AGENDA CIRCULATED ON: Thursday 16 February 2017

DATE:     Friday 24 February 2017
TIME:     11:45am
VENUE:    Council Chamber, Wigan Town Hall, Library Street,
          Wigan, WN1 1YN

Wifi- Login : GMCA, Passcode gmca123

AGENDA

1. APOLOGIES - attached

2. CHAIR’S ANNOUNCEMENTS AND URGENT BUSINESS

3. DECLARATIONS OF INTEREST - attached
   To receive declarations of interest in any item for discussion at the
   meeting. A blank form for declaring interests has been circulated with
   the agenda; please ensure that this is returned to the GMIST officer at
   the start of the meeting.

4. MINUTES OF THE GMCA MEETING HELD ON 27 JANUARY 2017 -
   attached
   To consider the minutes of the GMCA meeting held on 27 January
   2017 as a correct record.

5. FORWARD PLAN OF STRATEGIC DECISIONS OF GMCA - attached
   Report of Julie Connor, Head of the Greater Manchester Integrated
   Support Team.

6. MINUTES OF THE GMLEP HELD ON 10 FEBRUARY 2017 - attached
   Minutes of the meeting held on 10 February 2017, for GMCA Members' 
   information.

7. ESTABLISHMENT OF AN INDEPENDENT REMUNERATION PANEL
   - attached
   Report of Tony Lloyd, GM Interim Mayor and Liz Treacy, GMCA
   Monitoring Officer.

8. APPOINTMENT OF GMCA RETURNING OFFICER - attached
   Report of Liz Treacy, GMCA Monitoring Officer.
9. **APPOINTMENT OF GMCA EXTERNAL AUDITORS** - attached

10. **GMCA CODE OF CORPORATE GOVERNANCE** - attached

11. **CHANGING LIVES THROUGH SPORT & PHYSICAL ACTIVITY**
    Report of Councillor Peter Smith, Portfolio Lead for Health & Social Care and Steven Pleasant, Portfolio Lead Chief Executive for Health.

12. **GREATER MANCHESTER BREXIT MONITOR** - attached

13. **INDUSTRIAL STRATEGY – DEVELOPING A GREATER MANCHESTER RESPONSE** - attached

14. **GREATER MANCHESTER STRATEGY – CONSULTATION DRAFT** - attached

15. **GROWTH DEAL – ROUND 3** - attached

16. **LOCAL GROWTH FUND – GROWTH DEAL 3: INTERNATIONAL SCREEN SCHOOL MANCHESTER** - attached

17. **LOCAL GROWTH FUND – PANKHURST CENTRE FOR HEALTH, TECHNOLOGY AND INNOVATION** - attached

18. **LOCAL GROWTH FUND 3 TRANSPORT FUNDING SETTLEMENT** - attached
    Report of Tony Lloyd, GM Interim Mayor and Portfolio Lead for Transport and Jon Lamonte, Portfolio Lead Chief Executive for Transport.
19. GREATER MANCHESTER LOCAL GROWTH DEAL - TAMESIDE INTERCHANGE – FULL APPROVAL AND FUNDING DRAW DOWN - attached
   Report of Tony Lloyd, GM Interim Mayor and Portfolio Lead for Transport and Jon Lamonte, Portfolio Lead Chief Executive for Transport.

20. HIGH SPEED RAIL 2 ROUTE UPDATE AND CONSULTATION RESPONSE - attached
   Tony Lloyd, GM Interim Mayor and Portfolio Lead for Transport, Councillor Richard Leese, Portfolio Lead for Economic Strategy including Internationalisation and Marketing and Business and Jon Lamonte, Chief Executive, TfGM and Portfolio Lead Chief Executive for Transport

21. GREATER MANCHESTER PUBLIC SECTOR APPRENTICESHIP APPROACH – To Follow
   Report of Councillor Sean Anstee, Portfolio Lead for Skills & Employment and Theresa Grant, Portfolio Lead Chief Executive for Skills & Employment.

22. DEVOLUTION OF THE ADULT EDUCATION BUDGET IN GREATER MANCHESTER - attached
   Report of Councillor Sean Anstee, Portfolio Lead for Skills & Employment and Theresa Grant, Portfolio Lead Chief Executive for Skills & Employment.

23. GREATER MANCHESTER DIGITAL TALENT & SKILLS PROGRAMME - attached
   Report of Councillor Sean Anstee, Portfolio Lead for Skills & Employment and Theresa Grant, Portfolio Lead Chief Executive for Skills & Employment.

24. GREATER MANCHESTER INVESTMENT FRAMEWORK UPDATES - attached

25. EXCLUSION OF PRESS AND PUBLIC
   To exclude the public from the meeting during consideration of the reports at item 26.

   That, under section 100 (A)(4) of the Local Government Act 1972 the press and public should be excluded from the meeting for the following item of business on the grounds that this involves the likely disclosure of exempt information, as set out in paragraph 3, Part 1, Schedule 12A of the Local Government Act 1972 and that the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

26. GREATER MANCHESTER INVESTMENT FRAMEWORK AND CONDITIONAL PROJECT APPROVAL - attached

Agenda Contact:  
Sylvia Welsh  
Democratic Services Team Manager  
GMIST  
Tel: 0161 234 3383  
Email: sylvia.welsh@agma.gov.uk
GREATER MANCHESTER COMBINED AUTHORITY  

24 February 2017  

APOLOGIES

Part 5A, sections 3.1, 3A.1 and 3.2 of the constitution of the GMCA states that:-

3.1 Each Constituent Council shall appoint one of its elected members to be a Member of the GMCA.

3.2 Each Constituent Council shall appoint another of its elected members to act as a Substitute Member of the GMCA in the absence of the Member appointed under sub-paragraph 3.1 above ("the Substitute Member")

3A.1 The GMCA may appoint an additional member of the GMCA, to be known at the Interim Mayor

Any substitute attending today is requested to confirm his/her attendance under this item.

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<tr>
<th>Constituent Council</th>
<th>GMCA Member</th>
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<tr>
<td>Bolton</td>
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<td>Cllr L Thomas</td>
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<td>Salford</td>
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<td>Cllr W Wild</td>
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<td>Wigan</td>
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Donna Hall  
AGMA Secretary
GMCA Meeting on 24 February 2017

Declaration of Councillors’ Interests in Items Appearing on the Agenda

NAME: ______________________________

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<th>Minute Item No. / Agenda Item No.</th>
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MINUTES OF THE MEETING OF THE GREATER MANCHESTER COMBINED AUTHORITY, HELD ON FRIDAY 27 JANUARY 2017 AT BOLTON TOWN HALL

GM INTERIM MAYOR
Tony Lloyd (in the Chair)

BOLTON COUNCIL
Councillor Cliff Morris

BURY COUNCIL
Councillor Rishi Shori

MANCHESTER CC
Councillor Sue Murphy

OLDHAM COUNCIL
Councillor Jean Stretton

ROCHDALE MBC
Councillor Richard Farnell

SALFORD CC
City Mayor Paul Dennett
Councillor John Merry

STOCKPORT MBC
Councillor Alex Ganotis

TAMESIDE MBC
Councillor Kieran Quinn

TRAFFORD COUNCIL
Councillor Sean Anstee

WIGAN COUNCIL
Councillor Peter Smith

JOINT BOARDS AND OTHER MEMBERS IN ATTENDANCE

GMF&RS
Councillor David Acton

GMWDA
Councillor Nigel Murphy

TfGMC
Councillor Andrew Fender

OFFICERS IN ATTENDANCE

Margaret Asquith
Bolton Council

Pat Jones-Greenhalgh
Bury Council

Geoff Little
Manchester CC

Carolyn Wilkins
Oldham Council

Steve Rumbelow
Rochdale MBC

Jim Taylor
Salford CC

Eamonn Boylan
Stockport MBC

Steven Pleasant
Tameside MBC

Theresa Grant
Trafford Council

Donna Hall
Wigan Council

Peter O’Reilly
GM Fire & Rescue Service

Jon Lamonte
Transport for Greater Manchester
01/17   APOLOGIES

Apologies for absence were received and noted from Councillor Richard Leese (Manchester). Councillor Sue Murphy was in attendance in Councillor Leese’s absence. Apologies were also received and noted from Howard Bernstein (Manchester), Mike Owen (Bury) and Ian Hopkins (GMP).

02/17   CHAIR’S ANNOUNCEMENTS AND URGENT BUSINESS

a.   International Holocaust Remembrance Day

Members were reminded that 27 January 2017 is International Holocaust Remembrance Day. It was noted that 1 in 4 refugees of the Holocaust had suffered from some kind of discrimination in the UK and these commemorations served as a reminder that Greater Manchester welcomes its citizens.

b.   Female Genital Mutilation

The Chair sought GMCA agreement in supporting 6th February as an International Day of Zero Tolerance for Female Genital Mutilation. In doing so it was noted that there have been 500 cases reported in Greater Manchester last year. He also sought the support of Members in declaring Greater Manchester as the first Zero Tolerance City Region.

RESOLVED/-

To agree that the GMCA supports 6 February as an International Day of Zero Tolerance for Female Genital Mutilation and to agree to declaring Greater Manchester as the first Zero Tolerance City Region in the UK.

03/17   DECLARATIONS OF INTEREST

There were no declarations of interest made by a Member in respect of any item on the agenda.
04/17 MINUTES OF THE GMCA MEETING HELD ON 16 DECEMBER 2016

The minutes of the GMCA meeting held on 16 December 2016 were submitted for consideration.

RESOLVED/-

To approve the minutes of the GMCA meeting held on 16 December 2016 as a correct record.

05/17 MINUTES OF THE GMCA RESOURCES COMMITTEE HELD ON 12 DECEMBER 2016, 13 JANUARY AND 20 JANUARY 2017

Members considered the minutes of the meetings of the GMCA Resources Committee that took place on 12 December, 13 January 2017 and 20 January 2017. Members also considered the recommendation of the GMCA Resources Committee to appoint Eamonn Boylan as the Chief Executive for the GMCA.

RESOLVED/-

1. To approve the minutes of the meetings of the GMCA Resources Committee held on 12 December 2016, 13 January 2017 and 20 January 2017.

2. To endorse the recommendation of the Resources Committee on 20 January 2017, to appoint Eamonn Boylan, the current Chief Executive of Stockport Council, to the role of Chief Executive of the GMCA.

3. To endorse the recommendation of the Resources Committee that the remuneration for the appointment is £180k per annum and to note that this is within the remuneration range previously approved by the GMCA.

4. To agree that authority be delegated to the GMCA Treasurer and Monitoring Officer, in consultation with the Interim Mayor, to agree the final terms and conditions of contract and start date.

06/17 FORWARD PLAN OF STRATEGIC DECISIONS OF GMCA

Consideration was given to a report advising members of those strategic decisions that were to be considered by the GMCA over the forthcoming months.

RESOLVED/-

To note the Forward Plan of Strategic Decisions, as set out in the report.
a. Transport For Greater Manchester Committee – 13 January 2017

The minutes of the Transport for Greater Manchester Committee (TfGMC) meeting held on 13 January 2017 were submitted for information.

RESOLVED/-

To note the minutes for the Transport for Greater Manchester Committee meeting held on 13 January 2017.

b. Greater Manchester Local Enterprise Partnership – 16 January 2017

The Minutes of the Greater Manchester Local Enterprise Partnership held on 16 January 2017 were submitted for information.

RESOLVED/-

To note the minutes of the GM Local Enterprise Partnership held on 16 January 2017.

08/17 GREATER MANCHESTER BREXIT MONITOR

Tony Lloyd, GM Interim Mayor, introduced a report which updated the GMCA on the progress of the ongoing work to understand the implications of the decision to leave the European Union on GM and presented GM’s targeted approach to the UK Government’s strategy for leaving the EU, in order to inform the upcoming Parliamentary debates. In addition, the latest version of the GM Brexit Monitor was appended to the report.

Members noted that the Brexit monitor identifies that strong growth continues and that a GM local survey also shows that recruitment and investment was holding steady. It was highlighted that economists has a pessimistic view regarding the longer term impact on the economy.

It was noted that following consultation with local businesses and civic leaders, Greater Manchester has identified 14 targeted asks to inform the UK’s strategy for leaving the EU, mitigating the challenges and seizing those opportunities that Brexit would present and deliver an economy which works for localities, city regions, the North and the UK as a whole. These 14 targeted asks were summarised under the following headlines:-

- Industry and Trade – to continue to promote growth in trade
- Infrastructure and Place – to continue to invest in sub-national growth and regeneration.
- People and Skills – to raise the skills of the workforce.
Leaving the EU – to understand the needs of cities and the North.

RESOLVED/-

1. To note the contents of the January Greater Manchester Brexit Monitor provided in Appendix 2 to the report.

2. To endorse the list of GM “asks” as summarised in Appendix 1 to the report.

3. To agree that the GMCA should write to GM MPs and Lords with a GM connection sharing these ‘asks’ and to delegate the sign-off of these letters to the Portfolio leads for Economic Strategy and Reform.

4. To agree that the GMCA should also communicate these ‘asks’ to GM businesses and business groups through the Manchester Growth Company, requesting that businesses share these ‘asks’ with their MP and other business organisations ahead of the Parliamentary debates.

09/17   GMCA TRANSPORT REVENUE BUDGET 2017/18 AND BUDGET UPDATE 2016/17

Councillor Kieran Quinn, Portfolio Lead for Investment Strategy and Finance, introduced a report setting out the transport related GMCA budget for 2017/18, presented the transport related forecast outturn position for 2017/18 and proposed the Transport Levy to be approved for 2017/18, together with the consequent allocations to the District Councils of GM.

Thanks were offered to Councillors Rishi Shori and Peter Smith for their support with the Budget Scrutiny process.

In support of the recommendations, Councillor Quinn emphasised the importance of the repayment of transport reserves by GM local authorities, noting that there would be no impact this year, however the reserves were required to deliver the 2040 Transport Strategy.

RESOLVED/-

1. To note the forecast outturn for the year ending 31 March 2017 is in line with budget after transfers to earmarked reserves £0.744 million.

2. To note the report and the current TfGM revenue outturn forecast for 2016/17 which is in line with budget.

3. To approve the GMCA budget relating to transport functions, as set out in this report, for 2017/18.

4. To note the issues which are affecting the 2017/18 transport budgets as detailed in the report.
5. To note the consultation process which has been undertaken by officers with the Transport Levy Scrutiny Panel; approve the proposals recommended by Scrutiny as set out in this report and note that the outcome of the consultation is a proposal that will result in a total levy for 2017/18 of £195.123 million, less a one-off adjustment of £3.272 million in relation to the adjustments between transport and non-transport budgets and £87.98 million in relation to a refund of transport reserves taking the levy to be charged to £103.951 million.

6. To note that the £3.272 million levy decrease will be charged in addition to the 2017/18 non transport contribution to the GMCA in order to meet revenue commitments

7. To note that the planned increases of around 1.8% and 1.57% with respect to the Greater Manchester Transport Fund will be deferred to futures years.

8. To approve a Transport Levy on the district councils in 2017/18 of £103.951 million apportioned on the basis of mid year population as at June 2015 as in paragraph 5.7 and Appendix 1 to the report.

9. To approve the use of reserves in 2017/18 as detailed in paragraph 7 to the report and to recognise the importance for local authorities to repay the transport reserves to enable the delivery of the 2040 Transport Strategy.

10. To note and approve the position on reserves as identified in the report.


Councillor Kieran Quinn, Portfolio Lead for Investment Strategy and Finance, introduced a report which presented an update in relation to the GMCA capital expenditure programme.

In response to an enquiry from a Member, it was noted that all GM local authorities were still able to submit proposals for capital expenditure.

RESOLVED/-

1. To approve the revisions to the capital budget as set out in appendix A and detailed within the report.

2. To note the current 2016/17 forecast compared to the previous 2016/17 capital forecast.

3. To approve the budget for the Metrolink renewal and enhancement capital programme as part of the GM Transport Fund.
4. To approve the capital programme budget for 2017/18 and the forward commitments as detailed in the report and in Appendix A.

5. To note that the capital programme is financed from a mixture of grants (including from DfT), external contributions and long term borrowings.

6. To note that provision has been made in the revenue budget for the associated financing costs of borrowing.

7. To note that the capital programme will continue to be reviewed, with any new schemes which have not yet received specific approval added into the programme at a later date once approval has been sought.

8. To note that revised Treasury Management indicators will be reported in a separate report elsewhere on the agenda to reflect the approved capital programme and updated cash flows.

9. To note that a revised capital programme and Treasury Management Strategy (including prudential indicators), will need to be submitted once the extent and scale of external borrowing powers are known and once the latest Growth Deal is announced.

12/17 TREASURY MANAGEMENT STRATEGY STATEMENT, BORROWING LIMITS AND ANNUAL INVESTMENT STRATEGY 2017/18 - 2019/20

Councillor Kieran Quinn, Portfolio Lead for Investment Strategy and Finance, introduced setting out the proposed Treasury Management Strategy Statement, Borrowing Limits and Prudential Indicators for 2017/18 to 2019/20. At this stage the Strategy covers the existing functions of the GMCA as the scope of additional borrowing powers, as announced in the Autumn Statement, is still unclear.

RESOLVED/-

To approve the proposed Treasury Management Strategy Statement, in particular:-

- The Treasury Indicators listed in Appendix A to the report.
- The MRP Strategy outlined in Appendix B to the report.
- The Treasury Management Policy Statement at Appendix C to the report.
- The Treasury Management Scheme of Delegation at Appendix D to the report.
- The Borrowing Requirements listed in Section 5 to the report.
- The Borrowing Strategy outlined in Section 8 to the report.
- The Annual Investment Strategy detailed in Section 9 to the report.
• Unlimited lending to the Police and Crime Commissioner for Greater Manchester, the Greater Manchester Fire and Rescue Service and the Greater Manchester Waste Disposal Authority in the period until they become part of the GMCA.

13/17 MAYORAL/COMBINED AUTHORITY COMPULSORY PURCHASE POWERS

Councillor Richard Farnell, Portfolio Lead for Planning and Housing, presented a report which advised the GMCA of the powers of compulsory purchase recently granted to it, and outlined the proposed framework for exercising those powers.

RESOLVED/-

To note the proposed framework as set out in the report.

14/17 ESF CO-FINANCING ORGANISATION – APPROVAL OF WORKING WELL AND WORK & HEALTH PROGRAMME BID

Councillor Sean Anstee, Portfolio Lead for Work and Skills, introduced a report which updated the GMCA on the latest developments of the Working Well and Work and Health Programme bid and sought Members’ agreement to a number of key recommendations in order to progress the work to completion.

The linkages between the work of Working Well and that of the Work and Health Programme was highlighted, with a request that the Health and Social Care Partnership Board be kept regularly updated on progress.

Members agreed to take the commercially sensitive Part B report at Item 22 on the agenda as read whilst considering the report.

RESOLVED/-

1. To agree that Trafford Council, in lieu of necessary powers being transferred to GMCA, will be the financial and legal accountable body for ESF Co-financing Organisation and Work & Health Programme.

2. To agree that Trafford Council, as the financial and legal accountable body, shall redraft the Inter Authority Agreement to cover the extension to Working Well and Work & Health Programme in order to provide an indemnity to them as lead authority in the event of any claims being made arising out of the agreements.

3. To agree that the IAA will be novated from Trafford Council to GMCA, once the relevant powers are in place.
4. To agree that the current Working Well referral window be extended until December 2017, thereby ensuring no break in provision before Work & Health programme goes live.

5. To agree that Theresa Grant, as appropriate senior officer and in consultation with Richard Paver, GMA Treasurer, signs the Memorandum of Understanding and accompanying grant funding letter for the Work & Health programme.

6. To agree that Theresa Grant, as appropriate senior officer and in consultation with Richard Paver, signs the ESF CFO contract.

7. To agree that Theresa Grant, as appropriate senior officer and in consultation with Richard Paver, has delegated authority to take the Work & Health Programme to contract award.

8. To agree that the Political Oversight Group shall provide scrutiny of the CFO and Work & Health Programme development and keep GMCA appraised of progress.

9. To agree that all contracts will be novated to GMCA once it has the requisite legal status to act as a contracting authority in its own right.

10. To agree that the Health and Social Care Partnership Board appraisal process should also provide scrutiny for the programme.

18/17 GM RESPONSE TO GOVERNMENT’S CALL FOR EVIDENCE FOR THE DIGITAL INFRASTRUCTURE INVESTMENT FUND/EXTENDING LOCAL FULL FIBRE NETWORKS

Tony Lloyd, GM Interim Mayor, introduced a report which sought the agreement of Members in relation to the proposed response to the Call for Evidence which has been prepared with the input of industry, local authorities and the LEP.

The Chair noted that the fund of £400 million would not meet the aspirations for Greater Manchester but could be utilised to lever private sector investment. He also highlighted the need for the Government to target the voucher scheme available to land owners tendered local and not national need.

In welcoming the report, a Member suggested that the London model for the management of Wayleaves and Easements was a good approach for Greater Manchester and should be explored.

A Member suggested that the benefits of digital infrastructure investment should be available to all communities and businesses, highlighting the rural community in particular, and should not be determined solely on a commercially viable basis.
A Member suggested that the views of the Infrastructure Advisory Group would be helpful before submitting, highlighting the need to take a strategic and practical approach in the delivery of capital schemes to encourage digital infrastructure.

RESOLVED/-

To endorse the comments made by Members above and to agree that the five areas set out in this report are highlighted in the GM response to the Government’s Call for Evidence.

19/17  GMCA INVESTMENT DIRECTOR

Councillor Kieran Quinn, Portfolio Lead for Investment Strategy and Finance, introduced a report which sought GMCA approval for the post of GM Chief Investment Officer within the GM Investment Team to be made permanent.

RESOLVED/-

To approve, given the continuing future need, that the post of GM Chief Investment Officer within the GM Investment Team be made permanent, on the basis set out in the report.

20/17  SMART SYSTEMS AND HEAT PROGRAMME UPDATE

City Mayor Paul Dennett, Portfolio Lead for Low Carbon Environment and Waste, presented a report which outlined the recommendations of the work undertaken by the Energy System Catapult (ESC) to determine which GM local authority was most suitable to undertake an EnergyPath modelling exercise, as part of GM’s continuing participation in the Smart Systems and Heat (SSH) Programme. The report also provides an update on wider SSH Phase 2 activity to create a significant demonstrator programme.

In welcoming the report a Member highlighted that he was mindful that there may be cost implications regarding this programme and noted that social value was an important issue.

RESOLVED/-

1. To note the report and the ESC’s recommendation for the location of the EnergyPath modelling work.

2. To agree that Bury should be the preferred GM Local Authority area for Phase 1.

3. To note GM’s proposed approach towards Phase 2 activity.
21/17   CASE FOR CHANGE, GMCA RAIL STATION TRANSFER

Tony Lloyd, GM Interim Mayor and Portfolio Lead for Transport, presented a report which updated the GMCA on the progress made on the Rail Stations Transfer Case for Change since presentation of the Strategic Outline Case in March 2016, and sought delegated authority for the Interim Mayor, Chief Executive (TfGM) and Head of Paid Services to approve and submit the Case for Change to DfT and HMT.

A Member highlighted the significant underinvestment in rail facilities resulting in a large number of GM stations not compliant with DDA regulations. It was noted that recent improvements at Irlam Railway Station had involved public, private and 3rd sector organisation investment and was a good model.

RESOLVED/-

To note the report and to agree that authority be delegated to the Chief Executive (TfGM) and the Head of Paid Service, GMCA, in consultation with the GM Interim Mayor, to submit the case to HMT and DfT in spring 2017.

22/17   SMART TICKETING

Tony Lloyd, GM Interim Mayor and Portfolio Lead for Transport, presented a report advising Members of TfGM’s plans for smart ticketing later this year and explaining TfGM proposals to partner with Transport for the North in order to deliver the “back office” infrastructure needed to support a future account based payment system.

In response to a comment from a Member, it was noted that TfGM in partnership with Transport for the North was keen to expand up on the successful “get me there” app which was used by Metrolink customers.

A Member suggested that officers look at potential partnerships with Transport for London (TfL) and the potential ability for a system which could operate around different areas. Members were advised that discussions had been held with TfL, however the technology they used would not work for GM. It was noted that discussions will continue with other areas in tandem.

RESOLVED/-

1. To note TfGM’s plans to extend the availability and range of smart ticketing to Metrolink and multi-modal on smart cards from summer 2017.

2. To agree to partner with Transport for the North to develop the IT infrastructure needed to support contactless account-based ticketing in Greater Manchester and across the North.
Tony Lloyd, GM Interim Mayor and Portfolio Lead for Transport, presented a
report regarding Metrolink service patterns, in response to representations
from local authorities and the decision of the Greater Manchester Scrutiny
Pool, which presented four alternative service patterns which incorporate a
direct link between Oldham, Rochdale and Piccadilly Rail Station. Members
noted that these options were consistent with network constraints, operating
principles and future committed deliverables. It was also noted that all of
these options will require additional modelling to confirm the impact on the
network.

A Member welcomed the paper and the recent meeting with the Interim Mayor
and Transport for Greater Manchester with a reminder that Oldham and
Rochdale were areas of low income, without a direct link to Piccadilly Railway
Station and highlighted that the lack of this link as a disadvantage in attracting
inward investment to Oldham and connecting residents with work
opportunities.

A Member highlighted the wider economic and regeneration benefits that
Metrolink attracts in addition to direct connectivity as an enabler for further
investment for Oldham and Rochdale and that the future work required was
needed without delay.

A Member suggested that consideration of Metrolink fare tariffs was needed,
particularly in relation to social value. Consideration was also needed
regarding future schemes and the correlation with the Greater Manchester
Spatial Framework.

A Member said that care was needed not to pitch one part of Greater
Manchester against another and that transport was to serve the needs of the
whole conurbation.

Members also highlighted the need for improvements to connectivity in other
areas of the conurbation for people to access jobs and opportunities. A
holistic approach to transport provision was needed.

RESOLVED/-

1. To note the contents of the report.

2. To observe the current proposed Second City Crossing (2CC) service
   pattern.

3. To note that following a meeting with the Interim Mayor, Leaders of
   Rochdale and Oldham and the Chair of TfGMC, work will commence
   immediately to determine, at high level, an option to service a
   Rochdale/Oldham to Piccadilly direct service and report back when
   complete.
4. To note that TfGM officers will, after 6 months of 2CC operation, conduct a line(s) specific survey and a network wide modelling exercise, to inform future service pattern development.

24/17 GREATER MANCHESTER INVESTMENT PROJECT UPDATES

Councillor Kieran Quinn, Portfolio Lead for Investment Strategy and Finance, presented a report seeking GMCA approval of a second loan to Green Energy Advisor. The investment will be made from recycled RGF monies.

Members agreed to take the commercially sensitive Part B report at Item 23 on the agenda as read whilst considering the report.

RESOLVED/-

1. To agree that the project funding application by Green Energy Advisor (loan of £75k) be given conditional approval and progress to due diligence.

2. To agree to delegate authority to the Combined Authority Treasurer and Combined Authority Monitoring Officer to review the due diligence information and, subject to their satisfactory review and agreement of the due diligence information and the overall detailed commercial terms of the transaction, to sign off any outstanding conditions, issue final approvals and complete any necessary related documentation in respect of the loan at a) above.

25/17 EXCLUSION OF PRESS AND PUBLIC

Members noted that as the commercially sensitive information was taken as read during the consideration of ESF Co-Financing Organisation – Approval of Working Well and Work & Health Programme Bid (Minute 14/17) and Greater Manchester Investment Framework Approval (Minute 24/17) and for this reason were not considered in Part B of the Agenda.

26/17 ESF CO-FINANCING ORGANISATION – APPROVAL OF WORKING WELL AND WORK & HEALTH PROGRAMME BID

CLERK’S NOTE: This item was considered in support of the Part A ESF Co-Financing Organisation – Approval of Working Well and Work & Health Programme Bid report (Minute 14/17).

27/17 GREATER MANCHESTER INVESTMENT FRAMEWORK APPROVAL

CLERK’S NOTE: This item was considered in support of the Part Greater Manchester Investment Project Updates report (Minute 24/17).
1. INTRODUCTION

1.1 At their meeting on 24 June 2011, the GMCA agreed procedures for developing a Forward Plan of Strategic Decisions for the Authority, in line with the requirements of the GMCA’s constitution. The latest such plan is attached as the Appendix to this report.

2. RECOMMENDATIONS

2.1 GMCA members are invited to note, comment and suggest any changes they would wish to make on the latest Forward Plan of Strategic Decisions for the GMCA; attached to this report.

3. FORWARD PLAN: CONSTITUTIONAL REQUIREMENTS

3.1 In summary the Secretary of the GMCA is required to:-

- prepare a plan covering 4 months, starting on the first day of the month
- to refresh this plan monthly
- to publish the plan fourteen days before it would come into effect
- state in the plan

(i) the issue on which a major strategic decision is to be made;
(ii) the date on which, or the period within which, the major strategic decision will be taken;
(iii) how anyone can make representations on the matter and the date by which any such representations must be made; and
(iv) a list of the documents to be submitted when the matter is considered
The constitution is also quite specific about the matters which would need to be included within the Forward Plan:-

- any matter likely to result in the GMCA incurring significant expenditure (over £1 million), or the making of significant savings; or

- any matter likely to be significant in terms of its effects on communities living or working in the area of the Combined Authority.

plus the following more specific requirements:-

1. a sustainable community strategy;
2. a local transport plan;
3. approval of the capital programme of the GMCA and TfGM and approving new transport schemes to be funded by the Greater Manchester Transport Fund;
4. other plans and strategies that the GMCA may wish to develop;
5. the preparation of a local economic assessment
6. the development or revision of a multi-area agreement,
7. the approval of the budget of the GMCA;
8. the approval of borrowing limits, the treasury management strategy and the investment strategy;
9. the setting of a transport levy;
10. arrangements to delegate the functions or budgets of any person to the GMCA;
11. the amendment of the Rules of Procedure of the GMCA;
12. any proposals in relation to road user charging

3.3 All the matters at 1-12 above require 8 members of the GMCA to vote in favour, except those on road user charging, which require a unanimous vote in favour

3.4 The attached plan therefore includes all those items currently proposed to be submitted to the GMCA over the next 4 months which fit in with these criteria. GMCA members should be aware that:-
• Only those items considered to fit in with the above criteria are included. It is not a complete list of all items which will be included on GMCA agendas

• Items listed may move dependent on the amount of preparatory work recorded and external factors such as where matters are dependent on Government decisions; and

• In some cases matters are joint decisions of the GMCA & AGMA Executive Board.

CONTACT OFFICER:

<table>
<thead>
<tr>
<th>Name</th>
<th>Phone Number</th>
<th>Email</th>
</tr>
</thead>
<tbody>
<tr>
<td>Julie Connor</td>
<td>0161 234 3124</td>
<td><a href="mailto:j.connor@agma.gov.uk">j.connor@agma.gov.uk</a></td>
</tr>
<tr>
<td>Sylvia Welsh</td>
<td>0161 234 3383</td>
<td><a href="mailto:sylvia.welsh@agma.gov.uk">sylvia.welsh@agma.gov.uk</a></td>
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</table>
The Plan contains details of Key Decisions currently planned to be taken by the Greater Manchester Combined Authority; or Chief Officers (as defined in the constitution of the GMCA) in the period between 1 March and 30 June 2017.

Please note: Dates shown are the earliest anticipated and decisions may be later if circumstances change.

If you wish to make representations in connection with any decisions please contact the contact officer shown; or the offices of the Greater Manchester Integrated Support Team (at Manchester City Council, P.O. Box 532, Town Hall, Manchester, M60 2LA, 0161-234 3124; info@agma.gov.uk) before the date of the decision.

