



**CAMBRIDGESHIRE
& PETERBOROUGH**
COMBINED AUTHORITY

Agenda Item No: 3.1

Growth Works Management Review – September 2021

To: Skills Committee

Meeting Date: 13 September 2021

Public report: Yes

Lead Member: Councillor Lucy Nethsingha, Chair of the Skills Committee

From: Interim Programme Manager, Alan Downton
Growth Co Chair, Nigel Parkinson

Key decision: No

Recommendations: The Skills Committee is recommended to:

Note the Growth Works programme performance up to 31 July 2021.

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 July 2021.

2. Growth Works Service Line Performance

2.1 The Growth Works contract was signed on 12th February 2021, and the service went 'live' following a public launch on 27th May 2021.

2.2 Overall performance to 31st July 2021 service line leading indicators are reported in the Table below (Dashboard Summary – Programme Outcome & Top Leading Indicators):

Dashboard Summary – Programme Outcome and Top Leading Indicators							Overall RAG Status ●		
Service Line / Whole of Programme View	Target Indicator	Q3 Target	Q3 Actual (31/07)	YTD Total at Q3	Year 1 Target	Performance Against Q3 Target at 31/07		Progress against Year-1 Target (at 31/07)	
All Service Lines – Outcome	Jobs created (inc. Apprentices)	N/A	15	400*	648	Up 15	↑	↑	61.7%
Top Leading Indicators - Growth Coaching	Businesses provided with (i.e. undertaken) a Growth Diagnostic	346	32	132	832	Up 32	↑	↑	15.8%
	Businesses starting coaching assignments (post-diagnostic support)	88	23	56	193	Up 23	↑	↑	29.0%
Top Leading Indicators - Inward Investment	Inward investors receiving information, diagnostics, and brokerage support)	5	35	80	18	Up 35	↑	↑	466.7%
	Inward investor commitments to expand or for new investments	1	1	9	6	Up 1	↑	↑	150.0%
Top Outcome and Leading Indicator – Skills	Apprenticeships created	N/A	3	14	51	Up 3	↑	↑	27.4%
	Additional training / learning outcomes (excludes apprenticeships)	60	21	44	209	Up 21	↑	↑	21.0%
Top Leading Indicators - Grants & Equity	Companies receiving grants	13	0	32	28	Level	→	↑	114.3%
	Small Business Capital Growth Investment Equity (£000)	500	0	0	2,000	Level	→	↓	**0.0%

2.3 Overall, the performance is robust and the pipelines for each service line are looking strong.

* 321 jobs, 80% of this number, were created in grants owing to the capital grant activity awarding £2.043m, match funded, before 31st March 2021

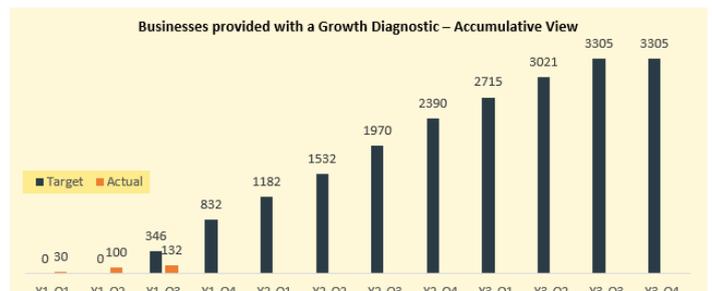
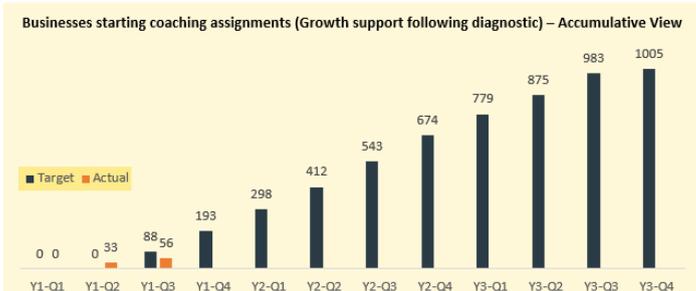
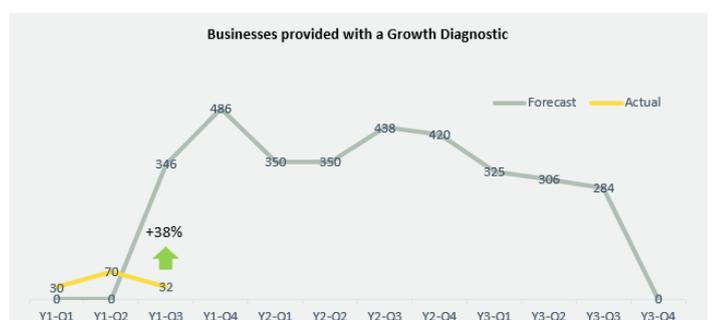
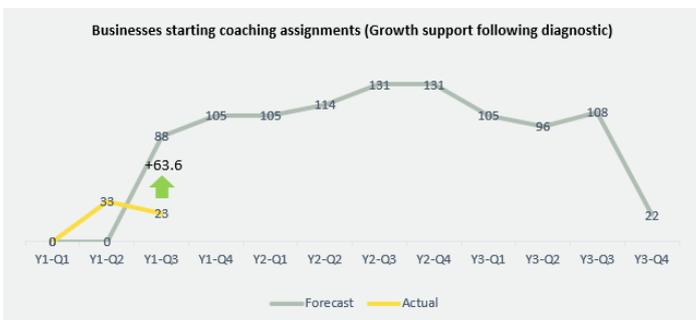
** SME equity investment is £0.5m behind target and there is nothing undue with this. This is purely down to the Investment Appraisal panel finalising the terms of reference at a meeting on 27 July and subsequently going live. Future Investment appraisal panels are scheduled on a monthly basis from September 21.

