

National Inward Investment Programme

**Memorandum of Understanding between the
National Inward Investment Service**

and

**Greater Cambridge Greater Peterborough
Local Enterprise Partnership**

August 2011

This Memorandum of Understanding (MoU) exists between all parties in the national inward investment service in good faith. It is not a legal document and is non-binding. All parties enter into this agreement in the spirit of making the UK a significant platform for inward investment. The MoU will be reviewed quarterly by the individuals named in this document. Should either party seek recourse in this process, the escalation procedure will be through the Managing Director of the national service to the steering group.

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1. The national inward investment service

The national inward investment service has been created with the overarching objective of creating and structuring a step change in the delivery of FDI into the UK. At the heart of this is a new operating model (Appendix B) that provides a strong level of local engagement within a national framework of support. The aim of this new model is to generate a higher volume of success for the UK as a whole. It is based on¹ a single national network with full transparency within which sits the primary principle of putting the client first by offering them the best solution (or choice of solutions) from a UK First perspective.

2. Greater Cambridge – Greater Peterborough Local Enterprise Partnership (Abbreviated to GC-GP LEP)

GC-GP LEP provides Inward Investment and Aftercare support for the GC-GP LEP area. This is achieved through the global business marketing of GC-GP LEP area, targeting key markets and sectors, and the provision of an extensive, free and confidential package of advice and assistance for location consultants and potential investors. For the purposes of this MoU, GC-GP LEP services are available to international companies that wish to relocate to – or expand within – the GC-GP LEP area. Also for this MoU, GC-GP LEP has secured the nomination of GC-GP Core Team led by the Operations Director to represent them as the sole channel of FDI activity for that LEP and the local authorities it represents (specifically; Cambridgeshire County Council, Rutland County Council, Peterborough City Council, Cambridge City Council, Fenland District Council, King's Lynn and West Norfolk Borough Council, East Cambridgeshire District Council, South Cambridgeshire District Council, St Edmundsbury District Council, Uttlesford District Council, North Hertfordshire District Council and Huntingdonshire District Council) . As such, the national service can create this MoU as GC-GP LEP will manage all other relationships locally from an inward investment perspective. Hence, any activity between the national service and GC-GP LEP will not be in competition with but in support of all local and district activities.

3. UK Trade & Investment (UKTI)

Following the abolition of the RDAs by the Coalition Government, responsibility for the promotion of the UK as an inward investment location transferred to the national level. UKTI was tasked with taking forward the development of new arrangements in England (except for London, which has its own arrangements under The Mayor), working closely with the Devolved Administration and London & Partners to provide a UK wide delivery network. As part of the new arrangements in England it is also responsible for developing effective working relationships with LEPs and other local partners to ensure effective end to end support to prospective and existing inward investors. UKTI has dedicated FDI teams in 33 key overseas markets and responsive presence through its trade delivery teams in a further 63 countries. All operate through the UK's overseas diplomatic missions. This is supported by a sector based team (including over 20 sector specialists) in UKTI HQ. The new model deploys a further team of investment advisers (the national investment service) across England (ex London) and through a Hub which provides strategic management and national proposition development services to the network as a whole.

¹ Volume and quality are defined as per the UKTI measurements

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4. MoU

This MOU outlines the guiding principles by which both organisations will operate and a statement of the services provided by the national inward investment service and GC-GP LEP in cooperating and coordinating to support inward investment into the UK. It recognises that GC-GP LEP has specific targets for the GC-GP LEP area but that these targets will not sub-optimize the national delivery agenda. The MoU structures an arrangement where there is a 2-way transparency of leads, a collaborative² approach to agreeing handling arrangements for leads generated by local partners (which include initial 1-1 discussion, consideration of strength of offer against UK benchmark, mobility of project, client views on location, agreement on next steps but with UKTI holding jurisdiction).

The **benefits** of the MoU to sub-national partners engaged in the process is access to the national pipeline of leads and a range of support from UKTI for existing leads, including support for local proposition development and benchmarking; greater efficiency in targeting; high level support (including, where appropriate, ministerial engagement for key projects and investors; access to regulators and policy makers).

