



Agenda Item No: 2.3

Growth Works Management Review – January 2022

To:	Business Board
Meeting Date:	10 January 2022
Public report:	Yes
Lead Member:	Chair of the Business Board, Austen Adams
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 Business Board is recommended to:</p> <p>Note the Growth Works programme performance up to 31st October 2021.</p>

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 31st October 2021.

2. Growth Works Service Line Performance

- 2.1 The overall performance to 31st October 2021 service line leading indicators are reported in the dashboard table below - Programme Outcome & Top Leading Indicators

Dashboard Summary – Programme Outcome and Top Leading Indicators							Overall RAG Status ●	
Service Line / Whole of Programme View	Target Indicator	Q4 Target	Q4 Actual (31/10)	YTD Total at Q4	Year 1 Target	Actual Outcomes in Q4 as at 31/10	Progress against Year-1 Target (at 31/10)	
All Service Lines – Outcome	Jobs created (inc. Apprentices)	N/A	68	769.5*	589	Up 331.5** ↑	↑	130.6%
Top Leading Indicators - Growth Coaching	Businesses provided with (i.e. undertaken) a Growth Diagnostic	486	142	494	832	Up 142 ↑	↑	59.4%
	Businesses starting coaching assignments (Growth support following diagnostic)	105	30	157	193	Up 30 ↑	↑	80.1%
Top Leading Indicators - Inward Investment	Inward investors receiving information, diagnostics, and brokerage support)	9	10	104	18	Up 10 ↑	↑	577.7%
	Inward investor commitments to expand or for new investments	2	2	13	6	Up 2 ↑	↑	216.7%
Top Outcome and Leading Indicator – Skills	Additional training / learning outcomes (excludes apprenticeships)	129	25	123	209	Up 25 ↑	↑	58.8%
	CO23's / SME Engagement	20	4	18	33	Up 4 ↑	↑	54.5%
Top Leading Indicators - Grants & Equity	Companies receiving grants	10	7	39	28	Up 7 ↑	↑	139.3%
	Small Business Capital Growth Investment Equity (£000)	1,000	0	0	2,000	Level →	↓	0.0%

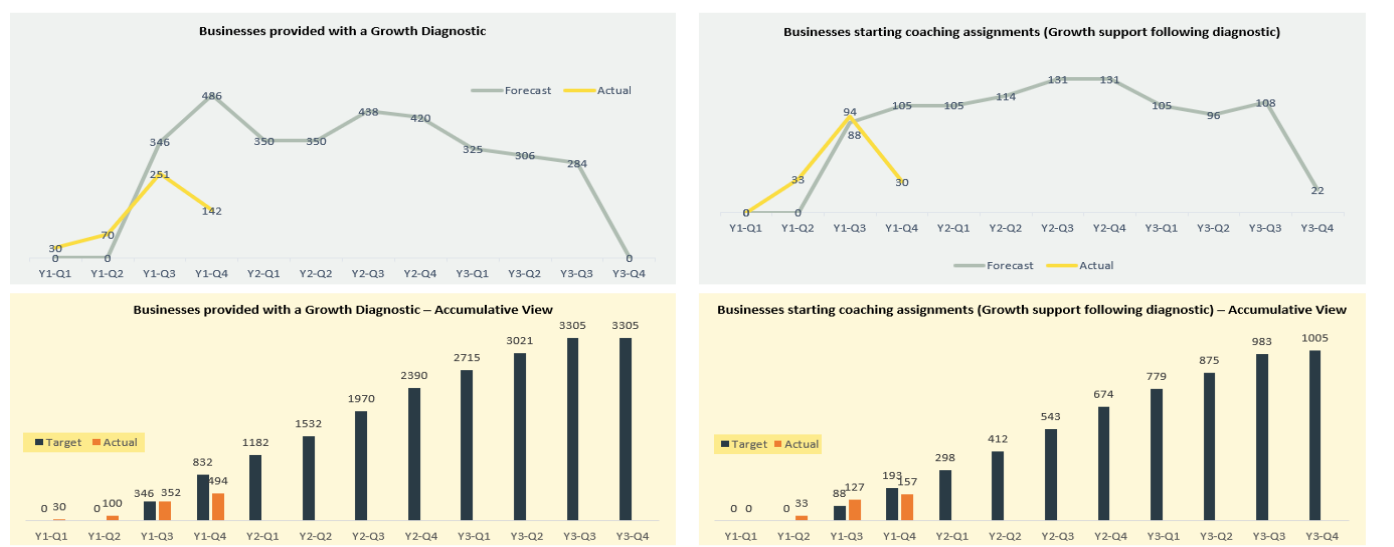
- 2.2 The project management team are highly confident that all Year 1 contractual outcomes will be met by 31st December 2021.
- 2.3 Highlights from year 1 achievements include:
 - Over 130% of jobs committed.
 - 577% of annual inward investors receiving support.
 - 216% of new/expanded inward investments.
 - Almost 140% of companies receiving grants.
 - Over 92% of apprenticeships.
 - Nil customer complaints received.
 - Equity pipeline is below forecast, although active with three EOIs in the pipeline for over £1.5m and more coming in at the run rate of £2m per quarter which would exceed year 1 and year 2 targets.