2.4 Monthly and quarterly contractual meetings with Gateley Economic Growth Services (GEG) and the consortia are scheduled up until April 2022 and are being held regularly. The quarterly contract meeting held in July 2021 included Mike Herd from the Business Board and Councillor Lis Every from the Skills Committee.

3. Growth Coaching Service Line

3.1 Breakdown of performance

Target / Indicator	Contract Deliverables				Q1 Actual	Q2 Actual	(Q3) This Quarter					(Q4) Final Quarter Target	Q3 Quarter Performance			YTD Performance		
	Year 1	Year 2	Year 3	TOTAL			Q3 Target	Actual (31/07)	Actual (31/08)	Actual (30/09)	Q3 Total to 31/07		Target (30/09)	Actual (31/07)	Variance (31/07)	Year-1 Target	YTD Actual	YTD Variance
Jobs created	75	1425	1723	3223	0	0	0	0			0	75	0	0	0%	75	0	0%
Businesses provided with (i.e. undertaken) a Growth Diagnostic	832	1558	915	3305	30	70	346	32			32	486	346	32	9.3%	832	132	15.8%
Businesses starting coaching assignments (Growth support following diagnostic)	193	481	331	1005	0	33	88	23			23	105	88	23	26.1%	193	56	29.0%
Businesses starting coaching journeys (enrolled in Get Set Accelerate)	154	385	466	1005	0	81	70	4			4	84	70	4	5.7%	154	85	55.2%
Business profiles matched (S/M/L in %)	135% / 60% / 5%	210% / 145% / 45%	155% / 195% / 50%	500% / 400% / 100%	0	TBD	70% / 30% / 0%	66% / 33% / 0%			66% / 33% / 0%	65% / 30% / 5%	70% / 30% / 0%	TBD	0%	135% / 60% / 5%	TBD	TBD
Businesses completing a coaching journey	44	327	634	1005	0	0	0	0			0	44	0	0	0%	44	0	0%
GVA generated (£ 000)	£0	33,000	70,000	103,000	£0	TBD	0	0			0	0	0	TBD	0%	0	TBD	0%



3.2 This service line has reached out to 1948 businesses, 719 of which were in July alone, and they are on target to reach the required performance of 346 (cumulative) businesses provided with a growth diagnostic, and 88 starting their coaching assignment by the end of Sept 21 (Q3 period).

