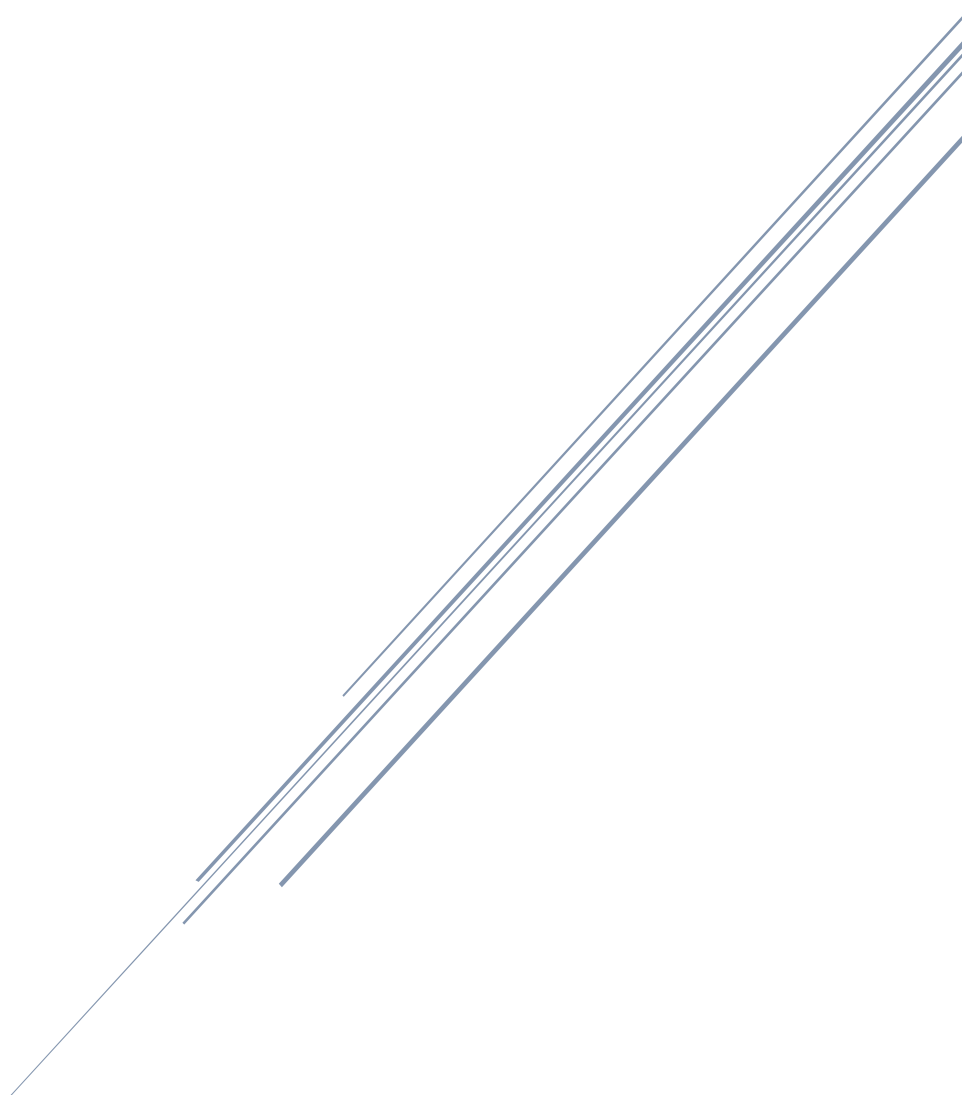


Cambridgeshire and Peterborough Business Growth Company Limited



Business Plan

April 2022 – December 2023



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CHAIR'S FOREWORD

When the Cambridgeshire and Peterborough Business Growth Company Limited (Growth Co) was first conceptualised in 2020 the working hypothesis was that by focusing on the top one thousand highest growth SMEs and offering four different service lines into the region, there was an opportunity to drive employment growth and in turn increase economic value.

Since then there has been considerable change and for many businesses operating across the region, these are turbulent times and priorities have shifted for a lot of leadership teams and as their priorities change, it is only right that we ensure that the services the Growth Co offer are flexed accordingly and where appropriate, amended to meet the needs of the business community.

This Business Plan document aims to address this.

It should be noted that the first twelve months of the programme saw a strong performance and in particular the Inward Investment service line has performed at a consistently high level throughout and the team leading that element of Growth Co deserve a special mention for the work they are doing.

Despite the key metrics performing well during the first phase of the programme it was clear from some of the leading indicators that we would likely see performance erode on some of the high volume service lines and this is what has been witnessed.

The executive team leading Growth Co have been quick to identify the changes that they want to implement and to execute the Business Plan for the balance of the programme. Furthermore, I have great confidence that the Growth Co will continue to deliver through 2023. I and my fellow Growth Co directors look forward to working with them and as they work on ensuring the programme continues to provide support provision in meeting business needs beyond December 2023.

Nigel Parkinson

1.0 EXECUTIVE SUMMARY

1.1 Background

To deliver on the original and new strategies, a comprehensive Growth Service was designed to fuel growth in Business & Skills across the three regional sub-economies. The vehicle through which this service is being delivered is the dedicated Legal Entity Cambridgeshire and Peterborough Business Growth Company (Growth Co).

1.2 The Growth Co

The Cambridgeshire & Peterborough Combined Authority (CPCA) as its accountable body and sole shareholder with two directors on the Growth Co board alongside an independent Chair. The directors of Growth Co were appointed by the Combined Authority and the purpose of the company is solely to manage growth service delivery funds and the delivery of services contract with the private sector to support business growth and development.

1.3 Drivers for Establishing the Growth Co

- To assist with delivering current and future objectives of the CPCA
- To procure the delivery of services from the private sector to support business growth and development in the area

1.4 Benefits of the Growth Co

Creating a Growth Co is a key part of providing a structure that will support and help to achieve the aims of the CPCA and establishing a Growth Co will:

- Accelerate and provide a vehicle for the delivery of growth
- Hold and manage investments, using any profit generated to meet the aims of the CPCA

1.5 Growth Co Mission Statement

The Growth Co will connect the growth, investment and skills support resources of Cambridgeshire and Peterborough, to firms across the economy, creating a marketplace for sustainable inclusive growth, investment and skills services. All our towns and cities will form this network of well-connected economic and business clusters centred on key sectors, collaborating across geographical boundaries and accessing world-class growth support.