3. Growth Works Service Line Performance

3.1 Table breakdown of performance - Q4 targets are to 31st October

Target / Indicator	Contract Deliverables				Q1 Actual	Q2 Actual	Q3 Actual	(Q4) This Quarter					Q4 Quarter Performance			YTD Performance		
	Year 1	Year 2	Year 3	TOTAL				Q4 Target	Actual (31/10)	Actual (30/11)	Actual (31/12)	Q4 Total to 31/10	Target (31/12)	Actual (31/10)	% Q4 Actual / Q4 Target	Year-1 Target	YTD Actual	%YTD Actual / Yr-1 Target
Jobs created	46	1454	1723	3223	0	0	11	46	10.5			10.5	46	10.5	22.8% →	46	21.5	46.7% ↑
Businesses provided with (i.e. undertaken) a Growth Diagnostic	832	1558	915	3305	30	70	252	486	142			142	486	142	29.2% →	832	494	59.4% ↑
Businesses starting coaching journeys (enrolled in Get Set Accelerate)	154	385	466	1005	0	79	60	84	29			29	84	29	34.5% ↑	154	168	109.1% ↑
Businesses starting coaching assignments (Growth support following diagnostic)	193	481	331	1005	0	33	94	105	30			30	105	30	28.6% →	193	157	80.1% ↑
Businesses completing a coaching journey	44	327	634	1005	0	0	0	44	22			22	44	22	50% ↑	44	22	50% ↑

3.2 Performance shown as a line and bar chart - Q4 targets are to 31st October

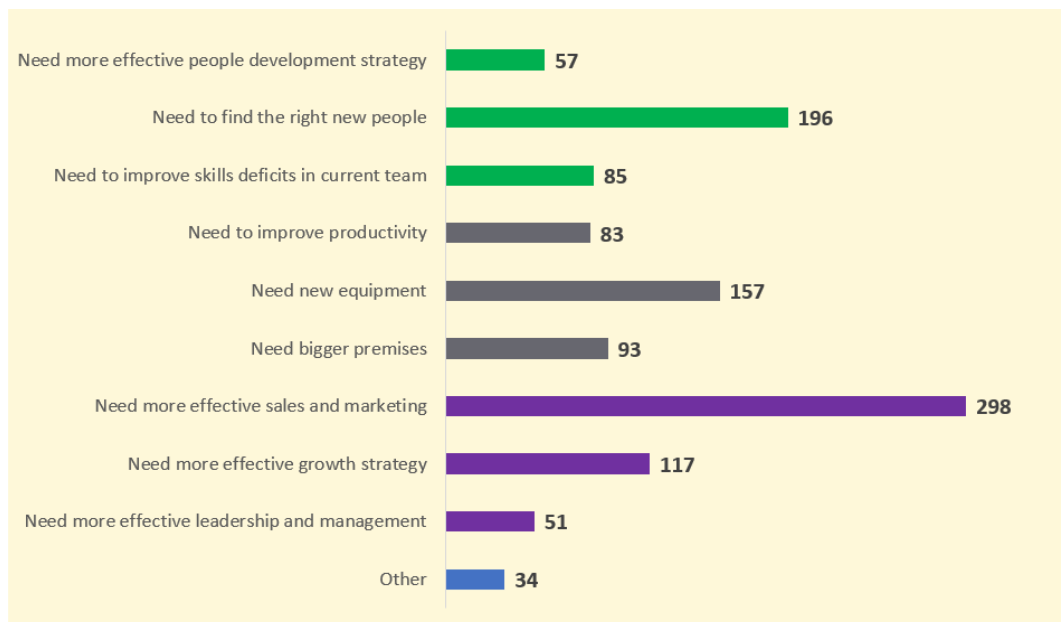


Diagnostics are behind forecast, however with increased marketing - as demonstrated in the latest 120-day plans shared by the service line with the Combined Authority and PMO - we maintain a high degree of confidence that this target will still be met.

3.3 Business enrolled by size

Number of employees	Count of Businesses	Profile
3-9	78	46.7%
10-49	60	35.9%
50-249	18	10.8%
TBD	11	6.6%

3.4 Business challenges cited by companies on their diagnostic forms. Data shown is to 31st October.



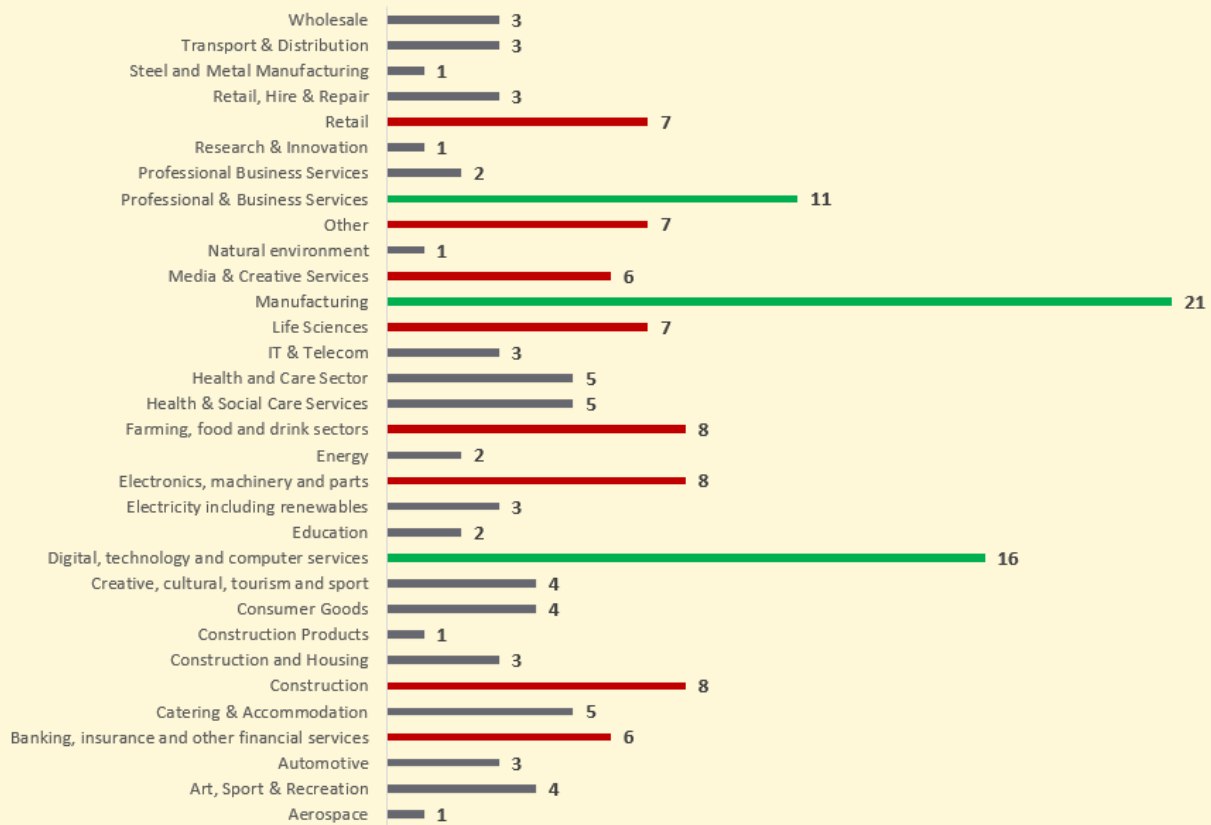
Businesses completing a diagnostic are asked to give their reasons for engaging with Growth Works with Coaching and share current business challenges and concerns they are faced with

