2	4	2	2		4	4	4

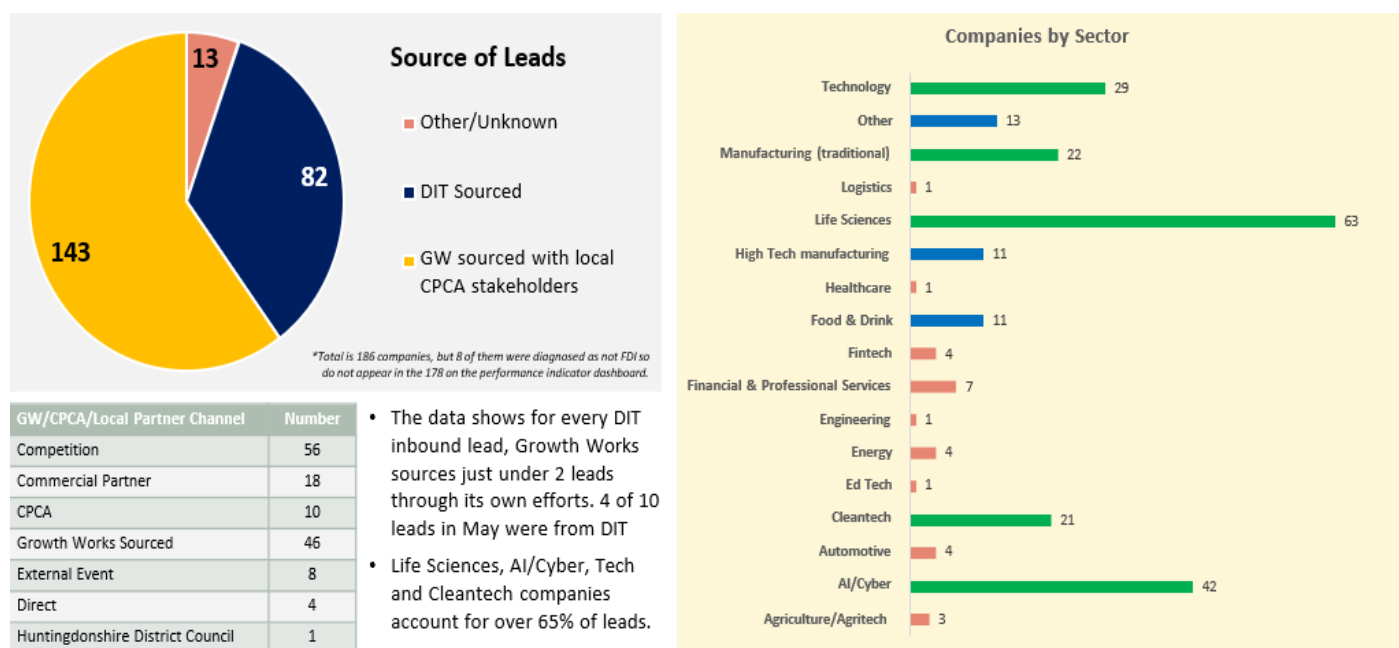
5.4. Performance shown as a line and bar chart – Q6 targets are to 31 May 2022



5.5. Summary of International Investment Services (IIS) global enquiries for the period to 31 May 2022



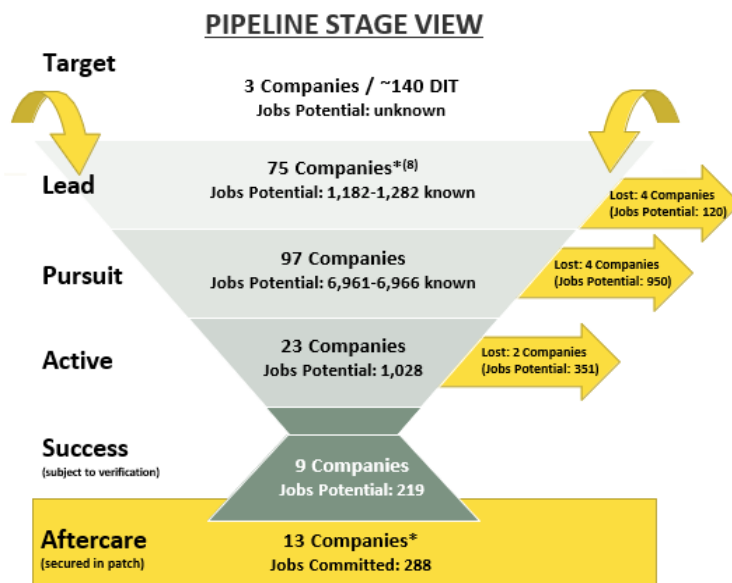
5.6. Inward Investment Service – origin of leads and sector coverage of leads for the period to 31 May 2022