1.6 Growth Co Objectives

- To deliver value for money
- To deliver against the CPCA's overall Vision and Values
- To contribute to CPCA's Corporate objectives
- To deliver sustainable and inclusive business growth

1.7 Growth Co Strategic Fit

The CPCA adopted a revised 'Sustainable Growth Ambition Statement' in early 2022 with focus on 'good growth' and 'reducing inequalities' for the region. Furthermore, it has subsequently approved a new 'Economic Growth Strategy' against which Growth Works plays an integral part of its implementation and for achieving economic growth. The Growth Co acts as a fund management and contracting vehicle to procure the private sector to deliver growth coaching, skills brokering and inward investment promotion in the area.

2.0 GOVERNANCE & MANAGEMENT

Growth Co is owned by CPCA after the Growth Co issued 5.407m additional shares to the CPCA in return for £5.407m of Local Growth Fund investment. At this point, the CPCA became the majority shareholder and operates control directly. This Business Plan provides for sufficient support and leadership from Directors and an Independent Chairman.

Additional support will be provided by Finance, HR, Legal and IT. **Annex 1** has a diagram which sets out the contracts in the contracts structure, with details of what each agreement would do, and a high-level outline of terms to be included in each agreement.

3.0 PERFORMANCE & DELIVERY

3.1 The Growth Works Programme

The Growth Co oversees the contracting, mobilisation and performance management of the Growth Works Programme, which is a three-year contract, spread over four financial years to December 2023.

3.2 Programme Performance

There was a strong performance in the first 12 months of the contract which created a surplus in most leading indicators and has been eroded to the point of deficit across key metrics, particularly within the Growth Coaching and Skills Service Lines (including European Regional Development Fund (ERDF) and ESF metrics). However, since that strong delivery in the first 12 months of the programme, market forces and economic uncertainty are now impacting the desire of firms to expand and create jobs, over preserving cash reserves.

The below provides the high-level outcomes for jobs and apprenticeships at programme level to date (up to and including Quarter 7, Year 2):

Service Line	Total Programme Target	Year 2 Target	Year 2 Actual (01-Jan to 30-Sep)	Programme Actual (15-Feb-2021 to 30-Sep-2022)	Year 3 Target
Coaching	3,223	1,454	934	1,073	2,150
Inward Investment	808	263	304	627	181
Skills: Apprenticeships	1,400	449	200	266	1,134
Grants & Equity	1,455	474	245	684	771
Totals	6,886	2,640	1,683	2,650	4,236

3.3 Growth Works - Additional Programmes 2021-22

- **The Growth Hub** – funding of £738,000 (from BEIS and the Cambridgeshire & Peterborough Combined Authority) to integrate the Growth Hub as part of the Growth Works to connect local businesses to the help, support, provide information and funding through the Growth Works. This makes the process of finding information and business support easier by bringing together a multitude of information in one place.
- **Peer-to-Peer Networks** - funding of £210,000 awarded to Growth Works to deliver a series of Peer-to-Peer support activities on behalf of the CPCA under the Government's economic response to Covid-19. The aim being to improve SME's capability to adapt their business models to the "new normal", position themselves for future success and drive longer term productivity gains through improved leadership and management skills and tech adoption.
- **Community Renewal Fund (CRF)** - funding of £3,393,851 awarded to Growth Works to deliver two CRF programmes by 30 June 2022. These were 'Turning Point' which is a skills and employment support programme, and 'Start and Grow' which is an enterprise pre-start and start-up support programme.
- **Additional Restrictions Grants (ARG)** – funding of £1,315,000 was awarded to Growth Works to provide additional support to local authorities to administer grants in Huntingdonshire, Fenland, Peterborough and Cambridge City to businesses adversely affected by the Covid-19 pandemic.

3.4 Proposed Delivery in Years Two & Three

Despite the programme being ahead of where it expected to be at this stage for the overall jobs created metric, there are concerns about the impacts of the current macro-economic environment and the consequence this would have on the programme in the final months of year two and year three. Outcome targets may need to be realigned based on current market conditions and programme funds may need to be reallocated to services that are proven to deliver. In line with the best principles of good governance, consideration will be given to evaluating key elements of the service, including:

- The evaluation of the material changes in the macro and micro economic environments since programme inception and mobilisation.
- The evaluation of the performance of each service line since contract start and an objective data-driven review of each sub contractor's demonstrable ability to deliver against the existing and proposed outcomes.
- Re-evaluation of the original programme objectives and hypotheses against today's macro-economic environment to consider if any adjustments are required to maximise the benefits of Growth Works for workers, learners and business leaders across the third and final year of the programme.

The central tenet in any review will be the realignment of outcome targets based on market conditions and the reallocation of programme funds to services that are proven to deliver. **Annex 2** sets out some initial recommendations that could help address any underperformance concerns.

3.5 Programme Change Notices (CCN's)

Service Line	Change Request		
	I.D.	Subject/Title	Completion Date
Skills Service	CCN.01	a. CEC Platform Enhancement: Utilise ESF funding to support the enhanced functionality and oblige GEG to deliver new CEC terms. b. Staffing: Utilising additional ESF funding to support the enhanced people resourcing in the service.	4 March 2022
Growth Coaching Service	CCN.02	BEIS funding for Growth Hub	4 March 2022
Growth Coaching Service	CCN.03	Peer to Peer Programme Delivery	31 March 2022
GEG, subcontractors, and the consortium	CCN.04	External Communications and Media Handling Protocol	22 December 2021
Inward Investment Service	CCN.05	Marketing campaign promoting Clean Tech opportunities around the Global Investment Summit & in the lead up to COP26	22 December 2021
HDC Grants	CCN.06	Introduction of new revenue grant services by GEG for HDC	30 December 2021
Inward Investment Service	CCN.07	Cambridge City ARG post-covid business recovery programme	16 December 2021
Skills Service	CCN.08	Start and Grow CRF Services	6 March 2022
Growth Coaching / Growth Hub	CCN.09	CRF Turning Point	6 March 2022
Inward Investment Service	CCN.10	£80K of repurposed Relocation Grants for interim support for Inward Investment Delivery and redistribution of remaining relocation grants across the programme duration	31 March 2022
Grants & Equity Service	CCN.11	Equity Service	01 Nov 22
Grants & Equity Service	CCN.12	£400k Expansion of The Growth Works Inward Investment Service (Via Recycled LGF Funds	01 Nov 22
Skills Service	CCN.13	ESF	TBC

4.0 FINANCIALS

4.1 Financial Assumptions

The Growth Works Programme is a three-year contract, spread over four financial years due to the start date of the contract.

