

Report to:	Economic Growth and Development Overview and Scrutiny Committee	
Date:	28 February 2023	
Title:	Business Attraction and Investment	
Portfolio Area:	Economy	
Divisions Affected:	All	
Local Member(s) briefed:	N/A	
Relevant Scrutiny Committee: Economic Growth and Development		
Authors, Roles and Contact Details:	<p>Glenn Caplin-Grey, Service Director for Economy and Skills, glenn.caplin-grey@cornwall.gov.uk, 07483 362591</p> <p>Nicky Pooley, Head of Economic Projects nicky.pooley@cornwall.gov.uk</p> <p>Stu Anderson, Operations Director – CloS Growth Hub stu@ciosgrowthhub.com</p> <p>Nicola Lloyd, Director of Trade and Investment nicola.lloyd@cornwall.gov.uk</p>	
Approval and clearance obtained:		Y
Date next steps can be taken		
For Cabinet and delegated executive decisions only		
Key decision? (≥£500k in value or significant effect on communities in two or more electoral divisions)		Y
Published in advance on Cabinet Work Programme?		Y
Urgency Procedure(s) used if 'N' to Work Programme?		N

Recommendation:

Members to note the current Growth Hub and Inward Investment delivery models and comment on the future model.

1 Executive Summary

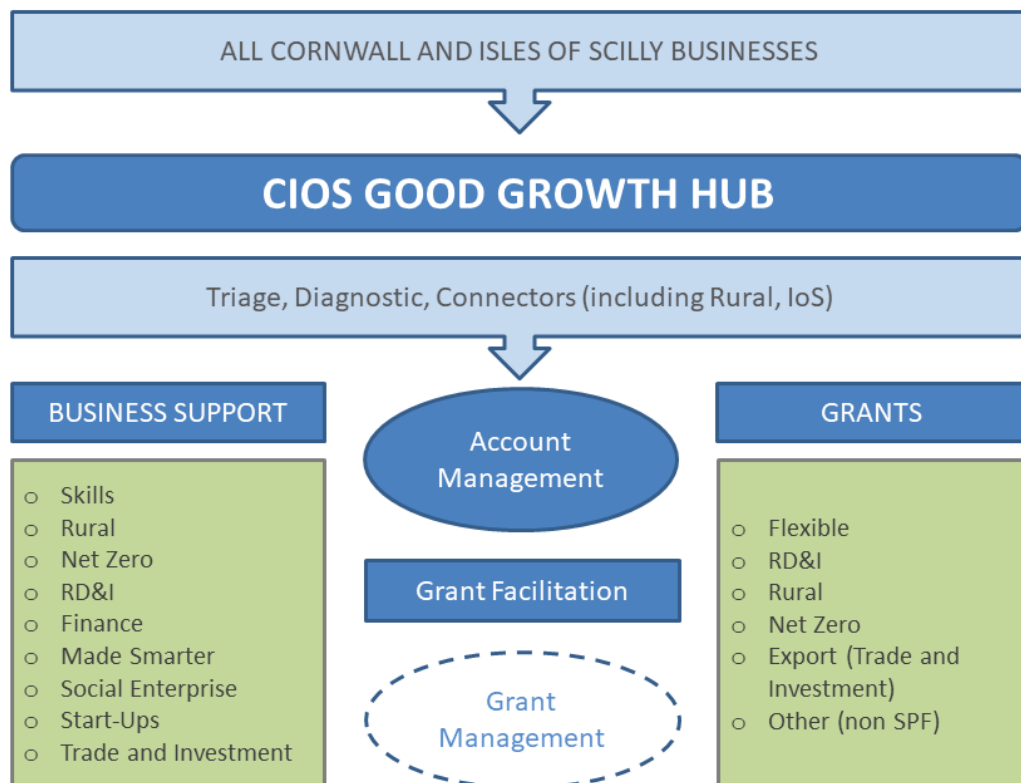
- 1.1 Over the past seven years the Cornwall and Isles of Scilly (CloS) Growth Hub, funded through European Regional Development Fund (ERDF) has provided a central point for businesses to be able to access business support. It has helped simplify the route to business support which is seen as one of the main barriers to business growth and productivity improvements. It is a service of Cornwall Council but sits within a network of 38 Growth Hubs around England support through the Cities and Local Growth Unit of HM Government.
- 1.2 Cornwall Trade and Investment (CTI) has operated in its current form since 2018, predominately funded by ERDF. CTI has generated strong results in relation to both inward investment and engaging with local businesses to encourage trade activity. The CTI team has an extensive global network, strength in lead generation, client management, and cross industry expertise which assists economic growth and the creation of local jobs.
- 1.3 This report highlights the current work of both services of Cornwall Council, summarises some of areas that work well, and areas that do not work so well. It then outlines the future plans for the projects to evolve under the Shared Prosperity Fund. The purpose of the report is to ask members to note the current Growth Hub and Inward Investment Delivery Models and comment on the proposed future model.