This offers the UK the opportunity to achieve better overall FDI success outcomes and improve the UK offer through more compelling local inputs by better utilising existing knowledge of local assets and capabilities, which can be put forward to clients. It is also intended to ensure greater efficiency through optimising the use of collective resources such as sector intelligence, market understanding etc.

5. Key Principles of the MoU

Overarching Principle

The driver for decisions around the provision of propositions to clients will always be directed by the inward investor's primary interests. This will embrace the starting position that UK wide assets and capabilities are potentially available to support the client's business objectives.

To ensure an integrated approach between the national service and the local delivery partners. The MoU works on the following principles:

- **Strategy development** – This is led by UKTI to evaluate those sectors and functions in which the UK has a competitive advantage within which to attract Foreign Direct Investment. The national programme will work with GC-GP LEP to identify key areas of strengths which can be fed into this strategy development. The core relationship in matching national and local strategy needs is anticipated to be between the national programme and GC-GP LEP
- **Lead Generation** – UKTI has overall responsibility for promotion of the UK as an inward investment destination. UKTI will undertake to ensure that the local strengths and capabilities within the local area covered by GC-GP LEP are effectively represented within this national offer and will work with GC-GP LEP to support its development where agreed with GC-GP LEP as part of the national proposition. GC-GP LEP will work with UKTI through the national investment service in the marketing of its local area, ensuring that any activities are co-ordinated with the national marketing and promotion framework.

² The national service will support [insert organisation] in terms of benchmarking, proposition development and market intelligence to support their activities.

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- **Project Lead Handling** - UKTI will make available to GC-GP LEP the outline specification details of all active projects³ received within the FDI Hub. GC-GP LEP will notify the FDI Hub, in confidence, of all leads which are generated by GC-GP LEP and its local partners. These will not be placed into the national pipeline for consideration by other areas and will remain exclusively with GC-GP LEP.

The process of lead handling:-

1. Lead to *notified* to the Hub. (Please note that some leads will come from other sources than GC-GP LEP including UKTI or mutual) however GC-GP LEP will notify the Hub.
2. Hub acknowledges, considers and continues dialogue with GC-GP LEP determine proposition, benchmarking or national (policy, national Government etc) support required. Hub places on pipeline. The pipeline is *functionally* shared across all parties who have committed to MoUs. That means we share the volume of UK projects, sector and type down to the individual examples i.e a project of this sector with this type but no details on individual projects are ever shared (i.e. nothing that can identify the client, location, positioning or lead to their identification) . The default position is that if no other area can demonstrate a significantly differentiated offer then there is no release ever. In some cases projects identified from elsewhere will also be pushed to GC-GP LEP based on existing propositions and capability (for obvious reasons);
3. If the GC-GP LEP offer is ever weaker than somewhere else in the UK, we would work with GC-GP LEP to support the proposition with evidence or collaboration. If GC-GP LEP feel with the Hub that there is not sufficient capability within the GC-GP LEP area then the project moves on to others who may be able to provide a proposition.

The reason for a national pipeline (even if not individually indicated) is to ensure
 (a) There is a total picture of the UK potential by geography and sector and type
 (b) We can assure the UK First and Client First perspective i.e. if a project is not coming to one area, we want it elsewhere in the UK and not in another country. The intent is never to block, obstruct the GC-GP LEP area but rather strengthen and support if ever necessary but assure that no potential client ever leaves.

- **Investor Development** – UKTI will share with GC-GP LEP its portfolio of existing investors to which it is offering or intending to offer relationship management support. GC-GP LEP will share with UKTI, through the national investment service, its portfolio and provide information and intelligence, as appropriate, to UKTI as agreed within the attached template⁴. GC-GP LEP will participate fully in any national virtual teams which are established around particular companies.
- **Feedback** - UKTI will share with GC-GP LEP, client perceptions of their area, both positive and negative. This is designed to assist local areas to understand their strengths and inform the local strategy development process.