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<thead>
<tr>
<th>Subject</th>
<th>Contact Officer</th>
<th>Description</th>
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<td>Northern Powerhouse</td>
<td>Portfolio Lead: Cllr Richard Leese</td>
<td>Progress of work</td>
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<td>Contact Officer: Simon Nokes</td>
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<td>GM Growth Deal Transport Update</td>
<td>Portfolio Lead: Cllr Richard Leese</td>
<td>6 monthly Update</td>
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<td>Salford Bolton Network Investment Programme</td>
<td><strong>Portfolio Lead:</strong> Tony Lloyd</td>
<td>Approval for Salford Delivery Package 1</td>
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<td>Shared Service</td>
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<td><strong>Portfolio Lead:</strong> Tony Lloyd</td>
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<td><strong>Portfolio Lead:</strong> Tony Lloyd</td>
<td>Proposal to sign up to the campaign</td>
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<td><strong>Portfolio Lead:</strong></td>
<td>Programme and Asset Management – Proposal for Transfer</td>
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<td>Stations Investment</td>
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<td><strong>Portfolio Lead:</strong> Jon Lamonte</td>
<td>Full Approval</td>
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<td>Rail Industry Funding Submissions for CP6 (2019 – 2024)</td>
<td><strong>Portfolio Lead:</strong> Jon Lamonte</td>
<td>To present the priority list of future rail schemes to be submitted into the industry control period mechanism with a view to securing funding.</td>
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<td>Greater Manchester City Deal : Homes for Communities Agency Receipts</td>
<td><strong>Portfolio Lead:</strong> Cllr Richard Farnell</td>
<td>Proposed Strategy for equity investment</td>
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<td>Intermediary Body Status</td>
<td><strong>Portfolio Lead:</strong> Cllr Kieran Quinn</td>
<td>Update on progress of discussions with Government</td>
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<td><strong>Portfolio Lead:</strong> Cllr Richard Farnell</td>
<td>Specific housing requirements and opportunities to bridge the funding gap</td>
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<td><strong>Portfolio Lead:</strong> Jon Lamonte</td>
<td>Consultation and progress with legislation</td>
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BOARD MEETING

MINUTES OF A MEETING OF THE GREATER MANCHESTER LOCAL ENTERPRISE PARTNERSHIP BOARD HELD ON THURSDAY 10 FEBRUARY 2017 AT THE TOWN HALL, MANCHESTER

Board Members:

Mike Blackburn (In the Chair)


(*Denotes Members that dialled into the meeting).

Advisors:

Howard Bernstein (Manchester CC), Eamonn Boylan (Stockport MBC), Mark Hughes (Manchester Growth Company), Simon Nokes (New Economy), Jon Lamonte (TfGM), David Rogerson and Allan Sparrow (GM Integrated Support Team)

Apologies:

Tony Lloyd, Iwan Griffiths and Andrew Lightfoot

LEP/17/14 DECLARATIONS OF INTEREST

Nancy Rothwell declared an interest in the item regarding the Pankhurst Centre as the Vice Chancellor of the University of Manchester.

Keith Johnston declared as interest in the item regarding Growth Fund Round 3 as Addleshaw Goddard LLP might be acting for parties involved in growth fund projects referred to in the board papers.

LEP/17/15 GROWTH FUND ROUND 3

A report was submitted that informed the Board that in 2016, local areas were invited to submit proposals for the third round of Local Growth Fund Deals.

GM submitted a proposal for funding, setting out a programme of projects which built upon the achievements of previous rounds of Growth Deals in driving growth and improving the delivery of public services. It was reported that on 23 January 2017, the Government confirmed GM’s third Local Growth Deal (GD3) allocation.

The report set out details of each element of the GD3 submission and if/how these could now be progressed using a combination of the GD3 monies
secured and other funding proposals. A key consideration in doing this was the need to maintain a viable, balanced programme of activity.

RESOLVED/-

1. That the Local Growth Fund Growth Deal 3 allocation for GM be noted.

2. That support be given to the overall programme of activities for GD3 funding while noting the alternative identified funding sources for GM priorities

3. That further detailed proposals for each activity be brought back to the GMCA/LEP for endorsement, including the two proposals on today’s agenda.

LEP/17/16 INTERNATIONAL SCREEN SCHOOL

The Greater Manchester Local Growth Fund Round 3 submission included a proposal for an International Screen School Manchester (ISSM) to drive skills development and innovation, as well as the science/innovation asset base, in the GM digital and creative sectors. The ISSM was an integral part of the recently completed GM/East Cheshire Science and Innovation Audit, and was recommended by the Chancellor of the Exchequer in the 2016 Budget.

The report set out the case for the ISSM, outlined the way in which it would work and the impact it would have, and sought approval for grant funding from Greater Manchester’s Local Growth Fund 3 allocation to match the contribution being made by Manchester Metropolitan University. Together this funding would be used to establish a new centre for business, skills and innovation benefiting the whole of the GM creative and digital supply chain.

RESOLVED/-

1. That the proposed plans and timescale for the development of the ISSM be noted.

2. That the allocation of Local Growth Deal Funding 3 grant funding to support the ISSM project be endorsed.

3. That the GMCA Treasurer and Monitoring officer be requested to finalise the terms of the grant agreement.

LEP/17/17 PANKHURST CENTRE FOR RESEARCH IN HEALTH, TECHNOLOGY AND INNOVATION

A report was submitted setting out the case to approve LGF grant funding for the development of the Pankhurst Centre.
This Centre would be aimed at driving innovation in health by strengthening the local science asset base, reinforcing the unique GM partnerships linked to the devolution of health and social care.

The proposal is in line with the conclusions of the completed GM/Cheshire East Science and Innovation Audit.

The Board noted that the scheme included a financial contribution from the University of Manchester.

RESOLVED/-

1. That the proposed plans and timescale for the development of the Pankhurst Centre be noted.

2. That approval be given to release LGF3 Grant funding to support the project.

3. That the GMCA Treasurer and Monitoring officer be requested to finalise the terms of the grant agreement.
Date: 24 February 2017
Subject: Establishment of an Independent Remuneration Panel
Report of: Tony Lloyd, GM Interim Mayor and Liz Treacy, GMCA Monitoring Officer

PURPOSE OF REPORT

To brief members of the GMCA on the current and prospective position concerning members’ allowances and to propose that the Monitoring Officer be given delegated authority to establish, in accordance with relevant statutory provisions, an Independent Remuneration Panel.

RECOMMENDATIONS:

The GMCA is recommended to:

1. Note the current and prospective position in respect of members’ allowances.

2. Delegate to the GMCA Monitoring Officer the power, in consultation with the Interim Mayor, to establish, in accordance with relevant statutory provisions, an independent remuneration panel to make recommendations to the GMCA and to constituent councils in respect of allowances payable to:

   a) Members appointed to the GMCA;
   b) The Mayor of the GMCA; and
   c) Members of committees and sub-committees of the GMCA.

CONTACT OFFICERS:

Liz Treacy, Monitoring Officer, GMCA
0161 234 3087 l.treacy@manchester.gov.uk

Stephen Hollard, Principal Lawyer, Democratic Services (Legal) Group, Manchester City
0161 234 3336 s.hollard@manchester.gov.uk
Council

BACKGROUND PAPERS:

None.

RISK/ FINANCIAL/ LEGAL CONSEQUENCES/DETAILS

Risk Management – N/A
Legal Considerations – as detailed in the report
Financial Consequences – Revenue – N/A
Financial Consequences – Capital – N/A

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<th>AGMA Commission</th>
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1. INTRODUCTION

1.1 The current position in respect of members allowances for the GMCA, as set out in Greater Manchester Combined Authority Order 2011 (“the 2011 Order”), is as follows:

a) Other than as detailed at c) below no remuneration may be paid by the GMCA to its members, other than allowances for travel and subsistence paid in accordance with a scheme drawn up by the GMCA.

b) A constituent council may, in accordance with its own scheme of allowances, pay a special responsibility allowance to any member appointed by it to the GMCA in respect of duties and responsibilities undertaken as a member of the GMCA.

c) The GMCA may pay an allowance to the Interim Mayor, but only if the GMCA has considered a report published by an independent remuneration panel established by one or more of the constituent councils under regulation 20 of the Local Authorities (Members’ Allowances) (England) Regulations 2003 which contains recommendations for such an allowance and the allowance paid by the GMCA does not exceed the amount specified in the recommendation made by the independent remuneration panel.

1.2 Under the Greater Manchester Combined Authority (Functions and Amendment) Order 2016 the reference in the 2011 Order to “the Interim Mayor” described at paragraph 1.1c) above will be amended to refer to “the Mayor” with effect from 8 May 2017.

1.3 It is anticipated that further amendments will shortly be made to the provisions concerning member remuneration. In particular it is expected that provision will be made for the following (which are broadly in line with the objectives for this area set out in GMCA Scheme 2):

a) The establishment by the GMCA of an independent remuneration panel who may make recommendations to the GMCA and to the constituent councils regarding the allowances payable to members appointed to the GMCA, to the Mayor, and to members of a committee or sub-committee of the GMCA.

b) Rules concerning the membership of the independent remuneration panel, payment of expenses incurred by the independent remuneration panel and payment of allowances and expenses of members of the independent remuneration panel.
c) A requirement that other than as detailed at d) below no remuneration is to be payable by the GMCA to its members or a member of a committee or sub-committee of the GMCA other than allowances for travel and subsistence.

d) The GMCA is to be able to pay an allowance to the Mayor or to a member of a committee or sub-committee of the GMCA who is not an elected member of a constituent council, but only if the GMCA has considered recommendations made by the independent remuneration panel which contains recommendations for the payment of such an allowance and the allowance paid by the GMCA does not exceed the amount specified in the recommendation made by the independent remuneration panel.

e) Where the independent remuneration panel recommends the payment of an allowance to a member of the GMCA or a GMCA committee or sub-committee who is a member of a constituent council, that constituent council may pay the member such an allowance through its own scheme of allowances.

2. **ESTABLISHMENT OF AN INDEPENDENT REMUNERATION PANEL**

2.1 So as to enable an independent remuneration panel to be established expeditiously once expected changes to legislation come into effect, it is recommended that the GMCA delegate to the GMCA Monitoring Officer the power, in consultation with the Interim Mayor, to establish, in accordance with relevant statutory provisions, an independent remuneration panel to make recommendations to the GMCA and to constituent councils in respect of allowances payable to:

   a) Members appointed to the GMCA;

   b) The Mayor of the GMCA; and

   c) Members of committees and sub-committees of the GMCA.

3. **RECOMMENDATIONS**

3.1 Recommendations are set out in full at the beginning of this report.
Date: 24 February 2017

Subject: Appointment of a Combined Authority Returning Officer

Report of: Liz Treacy, GMCA Monitoring Officer

PURPOSE OF REPORT

To propose that Sir Howard Bernstein be appointed as the Combined Authority Returning Officer until 31 March 2017, with that appointment passing to Eamonn Boylan from 1 April 2017.

RECOMMENDATIONS:

The GMCA is recommended to:

1. Appoint Sir Howard Bernstein as the Combined Authority Returning Officer for elections of a Greater Manchester Combined Authority Mayor, until 31 March 2017 (inclusive).

2. Appoint Eamonn Boylan, as GMCA Head of Paid Service as the Combined Authority Returning Officer for elections of a Greater Manchester Combined Authority Mayor, with effect from 1 April 2017.

CONTACT OFFICERS:

Liz Treacy, 0161 234 3087  l.treacy@manchester.gov.uk
Monitoring Officer, GMCA

Stephen Hollard, 0161 234 3336  s.hollard@manchester.gov.uk
Principal Solicitor, Democratic Services (Legal) Group, Manchester City Council

BACKGROUND PAPERS:

None.
**RISK/ FINANCIAL/ LEGAL CONSEQUENCES/DETAILS**

Risk Management – N/A  
Legal Considerations – as detailed in the report the GMCA is required to appoint a Combined Authority Returning Officer  
Financial Consequences – Revenue – N/A  
Financial Consequences – Capital – N/A  

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1. INTRODUCTION

1.1 The first election of a mayor of the GMCA will be held on 4 May 2017. Subsequent ordinary elections of the mayor will take place on the ordinary day of election for councillors in 2020 and then every fourth year thereafter on the same day as the ordinary day of election for councillors. The administrative model adopted for the GMCA mayoral election involves a Returning Officer (colloquially referred to as a “Local Returning Officer”) at district level for each of the ten constituent councils of the GMCA, with a Combined Authority Returning Officer (“CARO”) overseeing the election on a Greater Manchester basis.

1.2 The particular duties of the CARO include:
   - issuing directions to Local Returning Officers;
   - publishing the notice of election;
   - administering the nomination process;
   - publishing the statement of persons nominated;
   - ensuring that candidates and their agents comply with the requirements relating to the content of election addresses;
   - producing and distributing a booklet to every voter containing the candidates’ election addresses;
   - collating the number of votes given for each candidate and calculating the result; and
   - declaring the result.

2. APPOINTMENT OF A COMBINED AUTHORITY RETURNING OFFICER

2.1 The conduct of the GMCA mayoral election is governed by The Combined Authorities (Mayoral Elections) Order 2017 (“the 2017 Order”). Article 6(1) of the 2017 Order provides that: “The combined authority must appoint one of its officers, or one of the officers of a constituent council, to be the combined authority returning officer in relation to the election.”

2.2 It is considered that the most appropriate officer to be appointed as CARO would be the person holding the office of Head of Paid Service of the GMCA. This creates a degree of complication as on 1 April 2017 Eamonn Boylan will take over as Head of Paid Service, replacing Sir Howard Bernstein in that role.

2.3 It is recommended that the GMCA:
   - appoint Sir Howard Bernstein as the Combined Authority Returning Officer for elections of a Greater Manchester Combined Authority Mayor, until 31 March 2017 (inclusive); and
• appoint Eamonn Boylan, as GMCA Head of Paid Service as the Combined Authority Returning Officer for elections of a Greater Manchester Combined Authority Mayor, with effect from 1 April 2017.
PURPOSE OF REPORT

The Local Audit and Accountability Act 2014 (the Act) at Section 7 states that a “relevant authority must appoint a local auditor to audit its accounts for a financial year not later than 31 December in the preceding financial year.” Current auditor contracts have been extended for 12 months, therefore for the Combined Authority the appointment of an auditor must be completed by 31 December 2017 for the audit year 2018/19.

RECOMMENDATIONS:

To endorse the recommendation of the GMCA/AGMA Audit Committee that the Combined Authority opt in to the sector-led PSAAL national procurement process.

CONTACT OFFICERS:

Richard Paver  Treasurer to GMCA
0161 234 3530  r.paver@manchester.gov.uk

Tom Powell  Head of Internal Audit and Risk Management
0161 234 5273  E-mail  t.powell@manchester.gov.uk

BACKGROUND PAPERS:
Documents used in the development of the assurance report include:
• DCLG: Government response to the Future of Local Audit
• DCLG: Future of Local Public Audit – consultation: summary of responses
• Local Audit and Accountability Act 2014 (the Act)
• CIPFA Guide to Auditor Panels
• Report to Joint GMCA/AGMA Audit Committee 20 January 2017
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<td>Deadline for notifying PSAAL is 9&lt;sup&gt;th&lt;/sup&gt; March 2017</td>
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1. BACKGROUND

1.1 At its meeting on 20\textsuperscript{th} January, the Audit Committee considered the attached report and received feedback from the GMCA Treasurer regarding the decision by the PSAAL (Public Sector Audit Appointments Ltd) Board earlier in the week on the weighting to be attributed to Social Value in the contract award process and on the subsequent discussion by Greater Manchester Treasurers.

1.2 Following extensive discussion with PSAAL over recent months, Treasurers had been advised that a weighting in the tender evaluation of 5\% would be attributed to Social Value and that it would be a discrete category rather than a smaller proportion within the Quality assessment.

1.3 Whilst this weighting is disappointing, it was felt that GM lobbying had been successful in getting it recognised as a relevant criteria and that the benefits of joining a collective procurement approach were apparent, both in terms of greater ‘buying power’ and in minimizing the ongoing overhead of running a GM specific procurement process and contract monitoring through a GM Independent Audit Panel.

1.4 Consequently, GM Treasurers have recommended to their respective Councils that they should each join the PSAAL collective procurement.

1.5 The GMCA Audit Committee, having considered the discussion with PSAAL and the recommendation from Treasurers, agreed to recommend that the GMCA should also join the PSAAL sector-led procurement.
GMCA Audit Committee

20 January 2017

Appointment of External Auditors

Report Of  Treasurer to the Greater Manchester Combined Authority  
Head of Audit and Risk Management

| Contact officer: | Richard Paver  Treasurer to GMCA  
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E-mail t.powell@manchester.gov.uk |

| Wider Leadership Team Lead Officer: | Richard Paver  Treasurer to GMCA |

PURPOSE OF REPORT
Audit Committee previously considered the proposal for the establishment of a local joint procurement arrangement with neighbouring authorities for the provision of external audit services from 2017/18 and approved the GMCA Treasurer to progress actions necessary to develop the procurement process.

Discussions have since taken place amongst GM Local Authority Treasurers and with Public Sector Audit Appointments Limited (PSAAL) regarding opt-in to a sector led, national procurement process.

This report provides an update for Authority Committee on the current position and proposed next steps.

RECOMMENDATION
To note the current position in respect of arrangements for the appointment of external auditors and confirm the proposed approach to be taken by the GMCA Treasurer to brief Audit Committee in advance of a formal decision report to GMCA in February.

PRIORITY
This report is produced to support Audit Committee oversight of risk and assurance across GMCA and AGMA.
BACKGROUND DOCUMENTS
DCLG: Government response to the Future of Local Audit
DCLG: Future of Local Public Audit – consultation: summary of responses
Local Audit and Accountability Act 2014 (the Act)
CIPFA Guide to Auditor Panels
Report to Audit Committee September 2016

RISKS/IMPLICATIONS
Financial: Cost of Internal Audit and Risk Services within GMCA budget.
Staffing: No impact
Policy: No impact
Equal Opportunities – Has a Diversity Impact Assessment been conducted? No

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1 Introduction

1.1 In September 2016 Audit Committee received a report on proposals for the appointment of external auditors. This report provides an update on progress.

2 Background

2.1 In summary the September 2016 report confirmed the requirement, following the closure of the Audit Commission, for all local government and NHS bodies in England to locally appoint their external auditors.

2.2 The report confirmed three broad options open to the GMCA under the Act which are:

- Option 1: Make a stand-alone appointment as the GMCA
- Option 2: Establish local joint procurement arrangements
- Option 3: Opt-in to a sector led body appointed by the Secretary of State under the Act - Public Sector Audit Appointments Limited (PSAAL).

2.3 New appointments for auditors need to be made by December 2017 regardless of which option is chosen.

2.4 The report concluded that the GMCA Treasurer and counterparts in TfGM, GMPCC, GMP, GMFRS and GM Waste, as well as across GM local government were supportive of the proposal for a GM level procurement (Options 2) and sought approval for this option to be pursued.

3 Further Developments

3.1 Since the September 2016 Audit Committee, the GMCA Treasurer and GM local government treasurers have engaged in further discussions and meetings with PSAAL to explore whether the approach being developed could be utilised to meet GMCA and GM local authority needs. In particular PSSAL were asked whether their process would (i) enable the same external auditor to be appointed to all GM local authorities and (ii) ensure an acceptable recognition of social value to be reflected in the procurement process. If these requirements could be met then GM Treasurers are minded to opt into this sector led procurement approach given it could result in lower procurement costs and fees than might be achieved through a local appointment process.

3.2 Discussions with PSSAL have been ongoing over the last two months. It appears likely at this stage that they would be unable to guarantee the same external auditor for all GM local authorities but can provide reasonable assurance that it would be feasible for the same firm to be appointed for GMCA, TfGM and GMP. The GMCA Treasurer and GM treasurers are accepting of this position.

3.3 The weighting to be afforded to social value in the procurement process is less clear as two options are being presented to the PSAAL Board on 18 January. One of these options affords a lower weighting to social value than may be acceptable to a number of GM local authorities. This could result in some or all of the GM local authorities deciding to pursue the joint local appointment outside of the sector led approach.

3.4 A key challenge is that the deadline to opt into the sector led approach is 9 March 2017 and is a decision that must be approved at the GMCA.
4 **Next Steps**

4.1 The GMCA Treasurer and GM local authority treasurers await the decision to be made by PSSAL on 18 January in respect of procurement award criteria as this will inform the final recommendation to be made to each local authority.

4.2 The GMCA Treasurer will write to all GMCA Audit Committee members to confirm the final proposed option in advance of a report that will need to be approved by the GMCA in February.

5 **Recommendations**

5.1 Members are requested to note the current position in respect of arrangements for the appointment of external auditors and confirm the proposed actions to be taken by GMCA Treasurer to brief Audit Committee in advance of a formal report to GMCA in February.
PURPOSE OF REPORT

This new Code of Corporate Governance reflects the Greater Manchester Combined Authority’s (GMCA) arrangements for the current year only, responding to the substantially changed arrangements of the new CIPFA Local Governance framework published in 2016.

This report was considered by the GMCA and AGMA Joint Audit Committee on the 20th January 2017 who recommended that the GMCA should adopt this new Code of Corporate Governance.

It should be noted that 2016-17 is an important year for the GMCA as it prepares to take on significant new powers devolved from government set out in a series of devolution agreements. The future governance of the combined area of Greater Manchester is currently subject to a series of Parliamentary Orders which will set out the new powers of the GMCA and the elected mayor (implementing GM’s devolution agreements). The GMCA’s new powers will come into force on 1 April 2017, and the mayoral powers on 8 April 2017. A new code for the GMCA will be produced in April 2017.

RECOMMENDATIONS:

Members are asked to agree the adoption of this new Code of Corporate Governance.

CONTACT OFFICERS:

Richard Paver GMCA Treasurer r.paver@gmca.gov.uk
Liz Treacy, GMCA monitoring officer: liz.treacy@manchester.gov.uk

BACKGROUND PAPERS:

None.

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CONTENTS

INTRODUCTION ................................................................................................................................................2
A. BEHAVING WITH INTEGRITY, DEMONSTRATING STRONG COMMITMENT TO ETHICAL VALUES, AND RESPECTING THE RULE OF LAW .......................................................................................................................3
B. ENSURING OPENNESS AND COMPREHENSIVE STAKEHOLDER ENGAGEMENT ...........................................4
C. DEFINING OUTCOMES IN TERMS OF SUSTAINABLE ECONOMIC, SOCIAL, AND ENVIRONMENTAL BENEFITS ..........................................................................................................................................................5
D. DETERMINING THE INTERVENTIONS NECESSARY TO OPTIMISE THE ACHIEVEMENT OF THE INTENDED OUTCOMES ........................................................................................................................................................................7
E. DEVELOPING THE ENTITY’S CAPACITY, INCLUDING THE CAPABILITY OF ITS LEADERSHIP AND THE INDIVIDUALS WITHIN IT.......................................................................................................................................8
F. MANAGING RISKS AND PERFORMANCE THROUGH ROBUST INTERNAL CONTROL AND STRONG PUBLIC FINANCIAL MANAGEMENT ..................................................................................................................9
G. IMPLEMENTING GOOD PRACTICES IN TRANSPARENCY, REPORTING, AND AUDIT TO DELIVER EFFECTIVE ACCOUNTABILITY ..........................................................................................................................10
INTRODUCTION

1.1 This Code of Corporate Governance sets out the Greater Manchester Combined Authority’s (GMCA’s) governance standards. ‘Corporate governance’ describes how the GMCA (the Authority) directs and controls what it does.

1.2 Good governance provides the conditions for the GMCA and its partners to work effectively, economically and ethically. The Authority should carry out its functions in a way that demonstrates accountability, transparency, effectiveness, integrity, and inclusivity. Good governance will support the Authority to pursue its vision and secure its agreed objectives.

1.3 The GMCA’s governance framework comprises the legislative requirements, principles, management systems and processes – including the Authority’s Constitution, Operating Agreement and Protocols – and cultures and values through which the Authority exercises its leadership, fulfils its functions, and by which it is held accountable for its decisions and activities.

1.4 This Code is a public statement that sets out the way in which the GMCA and its attendant structures will fulfil these principles in practice and demonstrate its commitment to good corporate governance. The business of the Authority will be conducted in accordance with the Seven Principles of Public Life identified in The Nolan Committee Report (1995), namely: selflessness; integrity; objectivity; accountability; openness; honesty; and leadership.

1.5 This Code will be reviewed annually to ensure it continues to be fit for purpose and relevant. The Authority will review the effectiveness of its governance arrangements and internal control systems and publish the review outcomes in an annual governance review. These standards ensure the Authority is doing the right things, in the right way in a timely, inclusive, open, effective, honest and accountable manner.

1.6 This new Code reflects the GMCA’s arrangements for the current year only, responding to the requirements of the new CIPFA Local Governance Framework published in 2016. It should be noted that the 2016-17 is an important year for the Greater Manchester Combined Authority as it prepares to take on significant new powers devolved from government set out in a series of devolution agreements.

1.7 The future governance of the combined area of Greater Manchester is currently subject to a series of Parliamentary orders which will set out the new powers of the GMCA and the elected mayor (implementing GM’s devolution agreements). The GMCA’s new powers will come into force on the 1st April 2017, and the mayoral powers on the 8th May 2017. A new Code for the GMCA will be produced in April 2017.

1.8 The International Framework: Good Governance in the Public Sector (CIPFA/IFAC) describes governance as the:

arrangements put in place to ensure that the intended outcomes for stakeholders are defined and achieved…..To deliver good governance in the public sector, both governing bodies and individuals working for [an authority] must try and achieve their authority’s objectives while acting in the public interest at all times.
The diagram below illustrates the principles of good governance, which is seen as a dynamic process involving continuous evaluation and review and improvement.

1.9 The following sections of this document describe how the GMCA fulfils the requirements set out in the seven principles of good governance described in the diagram above.

A. BEHAVING WITH INTEGRITY, DEMONSTRATING STRONG COMMITMENT TO ETHICAL VALUES, AND RESPECTING THE RULE OF LAW.

The GMCA fosters a culture of behaviour based on shared values, ethical principles and good conduct that is put into practice by members and officers alike.

The leadership of the GMCA embodies these values and creates a climate of openness, support and respect that covers the whole organisation. It establishes, monitors and maintains the organisation’s ethical standards and performance.

One of the challenges of working across the combined area of Greater Manchester is being clear about the relationships and roles between the districts and the GMCA. There is an operating agreement between each district and the GMCA which sets out their respective roles and also governance protocols developed as part of the first devolution agreement in November 2014.

Behaving With Integrity

The GMCA is committed to maintaining its values and integrity and operates a whistle-blowing policy (pp148-9) to ensure that individuals who draw attention to factors that compromise the GMCA’s integrity are adequately protected and supported in doing so.
Demonstrating Strong Commitment to Ethical Values

The leadership of the Combined Authority has put in place robust policies and procedures which put its values into practice; these include:

- A voluntary Standards Committee, composed of elected Members and independent co-opted members, with responsibility for promoting and maintaining high standards of conduct; assisting Members to observe the Member Code of Conduct; over-seeing the Authority’s Whistleblowing Policy and monitoring the Member/Officer Protocol.

- A Member Code of Conduct and arrangements for determining allegations that a Member has acted in breach of the Authority’s Member Code of Conduct as required by the Localism Act 2011.

- A Code of Conduct for Officers (pp131-133) which makes it clear what standards are expected from staff across the organisation in the performance of their duties.

- A Register of Member’s Interests records members’ interests in other bodies or land or assets in the Combined Authority’s area and also outlines the process for registering gifts and hospitality.

- Systems (pp140-149) for reporting and dealing with any incidents of wrongdoing including fraud, corruption, bribery and money laundering.

Respecting the Rule of Law

The GMCA has a Monitoring Officer (the GMCA’s Solicitor) who is a member of the GMCA’s Wider Leadership Team. The Monitoring Officer ensures that decisions are taken in a lawful and fair way and agreed procedures are followed and that all applicable statutes, regulations and procedure rules are complied with.

The GMCA uses its legal powers to promote its values and priorities to the full benefit of the citizens and communities across Greater Manchester. The GMCA has full regard to the extent of its powers and does not act beyond them, and will observe specific requirements in legislation as well as general responsibilities of public law.

The GMCA’s decision making process will adhere to the principles of good administrative law, respect human rights and demonstrate rationality, legality and natural justice.

Dealing With Breaches of Legal and Regulatory Power

The GMCA appoints Statutory Officers that have the skills, resources and support necessary to perform effectively in their roles. These statutory officers include:

- Head of the Paid Service (Chief Executive)
- Monitoring Officer
- Chief Finance Officer (GMCA Treasurer - Section 151 officer)

The officers working on GMCA business support these statutory officers as well as other key post holders and elected members to fulfil their responsibilities within legislative and regulatory requirements.

B. ENSURING OPENNESS AND COMPREHENSIVE STAKEHOLDER ENGAGEMENT

Openness

The GMCA sets out its commitment to openness in this Code, the Constitution and Annual Governance Statement.
Decisions taken by the GMCA subject to limited exemptions, are made in public, minuted (alongside the reasons and the evidence considered) and information relating to those decisions is made available to the public. This includes access through live webcasts of Authority meetings which remain online for six months.

The Authority ensures that, subject to limited exemptions, its most significant decisions are recorded and that information relating to such decisions is made available to the public. The Authority publishes its intention to take key decisions through the GMCA’s forward plan which is published monthly along with GMCA’s papers. Decisions taken at each meeting of the GMCA and Transport for Greater Manchester Committee are published on the web page relating to that meeting and are also circulated by email to members of the GMCA Scrutiny Pool.

The GMCA’s approach is consistent with the requirements of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012. The Authority holds its key meetings in public with the agenda and public reports available on the GMCA’s website. However, certain exclusions apply where there is a need to comply with confidentiality laws. The Authority allows for people to make comments live through social media. The Authority informs, consults and involves residents in significant decisions and their views are submitted to those making decisions for consideration.

Engaging Comprehensively with Institutional Stakeholders

The Authority develops and maintains relationships with leaders of other organisations across the private, public and voluntary sector. They to help deliver the shared vision for the city region through formal governance structures and through partnership working.

Engaging With Individual Citizens and Service Users Effectively

The GMCA consults communities, individuals, service users and other stakeholders whenever there is a legal duty to do so. The Authority informs, consults and involves residents on strategic matters and issues of interest to them. This dialogue is sustained and encouraging through a number of channels, including the live streaming of GMCA meetings and through an active social media presence on Facebook, and Twitter.

The Authority is committed to considering and acting upon feedback from residents and stakeholders has a transparent complaints handling procedure which enables the Authority to learn effectively from the complaints it has received.

C. DEFINING OUTCOMES IN TERMS OF SUSTAINABLE ECONOMIC, SOCIAL, AND ENVIRONMENTAL BENEFITS

Defining Outcomes

The GMCA’s strategic plans: the Greater Manchester Strategy (GM’s Strategic Economic Plan, and GM’s sustainable community strategy); and GM’s Growth and Reform Plan (GM’s Growth Plan) are both shared with the GM Local Enterprise Partnership. These two documents set out Greater Manchester’s ambitions
for the conurbation and both bodies are jointly responsible for ensuring that the ambitions contained within these plans are delivered.

The Strategy and the Growth and Reform Plan focuses on delivering a combination interventions focused around promoting economic growth and reforming public services:

- **Growth** - we are removing the barriers that stifle economic growth, and making Greater Manchester an attractive place for investors. We're exploiting the region's business and academic expertise and becoming more outward-looking and international.

- **Reform** - we are making public services more efficient, and helping people become more self-reliant so there will be less demand for those services. New skills and better education, training and employment opportunities will help people enjoy the benefits of the region’s economic growth.

To enable the GMCA and GM LEP understand performance across all strategic priorities GM publishes an [Annual Report](#).

The GMCA is currently [refreshing its strategic approach](#), reassessing the issues and opportunities that the Greater Manchester Strategy needs to address, and re-examining the interventions required to drive growth and reform across the conurbation. This refresh will be supported by an extensive programme of research including our ‘Deep Dive study’ on economic issues and opportunities across the conurbation (published alongside the GM Spatial Framework Consultation); the [Northern Powerhouse Independent Economic Review](#); and GM’s response to the [RSA's inclusive Growth Commission](#).

As part of this refresh the GMCA and the GM LEP have embarked on an initial ‘conversation’ about people’s ambitions for Greater Manchester, what they want the city region to be like by 2040, our challenges and how we could collectively and individually overcome them. This conversation exercise will be in addition to the formal consultation on the draft strategy.

Greater Manchester Strategy’s priorities provide the strategic context for the allocation of resources. For the financial year 2016-17 the GMCA has set out a one year budget, but from 2017-18 once the GMCA’s new powers are in place, it will set a medium-term financial strategy. This will set out the new organisation’s financial assumptions and provide a set of goals for financial decision making for the next three years. This will support the organisation to balance its longer-term vision with short term imperatives.

**Sustainable Economic, Social and Environmental Benefits**

The Greater Manchester Strategy's vision for the conurbation is predicated on developing a new model of sustainable economic growth based around a more connected, talented and greater city region where all residents are able to contribute to and benefit from sustained prosperity and enjoy a good quality of life. All of its priorities are focused on delivering this vision.

A new leader portfolio for fairness, equality and cohesion has been established to ensure that, as we embark on a refresh of the Greater Manchester Strategy, all of the conurbation can play the fullest part and benefit from the growth of Greater Manchester.

