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| <b>Skills &amp; Employment Committee</b> | Agenda Item |
| <b>3 July 2023</b>                       | <b>11</b>   |

|                      |   |
|----------------------|---|
| Title:               | Growth Works - Management Update to Year 3, Quarter 9 (to April 2023)                         |
| Report of:           | Steve Clarke, Interim Associate Director Business   |
| Lead Member:         | Cllr Lucy Nethsingha, Lead Member for Skills and Chair of the Skills and Employment Committee |
| Public Report:       | Yes   |
| Key Decision:        | No  |
| Voting Arrangements: | n/a   |

|                         |   |
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| <b>Recommendations:</b> |   |
| A                       | Note the Growth Works Programme Performance Update to Year 3, Quarter 9 (to April 2023) |

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| <b>Strategic Objective(s):</b>   |   |
| The proposals within this report fit under the following strategic objective(s): |   |
| X  | Achieving ambitious skills and employment opportunities |
| X  | Achieving good growth                                   |
|  | Increased connectivity                                  |
|  | Enabling resilient communities                          |

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| <b>1. Purpose</b> |   |
| 1.1               | To update the Skills and Employment Committee on performance data for the Growth Works Programme for the reporting period to 31 <sup>st</sup> April 2023 (Year 3, Quarter 9). |

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| <b>2. Proposal</b> |  |
| 2.1                | <p>The Growth Works Programme delivers the Combined Authority strategic objectives of achieving ambitious skills and employment opportunities, and achieving good growth through the delivery of business support services for Cambridgeshire &amp; Peterborough businesses and focuses on 4 key service lines within the programme:</p> <ul style="list-style-type: none"><li>• Skills Brokerage Service</li><li>• Inward Investment Service</li><li>• Growth Coaching Service</li><li>• Equity &amp; Investment Service.</li></ul> |

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| 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.  |
| 2.3 | <p>Monthly and quarterly contractual meetings with Gateley Economic Growth Services (GEG) and the contract consortia are scheduled up to contract end date, also quarterly performance update reports are presented to the Skills Committee and the Business Board. Furthermore, the Programme's Performance Management Committee meets monthly and 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.</p> <p>The Skills Committee is asked to note this report on the Growth Works Programme Performance Update to Year 3, Quarter 9 (January to April 2023).</p> |

### 3. Background

3.1 The table below sets out the overall summary of performance to date from February 2021 and against the contracted target outcomes at the programme level:

| Service Reporting Line       | Total Programme Targets | Programme Actuals to Date (February 2021 to April 2023) | Remaining Programme Targets (May to Dec 2023) |
|------------------------------|-------------------------|---|---|
| Skills – Apprenticeships     | 1,400                   | 423   | 977   |
| Skills - Learning Outcomes   | 1,705                   | 1,130   | 575   |
| Growth Coaching – New Jobs   | 3,223                   | 2,296.5   | 926.5   |
| Inward Investment – New Jobs | 823                     | 868   | 151   |
| Grants – New Jobs            | 1,220                   | 761   | 459   |
| Equity – New Jobs            | 220                     | 104   | 116   |

The tables below breakdown the contracted programme performance outcomes above that have been delivered to date (April 2023). These are broken down by Local Authority geography and also include the wider old Local Enterprise Partnership (LEP) outside of Cambridgeshire and Peterborough.

| Growth Works Service delivery   | CCC | ECDC | FDC | HDC | PCC | SCDC | LEP Area | TOTAL |
|---|-----|------|-----|-----|-----|------|----------|-------|
| Growth Coaching:  | 10  | 72   | 0   | 74  | 255 | 104  | 82       | 597   |
| Investment  | 56  | 0    | 0   | 0   | 0   | 0    | 0        | 56    |
| Capital Grants  | 0   | 6    | 25  | 0   | 22  | 5    | 0        | 58    |
| Equity Investment   | 84  | 0    | 0   | 0   | 0   | 0    | 0        | 84    |
| <i>Skills has no target to achieve for jobs but occasionally creates jobs</i> |     |      |     |     |     |      |          |       |

|  |              |            |            |            |            |              |              |                |
|--|--------------|------------|------------|------------|------------|--------------|--------------|----------------|
| Year-1 and 2 New Jobs accumulative total     | 538.5        | 393        | 310        | 273        | 551        | 687.5        | 158.5        | 2,974.5        |
| Year-3 (Q9 only) New Jobs accumulative total | 150          | 78         | 25         | 74         | 277        | 109          | 82           | 797            |
| <b>TOTALS</b>                                | <b>688.5</b> | <b>471</b> | <b>335</b> | <b>347</b> | <b>828</b> | <b>796.5</b> | <b>240.5</b> | <b>3,771.5</b> |