2 Purpose of Report and key information

- 2.1 **The Cornwall and Isles of Scilly Growth Hub (GH)** is a Cornwall Council function and one of 38 Growth Hubs in England. Launched in 2016 and coordinated by the Cities and Local Growth Unit at the Department for Business, Energy and Industrial Strategy / Department for Levelling Up, Homes and Communities, Growth Hubs are in place to support SMEs to grow. Growth Hubs act as local gateways to business support, skills and training opportunities with impartial, expert, critical friend advice at no cost to the business. The CloS Growth Hub provision is built around a business/skills review, with referrals, research, information and guides that are client centred.

- 2.2 Since inception in 2016, the CloS Growth Hub has directly supported over 5000 businesses and received over 30,000 phone calls. It has been funded through ERDF, the CloS Local Enterprise Partnership and Cornwall Council funding.
- 2.3 The current package of support/intervention is three hours (minimum) for the CloS Growth Hub and consists of; data collection; triage; in-depth diagnostic; research and planning; referrals and ‘signposts’ to support organisations; account management; follow up activity and quality control. It sees 25-30 in-depth diagnostic reviews with business per week, with a range of enquiries including start up support, business planning, growth and development, funding and grants, sales and marketing and general business support.

Good Growth Hub Single Front Door



- 2.4 **Cornwall Trade and Investment (CTI)** is a Cornwall Council function part funded through ERDF to generate new inward investments and support Cornwall based Small and Medium-sized Enterprises (SME’s) with trade and export support that leads to the creation of new jobs. Outside of ERDF investment, it provides dedicated resource to support inward investment from UK relocations, support for non-SME UK inward investment and foreign direct investment from non-SMEs and aftercare support for new and existing

inward investors to monitor growth opportunities and achievements. Its current key functions are:

- Inward Investment
- Increased Trade
- Improved Visibility of Cornwall's Industry
- Quality Jobs

2.5 CTI facilitates a variety of industries, including: Advanced manufacturing; Mining; Space; Aerospace; Health-tech; Food and Drink; Energy and Climate; Digital and Creative; Agri-tech and; Professional Services.

2.6 Outside of the UK, inward Investment leads have originated from a variety of countries including: United States; Sweden; Finland; Australia, Spain, Chile, France, Germany, Israel and; South Africa.

2.7 CTI's activities have seen improved visibility and perception of Cornwall with networks developed in 33 countries, 135,000 website visits from 125 countries and nearly 11,500 followers on social networks. Alongside this, the CTI have been active with the Department for International Trade on 'High Potential Opportunities' such as mining, alongside events such as the G7 and promotion of Cornwall's Enterprise Zones.

2.8 **What works**

2.9 With the end of ERDF funding and the prospect of Shared Prosperity Fund provision, there are elements of existing provision to be maintained:

- Experienced teams/experts
- Communications: Built strong, respected brands, recognisable to businesses. Focus has been to ensure 'hard to reach' businesses can access support.
- Simplification of landscape
- Legacy- a constant for seven years, businesses know and trust.
- Scalability: able to move very quickly to provide support in times of economic shock/opportunity - the COVID period, EU Exit Support, G7.
- CRM and technology: a very comprehensive CRM (customer Relationship Management) system, website, social media toolbox and data led operations

2.10 **What does not work**

- Uncertainty in future policy/funding; stop-start nature of funding means staff exit - expertise and knowledge lost (estimated six months for a Business Connector to be trained in the role)
- Time bound interventions are not relevant to all businesses
- Inability to work with all sectors- such as Agri and Fisheries with ERDF Funds
- Route to market for business support has been simplified but ongoing creation of support mechanisms undermines this

2.11 Future activities

2.12 Both the Growth Hub and Cornwall Trade and Investment will look to continue to provide these services to businesses through SPF investment, 'pivoting' to become elements of the 'Good Growth Hub'.

