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| Business Board | Agenda Item |
| 13 November 2023 | 3.2 |

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| Title: | Growth Works - Management Update to Year 3, Quarter 11 (to September 2023) |
| Report of: | Steve Clarke, Acting Associate Director Business, Trade and Investment |
| Lead Member: | Al Kingsley, Chair of the Business Board |
| Public Report: | Yes |
| Key Decision: | No |
| Voting Arrangements: | N/A |

Recommendations:

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| A | Note the Growth Works Programme & Performance Update to Year 3, Quarter 11 (to 30 September 2023) |
| B | Note the draft Growth Works Programme Exit Plan (to the contract end on 31 December 2023) |

Strategic Objective(s):

The proposals within this report fit under the following strategic objective(s):

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| X | Achieving ambitious skills and employment opportunities |
| X | Achieving good growth |
| | Increased connectivity |
| | Enabling resilient communities |

The Growth Works programme delivers against several measures in the strategic objectives including creation of new jobs, Apprenticeships, learning outcomes for individuals, increased GVA through business growth, increased business competitiveness, new companies investing in Cambridgeshire and Peterborough.

1. Purpose

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| 1.1 | To update the Business Board on latest performance data from the Growth Works Programme for the reporting period to 30th September 2023 (Quarter 11 since programme began). The full Quarterly Management Update from the contractor is included as Appendix 1 to this report. |
| 1.2 | To update the Business Board on progress being made on the Exit Strategy to wind down the Growth Works Programme at contract end in December 2023, including the transfer of any staff, activities, pipeline data and assets over to the Combined Authority. |

2. Background

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| 2.1 | The Growth Works Programme contributes to the Combined Authority strategic objectives (achieving ambitious skills and employment opportunities and achieving good growth) around business growth support for Cambridgeshire & Peterborough and within programme focuses on 4 key service lines: Skills Brokerage Service, Inward Investment Service, Growth Coaching Service and Equity & Investment Service. |
| 2.2 | The contract for the Growth Works Programme was signed on 12th February 2021, and the service went 'live' following a public launch on 27th May 2021 and comes to an end on 31st December 2023. The service is funded via a cocktail of funding streams that were all secured via original business case and from bidding for additional Government funds that have been matched into the programme. |
| 2.3 | The rationale behind the creation and launch of Growth Works Programme in 2021 was to support 1,000 growing businesses and organisations across the Cambridgeshire and Peterborough Combined Authority region and to create long term sustainable jobs. |
| 2.4 | Monthly and quarterly contractual meetings are held with Gateley Economic Growth Services (GEG) and the consortia sub-contractor partners, these contractual meetings are scheduled up to the contract end. Furthermore, the Programme's Performance Management Committee meets monthly to review and advise Growth co Directors and CPCA Officers, and this committee is currently chaired by Cllr Nethsingha and includes both Mike Herd and Nitin Patel from the Business Board, and Nigel Parkinson as Director of Growth Co. |

3. Main Report

3.1

Key highlights to note in the Growth Works Programme update (end of September 2023 / Quarter 11):

There are only three main contracted key outcomes these are New Jobs, Learning Outcomes and Apprenticeships. There are several other key indicators within the contract that are reported upon for information or funding body requirements, but they are not the main contractual performance output and more detail on performance against those other key indicators is in the Quarterly Management Update Report Appendix 1 to this report.

At the end of Q11-September the outturn count on new jobs created attributed to the whole programme was 6,247.5 and this is 761.5 (13.9%) above the whole of the programme contracted target with 3 months left to go. The table below sets out a breakdown of the three contracted programme performance outcomes, split across the service lines in Growth Works that have been delivered up to 30th September 2023:

| Service Reporting Line | Programme Actual Yr3, Q11 (to 30 Sept 2023) | Total Programme Targets | Year 3/Remaining Targets (to 31 Dec 2023/Contract End) |
|-----------------------------------|---|-------------------------|--|
| Growth Coaching – New Jobs | 3,820 | 3,223 | Target exceeded |
| Inward Investment – New Jobs | 1,462 | 823 | Target exceeded |
| Grants – New Jobs | 797.5 | 1,220 | 422.5 |
| Equity – New Jobs | 90 | 220 | 130 |
| <u>Skills - Learning Outcomes</u> | 1,500 | 1,705 | 205 |
| <u>Skills – Apprenticeships</u> | 723 | 1,400 | 677 |