5.7. Given the length of the contract and the fact that it takes on average, 18 months for an inward investment project to convert to a win; the inward investment service line is focusing on pipeline conversion rather than active organic lead generation; however, the team is still sourcing 2 leads for every 1 lead sourced from DIT. In a meeting with the programme director for the IST in the UK; the MD of Inward Investment was told that their experience in the region was game changing since the origination of growth works and that they were very impressed with the shifting of the dial in the 18 months of operation.

5.8. Inward investment – Pipeline for the period to 31 May 2022

NOTE: the data illustrated is to 31st May 2022.



PIPELINE	
Stage	Notes
Target	3 companies: two remain to be actively engaged.
Lead	One company was lost at this stage in the pipeline this month – Strider Intel (jobs potential unknown). Jobs potential on 63 of these is currently unknown. In addition, there are eight shown here as *(8): <ul style="list-style-type: none"> • 3 served but later qualified out as FDI clients (Better Origin, Paxford Composites, Flusso) • 4 abandoned early (Fast Despatch,, Environmental Science Group, My Transylvania, Viva Arts) • 1 dormant (RP Meats).
Pursuit	Jobs potential on 41 of these is currently unknown, while the jobs potential on the top eleven (11) of the other 56 is 5,451, as follows: DIT Historical Leisure Park (2,500), Confidential Modern Methods of Construction Manufacturing Centre (1,000), Converting Technologies (261), Weert (250), Confidential DIT Food Manufacturing Company (240), and the next six (6) are 200 jobs each – Amplinno, DIT Vaccine Manufacturer enquiry, Enteruptors, Hong Leong Manufacturing Group, Paragraf, and The Serum Institute.
Active	Jobs potential on the top four (4) of these account for 67% of the total, as follows: Rockwool (225), Oatley (200), Getir (130), and Leadzen (100).
Success	Two wins this month: Siffive and Cudasip (140 jobs). All jobs are still reported as potential until such time as they land in patch on a payroll. Twelve (12) of the wins reported have now moved into aftercare.
Aftercare	When companies have landed and set up successfully in patch they will be account managed through the IIS aftercare process – 1 company (Mibin*) is being supported but not claimed as a 'win' because it landed through DIT (3 jobs) whilst still having been supported by the Growth Works IIS Managing Director.

5.9. Since January, team has increased by 2 staff; however, there is such a robust pipeline that the team is required to focus on converting current pipeline which reduces time and capacity for active lead generation. As stated in 4.1 the service was successful in being awarded £400,000 of LGF recycled funding, which is expected to be ratified by the Combined Authority Board on 27th June 2022. Given that inward investment projects take an average of 18 months to convert, active lead generation from this point on would result in job creation occurring post project end. There are multi-projects in the pipeline that would create more than 100 jobs, so the team is putting their efforts into converting these to the benefit of the CPCA with a lighter, yet attentive, touch given to the lower job creating opportunities.

5.10. Good news stories for Inward Investment wins:

- Cudasip are a German Semiconductor company establishing R&D operations in Cambridge, with 40 high value R&D jobs, average salaries 80K. The team have supported the company by; providing information about the regional tech/semiconductor capabilities, finding office space, connecting them with trade organisations and facilitating conversation to discuss on Skills support.

- SiFive are a USA Semiconductor company establishing R&D operations in Cambridge with 100 high value R&D jobs, average salaries 150k.
- Inward Investment actively promotes cross stream working across Growth Works and the Tumeric Co Case study is a prime example; especially, as the team attracted this company into Fenland and introduced them to Turkish Unicorn, Getir, to become part of their supply chain. A great success for CPCA.