The portfolio holder’s work will be informed in part, by the Equality Act (2010) and help work to ensure that:
• GM’s key strategic initiatives proactively embed the principles of promoting fairness, equality and cohesion within their design (and in so doing fulfil the requirements of the general equality duty);
• As an employer the GMCA integrates the consideration of fairness, equality and cohesion into its day-to-day business and adopts best practice to fulfil the aims of the general equality duty.

Finally, the GMCA has been proactive in using Social Value as an enabler to deliver additional benefits for suppliers and partners across all procurement and commissioning activity. GM understands that social value can be used to reinforce the core objectives of the GM strategy and to increase the spending power – in the widest sense of the word - of every pound spent in GM. The GMCA’s funding is subject to the provisions of the Public Services (Social Value) Act 2012 and so has adopted a Social Value Policy whose objectives are:

- promote employment and economic sustainability – tackle unemployment and
- facilitate the development of skills
- raise the living standards of local residents – working towards living wage, maximise employee access to entitlements such as childcare and encourage suppliers to source labour from within Greater Manchester
- promote participation and citizen engagement - encourage resident participation and promote active citizenship
- build the capacity and sustainability of the voluntary and community sector–practical support for local voluntary and community groups
- promote equity and fairness – target effort towards those in the greatest need or facing the greatest disadvantage and tackle deprivation across the borough
- promote environmental sustainability – reduce wastage, limit energy consumption and procure materials from sustainable sources

D. DETERMINING THE INTERVENTIONS NECESSARY TO OPTIMISE THE ACHIEVEMENT OF THE INTENDED OUTCOMES

Determining Interventions

The GMCA provides decision makers with objective and rigorous analysis of options, covering intended outcomes, financial impact and associated risks supporting efficient service delivery.

Greater Manchester has invested heavily in developing the evidence base which underpins its policy interventions. This has been a distinctive feature of GM's approach to developing strategic interventions. High quality evidence (including a forecasting model) together with Treasury Green Book compliant techniques for undertaking cost benefit analysis on policy interventions have been developed over the last eight years. Key aspects of GM's strategic approach to evidence include:

- the MIER (2008) - the Manchester Independent Economic Review: a significant assessment of the opportunities and challenges faced by Greater Manchester;
- New Economy - GM’s centre of excellence for GM Evidence Base;
- the Greater Manchester Forecasting Model - an externally commissioned model which provides a five year forward look on the conurbation’s ;
- the GM Spatial Framework evidence base
- ESIF Plan Logic Chain
Planning Interventions

The GMCA plans its activity through its budget and business planning cycle and does this in consultation with internal and external stakeholders to ensure that work delivered across different organisations and partners complement each other and avoid duplication.

This is facilitated by GM’s comprehensive governance structures which support the delivery of GM’s priorities across the conurbation and co-ordinate their activity. The effectiveness of interventions are monitored through the provision of regular performance reports to thematic meetings such as the Low Carbon Hub and as well as the GMCA itself.

Optimising Achievement of Intended Outcomes

GMCA is required to secure value for money as set out in the Code of Audit Practice 2010. The GMCA has to put in place proper arrangements to:

- secure economy, efficiency and effectiveness in its use of resources
- ensure proper stewardship and governance
- review regularly the adequacy and effectiveness of these arrangements.
- consider the GMCA’s arrangements to secure economy, efficiency and effectiveness.

The GMCA’s approach to investing in interventions which will deliver its intended outcomes is guided by its investment strategy, which focuses on maximising the uplift in jobs and GVA. GM’s model was originally developed for transport investment but has since been expanded to include regeneration and economic development investment funds to support businesses and has been complemented by more recent work using cost benefit analysis in the development of public service reform interventions.

The Authority procures goods and services in compliance with EU, UK and Council regulations and ensure that value for money is obtained through a balanced consideration of social, economic and environmental impacts that can be derived from procurement spend

E. DEVELOPING THE ENTITY’S CAPACITY, INCLUDING THE CAPABILITY OF ITS LEADERSHIP AND THE INDIVIDUALS WITHIN IT

Developing the Organisation’s Capacity

The GMCA monitors its governance and staffing to support the delivery of planned work programme. The Authority ensures that resources are directed to those activities that will make the greatest contribution to the conurbation’s vision through its budget and business planning process.

Where possible the Authority seeks information about functions, expenditure and performance from comparator organisations and uses these findings to inform its own work. Where intelligence suggests different ways of doing things will lead to improved value for money these options are explored.

Currently the GMCA is developing all aspects of its approach to workforce planning and development as part of the transition to the new GMCA in April 2017.

Developing The Capability of the Organisation’s Leadership and Other Individuals
The roles and responsibilities of members and senior officers are clearly defined within the GMCA Constitution, Operating Agreement and Protocols. The Constitution also sets out the GMCA’s scheme of delegation (see part 3 section D, p32) and a protocol governing member/officer relations (see p 134) so that elected members and senior officers have a shared understanding of their respective roles.

The GMCA is committed to developing the capability of people with governance responsibilities and ensuring that officers working on GMCA business understand the importance of governance within their role. An induction and training programme for members and officers is tailored to individual needs and provides an opportunity to learn about new developments as well as their governance responsibilities.

The Authority has an open approach to external and peer review and inspection and actively considers constructive feedback.

F. MANAGING RISKS AND PERFORMANCE THROUGH ROBUST INTERNAL CONTROL AND STRONG PUBLIC FINANCIAL MANAGEMENT

Managing Risk

The GMCA maintains a risk register, which supports the identification and management of key risks. The risk register is reviewed at every meeting of the Audit Committee and informs decision making, protects the Authority’s reputation and other assets and is compliant with statutory and regulatory obligations. The GMCA’s Corporate Risk Register names risk managers for each of its key strategic risks.

Managing Performance

Regular performance reports are provided to the GMCA’s thematic meetings who manage the Authority’s work programme as well as the GMCA itself. To enable the GMCA understand how well we are doing in delivering our strategic ambitions GM publishes an Annual Report. As well as progress on each of GM’s headline indicators the report contains detailed performance tables which report against milestone and key performance indicators (KPIs) for each of the Greater Manchester Strategy’s priorities. This report is considered by the GMCA as well as Joint Audit and Scrutiny Committees, and the GM Local Enterprise Partnership. The GMCA also receives a quarterly financial update, and well as regular reports on its capital programme.

Relevant, objective and reliable performance information is used to inform decision making, alongside the financial implications and risk information associated with each decision.

Effective Overview and Scrutiny

The Authority believes that effective overview and scrutiny of decisions leads to improved decision making and improved public services. The Authority establishes and maintains an effective Scrutiny function which is able to constructively challenge decision-makers, including those who work in partnership with the Authority, and policy makers.

Robust Internal Control

Internal control systems supports the Authority to achieve its objectives by managing its risks while complying with regulations and organisational policies. This safeguards the Authority’s resources against loss, fraud, misuse and damage and safeguards the confidentiality and integrity of its ICT and information
systems. The Authority maintains clear policies and arrangements in respect of counter fraud and anti-corruption.

The Authority’s Audit Committee provides a further source of assurance of the GMCA’s approach to risk management and the control environment.

Managing Data

The Authority is committed to safeguarding the personal data it holds and sharing this data only in circumstances permitted by law. Its approach to data protection is set out in its publication scheme. The Authority is committed to the safe-sharing of data -where appropriate- with other agencies where this supports the delivery of the Greater Manchester Strategy’s priorities and vision.

The GMCA complies with the Local Government Transparency Code 2015 by publishing accurate data within appropriate time frames in the areas mandated by the Code on the GMCA website. The Authority regularly reviews the quality and accuracy of the data it produces, and uses in decision making and performance monitoring.

Strong Public Financial Management

The Authority’s approach to financial management ensures that public money is safeguarded at all times and used appropriately, economically, efficiently and effectively. Its approach supports both long term achievement of objectives and short term financial and operational performance.

The Section 151 Officer, the GMCA’s Treasurer, ensures that appropriate advice is given on all financial matters, proper financial records and accounts are kept, and oversees an effective system of internal financial control. The Treasurer ensures well developed financial management is integrated at all levels of planning and control including management of financial risks and controls.

The GMCA maintains a prudential financial framework; keeps its commitments in balance with available resources; and monitors income and expenditure levels to ensure that this balance is maintained and takes corrective action if necessary.

G. IMPLEMENTING GOOD PRACTICES IN TRANSPARENCY, REPORTING, AND AUDIT TO DELIVER EFFECTIVE ACCOUNTABILITY

Implementing Good Practice in Transparency

The Authority is committed to publishing information including reports in a manner which is accessible to residents and other stakeholders. The publication of information will strike a balance between satisfying the demands of transparency and becoming too onerous for users to understand.

Implementing Good Practices in Reporting

The Authority seeks to demonstrate to its stakeholders that it has delivered its priorities. It publishes an Annual Report setting out how it has performed, charting the city region’s progress towards delivering its vision. There is also an annual review the effectiveness of its governance framework including its system of internal control and an Annual Governance Statement which is published alongside its accounts.
Assurance and Effective Accountability

The GMCA welcomes peer challenge, internal and external review and audit, and inspections from regulatory bodies. Officers and relevant member bodies consider any recommendations made and put in place arrangements for the implementation of actions agreed to be taken as a result. There is clear oversight from the GMCA and wider leadership team on the conclusions and resultant actions.

Monitoring and Review

This Code is reviewed on an annual basis to ensure it is kept up to date. Where the review identifies that changes to the Code are necessary, the revised Code will be submitted to Standards and Audit Committee for comments before being incorporated within the GMCA’s Constitution.

The GMCA has two committees that are jointly responsible for monitoring and reviewing corporate governance arrangements. These committees are:

- **Audit Committee** - responsible for approving the GMCA’s annual accounts and responding to the auditor’s annual management letter. It also oversees the effectiveness of the GMCA’s governance and risk management arrangements, the internal control environment and associated anti-fraud and anti-corruption arrangements
- **Standards Committee** – responsible for promoting and maintaining high standards of conduct amongst Members, for advising the Council on the adoption and revision of the Code of Conduct for Members, and for monitoring the operation of the Code.

Full terms of reference for each of these Committees are included in the GMCA’s Constitution. The GMCA’s members are informed of the work of these Committees through minutes submitted to the GMCA.

The GMCA will ensure that corporate governance arrangements are kept under continual review by updating, as appropriate, these Committees on:

- The work of Internal and External Audit
- The opinion of other review agencies and inspectorates
- Opinions from the GMCA’s Statutory Officers
- General matters relating to the implementation of the Code
- The production of the Annual Governance Statement and actions planned to address arising governance issues.

The Annual Governance Statement

Each year the GMCA publishes an Annual Governance Statement to accompany the Annual Accounts (see p152). The Statement provides an overall assessment of the GMCA’s corporate governance arrangements and how it adheres to the governance standards set out in this Code. Evidence relating to the principles of this Code is reviewed and analysed to assess the robustness of the GMCA’s governance arrangements.

The Statement includes an appraisal of the key controls in place to manage the GMCA’s principal governance risks and the effectiveness of systems and processes governing decision making and financial control. The Statement also provides details of where improvements need to be made. Actions to address significant governance issues are identified and recorded in an action plan. The Annual Governance Statement is audited by the GMCA’s external auditors as part of the audit of the annual accounts.
Date: 24 February 2017

Subject: Changing Lives through Sport & Physical Activity

Report of: Councillor Peter Smith, Portfolio Lead for Health & Social Care and Steven Pleasant, Portfolio Lead Chief Executive for Health & Social Care

PURPOSE OF REPORT

To provide the GMCA with an update on the progress of work following the signing of the Memorandum of Understanding in July 2016 between Sport England, the GMCA and the NHS and seeking agreement to progress with the development of an Expression of Interest from Greater Manchester to Bid for the local delivery pilots scheme.

RECOMMENDATIONS:

1. That the GMCA sign off the mandate to move forward with a Greater Manchester Bid to the local delivery pilot investment stream.

2. GreaterSport are mandated by GMCA to facilitate the connection between the GM Health and Social Care Partnership, the GMCA and the physical activity and sport sector and support production of the Expression of Interest (EOI).

3. The GM Reform Board will advise on and oversee the development of the Expression of Interest.

CONTACT OFFICERS:

Steven Pleasant
Chief Executive, Tameside MBC

Yvonne Harrison
Greater Manchester Sports Partnership
BACKGROUND PAPERS:

MoU signing – July 2016

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1. INTRODUCTION

1.1 GM Moving is the Blueprint for physical activity and sport in Greater Manchester, launched in 2015. Building from the strength of the strategic partnerships across the sector, health, transport and local government, in July 2016 the MoU between Sport England, the GMCA and the NHS in Greater Manchester was signed. This provided an approach to explore the delivery of both the Government’s and Sport England’s strategies for physical activity and sport at a Greater Manchester level, whilst contributing to the strategic priorities of Greater Manchester, particularly regarding health, economic growth and social wellbeing.

1.2 Since the signing a significant amount of work has been undertaken to develop relationships and understanding between the parties and move forward with the implementation of the MoU including:

- Programme governance agreed including, terms of reference and membership of the Programme Management Board which meets for the first time on 20 February.

- The appointment of Hayley Lever as Interim Strategic Manager to provide capacity for delivery of the MoU. Hayley commences the role from 5 April however is providing one day a week capacity to that point. Hayley will be employed by GreaterSport and act on behalf of the partnership to provide capacity to help deliver the ambition of the MoU.

- Contribution to the Population Health plan with regards to physical activity.

- A Working Well pilot began in 2014 tackling a range of barriers to employment through personalised support. This was very successful and has led to GM, through New Economy submitting a bid to Department of Works & Pensions (DWP) for a much bigger programme. Through the initial work of the MoU there has been a recognition that physical activity has a positive role to play and as such Sport England and GreaterSport have been invited to be part of the discussions in terms of the development of the programme.

2. The Opportunity to attract investment into Greater Manchester

There are a number of live investment strands via Sport England at present. The two of significant interest are the ‘Inactivity – targeting older people’ and the ‘Local Delivery Pilots’.
2. **Older People**

2.2 Greater Manchester have the opportunity to bid for up to £1 million to reduce inactivity of Greater Manchester residents age 55+.

2.3 An initial session was held on 12th December with colleagues from across the physical activity and sport sector to outline some of the evidence and gain understanding of current practice to support older people to be active across the districts. A number of meetings have taken place between GreaterSport, Sarah Newsam, Paul McGarry, Hayley Lever and colleagues from Sport England to start to build these ideas and clarify actions regarding submitting an expression of interest.

2.4 Two key strands will include: Going where the people are and normalising physical activity within those communities, and scaling or systemising interventions to reach more and the right older people. Physical activity is currently a gap in some of the aging work and as such this investment provides a good opportunity to test and learn.

3. **Local Delivery Pilots**

3.1 In December Sport England announced the process for their investment of up to £130 million into ten local delivery pilots. This started with a series of workshops across the country from 6th – 22nd February. These workshop will outline Sport England’s expectations and then Expressions of Interest (EOI) will be invited by 31st March. The local deliver pilots will seek to achieve population level change, requiring a whole system approach that will impact on; the individual, social environment, organisations and institutions, the physical environment and policy. Following this a number of areas will be invited to submit a full application and this will be a competitive process. Greater Manchester want to be part of this, building upon the Blueprint and the outcomes within the MOU.

3.2 **Areas for consideration**

   Below are the main elements that will form part of the assessment criteria:

   3.2.1 Outcomes, Your place, Audience, Leadership, Your partners, Readiness, Commitment, Learning, Sustainability. EOI’s must be able to demonstrate a good level of knowledge of our people an communities and the principles of behaviour change to move those who are inactive into regular physical activity.

   3.2.2 This work will also be integrated with our Reform approach.

4. **Recommendations**:

4.1 Recommendations appear at the front of the report.
Date: 24th February 2017

Subject: Brexit Monitor – Monthly Update


PURPOSE OF REPORT

This report updates members on the key economic and policy developments in relation to the UK’s decision to leave the European Union (EU). The latest edition of the monthly Greater Manchester Brexit Monitor is attached to provide a real-time view of the economic and policy impact of Brexit.

RECOMMENDATIONS:

Members are asked to:

• Note the contents of the February Brexit Monitor provided in Appendix 1.

CONTACT OFFICERS:

Simon Nokes, Managing Director, New Economy
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John Holden, Director of Research, New Economy
john.holden@neweconomymanchester.com
1. INTRODUCTION

1.1 Following the vote to leave the EU, the GMCA has been monitoring the economic and social trends and policy developments to develop an appropriate policy response. The impact of Brexit is being tracked across the following themes:

- Macro-economy trends and developments;
- Key sectors and business investment;
- Trade, regulation, and access to European Funding;
- Property investment, housing, and planning; and
- Economic inclusion.

2. KEY MESSAGES

2.1 The February Brexit Monitor provides an update on the latest trends. This is included as Appendix 1. The key messages from this edition include:

- The economy has been more resilient than most commentators expected since the EU referendum and this trend continues in February with the Bank of England raising its growth forecasts for the next three years.

- There is continued optimism from GM firms; research with MGC Business Growth Hub clients undertaken in January 2017 highlights that firms generally expect their investment and recruitment plans to remain the same following the EU referendum result.

- There are also positive trends in residential development. In Manchester, residential development has reached its highest level since 2008. Furthermore, official Housing Index data from the Land Registry suggests the vote to leave the EU has had little impact on house prices, with moderate growth in average sales this period.

- There do however remain a substantial number of risks to achieving the economic outlook in particular a weaker pound is driving up inflation and squeezing household purchasing power. The Institute of Fiscal Studies also point to the prospect of continued weak productivity performance and less support from rising labour supply.

2.2 It is important to be cautious when interpreting these figures as the full impact of the decision to leave the EU remains to be felt. There remain no definitive decisions related to key issues such as the future terms of trade with the EU and other countries and the UK’s future regulatory framework. The economic reaction to the triggering of Article 50 next month will be critical as it will bring the UK’s position into sharp and formal focus.
3. NATIONAL GOVERNMENT POLICY ANNOUNCEMENTS

3.1 There have been a number of major national policy announcements this month. The Government initiated the first stage of the Industrial Strategy on the 23rd January with the launch of a 12 week consultation, running until the 17th April ("Building our Industrial Strategy: green paper"). The paper sets out an ambition to build an industrial strategy that addresses the long-term challenges facing the UK economy, with the overarching aims to improve living standards and economic growth by increasing productivity and driving growth across the whole country. A separate paper on the GM implications of the industrial strategy green paper is provided as a separate item on the February 2017 GMCA agenda.

3.2 The month was also marked by Parliament’s vote to give Theresa May the power to trigger Article 50 by March 31st 2017 and publication of the White Paper - The United Kingdom’s exit from and new partnership with the European Union, launched on 2 February. The White Paper sets out 12 themes of the government's goals for negotiations with the EU and is an important marker for government. The PM is on course to start the two-year Brexit process next month after MPs voted by 498 to 114, a government majority of 384, for the bill that gives her the power to invoke the EU treaty’s Article 50 exit clause.

3.3 The Housing White Paper ‘Fixing our broken housing market’, was published on 7th February 2017. It outlines a number of initiatives to help to increase housing supply in England which include: placing an expectation on councils and developers that land will be used more efficiently, by building at a higher density and taller; reforming the completion notice process in order to encourage development; a Lifetime ISA- an expansion of the current Help to Buy ISA- which provides 25% bonus on savings of up to £4000 a year on purchasing a first home or turning 60; and a consultation on the principle of a standardised way of calculating housing demand in the planning system.

3.4 It is likely that further policy announcements related to Brexit will be made in the Spring Budget due to be released on 8th March. However, at the time of writing, there is considerable uncertainty about both its scope and its content.

4. RECOMMENDATIONS:

4.1 Members are asked to:

• Note the contents of the February Brexit Monitor provided in Appendix 1.
Executive Summary

Headlines

• The economy has been more resilient than most commentators expected since the EU referendum and this trend continues in February with the Bank of England’s raising its growth outlook for the next three years. There do however remain a substantial number of risks to achieving this, in particular a weaker pound is driving up inflation and squeezing household purchasing power. The Institute of Fiscal Studies also point to the prospect of continued weak productivity performance and less support from rising labour supply. Moreover, the full impact of the decision to leave the EU remains to be felt and the economic reaction to the triggering of Article 50 next month will be critical as it will bring the UK’s position into sharp and formal focus.

• There have been a number of major announcements from government this month. Government initiated the first stage of the industrial strategy on the 23rd January with the launch of a 12 week consultation, running until the 17th April, on an extensive industrial strategy discussion paper (“Building our Industrial Strategy: green paper”). The consultation document is notable for its much stronger focus on both ‘deal making’ and on the importance of ‘place’. Government also announced the Growth Deal 3 allocations for LEP areas in the Northern Powerhouse alongside the launch of the green paper. (1)

• The month was also marked by Parliament’s vote to trigger Article 50, and publication of the White Paper - The United Kingdom’s exit from and new partnership with the European Union, launched on 2 February. The White Paper sets out 12 themes of the government’s goals for negotiations with the EU and is an important marker for government. February also saw the publication of the Housing White Paper ‘Fixing our broken housing market’. (2) Further policy announcements are expected in the Spring Budget to be released on 8 March however, at the time of writing, there is uncertainty about both its scope and its content.

Macro economy

• Growth prospects in the near future have been upgraded, but this is alongside rising inflation. The Bank of England’s Monetary Policy Committee (MPC) at its meeting ending on 1 February 2017 has increased its central expectation for growth over the next 3 years - the central expectation for growth in 2017 is 2.0% and growth of 1.6% in 2018 and 1.7% in 2019 is expected.

• The latest Consumer Prices Index (CPI) rate was the highest since July 2014 at 1.6% in December and the Bank now predicts that inflation will remain above its 2% target for the next three years, peaking at 2.8%. The MPC taking account of this alongside growth prospects have voted unanimously to maintain Bank Rate at 0.25%.

• UK gross domestic product (GDP) was estimated to have increased by 0.6% during Quarter 4 (Oct to Dec) 2016, the same rate of growth as in the previous 2 quarters. UK GDP was estimated to have increased by 2.0% during 2016, slowing slightly from 2.2% in 2015 and from 3.1% in 2014.
Executive summary

Key sectors & business investment

- **Research with MGC Business Growth Hub clients** throughout January 2017 highlights that firms generally expect their investment plans to remain the same following the EU referendum result (61%).

- **Manufacturing Purchasing Managers Index** (M-PMI) for January stood at 55.9 with the latest index outlining a 32-month high in output growth and continued upturns in new orders and employment. The headline M-PMI has remained above 50.0 for 6 months.

- **Services Purchasing Managers Index** (S-PMI) shows that UK services continued to expand at the start of 2017. However, the sector saw the slowest rise in output since October 2016.

Terms of trade, regulation & access to European funding

- **Rural Development Programme for England Growth Programme** - A national call for rural tourism infrastructure projects was launched on 25 January. Grants from £35,000 are available to fund the capital expenditure of tourism infrastructure projects.

- **Transnational Funding** – The Department for Communities and Local Government is holding an information day on the Northwest Europe Interreg Programme, 9 March in Manchester. Funding themes include: innovation, low carbon, and resource efficiency.

Property investment, housing and planning

- **Official Housing Index data** suggest the vote to leave the EU has had little impact on house prices, with moderate growth in average sales this period. The latest average house price data for GM is £153,000, up £10,000 on the value 12 months ago.

- **Residential development** in Manchester has reached its highest level since 2008, with a raft of new buildings set to transform the city's skyline, according to Deloitte Real Estate’s - Manchester Crane Survey.

Economic inclusion

- **The Household Finance Index (HFI)** January 2017 shows households had a negative outlook on their financial wellbeing due to mounting price pressures and decreased household income from employment; and indicates further acceleration in inflation ahead.

- **Since the referendum result on 24th June 2016, claimant count unemployment has fallen** from just over 46,000 to 44,000 in GM. However, the claimant rate in GM (2.5%) is higher than in the North West (2.3%) and the UK (1.8%).
Macro-economic trends and developments

Macro-economy

- UK gross domestic product (GDP) was estimated to have increased by 0.6% during Quarter 4 (Oct to Dec) 2016, the same rate of growth as in the previous 2 quarters. Growth during Quarter 4 was dominated by services, with a strong contribution from consumer-focused industries such as retail sales and travel agency services. Overall, UK GDP was estimated to have increased by 2.0% during 2016, slowing slightly from 2.2% in 2015 and from 3.1% in 2014.\(^{(3)}\)

- The Bank of England’s Monetary Policy Committee (MPC) at its meeting ending on 1 February 2017, voted unanimously to maintain Bank Rate at 0.25%. As the MPC had observed at the time of the UK’s referendum on membership of the EU, the appropriate path for monetary policy depends on the evolution of demand, potential supply, the exchange rate, and therefore inflation. The MPC has increased its central expectation for growth in 2017 to 2.0% and expects growth of 1.6% in 2018 and 1.7% in 2019.\(^{(4)}\)

- Domestic demand has been stronger than expected during 2016, and there have been relatively few signs of the slowdown in consumer spending. Nevertheless, continued moderation in pay growth and higher import prices following sterling’s depreciation are likely to mean materially weaker household real income growth over the coming few years. As a consequence, real consumer spending is likely to slow.

- Latest export statistics (November 2016, published January 2017) show the value of exports (EU and Non-EU) increased to £29.3 billion, and imports (EU and Non-EU) increased to £42.5 billion, compared with last month. Consequently the UK is a net importer this month, with imports exceeding exports by £13.2 billion. Exports to the UK’s main trade partners were up during the month - US (£4.4bn), Germany (£3.2bn), Netherlands (£1.9bn), Switzerland (£1.9bn), France (£1.9bn).\(^{(5)}\)

Consumer sentiment

- The Consumer Prices Index (CPI) rose by 1.6% in the year to December 2016, compared with a 1.2% rise in the year to November. The rate in December was the highest since July 2014, when it was also 1.6%.

- The latest CPI – released 17 January shows that price movements for the majority of the broad groups of goods and services in the Index acted to increase the rate between November 2016 and December 2016. The main contributors to the increase in the rate were rises in air fares and the price of food, along with prices for motor fuels, which fell by less than they did a year ago.\(^{(6)}\)
Key sectors & business investment

Business Investment

- Research with MGC Business Growth Hub clients throughout January 2017 highlights that firms generally expect their investment plans to remain the same following the EU referendum result (61%). The findings suggest businesses are increasingly likely to expect the referendum decision not to impact on their recruitment intentions (64%). The findings also suggest that access to the single market is not currently seen as a priority with two-fifths (43%) describing it as “unimportant”, and a quarter of businesses (25%) describing single market access as “somewhat important.”(7)

CIPS Manufacturing Purchasing Managers Index - January 2017

Manufacturing

- The UK manufacturing sector made a strong start to 2017. Output rose at the fastest rate since May 2014 as new order intakes expanded at a robust pace. However, input cost inflation surged to a survey record high and output charges also increased at one of the steepest rates in the series history.

- The seasonally adjusted Markit/CIPS Purchasing Managers’ Index (PMI) posted 55.9 in January, only a couple of ticks below December’s two-and-a-half year high of 56.1. The headline PMI has remained above the neutral mark of 50.0 for six months.(8)

CIPS Services Purchasing Managers Index – January 2017

Services

- The UK service sector continued to expand at the start of 2017 according to the latest PMI survey from IHS Markit and CIPS. However, the pace of growth in total business activity moderated for the first time in four months.

- The index remained above 50, at 54.5 for January 2017, compared with 56.2 in December 2016. On the price front, input costs rose at the highest rate since March 2011. New business and employment also increased but at slower rates. (9)
Trade, rules and regulatory developments

- The Government initiated the first stage of the Industrial Strategy on the 23rd January with the launch of a 12 week consultation, running until the 17th April, on an extensive industrial strategy discussion paper ("Building our Industrial Strategy: green paper"). The paper sets out an ambition to build an industrial strategy that addresses the long-term challenges facing the UK economy, with the overarching aims to improve living standards and economic growth by increasing productivity and driving growth across the whole country. The document is notable for its much stronger focus on both ‘deal making’ and on the importance of ‘place’. Government also announced the allocations for LEP areas in the Northern Powerhouse alongside the launch of the green paper.\(^\text{(10)}\)

- The month was also marked by Parliament's vote to trigger Article 50, and publication of the White Paper - The United Kingdom’s exit from and new partnership with the European Union, launched on 2 February. The White Paper sets out 12 themes of the government's goals for negotiations with the EU and is an important marker for government. Parliament vote. The PM is on course to start the two-year Brexit process next month after MPs voted by 498 to 114, a government majority of 384, for the bill that gives her the power to invoke the EU treaty’s Article 50 exit clause.\(^\text{(11)}\)

- The International Trade Committee continues its inquiry into post-Brexit UK trade options and the potential impact of alternative trading arrangements after the UK leaves the EU and also the future of trade with the Commonwealth. A first panel will look at whether the UK can expect to finalise a trade agreement with the EU in the two years before Brexit; the danger of a "cliff-edge" Brexit; and prospects for trade agreements with the rest of the world. The second panel will look at the opportunities for developing UK trading relationships with the Commonwealth once a Brexit deal has been concluded, including the scope for increasing UK exports; the future of trade with developing Commonwealth countries, in particular India, Canada and Australia.\(^\text{(12)}\)

European Funding

- Following the announcement from Environment Secretary Andrea Leadsom on the remaining uncommitted funding from the Rural Development Programme for England (RDPE) Growth Programme early in January, a national call for rural tourism infrastructure projects was launched on 25 January. Grants from £35,000 are available to GM organisations to fund the capital expenditure of tourism infrastructure projects that help the growth of the local rural economy and attract more visitors to the area. A morning workshop will be help on 15 February in Manchester to inform applicants of the application process.\(^\text{(13)}\)

- Transnational Funding. The Department for Communities and Local Government is organising a National Info Day on the Northwest Europe Interreg programme on 9 March 2017 in Manchester. The programme runs two calls a year and supports cross-border collaboration projects under three priorities - innovation, low carbon and resource efficiency.\(^\text{(14)}\)
Property and investment, housing, and planning

- **Housing White Paper ‘Fixing our broken housing market’,** published 7 February. The paper outlines initiatives to help to increase housing supply in England, including: placing an expectation on councils and developers that land will be used more efficiently, by building at a higher density and taller; reforming the completion notice process in order to encourage development; an expansion of the current Help to Buy ISA - which provides 25% bonus on savings of up to £4,000 a year on purchasing a first home or turning 60; and a consultation on the principle of a standardised way of calculating housing demand in the planning system.\(^{(15)}\)

- **House prices in the North West are set to rise by 18% over the next five years,** according to the Manchester Residential Predictions Seminar. A combination of high demand and low supply means that both rents and house prices will see their values rise, despite UK-wide uncertainty. JLL predicts that prices in Manchester will grow by 28% in the next five years.\(^{(16)}\)

- **Residential development** in Manchester has reached its highest level since 2008, with a raft of new buildings set to transform the city’s skyline, according to Deloitte Real Estate’s Manchester Crane Survey. A total of 22 new residential schemes have started construction onsite, eight more than the previous high of 14 in 2008. The annual survey, now in its 16th year, reports that 6,963 residential units are currently under construction, compared with the figure in last year’s crane survey of 2,982.\(^{(17)}\)

**Average House Prices Sales (Index August 2015=100)**

- **Official Housing Index** data from the Land Registry suggest the vote to leave the EU has had little impact on house prices, with moderate growth in average sales this period. The latest house price data for GM shows the average price of £153,000 (November 2016) is up from £152,000 the previous month, and up £10,000 on the value in November 2015.\(^{(18)}\)

**Property and Investment – Offices**

- **Office markets.** According to Lambert Smith Hampton, alongside Central London offices, the rebound in Q4 also reflected strong activity in the UK’s regional office markets – including the North West. Across 2016 as a whole, activity in the regions was healthy, with annual volume up 8% on a 5 year average.\(^{(19)}\)
Economic Inclusion

- The Government White Paper – ‘Exit from and new partnership with the European Union’ makes a commitment to protect and enhance the rights people have at work, as the UK converts the body of EU law into domestic legislation. This section looks at factors affecting, and influenced by, economic inclusion.