4. Inward Investment Service Line

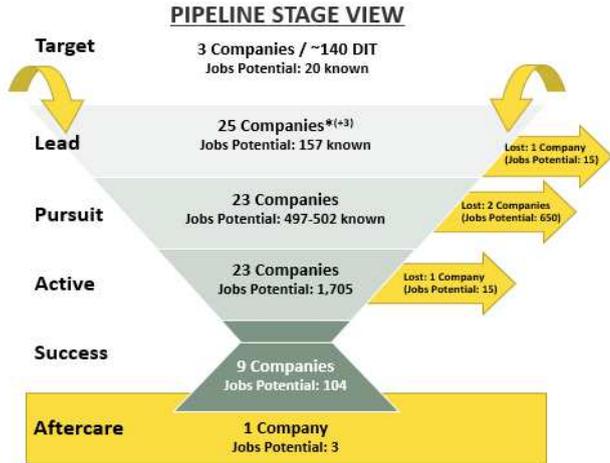
- 4.1 The New Market Entry competition, held on Friday July 23rd and hosted by Mayor Dr Nik Johnson, was for ambitious founders and business leaders within the Life Sciences sector looking to access the expertise and connections of the sector in Cambridgeshire.
- 4.2 The competition brought together some of the leading industry accelerators in the region with the innovation expertise of the Eastern Academic Health Science Network (AHSN) and gave applicants the opportunity to pitch their companies to a panel of sector experts. These included Jason Mellad (Business Board member), Bobby Kaura, Louise Jopling and Tony Kypreos, with experience ranging from commercialisation of innovation to capital raising, selling into the sector, connections and business support.
- 4.3 Invitations were sent out to global contacts by the Inward Investment team of Growth Works and data collected on the application form included fields such as company description, number of employees, turnover, previous investment rounds, reason for wanting to set up in the UK. The application forms were used to determine which were the most exciting businesses shortlisted to pitch on the day. City Curator coordinated this process and reduced 30 applications down to a shortlist of eight.
- 4.4 The eight selected applications were all serious scale-ups, with validation, traction, funding and IP that push forward healthcare innovation on many fronts, and they were serious in terms of setting up operations, or even Global Headquarters, in the region.
- 4.5 In addition to the companies that pitched on the day, the Growth Works Inward Investment Team are following up with every single company that registered for the event, as the calibre of all applicants was very high, and each has the potential to establish permanent operations within our region. To ensure all queries and questions raised during the event are answered comprehensively, the Growth Works Team are offering targeted one-to-one individual meetings with all the companies, both shortlisted and non-shortlisted. The press release is available for reading on the [Combined Authority's website](#).
- 4.6 The next Inward Investment supply chain event will take place in Autumn 2021 and will be centred on artificial intelligence (AI). The Combined Authority region is already an internationally recognised centre for AI, and our ambition, as set out in the Local Industrial Strategy, is to establish the region as the preferred global base for firms from across the world to create and adopt the technologies of tomorrow. To help us achieve this, Growth Works will be looking to maintain Greater Cambridge's global status as a leader in AI, while seizing untapped potential opportunities in the Fens and Peterborough.
- 4.7 As part of Gateley Economic Growth Services (GEG) and the consortia, next 120-day marketing and communications plan, due October 21. There will be details of all planned events, which they are either organising or will attend.
- 4.8 GEG and its consortia are working to ensure Key Inward Investors currently in Cambridgeshire & Peterborough remain committed to the region as they grow. For example, they are working with a rapidly growing advanced engineering manufacturer with a global business headquartered in Cambridge UK. Throughout 2021 the company has been considering its need to relocate to continue its exciting growth.

- 4.9 Following an introduction from the Business Board Vice-Chair, Andy Neely, and discussions with the Ox-Cam Division of the Ministry for Housing Communities and Local Government and Department for International Trade (DIT), International Investment Services (IIS), leading the inward investment service with Growth Works, engaged with the business in February 2021. This was well before the Growth Works contract was signed, but early engagement with the company enabled IIS to support the Combined Authority in making the case to keep this business within our region.
- 4.10 Being able to present a strong case for Cambridgeshire and Peterborough was vital as the project was internationally mobile with several international and national UK locations of interest to the company:
- National competition included interest from Bedfordshire, Milton Keynes, Norfolk, Suffolk, Rotherham, Rochdale, and Wales.
 - International competition included: Germany, the Netherlands, Spain, Portugal, Hungary, Czech Republic, Poland, Romania and Ireland.
 - International Investment Services, operating on behalf of the Combined Authority, supported three propositions within our region. This included comprehensive research on existing med tech companies in the region, high level financial benchmarking across locations including likely energy and salary costs, indicative after tax returns, plus an analysis of our local labour market and skills outlook and how it aligns to the company's current and future needs.
- 4.11 Significant amounts of time and resources were invested in our efforts to keep this business within Cambridgeshire & Peterborough, with robust and comprehensive support provided to pitches from three shortlisted locations - Alconbury, Lancaster Way and Bourn Airfield. After discussions with the business Project Manager, we are delighted to say that we have been informed that the site to which the company will relocate, will be within the Combined Authority area.
- 4.12 However, at this stage, as commercial discussions with the site are ongoing, the business will not confirm which site this is. We are expecting to hear from this business with a final decision by the end of August/early September. At this time, it remains commercially sensitive until the location negotiations are completed. This project has demonstrated just how effective the successful partnership between Growth Works and the Combined Authority can be and will be going forward to position sites within our region to major global companies.