6. Skills Service Line

- 6.1. Growth Works with Skills are expected to meet Quarter 2 2022 targets.
- 6.2. There is a healthy pipeline for Quarter 3 and 4 in year 2. The team at Growth Works with Skills have now adopted a key account management system, where they have identified their top 60 companies to work with in addition to continuing their work engaging with SMEs across the Combined Authority Area.
- 6.3. European Social Fund (ESF) outputs are currently at 90% of their target. It is anticipated that they will remain on target to deliver all contractual ESF targets this year.
- 6.4. The Digital Talent Platform continues to be developed. Targeted work will be focused on careers in the next quarter.
- 6.5. Through the Careers and Enterprise Company (CEC) contract, work continues to offer all 72 schools and colleges across the region support in achieving the Gatsby Benchmarks, to promote and facilitate the delivery of excellent careers provision for all young people.
- 6.6. The Careers Hub which launched in September 2021 is exceeding its targets for its first year of delivery. Growth Works with Skills will be responsible for the delivery of the Career Hub expansion in academic year 2022-23.
- 6.7. Turning Point the CRF funded project is performing well. The team have been granted an extension for delivery until December 2022.
- 6.8. Table of performance to 31 May 2022

Target / Indicator	Contract Deliverables - Targets				Contract Deliverables - Performance				Q5 Actual	(Q6) This Quarter					Q7 Target	Q8 Target
	Year 1 Target	Year 2 Target	Year 3 Target	Whole of Contract Target	Year-1 Actual	Year-2 Actual (01-Jan 2022 to 31-May 2022)	Year-3 Actual	Whole of Contract Actual (15-Feb 2021 to 31-May 2022)		Q6 Target (01-Apr to 30-Jun)	Actual (30/04)	Actual (31/05)	Actual (30/06)	Q6 Total to 31/05		
Apprenticeships created	51	449	900	1400	66	132		198	75	100	11	46		57	125	149
Additional training / learning outcomes (excludes apprenticeships)	209	748	748	1705	257	246		503	166	198	61	19		80	220	165
CO23s / SME Engagement	11	114	151	276	34	34		68	25	26	6	3		9	30	35
R9s (CO23 action plans completed)	3	75	129	207	9	17		26	11	10	3	3		6	25	30

6.9. Performance shown as a line and bar chart to 31 May 2022



7. Grants & Equity Line Service

7.1. CapEx grants are led by YTKO and the overall performance of the CapEx grants is ahead of profile, with only c£700,000 remaining from the overall budget of £4,800,000. As a result and to manage this, the Investment Appraisal Panel will now meet in Sept and Dec 22 to discuss proposals and it is expected this will then close in January 2023. The tables, bar and line charts below show the performance in more detail.

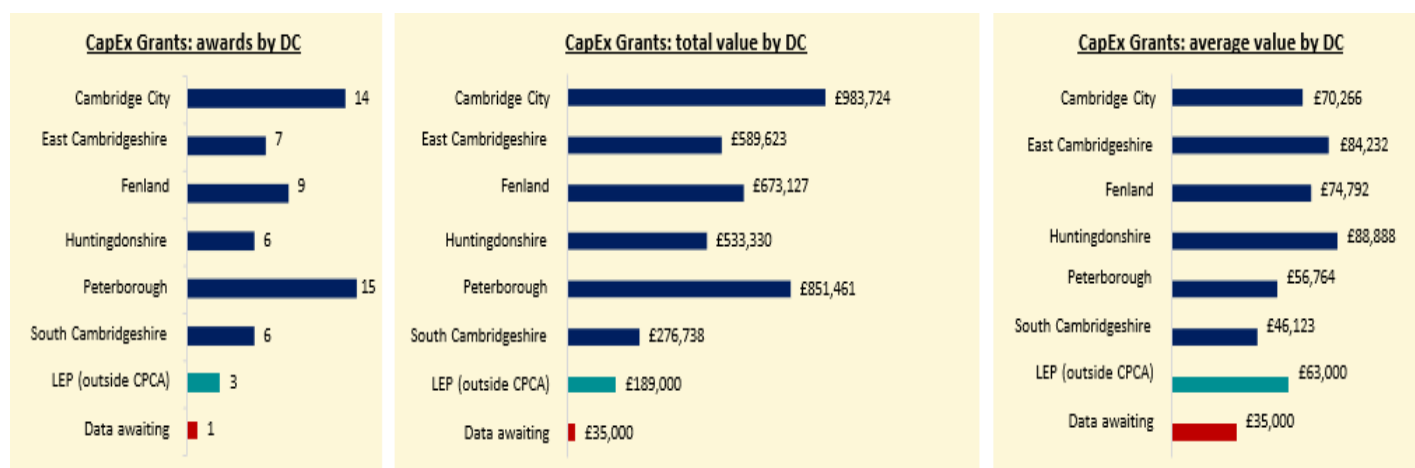
7.2. Table breakdown of performance to 31 May 2022