The table opposite lists the reasons and the number of recorded entries against each (where a company may record more than one reason).

- Green bars indicate people and talent challenges.
- Grey bars indicate operational and infrastructure efficiency and effectiveness challenges.
- Purple bars indicate growth specific challenges.

Need more effective growth strategy will be broken down further from January 2022.

3.5 Businesses starting coaching journeys (enrolled in Growth Coaching) by sector. Data shown is to 31st October.



As of 31st October 2021, a total of 168 companies had started their coaching journeys. The table above lists the number of companies by sector.

- Green bars indicate sectors with more than ten companies.
- Brown bars indicate sectors with between six and ten companies.
- Grey bars indicate sectors with between one and five companies.
- The total number of companies illustrated in the bar chart is 164. there are an additional four companies where we are still verifying their sector which, once confirmed, will be recorded in HubSpot.

3.6 The Growth Hub

The Growth Hub has 4 full time employees. Due to expanding scope and developer limitations our HubSpot' enhanced functional development wasn't completed to end of June 2021.

3.7 Growth Hub Performance – Table breakdown of performance

Activity		Comments
Calls	37	Positive aspect - the calls coming in are from leaders & owners of businesses and generally last 45+ minutes. Giving a lot more depth and breadth to the calls. It appears not all calls are logged. Dealing with as part of monthly contractual meetings
Emails	3908	This is what is registered on HubSpot. It appears lots of emails aren't registered as these are only the emails sent through HubSpot not emails gone out through outlook. As above, dealing with as part of monthly contractual meetings.

Replies	381	
Meeting with businesses	63	

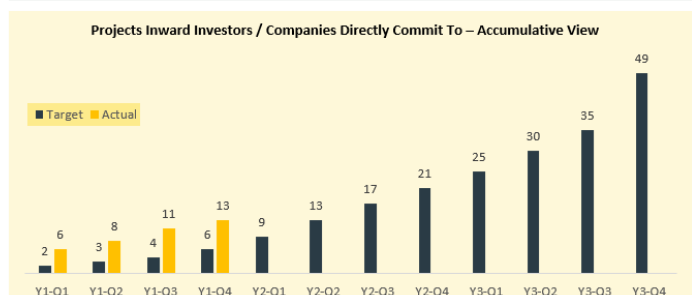
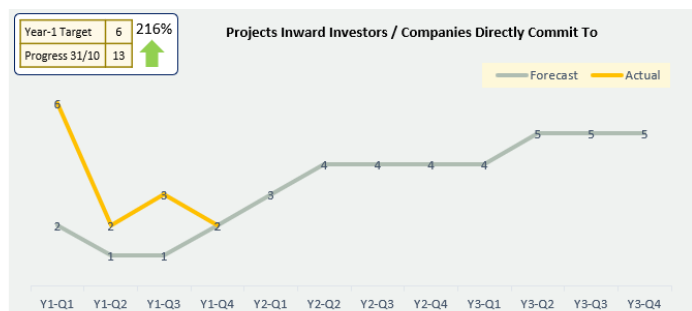
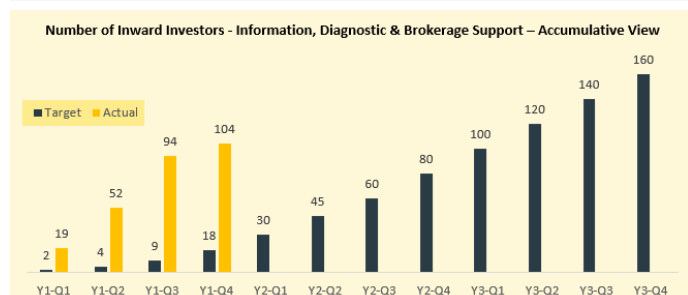
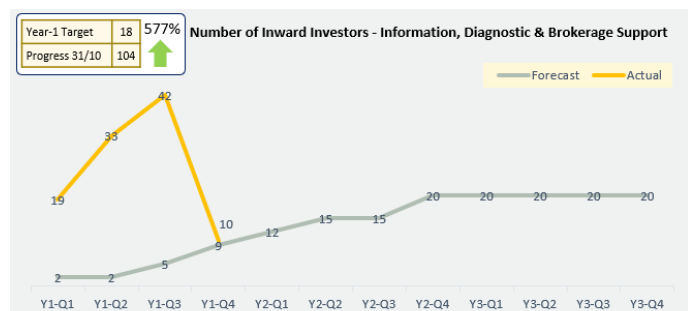
4. Inward Investment Service Line

4.1 The second Inward Investment supply chain event will take place from 13:00 to 16:00 on 8th December 2021 and is centered on artificial intelligence (AI). The Combined Authority region is already an internationally recognised center 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. The full panel is made up of: Amadeus Capital, Deep Tech Labs, Cris Crespi (CTO of Cosworth – wanting to adopt AI tech into its presence in South Cambs) and will be moderated by Dr Chris Moore (DIT Tech/AI specialist).