| Skills Outcome                           | CCC       | ECDC     | FDC        | HDC       | PCC        | SCDC     | LEP Area | TOTAL        |
|--|-----------|----------|------------|-----------|------------|----------|----------|--------------|
| Year-1 and 2 Learning Outcomes Total     | 42        | 1        | 126        | 20        | 673        | 5        | 0        | 867          |
| Year-3 (Q9 only) Learning Outcomes Total | 1         | 0        | 43         | 69        | 91         | 0        | 0        | 204          |
| <b>TOTALS</b>                            | <b>43</b> | <b>1</b> | <b>169</b> | <b>89</b> | <b>764</b> | <b>5</b> | <b>0</b> | <b>1,071</b> |

|  |            |           |           |           |            |           |          |            |
|--|------------|-----------|-----------|-----------|------------|-----------|----------|------------|
| Year-1 and 2 Apprenticeships Total     | 95         | 8         | 32        | 19        | 146        | 17        | 0        | 317        |
| Year-3 (Q9 only) Apprenticeships Total | 24         | 3         | 3         | 5         | 56         | 0         | 0        | 91         |
| <b>TOTALS</b>                          | <b>119</b> | <b>11</b> | <b>35</b> | <b>24</b> | <b>202</b> | <b>17</b> | <b>0</b> | <b>408</b> |

- 3.2 Growth Works Programme Overview:
- The rationale behind the creation and launch of Growth Works Programme in 2021 was to support growing businesses and organisations across the Cambridgeshire and Peterborough Combined Authority region and to create long term sustainable jobs.
  - In the last quarter (Q9) Growth Works added 797 jobs, this was our strongest quarter yet. Momentum continues to build and continues to add more jobs quarter on quarter.
  - At the end of April 2023, the Growth Works programme had achieved its best month and the whole programme total was at 4102.5 jobs attributed and is ahead of target by 561.5 jobs or 15.8%.
  - Over the course of the programme, Growth Works has embedded itself within the region's ecosystem, creating a strong brand with impact and momentum in the market that belongs to the Combined Authority.
  - The programme has pivoted and adjusted well in the wake of many macro-environment hurdles (i.e. Covid, Ukraine, cost of living/energy crisis, mini budget etc.) and whilst some service lines are still behind like the Skills, overall successful delivery is still being maintained as acknowledged by members of the Business Board.
  - The Client Survey Net Promoter Score (NPS) for Quarter 9 is 48% which is classed as 'Good' but the score has declined over the last two quarters which is being monitored. When taken as an aggregated score from the beginning of the programme, Growth Works NPS score is at 63% regularly achieving 'World Class' status based on a sample pool of 168 beneficiaries.
  - Growth Works Programme has engaged with 7,855 companies in total across the CPCA region.

- 3.3 Headline updates for each Service Line:
- Skills Brokerage**
- Learning outcomes trajectory is on track to deliver the 1705 required, as the skills service continues month on month to increase activity.

- Macroeconomic drivers have created significant challenges in delivering the apprenticeship outcomes hoped for both at a regional and national level.
- There have been challenges around proportionality across the 6 council areas.
- In terms of European Social Fund (ESF) output metrics from within the programme, these are behind but improving and the pipeline is showing a reasonable strong flow of opportunities.
- The Growth Works Skills Team are working collaboratively with the CPCA to address these challenges, although progress has been lower than expected.

### **Inward Investment**

- From contract start and during mobilisation a very lean team built a pipeline and delivered early wins and jobs at pace and scale.
- Inward Investment have exceeded targets from project inception.
- Subsequently, the CPCA awarded an additional £480,000 in Local Growth Fund (LGF) to expand the activity and jobs target. This stretch target has now been beaten with 8 months of the programme left to run, proving the hypothesis that foreign companies and their capital is attracted to the region.
- This hypothesis has not only been validated by the strong job numbers, but also by the c.2 leads that have been generated by Growth Works for every 1 by Department for Business and Trade (DBT) own national inward investment service.
- The Inward Investment service line has had a success in all 6 district councils, and has had successes in a variety of different sectors.
- The Inward Investment service line at contract end will have a healthy pipeline with 275 companies (lead, pursuit, active) with a combined 8,832 potential jobs for the region.
- The Combined Authority, Business Board and Local Authorities are considering what arrangements are required to service this pipeline so these opportunities and the potential jobs are not lost to the region.