The pipeline of businesses is very healthy. Jobs created numbers reported below and jobs potential on the pipeline are not the same. Potential is a possibility, while created is where International Investment Services (IIS) have landed them. For example, last month Bright Sentinel, a Dutch Company, committed and 29 jobs will be created. However, they also qualified for an SME CapEx grant which accounts for 5 of the 29, so IIS only attribute 24 to the Service Line. The pipeline adds up to 91 companies: 84 shown here. Of the remaining 7 companies, 3 are targets not yet approached, 3 qualified out as not FDI, and 1 'closed out – lost' as the engagement did not progress. There are 10 companies recorded as a 'success' and 'aftercare' in the pipeline. The 'aftercare' company is Mibin, who were predominantly a DIT win, so Growth Works does not count it, even though IIS substantially supported them.

SERVICE LINE PIPELINE VIEW: Inward Investment Service

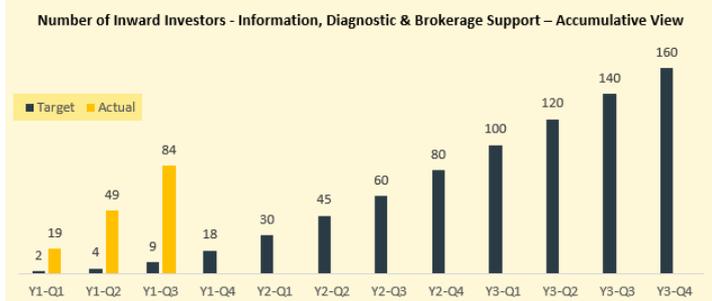
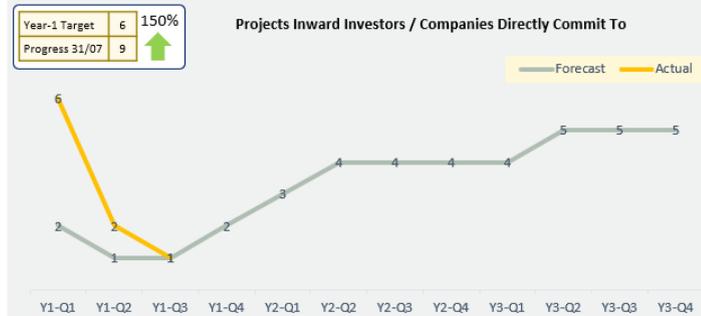
NOTE: the data illustrated is to 31st July



PIPELINE	
Stage	Notes
Target	3 companies: in July 31 companies were identified as targets. All were actively engaged and progressed, so they are recorded further down the funnel. The three here remain as targets from last month.
Lead	*All targets identified in July became leads or progressed further down the funnel. Jobs potential on several is currently unknown. In addition, there are three (Flusso, Better Origin, and Viva Arts) who were served (shown here as +3) but later qualified out as FDI clients and passed to other service lines.
Pursuit	23 companies: of these, three were engaged in February, four in April, two in May, three in June and in 11 July. The jobs potential for 11 of the companies are unknown at present. Rigby was lost in July, with 600 jobs potential.
Active	23 companies: six of the 23 account for 84.6% of the jobs total (400 – CMR Surgical); 321 – Ultimate Battery Company; 200 – Oatley; Hong Leong Manufacturing – 200; Serum Institute – 200; Global Gene Corp – 122)
Success	9 Companies: the jobs are still reported as potential until such time as they land in patch on a payroll.
Aftercare	When companies have landed and set up successfully in patch they will be account managed through the IIS aftercare process – 1 company (Mibin)
NOTE	Rigby was lost from the pipeline in July, with an estimated 600 jobs potential. The loss summary is included in the market stories annex to this report.