Target / Indicator	Contract Deliverables - Targets				Contract Deliverables - Performance				(Q6) This Quarter						Q7 Target	Q8 Target
	Year 1 Target	Year 2 Target	Year 3 Target	Whole of Contract Target	Year-1 Actual	Year-2 Actual (01-Jan 2022 to 31-May 2022)	Year-3 Actual	Whole of Contract Actual (15-Feb 2021 to 31-May 2022)	Q5 Actual	Q6 Target (01-Apr to 30-Jun)	Actual (30/04)	Actual (31/05)	Actual (30/06)	Q6 Total to 31/05		
Jobs created (forecast / committed)	397	474	584	1455	439	212		651	111	103	38	63		101	134	165
Companies receiving grants Grants & Investments (Small Business Capital Growth Investment Fund)*	18	26	12	56	43	18		61	11	6	2	5		7	7	7
Small Business Capital Growth Investment equity (£ 000)	1,000	8,000	9,000	18,000	1,500	0		1,500	0	2,000	0	0		0	2,000	2,500
Number of equity investment projects between £150k and £250k	1	19	20	24-40	1	0		1	0	6	0	0		0	4	5
GVA generated - (£ 000)	1,000	14,000	30,000	45,000	4,050 est	TBD		TBD	TBD	TBD	TBD	TBD		TBD	TBD	TBD