4.2 Table 1 below, shows the projected funding and expenditure profile.

	£m									
	Year 1		Year 2			Year 3		Year 4		Total
Funding	2.122		12.466			6.081		9.567		30.24
Expenditure	2.124		9.749			7.384		10.337		29.60

4.3 Table 2 below, shows the annual cash flow for the company.

Table 1 - Projected income & expenditure									
Growth Service Cashflow	Previous Business Plan Total	Variance ***	FY 20/21 Total	FY 21/22 Total	FY 22/23 YTD	FY 22/23 Total	FY 23/24 Total	Grand Totals	
Income									
LGF Equity Investment	£ 5,407,000	£ -	£ 2,000,000	£ 3,407,000	£ -	£ -	£ -	£ 5,407,000	
CA Skills Rapid Response	£ 150,000	£ -	£ -	£ 100,000	£ -	£ 50,000	£ -	£ 150,000	
CA Economic Rapid Response	£ 150,000	£ -	£ -	£ 100,000	£ -	£ 50,000	£ -	£ 150,000	
CA Contract with CEC	£ 240,000	£ -	£ -	£ 80,270	£ -	£ 79,730	£ 80,000	£ 240,000	
CA Enterprise Zone Receipts	£ 927,000	£ -	£ -	£ 230,000	£ -	£ 279,000	£ 418,000	£ 927,000	
Additional Business & Skills Funding	£ 23,465	£ -	£ -	£ 23,465	£ -	£ -	£ -	£ 23,465	
20/21 Marketing	£ -	£ 55,000	£ -	£ 55,000	£ -	£ -	£ -	£ 55,000	
CA/BEIS Growth Hub	£ 738,000	£ 73,342	£ 6,592	£ 536,500	£ -	£ 268,250	£ -	£ 811,342	
ERDF Nudge Grants	£ 3,000,000	£ -	£ -	£ 1,975	£ 500,782	£ 620,782	£ 2,377,243	£ 3,000,000	
ESF Funding	£ 2,035,547	£ -	£ 14,223	£ 945,772	£ 46,530	£ 633,600	£ 441,951	£ 2,035,546	
LGF Investment Fund (Capital)	£ 11,043,000	£ -	£ -	£ 2,310,851	£ 854,690	£ 2,982,149	£ 5,750,000	£ 11,043,000	
LGF Investment Fund (Revenue)	£ 500,000	£ -	£ -	£ -	£ -	£ -	£ 500,000	£ 500,000	
20/21 EU Exit Readiness	£ -	£ 12,049	£ 12,049	£ -	£ -	£ -	£ -	£ 12,049	
20/21 Growth Hub Supplemental	£ -	£ 89,569	£ 89,569	£ -	£ -	£ -	£ -	£ 89,569	
20/21 Peer to Peer	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	
Business Growth OPEX	£ -	£ 5,500	£ -	£ 5,500	£ -	£ -	£ -	£ 5,500	
Cambis CC Cambridge Knowledge	£ -	£ 315,000	£ -	£ 315,000	£ -	£ -	£ -	£ 315,000	
GEG Webiste Invoice	£ -	£ 120	£ -	£ 120	£ -	£ -	£ -	£ 120	
CPCA - Recharge of LG Time	£ -	£ 2,463	£ -	£ 2,463	£ -	£ -	£ -	£ 2,463	
Hunts DC	£ -	£ 50,000	£ -	£ 50,000	£ -	£ -	£ -	£ 50,000	
HDC ARG Grant - CRF	£ -	£ 400,000	£ -	£ 400,000	£ -	£ -	£ -	£ 400,000	
AEB NRS Recharge LG Time	£ -	£ 2,000	£ -	£ 2,000	£ -	£ -	£ -	£ 2,000	
CRF Turning Point CCN	£ -	£ 5,000	£ -	£ 5,000	£ -	£ -	£ -	£ 5,000	
CRF Start & Grow CCN	£ -	£ 5,000	£ -	£ 5,000	£ -	£ -	£ -	£ 5,000	
PCC ARG Grant - CRF	£ -	£ 400,000	£ -	£ 400,000	£ -	£ -	£ -	£ 400,000	
FDC ARG Grant - CRF	£ -	£ 200,000	£ -	£ 200,000	£ -	£ -	£ -	£ 200,000	
CPCA CRF Start & Grow	£ -	£ 2,350,000	£ -	£ 1,550,000	£ -	£ 800,000	£ -	£ 2,350,000	
CPCA CRF Turning Point	£ -	£ 829,066	£ -	£ 512,066	£ -	£ 317,000	£ -	£ 829,066	
HDC ARG Grant - Initial CCN	£ -	£ 1,227,904	£ -	£ 1,227,904	£ -	£ -	£ -	£ 1,227,904	
Totals	£ 24,214,012	£ 6,022,012	£ 2,122,433	£ 12,465,886	£ 1,402,002	£ 6,080,511	£ 9,567,194	£ 30,236,023	
Expenditure	Previous Business Plan Total	Variance ***	FY 20/21 Total	FY 21/22 Total	FY 22/23 YTD	FY 22/23 Total	FY 23/24 Total	Grand Totals	
Staffing (see tab for details)	£ 791,936	£ 10,754	£ 45,612	£ 252,217	£ 163,906	£ 247,481	£ 257,380	£ 802,690	
Administration (see tab for details)	£ 321,106	£ 64,072	£ 45,612	£ 101,238	£ 21,733	£ 181,085	£ 57,243	£ 385,178	
Grants & Equity Investment Administration	£ 780,001	£ -	£ 190,152	£ 322,575	£ 100,580	£ 203,281	£ 63,993	£ 780,001	
Capital Growth Grants	£ 10,270,000	£ -	£ -	£ 2,310,851	£ 854,690	£ 2,209,149	£ 5,750,000	£ 10,270,000	
Innovation & Relocation Grants	£ 93,000	£ -	£ -	£ -	£ -	£ -	£ 93,000	£ 93,000	
Skills Brokerage Operational Budget	£ 3,308,568	£ -	£ 850,000	£ 982,571	£ 351,249	£ 843,427	£ 632,570	£ 3,308,568	
Portal Development (50% ESF)	£ 280,000	£ -	£ -	£ -	£ -	£ 280,000	£ -	£ 280,000	
Inward Investment Service Budget	£ 1,667,205	£ -	£ 485,000	£ 675,000	£ 250,000	£ 470,000	£ 37,205	£ 1,667,205	
NHS Cambis & Pboro H&W	£ 3,202,000	£ -	£ 500,000	£ 1,250,000	£ 600,000	£ 1,100,000	£ 352,000	£ 3,202,000	
BGS Nudge Grants	£ 1,000,000	£ -	£ 7,876	£ 4,500	£ 36,812	£ 250,000	£ 737,624	£ 1,000,000	
ERDF Nudge Grants	£ 3,000,000	£ 63,975	£ -	£ 207,975	£ 310,392	£ 500,000	£ 2,356,000	£ 3,063,975	
CRF Start & Grow	£ -	£ 2,350,000	£ -	£ 1,550,000	£ -	£ 800,000	£ -	£ 2,350,000	
CRF Turning Point	£ -	£ 812,066	£ -	£ 512,066	£ -	£ 300,000	£ -	£ 812,066	
Hunts ARG Administration	£ -	£ 45,000	£ -	£ 45,000	£ -	£ -	£ -	£ 45,000	
CCC Intensive Knowledge	£ -	£ 307,500	£ -	£ 307,500	£ -	£ -	£ -	£ 307,500	
Hunts ARG Grants	£ -	£ 1,227,904	£ -	£ 1,227,904	£ -	£ -	£ -	£ 1,227,904	
Totals	£ 24,713,816	£ 4,881,271	£ 2,124,252	£ 9,749,397	£ 2,689,362	£ 7,384,423	£ 10,337,015	£ 29,595,087	
Opening Balance	£ -	£ 499,804	£ -	£ 1,819	£ -	£ 2,714,670	£ 1,410,758	£ -	
Total Income	£ 24,214,012	£ 6,022,012	£ 2,122,433	£ 12,465,886	£ 1,402,002	£ 6,080,511	£ 9,567,194	£ 30,236,023	
Total Expenditure	£ 24,713,816	£ 4,881,271	£ 2,124,252	£ 9,749,397	£ 2,689,362	£ 7,384,423	£ 10,337,015	£ 29,595,087	
Closing Balance	£ 499,804	£ 640,936	£ 1,819	£ 2,714,670	£ 1,287,360	£ 1,410,758	£ 640,936	£ 640,936	