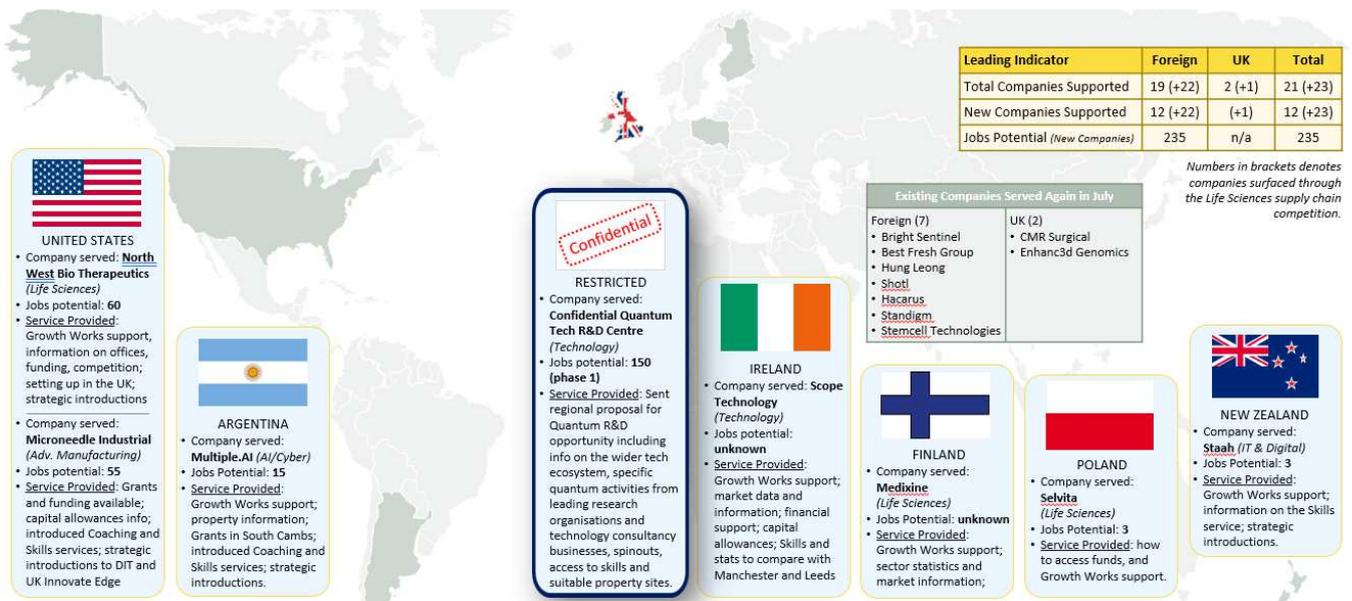
4.13 Breakdown of performance:

Target / Indicator	Contract Deliverables				Q1 Actual	Q2 Actual	(Q3) This Quarter					(Q4) Final Quarter Forecast	Q3 Quarter Performance			YTD Performance				
	Year 1	Year 2	Year 3	TOTAL			Q3 Target	Actual (31/07)	Actual (31/08)	Actual (30/09)	Q3 Total to 31/07		Target (30/09)	Actual (31/07)	Variance (31/07)	Year-1 Target	YTD Actual	YTD Variance		
Jobs created	75	175	350	600	23	29	25	12			12	25	25	12	48%	↑	75	64*	85.3%	↑
Inward investors receiving information, diagnostics, and brokerage support)	18	62	80	160	19	30	5	31			35	9	5	35	700%	↑	18	84**	466.7%	↑
Inward investor commitments to expand or for new investments	6	15	19	40	6	2	1	1			1	2	1	1	100%	↑	6	9***	150.0%	↑
GVA generated (£ 000)	3,000	4,000	8,000	15,000	£0	TBD	1,000	TBD			TBD	1,000	1,000	TBD	0%	→	3,000	TBD	0%	→
Strategic capital investment	£0	£0	£0	£0	£0	£0	£0	£0			£0	£0	£0	£0	0%	→	£0	£0	0%	→
New enterprises supported (ERDF)	5	10	10	25	1	0	1	0			0	0	1	0	0%	→	5	1	20.0%	↑
Enterprises supported to introduce new to the market products (ERDF)	3	5	7	15	1	0	1	0			0	0	1	0	0%	→	3	1	33.3%	↑