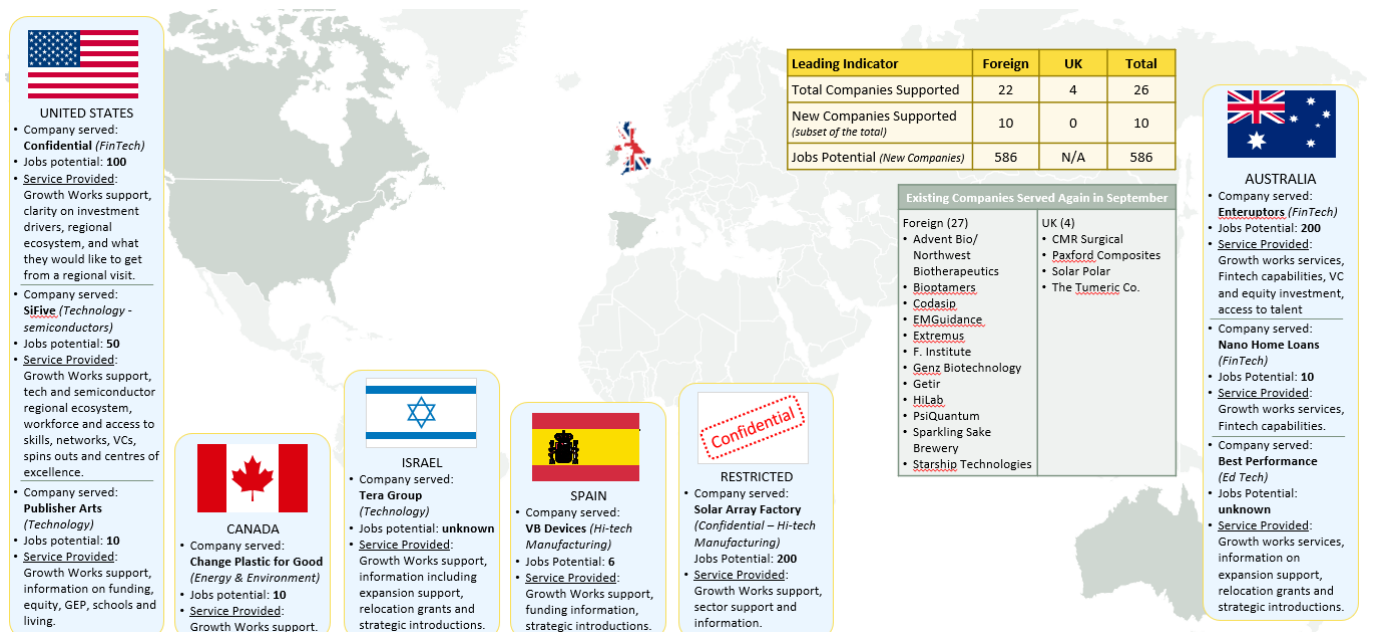
4.2 Table breakdown of performance - Q4 targets are to 31st October

Target / Indicator	Contract Deliverables				Q1 Actual	Q2 Actual	Q3 Actual	(Q4) This Quarter					Q3 Quarter Performance			YTD Performance		
	Year 1	Year 2	Year 3	TOTAL				Q4 Target	Actual (31/10)	Actual (30/11)	Actual (31/12)	Q4 Total to 31/10	Target (31/12)	Actual (31/10)	% Q4 Actual / Q4 Target	Year-1 Target	YTD Actual	% YTD Actual / Yr-1 Target
Jobs created	75	175	350	600	23	29	32	25	210			210	25	210	840%	75	294*	392%
Inward investors receiving information, diagnostics, and brokerage support)	18	62	80	160	19	33	42	9	10			10	9	10	111%	18	104**	577%
Inward investor commitments to expand or for new investments	6	15	19	40	6	2	3	2	2			2	2	2	100%	6	13	216%