4.4 Table 3 below, details the proposed operating costs of the company.

CPCA Seconded/Recharged Staff		22/23		23/24		
		100%		104%		
Role	Salary Incl. Oncosts	FTE	£ Cost	FTE	£ Cost	Total Cost
Director	-	1	£7,047	1	£7,329	£14,377
Director	£115,249	0.2	£23,050	0.2	£23,972	£47,022
Director	£74,926	0.2	£14,985	0.2	£15,585	£30,570
Director	£-	1	£4,000	1	£4,160	£8,160
Director - ESF 50%	£109,287	0.2	£10,929	0.2	£11,366	£22,295
Secretariat	£-	1	£4,634	1	£4,820	£9,454
LGF Management	£72,105	0.1	£7,210	0.1	£7,499	£14,709
Finance	£65,461	0.2	£13,092	0.2	£13,616	£26,708
Finance Assistant	£53,529	0.2	£10,706	0.2	£11,134	£21,840
Project Co-ordinator - ERDF	£37,976	0.5	£18,988	0.5	£19,748	£38,736
HR	£46,824	0.1	£4,682	0.1	£4,870	£9,552
Performance	£57,326	0.2	£11,465	0.2	£11,924	£23,389
Total Cost of CPCA Staff			£130,789		£136,021	£266,810
Growth Company Staff						
Role	Incl. Oncosts	FTE	£ Cost	FTE	£ Cost	
Independent chair	£26,100	1	£26,100	1	£27,144	£53,244
ERDF Support - 50% ESF	£43,627	1	£21,813	1	£22,686	£44,499
ERDF Manager - 50% ESF	£77,394	1	£38,697	1	£40,245	£78,941
Total Cost of Growth Co Staff			£86,610		£90,074	£176,684
Combined Staffing Costs			£217,399		£226,095	£443,495
Operational Overheads for CPCA Staff only = 23% of staffing			£30,082		£31,285	£61,366
Total Staffing Costs inc Overheads			£247,481		£257,380	£504,861

4.5 Table 4 below, details the proposed administrative / running costs of the company, including the staffing overhead recharge from CPCA to Growth Co.

Title	FY 20/21	FY 21/22	FY 21/22	FY 22/23	FY 22/23	FY 23/24	FY 24/25	Totals
	Actual	Actual	Actual	YTD (Nov)	Forecast	Forecast	Forecast	
Opportunity Peterborough	£ 38,373	£ -			£ -	£ -	£ -	£ 38,373
Audit	£ -	£ 1,500	£ 1,500		£ 1,500	£ 5,000	£ 5,000	£ 14,500
Payroll Processing	£ 45	£ 630	£ 720	£ 360	£ 540	£ 540	£ -	£ 2,475
Xero Finance Software	£ -	£ 455	£ 427	£ 430	£ 276	£ 276	£ 276	£ 1,710
Citrus HR	£ -	£ 1,107	£ 1,135	£ 666	£ 600	£ 600	£ -	£ 3,442
IT Services/Equipment	£ 1,279	£ 120		£ 1,479	£ 3,500	£ 3,500	£ -	£ 8,399
Legal	£ -	£ 46,333	£ 27,099	£ 10,832	£ 5,000	£ 5,000	£ -	£ 83,432
Phones	£ -	£ -	£ 3,941		£ 1,000	£ 1,000	£ 500	£ 6,441
Recruitment Costs	£ -	£ -			£ 2,000	£ 2,000	£ 2,000	£ 6,000
Marketing & Comms	£ -	£ 40,000		£ 519	£ 2,000	£ 2,000	£ -	£ 44,000
Training & Audit	£ -	£ -			£ 10,000	£ -	£ -	£ 10,000
ESF/ERDF Consultant	£ -	£ 20,388	£ 25,667	£ 2,869	£ -	£ -	£ -	£ 46,055
Deyton Bell	£ -	£ 5,280			£ -	£ -	£ -	£ 5,280
Procurement (Potential)	£ -	£ -			£ -	£ -	£ -	£ -
Central Overheads 23%	£ -	£ 33,169			£ -	£ -	£ -	£ 33,169
Insurance	£ -	£ -			£ 6,000	£ 6,000	£ -	£ 12,000
Banking	£ -	£ 167	£ 167	£ 345	£ 500	£ 500	£ -	£ 1,334
Travel Expenses	£ -	£ -			£ 1,500	£ 1,500	£ -	£ 3,000
HubSpot	£ -	£ 40,463	£ 40,582		£ 109,537	£ -	£ -	£ 190,582
Secretarial				£ 4,233				
Totals	£ 39,696	£ 189,611	£ 101,238	£ 21,733	£ 143,953	£ 27,916	£ 7,776	£ 510,190