7.3. CapEx Grants - Performance shown as a line and bar chart to 31 May 2022

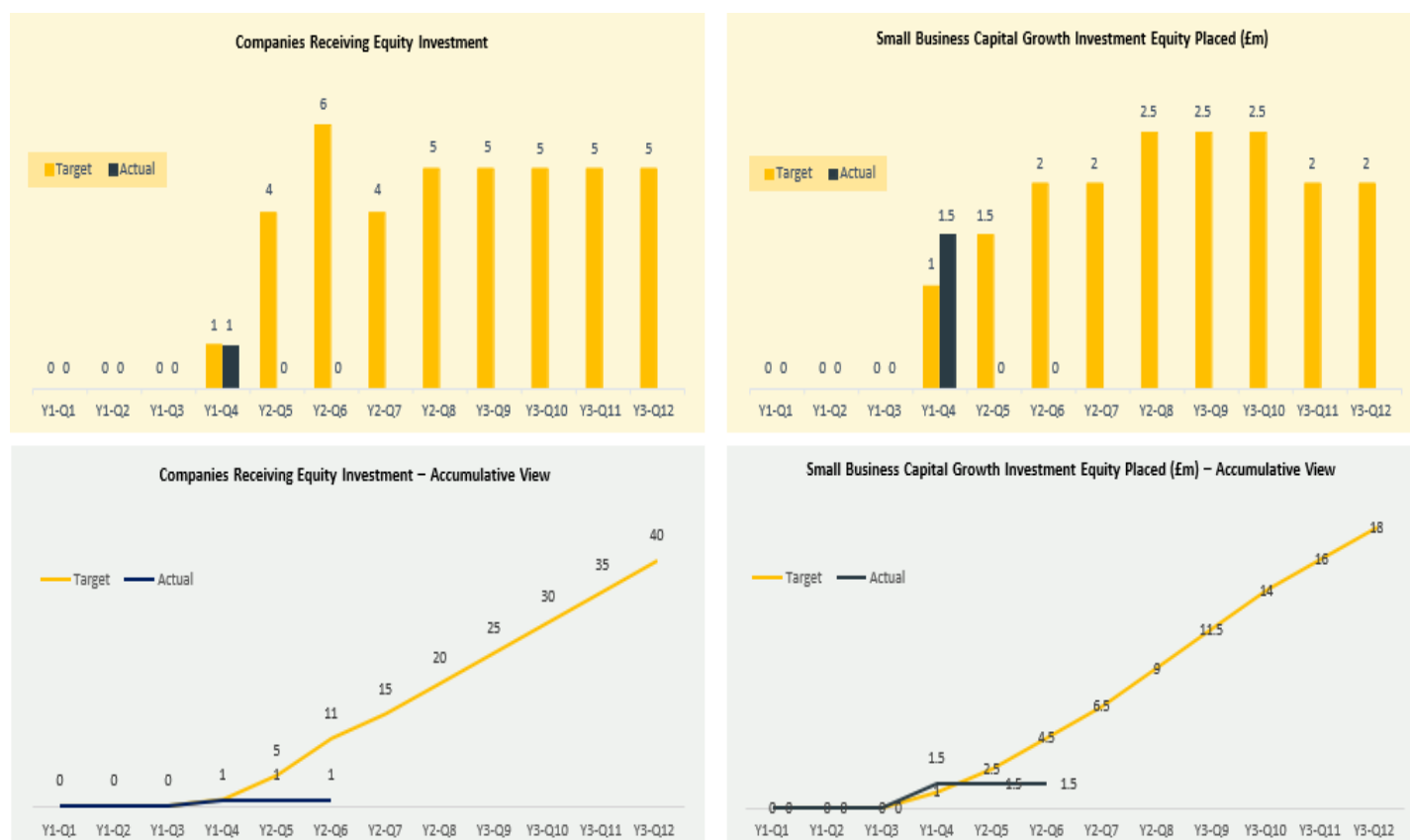


7.4. CapEx grants awarded to businesses in Districts



Location	Number of Grant Awards	Total Value of Grant Awards	Average Value of Grant Awards
Cambridge City	14	£983,724	£70,266
East Cambridgeshire	7	£589,623	£84,232
Fenland	9	£673,127	£74,792
Huntingdonshire	6	£533,330	£88,888
Peterborough	15	£851,461	£56,764
South Cambridgeshire	6	£276,738	£46,123
LEP (outside CPCA)*	3	£189,000	£63,000
Data awaiting**	1	£35,000	£35,000
TOTAL	61	£4,132,003	£67,738

7.5. Equity grants - Performance shown as a line and bar chart to 31 May 2022



7.6. Equity investments are slightly behind schedule and this is due to two main themes, one being YTKO currently led on this and with ERDF nudge grants now behind schedule this service line will be performed by Gately Economic Growth Services (GEG). This will allow YTKO to focus on delivery the ERDF nudge grants. GEG have prepared a detailed plan which is to be presented to Nigel Parkinson and Alan Downton for discussion and agreement. Subject to this, then a formal change control request will be signed. The other issue is the discussion at the Investment appraisal panel for potential investment opportunities is taking longer than expected and when they are in a satisfactory position the due diligence is a taking longer than anticipated, although both of these are probably down to the Investment Appraisal Panel finding their feet with the process. The number of equity investments in 6.8 above, is probably higher than we would expect to achieve and is based on £125,000 investment per business, when in fact it is likely, with the businesses we are seeing, to be the upper limit of £250,000, so actually on 22 investments not 40 as stated above.

8. Site Lantern performance portal

- 8.1. Site Lantern is being user tested by one person in each of the local economic development teams within each district.
- 8.2. It will be rolled out further towards the end of July 2022.

Significant Implications

9. Financial Implications

9.1. There are no direct financial implications in the progress report.

10. Legal Implications

10.1. There are no significant legal implications at this point.

11. Other Significant Implications

11.1. None.

12. Background Papers

12.1. None.