- The Household Finance Index (HFI) compiled by Markit Economics provides the earliest indication of changes in UK household finances each month. Results for January 2017 show households had a negative outlook on their financial wellbeing due to mounting price pressures and decreased household income from employment. With regards to inflation, the survey indicates households predict further acceleration in inflation over the coming 12 months.\(^{(20)}\)

- Personal Debt. Data from the Bank of England shows a month on month increase in personal debt from January 2016. In the year to December 2016 personal debt grew 10.6% to £193 billion in the UK, the highest level since December 2008.\(^{(21)}\)

- Following the raised projection in November, the Bank of England has upgraded its forecast for UK growth again, predicting that Gross Domestic Product (GDP) will increase by 2% in 2017 and low levels of unemployment will continue. This will be close to 5% of the population, rather than rising to 5.5% as previously predicted.\(^{(22)}\)

### Claimant count (JSA and UC) unemployed by age

![Chart showing claimant count by age](chart.png)

### Monthly Unemployment by age of resident

- Since the referendum result on 24th June 2016, the claimant count unemployment has fallen from just over 46,000 to 44,000 in GM, a 6.0% fall, and a 0.1 percentage point change in the claimant rate up to December 2016. This compares to a fall of 2.0% in the UK level, and a 0.1 percentage point fall in the UK rate.

- The GM claimant count has seen a month on month decrease since August 2016, and has decreased by 3.0% in December 2016. However this is up 1.3% from December 2015. As a proportion of working age residents, the GM claimant rate (2.5%) remains higher than that of the North West (2.3%) and the UK (1.8%).

- GM unemployment in December has seen a decrease in the number of claimants across all age groups and is down by 1,300. The largest decrease is observed in claimants aged 16-24, down 7.1% from November 2016 (-685). The claimant level for 25 to 49 year olds has decreased by 2.4% (-585), with the claimant level for 50+ showing the smallest decrease of 0.4%.\(^{(23)}\)
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| **Investment, housing, property and planning** | 15. DCLG (February 2017): Housing White Paper – Fixing our broken housing market  
16. M.E.N. (3 February 2017): North West house prices to rise 18% in next five years  
18. UK Land Registry (November 2016): House Price Index Database accessed 03 February 2017  
| **Economic Inclusion**                       | 20. IHS Markit (December 2016): Household Finance Index - Current financial strain eases but outlook remains downbeat amid forecasts of higher inflation  
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23. ONS (2017): Claimant count (combined Job Seekers Allowance and unemployment element of Universal Credit), December 2016  
https://www.nomisweb.co.uk  |
| **Contact**                                  | New Economy Research Team  
To subscribe, please email: Research@neweconomymanchester.com  |
Date: 24th February 2017
Subject: Industrial Strategy: developing a Greater Manchester response

PURPOSE OF REPORT
This report updates members on the Government’s national industrial strategy consultation document published on the 23rd January. It outlines a suggested process for developing a comprehensive Greater Manchester response to the national industrial strategy aligned to the GMS refresh process.

RECOMMENDATIONS:

Members are asked to:

- Note that the consultation on the national industrial strategy is now ongoing and the summary of key GM issues identified in this report.
- Agree to the development of the GM response as set out in section 4 and delegate sign off for GM’s response to the portfolio leads set out in para 4.5.

CONTACT OFFICERS:

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John Holden, Director of Research, New Economy
john.holden@neweconomymanchester.com
1. INTRODUCTION

1.1 Government initiated the first stage of the much anticipated national industrial strategy on the 23\textsuperscript{rd} January with the launch of a 12 week consultation, running until the 17\textsuperscript{th} April, on an extensive discussion paper (\textit{"Building our Industrial Strategy: Green Paper"}).

1.2 Government also announced the allocations for LEP areas in the Northern Powerhouse alongside the launch of the Green Paper. Greater Manchester received the highest absolute allocation at £130m and on a spend per capita basis its allocation was amongst the highest in the Northern Powerhouse area.

1.3 The industrial strategy Green Paper sets out an ambition to build an industrial strategy that addresses the long-term challenges facing the UK economy, with the overarching aim to improve living standards and economic growth by increasing productivity and driving growth across the whole country. It is built on 10 "strategic pillars" which cover familiar industrial strategy ground (skills, infrastructure, sectors, research and so on) but, reflecting the views of the new Secretary of State (former communities and local government Secretary of State Greg Clark), the consultation document is notable for its much stronger focus on both ‘deal making’ and on the importance of ‘place’.

1.4 This paper outlines the key overarching issues from a GM perspective the industrial strategy consultation document raises, highlights the new announcements that are of particular interest for Greater Manchester under each pillar, and provides a proposed GM approach to develop a comprehensive response to the consultation.

2 KEY ISSUES

2.1 In headline terms there is a lot to welcome from the industrial strategy consultation. The place-based focus is much stronger than previous industrial strategies, which is in part a result of GM’s strong lobbying for this in recent months, and the importance of place is referenced throughout. Two of the 10 pillars are explicitly place-focused ("driving growth across the country" and "creating the right institutions to bring together sectors and place").

2.2 The consultation also announced that a review of the location of Government agencies, arms-length bodies, and cultural institutions is underway to identify where relocation could potentially help reinforce a local cluster and support private sector growth. This responds to a long-standing lobbying position of GM and it will be important that we can develop credible proposals for relocations linked to our industrial assets. Moving public employees out of expensive central London accommodation would deliver significant savings to Government and establish national centres of expertise and specialist clusters outside of the capital, aligned to the evidenced assets of places. It would also
support the development of the skills system, in particular supporting the development of higher level skills and the ability of the regions to attract and retain talent. Examples which would build on GM’s strengths could include the relocation of Channel 4 to Greater Manchester which would enable Channel 4 to take advantage of the agglomeration benefits, creative clusters and links to labour and supply chains (particularly amongst small independent production and tech companies). Similarly, the relocation of science and innovation agencies (such as Innovate UK) would align to our evidenced global strengths in areas such as advanced materials and health innovation.

2.3 There are also commitments to work with local areas to respond to skills issues across the age spectrum (from early years onwards), to support the development of proposals for Northern Powerhouse Rail, and to support the M60 North West Quadrant.

2.4 However, while the breadth of coverage of the strategy gives us the hooks to progress our key issues, there are a number of significant gaps in the underpinning analysis and the subsequent policy prescriptions. It is also the case that much of the Green Paper simply reiterates current policy and what is genuinely new tends to be further strategic reviews with no clear spending commitments associated with them. Key issues include:

- the strategic pillars approach risks further embedding departmental silos and the individual pillars (skills, infrastructure, science and so on) not being fully integrated with the place-based element. The approach runs the risks of repeating the mistakes of other national strategies where the principles of placed-based solutions – in particular the need for cross-Governmental working to deliver clearly articulated and agreed priorities – are lost in generalisations and a departmental driven siloed approach. For example, while the Green Paper sets out the importance of driving growth across the country, it stops short of committing all of Government to fully delivering the Northern Powerhouse Strategy or promoting cities as engines of growth. In the context of the industrial strategy, this will constrain the ability of places like Greater Manchester to create growth per se and, crucially, limit our ability to ensure that the benefits of that growth flow back to the local area and its residents. A genuinely place-based approach needs to be reflected in the next iteration of the industrial strategy if it is to provide a national framework that facilitates inclusive growth in Greater Manchester.

- linked to the above point, there is also an absence of analysis about the role of Central Government and functional economic geographies in driving growth and delivering key services to support improved productivity and economic inclusion. This contributes to the tensions, which are evident in the document and in parts of Government, about the commitment to devolution. While there is a specific commitment to exploring further devolution deals with big cities, the importance of devolution in driving economic growth and prosperity does not come out strongly across the document.
although the Green Paper recognises the Northern Powerhouse as a relevant strategy, it is not embedded as a key priority across the 10 pillars. The Green Paper does not set out how future work on the development of the Industrial Strategy will inform the development of detailed strategies in areas such as skills, enterprise, innovation and R&D, and trade, which are required to progress the Northern Powerhouse Strategy. It also does not clearly reference the importance of building upon the evidenced strengths of the North – such as those identified in the Northern Powerhouse Independent Economic Review and the Science and Innovation Audits – as a mechanism to inform future investment decisions and drive net additional growth for the UK.

the Green Paper is light on the role of education and, while the document raises some of the problems with the current education system, it does not provide compelling policy suggestions to address the issues identified. More broadly, the document also does not pick up key aspects of the people element of the Greater Manchester Strategy (the importance of health and social care reform is not referenced for instance, nor is the role of DWP in supporting people back to work).

the policy announcements on skills are largely re-announced from the Skills Plan and do not reflect the need to develop clearer analyses about the skill needs of different labour markets and how it focuses on the needs of high productivity sectors and misses the importance of addressing skills issues across all sectors of the economy to drive overall productivity growth and economic inclusion. For instance, health & social care is a sector where more needs to be done to correct skill gaps and where better skills development can see more jobs taken up by local residents. The strategy also does not address the critical issues about the current fragmentation of the skills system.

there are welcome statements on the need to “use infrastructure to support rebalancing” and to take account of the balance of spending per head between different regions when developing and planning future rounds of infrastructure investment. However, no details were provided on how this will be achieved and the strategy did not highlight the need to evaluate how new funding streams can be developed to link investment with value capture – and the links between spend and taxation – which will be critical if this commitment is to fundamentally alter the balance of spending.

while the document notes that another wave of science and innovation audits (SIAs) are on-going, the outcomes of SIAs already competed are not noted nor is there any link to how they should inform future resource deployment decisions. Without this reference, it is questionable how genuine the commitments is to re-balancing national spend and capitalising on the evidenced strengths of places like Greater Manchester.

the shift to a more explicit sector approach through the new ‘Sector Deals’ brings risks for GM. In the past GM has lost out on national sector led initiatives given our diverse economic structure and lack
of prime exporters and tier 1 supply chain firms that such approaches tend to gravitate around. Although there is no funding currently attached to the Sector Deals, they are likely to be a key feature in future Government policy and funding decisions.

- the strategy acknowledges the obstacles to firms accessing capital outside London and the South East. However, the proposed response to be led by the British Business Bank risks not addressing key issues about funding for businesses at different stages of development, since the British Business Bank only works for established businesses not for incubation or start-up where the gaps are most pronounced.

- finally, the “framework” set out to build on the particular strengths of different places and address factors that hold places back is narrow – focusing on investment in infrastructure; raising skills; investing in local science and innovation strengths; and getting the institutional framework right – and does not make the links to critical policy areas such as health and social care, education, employment policy, or housing.

2.5 In this context it will be essential that GM submits a robust and compelling response to the consultation to ensure that the next stage of the industrial strategy (likely to be a White Paper in Summer/Autumn) fully aligns with GM’s needs and ambitions. The proposed approach for this is set out in section 4.

2.6 GM policy leads will also engage with government immediately in areas where the Green Paper has announced that new activity is already underway (such as the relocation of government agencies and the early work on sector deals).

3 THE NATIONAL INDUSTRIAL STRATEGY: KEY MESSAGES FROM THE 10 PILLARS

3.1 The consultation document sets out the Government’s approach under 10 strategic pillars. This includes details of existing activities and some early actions Government have committed to take. This section highlights the Government’s objective under each strategic pillar and key new announcements of relevance to Greater Manchester.

1. Investing in science, research and innovation

3.2 The Green Paper sets out an ambition for the UK to become a more innovative economy and to improve the commercialisation of its world leading science base to drive growth across the UK. While there are no new significant investments announced, Government is seeking views on how the pre-announced £4.6bn increased investment in R&D is spent (e.g. capitalising on local strengths, funding science commercialisation, developing talent etc.). More specifically, they are consulting on the priority areas for the Industrial Strategy Challenge Fund (in the paper they identify initial priorities as the 8 great technologies of: smart energy, robotics and AI, space tech, leading-
edge healthcare and medicine, future manufacturing, biotech and bioscience, quantum tech, and transformative digital tech). UKRI will then consult in more detail in early 2017 based on feedback to the Green Paper. While the document notes that another wave of science and innovation audits are on-going the outcomes of SIAs already competed are not noted nor is there any link to how they should inform future resource deployment decisions. Without this reference, it is questionable how genuine is the commitment to re-balance national spend and capitalising on the evidenced strengths and assets of the North and Greater Manchester to drive global growth.

3.3 The consultation also announces that officers of the Intellectual Property Office are to be placed in key UK cities – starting with the Northern Powerhouse – to build local capacity to commercialise intellectual property.

3.4 Other announcements include:
- Sir Mark Walport to review the case for a new research institution to act as a focal point for work on battery technology, energy storage and grid technology, reporting in early 2017
- commissioning independent research on approaches to commercialisation in different institutions, including how they approach licensing intellectual property and taking equity in spinouts
- seeking to harness the potential of the UK’s home-grown inventors and stimulate user led innovation by launching a challenge prize programme.
- reviewing how to maximise the incentives created by the Intellectual Property system to stimulate collaborative innovation and licensing opportunities
- setting out a UK Measurement Strategy, establishing a framework to capitalise on our National Measurement System which provides UK industry with world-leading measurement science and technology

2. Developing skills

3.5 The Green Paper sets out that Government wants to help people and business to thrive by: ensuring everyone has the basic skills needed in a modern economy; building a new system of technical education to benefit the half of young people who do not go to university; boosting STEM (science, technology, engineering and maths) skills, digital skills and numeracy, and by raising skill levels in lagging areas.

3.6 The skills strategic pillar largely repeats the announcements already made in the national Skills Plan, including the intention to create a small number of high quality new routes and attracting more industry specialists to work in the sector to raise the quality of higher skills training. The strategy is light on the role of education and, while the strategy raised some of the problems with the performance of the current education system, it does not set out an approach to address
them. Again, the link to the Northern Powerhouse Strategy is not clearly articulated. The Green Paper also does not address the critical issues about the current fragmentation of the skills system. However, it does announce new funding for Institutes of Technology (although this is modest at just £170m of capital nationally) and Government confirmed that they expect these Institutes to grow out of existing institutions with high quality provision. The process for IoTs is to be launched later in the year and GM officers are in exploratory discussions with DfE about this.

3.7 Work was also announced to ‘authoritatively’ identify and address sector specific skills gaps faced now and in the future. The approach proposed suggests the current thinking is that this will be a national analysis which would not reflect the need to develop clearer analyses about the skill needs of different labour markets and how systems need to be incentivised to meet those needs. The strategy also suggests that this work will focus on ‘key industrial sectors’ but does not reference the skills needs of all sectors of the economy to drive productivity growth and economic inclusion. For instance, health & social care is a sector where more needs to be done to correct skill gaps and where better skill development can see more jobs taken up locally.

3.8 It was also announced that a new strategy for careers information, advice and guidance will be published later this year. Finally, Sir Adrian Smith will also undertake a review on how to close large regional imbalances in the take up of advanced mathematics.

3.9 Other announcements include:
- exploring how to support further education colleges to be centres of excellence in teaching maths and English.
- exploring how to give technical education learners clear information, which could include a way of searching and applying for courses similar to the UCAS process.
- considering how to enable the specialist maths school model pioneered by Exeter and King’s College London to spread and seeking partners to open mathematics schools of this kind across the country.
- exploring how to further encourage the uptake of STEM subjects to help meet unmet demand and build on the growth of recent years.
- exploring ambitious new approaches to encouraging lifelong learning, which could include assessing changes to the costs people face to make them less daunting; improving outreach to people where industries are changing; and providing better information.

3. Upgrading infrastructure
3.10 The consultation document highlights the need to upgrade the UK’s standards of performance on digital, energy, transport, water and flood defence infrastructure, and better align central government
infrastructure investment with local growth priorities. No significant new investment was included in the Green Paper, but it did include a commitment to "use infrastructure to support rebalancing" and to take account of the balance of spending per head between different regions when developing and planning future rounds of infrastructure investment, while continuing to prioritise the highest value for money projects and selecting projects that "unlock the benefits of agglomeration". While this is welcome, there will be a need to evaluate how new funding streams can be developed to link with value capture and the links between spend and taxation - otherwise these commitment will not fundamentally alter the balance of spending. The Green Paper also included an announcement that Government will support key road investments nationally, including the M60 North West Quadrant.

3.11 It was also announced that Government is seeking to cement the UK’s position as a “go-to” destination for connected and autonomous vehicles technology by establishing a new testing ecosystem. The location of the coordinating hub for this project will be announced by spring 2017.

4. Supporting businesses to start and grow

3.12 Through the industrial strategy, government want to ensure that businesses across the UK can access the finance and management skills they need to grow; and that the right conditions are created for companies to invest. Although there are no significant spending announcements, a number of initiatives and reviews were launched which will be important in setting the future context for how businesses are supported to grow.

3.13 In terms of regional impacts, the British Business Bank is to work with Government to build understanding of the obstacles to firms accessing capital outside London and the South East, and the supply and demand-side causes of lower rates of equity deals. While this is welcome, it risks not addressing key issues about funding for businesses at different stages of development, since the British Business Bank only works for established businesses not for incubation or start-up.

3.14 Other announcements include:

- the Minister for Small Business will take on a new role of Scale-Up Champion, overseeing a task force to support high growth scale-up businesses across the UK, working with LEPS, Growth Hubs, the ScaleUp Institute and other partners.
- exploring how data – such as that held by HMRC and Companies House – can be used to identify scale-up businesses and be made available to enable local public and private sector organisations to better identify, target and evaluate their support to scale-up businesses more effectively.
• working with the British Business Bank, the Business Growth Fund and other private partners to raise awareness of equity funding, diversify funding streams and increase the supply of finance for growing businesses.
• exploring how to support the development of B2B ratings and feedback platforms to make it easier for SMEs to determine the quality of business advice and support services provided to them by other firms.
• a review into entrepreneurship will be led by the Government’s Chief Entrepreneurial Adviser (Tim Dafforn). The review will assess the support currently available to entrepreneurs and consider international best practice with the aim of identifying any potential gaps in current policy.

5. Improving procurement

3.15 The Green Paper sets out an ambition to use strategic government procurement to drive innovation and enable the development of UK supply chains. To do so Government intends to focus on: stimulating innovation through government procurement; supporting economic growth through better procurement practices through a “balanced scorecard” approach; focusing on the wider benefits that strategic procurement in key industries like health and defence can bring; and transforming digital procurement. New announcements to achieve this include rolling out the “balanced scorecard” approach recently developed by the Cabinet Office across all major central government construction, infrastructure and capital investment procurement projects over £10 million. Government will also trial different aspects of designing and gathering supplier feedback in public sector procurement. The potential transformational impact of coordinated place based public sector procurement is not highlighted.

6. Encouraging trade and inward investment policy

3.16 The Green Paper highlights the importance of trade and investment policy in generating economic growth in the light of Brexit. The Green Paper generally sets out the existing national approach to trade and investment, although there is reference to the need to join up national trade and investment promotion with local areas, including the Northern Powerhouse. Other new announcements include:
• building future trading relationships across the world and establishing a series of working groups with key trade partners.
• creating a new more active “Team UK” approach to winning overseas contracts, with the Government helping convene consortia of companies to back a single UK bid for major overseas projects.
• developing a new, more strategic approach to inward investment. The Department for International Trade will review what we can learn from successful inward investment promotion agencies across the globe and it will report in 2017. Government will consider whether there should be a greater emphasis on the effect of investment projects on growth.
• working with behavioural insights experts, to improve targeting of potential exporters and using HMRC data.
• exploring how to maximise the opportunities that a UK presence at existing international trade fairs offers for businesses; and explore where there are sectors which could benefit from support to create trade fairs

7. Delivering affordable energy and clean growth

3.17 The Green Paper sets out the importance of keeping costs down for businesses, and securing the economic benefits of the transition to a low-carbon economy. In 2017 Government will set out a long-term road map to minimise business energy costs. To inform this, Government will commission a review of the opportunities to reduce the cost of achieving the UK’s decarbonisation goals in the power and industrial sectors. Government will also review the opportunities for growth from the energy sector and the opportunities for the UK. A national Emissions Reduction will also be launched in 2017. Finally work is ongoing to identify the best location for a new research institution to act as a focal point for work on battery tech, energy storage, and grid technology, due to report in early 2017.

8. Cultivating world-leading sectors

3.18 The flagship new initiative in the Green Paper was the announcement that Government is inviting groups of businesses (alongside universities, civic leaders and other partners) to come together to agree "sector deals" which identify actions Government and industry can take to increase growth and productivity in sectors (such as improving skills, overcoming regulatory issues, improving access to finance and so on). Early work on sector deals is already underway in life sciences (led by Sir John Bell), industrial digitalisation (Juergen Maier), nuclear (Lord Hutton), creative industries (Peter Bazalgette) and low emissions vehicles (Richard Parry-Jones). The Green Paper sets out that this is not an exclusive list.

3.19 The Sector deals process will be open to all and the Green Paper sets out that Government is prepared to work with any sector that can organise behind strong leadership to address shared challenges and opportunities. There is no funding currently attached to the Sector Deals, although they are likely to be a key feature in future Government policy and funding decisions in the future. In the past GM has lost out on national sector led initiatives given our diverse economic structure and lack of prime exporters and tier 1 supply chain firms that such approaches tend to gravitate around.

9. Driving growth across the whole country

3.20 The Green Paper sets out the intention to create a framework to build on the particular strengths of different places and address factors that hold places back. The framework outlined in the consultation covers: investment in infrastructure; raising skills - from early year to graduate
retention/attraction; investing in local science and innovation strengths; and getting the institutional framework right. The consultation invites responses on the appropriateness of this, without making any specific spending commitments. Clearly such a framework would be welcome, but the framework is much narrower than GM’s own approach and fails to make the links to critical policy areas such as health and social care, employment policy, education, or housing.

3.21 In the pillar designed to drive growth across the whole country, there are also commitments to:

- use additional infrastructure funding to unlock growth in areas where connectivity is holding it back by creating new funding which allow better coordination of local economic plans with infrastructure investment.
- take account of the varying infrastructure needs and opportunities in different regions.
- deliver major infrastructure improvements which will help to drive growth across the country, including supporting the development of proposals for the Midlands Rail Hub and Northern Powerhouse Rail.
- work with local areas to test approaches to closing the skills gap; from early years education and the retention and attraction of graduates, to measures to drive the take up of apprenticeships.
- create competitive new funding streams to back the clusters of innovative businesses across the country. These could support and develop world-class research and innovation strengths in local economies, and provide commercialisation funding to allow universities to work more with local businesses. In this way Government will use some of the additional R&D funding to help stimulate local economies, as well as growing the UK overall.
- work with local areas to identify and help develop industrial and economic clusters of businesses, and local specialisms, putting in place the right institutions with the right powers to help support local areas of economic strength. This may involve creating new institutions or strengthening existing ones.
- Government also proposes establishing Ministerial Forums on Industrial Strategy with each of the Devolved Administrations. These will bring together all relevant UK Government Departments and the Devolved Administrations to consider how the industrial strategy can best address key productivity barriers in Scotland, Wales and Northern Ireland. This is an invitation the Devolved Administration to develop jointly plans with the UK Government to support all areas of the UK, and to align economic plans and strategies.

10. Creating the right institutions to bring together sectors and places

3.22 Building on the previous local growth pillar, the consultation has a strong focus on the importance of institutions in driving economic growth in places. Government wants to consider the best structures to support people, industries and places. In some places and sectors the
Green Paper argues there may be missing institutions which Government could create, or existing ones that could be strengthened, be they local civic or educational institutions, trade associations or financial networks.

3.23 Importantly the Green Paper commits Government to “exploring further devolution deals for our largest cities, where they will increase economic growth, in a clear signal of belief in our local leaders and local communities to take control of their economic destiny”. Other new commitments include:

- maximising the benefit that anchor companies can bring to an area by developing new policies to support the growth of UK supply chains.
- The Department for International Trade will review how it identifies priority investments, including with reference to the impact they can make in local areas where productivity needs to catch up. As part of this, DIT will consider the role it can play in attracting investment across all regions of the UK.
- Cabinet Office are reviewing the location of Government agencies and arms-length bodies and where relocation could potentially help reinforce a local cluster and support private sector growth (this will include cultural institutions, such as the Government Art Collection);
- reviewing whether more can be done to leverage Government and research council laboratories to drive local growth in innovation districts and whether surplus government land or buildings could be used to support innovative businesses
- supporting networks of universities (such as the N8 Partnership) where they want to come together to improve commercialisation
- working with the British Business Bank and ScaleUp Institute to understand and address the relative weakness of venture capital funding and entrepreneurship networks outside the South East.
- the Local Government Association will work with new Mayoral Combined Authorities to build up administrative capacity, for example in transport planning and economic development, which could involve seconding officials from Whitehall to cities.
- working with local government to explore how more business expertise can be brought into local government, including examining the case for aldermen (historically, a type of appointed councillor but now largely an honorary position)
- working with Local Enterprise Partnerships to review their role in delivering local growth and examine how to spread best practice and strengthen them.

4 DEVELOPING A GREATER MANCHESTER RESPONSE

4.1 Clearly the breadth and depth of the industrial strategy consultation means that under each of the strategic pillars there are a range of issues to which GM will need to respond to ensure that the final industrial strategy supports increased growth and prosperity for all parts of GM. The industrial strategy Green Paper poses 38 specific questions
that Government is seeking responses to shape the next iteration of the strategy. It will be important that GM responds to each of these questions so that our views are fed into Government’s formal analysis of the consultation feedback. It is proposed that New Economy lead the development of GM’s responses to these questions, working with colleagues across GM and district economic development leads. This response would allow GM to reiterate the importance of the specific devolution asks that GM has been developing, most recently through the development of the 2016 Autumn Statement submission, the GM submission to the RSA Inclusive Growth Commission, and GM’s Brexit work. As part of this approach, it will also be necessary for policy leads to engage with government immediately in areas where the Green Paper has announced that new activity is already underway (such as the relocation of government agencies and the early work on sector deals).

4.2 However, responding to just the individual questions and policy initiatives poses a risk that the next iteration of the industrial strategy takes a siloed approach to the issues raised and does not respond to the opportunities and challenges in specific places. The breadth of the Green Paper’s coverage gives Greater Manchester the hooks needed to work with Government to develop the place-based industrial strategy that we have long argued for. In addition to responding to the individual consultation questions, it is therefore suggested that the revised GMS forms the centrepiece of a wider GM response to the Industrial Strategy consultation. By positioning the GMS as our response to the consultation, it would demonstrate how the national industrial strategy would operate at the level of place - and would ensure that GM remains at the forefront of developing such an approach.

4.3 In line with the approach planned for the Devolved Administrations, the GM Strategy could act as the foundation for a joint GM-Government plan, which would help ensure buy-in from relevant Government departments, and provide a sound platform for future devolution discussions with Government.

4.4 The Industrial Strategy Green Paper deadline for responses is 17th April and the final GMS is not expected to be signed off by the GMCA until after that date. It is therefore proposed that GM submit a draft of the revised strategy and seek to engage Government as we refine and finalise that strategy. This would also help secure Government’s involvement and buy-in as we move to implementation.

4.5 The response would be developed with input from, and signed off by, the following portfolio leads.
  • Richard Leese (lead for Economic Strategy including Internationalisation and Marketing and Business Support)
  • Kieran Quinn (lead for Investment and Finance)
  • Sean Anstee (lead for Skills and Employment)
  • Tony Lloyd (lead for Reform)
5 RECOMMENDATIONS

5.1 Members are asked to:

- Note that the consultation on the national industrial strategy is now ongoing and the summary of key GM issues identified in this report.
- Agree to the development of the GM response as set out in section 4 and delegate sign off for GM’s response to the portfolio leads set out in para 4.5.
PURPOSE OF REPORT

Attached as an annex to this report is a first draft of the refreshed Greater Manchester Strategy. The strategy, originally produced in 2009 and revised in 2013, has been redeveloped to ensure that it reflects the things that our residents, businesses and partners have told us are important to them through the public conversation conducted throughout December 2016 and early January 2017. It also repositions Greater Manchester’s strategic approach in the light of changes at a global, national and local level.

The report seeks GMCA endorsement of the draft strategy as a basis for beginning Phase 2 of the GM Strategy public conversation. Proposed arrangements for the next phase of consultation are detailed in the report.

RECOMMENDATIONS

The GMCA is recommended to:

- Comment on and endorse the draft Greater Manchester Strategy attached at Annex A; and
- give approval to begin Phase 2 of the public conversation regarding the strategy.

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BACKGROUND PAPERS:

GM Strategy: revised draft and plain English summary (27 September 2013)
Refreshing the GM Strategic Approach (30 June 2016) Greater Manchester Strategy
Refreshing the Greater Manchester Strategy (30 September 2016)
BACKGROUND AND INTRODUCTION

The first Greater Manchester Strategy (GMS) was produced in 2009, in response to the Manchester Independent Economic Review, and subsequently refreshed and repositioned in 2013 to better reflect more challenging global economic conditions and the importance of the public service reform agenda to the achievement Greater Manchester’s strategic ambitions.

The GMS, built on the twin pillars of Growth and Reform, has set the strategic framework for policy development across Greater Manchester and has helped to place Greater Manchester at the forefront of the national debate on devolution. However, the context in which Greater Manchester operates has changed significantly since the GMS was last refreshed in 2013, and the Greater Manchester agenda has moved on considerably. On that basis, the GMCA agreed at its meeting in June 2016 to revisit and once again refresh Greater Manchester’s strategic approach, reassessing the issues and opportunities that our strategy needs to address, and re-examining the interventions required to drive growth and reform across the conurbation.

A PUBLIC CONVERSATION

In refreshing the strategy this time it was agreed that a radically different approach to engagement would be employed. A ‘big conversation’ was launched, running throughout December and early January, encouraging all stakeholders to play a part in the development of the refreshed strategy.

Stakeholders were engaged in the conversation in a variety of different ways - digital, offline and face to face - learning from successful consultations that have taken place across Greater Manchester. The conversation aimed to firstly to understand people’s ambition for Greater Manchester – what they want the city region to be like by 2040, what are the challenges we face - and then how we could collectively and individually overcome them.

The draft strategy set out at Annex A builds on Greater Manchester’s priorities around ‘Growth and Reform’ and ‘People and Place’ to reflect the things that, through the public conversation, our residents, businesses and partners have told us are important to them.

A PUBLIC CONVERSATION: PHASE 2

Subject to GMCA endorsement of the strategy, Phase 2 of the public consultation is due to be launched on 27th February and will run until 20th March.

The objective for the second phase is to ensure that the draft strategy reflects the comments received in the first phase and to offer a final opportunity for people to share their views. The approach for phase 2 builds on lessons learned from the first phase of consultation, making it easier for people to engage in the conversation and respond, including reducing the text on the web pages to make the site more mobile friendly.

Phase two will ask if the strategy and vision is the right one as well as providing the opportunity to give further comment in an open text field if they wish to do so. The proposed consultation questions are:

We’ve listened to people across Greater Manchester to shape the new strategy into YOUR vision for our region. Are we on the right course?
• Does the new vision inspire YOU to get behind our region's future? Y/N

• Do you want to add comments or views about YOUR vision for Greater Manchester? (free text field)

Phase 2 of the consultation will continue to engage people in conversation via social media. Comments made in response to the strategy via social media will be coded and included in the final findings analysis and demographic profiles will be monitored to ensure that the consultation reaches as representative a spread as possible. Once again, the consultation will be driven at a local level to ensure effective engagement.

There will, however, be a greater focus on the harder to reach groups that may have not engaged in phase one and so working with GMCVO, specific engagement sessions and events will be held across Greater Manchester.

The proposed channels that will be used to deliver this approach are:
• social media activity (districts, partners and the GMCA accounts);
• digital channels – summary content on line, with the draft strategy, as well as engaging snippets to be shared across platforms;
• screens in health and social care partner buildings;
• VCS workshops and events with hard to reach groups via GMCVO;
• proactive and targeted media activity;
• postcards distributed in libraries and GP surgeries.

It should be noted that the consultation will be running at the same time as the Mayoral Election ‘Register to Vote’ campaign. All efforts will be made to ensure that the campaigns complement, rather than compete with each other.

RECOMMENDATIONS

Recommendations are set out at the front of this report.
A CHANGING WORLD

The 2013 Greater Manchester Strategy set out our shared ambition to pioneer a new model of sustainable economic growth based around a more connected, talented and greener city region where all our residents are able to contribute to and benefit from sustained prosperity and enjoy a good quality of life.

That ambition remains. But the world around us – and Greater Manchester – has changed since that strategy was produced, perhaps more than many people would have anticipated.

At a global level, new economies in Asia, Latin America and the Middle East are growing rapidly and patterns of trade continue to change. Cities are playing an increasingly important role within those economies. Technology and the data revolution is fundamentally altering the way that we do business and will continue to do so in ways that we can’t yet even foresee in what is becoming known as the Fourth Industrial Revolution. The world’s population is getting older meaning that a smaller workforce will be responsible for driving an economy that must support larger numbers of elderly people.