* A different way of expressing the table above

4.14 Summary of International Investment Services (IIS) global enquiries for the period to 31/07/2021:

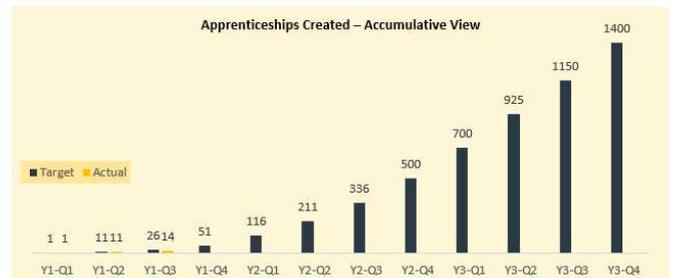
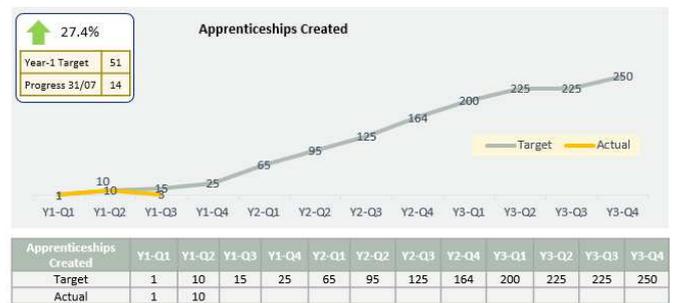
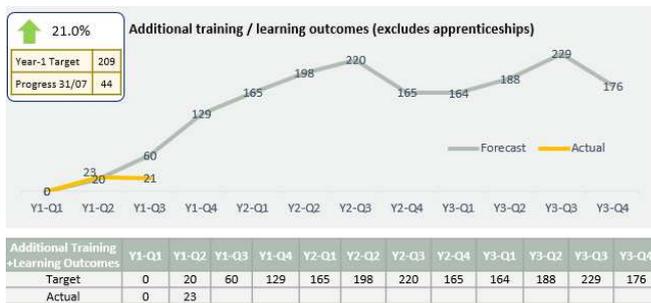


4.15 There is a large risk that without additional resources, the current team of two within International Investment Services will be overwhelmed by the volume of work, and may not be able to respond as quickly and professionally as required. If a large, strategic inward investment opportunity lands in the pipeline, all resources will go to servicing this inward investment enquiry, and smaller opportunities will not be able to be supported, and the CPCA risks losing out on investment projects. Officers are currently working with Gateley Economic Growth Services Limited (GEG), Cambridgeshire and Peterborough Business Growth Company Limited (Growth Co) and the Combined Authority on potential solutions.

5. Skills Service Line

- 5.1 Growth Works with Skills met or exceeded Quarter 2 targets with 3 x CO23's / SME engagements, 10 apprenticeships created, and 37 learning outcomes identified. These included organisations from across the Combined Authority area, and from a range of industry sectors, such as Radical Sportscars (Peterborough SME), Movolytics (South Cambs SME), Chiltern Distribution (Fenland SME), FCC Innovation (East Cambs SME) and Rebus Financial (Peterborough SME).
- 5.2 There is a healthy pipeline for Quarter 3 with a range of small, medium and large businesses showing interest in accessing talent via apprenticeships, developing talent and in assessing their own position on our Talent Development Maturity Index (TDMI). Example organisations include Energise, Urban Housing, British Car Auction, Metalcraft, Cross Keys Housing, Anthem Printing, Chiltern Distribution, and Flagship. To continue raising awareness and to pipeline build we have so far directly emailed close to 870 businesses in August, promoting our events supporting the mayoral summer campaign.
- 5.3 European Social Fund (ESF) targets were met with three engaged SMEs completing the TDMI and taking part in consultative conversations that have led to action plans and a referral to the Growth Coaching service.

- 5.4 The Digital Talent Platform was reviewed, and a new user journey model implemented. This is combined with new functionality that is due in the next quarter, including an events calendar for schools to facilitate and promote employer engagement and a collaborative development with the Workforce Skills team to promote the Digital Bootcamps.
- 5.5 We are currently working in partnership to further improve the user journey for specific user areas that will benefit from further work which include:
- Education hub
 - External links
 - Internal data capture
- 5.6 The marketing activity has increased significantly through collaboration with the Workforce Skills team to promote the Mayor’s Summer campaign “Learn Work Grow” (Getting Cambridgeshire & Peterborough Back to Work), with a programme of eight events designed to engage employers and encourage them to offer experiences of work, placements, advertise vacancies and promote opportunities and inform and support individuals who are returning from furlough and/or are economically inactive.
- 5.7 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. During Quarter Two, 11 of the 13 Special Education & Disabilities Schools were onboarded to the CEC Enterprise Advisor Network, and in doing so established a pilot programme to further support these schools through the implementation of Talentino, a tool used by the CEC.
- 5.8 Breakdown of performance:

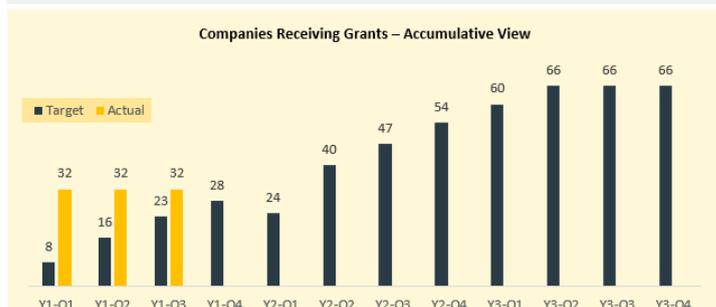
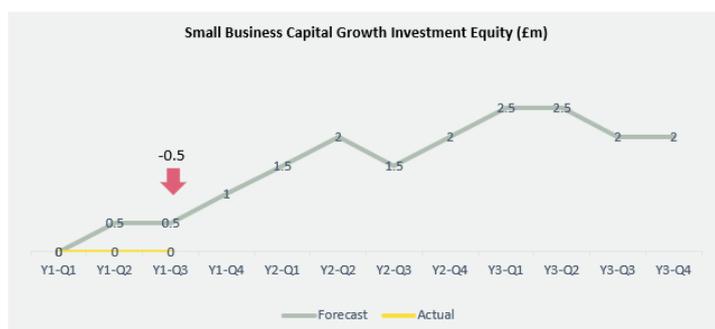
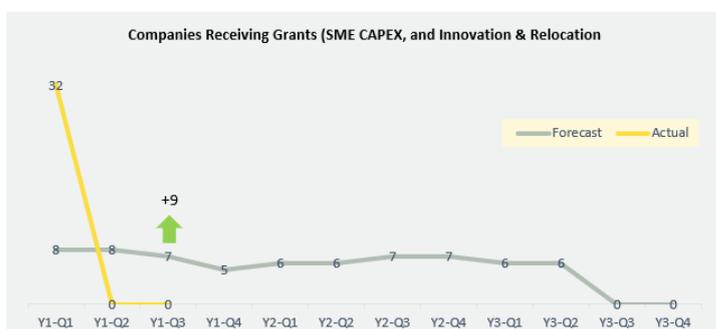


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	Year 1	Year 2	Year 3	TOTAL			Q3 Target	Actual (31/07)	Actual (31/08)	Actual (30/09)	Q3 Total to 31/07		Target (30/09)	Actual (31/07)	Variance (31/07)	Year-1 Target	YTD Actual	YTD Variance		
Apprenticeships created*	51	449	900	1400	1	10	TBD	3			3	TBD	TBD	3	100%	↑	51	14	27.4%	↑
Jobs (via learning outcomes)***	50	100	200	350	0	1	TBD	0			0	TBD	TBD	0	100%	↑	50	1	2.0%	↑
Additional training / learning outcomes (excludes apprenticeships)	209	748	748	1705	0	23	60	21			21	129	60	21	38%	↑	209	44	21.0%	↑
GVA generated (£ 000)	TBD	TBD	TBD	15	TBD	TBD	TBD	TBD			TBD	TBD	TBD	TBD	TBD	→	TBD	TBD	TBD	→
Levv Employers signed up to pledge (£ 000)	3,000	5,500	6,500	15,000	£0	564	1,000	0			0	1,000	1,000	0	0%	→	3,000	564	18.8%	→
Levv Employers increasing utilisation of Levv (£ 000)	2,170	3,272	4,008	9,450	£0	TBD	830	0			0	840	830	0	TBD	→	2,170	£0	0%	→
SME's accessing Levv transfer (£ 000)	1,750	4,690	6,040	12,480	£0	1.5	500	0			0	750	500	0	0%	→	1,750	1.5	0.08%	→

6. Grants & Equity Service Line

6.1 SME equity investment is £0.5m behind target and there is nothing undue with this, as it is down to the Investment Appraisal panel finalising the terms of reference at a meeting on 27 July and subsequently going live. Future Investment appraisal panels are scheduled on a monthly basis from September 2021, and a pipeline of potential businesses is already available.

Target / Indicator	Contract Deliverables				Q1 Actual	Q2 Actual	(Q3) This Quarter					(Q4) Final Quarter Forecast	Q3 Quarter Performance			YTD Performance				
	Year 1	Year 2	Year 3	TOTAL			Q3 Target	Actual (31/07)	Actual (31/08)	Actual (30/09)	Q3 Total to 31/07		Target (30/09)	Actual (31/07)	Variance (31/07)	Year-1 Target	YTD Actual	YTD Variance		
Jobs	397	474	584	1455	321	0	0	0			0	397	0	0	0%	→	397	321	+81%	↑
Companies receiving grants*	28	26	12	66	32	0	13	0			0	7	13	0	0%	→	28	32	+114%	↑
Grants & Investments (Small Business Capital Growth Investment Fund)	18	26	12	56	32	0	5	0			0	5	5	0	0%	→	18	32	+178%	↑
Innovation & Relocation Grants*	10	0	0	10	0	0	2	0			0	0	2	0	0%	→	10	0	0%	↓
Small Business Capital Growth Investment equity (£ 000)**	2,000	7,000	9,000	18,000	0	0	500	0			0	1,000	500	0	0%	→	2,000	0	0%	↓
Number of equity investment projects between £150k and £250k**	4	19	17	24-40	0	0	2	0			0	2	2	0	0%	→	4	0	0%	→
GVA generated - (£ 000)	1,000	14,000	30,000	45,000	4,050 (est.)	1,000	TBD	TBD			TBD	TBD	TBD	TBD	0%	→	1,000	(4,050 est.)	+405%	↑