2.13 For the Growth Hub, SPF funds would allow the Growth Hub to continue its service to businesses through Cornwall Council but focus also on better defragmentation and co-ordination of business support activity, with delivery across a variety of SPF Interventions:

- E18: Supporting made smarter adoption
- E23: Strengthen local entrepreneurial ecosystems
- E24: Training hubs, business support offers, incubators
- E26: Growing the local social economy
- E28: Export grants to grow overseas trading etc.
- E30: Business support measures to drive employment growth
- E31: Support relevant feasibility studies

2.14 The focus of Growth Hub operations going forward will align with the SPF programme to provide targeted and focussed green and socially responsible business support to deliver Cornwall and the Isles of Scilly's Good Growth ambitions. It will target businesses that have the ambition and capacity to grow/scale and improve productivity or deliver improvements in their environmental sustainability or social responsibility through a 'single point of contact' that will offer triage, diagnostic and commissioning of provision and specialist support.

2.15 Year 1 SPF Direct Grant Delivery is a single Grant Funding Service already being delivered by Cornwall Council's Economy and Skills Service under the Good Growth Hub brand, channelling various business focussed intervention allocations, both capital and revenue, within a single application process. This includes business and skills grant delivery for Net Zero, Business/Employment

Growth, Productivity Improvements, Digital, Export, Feasibility, Advanced Manufacturing, Research, Development and Innovation (RD&I), and Social Enterprise. Specific intervention rates are attributed to ensure appropriate leverage across grant areas, with grant values ranging from £0.005m to £0.250m depending on intervention.

- 2.16 Year 1 SPF delivery of the Grant Funding Service will maximise SPF expenditure. Grant deployment will be subject to a number of checkpoints including Good Growth principles. Year one grant service development, administration and facilitation costs will be provided through Intervention E23 with expenditure impacting on the number of grants delivered. The Good Growth Hub will provide considerable marketing expertise as the 'route to market' for businesses seeking grants utilising a variety of tools available to use including our Zoho Database of clients (Circa 5,000 clients) and Beauhurst Database of Growth Businesses in CIOs.
- 2.17 From April 2023 the proposed model of the Good Growth Hub will further co-ordinate the provision of business support in CIOs from across all sectors but importantly will include skills and training provision to meet business needs and support entrepreneurs. The Good Growth Hub will continue to be the focus for businesses and build on its seven years of legacy proving a key element of businesses support in what will be a smaller landscape of delivery. It is envisaged that the core service of the hub evolves to fit the needs of SPF delivery and continues to sit at the heart of business support. The core offer will consist of:
- The core triage and diagnostic process for businesses that will focus on growth and skills need.
 - A team of Business Connectors who will deliver the 'business facing' service. This will include responding to enquiries from businesses providing them with a quality service that will focus on supporting them through growth and account managing their journey.
 - The Customer Relations Management (CRM) that will continue to form the bedrock of our operation for recording all client interactions
 - Grant management of a number of delegated small grant budgets
 - Communications team to co-ordinate and deliver Comms to businesses in CIOs
 - Small grants scheme which will allow Good Growth Hub to offer fast and flexible business grants as part of a wider business support journey.
 - The Good Growth Hub will also client manage a number of potential business support services which external providers will deliver, subject to approaches to be agreed by the Economic Prosperity Panel. These

functions would be aligned to the SPF Commissioning Plan and may consider:

- Business finance
- Made Smarter
- Net Zero
- Social enterprise
- Farm diversification and food and drink production
- Skills
- Start Up
- RD&I

2.18 For CTI, SPF will allow focus on internationalising business and opportunities in Cornwall, increasing the likelihood of securing foreign direct investment in the region and encouraging businesses to reach wider markets, resulting in a greater number of high-paid careers in the region. The proposed model, attached will focus on:

2.19 Inward Investment

- Providing a professional client management service for inward investor prospects (understanding business and drivers, pitching a competitive proposition, facilitating access to enablers, liaising with Foreign Embassy and Department for International Trade staff)
- Developing a Cornwall proposition which competes against other regions in the UK and Internationally, in order encourage businesses to locate. To include articulating and promoting Cornwall's offer in relation to:
 - property and infrastructure
 - talent and networks
 - funding and investment
- Coordinating bespoke soft-landing visits for prospective investors and enablers
- Managing targeted and results based lead generation support

2.20 Export

- Enhance appetite for export from Cornwall by promoting opportunities, ambassadors, and enablers
- Facilitating Cornwall trade missions to key industry events / markets, doubling as Foreign Direct Investment (FDI) supportive activity
- Assisting with export readiness assessments for Export Grants available at Good Growth Hub

2.21 Aftercare and Retention

- Client management for economically important businesses in Cornwall

- Retained contact with inward investors and export support recipients to encourage maximised growth, impact, and retention
- Identification, coordination and mitigation of flight risks
- Local point of contact for acquisition projects

2.22 Strategic Development

- Targeting key markets and developing strategic relationships (local, national, and international)
- Identifying and developing bilateral opportunities and MoU's
- Engaging with local supply chains to showcase key industries, challenging perceptions, increasing talent attraction, and assisting with inward investor interest
- Central point of contact for Department of International Trade and other Government bodies, UK and International, High Potential Opportunities
- Articulating the inward investment 'offer' – infrastructure, networks, talent, academic institutions, funding, supply chain

2.23 Capital investment

- Nurture an increase in private sector financial investment
- Liaise with existing investor networks to develop greater visibility of local investment opportunities
- Guidance to businesses to improve investment readiness of local businesses

2.24 International Events

- Identify and develop opportunities for international events to be hosted

3 Benefits for Customers/Residents

3.1 The future Growth Hub and Inward Investment Delivery Model will contribute to levelling up the CloS economy and to deliver the outcomes for the people, communities and businesses across CloS as identified in the Cornwall Council Business Plan and the Council of the IoS Corporate Plan.

3.2 Business across CloS have benefitted from the Growth Hub service for the last seven years and has built up considerable traction in terms of the 'pipeline' of businesses seeking support from the service. It is envisaged that this will continue.

3.3 In the absence of wider European Structural and Investment Funds (ESIF) funded business support in CloS, the Growth Hub will become more central to support businesses in CloS and be able to use its considerable expertise in

finding the right support, locally, regionally and nationally for businesses to become more productive and grow.

- 3.4 Localised inward investment strategies are crucial for conversion of investments. National provisions, such as Department of International Trade, would not bring about the levels of investment required to level up the CloS economy and generate resulting job opportunities.
- 3.5 CTI is ideally placed to ensure the industries best able to serve residents are appropriately promoted, attract inward investment, and flourish in CloS.
- 3.6 CTI will act as a regional anchor point to ensure businesses which may be flight risks are managed and retained in CloS, avoiding significant job losses and instability to local residents.
- 3.7 Overall, the future model will allow local businesses to access a simplified, yet comprehensive, business support offer, and it responds to the feedback from the business community that there is a need to reduce duplication, confusion and the time spent by individual business searching for the business support service that addresses their need.

4 Relevant Previous Decisions

- 4.1 On 20 July 2022 Cabinet approved the CloS Shared Prosperity Fund Good Growth Investment Plan delegating authority to implement the 2022-23 CloS Good Growth SPF Commissioning Plan in order deliver SPF government spending targets for 2022-2023 to include CloS Good Growth Hub with a total spend of £0.750m in 2022/23.

<https://democracy.cornwall.gov.uk/mgIssueHistoryHome.aspx?IId=99196>

- 4.2 On 20 January 2023 the Cornwall and Isles of Scilly Economic Prosperity Board (EPB) approved the approach to developing the proposed Good Growth Hub delivery model and financial allocation to be returned to EPB for approval in April 2023.