4.6 Financing the Growth Co

- In early 2020, the CPCA was successful in its application to the Business Board for £5,407,000 capital investment from LGF to be made into the Growth Co, a further £400,000 of capital investment from the LGF Recycled Fund into the Growth Co was secured in June 2022. The shares in Growth Co held by the Authority will be managed by the Authority and the Authority will exercise all shareholder voting rights. The value of the shares and any dividend will be ringfenced for the objectives of the Business Board as part of the Single Pot approach to the LGF.
- The CPCA secured for £5,095,141 of revenue funding from European Structural and Investment Funds ("ESIF") including both European Regional Development Fund at £3,050,585 ("ERDF") and European Social Fund ("ESF") programmes at £2,044,556, which it shall provide as grant to the Growth Co.
- The CPCA shall itself allocate £2,265,000 of revenue funding from its own budget to be paid to the Growth Co. This comprises of £738,000 from Growth Hub, £150,000 from CA Skills Implementation, £150,000 CA LIS Implementation and £927,000 from CA Enterprise Zone Receipts.
- £3,000,000 of the funds will be used by the Growth Coto provide grants to fund growth coaching services delivered by third party coaches during the contract duration. This will be match funded by service users, so that the services delivered by third party coaches will be funded 50% by the grants from the Growth Co and 50% from fees paid to the third-party coaches by the service users.

- One of the funds that the Growth Co will be charged with managing is the Small Business Capital Growth Investment Fund from the LGF. This is a pot of £11,500,000 which the Growth Co will use to provide capital grants to businesses and to make co-investments into businesses of between £150,000 and £250,000 in return for a commensurate amount of share equity in those businesses. The Growth Co will exercise all shareholder rights for these shares acquired in equity investments, although the value and any dividend received will be ringfenced for Business Board objectives as with the equity investment into the Growth Co itself.

5.0 OPERATIONS

5.1 Operating Model & Organograms

Growth Co has procured Gateley's to deliver the Growth Works programme (formally the Business Growth Service), and delivery partners YTKO (Growth Coaching Service) and GPC (Skills Service).

Annex 3 sets out organograms for the Growth Works PMO function and each service line.

5.2 Operational Objectives

- To deliver the agreed outputs of the Growth Works Programme over the duration of the contract
- To manage Growth Co effectively and efficiently
- To performance manage through excellent contract management the external supplier(s) of Growth Works

6.0 STAFFING

6.1 The Growth Co Programme Board

The Board consists of an Independent Chairperson, Interim Corporate director and the Chief Finance Officer for the CPCA. Two directors are sufficient for quoracy of Board decisions. Expectations of the directors, which are statutory duties owed by each director to the company:

- A director must act within their powers under the company's constitution
- A director is to promote the success of the company
- A director must exercise independent judgement
- A director must exercise reasonable skill, care and diligence in their role
- A director must avoid or manage conflicts of interest which may affect their objectivity
- A director must not to accept benefits from third parties
- A director must declare interest in proposed transactions or arrangements

Directors will be legally responsible for the running of the company including filing responsibilities to Companies House. A company secretary was appointed through the outsourced procurement of Trowers legal firm to fulfil this function.

7.0 OTHER RESOURCES

7.1 Support services in the form of HR, Finance, Legal, HR & IT services

Employed personnel – one FTE ESF/ERDF programme manager, one FTE ESF co-ordinator and one

0.5 FTE ERDF co-ordinator to monitor, evidence funding claims and contract manage the delivery of the Growth Works Programme through Growth Works supplier.

8.0 SUPPLIES, SYSTEMS, AND INFRASTRUCTURE

8.1 Service Level Agreement (SLA)

The CPCA will continue to provide support services to Growth Co, and this will be managed through establish contractual SLAs for each support service. This will include measurable performance indicators, break clauses and remedies for non-performance. There will be an annual review of processes whereby SLAs are refined to reflect the support Growth Co needs more accurately.

8.2 Use of External Suppliers

Growth Co will seek to use local external suppliers where the appropriate service can be competitively sourced.

8.3 Property & Assets

Growth Works is the trading name of GEG Services Limited a company registered in England and Wales, company number: 12374579 registered offices: One Eleven, Edmund Street, Birmingham, England, B3 2HJ. To be flexible, local office accommodation arrangements will be reviewed annually.

8.4 Information Sharing

An information sharing protocol will be developed during implementation.

8.5 Data Protection

Growth Co will comply with the relevant legislation and guidance concerning Data Protection including The General Data Protection Regulation (EU) 2016/679 (GDPR). Growth Co will adopt suitable policies and procedures to ensure data is adequately safeguarded.

8.6 Freedom of Information

As a company wholly owned by CPCA, Growth Co will be subject to requests for the disclosure of information under the Freedom of Information Act 2000 (FOI) in its ownright. As such, Growth Co will maintain a record management system that complies with the relevant guidance concerning the maintenance and management of records.

Growth Co will liaise with CPCA as appropriate to ensure consistency in answering FOI requests and provide such information to CPCA as it may require answering requests it has received.

9.0 MARKETING & PROMOTION

In line with CPCA's Vision and Values, Growth Co will develop its Brand and Marketing Strategy with the new external procured supplier(s) of the Growth Works Programme, with a view to clearly articulating its proposition to the marketplace.

10.0 SWOT & RISK ANALYSIS

10.1 The Localism Act 2011

This requires the CPCA to include a risk assessment as part of the business plan for the establishment of Growth Co.