In June 2016 Britain voted to leave the European Union, a decision that will have a profound impact, in both economic and social terms, across the UK and in the wider world. The nature and affect of the changes to come cannot yet be fully known or understood. But what is clear is that the way that Britain and places like Greater Manchester do business with the rest of the world is changing. There will be challenges to be addressed but we must also seize the opportunities that our new relationship with Europe – and beyond – presents.

59% of the goods that GM exports currently go to the EU: our businesses will need support to access new markets where traditional trading relationships with the EU are disrupted. If restrictions are placed on the movement of people, businesses may struggle to find people with the skills they need – meaning that the education and skills system in the city region needs to be ready to respond, making sure that our residents are equipped with the skills required to drive growth over the coming decades.

While the motivations for the vote to leave the EU were many and varied, stagnating living standards clearly played a part. Levels of worklessness have remained consistent for a decade or more despite various national programmes designed to address this issue. Around 250,000 GM residents of working age claim benefits, 80% of whom are out of work, with a significant number claiming a health related benefit.

And there remain stubbornly persistent inequalities in economic and social outcomes across the UK as a whole, and within our city region. The benefits of economic growth have not been shared equally – the top 10% of households now share almost half of the UK’s wealth. The growing disparity in personal incomes is largely down to the loss of middle income jobs, especially in manufacturing, and the growth of higher and lower income occupations within service sectors. Combined with the ongoing
squeeze by central Government on spending, many households have been struggling to get by.

The Government’s emerging modern industrial strategy provides an opportunity to address the long-term challenges facing the UK economy, but only if it goes beyond the traditional focus on sectors and puts in place a new framework that allows places such as Greater Manchester to progress ambitions for both growing the economy and reforming public services to deliver increased prosperity for all.

And in Greater Manchester we have seen our own fair share of changes. Our groundbreaking devolution agreement, signed in November 2014, and supplemented by further deals in March 2015, July 2015 and March 2016, provides our city region with the most comprehensive and ambitious devolution settlement in the country, in recognition of our economic potential. The Memorandum of Understanding between local authorities and health partners, signed in February 2015, means that from April 2016 GM took full devolution of all funding and decision making for health and social care in GM, providing a unique opportunity make radical changes to how those services are provided across Greater Manchester, improving the health of our residents and the long-term financial future of the NHS.

The devolution of additional powers and resources from central Government to Greater Manchester is in recognition of the clear vision and ambition that all ten Greater Manchester local authorities’ share for our city region. The first Greater Manchester Strategy, published in 2009, was our response to the Manchester Independent Economic Review – the most robust economic analysis ever undertaken of a city, led by global experts. We have continued to invest in a comprehensive and robust evidence base – most recently through our ‘Deep Dive’ analysis of the challenges and opportunities facing all parts of the city region – to ensure that our strategic approach is based on a sound analysis of what is required in different parts of Greater Manchester to drive growth and ensure that all GM residents benefit from that growth.

The extensive and wide-ranging nature of our devolution settlement recognises the strong, stable and effective governance arrangements that we have in place, and of our proven track record in delivering on our commitments. We have a long history of working together and have been doing so since the abolition of the Greater Manchester Council in the 1980s, first on a voluntary basis through the Association of Greater Manchester Authorities, and then, from April 2011, through the Greater Manchester Combined Authority – a formal partnership with statutory responsibilities for transport, economic development and regeneration.

By working together - and with our partners in the private and voluntary sectors - we have worked out what needs to be delivered at local authority level, what is best done at Greater Manchester level, and what we need to work with other Northern cities on. Partnerships at local authority level must be empowered to create attractive places in which to live, work and invest and to deliver effective and efficient public services that meet the needs of local people. If we are to make our city region more attractive for investment, boost jobs and productivity, and ensure that the benefits of growth are shared by all of our people we must work together at Greater Manchester level. And some issues, such as regional and national transport connections, and investment in science and innovation, have an impact that goes beyond individual city regions and on those issues we must work with our partners across the North and beyond.

1 Bolton, Bury, Oldham, Manchester, Rochdale, Salford, Stockport, Tameside, Trafford and Wigan
That is why devolution is so important, and why Greater Manchester has been at the forefront of the national debate on devolution, making a strong case for greater levels of influence and control at local level. Devolution allows more of the decisions that matter to local people and local places to be taken by local leaders, instead of by central Government. Devolution means that decisions are taken in the places where the impact of those decisions is felt and enables us to ensure that investment is focused on the things that matter most to the people and businesses of Greater Manchester.

The way that Greater Manchester works is changing, and will change further over the coming years. Devolution demands clear leadership and direct accountability to residents so Greater Manchester will get a new mayor, to be elected by all the region’s voters on Thursday 4 May 2017. The elected mayor will have new powers over transport, housing and planning, will take responsibility for fire and police services, and will work as an 11th member of the GMCA, along with the ten council leaders, as we move forward to deliver our ambition for Greater Manchester.

In light of these changes, and the further changes to come, it is timely to review our strategy for the future, to make sure that the course we have set is the right one for our city region.

WHERE WE ARE NOW

We have achieved a great deal since the last Greater Manchester Strategy was produced in 2013. By working together in partnership, across the public, private and voluntary sectors, we have made real progress against the strategic objectives set out in that strategy. The Greater Manchester devolution settlement has been pivotal to our progress.

We have developed innovative new ways of investing in our city region and beyond. Our ‘Evergreen’ fund has supported investment in commercial development and infrastructure projects, despite the reduction in commercial funding available following the financial crisis in 2008. Through Evergreen we have now invested funding of over £75m in projects around the NW and, with performance unparalleled by any other public sector investment fund, we are on track to create 7,380 new jobs (almost doubling our target of 4,088) and support the redevelopment of over 20 hectares of brownfield land (almost double the target of 11.2 hectares).

We have continued to invest heavily in our transport infrastructure, through the largest capital transport programme outside London. The second city crossing will increase the capacity, flexibility and reliability of the Metrolink network and will open in Spring 2017. Thanks to Greater Manchester’s “Earnback” deal with Government work has also now started on the new Metrolink extension to Trafford Park. Other key transport developments include the opening of Wythenshawe’s interchange in July 2015 and the Leigh Salford Manchester bus priority scheme which started running in April 2016.

Our approach to investment is underpinned by our informed, integrated approach to strategic planning across the city region. Over the next two decades Greater Manchester will need to accommodate 200,000 new jobs, an additional 300,000 people and over 220,000 new homes. The Greater Manchester Spatial Framework (GMSF) will enable us to manage our land supply in the most effective way to achieve our ambitions for our city region, based on a clear understanding of the role
of places and the connections between them. Built on a robust analysis of projected employment growth, including a sectoral analysis of our key growth sectors, and an assessment of demographic change and the housing requirements arising from such change the GMSF will provide a clear perspective of land requirements, along with the critical infrastructure – transport, digital, energy, water and waste – required to support development.

Delivering the level of housing growth required is a significant challenge facing not only our city region but the country as a whole. However, through the GM Housing Fund, announced as part of our first devolution agreement, we are already boosting housing development. The Fund will deliver an additional 10,000 new homes over the next ten years and in just over a year we have already invested almost £200m of that fund to support the delivery over 2,400 new homes. We have improved the energy efficiency of 5,000 existing homes through investment overseen by our Low Carbon Hub.

And Greater Manchester has been invited to be part of the ‘100 Resilient Cities’ network, gaining access to tools, funding, technical expertise, and other resources to ensure that our built and natural infrastructure remains resilient to the challenges of the 21st century.

Through the support provided to GM businesses by the Greater Manchester Business Growth Hub, helping them to invest, innovate and access new markets, we have delivered over 3,200 new jobs and have added £130m of annual GVA to the GM economy over the last two years. We have continued to develop our international connections: Manchester Airport now serves over 180 destinations across Europe, the US, the Middle East and Asia. The first ever direct scheduled flight from anywhere outside of London to mainland China launched from Manchester Airport on 10 June 2016.

Manchester is now the third most visited city in the UK by international tourists, and in 2016 came in at number 8 in the Lonely Planet Guide’s top ten cities to visit. Our international profile received a further boost when Manchester was designated the 2016 European City of Science, in recognition of GM’s world leading strengths in science and innovation. The Science in the City conference, hosted in July brought 4,500 delegates to Manchester, including globally renowned scientific and technology leaders.

We have continued to invest in science and innovation so that we can further develop our world leading strengths in this field. We secured the investment needed to establish the Graphene Engineering Innovation Centre. The Centre will allow us to capitalise on our expertise in graphene research and help to translate that research into new applications and products that will create new jobs for GM residents. Through our Growth Deal with Government we have created a £40 million life sciences investment fund to further develop Alderley Park and support life sciences businesses across Greater Manchester and Cheshire East.

We are building on advances in digital technology through initiatives such as CityVerve, GM Connect and Health Innovation Manchester to ensure that GM is at the forefront of the digital revolution, a smart city delivering smart services for residents and businesses and a resilient city, using technology to tackle global challenges such as air pollution and cyber-threats. MediaCityUK continues to grow as a leading international hub for the creative and digital sectors – the Tomorrow building opening in Summer 2016, offering an additional 50,000 sq ft of office space.
And we have made real progress in improving the way that services are delivered for our people, helping them to access the right help, at the right time by integrating, co-ordinating and sequencing services into bespoke packages of support for families and individuals. In this way we have been able to help more of our hard-to-reach residents, supporting them to address the sometimes complex issues they face, improving their quality of life and helping them to become more self-reliant through participation in work and training. The GM Troubled Families Programme has helped over 8,000 families, significantly reducing youth offending, anti-social behaviour, and school absence. Greater Manchester’s Working Well Programme has helped 984 people back into work – a success rate that is significantly higher than that of the Government’s centrally managed Work Programme.

Through our devolution settlement we are taking responsibility for adult education and skills provision. This will help us to make sure that the training available to GM residents aged 19 and above better meets the needs of both residents and employers, although to make the improvements we are seeking we require greater influence over the skills and education system as a whole – including schools.

Devolution of health and social care responsibilities to Greater Manchester is enabling us to improve the health and well-being of our people whilst tackling the enormous challenge of ensuring that the health system becomes financially sustainable. Greater Manchester’s groundbreaking Strategic Plan - Taking Charge - was produced in December 2015 and sets out how, by 2021, GM will radically reform the way the health and social care services are provided to deliver the greatest and fastest improvements to health and wellbeing across Greater Manchester, and address the £2 billion shortfall in funding for health and social care services.

And our successes go beyond the boundaries of Greater Manchester. By working in partnership with other cities across the North, including Leeds, Liverpool, Sheffield and Newcastle we have made real progress in establishing the North of England as a Powerhouse for the UK as a whole. We are working together to bring our cities together in a way that will make them much greater than the sum of their parts: by investing in transport connectivity across the North, by prioritising our collective strengths in science and innovation, by establishing creative clusters and by securing greater local control and power to ensure that local leaders have the tools they need to drive economic growth and improve the way that services are delivered for local people.

The Northern Powerhouse Independent Economic Review², commissioned by Northern Leaders with the support of Government, identified pan-Northern and globally-distinctive strengths with the potential to transform the economic prospects of the North. The Review identified four ‘prime capabilities’ in Advanced Manufacturing (with a focus on materials and processes); Energy (in particular generation, storage and low carbon technologies and processes); Health Innovation, including life sciences, med tech and service delivery; and Digital, with a focus on computation, software design, data analytics, simulation and modelling. It also identified ‘enabling capabilities’ in Financial and Professional Services, Logistics and Education. Greater Manchester is working with partners across the North to ensure that we capitalise on these strengths to boost the economy of the North, and the UK as a whole.

Working with other Northern cities GM has led the establishment of Transport for the North, which will oversee delivery of the Northern Transport Strategy, delivering

² http://www.sqw.co.uk/insights-and-publications/northern-powerhouse-independent-economic-review/
improvements in connectivity across all modes of transport – including rail, roads and freight - to connect ports to cities and cities to cities, including a new fast train link between Manchester and Leeds. Combined with national rail improvements such as the Northern Hub and HS2 we are together working hard to better connect people and businesses to regional, national and international markets. The establishment of Rail North has allowed us to ensure greater local control over rail franchising, ensuring that franchise specifications properly reflect priorities for the North and will fully support the growth ambitions of the northern authorities. With Government support, we are establishing the Sir Henry Royce Institute for Materials Research and Innovation, focused in Manchester with satellite “spokes” in Leeds, Liverpool, Sheffield, Oxford, Cambridge and Imperial, building on our expertise in science and technology to create wealth and jobs in Greater Manchester and across the North. We are transforming the cultural offer available of the North, building on the world-class assets that we already have, including Opera North in Leeds, the Tate in Liverpool and the Yorkshire Sculpture Park. 2015 saw the re-opening of the critically acclaimed Whitworth Art Gallery and the completion of Home (the largest multi-arts complex to open since the Barbican in London). The Factory, a new theatre and arts venue due to open in 2019 will further enrich the city region’s cultural offer and will attract new audiences from the UK and beyond. Greater Manchester is not the only city region to secure greater devolution: the Liverpool and Sheffield city regions, West Midlands, Tees Valley and the West of England have all struck deals with Government that give local Leaders more of the powers they need to drive growth and improve services for local people.

THE CHALLENGES WE FACE

But despite the progress that we have made, we know we still need to do much more to realise the full potential of Greater Manchester – and to help the people of Greater Manchester to realise theirs.

Productivity – the efficiency of the economy - is still disappointing across the UK, and particularly so within the North of England. Productivity growth has been slow since the financial crisis, with output per hour worked in the UK 18% below the average for the remaining 6 members of the G7 group of industrial nations. And the North’s GVA per capita has, over the last thirty years, been consistently about 25% below the average for the rest of England. If Greater Manchester’s GVA per head were the same as the UK average, the city region’s economy would be 20% larger, and generate an additional £10bn per annum.

Strong productivity growth is vital for wages to be able to rise sustainably, to the benefit of families who are currently struggling to get by. Typical pay has fallen in real terms since the financial crisis: median hourly pay has fallen by 5.7% in Manchester since 2007, a measure that demonstrates that not only the lowest paid are feeling the squeeze. Average housing costs to net income ratio have also risen sharply, and not only in London: across the North West housing costs now account for 20% of incomes, compared to less than 15% in 1994/95. Those on the lowest incomes will be hard hit by cuts to working age benefits, and in city regions like Greater Manchester where almost a quarter of the population is in receipt of tax credits, the impact will be particularly severe.

And not only does productivity need to improve, but the benefits of growth need to be more widely shared. The number of jobs available in Greater Manchester is

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3 Canada, France, Germany, Italy, Japan and the United States
increasing. With a growth rate of 1.2% in 2015, employment is rising at a significantly faster rate than the North West average of 0.9%. But unemployment amongst our resident population remains a significant challenge: 88,800 of Greater Manchester’s working age people were unemployed in 2015; a rate of 6.7%, higher than the national and North West average of 5.4%. 45% of GM’s young people leave school without 5 GCSEs including English and Maths. The foundations for this poor educational attainment are set early with 40% of young people entering school who are not “school ready”.

The low wage, low skills, low productivity nature of the GM economy means that too few of our residents are securing access to the wealth that we are creating. Our programme of public service reform is already having an impact, with the number of people claiming Job Seekers Allowance and Universal Credit falling by 2.4% from April to May 2016, but we must do more to develop a more inclusive economy, one in which everyone can make a contribution and benefit from growth. No one must be left behind.

Greater Manchester is one city region made up of many diverse parts. There are world-leading assets and opportunities for growth throughout the city region: our concentration of science, research and innovation assets, our vibrant creative and digital sector, our globally-competitive manufacturing sector which is now growing its contribution to economic output year-on-year, our access to strategic transport networks, and our town and district centres which are increasingly important for jobs and homes across the conurbation, to name but a few.

However, it is also the case that economic and social outcomes differ across Greater Manchester. Some GM neighbourhoods have not shared in the benefits that economic growth brings as fully as they might and the deprivation that results acts as a drag on the economic potential of the city region as a whole. As research by the University of Manchester Inclusive Growth Unit shows the causes of disadvantage vary across local areas – some will have proportionately more lower skilled residents who struggle to compete for employment opportunities; in others limited transport links may mean that residents struggle to access opportunities; still others may be experiencing significant population churn.

Each district, ward and neighbourhood has a different mix of assets, opportunities and challenges. All have a unique role to play in ensuring a successful future for Greater Manchester. It will be essential for us to recognise this diversity to capture the opportunities, and overcome the challenges, in all parts of GM to secure a more prosperous future for all our residents.

Greater Manchester’s devolution settlement provides some of the tools and levers that we need to do this but it still falls a long way short of giving us the influence or control over all public spending in Greater Manchester that we need to truly drive productivity growth and address social and economic inequalities to ensure that the economy works for everyone.

The Government’s approach to skills provision is a good example of this. Despite an undeniable deficit in the high level skills required by employers, despite the huge numbers of people who have no or low levels of skills, despite the UK’s dependence on economic migration to fill gaps in the labour market, Greater Manchester has only been able to secure very limited powers over the post-19 part of the skills system, severely limiting our ability to respond to skills deficits and improve skills outcomes

[^4]: [http://www.mui.manchester.ac.uk/igau/research/cities-analysis/](http://www.mui.manchester.ac.uk/igau/research/cities-analysis/)
for businesses and residents. If we are to ensure that our residents can contribute to and benefit from the growth of the conurbation, we must review the skills system as a whole to understand how the system can be better coordinated and managed at a local level and in line with local priorities to improve economic performance. The Manchester Independent Economic Review highlighted this as a priority for Greater Manchester as far back as 2008 but despite clear evidence that the current Government approach is not working we have been unable to engage Government in a meaningful discussion of the reforms required.

Another prime example is funding for social care services. Whilst we are making real progress in redesigning health and social care services across GM to deliver better services and better outcomes for our people the pressure on social care budgets poses a real threat to the success of our plans. If we are to reduce demand for expensive hospital services we must be given access to the resources we need to invest in primary and community care services so that our residents can seek the help they need closer to home. Unless we are able to make that investment too many people will continue to go to A&E because they can’t get an appointment with their doctor, too many of our vulnerable people will end up in residential care because they can’t access the services they need in their home, and too many people will be stuck in expensive hospital beds because they can’t get the support they need within their local communities.

In response to these challenges we face we must dig deeper into those areas where devolution has been possible to identify the further powers and flexibilities required to truly empower local leaders to transform the way that investment in growth and the reform of public services are delivered: we still do not have the tools and resources that we need to make Greater Manchester the place we know it has the potential to be. We have made great strides over recent years but the growth of our city region has not been inclusive enough. If we are to ensure that all parts of Greater Manchester, and all of our residents, are to benefit from growth it must be underpinned by a strong, integrated, growth-driven regeneration strategy that brings together investment in transport, skills, housing and neighbourhoods to tackle barriers to investment and enterprise and connect all of our people to the benefits and opportunities that growth brings.

We must be empowered to take a joined-up, whole-system approach to the management of our transport network across all modes, an approach that must also extend to the management of congestion. Transport is critical to providing businesses with access to the skilled labour market they need to drive growth and productivity, and to connecting our residents to the opportunities that growth brings. Our highways network is a vital part of a prosperous and forward looking local economy: we must upgrade and renew that network to underpin growth and make our neighbourhoods even more desirable places in which to live. Significant increases in the capacity of the public transport system (trains, trams and buses) will be required if we are to capture and maximise the local benefits that strategic investment in HS2, East-West connectivity and Manchester Airport will bring.

And whilst the GM Housing Fund has provided a welcome boost to housing development, the number of new homes being delivered still falls way short of the level needed to accommodate the level of household growth expected. Greater Manchester local authorities have granted planning permission for over 45,000 homes that are not being built, largely because the cost of providing infrastructure and dealing with issues such as land contamination means that sites do not offer a return on investment that makes them attractive to developers. We must find new ways to invest in these in these stalled sites so that thousands of new homes can be
built in the existing urban area, and demands on Greenfield and greenbelt land are kept to a minimum.

The Government’s emerging Industrial Strategy provides a real opportunity for Britain to forge a bold new positive role in the world following our withdrawal from the European Union, with strengthened trading relationships and more productive businesses driving growth across the whole country and improving living standards and increasing opportunity for all. But it will only be effective if it goes beyond the traditional focus on sectors, and roots itself in a proper understanding of the way that places function. It must recognise that different places will require different approaches to build on the opportunities and address the challenges that they face and that local leaders must be empowered to develop an approach tailored to the needs and assets of those places.

The City Growth Commission, chaired by the renowned economist Jim O’Neill, clearly demonstrated the power of cities in creating positive economic and social change and made an evidenced case for cities to take a new, enhanced role in national and local policy and governance. Capitalising on the growth potential of the UK’s cities needs to be central to the Industrial Strategy and will be critical to its success. The Industrial Strategy must bring together “People and Place” and “Growth and Reform” though policy decisions made at the level of where their impact is felt if we are to make places more attractive for investment, if we are to boost jobs and productivity, if we are to ensure that the benefits reach families who are currently just managing to get by, and if we are to tackle long-standing problems with low pay and worklessness.

WHERE WE WANT TO BE: OUR VISION

By 2040 Greater Manchester will be one of the world’s leading city regions, reaping the benefits of sustainable and inclusive growth across a thriving Northern economy. It will be ever more self reliant, connected, dynamic, inclusive, digitally-driven, productive, innovative and creative. A destination of choice to live, work, invest and visit, GM will be known for the high levels of happiness and quality of life our people enjoy. No one will be held back, and no one will be left behind: all will be able to contribute to and benefit fully from the continued success of Greater Manchester.

If we are to achieve our ambitions for Greater Manchester we need everyone with a stake in our city region – residents, business, the voluntary sector as well as civic leaders – to work together to help us get there. Which is why, in developing this strategy, we have consulted extensively, seeking the views of all stakeholders and partners to understand their aspirations for the future, what they think the GMCA could do differently or better, and how they can contribute to shaping the Greater Manchester of the future.

Our vision is a high-level statement of intent, capturing the things that our residents, businesses and partners have told us are important to them. It is a vision that will help us to chart a course towards a stronger, more prosperous, inclusive Greater Manchester.
HOW WE WILL GET THERE

Our approach is based on a comprehensive and robust evidence base. Our ‘Deep Dive’ work provides an in-depth analysis of the challenges and opportunities facing all parts of our city region⁵. We are continually developing, improving and extending our evidence base to show the impact that our reform of public services is having, to make sure that we are focusing on what works, and introducing the changes needed to really make a difference to the lives of our residents. The Northern Powerhouse Independent Economic Review has provided an examination of the factors driving the North’s economic performance to identify pan-Northern and globally-distinctive strengths with the potential to transform the economic prospects of the North. New Economy, with third party support from leading economic experts has embarked on an extensive programme of research to help understand the likely impact of Brexit on the city region.

Based on that evidence, there are three ‘golden threads’ that run through our approach: Assets, People and Place.

We are driving economic growth and productivity through a particular focus on high value sectors, and on assets that are or have the potential to be world-leading and globally distinctive.

This means focusing on Greater Manchester’s particular sector specialisms - of which there are many. These include Advanced Manufacturing, Energy, Health Innovation, Digital, Financial and Professional Services, Logistics and Education, as evidenced by the Northern Powerhouse Independent Economic Review, along with GM specific strengths in Creative Industries, Engineering and Textiles. Consultation respondents told us that “Manchester was the birthplace of computing. It would be great to rekindle this and get lots of high tech companies to locate here, making us a centre for technological innovation again.”

It means investing in our strengths in science and innovation, especially where there are links to our sector specialisms. “It would be great to focus on investment in the sciences and building a knowledge economy around the universities and science park to improve and grow the scientific community in Greater Manchester.” The Greater Manchester and Cheshire East Science and Innovation Audit (SIA) identifies Core Strengths in GM as being in health innovation and advanced materials, where we have existing, internationally-recognised excellence. The SIA also identifies Fast-Growth Opportunities in digital, energy, and industrial biotechnology, where our assets and capabilities offer real scope for future development. It will be important that Government and GM invest in those priorities and actions identified in the SIA to ensure we gain the most economic benefits from our science capabilities and that they remain ‘world leading’.

It means identifying and maximising global market opportunities that enable us to make the most of those sectors and assets and build our global brand, building on the excellent connectivity provided by our airport: the UK’s biggest outside London and the South East: “a thriving city, able to compete and bring new opportunities to our country”. Europe and the USA remain the largest, most significant and most mature markets for GM for international trade, investors, visitors, academic research and students. Within Europe, a number of EU countries stand out as key markets for GM with Germany, Netherlands, France and Ireland currently our most important EU trading partners. In terms of the USA, GM will be looking to build upon our strong

⁵ http://neweconomymanchester.com/publications/deep-dive-research
relationships with key cities including New York, Boston and also Silicon Valley where we want to leverage our competitive strengths in Health Innovation, Digital and Advanced Materials. China, India, Japan and the United Arab Emirates are “Opportunity Markets”, ones in which there is clear growth potential and where we are well placed to build upon existing trade, investment and other relationships. Other markets, such as Malaysia, Singapore, Canada, Australia, Saudi Arabia, Taiwan & South Korea, Nigeria and Brazil provide opportunities in relation to some of our niche areas of strength such as health innovation and 2D materials.

It means supporting our businesses to invest, innovate and diversify and ensuring their resilience during the period of change and uncertainty that we have entered following the decision to withdraw from the European Union, supporting them to navigate this uncertainty, manage change and take advantage of new opportunities. “We need to invest in business start ups and growth – starting your own business isn’t easy.” The Manchester Growth Company is now well established and nationally recognised as an exemplar for the delivery of business support services, providing a strong, integrated offer making it easier for businesses to access the support they need.

And it means targeting investment on the interventions required to elevate our performance, global status and profile, capitalising on the world-leading research excellence and innovation that goes on in our universities, building on assets such as our science parks and innovation centres, working with our hospitals, our cultural institutions and the airport. The public, private and voluntary sectors must work collectively to translate those specialisms and assets into economic growth and jobs for Greater Manchester.

We are removing the barriers that prevent people from playing a full part in the economic success of Greater Manchester, so that no-one is left behind, reforming the way that public services are delivered, tailoring them to the needs of individuals and places. Skills services, work programmes, health and social care provision, criminal justice services and education are being redesigned and integrated at place level, ensuring that they deliver better outcomes for our residents.

This means preventing economic and social exclusion in the first place by making sure that our children are given the best possible start in life, laying the foundation for life-long success. “We need equal life chances, and better services for children and young people whose families are disadvantaged.” Without the right support children are more likely to engage in anti-social behaviour and leave school with poor qualifications, impacting negatively on their own life chances and contributing to Greater Manchester’s low levels of productivity by increasing the number of young people either out of work or in low paid work. We must provide access to the best universal services, linked to the right early support for those that need it, whilst also continuing to safeguard those who are most vulnerable.

It means fundamentally reforming the way that health and social care services are delivered throughout Greater Manchester to improve the health and wellbeing of people in Greater Manchester. Only one in ten of those responding to our consultation said that they had “good access to local amenities and healthcare services”. We are making radical improvements to public health services, encouraging and supporting people to make healthier choices, promoting wellbeing and preventing ill-health in the first place. We are transforming the primary care offer so that people are able to get the care and support they need from organisations close to home and within their communities, reducing demand for expensive hospital services. We are ensuring that those people that do need hospital care are able to
access consistent, high quality specialist services, applying best practice to improve patient outcomes across the city region. We are standardising clinical support and back office services and establishing coordination centres to help GM residents to navigate through the complex health care system to access the services that they need. All GM local authorities are developing ‘Locality Plans’ for the integration of health and social care provision and wider public service reform in their area, reflecting the particular priorities, opportunities and challenges of each individual locality, within the framework of the GM Strategic Plan, Taking Charge.

This means making sure that individuals and families are able to get the right support at the right time and in a joined up way, so that they are able to benefit from the economic opportunities that growth brings, taking part in training and employment and fulfilling their potential. Through our consultation our residents told us that it is important to “create more chances for people to use skills and experience and move into better paid, more fulfilling work.” The way that individuals, families and communities are interacting with services is changing: public services are being redesigned to help our people to become resilient and empowered, reducing demand for those public services in the long run. Our people are our greatest asset: the success of our approach will depend on confident communities doing their bit. And our consultation told us that people want to help and that “helping each other and respecting each other” is important.

It means a transforming the GM work and skills system so that we can grow, attract and retain skilled labour and build resilience and adaptability in the current and future workforce. “I would like to see all young people get an education that allows them to progress in the direction they would choose.” We must invest in the higher level and technical skills needed to drive productivity in GM’s growth sectors. But we must also ensure that all young people and unemployed adults have the basic and generic skills they need, including English, maths and digital, to help them obtain and sustain work. We must take a place-based approach to meeting the different skills requirements of different parts of our city region.

This means working with schools to increase the number of young people who achieve 5 GCSEs (or equivalent qualification), including English and maths, at 16. It means increasing the number of young people taking science, technology, engineering and maths (STEM) subjects at A-level. And it means improving vocational education & training pathways for 16 to 19 year olds and young adults that don’t want to pursue the academic route. By ensuring that more of our young people leave school with the skills and competencies needed to enable them to realise their potential, we can refocus the Adult Education Budget (AEB) on delivering to the education and training required to help people develop their skills further, widening access to the opportunities that growth brings and driving improvements in productivity.

This means ensuring that our young people get high quality careers education, information, advice and guidance that helps them to make informed decisions about their pathways to further/higher education and employment: choices that are based on the opportunities within the labour market and a knowledge of the jobs that are available. Through our consultation people stated that “we need jobs for our kids in innovation, science and tech” but our employers in sectors such as Digital, Manufacturing, Retail and Wholesale Distribution and Financial and Professional Services are struggling to recruit the qualified staff they need. We must work with our employers to ensure they play an active role in designing and funding skills provision, alongside ensuring greater collaboration between business, schools, colleges and Universities.
It means a skills and education system that provides clear, effective and integrated pathways from education to sustainable employment. **To keep the clever youngsters here they must feel that they can have a good quality of life and a fulfilling career. You need to create training solutions that match the work opportunities.** We must be equipped to work with schools, helping them to play their natural role as anchors of communities and promoters of social mobility. We must be empowered to integrate all post-16 education and training, so that the resources of the Education Funding Agency and the Adult Education Budget are aligned in delivering provision that meets the needs of the GM economy and our labour market. We must ensure that the Apprenticeship Levy, paid by all of GM’s large employers, is used to maximum effect, ensuring that employers are encouraged and supported to develop their workforce through the use of apprenticeships, and that apprentices receive the support, education and training required to meet their development needs. We must grow the number of higher and degree level apprenticeships and ensure that we match the right apprentices with the right employers. We must be given the resources and flexibility needed to bring in additional capital and revenue funding to invest in higher level skills and drive innovation, so that we can meet the demands of employers and help people to progress from low paid work. And we must do all of this in an integrated, joined up way: Government must empower local places to take a whole-system approach to redesigning the education and skills system at a local level to deliver the skills our businesses and residents need.

For those that are not currently benefitting from the growth of Greater Manchester this means providing a more effective and integrated support. We must tailor the support provided to individuals, bringing together the public services that they need to help them overcome the barriers that are preventing them from obtaining work and progressing to reach their potential. **“Focus on causes more than the effects. Plan based on the strengths and assets of citizens.”** The number of residents claiming Employment Support Allowance (ESA) has remained stubbornly high throughout periods of both recession and growth but pilot programmes such as Troubled Families and Working Well have clearly shown that we can help people to address the sometimes complex issues that they face. We must significantly scale up these programmes to help more of our people, targeting in particular those neighbourhoods across GM in which problems of worklessness are concentrated. The rollout of Universal Credit across Greater Manchester provides us with an opportunity to better integrate education and training provision with employment support for those residents for whom low skills is a barrier to securing better paid and quality employment.

**“We need to reduce poverty and the number of people living on the breadline.”** It means encouraging businesses to pay the Living Wage and to provide working conditions that contribute to employee health and well-being. This will reduce the dependence on in-work tax credits, which at over £1.1billion is significantly larger than out of work tax credits and it will reduce the number of children that are growing up in poverty.

And we are investing in our places so that they are an attractive environment in which to live, work and invest.