7. Financial performance

- 7.1 The contract began mid-February 2021, and therefore at this reporting point we are 5½ months into the programme. A vast amount of work has been undertaken on the mobilisation of the contract and work is now underway to establish a 'business as usual' (BAU) routine. Contractual payment on profile payments have been made, and some grant funding has been transferred across for defrayment.
- 7.2 Recently, the accounting structure has been agreed and the process for invoicing for ESF claims finalised. Currently, arrangements are being formalised for grant payments, ERDF nudge grants and programme reconciliation. It is anticipated that BAU will be fully embedded by November 2021.
- 7.3 Financial performance of Cambridgeshire & Peterborough Growth Company (Growth Co) is reported to the Board of Directors monthly. The next Board meeting is 8th September 2021.

8. Forward Look

8.1 Schedule of upcoming reporting deadlines and meeting dates:

- August: Investment Committee meets – first equity investment expressions of interest received.
- August: SME CapEx Grant Expressions of Interest received.
- August: HubSpot integrated with CreditSafe and Companies House to enable AML/KYC automation. AML (anti-money laundering) is an umbrella term for the range of regulatory processes firms must have in place, whereas KYC (Know Your Customer) is a component part of AML that consists of firms verifying their customers' identity.
- September: Investment Committee meets – first equity investment applications to be assessed and award decisions agreed.
- September: 120-day plans with activity to close out year-1 are reviewed and signed off by the Combined Authority.
- October: Q3 Report and Meeting, with 120-day forward look to end of year-1, showing plans to close out achieving targets.
- October – 120-day marketing plans with events calendar identifying where GEG and the consortia are organising / hosting Growth Works events.

8.2 The focus for the Business and Skills Senior Responsible Officers (SROs) and the Directors of the Cambridgeshire and Peterborough Business Growth Company Limited (Growth Co) is threefold.

- Being able, through a portal, to communicate the performance. This is in development, and it will be available in the autumn with 'user testing' with nominated representatives from the Business Board, Skills Committee and Local Authorities, before going 'live' and widening the online report to a wider audience of partners and stakeholders.
- Now that the services are beginning to deliver results, look in detail at the qualitative element of each service line

- Evaluate and ensure the marketing is reaching all potential high growth / scale up businesses across the Combined Authority and it is joined up across all the service lines.

9. Marketing Communications

- 9.1 Growth Works continues to create and distribute regular press releases across all service lines to raise the profile of the service and showcase its successes. Going forward a greater emphasis will be placed on sector media and securing positive media coverage in target publications to generate awareness of what Cambridgeshire & Peterborough has to offer potential inward investors and scale-ups looking to relocate elsewhere in the UK.
- 9.2 Recently this activity has included:
- [Global life sciences companies compete to invest in Cambridgeshire and Peterborough economy](#)
 - [Jobs, grants, coaching and inward investment boost in first 100 days of transformational economic growth service](#)
 - [New start-up programmes to help bridge the gender gap in entrepreneurship](#)
- 9.3 Lead Generation - All service lines are now operating using the HubSpot CRM system, which allows all interactions with potential leads to be tracked and monitored to ensure the same potential client is not targeted multiple times by different service lines. By encouraging all service lines to cross reference their lead generation and marketing plans to identify opportunities for joint marketing, the Combined Authority are trying to ensure the best user experience for our potential clients and prevent any duplication. HubSpot's setup allows the Combined Authority to, at the click of a button, monitor and evaluate content, campaign performance and audience data as part of our ongoing contract management.

Significant Implications

10. Financial Implications

- 10.1 There are no direct financial implications in the progress report.

11. Legal Implications

- 11.1 None.

12. Other Significant Implications

- 12.1 None.

13. Appendices

13.1 None.

14. Background Papers

14.1 None.