10.2 PESTLE Analysis

In order to properly assess the risks associated with establishing a new company a high-level PESTLE Analysis and SWOT Analysis have been prepared. The PESTLE is a high-level analysis that examines the external environment and identifies the Political, Economic, Social, Technological, Legal and Environmental factors that could impact the Growth Co.

Political <ul style="list-style-type: none">➤ Funding streams & values➤ Changes in political priorities➤ Immigration	Economic <ul style="list-style-type: none">➤ Economic growth➤ Impact of COVID 19, Recession and Energy costs➤ Interest rates, inflation
Social <ul style="list-style-type: none">➤ Inclusive Growth➤ Mitigating jobs losses➤ New Skills opportunities for individuals and communities➤ New Census population metrics	Technological <ul style="list-style-type: none">➤ Innovative technology for grants administration➤ Virtual and online support provision for businesses and individuals
Legal <ul style="list-style-type: none">➤ Statutory obligations➤ Local Plans	Environmental <ul style="list-style-type: none">➤ Climate change action plan➤ Sustaining green recovery➤ Carbon reduction targets

10.3 SWOT Analysis

Strengths <ul style="list-style-type: none">➤ Local market knowledge➤ Assists CPCA with delivering its objectives➤ Connection with communities➤ Existing expertise available to provide early-stage support➤ Compliant and rigid vehicle	Weaknesses <ul style="list-style-type: none">➤ Unaccounted costs (Money and time)➤ Underperformance of contracted workstreams with businesses and individuals➤ Insufficient resources/support
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Opportunities	Threats
<ul style="list-style-type: none"> ➤ Rapid response to macro effects on business recovery ➤ Closer to marketplace for new interventions ➤ Positive impact across MarketTowns 	<ul style="list-style-type: none"> ➤ Funding ➤ National macro-economic environment ➤ 'Cost of Living' crisis ➤ Post Covid-19 'hybrid' working

10.4 Risk Management

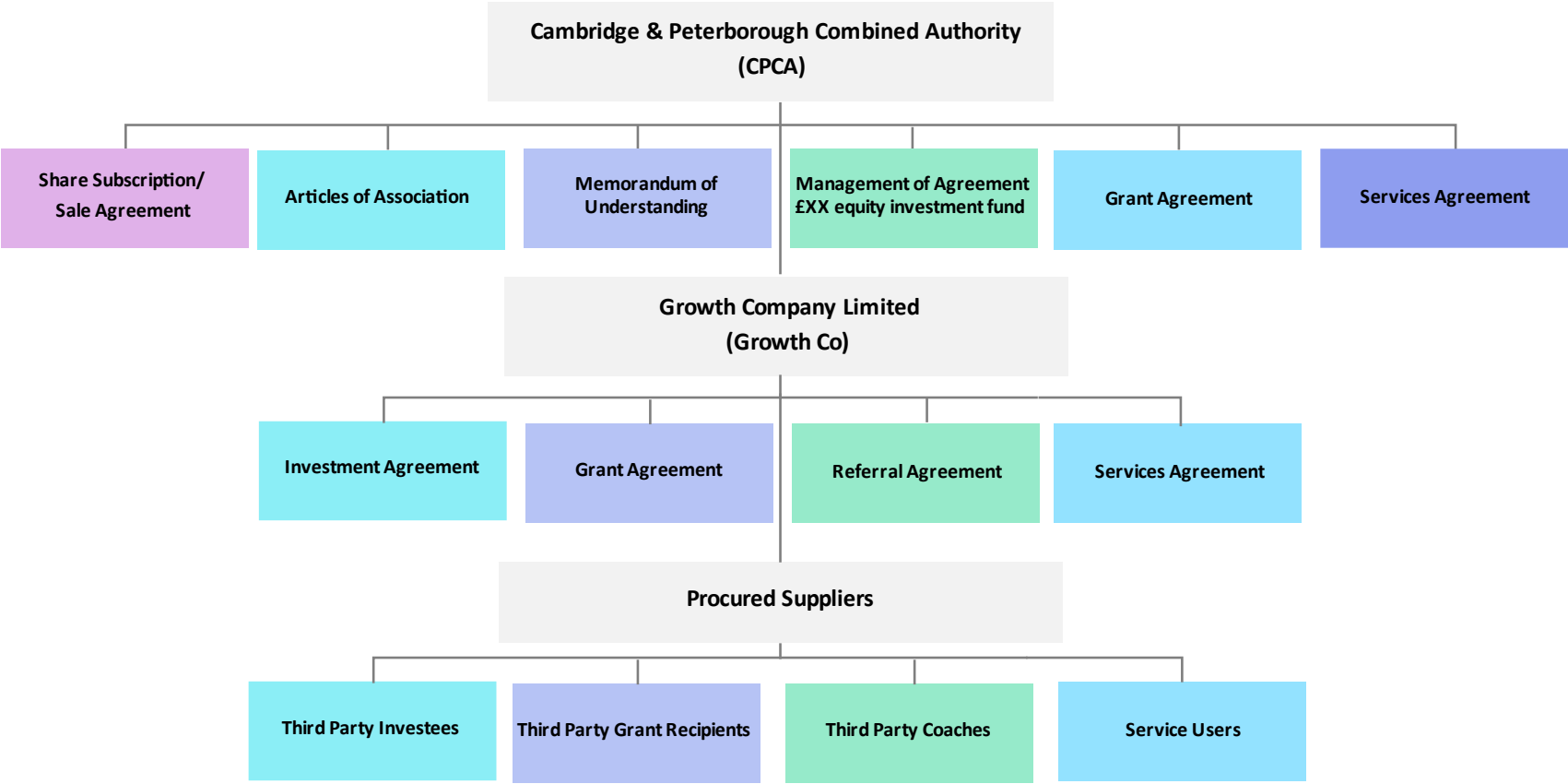
Commercial risks such as venture failure and financial loss ultimately resides with the Growth Co. A risk register will be maintained and wherever possible the Growth Co shall put in place measures to mitigate risks and will review all key risks at each Board meeting as a standing item. Currently, the top key risks focus areas are:

- High level direction of subsidiary companies
- Future funding
- Growth Coaching service line
- Skills service line
- Programme cashflow
- Service delivery at district level

11.0 NEXT STEPS & BEYOND 2023

The current Business Growth Service contract (Growth Works) and committed funding runs until end of December 2023. The Government is also reviewing the provision of funding for local Business Support provision through the Growth Hubs and Local Enterprise Partnerships and is potentially stopping or reducing funding from April 2024. The Growth Co executive team are in discussions with CPCA around the future of business support provision for Cambridgeshire & Peterborough from 2024, this also includes CPCA commissioning an external independent consultant to explore and produce options for future business support aligned to the adopted CPCA Economic Growth Strategy and its implementation plan. The Growth co as an established subsidiary for CPCA can continue to play a pivotal role in the future delivery of programmes and services as these are developed and funded.