This means ensuring that every part of the city region can play a strong role in supporting growth, through the creation of additional jobs, through the establishment of a housing offer to meet the needs and aspirations of a growing labour market, and with strong town centres that support local economies and capture the wealth that increased growth and productivity will create.
It means investing in our transport infrastructure - both new and existing - to support sustainable growth and create places where businesses are encouraged to set up and trade. Modern transport connections are critical to driving agglomeration economies and widening catchment areas so that companies have access to the supply chains and the human capital that they need to expand, diversify and compete on a global stage. We must take an integrated, whole-system approach to the management of the transport network across all modes – roads, trains, trams and buses - an approach that must also extend to the management of congestion. 38% of those responding to our online consultation told us that “the public transport system is unreliable, too expensive and lacked investment”. One in five respondents said that there was “too much traffic and congestion on the roads”. If we are to improve the quality of life of our residents we must put in place the transport connections and the resilient social infrastructure required to give better access to the opportunities that growth will bring, and to the redesigned public services we are working to provide. Re-regulation of buses provides an unprecedented opportunity to coordinate and plan the provision of bus services, including fares, routes, frequency and integration with other transport modes. It is a critical component of our strategy, essential to driving social mobility by ensuring that bus services connect GM people to jobs as well as to get to the education, training and other support many of our residents will need to access the jobs created. We must do more to encourage our residents to lead active lives, putting in place the infrastructure required to encourage more people to walk or cycle.

It means improving local air quality, with road transport in GM accounting for 65% of nitrogen oxide and 79% of particulate emissions. These two dangerous pollutants contribute to respiratory illness, as well as cardio-vascular problems and cancer, leading to around a thousand early deaths in Greater Manchester every year. Urgent action at both national and local levels is required. Locally we are committed to implementing the GM Low Emissions Strategy and Air Quality Action Plan to reduce levels of these harmful pollutants across GM and specifically in parts of GM where emission levels are in breach or are at risk of breaching EU legislation. “A cleaner city with less pollution, less noise and better air quality.”

It means boosting the pace of housing development and improving the quality, choice and affordability of the housing on offer so that our housing markets meet the housing requirements of existing and prospective residents. Through our consultation our residents told us that there is “not enough housing available” and that “better supported housing is needed for vulnerable people”. We must develop new models of investment to maintain a strong and continuing emphasis on directing new housing and employment development to brownfield land in urban locations, limiting the requirement for greenbelt development. We must re-examine the role of social housing, making sure that it is a resource that can be used to help meet real need and to support people to gain or regain their independence. We must invest in new homes, particularly for the vulnerable and elderly, which will in turn free up other social rented accommodation. But we need to provide more than houses is we are to build successful communities throughout Greater Manchester – those houses must be in clean, safe, resilient and cohesive neighbourhoods with access to excellent amenities including schools, green spaces, and a high quality cultural and leisure offer if we are to retain our residents and attract new people to live, work and invest in our city region. “Our communities must feel safe and secure.”

It means ensuring that we have a clear perspective of land requirements, supply and delivery so that we can take an informed and integrated approach to development across the city region. “Greater Manchester needs more homes across the full range
of prices and sizes but these need to be planned more intelligently than in the past so that they can take advantage of public transport infrastructure and services.” The GM Spatial Framework will support the delivery of our vision for Greater Manchester by evidencing the level and type of employment and housing growth we should be planning for, ensuring that we have the right type of land in the right places to meet the requirements that growth brings, and that Greater Manchester local authorities and wider partners are collectively focused on the delivery of sites that are attractive to investors, meet the requirements of developers and drive investment in priority areas for growth and regeneration.

It means delivering on our commitment to cut carbon emissions to 48 per cent of their 1990 levels by 2020. “Greater Manchester should become an energy efficient and green city, with many open spaces and energy efficient buildings.” We must develop new sources of renewable energy, reducing not only emissions but the energy bills of our people. We must drive economic growth whilst improving air quality and decreasing pollution. We must improve the energy efficiency of our buildings. We must increase the amount of waste we recycle – something that came out strongly through our consultation: “we need correct waste disposal by everyone”. We must protect from the effects of climate change that it is already too late to prevent, and recognise and address the stresses that urban areas face so that we become more resilient to the physical, social and economic challenges of the 21st century.

It means developing a clear vision of GM's future as a digital city, and taking an open, innovative and ambitious approach to delivering that ambition, working with our businesses and residents to exploit the huge potential that the ‘Fourth Industrial Revolution’ offers, and also to protect against the challenges that it will bring. “We need a city for the 21st century, built on future technologies.” This new Industrial Revolution will affect every citizen, and every company, and we must ensure that all our residents and businesses are able to seize these opportunities that it brings right now, and not get left behind in what will be a very different world. That means supporting our businesses to make the transition that rapid digitalisation will require and ensuring that our workforce are equipped with the new range of skills required for future ways of working.

It means growing the amenities at the heart of our city region to enable us to compete with the best international cities in terms of the quality of life we can offer. We must improve the quality of our parks and green spaces, rivers and canals – a quarter of those responding to our consultation said that they wanted “cleaner areas and more green spaces, parks and leisure facilities”. We must continue to invest in our sport and leisure offer – building on our international reputation for sporting achievement to promote healthy active lifestyles amongst our residents. Our consultation told us that people really value “the variety of arts and culture, a sense of development, the commitment to internationalism and multiculturalism”. We must continue to invest in our cultural facilities, not only to attract new visitors from the UK and beyond, but for the benefit of Greater Manchester’s residents: we need a cultural offer that is attractive and accessible for all and we must develop and diversify the cultural workforce that delivers that offer. As well as building on our world class cultural facilities we must invest in our strengths in the local arts, culture and heritage sectors, establishing culture as a strategic driver for driving growth and improving the city region as a place to live.

Our approach – Assets, People, Place - allows us to take an integrated, place-based approach to driving growth and productivity and addressing social and economic inequalities to ensure that the economy works for everyone. But it requires an acceleration and deepening of the devolution process, and the remodelling of the
relationship between national and local government so that we are given the powers and resources we need to grow the local economy and to reform public services, based on our understanding, knowledge and experience of the unique strengths and assets of Greater Manchester, and of the specific challenges that must be addressed if we are to both maximise growth and to ensure that all residents are able to benefit from and contribute to that growth.

**OUR PRIORITIES**

Our priorities have been developed around the twin themes of ‘Strong People in GM’ and ‘GM: a Strong Place’. Our asset-based approach underpins each of these themes. We will drive growth and productivity by focusing on the things that Greater Manchester is good at, and has the potential to be even better at: we will invest in our key growth sectors and specialisms, highlight global market opportunities to promote those strengths, and we will build on the diverse assets and opportunities in each of our places to ensure that they become an attractive environment in which to live, work and invest. The people of Greater Manchester are our biggest asset and we will recognise and build on the strengths of our people, families and communities, providing high quality, integrated and effective public services to ensure that everyone can meet their potential. Our success will depend on everyone playing their part.

**Strong People in GM**

- Strong people throughout their life course:
  - Start Well, Live Well, Age Well
- No one held back: no one left behind
- Excellent public services provided at the right time to enable all people in all parts of our city region to become resilient and confident
- Preventative rather than reactive services to achieve improved outcomes, greater efficiencies and reductions in demand for services
- People equipped with the skills to succeed and progress
- Strong, safe, empowered communities, able to draw on local strengths and assets to connect to the opportunities that the growth of the city region brings

**We will:**

- Develop a framework for the reform of public services throughout GM, within which local authorities can deliver integrated, effective and efficient public services that meet the needs of and improve outcomes for local people:
  - ensuring that all children in Greater Manchester get the best possible start in life by providing high quality, integrated services and protecting those who are most vulnerable so that our children arrive at school ready to learn and to make the most of the opportunities that life presents;
  - taking a whole-family approach to delivering integrated services built on evidence-based and effective interventions;
  - helping people with complex needs and multiple problems to get the right help at the right time so that they are empowered to get their lives back on track through work and training;
• Ensuring that older people receive the support they need to enjoy an excellent quality of life, and empower them to play an active role in the communities in which they live.

• Transform the way that health and social care services are delivered, radically improving the health and wellbeing of the Greater Manchester population by:
  o supporting GM local authorities in the development and delivery of Locality Plans that enable a greater focus on early help and intervention in their area, within the framework of the GM Strategic Plan: Taking Charge;
  o developing plans at a GM level to address some of the specific challenges that exist across all localities in GM, like mental health, cancer, high levels of unemployment and deprivation, where it makes sense to do the thinking once and agree how we can improve health care and support for people;
  o putting in place effective commissioning arrangements so we can be confident that our services deliver the best possible outcomes for our residents.

• Work with Government to implement a whole-system approach to the redesign of the education and skills system at a local level to deliver the skills our businesses and residents need:
  o reducing the number of people with no qualifications, providing them with access to the training that they need to develop their skills throughout their lives;
  o helping people to find work, stay in work, and progress through work, ensuring that our residents are able to contribute to the growth of Greater Manchester and share in the benefits that growth brings;
  o ensuring that our young people get the careers advice and guidance that they need to find a clear path to high quality employment, an apprenticeship or further training;
  o working closely with our employers to better connect the supply and demand sides of the skills system, ensuring that provision meets the current and future needs of key growth sectors, and that GM residents are able to take advantage of the opportunities available in these sectors;
  o improving educational attainment across the city region, with a particular focus on science, technology, engineering and maths;
  o encouraging employers to invest in their workforce and to view their employees as one of their greatest assets.
We will:

- Ensure that all parts of Greater Manchester are able to find a strong and positive economic function to support future growth and to maximise their ability to share in its benefits;
- Continue to invest in the growing regional centre, our town centres and key strategic development sites as primary drivers of economic growth;
- Drive growth and productivity through a particular emphasis on high value sectors, built on the distinctive strengths and assets of Greater Manchester that are or have potential to be world-leading and globally distinctive;
- Identify global market opportunities to make the most of our sector strengths and specialisms, and science and innovation assets, and build our global brand;
- Support our businesses to invest, innovate and diversify, and to take advantage of the new opportunities that changes in the global economy may bring;
- Manage the supply of land for jobs and new homes through the development of the Greater Manchester Spatial Framework (GMSF), ensuring that we have the right land in the right places to deliver the homes and jobs we need, along with the new infrastructure required to achieve this;
- Protect the natural environment of Greater Manchester, improving air quality setting out through the GMSF how we will enhance and protect the quality of our green spaces, conserve wildlife and tackle low carbon and flood risk issues, so that we can accommodate growth sustainably;
- Develop a high quality, diverse and affordable housing offer that meets the needs of existing and new residents, accelerating the development of new housing through innovative new investment and delivery models, improving the quality and energy efficiency of existing homes and ensuring that social housing is used to meet real need and to help people to become more resilient and self-reliant;
- Work with our Northern partners to deliver the priorities set out in the Northern Transport Strategy, placing Greater Manchester at the heart of a first class national and international transport network;
- Implement an integrated, whole-system approach to the management of the GM transport network across all modes – road, train, tram, bus, cycling and walking - to provide the world class connections required to support long-term sustainable economic growth and access to opportunity for all;
- Ensure that neighbourhoods throughout the city region are clean, safe, resilient and cohesive, with access to excellent amenities;
• Continue to invest in a cultural, leisure and sporting offer that is accessible to all, to the benefit of GM residents and well as to attract new visitors from the UK and beyond;
• Improve the resource efficiency, carbon and environmental performance of the city region.

DELIBERATING OUR STRATEGY

This strategy provides a high level framework for action based on a robust evidence base and public consultation. We need everyone with a stake in our city-region to play their part in delivering our vision – residents, businesses, the voluntary sector and civic leaders. More detailed plans, developed and led by city-region-wide partnerships, will set out the specific actions, interventions and investment required to deliver our strategic priorities and achieve our vision.

These plans include:

- the Greater Manchester Spatial Framework, which will allow us to take an informed, integrated approach to spatial planning across the city region, based on a clear understanding of the role of places and the connections between them;

- the Greater Manchester Investment Strategy, which supports the implementation of the GM Strategy through investment to create and safeguard jobs primarily through loans to support recycling to maximise the impact of investment over several funding cycles;

- Transport 2040, a new long-term transport strategy for Greater Manchester that will deliver world class connections that will support long-term sustainable economic growth and access to opportunities for all;

- the establishment of a second GM Transport Fund to underpin an integrated whole-system approach to the management of our transport network and the delivery of our transport priorities;

- the establishment of a new programme to support investment in the cultural offer of Greater Manchester, to support the promotion of Greater Manchester locally, nationally and internationally, to contribute to improving the skills and employability of GM residents and to support the development of strong and inclusive communities and improved quality of life and wellbeing for GM residents;

- the Climate Change and Low Emissions Implementation Plan, which sets out the steps we will take to energy-efficient, and investing in our natural environment to respond to climate change and to improve quality of life.

- Resilient Greater Manchester, which will set out what we need to do to become more resilient to the shocks – catastrophic events like storms, pandemics and floods – and stresses that weaken the capacity of a city to deal with the challenges it may face;

- the GM Internationalisation Strategy, setting out how we will elevate our international trade and investment performance, attract and retain the
international talent our economy needs, and make sure that GM maximises its international potential as a gateway to the North and supports the whole of the UK in achieving its post Brexit ambitions;

• the Greater Manchester Work and Skills Strategy, setting out our path to delivering a work and skills system that meets the needs of GM employers and residents;

• Taking Charge, setting out how GM will radically reform the way the health and social care services are provided to deliver the greatest and fastest improvements to health and wellbeing across Greater Manchester;

• Our plan for reforming the way that all services for children are delivered, with an initial focus on integrating preventative services for children and young people;

• the Police and Crime Plan, which sets out the policing priorities for Greater Manchester and how the GM force will deliver those priorities;

• the Fire Integrated Risk Management Plan which will set out the priorities to be delivered by the GM Fire and Rescue Service;

• the Northern Powerhouse Strategy, which identifies skills, science and innovation a the development of a collaborative approach to promoting the Northern Powerhouse to foreign investors as priorities for further work by Northern Cities and Government.

RESOURCING OUR STRATEGY

Our unrivalled history of partnership working across Greater Manchester, along with our clear track record of delivery and our robust governance and accountability arrangements, means that no where is better placed to drive sustained, inclusive growth – for our city region and for the UK as a whole.

A precondition of devolution is the ability to determine spending and policy priorities on the basis of shared and consistent principles, informed by a robust analysis of what's required to drive growth and reform public services at a local level. This discipline is well established in Greater Manchester, where we have long been prioritising on the basis of investment that offers real growth potential, whilst also ensuring social and environmental returns. In the face of huge pressures on local authority budgets as a result of central Government cuts, GM local authorities have maintained their commitment to collaboration at Greater Manchester level, recognising that only by working together will be able to generate the resources and influence we need to drive growth and reform across Greater Manchester.

We know that we are entering a new era for Greater Manchester and the Combined Authority. The introduction of an elected Mayor in May 2017 brings greater direct accountability to the people of Greater Manchester. It is important that our plans reflect the priorities and concerns of our people, so following the election of our new Mayor, and building on the public conversation that has informed this strategy, we will hold a further conversation with the people of Greater Manchester to give them the opportunity to shape our budget for the next three years.
HOW WE WILL KNOW WE ARE SUCCEEDING

To ensure that we are on track we will continue to report our progress against a range of high level performance indicators and a series of ambitious targets to help us, and our stakeholders, to determine whether the approach we are taking is delivering the results we need.6

The set of indicators that we will measure has been designed to track through from our vision for Greater Manchester to the specific outcomes we want to achieve for our people and places. Measuring our progress against each indicator, and across the outcomes framework as a whole, will help us to assess whether we are on track to deliver our vision for Greater Manchester and our objectives for residents in all parts of our city region.

The outcomes framework (set out at the end of this strategy) will not only provide transparency and accountability in terms of our progress, but will also inform the decisions we take regarding how we invest the resources available to us and the services we commission.

The framework will need to be developed further over time so that we can reflect the changes to our city region and we will work with our partners to develop the set of indicators that we measure so that we can track our performance as accurately as possible.

CONCLUSION

This strategy charts a course to achieving our vision for Greater Manchester. It is not just a strategy for the Greater Manchester Combined Authority and Local Enterprise Partnership. It has to be much more than that. The aim of this strategy is to bring together partnerships across Greater Manchester – and beyond – so that we collectively we are able to deliver our shared priorities. We need everyone - civic leaders, businesses, the voluntary sector and residents - to get behind this strategy and work together to help us achieve our ambitions.

Greater Manchester Strategy vision and objectives

**Strong People**
- Strong people throughout their life course: Start Well, Live Well, Age Well
- No one held back: no one left behind
- Excellent integration of public services provided at the right time to enable people to become resilient and confident
- Preventative rather than reactive services to achieve improved outcomes, greater efficiencies and reductions in demand for services
- People equipped with the skills to succeed and progress
- Strong, safe, empowered communities, able to draw on local strengths and assets to connect to the opportunities that the growth of the city region brings.

**A Strong Place**
- Sustainable growth, driven by our globally distinctive assets and a diverse and highly productive business base
- World class infrastructure and connectivity to drive growth and connect our people and businesses to that growth
- A housing offer to meet the needs and aspirations of existing and future residents
- Thriving and resilient communities
- A digital powerhouse
- A vibrant, inclusive cultural, leisure and sporting offer and an outstanding natural environment
- Developing a market facing approach to creating the conditions for growth

By 2040 Greater Manchester will be one of the world’s leading city regions, reaping the benefits of sustainable and inclusive growth across a thriving Northern economy. It will be ever more self-reliant, connected, dynamic, inclusive, digitally-driven, productive, innovative and creative. A destination of choice to live, work, invest and visit, GM will be known for the high levels of happiness and quality of life our people enjoy. No one will be held back, and no one will be left behind: all will be able to contribute to and benefit fully from the continued success of Greater Manchester.

... supported by these core activities and associated objectives

- GM Investment Strategy
- Greater Manchester Spatial Framework
- Taking Charge
- Reforming services for children
- The Northern Powerhouse Strategy
- GM Work & Skills Strategy
- A new programme to support investment in the cultural offer of Greater Manchester
- Voluntary & community activity
- Police & Crime Plan
- Climate Change and Low Emissions Implementation Plan
- Transport 2040
- Resilient Greater Manchester
- GMFRS Integrated Risk Management Plan
- GM Connect
- GM Internationalisation Strategy

... leading to these shared outcomes

- Increased number of GM residents gaining sustained, ‘good’ employment / supported to remain in employment
- Reduced number of GM residents claiming out-of-work benefits
- Improved skill levels, including a higher proportion of the population educated to degree level
- A higher proportion of GM children who are school ready at five years old
- Reduction in the number of GM children in need of safeguarding
- Reduced crime, reoffending and anti-social behaviour, and increased support for victims of crime and domestic abuse
- Improved outcomes for people with mental health needs
- Reduced obesity, smoking, alcohol and drug misuse
- More people supported to stay well and live at home for as long as possible
- Increased business start-ups and inward investment, and improved business performance
- Improved transport networks and more sustainable GM neighbourhoods
- New homes, including appropriate and affordable options for different groups
- Increased GM resident well-being
- Reduced carbon emissions and air pollution, and more sustainable consumption and production
- Reduced spend on reactive service provision
- Increased local and international awareness of, pride in, and engagement with, GM culture

... impacting on wider conditions (GMS indicators)

- Increase total employment to 4.3% of the UK total (an additional 199,700 jobs created)
- GVA grows faster than UK and halves the growth differential against Greater London (an additional £38.1bn in 2012 constant prices)
- Increase the employment rate by 4.2% narrowing the gap with the UK average to 1.1 percentage point
- Increase business start up rates to overtake the national average by >30% over next 20 years
- Close the gap between the GM and UK median salary (c. 0.4% p.a. above the UK growth rate)
- Increase the number of children achieving a good level of development (EYFS Profile assessment) to meet the national average by 2020, with sustained performance to 2040
- Close the crime-rate gap with the average of the most similar metropolitan forces from the current base of 2% above average
- Improve health life expectancy at birth to the national average by 2040
- Increase the proportion of peak hour journeys made by public transport, walking and cycling to 40%
- Build 12,900 net new homes a year, tripling the existing levels of development
- Increase the rate of reduction in carbon emissions so that CO2 is 59% lower than 1990 levels by 2035, and 80% lower by 2050
- Increase the proportion of residents reporting that they have high or very high life satisfaction to above the national average
Date: 24th February 2017
Subject: Growth Deal Round 3
Report of: Cllr Richard Leese, Portfolio Lead Leader for Economic Strategy and Sir Howard Bernstein, Head of Paid Service and Portfolio Lead Chief Executive for Economic Strategy

1. PURPOSE OF REPORT

In 2016, local areas were invited to submit proposals for the third round of Local Growth Fund Deals, against a national pot of £1.8 billion. In the light of uncertainty regarding the impact of BREXIT, and the future of the GM ESIF programme, GM submitted a proposal for £566.1m, with a reduced programme proposal of £410.051m. On 23rd January 2017, Government confirmed GM’s third Local Growth Deal allocation would be £130.08m, the highest allocation in the North.

This report sets out details of the revised Growth Deal 3 priorities agreed by GM Local Enterprise Partnership (GMLEP) on 10th February 2017.

RECOMMENDATIONS:

Leaders are asked to:

i) Note the Local Growth Fund Growth Deal 3 allocation for Greater Manchester: and

ii) Endorse the revised Local Growth Fund Growth Deal 3 priorities and spend approved by GM LEP on 10th February 2017.

iii) Agree that the GMCA Treasurer/Monitoring officer should finalise the terms of individual grant agreements.

CONTACT OFFICERS:

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alison.gordon@neweconomymanchester.com
Risk Management – see paragraph - N/A
Legal Considerations – see paragraph – N/A
Financial Consequences – Revenue
Financial Consequences – Capital

BACKGROUND PAPERS:

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<td>Are there any aspects in this report which means it should be considered to be exempt from call in by the AGMA Scrutiny Pool on the grounds of urgency?</td>
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1. **INTRODUCTION**

1.1 In July 2016, Greater Manchester submitted its Local Growth Fund Growth Deal 3 proposal for a programme of investment to create a thriving and self-sustaining city-region, sitting at the heart of the Northern Powerhouse and driving growth across the North and the UK as a whole.

1.2 Prior to submission the GM proposal was discussed and agreed with Leaders and GM LEP, which was critical in order to demonstrate to Government that GM had adopted a balanced approach to the priorities identified, and to ensure a high scoring bid.

1.3 The GM proposal was for an investment programme totalling £566.1m, with a reduced programme proposal of £410.1m, should the allocation fall short of the funding to deliver the programme in full. The proposal covered GM priorities across the themes of transport, skills capital, science, cyber security, Evergreen loan funding and an equity fund and a productivity programme.

1.4 The GM bid was scored highly on assessment by Government as a result of GM’s focus on priorities and the balanced approach taken across these priorities.

2. **GM LEP GROWTH DEAL 3 ALLOCATION AND PROPOSED PRIORITIES**

2.1 In December 2016, GM was informed of its provisional allocation of £130.08m. Although this was considerably lower than anticipated, it was the highest allocation in the North. From discussions with Government officials it is understood this comparatively large allocation reflected the evidence based nature of GM’s bid, its focus on key assets and topics that were important locally and to Government and the strength of GM’s devolved governance. Government confirmed that the bid had scored highly based on the balance of priorities outlined in the bid. It is understood that Government particularly welcomed the focus of the GM bid in building on the Science and Innovation Audit, taking forward the Area Based Review, and in seeking a pragmatic solution to the £12m business ‘equivalence’ funding in relation to devolved business support activity.

2.2 Government asked GM to submit a revised profile, of how the £130.08m would be used. In developing the revised spend profile consideration was given to the following:

- The requirement to have a balanced programme of activity across themes to ensure the GM bid remained high scoring
(each theme is scored individually) and to not reduce the overall allocation further.

- Where alternative sources of funding for priorities identified in the GM Growth Deal 3 submission might be found from. Priority was given to those elements which were critical to GM but where there were no obvious alternative sources of funding. This particularly applied to skills capital (given the Area Review) and business productivity (following the decision to leave the EU).

2.3 Taking each element in turn this led to the following allocation of GM’s Growth Deal 3 funding, which was agreed by GM LEP on 10\textsuperscript{th} February 2017.

2.3.1 **Land Programme £0m:** This will now be progressed as part of the recently announced £2bn National Land Programme Funding.

2.3.2 **Transport £40m:** Transport investment requirements over the next decades are significant, and whatever the size of the GM LGF allocation, it will only deliver a small part of the investment required. GM has also been able to secure a further £7.32 million transport funding through the Government’s National Productivity Investment Fund (NPIF) for 2017/18, and further NPIF funding will be sought in future years. In addition, GM is in discussion with Government about creating a significant second Transport Fund. Alongside the LGF allocation, this will enable GM to deliver strategically significant elements of GM’s broader requirements.

2.3.3 **Skills Capital £50m:** Funding of £50m is needed in order to have reasonable leverage to ensure the aspirations of Greater Manchester in relation to the Area Based Review can be achieved. It is estimated that there is over £200m of FE capital requirement coming from the outcomes of the Area Review. Whilst this can be managed down (some proposals will not come forward and there is the potential to look at some loans as well as grant) there is no other source of funding for the capital investment needed to transform GM’s FE provision.

2.3.4 **Science £20m:** Obviously an important element of GM’s overall bid, building on the Science and Innovation Audit (SIA). The original bid (and SIA) identified two priority projects (International Screen School: Manchester and The Pankhurst Centre) and three projects under development (Energy House 2, E-Health Incubator, and Next Generation National Grid Power Systems). Since the bid was submitted the Government announced a further £2bn R&D investment in the Autumn Statement, with details still to be confirmed. The priority for this element of the LGF bid is therefore around preparing projects for applications to this fund and taking forward projects least likely to be successful in that fund. Of the five projects above it is felt that four of them would stand a good chance in the national R&D fund and GM will work with each of these projects in order to help prepare applications in
due course. However the Pankhurst Centre, as a major priority for GM and significant project, requires some development funding in order for it to be ready for such an application. GM LEP agreed a small Growth Deal 3 allocation to this project. The Screen School was originally announced in Budget 16. Since then, HMT have been clear there is no alternative funding pot for this nationally, and that it would have to be funded from local sources. The Screen School offers an opportunity to maximize outcomes across GM, as it will be open to young people across Greater Manchester. It is unlikely that Screen School would secure funding in the national R&D fund and therefore funding through the science theme of Growth Deal 3 would maintain a balanced programme, and not impinge on the Skills allocation, ensuring a priority project is delivered where there is no alternative funding source. It is anticipated that the projects that are still under development would make strong applications for the National R&D Fund or for GM’s Low Carbon ERDF funding stream.

2.3.5 **Cyber Security £5m:** Following recent discussions with GCHQ, and the endorsement of the proposal by the intelligence community, the proposed investment in cyber security will deliver significant wider benefits, particularly given the relatively small level of investment required. The level of Growth Deal 3 monies proposed has been reduced with the remaining funding being leveraged by match funded from Manchester City Council and third parties.

2.3.6 **Evergreen £0m:** This element of the Growth Deal 3 bid was only ever put in as a contingency in case ERDF funding was not forthcoming following the vote to leave the EU. However since the Growth Deal 3 bid was submitted Evergreen 2 has now secured ERDF funding and there is no need for a call on Growth Deal 3 monies.

2.3.7 **Equity Fund £0m:** This element of the Growth Deal 3 bid was only ever put in as a contingency in case ERDF funding was not forthcoming following the vote to leave the EU. However since the Growth Deal 3 bid was submitted the Northern Powerhouse Investment Fund (follow on to the North West Fund) has now secured ERDF funding and there is no need for a call on Growth Deal 3 monies.

2.3.8 **Productivity Programme £15m:** This element of the Growth Deal 3 bid contained two elements - £12m ‘equivalence monies’ for the lack of devolved business support funding and a £20m programme to improve productivity in the GM business base. There is no other source of funding for these activities, and in the main they will be used to lever in ERDF funding as well. If Growth Deal 3 funding was not secured it is likely that the ERDF funding would be unspent too. A £15m allocation was felt to be the minimum needed to continue growth services to businesses across the conurbation as well as driving an element of productivity and export support vital in the light of the vote to leave the EU.
3. **NEXT STEPS.**

3.1 Further work is now underway in defining the details around the specific projects outlined above and each project will be presented to the LEP and GMCA over the coming months for approval.
Date: 24th February 2017

Subject: Local Growth Fund - Growth Deal 3: International Screen School Manchester


PURPOSE OF REPORT

The Greater Manchester Local Growth Fund Round 3 priorities agreed by GM LEP included £15m for International Screen School Manchester (ISSM) to drive skills development and innovation, as well as the science/innovation asset base, in the GM digital and creative sectors. The ISSM was an integral part of the recently completed GM/East Cheshire Science and Innovation Audit, and was recommended by the Chancellor of the Exchequer in the 2016 Budget.

This report provides details on the ISSM and outlines the way in which it will work and the impact it will have. The £15m Growth Deal 3 grant agreed by GM LEP will match the contribution being made by Manchester Metropolitan University. Together this funding will be used to establish a new centre for business skills and innovation on Corridor Manchester, that will benefit the whole of the GM creative and digital supply chain.

RECOMMENDATIONS:

Leaders are asked to:

i) Note the proposed plans and timescale for the development of the ISSM

ii) Endorse the GM LEP approval of a grant of £15m of Local Growth Deal Funding 3, matched with £15m from Manchester Metropolitan University to develop the ISSM.

iii) Agree that the GMCA Treasurer/Monitoring officer should finalise the terms of the grant agreement.

CONTACT OFFICERS:

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Risk Management – see paragraph 7.2
Legal Considerations – see paragraph N/A
Financial Consequences – Revenue
Financial Consequences – Capital

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1. **INTRODUCTION**

1.1 Over recent years, the UK - and Greater Manchester in particular - has become home to a large and fast growing set of ‘screen-based’ sectors characterised by strong connections between digital skills and creativity, combining technology and story-telling - including film, TV, animation, games and post-production. The skills underpinning these sectors are driving innovation in a wide range of new areas of digital technology - such as immersive media, virtual and augmented reality - which relate directly to the development of key growth industries such as online retail and distribution, smart cities and the internet of things.

1.2 The International Screen School Manchester (ISSM) is a response to, and an investment in, this dynamic set of skills needs cutting across the creative and digital economy. Working with a broad range of businesses, the ISSM will be a creative and digital skills powerhouse, supporting growth and innovation across Greater Manchester, the North West and the UK as a whole. It will form an integral part of the science and innovation asset base to drive innovation in the GM creative and digital sectors, as recognized by the recently completed GM/East Cheshire Science and Innovation Audit.

2. **BACKGROUND**

2.1 The creative and digital industries are among the fastest growing in the Greater Manchester economy, accounting for over 55,000 jobs and generating over £3 billion GVA per annum, with the potential to grow to £4.5 billion over the next decade. Manchester and Salford form the core of the business base – accounting for approximately half of all jobs in the sector in 2013. Within the digital content sub-sector, television programming and broadcasting activities along with motion picture, video and television programme production activities accounted for approximately 4,000 jobs in 2013 and is recognised to be a particular sub-sector specialism for Greater Manchester.

2.2 Although the existing statistics are already impressive, it is the growth potential that presents the real opportunity. Between 2014 and 2024, the Greater Manchester Forecasting Model estimates that almost 12,000 additional jobs will be created in the digital and creative sector, equating to growth of almost 19% - more than double the 8% growth rate forecast for the Greater Manchester economy overall. Manchester is now Europe’s second largest creative, digital and media hub and the industry is growing faster in the city than anywhere else in in the UK.
3. CREATIVE AND DIGITAL TALENT

3.1 The ISSM will be a centre for creative content production and digital talent development, supporting business growth for Greater Manchester, the North West and the UK as a whole. It will host industry-driven research and innovation, and will train the next generation of talent to enable the UK to continue to grow and compete internationally across the digital and creative media sectors. Designed to be a new model of agile and interdisciplinary education, it will work with industry as partners in learning, research and innovation, hosting a diverse programme of apprenticeships, undergraduate, post-graduate and professional CPD provision.

3.2 30% of all students at Manchester Metropolitan come from the GM area and the new facility is intended to provide a vital resource for young people and businesses locally. By year 3, it will cater for 1500 students across Film and New Media production, Applied Gaming, User Experience Design and Business Management. It will include a new programme of Degree Apprenticeships and, in addition, a body of short courses catering for more than 1000 professional learners annually. It will specialise in industry-standard digital media production – providing new degree-level apprenticeships, short courses and a programme of executive education for mid-career talent, as well as a programme of outreach with schools and community groups.

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<td>Postgraduates</td>
<td>160</td>
</tr>
<tr>
<td>Short courses</td>
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4. HARNESSING GM’s ASSET BASE

4.1 The ISSM will provide opportunities to build on the collaborative research programmes already in place with the Universities of Manchester and Salford, and it is envisaged that partnerships will be established with Manchester and Salford City Colleges, to support a pipeline of talent and a programme of joint learning.