³ Active projects are those defined as having a tangible project opportunity and with the potential for landing in the UK in the next 18 months

⁴ Template is currently under consideration by UKTI and will be forwarded on completion

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A full description of the operating relationship between the UKTI national investment service and GC-GP LEP is attached as Appendix A.

Nominated Local Organisations - Based on the above principles this MoU confirms the organisations stated below will be involved in the delivery of the programme on a local level against the principles above.

Area	Designated Local Organisation
Strategy Development	Greater Cambridge–Greater Peterborough LEP
Lead Generation	Greater Cambridge–Greater Peterborough LEP
Project Lead Handling	GC-GP LEP Core team – Operations Director
Investor Development	Greater Cambridge–Greater Peterborough LEP
Feedback	Greater Cambridge–Greater Peterborough LEP

6. General Responsibilities of the national programme

The responsibilities of the national service are to capture local capability and deploy at national level through a process of sub-national delegation across England. Resources would be configured and allocated as necessary to deliver the projects, crossing previous geographical boundaries to ensure that delivery occurs in the right place with the right support. This will maximise benefit to 'UK plc'. The sub-national level would include engagement and interaction with independent agencies, LEPs, BIS Local, Local Authorities, Universities, and Technology Innovation Centres, etc. They would be able to mobilise all resources in the local environment to the end goal of supporting UKTI in the winning and sustaining of inward investment projects in a comprehensive, consistent and coherent manner. The Delivery Model is designed to cascade knowledge, information and FDI opportunities from the FDI Hub to the local level as well as aggregating knowledge and information from the local level to potential and existing investors and to progressively improve the UK proposition as a whole.

7. General Responsibilities of Greater Cambridge – Greater Peterborough LEP

GC-GP in line with this agreement will:

- provide a single point of contact (via the LEP's Operations Director) as the local lead
- via the local lead ensure effective two-way communication that ensures:
 - a) incoming enquiries are distributed equitably to all areas with the LEP area and;
 - b) that only appropriate, feasible sites/premises are fed into the national hub for consideration

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- establish a small virtual team to evaluate locally submitted propositions and provide a quality control function to ensure that only ‘winning’ propositions are forwarded to the hub.
- Ensure that activities and reports that are undertaken by GC-GP LEP staff and Local Authority partners with Foreign Owned Companies be shared with UKTI Investment Services National Programme using the template provided by UKTI in Appendix F. If appropriate UKTI Investment Services Team staff will be invited to visit together in particular where UKTI can bring expert support to that Company to secure an investment project.
- Work with UKTI and local partners (Huntingdonshire District Council and Urban and Civic) to ensure that appropriate support is provided to Alconbury Enterprise Zone.

8. Additional elements between the National Service and Cambridge – Greater Peterborough LEP

There are two additional elements of this MoU that allow GC-GP LEP to play a pivotal role in the development of the national programme;

- GC-GP LEP will have a representative role in any future forum which brings critical sub-national elements together to advise on strategic and operational issues for the programme; and
- GC-GP LEP shall notify the national programme of other initiatives that may be underway and where support could be potentially determined.

Signed on behalf of

Signed by

National Programme

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Title

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Title

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Name

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Name

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Appendix A Relationship between National Service and GC-GP LEP

A full breakdown of each of the functions in the FDI hub, Sub-national and Local level is outlined below:

Function	National Service	GC-GP LEP
Strategy and Performance	National service will coordinate all strategic issues on Inward investment into the UK through all relevant Government departments including BIS, HMT etc. Issues of national significance or requiring national input (policy, regulation, Ministerial engagement, posts) will be notified through the national programme.	GC-GP LEP will be supported by the national service on all national issues that need to be addressed. It will also notify the national service of activities being taken through UKTI posts and support required through other Government departments. All notifications will occur once they are being planned and contemplated.
Resource Management	National service will manage the full extent of its own resources and will allocate resources from sectors, propositions to support GC-GP LEP as required.	GC-GP LEP manages its own resources.
Operations Management	National service can commit resources to support Investor Development within GC-GP LEP area. These clients to be addressed with [insert organisation] discussions and presented in Appendix D. These individuals will be branded in a manner subject to agreement with UKTI marketing.	GC-GP LEP manages aftercare and reports back to the national service on accounts and updates. GC-GP LEP resources will work with national service resources and adhere to the national service processes where required to land or extend existing clients. Reports to be updated monthly.
Capability Building and Knowledge Transfer Agreed	National service will support GC-GP LEP with accredited programmes of training in account management and proposition development.	GC-GP LEP will schedule training. If no training is required, GC-GP LEP can forward accreditation to the national programme so that

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	<p>Additionally, GC-GP LEP can access national service proposition and sector teams including the knowledge processing facility which will cover international benchmarking, company investigations etc.</p>	<p>quality can be assured. Additionally, GC-GP LEP can request support on propositions, sectoral insights and information requests.</p>
Knowledge Management	<p>National service has created a knowledge management search resource (“Cube”) that will be available to all national bodies that are working under MoUs. This resource will provide updates on events, propositions and knowledge.</p>	<p>GC-GP LEP will have access to and will be able to provide input to this toolset.</p>
Client Proposition Development	<p>The national service will develop three levels of proposition. The first level will exist conjointly with UKTI and will be created to attach investors to the UK. The second level will work on specific sectors, technologies and research and the third tier will be specifically focused on individual clients.</p> <p>The national service will incorporate GC-GP LEP involvement in all proposition development including national groups such as KTNs etc.</p> <p>Capability is defined as functional capability, resource available, skills available and capital assets.</p>	<p>GC-GP LEP support client propositions by providing content of new and emerging capability in their area on a quarterly basis. Capability will be articulated in a standard template and will have specific sources where possible. GC-GP LEP to seek support from the national service on details and support for specific sector / niche / technology propositions and support, where necessary for client propositions. GC-GP LEP to provide timely response to requests for information specific to GC-GP LEP area in support of reactive client propositions.</p>
Pipeline Management & Client Management Coordination	<p>National service will have a national pipeline of opportunities which will be</p>	<p>GC-GP LEP to notify all of their relevant opportunities and leads to the national</p>

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	<p>evolved from a variety of sources including UKTI Posts, Investor Development, enquiry lines, web-sites etc. This pipeline will be managed by the enquiry management unit (EMU) which resides within the FDI Hub.</p> <p>The pipeline will be segmented and functionally viewed by all participants in the national service. However, only those that match specific criteria will be invited to present client propositions. Client propositions will be a single document presented to clients that can contain 1 or many options of location. A functional view of the pipeline implies that only the nature of the project is identified, no other data associated with the project will be presented and any contact may only be through the national service.</p> <p>Should the EMU be made aware of indigenous company requests seeking to locate in various areas, these will be passed on where appropriate to the relevant organisation. They will not be supported or enter the national pipeline.</p>	<p>pipeline once they are identified. GC-GP LEP will be allocated projects based on the criteria judging the pipeline and supported in presenting their propositions to those clients.</p> <p>All such leads will follow the process outlined in section 5 above.</p> <p>Any lead generation activity will be notified to the national service and through that to UKTI. Support from posts will be assured in this mechanism.</p>
<p>Account Management</p>	<p>National service to offer training and accreditation in account management. Accounts to be defined as “Strategic” – top 300 companies. Senior Investor Development Advisors will be selected from within the</p>	<p>GC-GP LEP to identify accounts specifically related to Strategic and Monitored Accounts. National service will allocate individuals to support monitored accounts as necessary</p>