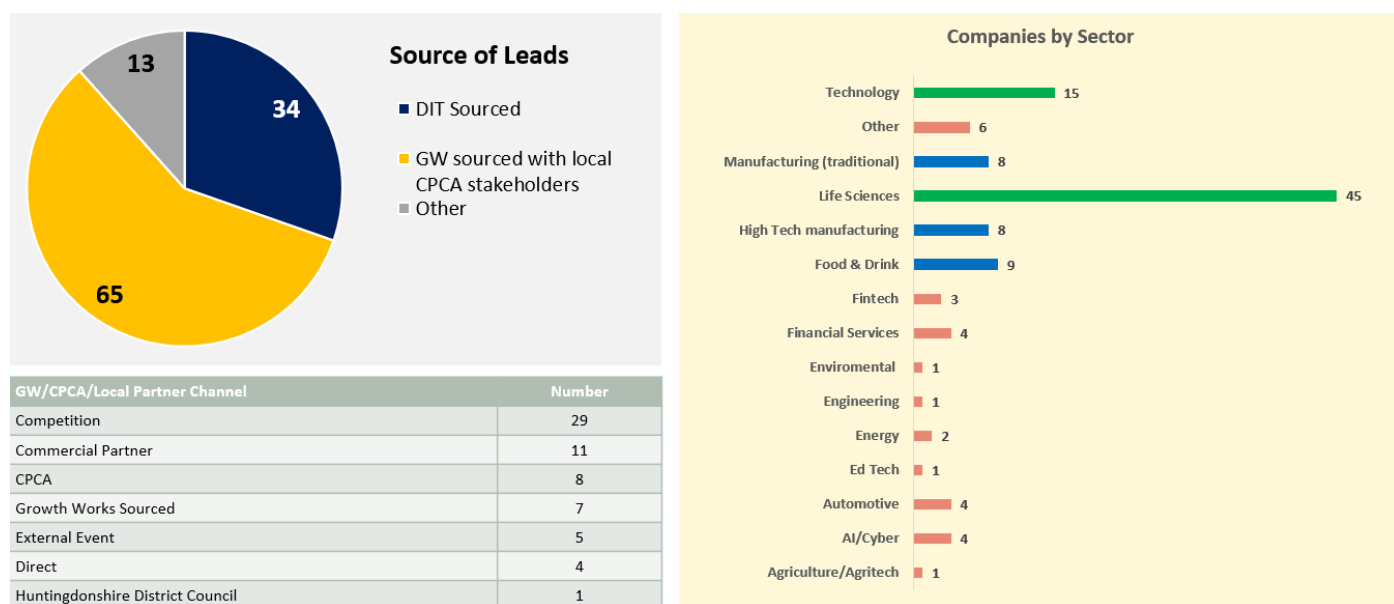
4.3 Performance shown as a line and bar chart - Q4 targets are to 31st October



4.4 Summary of International Investment Services (IIS) global enquiries for the period to 31st October

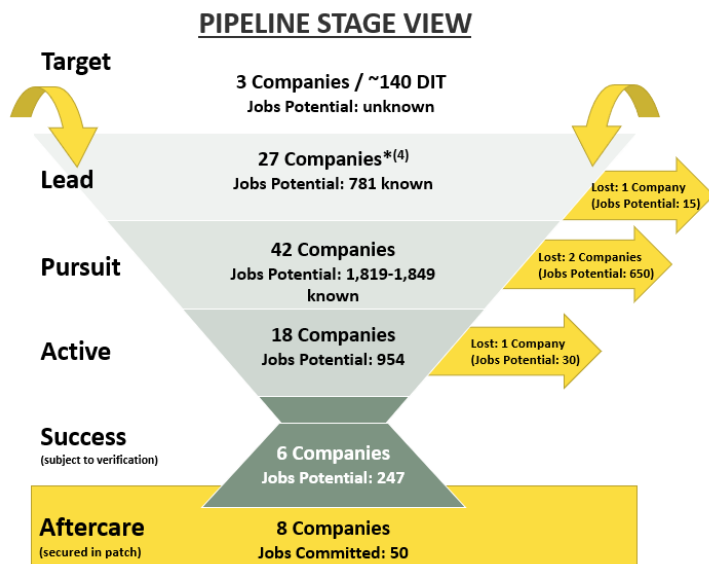


4.5 Inward Investment Service – origin of leads and sector coverage of leads for the period to 31st October.



- The data shows for every DIT inbound lead GW sources 2+ leads through its own efforts.
- The Life Sciences competition generated over 25% of all leads in the YTD
- Life Sciences companies account for over 40% of leads.

4.6 Inward investment – Pipeline for the period to 31st October



PIPELINE	
Stage	Notes
Target	3 companies: two remain to be actively engaged.
Lead	*Jobs potential on 16 of these is currently unknown. In addition, there are three (3) – Flusso, Better Origin, and Viva Arts – who were served but later qualified out as FDI clients and passed to other service lines, and one that has gone 'dormant' (RP Meats) – all four are shown here as *(4)..
Pursuit	Jobs potential on 16 of these is currently unknown, while the jobs potential on the top eight (8) of them is 1,461, as follows: Converting Technologies (261), Confidential DIT Food Manufacturing Company (240), Serum Institute (200), Enteruptors (200), Hong Leong Manufacturing Group (200), PsiQuantum (150), Global Gene Corp (110), and Guangzhou panana technology Ltd (100).
Active	Jobs potential on three (3) of account for 68% of the total, as follows: Ultimate Battery Company (321), Oatley (200), and Getir (130).
Success	The jobs are still reported as potential until such time as they land in patch on a payroll. Seven (7) 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).
NOTE	No wins or significant losses this month.

The pipeline of businesses is very healthy.

- 4.7 There is still a significant 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.
- 4.8 A significant amount of time and resource was invested by International Investment Services (IIS) in order to keep CMR within Cambridgeshire & Peterborough, with robust and comprehensive support, provided to pitches from three shortlisted locations - Alconbury, Lancaster Way and Bourn Airfield. A great success story, as CMR will relocate, within the Combined Authority Area.



11 October 2021

CMR Surgical to build new global manufacturing facility to meet Versius demand

- Growth Works began working with CMR in January 2021, part of the healthy pipeline we committed to bringing to CPCA ahead of contract commencement.
- 200+ skilled jobs to be created to 2023** – ranging from production, quality, manufacturing, engineering, supply, operations, and logistics.
- CMR is a 'conservative' company, so publicly reported 200 jobs at this moment in time, but 400 is achievable in the future.

- 11th October: CMR Surgical (a global surgical robotics business) announced plans for a new large-scale manufacturing facility in Ely.
- Ely was chosen from 14 potential locations – 9 in Europe, 5 in the UK.