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| 3.2 | <p>Headline updates:</p> <ul style="list-style-type: none"> As of 30th September 2023, a total of 841 companies enrolled in the Growth Coaching Service from an outreach of over 34,500 companies. In September 2023, the Coaching Service operation was recalibrated to reflect the transition towards exit. Consequently, marketing and business development activities to add to the pipeline ceased from that date and the data presented for Quarter 11 partially reflects this recalibration. A total of 23 companies (from an active list of 72 engagements) have been landed in the region by the Investment Service, with a combined 1,462 committed permanent jobs. A total of 82 companies awarded CapEx grants to date, with 221 evidenced permanent jobs created from the 752 jobs committed for the service (against a target of 1,220). A total of 9 companies awarded Equity investment to date, with 90 permanent jobs committed for the service (against a target of 220). The Skills Service have delivered 240 Apprenticeships in September. The ability of the Skills Service to deliver apprenticeships requires ongoing monitoring and support. Driving the European Social Fund (ESF) R9 (Training Plan) outputs remains a key focus along with prioritising activities that help deliver on Apprenticeship opportunities. The latter stages of September have seen the anticipated increase in employer engagement. This has been further buoyed by increased marketing and lead generation activity. Growth Hub team have delivered 27 mentoring 121s, start-up courses, attended 14 networking events across the region, and attended 22 stakeholder meetings across the month. <p>A copy of the Management Quarterly Update Report from the contractor for Quarter 11 (to 30 September 2023) is included as Appendix 1 to this report.</p> <p>The Growth Works Net Promotor Score (NPS) for the Quarter 11 Client Satisfaction survey is 44% classed as 'good' under the NPS system and is above last quarter's score of 36%. There were 27 responses from 773 companies. The NPS survey results for Quarter 11 is included as Appendix 2 to this report.</p> |
| 3.3 | <p>Contract End & Exit Plan:</p> <p>The focus of the team and contractors is now firmly on managing a compliant and orderly exit whilst retaining the necessary level of service delivery prior to final handover of any continuing services at contract end date of 31 December 2023. Clear and regular communications are planned, which will be critical, especially to Growth Works staff who may have rights to transfer into the CPCA under Transfer of Undertakings (Protection of Employment) Regulations (TUPE) where any of the same activities continue.</p> <p>GEG is contractually obliged to produce and deliver an Exit Plan but, by necessity, include liaison with and line of sight to, but not responsibility for, the obligations and undertakings of the Subcontractors. The CPCA have worked with GEG to finalise a smooth transfer and the production of an Exit Plan that covers all GEG obligations as the prime contractor and includes the following workstreams:</p> <ul style="list-style-type: none"> Preparation – ties to Governance below but also encompasses CPCA acceptance of the GEG Exit Plan and all that this incorporates. People – staff in/out of scope for TUPE in each of the Services (either employed by GEG, YTKO Ltd, GPC Skills Ltd), the timeframe and milestones for transfer. Redundancies are out of scope for the Project Management Office (PMO) element of Growth Works, any redundancies are specific to each subcontractor. Information – records and files to be stored in SharePoint, their transfer date, and guidance on use. This will include all reports produced by all parts of the Growth Works service as well as archived case files that support records kept on HubSpot specific to companies, customers, and grants/investment deals. Data – HubSpot will be fully updated with all relevant records and communications associated with specific companies, customers, and deals 'in the system' and for each Service Line provider an assurance statement to that effect. Provision of required audit material. |

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| | <ul style="list-style-type: none"> Assets – to include assets transferrable to CPCA and their timeframe such as Growth Works and Locate Cambridge websites, transfer or termination of licences held by or operated by GEG or one of the consortia subcontractors, as well as physical assets supplied by Gateley to subcontractors and their timeframe for return. Communications – to include stakeholder mapping, communications guidance for Service Lines from GEG (including in the market and brand-based activities), communications from GEG to Growth Co and/or CPCA, and joint communications from Growth Co and GEG to CPCA Exit Governance – to include hand over dates to Growth Co / CPCA. <p>A copy of the draft Exit Plan (MS Excel based and in the style of a Gantt Chart) is included as Appendix 3 to this report.</p> |
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4. Appendices

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| 4.1 | Appendix A. The Growth Works Programme Management Update Report for Year 3, Quarter 11 (to 30 th September 2023) |
| 4.2 | Appendix B. Client Satisfaction Survey and Net Promoter Score (NPS) for Quarter 11 |
| 4.3 | Appendix C. The Growth Works Programme Exit Plan (September 2023) |

5. Implications

Financial Implications

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| 5.1 | The Growth Works programme is on profile to spend all funds allocated to deliver contracted services until 31 December 2023, apart from remaining £4 million capital grant component from the recycled Local Growth fund to invest in equity/shares of Growth companies via the Equity investment service line. If this capital is not deployed before end of the programme as investments, then it will remain unspent in the Combined Authority recycled growth funds reserve ready to be awarded/allocated or invested in other projects or programmes. |
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Legal Implications

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| 6.1 | Agreement of the Exit plan as part of the agreed contract would form the framework to ensure all contractual obligations are complied with and delivered. The Combined Authority will be following all obligations regards TUPE where this is identified as applicable to any staff with a right to transfer at contract end, legal advice has been sought to support the Human Resources team within CPCA. |
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Public Health Implications

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| 7.1 | No implications. |
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Environmental & Climate Change Implications

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| 8.1 | No implications. |
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Other Significant Implications

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| 9.1 | None. |
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Background Papers

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| 10.1 | Business Board Quarter 9 Management Update (to April 2023) - Item 3.6 Growth Works Management Update July 2023 Document.ashx (cmis.uk.com) |
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