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	<p>Sector</p> <p>Specialist and Senior Investor Development Advisers to handle these top 300 companies. Due to the intensive relationship we expect these staff to have with the clients, it is anticipated that each senior account manager will have no more than 15 accounts each. The remaining 1,500 companies will be managed by a investor development advisers ('account managers),' equating to circa 50 accounts per staff member. In time and as relationships emerge we expect to engage with local partners such as GC-GP LEP to support the overall account management initiatives.</p>	<p>GC-GP LEP will provide monthly updates on account management activities⁵.</p> <p>GC-GP LEP to address all strategic actions requiring local authority/partner action identified by the national service.</p>
<p>Performance Management and Reporting</p>	<p>National service will performance report on a variety of parameters as outlined in Appendix C.</p> <p>The quality of leads and other parameters will be identified and measured by source and structure.</p>	<p>GC-GP LEP will provide the information that supports the national service performance parameters.</p>

⁵ Template to be agreed by UKTI and sent to [insert organisation] for comment

Appendix B The National Service

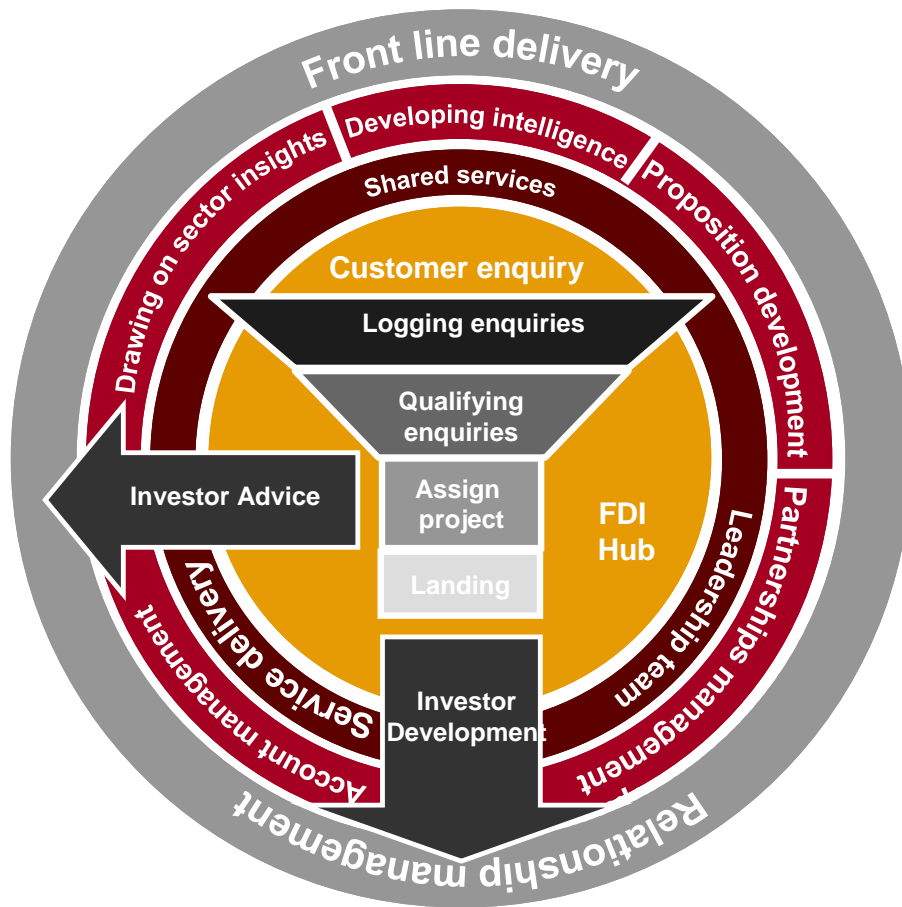
The national inward investment service has created a Delivery Model to provide a flexible and coherent solution that matches the required UKTI outcomes. This Delivery Model is designed to attract, retain and extend investors in the UK and also to promote Trade once investors are here. Hence, the support of access to Trade toolsets and Trade product offerings are included (from UKTI). The model offers complete reach from a central to local level across England and will also have strong connections to the Devolved Administrations (DAs). As such, the MoU is intended to ensure a compelling need for a co-ordinated approach that can coherently and completely manage all the transactions of inward investment to the UK at a central and local level. All of our subsequent answers to the requirements articulated by UKTI are referenced back to this overall model whilst providing further detail as required.