Per Vegard Nerseeth, CEO of CMR Surgical

(Photographer: Keith Heppell)

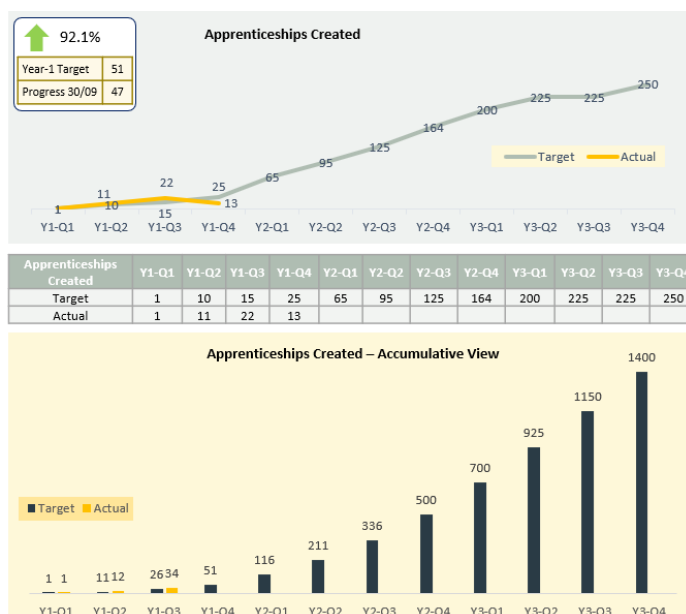
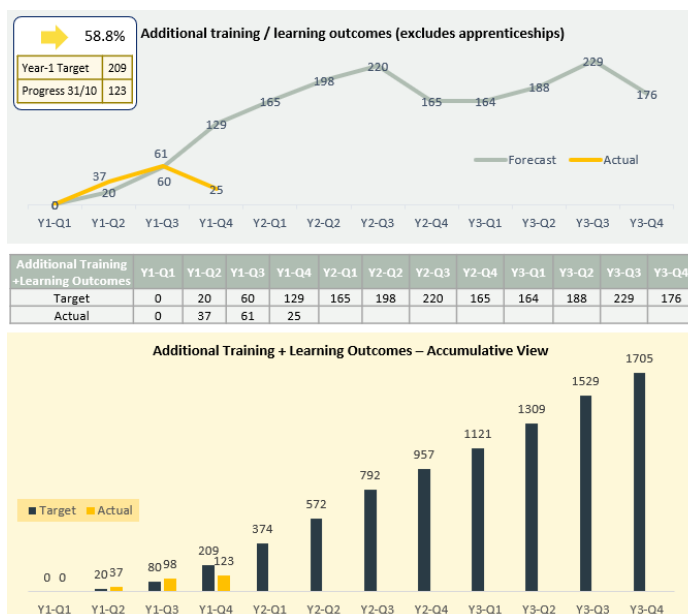
Picture sources: <https://cmrsurgical.com/> and <https://www.cambridgeindependent.co.uk/>

5. Skills Service Line

- 5.1 Growth Works with Skills are expected to meet or exceed Quarter 4 targets across all Leading Indicators.
- 5.2 There is a healthy pipeline for Quarter 1, 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.
- 5.3 European Social Fund (ESF) outputs are currently at 80% of their target. It is anticipated this target will be met by the end of the year.
- 5.4 The Digital Talent Platform following the refresh has attracted significantly more users. Work continues on a quarterly basis to update the content and improve its functionality.
- 5.5 A series of online events have been developed to engage businesses with their talent requirements. These events will continue into Year 2.
- 5.6 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.
- 5.7 A strong end to the 20-21 academic year resulted in the highest performing year of the CEC contract at the Combined Authority. This was a result of focused work to achieve contractual targets.
- 5.8 September saw the launch of the Careers Hub which contains 30 of the 72 schools and colleges within the region. Engagement with business and the schools and colleges remains challenging due to the instability caused by the growing covid cases within the region.
- 5.9 Table breakdown of performance - Q4 targets are to 31st October

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
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
<u>Levy Employers signed up to pledge (£ 000)</u>	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%
<u>Levy Employers increasing utilisation of Levy (£ 000)</u>	2,170	3,272	4,008	9,450	£0	TBD	830	0			0	840	830	0	TBD	2,170	£0	0%
<u>SME's accessing Levy transfer (£ 000)</u>	1,750	4,690	6,040	12,480	£0	1.5	500	0			0	750	500	0	0%	1,750	1.5	0.08%

- 5.10 Performance shown as a line and bar chart - Q4 targets are to 31st October



6. Grants & Equity Line Service

- 6.1 The Investment Appraisal panel currently consists of two voting members and the secretariat. Voting members are currently Nigel Parkinson, Chair of Growth Co and Nitin Patel, Business Board member. A third voting member from Growth Co Directors will be added in January 2022 to provide a decisive vote. Alan Downton, who has now joined the Combined Authority as the Deputy Chief Officer of the Business Board and SRO of the Growth Works contract, has been appointed a director of the Cambridgeshire Peterborough Business Growth Company Limited (Growth Co) and will be the third voting member of the panel.
- 6.2 The Secretariat is Paul Webster, Programme Director Gateley Economic Growth Services, supported by Bev Hurley from YTKO, Jonathan Finlay (Compliance) and Martin Montgomery, external from Gateley Legal, a Corporate Advisory Legal Partner, and all are non-voting.
- 6.3 The Investment Appraisal Panel have met four times this financial year in July, August, October and November and further meetings are scheduled on a monthly basis going forward. This panel reviews and authorises or seeks more information / due diligence or turns down businesses either seeking capital grants of between £20k - £150k at 50% match or equity investment £50k - £250k. It is working very well, and in many respects, we are very pleased at current performance.
- 6.4 The Capital grant allocation for the whole of the programme was £4.8m of which £2.04m needed to be rapidly allocated before the 31st March 2021. The balance of £2.8m was planned to provide an average quarterly allocation of £350k to ensure the longevity of the fund to June 2023. As of end of October 2021, month 1 of Q4, there have been 39 grants awarded since the contract began (value £2.63m) against a forecast of 28 for the year (forecast at £2.2m). The average grant is £67k against an average of £77k, however the fund has used 31% of the overall £2.8m available fund in just 6-months owing to the higher volume of awards. In November, a further three projects were approved for £218k. In order

to ensure that capital expenditure funds remain available until mid-2023, there are a number of actions we propose to take with the current scorecard:

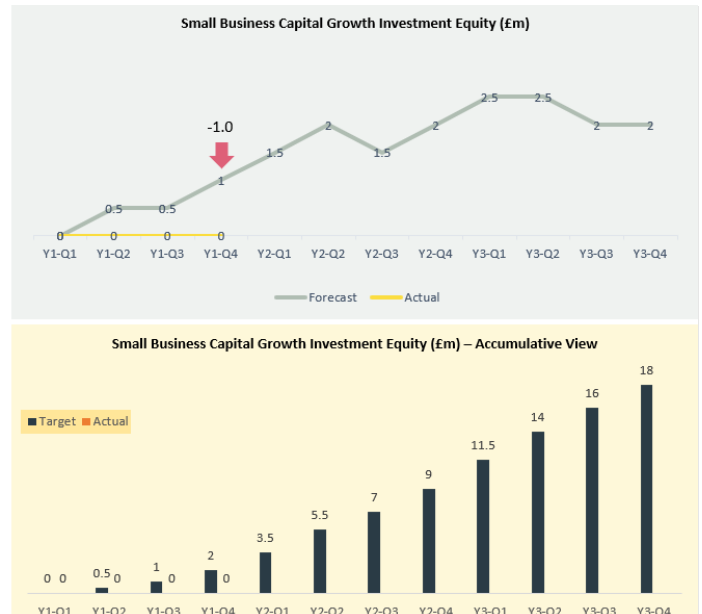
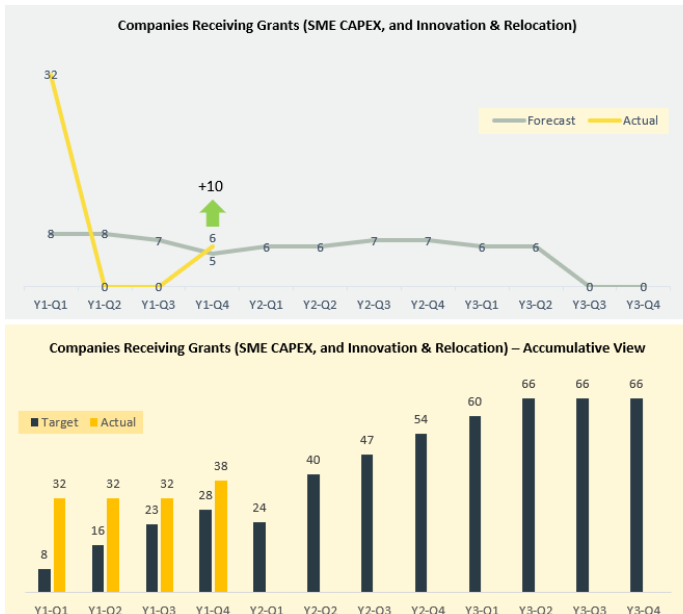
- a) Reduce the upper cap of £150k to £100k to avoid depleting the fund. This will support stating in target an average of £60k to £80k.
- b) Enhancement of the qualitative score card including positive actions for environmental weighting, social inclusion/return to work, living wage implementation and apprenticeship skill development.
- c) Directing businesses to exhausting all forms of available capital, including equity growth funding before a capital expenditure grant is requested. Where SME projects are restricted by internal budgets and investments outside of CPCA are outperforming relative to CPCA investments, we will work with the business' finance teams to provide the minimum grant required to lift the CPCA operation to the priority investment.

6.5 In addition, all marketing through Growth Works (YTKO delivery partner) of grants will be stopped with immediate effect to reduce demand focused on grant funding. Future capital expenditure grants will only be available once a business is signed up to coaching and it is then deemed / identified to be one of a number of barriers to growth and is on their growth plan.