4.2 Building on investments made at Media City, Sharp, Space, Home and other projects, the ISSM will be a centre for business innovation and skills across the GM creative and digital supply chain.
4.3 The core focus of the ISSM is to support industry to secure the skills needed to drive ongoing innovation, growth and transformation. In addition to a range of core creative and technological programmes, the ISSM will build on Manchester Metropolitan University’s successful portfolio of Digital Degree Apprenticeships and introduce Continued Professional Development programmes that are tailored to addressing industry specific requirements, accessible to a range of learners.

4.4 The ISSM will provide a home for innovative interdisciplinary research activities, and incorporates a business hub offering 24/7 access to touch-down space, meeting rooms, collaborative workshop spaces, and a front-door to a network of business support across GM. The hub will be a major provider of innovation and business advice for digital and creative start-ups serving the North West region and will provide access to a set of constantly evolving technological resources.

4.5 Partnerships are being established with Manchester Creative Digital Assets and with Allied London, to ensure complementary support for the full range of learners and to provide shared resources and job experience opportunities. A broad range of industry partners are already working with the University to develop the ISSM Apprenticeship programmes, including Magnetic North, Apadmi, Cisco, IBM, CDI, and Autotrader.

4.6 Recent discussions with MediaCity UK, Dock 10, the BBC and ITV have reinforced the potential for collaboration and joint working across the city region, and a series of partnership agreements are being put in place.

4.7 Senior personnel from BBC and ITV have also agreed to join the ISSM Industry Advisory Group, which will bring together a range of leading figures in the sector, and will be chaired by Danny Boyle.

5. STRATEGIC PRIORITIES

5.1 The development of the ISSM is in-line with the Government’s recently published Northern Powerhouse Strategy, which identifies Digital as one of four economic strengths, and skills development as one of four priority needs. It is also in line with a wide range of recently published GM strategic documents as below.

5.2 The GM and EC Science and Innovation Audit acknowledged the importance of the digital sector and made specific reference to the ISSM: “The planned International Screen School at MMU will bring Science and Creative Innovation together in a new interdisciplinary Higher Education resource, designed and run with industry as partners
in learning. Based in Corridor Manchester, it will create a valuable lynchpin for activities in the Creative Digital Sector and become the generator of a new interdisciplinary talent pipeline that will benefit the region and beyond. Projects such as the International Screen School Manchester can support the creative and cultural offer, while driving innovation in GM across the digital and technology sector through collaboration in skills, facilities infrastructure, and networking.”

Science and Innovation Audit of Greater Manchester and East Cheshire, 2016

5.3 The Greater Manchester Work and Skills Strategy and Priorities 2016 to 2019 seeks to drive the provision of economy responsive skills provision. It specifically recognises that: “The emphatic message from employers is that skills gaps are an inhibitor of growth and investment, especially in sectors such as digital ... Put simply, a lack of skills holds GM back. Therefore, identifying and acting quickly to rectify skills deficiencies, and ensure the skills system meets the needs of the economy, must be a central plank of the city region’s economic challenge”.

GMCA Work and Skills Strategy and Priorities, 2016-2019

5.4 This challenge was also recognised in the New Economy Creative and Digital Industries Deep Dive which noted: “Digital and creative, more than any other sector, is built upon the talent and innovation of its workforce, and many companies involved in the development of creative content and new forms of media place an emphasis on a young and high skilled workforce... There is a concern about the readiness of the future workforce, the level of STEM competence, and the combination of technical and softer skills. There is a need to increase the quality and readiness of the young workforce, which presents changes for the schools system and further and higher education”.

New Economy Deep Dive 04: Creative and Digital Industries, September 2016

5.5 The Deep Dive report notes that across the North West, the proportion of the sector’s workforce holding a qualification at level 4 or above is nine percentage points behind the national average while the proportion of workers in the creative industries holding no qualifications is more than double the UK average at 7%. The Work and Skills Strategy goes on to acknowledge that the most obvious qualifications gap is at level 4 with the sub-region reporting a significantly lower proportion of employees working in the sector holding this level of qualification than nationally. The report’s conclusion is that: “To compete with other cities and to serve its burgeoning digital economy, GM needs to focus attention on growing digital-related level 4 plus qualifications”.

6
6. **FUNDING ISSM**

6.1 The £30m ISSM will be a 4,700m² facility located on the Oxford Road Corridor within the Manchester Metropolitan University campus. The ISSM will provide state-of-the-art facilities that respond to both modern learning needs and industry skills requirements and cater for a growing student intake across creative and technological disciplines and greater collaboration with industry, with varied use-mix anticipated for each element of the learning resource.

6.2 The facility has been designed to respond to industry and learning needs, and discussions with partners across the city have helped to ensure that what is proposed will complement and support existing innovation and skills assets. The ISSM will include:

- A body of production studios and labs to accommodate all aspects of media production including Motion Capture, VR, Animation and Special Effects, and an Experience Design Innovation Lab.
- Adaptable state of the art production studios including Green Screen facilities, Immersive Presentation Facilities and Post-production Suites.
- Craft-based equipment and resources with a range of fixed interactive learning labs and research facilities.
- Dedicated teaching space designed as highly flexible learning spaces able to respond quickly to changes in technological infrastructure and learning practices.
- Adaptable Screening rooms and digital presentation spaces that will be open to the public at set times.
- Dedicated innovation space, incorporating business and entrepreneurship programmes and collaborative spaces for research and development with industry partners.

6.3 The building will be equipped with specialist equipment (leased to ensure the ISSM can adapt to changing requirements and advancements in technology over time) including high end cameras and lighting, sound recording gear, 3D printers and editing software, to support a practical learning experience and a constantly-updated lab environment.

6.4 Investment in a new facility is essential to support growth in demand. The current estates provision at Manchester Metropolitan University is in the lower quartile in the UK for both non-residential and core teaching space per student meaning that further intensification of existing
provision within the estate would not be appropriate due to the negative impact on learner experience.

7. IMPACT

7.1 The ISSM will be a creative and digital skills powerhouse, being a key asset in supporting innovation, growth and skills development of these priority sectors for Greater Manchester, the North West and the UK as a whole.

7.2 A Green Book Business Case has been prepared, including a full options appraisal undertaken by independent economists. The preferred option demonstrates that the ISSM will have a significant impact:

- Creating more than 150 net FTE jobs
- Generating £13m annual GVA for the local economy
- Providing a return of £9 for every £ granted
- Supporting more than 100 businesses annually
- Providing short courses for more than 1000 every year.

8. RECOMMENDATIONS

8.1 See the front of the report.
Date: 24th February 2017

Subject: Pankhurst Centre for Research in Health, Technology and Innovation


PURPOSE OF REPORT

The Greater Manchester Local Growth Fund Round 3 priorities agreed by GM LEP on 10th February included a grant of £5m for Phase One preparatory work on the Pankhurst Centre. The Pankhurst Centre will be aimed at driving innovation in health, by strengthening the local science asset base.

The grant of £5m of Growth Deal 3 funding would ensure that Phase One preparatory work could be commenced for the Pankhurst Centre (including, design, surveys, legal fees, and limited refurbishment of premises). This would ensure the Pankhurst Centre would be well positioned to bid for further significant funding from the new £2bn Industrial Strategy Challenge Fund (ISCF) to fully establish the facility. However, if such initial work is not funded and carried out then the Pankhurst will not be ready to seek further funds from the ISCF.

RECOMMENDATIONS:

The GMCA is asked to:

i) Note the proposed plans and timescale for the development of the Pankhurst;

ii) Endorse the GM LEP approval of a grant of £5m of Local Growth Deal Funding 3 to support the project;

iii) Agree that the GMCA Treasurer/Monitoring officer should finalise the terms of the grant agreement subject to approved business plan.

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Risk Management – see paragraph 3.2
Legal Considerations – see paragraph N/A
Financial Consequences – Revenue
Financial Consequences – Capital

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1. **BACKGROUND**

1.1 The GM and Cheshire East Science and Innovation Audit published in November 2016, identified “The Pankhurst Centre” as a pivotal missing element to take forward GM’s key priority areas of Health Innovation, Advanced Materials and Digital and in particular, the identified opportunities at the interfaces of these areas. Its primary aim is to bring understanding, expertise and new discoveries in engineering, physical sciences and mathematics for health benefit and new business opportunities to support growth and jobs. It would aim to connect up the elements needed for GM to make world-leading impact in health technology and innovation, which is the major new frontier in biomedical and health research.

2. **DRIVING HEALTH INNOVATION**

2.1 The development of the Pankhurst Centre is particularly timely because such a Centre offers the potential to seize the unique opportunities offered by devolution of the health budget to GM, linked directly into the aims of Health Innovation Manchester. The Centre would be linked to the University of Manchester (UoM) - bringing together core strengths to meet new opportunities in technology and innovation.

2.2 The development of the Centre is also in-line with a number of other strategic plans and priorities. Most notably, the Government’s Northern Powerhouse Strategy, published alongside the Autumn Statement, which identifies Health as one of four economic strengths. As well as the 2016 Northern Powerhouse Independent Economic Review which likewise identified health innovation as one of the North's four prime capabilities.

2.3 It also builds upon recent Oxford Road Corridor successes such as external funding to establish a Biomedical Research Centre (BRC, £28.5m), a Clinical Research Facility (CRF, £12.5m), a Major Cancer Research UK Cancer Centre (£42m), the Stoller proteomics centre (£18m), and the Wellcome Trust Centre for Cell Matrix Research (£4.2m). Each of these involves significant industrial collaboration, and collectively helps to add to the health innovation cluster and create significant potential for synergies.

2.4 Most important are the links to be made to the implementation of the GM health budget devolution, alongside the formation of Health
Innovation Manchester - addressing the issues of timely and efficient implementation of research into healthcare. This remains a national unmet need and can form a lead market to pull through health innovations, thus contributing to local economic growth. This has seen growth over the past year with the development of Manchester Science Partnership’s (MSP) CityLabs and company investment to provide capacity for new and growing firms. Complemented by the development of health data analytics, including the Government funded ‘Connected Health Cities’ (£20m) – as well as growing links to the Turing Institute with plans for a local Health Data Analytics Centre. There is also activity underway to realise the growing partnership with Harvard University and Corridor Manchester around health devolution to build on existing links to the USA in medicine and engineering.

Additionally, the cross-over with advanced materials would create synergies with the completion of the Graphene Engineering Innovation Centre (GEIC, £60m), the Manchester Engineering Campus Development (MECD, £370m) and the Sir Henry Royce Institute for Advanced Materials (£210m) to underpin the contribution of the most advanced capability in materials science to this area. Finally, the recent £5.2m grant to the University of Manchester from EPSRC to extend the use of 2D materials such as graphene in developing therapies and technologies around health, including wound care and management (relevant to diabetes and neural rehabilitation), would form a core part of the Pankhurst Centre’s work.

3. COSTS

3.1 In 2015, GM through the University of Manchester submitted a proposal to HM Treasury for funding for the Pankhurst Centre under the 2015 Comprehensive Spending Review. This proposal sought Government support of £20m capital funding - 50% of the planned total cost of £40m and £10m per annum revenue funding for 5 years which would ensure the Centre could be fully developed. No national funding was released at that stage.

3.2 The Local Growth Fund grant for the Pankhurst Centre is conditional upon a business case demonstrating that £5m is the minimum amount required to enable Phase One activity to begin and as such is essential to delivery of the full development of the Pankhurst Centre.

3.3 The allocation of a £5m grant agreed by GM LEP, from the Local Growth Fund allocation of £130.08m would allow the Pankhurst Centre to become a reality and be formed as an Institute of the UoM. The
Pankhurst Centre model would be for distributed activity across the University and its partners (including hospitals, CityLabs, Alderley Park and industry partners), but with the need for core laboratory and office space on the Oxford Road Corridor.

3.4 The £5m Local Growth Fund grant will allow partners to develop plans and approvals which will be essential for Phase One of developing, covering the establishment of the core hub of the Pankhurst Centre and preparation of a comprehensive full funding bid to the recently announced national Industrial Strategy Challenge Fund – this would cover the fit out of space, including some furniture, fittings and expenditure around the refurbishment of existing laboratory and office space to act as the focus and the ‘hub’ of the Pankhurst Centre. Additionally, Phase One activity will include design, surveys, planning application development and bid preparation. Importantly, Phase One will establish the Pankhurst Centre as a key entity and start to bring together key staff across GM, which will allow external relationships to begin to be built (for example with medical devices companies) – as well as further developing local capabilities in health informatics.

3.5 Several options are under review for the location of the Centre, in order to provide best value for money. There is space available now that can be fitted out as the Pankhurst Centre hub, and further space will become available in the near future, however the best option would be to consider more major redevelopment in light of potential further funding.

3.6 The University of Manchester will also provide in excess of £10m of match against the £5m Local Growth Fund grant including the core building which would house the Pankhurst Centre, as well as staff and facilities.

3.7 The award of the £5m would position the Centre strongly in terms of securing further funding awards – particularly the £2bn government Industrial Strategy Challenge Fund, where bids are likely to be due at the end of 2017. It should also act as a magnet to attract new academic staff and develop new partnerships across engineering, physical sciences and health, help to build our growing relationship with Harvard, MIT and other USA partners, and attract further industrial partners.

3.8 The University of Manchester are comfortable that they have addressed all State Aid issues.
4. **OUTCOMES**

4.1 Deliverables of the Pankhurst Centre to GM would include:

- Health innovations (particularly in medical devices, health informatics and biotechnology), which would be driven through Health Innovation Manchester;

- Attraction of significant inward investment and UK funding to Manchester from the UK government, overseas funding and commercial income;

- Reinforcement of the huge benefits of two dimensional materials research including graphene by extending them to a new range of applications in health; and

- Attraction of major talent (scientists, engineers and clinicians) and students to GM.

4.2 The Local Growth Fund grant of £5m will provide approximately 1,100m² (gross) combination of laboratory and ancillary space where researchers across health, engineering, physical sciences and mathematics disciplines will be located. The proposed building would be very close to CMHT and CityLabs as well as core University academic buildings for maximum collaboration.

5. **RECOMMENDATIONS**

5.1 The recommendations can be found at the front of the report.
Date: 24 February 2017

Subject: Local Growth Fund 3 Transport Funding Settlement

Report of: Tony Lloyd, GM Interim Mayor, Portfolio Lead for Transport and Jon Lamonte, Chief Executive, TfGM and Portfolio Lead Chief Executive for Transport

PURPOSE OF REPORT

This report summarises the outcome of the LGF3 settlement for transport with a proposal for the allocation of funds across the GMCA's pre-agreed priorities.

RECOMMENDATIONS:

Members are recommended to:

(i) Note the implications of the LGF3 settlement for transport spending priorities in GM; and

(ii) Comment on or otherwise approve the proposed spending programme set out in the report and appendix.

CONTACT OFFICERS:

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Simon Warburton 0161 244 1427  Simon.warburton@tfgm.com
RISK/ FINANCIAL/ LEGAL CONSEQUENCES/DETAILS
The financial consequences of the proposals are set out in the report

BACKGROUND PAPERS:
None

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AGMA Commission       TfGMC       Scrutiny Pool
1. **Introduction and Background**

1.1 Members will recall that the Greater Manchester submission to the third round of the Local Growth Fund (LGF3) included a proposed transport spending programme, which was presented at two scales:

   (i) A “Block 1” programme comprising major scheme ask of £162.3m, supported by an additional £50.5m in match funding; and a programme of minor schemes, requiring an LGF ask of £77.8m in addition to £14.3m in match funding.

   (ii) A reduced “Block 2” programme comprising: a major scheme ask of £122.3m, supported by an additional £34.5m in match funding; and a programme of minor schemes, requiring an LGF ask of £30.3m in addition to £8.5m in match funding.

1.2 The proposed investment schemes were rigorously prioritised on the basis of their contribution to GVA, the value for money they represent and the ease with which they can be delivered. The programme was designed to support growth by unlocking major development sites, addressing congestion in key growth locations and on out public transport network; and to support regeneration in our key town centres. It also included schemes designed to drive our devolution reform agenda, in terms of rail stations, bus facilities and the Key Route Network.

2. **Outcome of LGF3 Settlement for GM**

2.1 Greater Manchester was awarded £130.08 million in total through the LGF3 national allocation, and it has been agreed that £40.08 million of this allocation will be dedicated to the transport programme.

2.2 In addition, as part of its annual transport funding settlement, we have been informed that it will receive a further £7.3 million for local transport spending in 2017/18 through the Government’s new National Productivity Investment Fund (NPIF). Given that the LGF3 transport programme has been specifically prioritised for its productivity impact, it is proposed that this additional funding should also be directed to the agreed priorities.

2.3 Therefore, £47.38 million is available to Greater Manchester at present to support the delivery of the priorities set out in the LGF3 submission. There may also be opportunities to bid for additional funding from NPIF in future years to support Greater Manchester’s LGF3 delivery ambitions.

2.4 On the basis of funding available to date, it is suggested that a proportionate contribution should be to a number of the major schemes, many of which are scaleable in nature; and a number of which offer the scope to secure additional funding. It is not proposed to extend any LGF3 funding to the minor
works programme at this stage. However, officers will continue to explore options to bring that programme forward for delivery. This approach is set out in the table at Appendix 1, and will be kept under review as the investigation of additional funding sources progresses and as the final costs for each scheme become clear.

2.5 TfGM will continue to explore with Districts the scope to draw in funding from alternative sources, such as the DfT’s new Highways Maintenance Challenge Fund and Highways England’s Housing Growth Fund, with the aim of delivering the entire programme over time.

3. Recommendations

3.1 Members are recommended to:

- Note the implications of the LGF3 settlement for transport spending priorities in GM; and
- Comment on or otherwise approve the proposed spending programme set out in the report and appendix.

Dr Jon Lamonte

Chief Executive, TfGM
## APPENDIX 1

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<th>PROPOSED LGF ALLOCATION (£000)</th>
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<td>4,500</td>
<td>10,500</td>
<td>10,500</td>
<td>Scheme costs under review</td>
</tr>
<tr>
<td>Stockport Town Centre Structure Enhancements</td>
<td>7,700</td>
<td>800</td>
<td>6,900</td>
<td>3,000</td>
<td>Options for remaining funding under review, incl. new DfT Highways Maintenance Challenge Fund</td>
</tr>
<tr>
<td>M6/M58 Interchange*</td>
<td>6,700</td>
<td>2,300</td>
<td>4,400</td>
<td>4,400</td>
<td>Options for funding through HE Housing Growth Fund under review</td>
</tr>
<tr>
<td>Carrington A1 (Spur Extension)</td>
<td>15,000</td>
<td>3,700</td>
<td>11,200</td>
<td>6,000</td>
<td>Options for funding through HE Housing Growth Fund under review</td>
</tr>
<tr>
<td>Rail Station Enhancements</td>
<td>15,800</td>
<td>1,600</td>
<td>14,200</td>
<td></td>
<td>Scaleable programme under review with early priority towards rail station programme. Additional measures to be retained for future years NPIF or other funding consideration.</td>
</tr>
<tr>
<td>Bus Passenger Access Enhancements</td>
<td>18,100</td>
<td>1,800</td>
<td>16,300</td>
<td></td>
<td></td>
</tr>
<tr>
<td>KRN Traffic Control Enhancements</td>
<td>17,700</td>
<td>1,800</td>
<td>15,900</td>
<td>10,000</td>
<td></td>
</tr>
<tr>
<td>Northern Gateway Regeneration Initiative</td>
<td>28,800</td>
<td>12,300</td>
<td>16,500</td>
<td>0</td>
<td>Funding was to support early years developer contributions. Alternative cash-flow sources to be reviewed through CXIG</td>
</tr>
<tr>
<td>Oldham Town Centre Regeneration and Connectivity</td>
<td>28,900</td>
<td>3,900</td>
<td>25,000</td>
<td>6,000</td>
<td>Scaleable programme. Early priorities to be reviewed with OMBC, with suggested focus on Mumps Interchange project. Additional measures to be retained for future years NPIF or other funding consideration</td>
</tr>
<tr>
<td><strong>MAJOR SCHEMES SUB TOTAL</strong></td>
<td><strong>156,800</strong></td>
<td><strong>34,500</strong></td>
<td><strong>122,300</strong></td>
<td><strong>44,300</strong></td>
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Release of £3m balance to be reviewed in due course.
Date: 24 February 2017

Subject: GM Local Growth Deal – Tameside Interchange (Ashton-under-Lyne) Full Approval and Funding Drawdown

Report of: Tony Lloyd, GM Interim Mayor, Portfolio Lead for Transport, Councillor Richard Leese, Portfolio Lead for Economic Strategy including Internationalisation and Marketing and Business, and Jon Lamonte, Chief Executive, TfGM and Portfolio Lead Chief Executive for Transport

PURPOSE OF REPORT

To inform the Combined Authority of the outcome of the recently completed Gateway Review for Tameside Interchange (Ashton-under-Lyne), to recommend that this project is granted Full Approval and request that the remaining budget of £31.82 million is released from the Local Growth Deal to enable the delivery of the works.

RECOMMENDATIONS:

Members are recommended to:

(i) Grant Full Approval for the Tameside Interchange (Ashton-under-Lyne) project; and
(ii) Grant the release of funding of £31.82 million from the Local Growth Deal to enable the delivery of the scheme to progress.

CONTACT OFFICERS:

Chris Barnes 0161 244 1428 chris.barnes@tfgm.com
David Dickinson 0161 244 0803 david.dickinson@tfgm.com
RISK/ FINANCIAL/ LEGAL CONSEQUENCES/DETAILS

Risk Management – The programme has a fully quantified risk register and risk mitigation actions are identified and proactively managed.

Legal Considerations – A land swap agreement with Tameside Council has been agreed in principle but is still to be formalised.

Financial Consequences – Revenue – Revenue costs will be accommodated within the existing budgets.

Financial Consequences – Capital – As detailed in the recommendations above, drawdown of £31.82 million from the Local Growth Deal is requested to enable the delivery of the Tameside Interchange (Ashton-under-Lyne) Project.

BACKGROUND PAPERS:

Report to GMCA 27 November 2015, Greater Manchester Growth Deal Transport Update

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<tr>
<th>AGMA Commission</th>
<th>TfGMC</th>
<th>Scrutiny Pool</th>
</tr>
</thead>
<tbody>
<tr>
<td>No</td>
<td>No</td>
<td>No</td>
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</tbody>
</table>
1. INTRODUCTION AND BACKGROUND

1.1 The Tameside Interchange (Ashton-under-Lyne) Local Growth Deal project will see a new facility constructed primarily on the existing Ashton Bus Station site, but with the footprint shifted slightly to the west to better tie in with the Metrolink stop in Ashton town centre. The total budget including risk and contingency allowances is £32.7 million.

1.2 A key driver of the project is better integration with the tram stop at Ashton. This will allow for multi-modal journeys to take place in a seamless manner and enable more passengers to make sustainable choices with regards to transport across Greater Manchester. The new Interchange will provide an improved waiting environment, along with a range of enhanced passenger amenities.

1.3 The project team has worked closely with Tameside Council throughout the design development process. This has allowed for a local perspective to be placed on the design and ensured that the Interchange aligns with the other highway and regeneration initiatives that are currently taking place within Ashton Town Centre.

1.4 The Conditional Approval Business Case for the Tameside Interchange (Ashton-under-Lyne) project was approved, in line with Local Growth Deal governance arrangements, in September 2015.

1.5 Following the receipt of Planning Consent for the scheme in 2016, an OJEU compliant procurement exercise to identify a Design and Build contractor has been undertaken and a preferred contractor has been identified.

1.6 This report advises of the outcome of the recently completed Gateway Review for Tameside Interchange (Ashton-under-Lyne). The report recommends that this scheme is granted Full Approval and requests the release of funding from the Local Growth Deal to enable delivery of the works.

2. TAMESIDE INTERCHANGE (ASHTON-UNDER-LYNE) – FULL APPROVAL

2.1 A Full Approval business case for Tameside Interchange (Ashton-under-Lyne) was submitted for Gateway Review in November 2016. This review was undertaken using the agreed Full Approval Gateway Review criteria.

2.2 Overall the required criteria for the project to proceed were considered to have been met.

2.3 A thorough review of the scheme cost plan concluded that the project is affordable within the allocated budget.
2.4 The scheme was also deemed to represent High Value for Money, when appraised in line with DfT criteria, with a Benefit to Cost Ratio (BCR) of 2.69. An Analysis of Monetised Costs and Benefits is shown in the table below:

<table>
<thead>
<tr>
<th></th>
<th>(£000)</th>
</tr>
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<tbody>
<tr>
<td>Noise Reduction</td>
<td>33</td>
</tr>
<tr>
<td>Local Air Quality</td>
<td>145</td>
</tr>
<tr>
<td>Greenhouse Gases Reduction</td>
<td>47</td>
</tr>
<tr>
<td>Journey Ambience</td>
<td>51,486</td>
</tr>
<tr>
<td>Accident Reduction</td>
<td>647</td>
</tr>
<tr>
<td>Economic Efficiency: Consumer Users (Commuting)</td>
<td>2,086</td>
</tr>
<tr>
<td>Economic Efficiency: Consumer Users (Others)</td>
<td>5,257</td>
</tr>
<tr>
<td>Economic Efficiency: Business Users and Providers</td>
<td>6,443</td>
</tr>
<tr>
<td>Wider Public Finances (Indirect Taxation Revenues)</td>
<td>(1,476)</td>
</tr>
<tr>
<td><strong>Present Value of Benefits (PVB)</strong></td>
<td>64,668</td>
</tr>
<tr>
<td><strong>Present Value of Costs (PVC)</strong></td>
<td>(24,079)</td>
</tr>
<tr>
<td><strong>Net Present Value (NPV)</strong></td>
<td>40,589</td>
</tr>
<tr>
<td><strong>Benefit to Cost Ratio (BCR)</strong></td>
<td>2.69</td>
</tr>
</tbody>
</table>

2.5 Full Approval for the scheme was therefore recommended by the Gateway Review Panel.

2.6 Following the conclusion of the Gateway Review, the proposals have gone through the necessary endorsement / approval process, as provided for by the agreed Greater Manchester Local Growth Deal governance arrangements.

2.7 Subject to the receipt of the Combined Authority’s Full Approval, it is intended that substantive main contract works will commence in mid-2017.
3. **TAMESIDE INTERCHANGE – FUNDING REQUIREMENTS**

3.1 Overall funding allocated through the Local Growth Deal for the Tameside Interchange (Ashton-under-Lyne) project is £32.7 million.

3.2 The GMCA have released funding of costs up to Conditional Approval stage for the Tameside Interchange (Ashton-under-Lyne) scheme of £0.88 million.

3.3 A thorough review of the cost plan was undertaken as part of the Gateway Review process. It was concluded that the cost plan is robust and that the project, including appropriate allowances for risk and contingency, is affordable within the overall scheme budget.

3.4 This paper therefore requests release of the remaining £31.82 million, in order to enable the scheme to progress. This budget will continue to be managed in line with the agreed Local Growth Deal governance arrangements.

4. **RECOMMENDATIONS**

4.1 Members are recommended to:

   (i) Grant Full Approval for the Tameside Interchange (Ashton-under-Lyne) project; and
   (ii) Grant the release of funding of £31.82 million from the Local Growth Deal to enable the delivery of the scheme to progress.

---

Dr Jon Lamonte  
Chief Executive, TfGM
Date: 24 February 2017

Subject: HS2 Route Update and Consultation Response

Report of: Tony Lloyd, GM Interim Mayor and Portfolio Lead for Transport, Councillor Richard Leese, Portfolio Lead for Economic Strategy including Internationalisation and Marketing and Business; and Jon Lamonte, Chief Executive, TfGM and Portfolio Lead Chief Executive for Transport

PURPOSE OF REPORT

HS2 are currently consulting on aspects of Phase 2b. This paper sets out the key changes to the Phase 2b network within GM and the proposed GMCA consultation response, which needs to be submitted by 9 March 2017.

RECOMMENDATIONS:

Members are recommended to:

(i) Approve the approach to responding to the HS2 route refinement consultation; and

(ii) Agree to delegate authority to the Interim Mayor, Chief Executive (TfGM) and the Portfolio Lead for Transport, to submit the consultation response to HS2.

CONTACT OFFICERS:

Jon Lamonte 0161 244 1020 Jon.Lamonte@tfgm.com
RISK/ FINANCIAL/ LEGAL CONSEQUENCES/DETAILS

Risk Management – N/a
Legal Considerations – N/a
Financial Consequences – Revenue – N/a
Financial Consequences – Capital – N/a

BACKGROUND PAPERS:


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1. INTRODUCTION AND BACKGROUND

1.1 On 15 November 2016, HS2 Ltd announced the preferred route for HS2 Phase 2b, serving Manchester, East Midlands, South Yorkshire and Leeds.

1.2 This paper provides a summary of the key changes affecting GM.

1.3 Appended to this paper is the proposed GMCA response to the consultation.

2. GOLBORNE LINK

2.1 The preferred route maintains a link northwards from Crewe to the WCML at Wigan (the Golborne link); this infrastructure is essential to increase capacity on the west coast mainline and provide faster journey times to Scotland and the North of England (including Wigan and Preston directly) to Birmingham and London.

2.2 Warrington and Trafford have lobbied against the link, firstly as HS2 bypasses Warrington and secondly due to the visual and noise impacts on the Trafford district as the route crosses over the Manchester ship canal.

2.3 The Rolling Stock Depot proposed at Golborne during the 2013 consultation has been relocated to the north of Crewe; this provides a simplified route design for the connection to the WCML and also removes the infrastructure and operational concerns associated with the depot.

2.4 Relocating the depot has also led to the removal of the 'northern chord' which forms the top section of the delta junction connecting Wigan and Scotland/North-West England to the Manchester HS2 spur. HS2 originally designed this chord to allow empty rolling stock to run from Manchester Piccadilly to and from the depot, however, Greater Manchester would like to see the infrastructure retained to future proof for potential services from Manchester Piccadilly and Airport to Wigan and Scotland/North-West England.

2.5 HS2 are not remitted to deliver a Manchester-Scotland service and as such they cannot justify retaining the northern chord in the preferred route design, however, TfGM will continue to lobby for its retention in full or for provision to be made to reinstate in the future, particularly as the Northern Powerhouse options indicate a strong preference to use this.

2.6 HS2 Ltd have confirmed that it will be possible to develop an alternative route option including the northern chord alongside the preferred route and that the final decision will need to be taken in advance of hybrid bill submission in Autumn 2017.
3. **STATIONS REFINEMENTS**

3.1 Manchester Airport station has been redesigned to optimise the use of land between the railway and M56, specifically relocating the multi-storey car park here. TfGM were disappointed that our response to consultation was not fully incorporated and further urgent work is underway to ensure the concourse arrangements are properly integrated with highways and future Metrolink extensions.

3.2 DfT and HS2 Ltd continue to press GMCA for a commitment to fund £200 million of the airport station costs. Senior level discussions have agreed that urgent partnership working on the airport station design is required to agree a suitable design and appropriate local contributions (amount and mechanism for funding / payback). The station design work is being progressed through the Manchester Airport Growth Strategy.

3.3 Manchester Piccadilly Station has seen little change; again the GMCA request at consultation was not adopted. We have been assured by HS2 that as hybrid bill design progresses (and northern powerhouse progresses) the detailed work to move the station forward to create a gateway to the city and properly integrate the design with existing station / other transport modes will be reconsidered.

3.4 The Manchester tunnel and Piccadilly station approach has moved northwards since the consultation design. This new design sees the tunnel portal located in the Ardwick rolling stock depot taking a direct line to the station location rather than hugging the existing railway. Although more land is 'rail locked' between existing and HS2, the impacts on residential and environment in the area are reduced and the tunnel is slightly extended. This amendment significantly impacts on the land available for regeneration around Piccadilly as set out within the Piccadilly Strategic Regeneration Framework (SRF). Further work is underway to understand the implications of this through the Piccadilly Growth Strategy, as well as develop proposals for an integrated station at Piccadilly.

4. **STOCKPORT**

4.1 Stockport station is currently the south Manchester gateway to London and is expected to be a station on the HS2 route Phase 1/2a where it will assist in developing the market for HS2 patronage before the second phase is completed. Stockport Council is working with TfGM to try to bring forward improvements to Stockport Station before HS2 Phase 1 arrives - the need for improvement was recognised in the 2009 DfT Better Stations Report when Stockport was identified as one of the 10 worst stations requiring improvement.
4.2 When HS2 Phase 2 is completed with the new route into Manchester via the Airport then this connectivity will be lost to the detriment of the local economy. The original policy position set out in the Strategic Case for HS2 states that all places with a direct London service today should retain a broadly comparable or better service after HS2 opens however this commitment is not reflected in the preferred route service specification despite GMCA and Stockport having previously lobbied for HS2 classic compatible services to stop at Stockport after completion of HS2 Phase 2.