The National Investment service is established around the following principles:

- Coherent: Dealing with enquiries and pulling together compelling client focussed "UK First" propositions highlighting the best location(s) in terms of capabilities required across UK;
- Consistent: Using agreed mechanisms for coordinating and managing investment propositions and assuring FDI delivery for England by "landing" investment, whilst working collaboratively with the DAs in Scotland, Wales, Northern Ireland, and the new operation in London, by "handling" enquiries;
- Inclusive: Through engagement and interaction with LEPs, Local Authorities, Universities, Technology Innovation Centres, etc., to mobilise resources in the local environment and to support sub-national level of activities to drive participation in the service to the most local level in England;
- Flexible and innovative: Flexible resource approach that supports FDI delivery throughout England bringing the appropriate local and specialist resources where necessary including a strong analytical approach to support the development of propositions that are linked to real knowledge and intelligence which is continually refreshed and the knowledge, information and activities cascaded from an "FDI Hub" to the most local level whilst aggregating information from/about localities to ensure consistent intelligence at all times

The Delivery Model, as illustrated in figure 1 below, is based around the 'customer journey cycle' and an outcomes-based approach, that are fundamental to success at a central, sub-national and local level. It shows that UKTI HQ would interact with resources dedicated to UKTI work and deployed by the '**FDI Hub**' and all service resources would be deployed at this central level. Planning, direction and guidance from there would lead to utilisation of front-line specialists and advisers at a sub-national and local level.

Figure 1: UKTI will engage with the 'FDI Hub' and the sub-national and local resources will be flexed according to the needs of each project



The key roles and responsibilities of each of the four elements of the model are:

Table 1: Allocation of roles and responsibilities

Role	Responsibilities
1. UKTI	FCO posts, BIS new accounts, High Level Account Management
2. FDI Hub	Programme Management (Relationship management, Strategy and performance, Sector teams, Account management and Performance Reporting). Knowledge Processing, Client Propositions, Pipeline Management and Customer Handling Coordination.
3. Sub-national	Creation and Management of sub-national networks, Proposition Development, Account management, Knowledge Processing and Advice and Support.
4. Local	Coordination, support and capability building in Local Authorities, LEPs, Local Economic Development Companies, Universities, Professional Research Organisations, Property companies, Private Sector LLPs, Skills Providers, Access to Finance, Local Supply chains and Sector Groups.

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Irrespective of project category, its origin (new or investor managed) or potential timescales there is a consistent workflow, which uses some or all of the process steps depending on the project's characteristics. This workflow ensures that the operational model shall overcome any disconnects between national, regional, new investor and investor development objectives. This consistent template of workflow will therefore assure that the customer experience, project reporting, and adviser and specialist behaviour in each project will be consistent and measured in a certified way across the service (both process and people). The FDI hub itself is a *virtual organisation*, which means it is physically located in more than one place but harnesses ICT to enable people to communicate and interact across locations and thereby co-locate throughout England. It is located close to UKTI (Victoria St) in 123 Buckingham Palace Road, where the service and operational management would be centralised.