ANNEX 1 – CONTRACT STRUCTURE



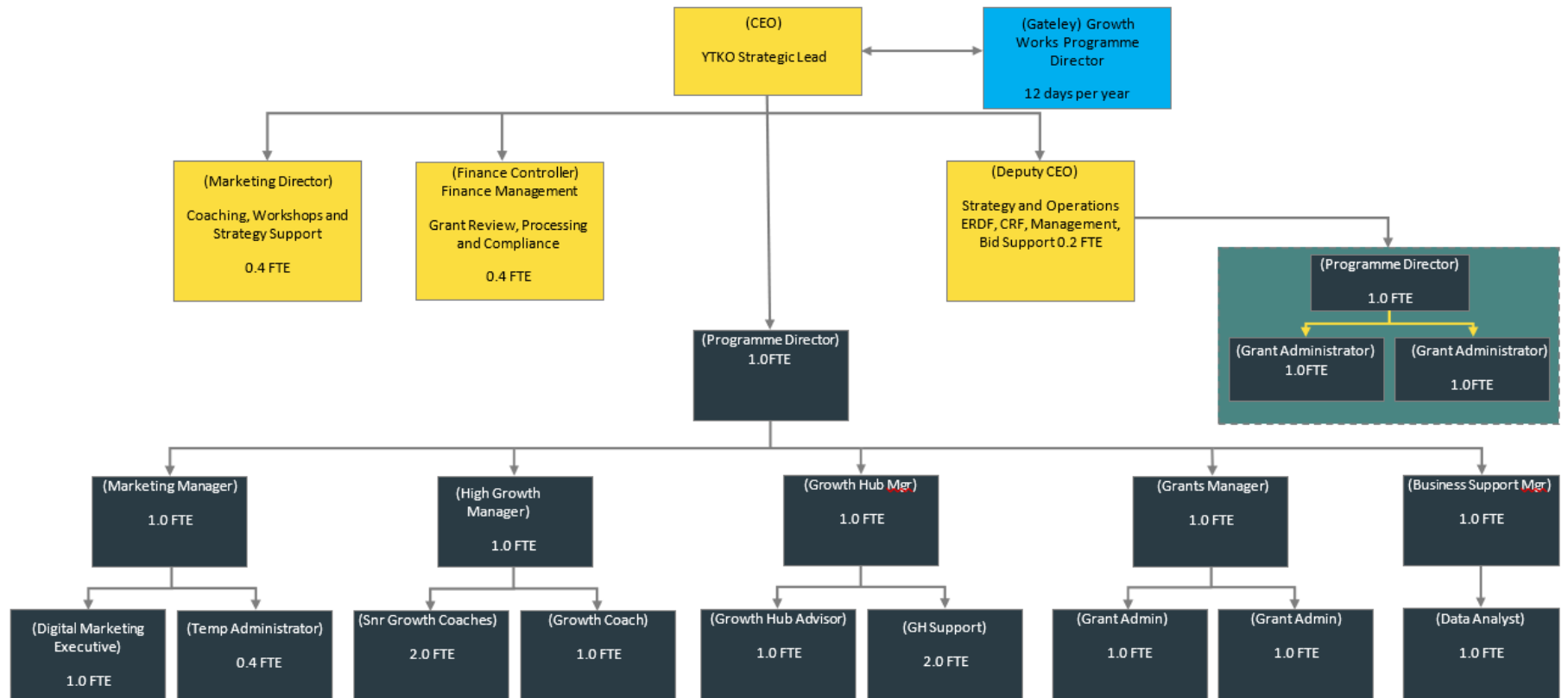
ANNEX 2 - SUMMARY OF RECOMMENDATIONS FROM THE GROWTH WORKS PROGRAMME REVIEW

In order to ensure Growth Works' offering is realigned to current market conditions and reflects insight gained from businesses, the Company has set out the following recommendations which were approved by the Skills Committee, Business Board and Combined Authority Board in November 2022 and are being implemented through Contract Change Notices with Growth Works contractors:

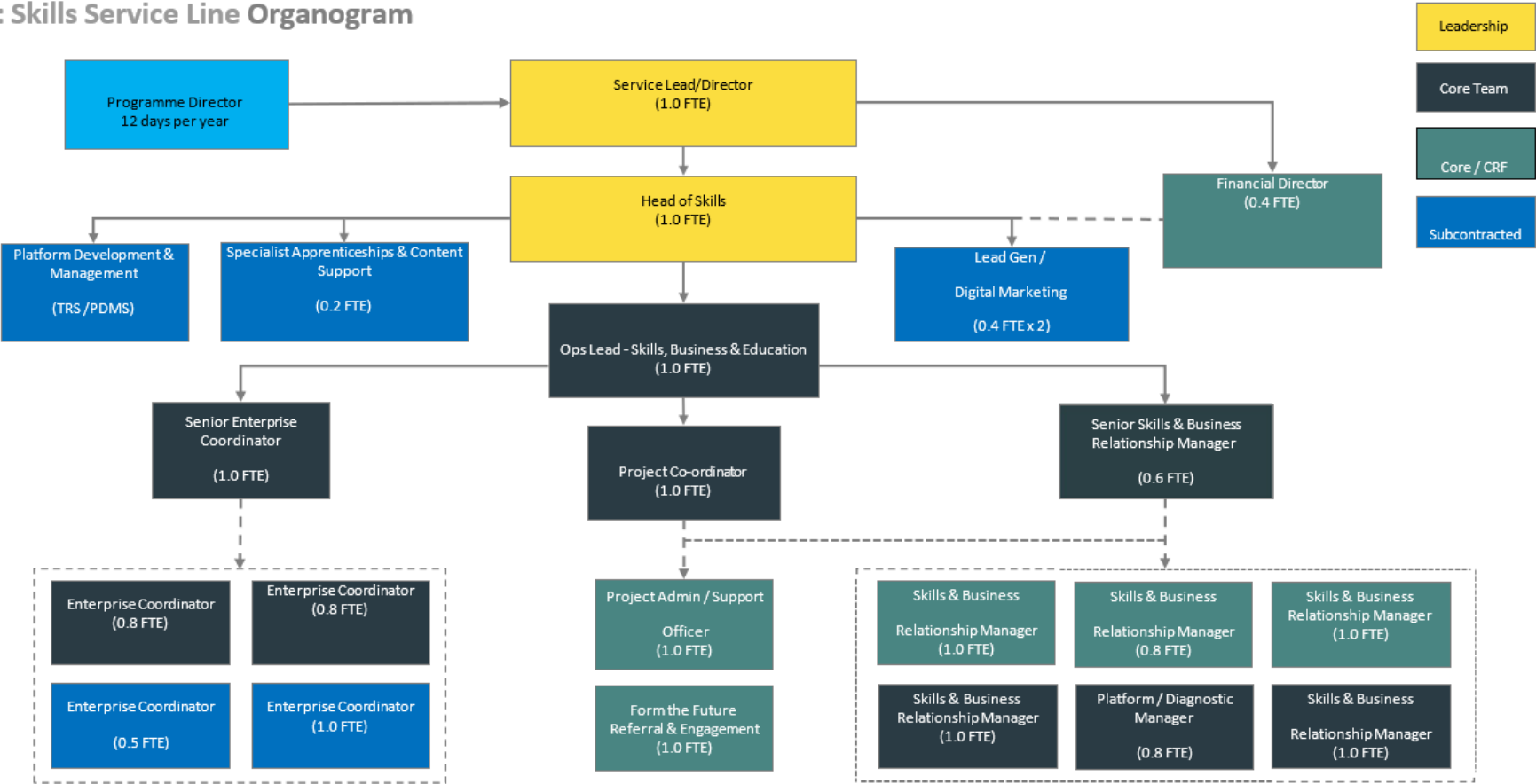
1. Increasing the jobs to be created from the £3,000,000 ERDF-funded grant programme from 400 to 1,240 building on the programme's strong performance to date¹⁰ and fully leveraging the ongoing Project Change Request.
2. The Growth Coaching Service would be reduced to ensure it can still service existing clients delivering an additional 707 jobs on top of the 710 (ex-ERDF) created to date. The revised total target of the Growth Coaching Service is 1,417 (ex-ERDF). This reduction in service reflects the lack of market demand while ensuring continuity for existing clients.
3. Reallocating £500,000 of Local Growth Funding and 454 jobs from Growth Coaching to Inward Investment, to give a total of 1,262 across the contract.
4. Growth Works with Skills have been pursuing a Key Account Management model throughout the programme to-date and while this has had some impact, performance data shows it lacks the immediacy and sustained business engagement required to deliver the volume of outputs required within the duration of this contract. We recommend the service pivot from focusing on longer term culture change to medium term deliverables in order to deliver the required learning outcomes, apprenticeship starts and ESF KPIs; this will require both strategic and operational changes at pace.

ANNEX 3 – ORGANOGRAMS OF GROWTH CO CONTRACTORS (GROWTH WORKS)

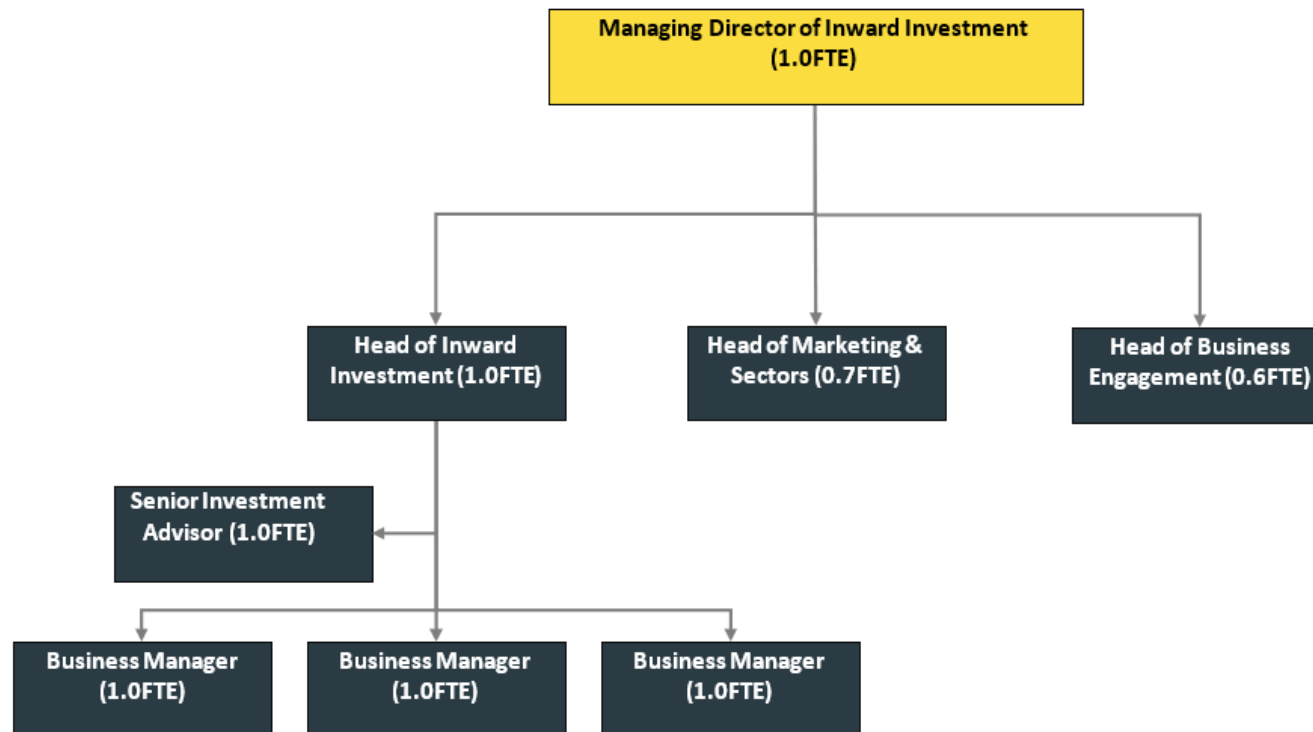
YTKO: Growth Coaching, Grants & CRF Service Organogram



GPC: Skills Service Line Organogram



Gateley: PMO Service Organogram



Gateley: PMO Service Organogram