### **Capital Grants & Equity Investments**

- At the beginning of the programme Growth Works team ramped up at scale after contract signing to deliver £2.043m in awards of CapEx in 6 weeks to meet one of the funding stream deadlines, this was all done during the mobilisation phase while the Streams were getting ready to go live.
- Growth Works has substantially overdelivered on the beneficiaries of the service with 79 companies receiving SME CapEx grants against a contract target of 56, with 32 companies receiving grants against a target of 8 in the first £2.043m tranche referred to above.
- The Equity Investment Service was rejuvenated in September 2022 to go live in December 2022, within 4 months it has delivered 47% of its job target. With an additional 36% which are currently awaiting approval in this month's Investment Panel.
- The Equity Investment Service has outperformed the typical success for this type of Investment Fund offering in the market as was acknowledged by the recent programme assessment team.
- The Equity team has built sophisticated relationships with the business investment community and a sustainable pipeline of companies that will continue to grow and bring jobs into the region over the coming years.
- The Equity Investment Service has been presented a number of opportunities which crystallise a significant number of jobs in 2024 and beyond.

### **Growth Coaching**

- The hypothesis laid out in the original business case and tender was tested during what was a difficult Macro economic period and as such not substantially proven by the sub-contract service line delivery partner, this led to a Project Change Request (PCR) around criteria of grant being sought and approved on the related European Regional Development Fund (ERDF) funded element of the Growth Coaching service line. Since that approval, a fresh approach to engaging the market using new staff with wider skillsets is delivering the current upturn in numbers.
- The upturn has led to the Growth Coaching service line being at a jobs total of 2,296.5, which is 181.5 (8.6%) ahead of where we modelled to be on the 30-April.
- Across the metrics that feed into this job creation there has been a similar improvement, with business starting coaching reaching 53% of the Q10 target in April, the first month of the next quarter.

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|     | <ul style="list-style-type: none"> <li>• Similarly, there were 110 coaching completions in April, the strongest month of the contract to date, which leaves this metric 3.7% ahead of where it was modelled to be by 30-April.</li> <li>• This has all been because of the change in marketing and delivery approach taken by the service line sub-contractor.</li> </ul>  |
| 3.4 | <p>The Combined Authority has commissioned an objective evaluation review of the Growth Works Programme to undertake an in-depth analysis review of overall performance. This work will inform any future service design and lay the ground for the ex-post analysis required by the national managing authority on the funds within the programme (LGF, ERDF and ESF) and the Combined Authority's own Evaluation Framework requirements.</p> <p>The review will also take stock of activity across the CPCA area, and how this and Growth Works Programme deliver against CPCA's strategic and economic objectives, identifying what's needed in a 'gap analysis'. Bringing together the review elements with the latest research into what works; an understanding of the future funding, economic and policy context; and where opportunities for further improvement might lie in any enhanced devolution offer for CPCA. The final evaluation report and findings is expected to be completed and available in July 2023.</p> <p>Key objectives and main tasks:</p> <ul style="list-style-type: none"> <li>• Interim evaluation – light touch evaluation of Growth Works Programme, reviewing performance, appraising impacts.</li> <li>• Review economic, policy, business and funding context – major economic and policy trends shaping the business environment, changes to public and private funding environment and opportunities.</li> <li>• Business demography – analysis of business population and trends.</li> <li>• Gap analysis – map current and planned provision against current and future priorities and opportunities.</li> <li>• Recommendations for new business support system – framework for new system, logic model for intervention rationale and case.</li> </ul> |

## 4. Appendices

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| 4.1 | The Growth Works Programme report for Year 3, Quarter 9 is attached as <a href="#">Appendix 1</a> and gives more detailed analysis across all performance indicators. |
| 4.2 | Client Satisfaction Survey and Net Promoter Score (NPS) for Quarter 9 is attached as <a href="#">Confidential Appendix 2</a> .  |
| 4.3 | The Growth Works Programme Local Authority Data Pack is attached as Appendix 3.   |

## 5. Implications

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| Financial Implications                      |  |
| 5.1   | No implications.   |
| Legal Implications                          |  |
| 6.1   | The are no legal implications arising from the report at this stage. |
| Public Health Implications                  |  |
| 7.1   | No implications.   |
| Environmental & Climate Change Implications |  |
| 8.1   | No implications.   |

|                                |   |
|--------------------------------|---|
| Other Significant Implications |   |
| 9.1                            | None.   |
| Background Papers              |   |
| 10.1                           | <a href="#">Skills Committee March 2023 - Item 3.1</a> Growth Works - Management Update for Q8 (October to December 2022) |