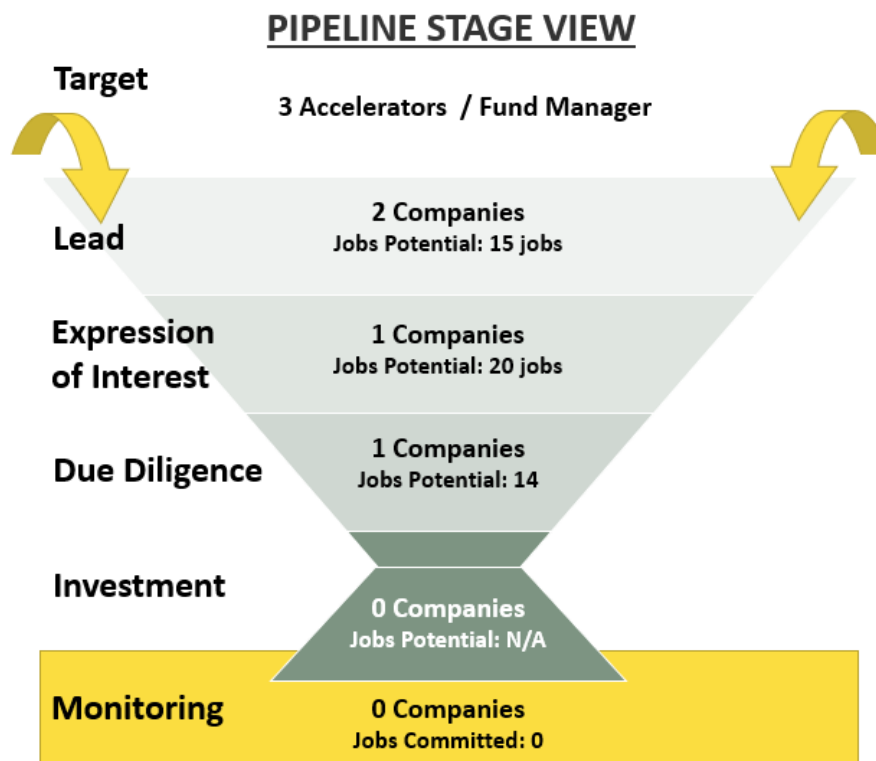
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	Year 1	Year 2	Year 3	TOTAL				Q4 Target	Actual (31/10)	Actual (30/11)	Actual (31/12)	Q4 Total to 31/10	Target (31/10)	Actual (31/10)	% Q4 Actual / Q4 Target	Year-1 Target	YTD Actual	%YTD Actual / Yr-1 Target
Jobs	397	474	584	1455	305 (baselined from 321)	0	0	397	98				0	98	+100%	397	403	+101.5%
Companies receiving grants*	28	26	12	66	32	0	0	5	7				0	7	+100%	28	39	+139.3%
Grants & Investments (Small Business Capital Growth Investment Fund)	18	26	12	56	32	0	0	5	7				0	7	+100%	18	39	+216.7%
Innovation & Relocation Grants**	10	0	0	10	0	0	0	0	0				0	0	0%	10	0	0%
Small Business Capital Growth Investment equity (£ 000)	2,000	7,000	9,000	18,000	0	0	0	1,000	TBD				0	0	0%	2,000	0	0%
Number of equity investment projects between £150k and £250k	4	19	17	24-40	0	0	0	2	TBD				0	0	0%	4	0	0%
GVA generated - (£ 000)	1,000	14,000	30,000	45,000	4,050 (est.)	0	0	TBD	X,XXX (est.)				TBD	TBD	0%	1,000	(4,050 est.)	+405%

6.7 Performance shown as a line and bar chart - Q4 targets are to 31st October



6.8 Equity pipeline as of 31st October 21



7. Performance Portal

- 7.1 Following our update in September 2021, Gateley Economic Growth Services are well advanced in the design and delivery of the Growth Works performance portal. The Software is SiteLantern and the Combined Authority has very recently had its first demonstration.
- 7.2 The aim of the portal is primarily to give our Local Authority partners, the Business Board, the Skills Committee, the Combined Authority and Cambridgeshire Peterborough Business Growth Company Limited (Growth Co) a means by which to monitor, review and drill down

into the five core service lines - Growth Hub, Skills, Capital Growth Fund investment (capital expenditure grants and equity), growth coaching and inward investment.

- 7.3 The portal will enable each stakeholder to design their own lens from the core common set of data. This means that each Local Authority and the Skills Committee will have open access to monitor and drill down on their respective geographical coverage in the style and format that suits them best. The Business Board, Combined Authority and CPCA Business Growth Co there will be a facility to do this with integration of the data sets and sources of data. Each user will be able to assess the data across different timelines, region, by sector, by company size, service received, etc.
- 7.4 Some of the data will be real time such as business customer movement in the pipeline, and some won't be by the very nature of the timelines in collecting such as grants disbursed.
- 7.5 GEG are at a stage where they are now looking for 1 representative from each Local Authority, 2 or 3 from the Business Board and the Skills Committee to undertake 'user testing' up to Christmas and be the "Champion" user of the SiteLantern for their group to shape and design their bespoke lens for what they would like to see from the programme.
- 7.6 The plan is for the portal to go live by 07th January 2022 and there will be a follow up communication to support this and training.

8. Qualitative Assessment

- 8.1 Growth Co and GEG want is to look at two key areas one being good quality performance assessed by both a NPS scoring system that will be within the December data with accompanying qualitative text, the other through robust contract management in order to show how well GEG and the consortia are delivering outcomes and the leading indicators. This plus our monthly contractual meetings, will hopefully amplify the evidence of our joint achievement and how meaningful partnerships can deliver better results.
- 8.2 Now that the services are beginning to deliver results, the plan now is to look in a lot more detail at the qualitative element, looking firstly at YTKO (delivery partner). The focus is to undertake more in-depth assessments of:
 - Current return on investment from our marketing spend, what is our cost per acquisition and are we reaching the right people to convert
 - Are marketing budgets being fully exploited to generate the required pipeline of high quality businesses for Growth Coaching?
 - What is the feedback loop for companies receiving Growth Coaching, how are we monitoring client satisfaction and overall impact?
 - The quality and quantity of coaches / experts being deployed and looking at any gaps in our current pool or areas
 - Overall cost of the service line including a review of the organisational chart against the initial tender

- Deep dive into the ERDF grant schemes, focusing on the amount awarded, outputs from the grant, cost of administration and overall compliance

9. Forward Look

9.1 Schedule of upcoming reporting deadlines and meeting dates:

- Late December 120-day plans with activity to start year 2 are reviewed and signed off by Growth Co and the Combined Authority
- Late December 120-day marketing plans with events calendar identifying where GEG and the consortia are organising / hosting Growth Works events. To be published, so that Business Board members, Skills Committee members and Local Authorities are aware
- 7th Jan launch performance portal

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. Background Papers

13.1 None.