<https://democracy.cornwall.gov.uk/mgAi.aspx?ID=101679#mgDocuments>

5 Consultation and Engagement

- 5.1 Generally, the Growth Hub network championed through Department for Business, Energy and Industrial Strategy (BEIS) and the Cities and Local Growth Unit, has been subject to a huge amount of consultation and development at

a national level in with the aim to simplify access to business support for businesses. This has been ongoing since the inception of Growth Hubs nationally around 10 years ago.

- 5.2 Operationally, the CloS Growth Hub has had a Management Board with members drawn from representative groups and stakeholders (such as the Federation of Small Businesses and the Cornwall Chamber of Commerce) to ensure ongoing consultation and direction from the wider private sector in CIOS.
- 5.3 A significant amount of engagement work with Members and partners on the UK SPF has been undertaken in CloS in order to ensure that the CloS Good Growth SPF Investment Plan is informed by stakeholder views and the learning from previous funding rounds. As part of Facing Forward sessions stakeholders highlighted key messages and lessons learnt from previous funding rounds which has been incorporated into the CloS SPF Investment Plan which included:
- 5.4 *The current business support and skills support landscapes are both seen as overcrowded and ineffective. There is strong support among stakeholders to put in place a more streamlined and cost-effective model of business and skills support with central coordination, that includes a financial co-contribution from businesses, and which is focused on outcomes rather than simplistic output measures*
- 5.5 On 13 December 2022 and 30 January 2023, the Economic Growth and Development OSC held informal sessions where the Growth Hub and CTI presented to Members leading to this formal report.

6 Financial Implications of the proposed course of action/decision

- 6.1 There are no financial implications arising from this report. This report is for the Committee note the current Growth Hub and Inward Investment Delivery Models and comment on the future model. Funding the CloS Good Growth Hub in 2022/23 was approved by Cabinet in July 2022. The financial allocations of the Good Growth Hub delivery model will go to the EPB for approval in April 2023.
- 6.2 It is anticipated that the resources required to administer the Good Growth Hub in 23/24 and 24/25 will be covered mainly by SPF funding. Resources will need to be identified for any funding gap. There are initiation forms (Cornwall Council direct delivery) being considered by EPB on 20 February which Economy and Skills Service will need to respond to in order to secure this

funding. There is existing funding in place until 30 June 2023 to cover the existing model.

7 Legal/Governance Implications of the proposed course of action/decision

7.1 There are no direct legal implications arising from this report.

8 Risk Implications of the proposed course of action/decision

8.1 Risks associated with the current operations of the Growth Hub and Cornwall Trade and Investment are managed by the Economy and Skills Service, in line with protocols and funding agreements associated with the ERDF programmes.

8.2 Risk related to the end of EU programming and SPF programme delivery is highlighted in the report in relation to potential loss of staff and expertise required to deliver business/investor support and the Growth Hub. However, timing and approach for delivery of any revised functions are subject to decision making by the Economic Prosperity Board.

9 Cornwall Development and Decision Wheel

9.1 This report is to note giving Members an opportunity to comment on the proposed future model. A Cornwall Development and Decision Wheel was produced for Good Growth Hub Year 1 Delivery. A Cornwall Development and Decision Wheel is currently being developed for Year 2 and 3 and will be presented to the Economic Prosperity Board in April 2023.

9.2 A [Cornwall Development and Decision Wheel](#) was developed for the overall CloS Good Growth SPF Investment Plan.

10 Options available

10.1 Members are asked to note the current Growth Hub and Inward Investment Delivery Models and comment on the proposed future model.

11 Supporting Information (Appendices)

11.1 Appendix 1 - Cornwall Development and Decision Wheel Good Growth Hub Year 1 Delivery (Business and Skills Support).

12 Background Papers

12.1 None.

13 Approval and clearance**All reports:**

Final report sign offs	This report has been cleared by	Date
Governance/Legal	Melanie Hambly	15/02/2023
Finance	Jo Smith	16/02/2023
Cornwall Development and Decision Wheel	See section 9	
Service Director	Nathan Cudmore (on behalf of Glenn Caplin-Grey)	17/02/2023
Strategic Director	Phil Mason	20/02/2023