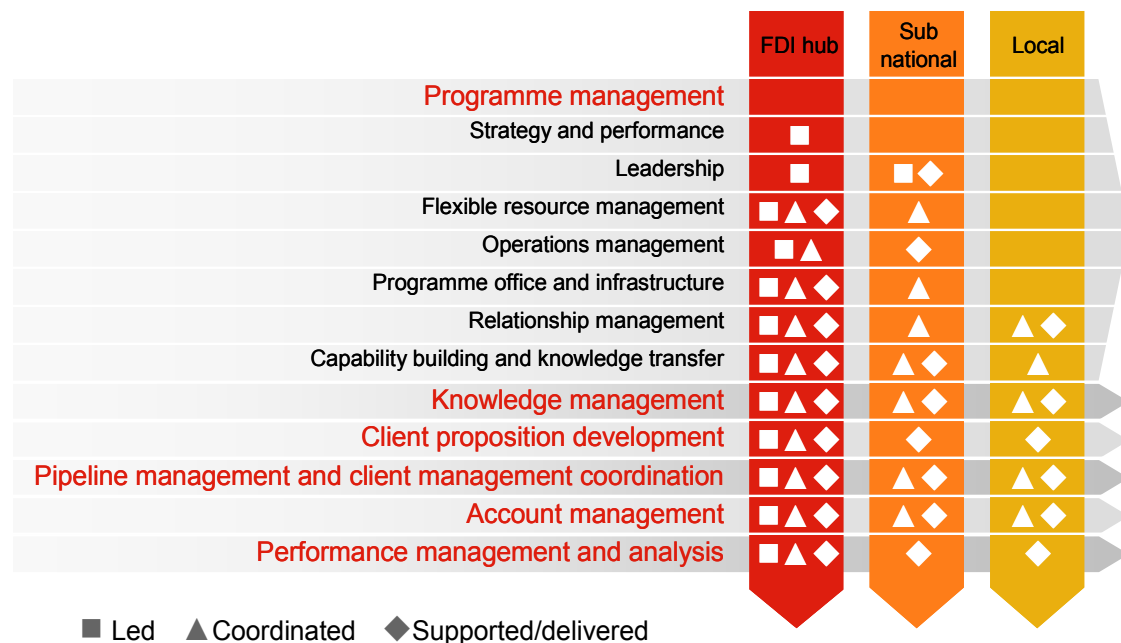
Where the national service is not directly linked to investor advisory or investor development services, it seeks to support organisations and agencies in building and maintaining (if already in place) the national standards of professionalism towards inward investment. As such, the national service has a quality assurance role that seeks to partner with other organisations to make them successful.

Appendix C National inward investment service responsibilities

The responsibilities of the national service are to manage resources at a local level through a process of sub-national delegation across England. Resources would be configured and allocated as necessary to deliver the projects, crossing previous geographical boundaries to ensure that delivery occurs in the right place with the right support. This will maximise benefit to ‘UK plc’. The sub-national level would include engagement and interaction with independent agencies, LEPs, BIS Local, Local Authorities, Universities, Technology Innovation Centres etc. They would be able to mobilise all resources in the local environment to the end goal of supporting UKTI in the winning and sustaining of inward investment projects in a comprehensive, consistent and aligned manner that as yet has not been achieved. Fundamentally, the Delivery Model can be seen to cascade knowledge, information and activities from the FDI Hub to the most local level, however it also aggregates information from the local level to ensure consistent knowledge and intelligence at all times.

The Delivery Model consists of three levels of operation – FDI Hub, sub-national and local. All levels are supported by the consistent and flexible workflow which is centred on inward investment clients and that demonstrates both coherence and flexibility in supporting UKTI goals. The functions of the Delivery Model which underpin the workflow exists at all of the operational levels but are coordinated through the FDI Hub where ultimate accountability for outcomes is assumed. The functions and how they operate are identified in the following figure.

Figure 2: Distribution of functions across the national programme



This shows that the delivery model is established on a tight central management structure with matrix management between the central hub functions and the sub-national locations (i.e. account managers will be managed locally but also part of the

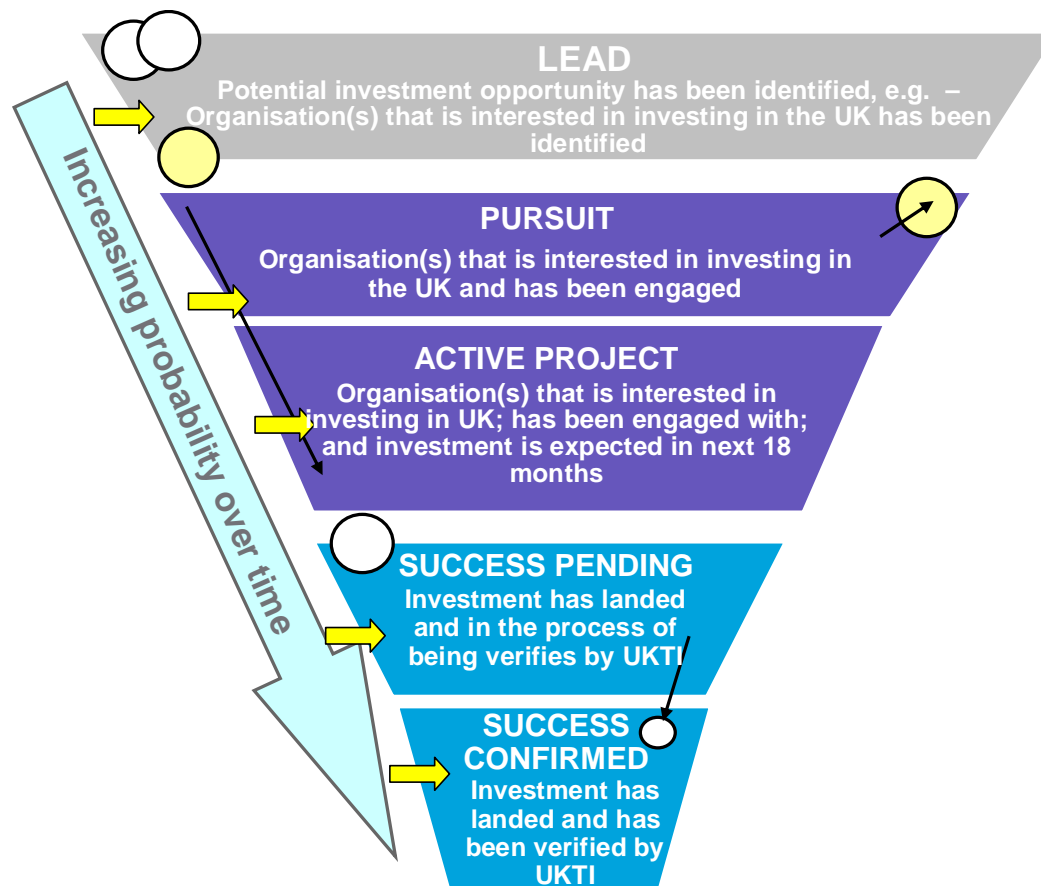
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Community of Practice to the FDI Hub for certification and training and knowledge transfer).

Appendix D Managing the national pipeline

The national pipeline will exist to show the potential of all inward investment projects into the UK. The projects in the pipeline will be defined by unique ID, related ID, Client, Description, Source (country), Source Type (IA or ID), sectors, technologies (where applicable), account, contacts and scale. Account leads will always be informed of projects and the events surrounding these projects.

From this criteria, it will be possible to track the project through a pipeline structure that is shown in figure A.1 below:

Figure A.1 Pipeline structure



The pipeline will be available on a national level – described at a functional level only. Hence client names, contact details etc will not be shown. The pipeline will be continuously evaluated and projects will be assigned to one or many organisations (LEPs, etc) based on capability. The capability is determined based on account, relationships, functional capability etc. Any organisation within England may express a view for inclusion based on functional capability but it remains for the hub to decide if that proposition can be or should be included.

There are a number of principles which underpin the way that the Pipeline functions.

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These are as follows:

- Investments can enter the Pipeline;
- Investments are scored monthly to ensure progress
- During the scoring regime, actions are determined
- Records are maintained on all investments
- Investments can move up and down within the Pipeline or be removed.
- Pipeline is always reflected in CRM and docstore.

The view of the national pipeline will be made available through a web enabled toolset that all MoU users will be allowed access. These will sit amongst other toolsets such as the Cube and other aspects of the Knowledge Processing centre.

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Appendix E

Investor Development Accounts

Appendix F

Account Reporting Template

Appendix G

Capability Template