4.3 Greater Manchester’s view is that as the southern gateway to Greater Manchester, Stockport clearly warrants a clear part in HS2 plans, through ‘classic compatible’ connectivity to the HS2 network beyond 2033. There are a number of issues that need to be resolved around Stockport including the need for improvements to the station before HS2 Phase 1 arrives and the level and type of services to Stockport after Phase 2 is completed.

4.4 Post HS2 Phase 2 opening, Greater Manchester is of the view that Stockport should be part of an HS2 classic compatible service possibly as part of the route being proposed to stop at Macclesfield and Stoke which would maintain a direct route to London whilst also seeking improved links to the new HS2 stations in Manchester and at the airport. The additional released capacity could be utilised by the current intercity west coast franchise with additional services creating a better connected travel to work hub which serves more intermediate locations to London and enhances commuter services.

4.5 Following the announcement of the preferred route, HS2 Ltd will start an intensive period of design in preparation for the Hybrid Bill submission. TfGM will continue to work with HS2 Ltd as proposals are refined, in order to achieve the requests made in consultation, integration with NPR proposals and to minimise the impact on local communities, the environment and heritage assets.

5. NORTHERN POWERHOUSE RAIL (NPR)

5.1 NPR is considering new and existing routes between Liverpool, Manchester, Leeds, Sheffield, Hull, Newcastle and Manchester Airport to provide transformed rail connectivity across the north.

5.2 The design approach is the same as used for HS2, establishing plans for significant rail corridors first, before developing connectivity infrastructure (highways designs, released capacity plans for existing railway etc). TfGM are represented within TfN at decision making and scheme development levels, influencing the outcomes throughout the process. It is important that at points where NPR interacts with HS2, including the potential shared use of the HS2 network at and between Manchester Piccadilly and Manchester Airport, that suitable provisions are made within the HS2 Phase 2b hybrid bill to accommodate these.
6. **HS2 CONSULTATION**

6.1 HS2 are currently consulting on limited changes to their proposed route. The two consultations affecting GM are:

- *Do you support the proposal to locate the western leg Rolling Stock Depot on the site north of Crewe?*
- *Do you support the proposal to change the alignment of the approach to Manchester Piccadilly station?*

6.2 The proposed response to the first question focusses on the benefits of the northern chord (which is removed within the latest HS2 proposals, due to the relocation of the depot) and the consequential changes that need to be made to high speed station at Manchester Airport to accommodate additional services for NPR. This connection also improves the connectivity of Wigan to the Airport and Piccadilly, providing enhanced capacity on this route.

6.3 The amended approach to Piccadilly station impacts the Piccadilly Strategic Regeneration Framework area. The proposed response to this question focuses on the need to integrate the HS2 proposals with this regeneration framework, which includes ensuring the station is developed as a single integrated solution, including NPR services, as a focal point for the SRF.

6.4 Additional commentary is included on the impacts on Stockport and the benefits of released capacity.

7. **NEXT STEPS**

7.1 HS2 are now consulting on the some changes to the Phase 2b scheme, including relocating the rolling stock depot and the Piccadilly station approach. This consultation is open until 9 March 2017. It is proposed that GMCA responds to the HS2 consultation, with TfGM and MCC leading on the draft response, as was done with the previous 2014 consultation response to HS2 Phase 2b. The draft response is appended to this paper.
8. RECOMMENDATIONS

8.1 Members are recommended to:

(i) Approve the approach to responding to the HS2 route refinement consultation; and

(ii) agree to delegate authority to the Interim Mayor, Chief Executive (TfGM) and the Portfolio Lead for Transport, to submit the consultation response to HS2.

Dr Jon Lamonte

Chief Executive, TfGM
Date: 24 February 2017
Subject: Devolution of the Adult Education Budget in Greater Manchester
Report of: Councillor Sean Anstee, Portfolio Lead for Skills and Employment and Theresa Grant, Lead Chief Executive for Employment & Skills

PURPOSE OF REPORT

This paper provides an update on progress in relation to the devolution of the Adult Education Budget (AEB) in Greater Manchester, highlighting issues for consideration, areas in which action is required and setting out the timetable for activity. These matters are in preparation for a devolved AEB from 2018/19. This is an update, further to the paper that went to the Greater Manchester Employment & Skills Executive in September 2016.

Following the Brexit referendum vote, restructuring of the machinery of government and an ensuing Cabinet reshuffle were undertaken. This has expanded the Department for Education (DfE) remit to encompass skills, HE and apprenticeships, which transfer from a refocused Department for Business, Energy and Industrial Strategy (formerly the Department for Business, Innovation and Skills).

It should be noted that these changes in Central Government, have led to slippage in the timeline of the Government agencies regarding information about AEB Devolution, whilst proposals to take forward the devolution process (as developed by the Skills Funding Agency) are considered by the new Secretary of State and her ministerial team. However, the work needed locally to ensure effective and efficient devolution of AEB continues to take place on an ongoing basis, as this report highlights.

RECOMMENDATIONS

The Combined Authority is asked to:

1. Consider and note this update and the issues raised;
2. Support key officers in taking forward discussions within Greater Manchester, and with the Skills Funding Agency, around the processes and future resources needed to implement AEB devolution;
3. Support the principle that future funding decisions taken by GMCA for AEB implementation / delivery will be directly linked to achieving the priorities in the
Greater Manchester Outcomes Framework to meet the economic needs of individuals and employers.

CONTACT OFFICERS

Gemma Marsh, Acting Director Skills and Employment, New Economy (0161 2374060)

Nick Hill, Senior Commissioning Manager, New Economy (0161 2374731)

BACKGROUND

In the Chancellor’s Spending Review/Autumn Statement in November 2015 and in further announcements within the Budget in March 2016, it was confirmed that the Adult Education Budget (AEB) would be devolved to the nine LEP/combined authority (CA) areas with devolution deals in place from the 2018/19 academic year onwards.

The AEB is a single funding stream replacing what had previously been three separate budget lines: Adult Further Education (previously the Adult Skills Budget) excluding Apprenticeships but including Traineeships (for those aged 19+), Community Learning, and Discretionary Learner Support. It will play a key role in Greater Manchester’s reform agenda, linking with other activity aimed at supporting our residents into productive and sustained quality employment as part of an integrated education, work, skills and health system.

The Government’s view is that AEB funds a local service to support local labour market conditions and future economic development. In particular, it focuses on ensuring adults have the basic and core skills they need for work including the delivery of statutory and policy entitlements. Current annual expenditure in Greater Manchester on the AEB is approximately £80m, of which more than half of this budget is currently spent on statutory entitlements relating to English and Maths provision, supporting 185,000 achievements of qualifications. In addition, the need to support ESOL, for those who it would improve their job prospects, and the national policy to drive up digital skills, means that in GM, as elsewhere, the potential demand on the AEB far exceeds what can be funded.

To support future integrated skills and employment commissioning in GM against locally driven outcomes, the key partners have been developing the Greater Manchester Outcomes Framework. This will initially guide expenditure and use of AEB, and can be used to guide other skills and employment focused funded activity such as the Work & Health Programme. An overarching requirement for Greater Manchester, as set out in the Outcomes Framework will be to maximise the effectiveness of AEB to improve job outcomes for individuals. GM will need to focus AEB on core outcomes of progression into further learning, sustainable employment and higher earnings in employment. This should include labour
market progression, increased contribution to earnings and productivity as well as progression into Traineeships and Apprenticeships. GM priority sectors will provide a particular focus.

**AEB DEVOLUTION: MOVING TO AN OUTCOMES BASED INTEGRATED WORK & SKILLS SYSTEM**

Greater Manchester’s *Work & Skills Strategy*, and the emerging *Outcomes Framework* will provide the strategic steer for implementing and prioritising the devolved AEB. GM recognises that in the past Adult Skills funding been a ‘catch-all’ for a whole range of provision. Going forward, devolution of the AEB provides an early opportunity to begin to deliver the integrated work and skills system that GM seeks. GM’s ambition is that in the future, effective joint planning and decision-making between partners will ensure that all skills activity delivered will be supporting achievement of the locally developed outcomes. In particular it enables GM to be more flexible with funding to focus more on priority outcomes, rather than outputs and qualifications. Qualifications will continue to remain important, particularly for basic skills to Level 2 to provide a strong learning foundation, however alone they do not provide the wider measure of outcomes needed, and will not be the sole focus of funding.

However, devolution also brings with it increased responsibility and challenge at a local level. Choices will need to be made by the Combined Authority and partners, about what and who to prioritise, particularly, when it is estimated that the AEB could easily be spent many times over on essential statutory and policy entitlements alone. ESOL is an example of how AEB funded provision will need to be prioritised for improving employability.

It is important to note that the AEB accounts for an important but relatively small proportion of skills investment/provision within Greater Manchester, forming in the region of 17% of total skills and learning expenditure for individuals aged 16+. Whilst its devolution and local autonomy offer real opportunities to deliver the outcomes GM needs, expectations around what can be achieved with this funding, particularly in the transitional period must be realistic and the resources required for preparation and implementation of this devolved activity must be proportionate to its impact.

Aligning the AEB with Work & Health Programme funding, JCP provision and ESF will be important to ensure that those individuals disadvantaged in the labour market get the full range of skills and other employability support needed to progress towards employment, and that the AEB can support the economy as much as possible. Devolution therefore provides a real opportunity to use the various funding streams available more smartly in order to have a positive impact in ensuring that adult skills funding meets GM’s outcomes and aligns with other funding sources as appropriate.

Agreements between GMCA and individual providers will be crucial in linking skills provision to shared broader economic aims of an area, as highlighted in the Outcomes Framework.

**Priorities through AEB – Provision & People**
It will be important to ensure AEB is targeted where it can have the greatest impact and identify where other employment and skills budgets, as well as those for health and social care might be better placed to deliver, or alternatively co-finance the support.

In order to have an effective and efficient use of the Adult Education Budget that addresses GM’s outcomes for the benefit of learners, employers and the broader GM economy, statutory and policy requirements need to be delivered as part of a package of integrated support, including English, Maths, ESOL and Digital.

A focus on those hardest to reach would address the reform agenda but would be considerably more expensive, per person, than meeting the needs of those closest to the labour market. Average intervention costs can vary depending on the target group, which clearly has significant implications for the number of residents the AEB will be able to support. GM needs the AEB to be as inclusive as possible to ensure that all can contribute to, and have the opportunity, to benefit from growth in the local economy, but in order to demonstrate value for money for public investment all will need to have a realistic possibility of employment including:

- ‘Furthest from the labour market’
- ‘Those closer to the labour market’
- ‘Those in the labour market and/or seeking to gain higher skills’

Aligned with these priorities, working with employers to address their skills needs must be a crucial element in shaping the Adult Education Budget offer in Greater Manchester.

The devolved AEB will also support the implementation of the Area Based Review recommendations and the outcomes of the subsequent GM-wide curriculum review by giving the Combined Authority the ability to distribute funds more strategically than has been the case in the past. Prior to devolution, this budget has been allocated to providers based on historic delivery volumes; the devolved AEB will allow us to take a place-based approach to buying the high quality provision that our residents need, using robust evidence and the Outcomes Framework to inform the way in which we determine funding allocations, rather than simply maintaining the status quo.

**AEB DEVOLUTION - WHAT WILL BE DIFFERENT IN 2018/19 AND WHAT DO WE NEED TO DO?**

**Policy Development**

*In 2018/19 GM will:*

As a fully devolved authority for Adult Education funding, policy and provision, Greater Manchester will have an increased focus on local responsiveness and flexibility. Funding policy, and the balance and mix of provision will be shaped by the economic needs of residents and employers, rather than being supply-side driven by providers.

GM will have the opportunity to implement its own funding policy, including payment rates, rules and performance management KPIs from 2018/19. This will need to be done in a managed way during 2018/19, working very closely with the Skills Funding Agency to have an effective transition from SFA policy to local policy. GM will need to ensure we are maintaining stability whilst driving improvements in performance
management. We will particularly need robust data on GM’s outcomes from providers, to measure the impact of the devolved AEB during 2018/19, in order to support ongoing and evolving local policy development into 2019/20.

To support this development, during 2017/18, ‘shadow budgets’ and ‘Provider Agreements’ will be in place to shape conversations with providers about their future adult skills offer.

**What needs to happen?**

**GM Outcomes Framework:**
- Develop impact measures / KPIs for GM Outcomes Framework
- Consult key stakeholders on framework and publish final version

**GM Funding Policy:**
- Model different GM wide scenarios for allocating the AEB, based on 2017/18 shadow locality budget, outcomes framework and its KPIs;
- GMCA agreement of GM policy approach, based on Outcomes Framework principles and taking account of financial modelling/impact;
- Working alongside the SFA, begin drafting funding policy, including performance management rules, funding rates, eligibility principles, guidance
- Consult on proposed arrangements and publish final version of policy

**Commissioning / Provider Allocations**

**In 2018/19 GM will:**

GM will have autonomy and accountability for local commissioning and procurement processes, working closely with the DfE / SFA. A framework will be established in a Memorandum of Understanding setting out respective responsibilities, accountabilities, risk mitigation and authority. **This will require GM to decide what, how and from whom** to buy the mix, quality and quantity of provision to meet GM’s economic needs.

Local commissioning arrangements could include a mix of grant allocations and directly procured services, enabling GM to focus on targeting gaps in provision to address skills needs.

**What needs to happen?**

**Provider Delivery Agreements and Funding Allocations for 2018/19:**
- Establish GM needs based on Outcomes Framework, Area Based Review, Curriculum mapping, Skills Needs Analysis, Sector Deep Dives, intelligence from other provision e.g. Work & Health Programme;
- Based on needs mapping, and Shadow Locality Budget for 2017/18, begin discussions with providers around the balance and mix of provision for 2018/19;
- Finalise Provider Delivery agreements and confirm funding allocations.
Procurement arrangements for 2018/19:

- Map planned delivery from Provider Agreements against GM needs
- Identify any gaps in provision and propose how to fill gaps e.g. procurement
- Consult on proposals and finalise procurement arrangements

Performance Management

In 2018/19 GM will:

Develop performance management through locally derived KPI’s, and will be focused on monitoring, evaluation and subsequent ongoing development of the AEB offer. This should seek to ensure that rather than simply measuring programme starts and qualifications, AEB funding leads to outcomes demonstrating:

- Progression
- Achievement
- Sustained job outcomes
- Rise in earnings

To inform future funding priorities and commissioning, we will need a comprehensive evidence base to help maximise the impact of GM funding policy and investment, rather than just measuring delivery volumes and qualifications. The GM Outcomes Framework, and its measures will provide the strategic mechanism to guide this, but it will require the development of localised data collection and analysis, in additional to the national data requirements to ensure we have the ongoing evidence base needed to evolve AEB policy for GM’s skills requirements. GM will determine its minimum quality standards.

What needs to happen?

Develop performance management systems / processes focused on outcomes rather than outputs:

- Based on Outcomes Framework KPIs, determine management information / data requirements to measure impact, evaluate effectiveness of policy and verify provider funding claims;
- GMCA decision on whether to buy in discretionary elements of the SFA service offer or establish local MI data collection, analysis and audit linked to AEB. The Skills Funding Agency has started to identify potential support they could provide, some of which will be mandatory such as due diligence of providers, and some which is discretionary such as procurement support. For additional data GM want to collect, on in-year provider performance (beyond the current annual Individual Learner Records), GM will need to have in place its own data collection, reporting and analysis processes;
- Determine arrangements for growth requests from providers and clawback for under performance;

Risks & Readiness Conditions
In 2018/19 GM will:

Need to be in a position where it has been able to take a decision on accepting AEB Devolution from Central Government.

There are considerable growing pressures on demand for the AEB, such as the emerging digital skills policy, and rightly there is a focus on encouraging people to take up their entitlements to ensure they have the skills they need. This could though have financial implications for GM in that meeting entitlement demand from individuals limits what else can be funded.

Therefore GM will need to have considered an approach to meeting additional demand beyond the AEB funding capacity, and also to have agreed arrangements in place for what this might also mean in terms of cash flow for GM.

What needs to happen?

Work with SFA / DfE to ensure GM has met readiness conditions around managing legal and financial risk;

- Agree a MoU between DfE and GMCA to formalise joint planning and decision-making, including clarity around national and local roles and respective liabilities in relation to risk, audit and assurance;
- Ensure GMCA Treasury and Legal expertise is involved to manage and mitigate risks;
- Fully understand and mitigate potential impacts for GM of the FE insolvency regime, as set out in the Technical & Further Education Bill, particularly following the Area Based Review outcomes;
  - The Bill sets out the plans for Education Administration Orders, intended to perform the function of Administration, but whilst minimising disruption to students. The current version of the Bill refers to only the relevant national authority (including those for Wales and Scotland) having the power to implement such Orders, with no reference to how areas due to have devolved AEB such as GM will be involved / consulted. In addition, further information is required regarding potential liabilities on the GMCA, if providers in Greater Manchester defaulted on repayments to Government linked to guarantees and indemnities.
- Determine GM policy on minimum quality standards, working alongside Ofsted;
- Clarity achieved on local / national powers of intervention, particularly around insolvency issues;
- Post-ABR ensure governance structure is developed and robust;
- Consider if longer-term planning and funding periods for AEB are needed e.g. 3 years;
- Consider what additional local due diligence is required in addition to the SFA responsibilities, e.g. covering responsiveness to GM need.
NEXT STEPS & TIMELINE

As has been set out in previously, the AEB devolution process (which will be subject to certain readiness conditions being satisfied) will take place in phases across the next few years.

An approximate timeline for key activities to be undertaken from now includes:

(Activities in italics are SFA / DfE responsibilities)

Jan-March 17: 2017/18 Locality Budgets signed off by SoS

Skills Funding letters from DfE/SFA confirming budget headlines and priorities

Continue modelling scenarios for GM use of AEB e.g. potential numbers supported in target groups

Ongoing involvement in Adult Education Commissioning Academy for devolved areas

Consult on and finalise GM Outcomes Framework

Develop and consult on GM Funding Policy

Agree MoU between GM / DfE around joint planning and decision-making

Decision on whether to purchase discretionary elements of SFA’s management information service offer

SFA issues 2017/18 allocations to providers

Apr-June 17: Publish final version of GM Funding Policy in readiness for 2018/19

Confirm proposed commissioning arrangements for 2018/19

Devise ‘shadow allocations and provider delivery agreements’ for 2017/18 based on Locality Budget, GM Funding Policy and Outcomes Framework

Summer 17 GMCA to formally decide on accepting AEB Devolution. (May need to be consideration by GMCA sooner, depending on timescales for the first orders).

Identify gaps in provision
Begin ongoing monitoring of 2017/18 Shadow Budgets and Provider Agreements

Begin discussions with providers around 2018/19 funding and delivery agreements

**Autumn 17**

Begin procurement process for any new provision required in 2018/19

**March 18**

Confirm 2018/19 allocations and Provider Delivery Agreements

Issue contracts for procured provision

**Aug 18**

Fully devolved Adult Education Budget for 2018/19 commences

**From Jan 19**

Review / Evaluation of policy and implementation to help inform any changes needed for 2019/20 (following 2017/18 year end data received in Dec 18)

These timelines are based on current expectations for devolution. Confirmation by DfE of the Locality Budget is crucial to GM commencing shadow arrangements for 2017/18.
Date: 24th February 2017
Subject: Greater Manchester Digital Talent & Skills Programme
Report of: Councillor Sean Anstee, Portfolio Lead for Skills & Employment and Theresa Grant, Portfolio Lead Chief Executive for Skills & Employment

PURPOSE OF REPORT

This report presents to Members, a proposal for a GM Digital Talent & Skills Programme. This will realise GM’s digital ambition through a holistic approach that addresses challenges relating to talent, skills, apprenticeships & inclusion.

This report seeks GMCA approval to invest £2m of existing Skills Capital LGF monies into revenue funding over three years to deliver a Digital Talent & Skills Programme across GM.

RECOMMENDATIONS:

The Combined Authority is requested to:

i. Approve expenditure of £2m over three years from the existing Local Growth Fund allocation for Skills Capital for the delivery of a GM Digital Talent & Skills Programmes, subject to the GMCA Treasurer being able to identify suitable revenue funds to substitute for the identified LGF capital funding.

ii. Delegate authority to the lead member for investment finance to finalise the details of the funding with the GMCA Treasurer.

iii. Delegate authority to the Lead Chief Executive for Skills and Employment to approve changes to the programme as may be required for delivery.

CONTACT OFFICERS:

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Simon Nokes  simon.nokes@neweconomymanchester.com
1. Introduction and Background

1.1 As digital technology plays an increasingly important part in our economy and wider society, the demand and necessity for digital skills at all levels is growing quickly. In Greater Manchester it is estimated that almost 55,000 jobs are directly employed in the digital and creative sector with an equivalent number employed in tech jobs across the wider economy.

1.2 In June 2015 the GMCA agreed a plan to drive forward the growth of GM’s digital, creative and tech industries. A key strand of the plan is the development of GM’s digital skills base and talent pool.

1.3 There is a transformative opportunity to meet the need for tech skills across every sector of the economy, enabling all individuals and businesses to function as productively as possible. As well as equipping all of our citizens with the basic digital skills required for social interaction, accessing public services and entering the labour market. By addressing digital skills challenges we can help to deliver inclusive growth for all of GM.

1.4 There is a clear rationale and evidence base for a digital skills intervention:
- The Digital and Creative sector accounts for 55,000 jobs in GM, generating over £3 billion per annum, due to rise to £4bn by 2025.
- Productivity stands at £51,200 per person employed compared to a GM cross sector average of £38,000. Whilst average advertised salaries are just under £50,000, 36% higher than the national average.
- In addition, digital skills are increasingly required for all jobs and within all sectors. It is estimated that there are a further 50,000+ jobs across the broader economy particularly in finance, health, manufacturing requiring specific digital skills (often to higher levels).
- Increasing employer demand for digital skills – programmers and software developers are consistently the most advertised job roles in GM. 37% digital/tech businesses turned away work due to being unable to find the right talent *(Manchester Digital 2016 Skills Audit)*.
- In some parts of GM, over 15% of adults have never been online and over 25% lack all five basic digital skills. There are significant disparities in outcomes between the North and South of the conurbation.
- Groundbreaking public service reform initiatives such as ‘GM Connect’ will integrate vast amounts of data to deliver efficient personalised public services. Significant cyber security capabilities and skills will be critical to ensuring trust in a reformed system and driving further economic growth.
- The plans to transform Health & Social Care in GM will require significant system change and digital will be a key enabler. Our health workforce need the digital skills and tools to improve the way we work and the care we provide. Any digital skills intervention would therefore be aligned with
the proposal to delegate funding for the Information Management & Technology aspects of transforming Health & Social Care in GM.

1.5 Over the last twelve months a significant amount of work has been undertaken with key stakeholders to understand GM’s digital skills challenges and develop a strategic response. A strong evidence base has been developed through detailed research and employer interviews. Stakeholder workshops were held to identify the priorities for action followed up by more focused task and finish groups. Strong partnerships have been developed with stakeholders (including local authorities, trade bodies and provider base) all of whom are committed to jointly owning the response. Links are now in place with local and national employers e.g. BT, Lloyds Banking Group, Tangerine PR – all enthusiastic to drive the development of digital skills in GM.

1.6 Securing the buy in of Greater Manchester’s business community will be critical to securing a step change in our digital skills base. We particularly need employers to contribute to curriculum planning, provide work experience and invest in the skills of their own workforce.

1.7 Key members of the LEP have been involved and supportive throughout (including Mike Blackburn and Lou Cordwell). They recognise the need for an intervention at scale in GM and are happy to provide private sector leadership and engagement. Furthermore, Manchester Growth Company are happy to secure profile amongst the tech community and ensure integration with their wider employer facing infrastructure e.g. business support, marketing, Investors in People.

1.8 The rest of this paper therefore goes on to set out; GM’s ambition, what excellent would look like in GM, digital skills challenges that the market alone cannot tackle and how that translates into a GM wide response.

2. The Greater Manchester Vision: Digital Learning City

2.1 GM’s ambition is to become a ‘digital learning city’ creating a critical mass of digital skills positioning GM as the key centre to invest for businesses seeking a digitally skilled workforce outside London.

2.2 What would excellent look like in Greater Manchester?
   - A vibrant pipeline of digital talent where every young person has the opportunity to acquire digital skills and explore related career opportunities
   - All educational institutions and providers (including Schools, Colleges and Universities) embed digital skills within the curriculum and every teacher/lecturer recognises their importance for all learners.
   - Companies across all sectors meeting the digital challenge by investing in developing their current/future workforce, particularly via apprenticeships
   - Every citizen acquires the basic digital skills needed for society and work.
3. **Key Digital Skills Challenges**

3.1 The work undertaken with stakeholders has identified many digital skills challenges – at a GM level we must focus our efforts to achieve a transformational impact. There is already a lot of good work going on right across GM to tackle digital skills challenges e.g. code clubs, hackathons which this proposal will build upon by increasing scale and reach. This paper therefore hones in on where there are specific gaps that are strategically important and that the market alone cannot tackle.

3.2 *GM digital skills challenges that the market alone cannot tackle:*

- Young people, parents and teachers lack awareness of the range of opportunities in digital-tech careers and how to maximise their chances of success. What we are missing is a sustained focus on building links between education and digital industries-tech community at scale.
- The pace of technological change means that the curriculum needs constant updating and innovative forms of delivery. To deliver inclusive growth and reduce potential jobs lost through automation we must refocus on the application of knowledge rather than simply its acquisition.
- The apprenticeship market is not currently functioning effectively for companies that need digital-tech skills. Employers still struggle to navigate the apprenticeship system and find appropriately skilled talent.
- Significant numbers of GM residents have never been online and lack the basic digital skills needed for society and work.

4. **GM Digital Talent & Skills Programme**

4.1 The proposition below aims to realise GM’s digital ambition through a holistic approach that addresses challenges relating to talent, skills, apprenticeships and inclusion. The proposition sets out under four key strands; the objectives that we are trying to achieve, challenges to be addressed and the solution that GMCA should look to commission. It has been developed in consultation with key stakeholders including trade bodies, employers, local authorities and the provider base. The programme would be a joint-public private initiative leveraging maximum impact from the digital skills activity already taking place.

4.2 This proposition specifically focuses on ensuring a strong flow of talent into industry and that individuals develop the digital skills required by employers. A number of enabling functions will play a critical role in delivering this agenda e.g. marketing, business finance and digital infrastructure. (Close working with the Business Growth Hub is underway to align activity with the work of the Digital Growth Service to develop the digital skills of businesses).
<table>
<thead>
<tr>
<th>Objectives</th>
<th>Key Challenge</th>
<th>Priority Strand</th>
<th>GM Solution</th>
<th>Outputs and Outcomes</th>
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| 1) More young people in GM take up digital learning opportunities and enter careers that require digital skills. | Many young people at key stages of their development lack awareness of the variety of digital/tech careers available to them and how to maximise their chances of success. We particularly need to inspire more girls to enter digital/tech careers, turning around the underrepresentation of women in digital/tech jobs. | Development of a GM Digital Talent Pipeline. Increasing awareness amongst young people and their parents/teachers of pathways into digital careers and the job opportunities available. (Linking with the work of the proposed GM Education & Employability Board). | GM Digital Talent Pipeline:  
- A number of road shows would be delivered to schools and colleges engaging young people, parents and teachers. Employers would explain their jobs and share their experiences of working in digital. Learning opportunities e.g. code clubs, hackathons would be promoted under a common GM banner.  
- Supplemented by a range of materials that offer information on careers in digital to young people, teachers & parents.  
- ‘Women in Tech’ Network. Harnessing the energy of women employed in digital/tech roles to promote careers in the industry to girls whilst at school and college.  
- A social media campaign would underpin activity, reinforcing key messages. | Outputs  
- Careers roadshows delivered to GM Schools and Colleges  
- Young people accessing career advice, work inspiration and digital learning opportunities.  
- Quality employer interactions with GM Schools and Colleges  
- Young women receive career inspiration/access mentoring from women employed in tech roles  
Outcomes  
- More young people are inspired to enter a career requiring digital skills. |
| 2) Individuals of all ages acquire the up to date digital skills required by employers. | Traditional ways of learning find it difficult to keep up with the pace of technological change. Employer demand is for ‘T’ shaped individuals with technical digital skills combined with broader creative and business acumen. Employers consistently cite the need to upskill teachers and lecturers | Development of a GM Tech Pathways initiative. Supporting GM residents to train for, reskill into and connect with tech jobs. (Linked to the potential for an Institute of Technology to address digital skills) | GM Tech Pathways:  
- ‘GM Digital Certificate’ taking learners through the core digital competencies required to be productive in the workplace. It would be co-designed with employers articulating the competencies they are looking for. New models of co-delivery would be piloted. Companies would be supported to identify | Outputs  
- Employers and providers engaged in co-design of GM Digital Certificate.  
- Innovative public-private digital skills delivery partnerships  
- Participants engage in informal digital learning opportunities.  
- Teachers & lecturers supported with digital cpd package. |
- improving awareness of the latest technological developments and the application of digital skills in the workplace.

  - improving awareness of the latest technological developments and the application of digital skills in the workplace.
  
  - gaps and create a new model of technical training for GM.
  
  - relevant training and funding.
  
  - Complementing existing digital learning with opportunities outside the formal curriculum (e.g. Hive Manchester, Hackathons, Code Clubs).
  
  - Scaling up and co-ordinating existing local activity into a coherent offer.
  
  - CPD package for teachers and lecturers upskilling teaching workforce to teach computer science and embed digital skills across the wider curriculum.

<table>
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<th>Outputs</th>
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<tr>
<td>• Employers are better able articulate their needs to providers and providers are better able to deliver the digital competencies required by employers.</td>
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<tr>
<td>• All young people can access a wide range of ways to develop digital skills that they can apply practically.</td>
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<tr>
<td>• Teachers and lecturers are better able to teach computing and embed digital skills across the curriculum with confidence.</td>
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3) More people progressing onto advanced digital apprenticeships providing employers requiring digital skills with a work ready talent supply.

There is a need for more integration of work with learning to ensure that provision keeps pace with technological change. Apprenticeships offer the best route to achieve this. Through the development of new standards and partnerships the quality of provision and its relevance to employer need is improving. However, employers are still struggling to find the right calibre of talent to fill digital apprenticeship vacancies. In a competitive market for talent SMEs often lose out to more resourceful employers requiring digital skills with a work ready talent supply.

| Development of a GM Digital Apprenticeships Academy: |
| Preparing people for progression onto advanced digital apprenticeship opportunities. Also supporting employers (particularly SMEs) to navigate the apprenticeships system and access talent. |

| GM Digital Apprenticeships Academy: |
| Extended bootcamp programme preparing people for digital careers and supporting employers to access talent. Participants will achieve a level 2 qualification and gain meaningful work experience with employers who are looking to take on a digital apprentice. On completion of the programme participants would have the opportunity to progress onto a full time level 3 digital apprenticeship. (Providing pathways into higher and degree apprenticeships in FE/HE). |

<table>
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<th>Outputs</th>
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<tr>
<td>• People participate in a digital skills bootcamp.</td>
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<tr>
<td>• Employers deliver training through the bootcamp</td>
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<tr>
<td>• Participants gain a Level 2 qualification</td>
</tr>
<tr>
<td>• Employers provide work experience placements</td>
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<tr>
<td>• Participants progress onto a level 3 digital apprenticeship</td>
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<th>Outcomes</th>
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| • Participants are work/apprenticeship ready on leaving the academy through gaining relevant training and
bigger players and there is also competition between digital companies and businesses in other sectors requiring digital skills.

• Employers see apprenticeships as a key way to recruit new digital talent and upskill their existing workforce and have any easy/supported way to achieve this. (Contributing to overall GM target to grow digital apprenticeships by 50% by 2020).

4) All GM residents will have the basic digital skills required for basic social interaction, accessing public services and entering the labour market.

A significant proportion of GM citizens lack basic digital skills and have never been online putting them at higher risk of poor health outcomes and exclusion from both society and the labour market. There is a digital divide in GM with residents in the North of the city region particularly likely to be digitally excluded.

Development of a campaign under the banner of Get Digital GM. Getting all of our residents online and equipping them with basic digital skills for life and work.

Get Digital Greater Manchester:
• ‘Get Digital’ GM will deliver a series of innovative initiatives encouraging all of our residents to get online and improve their confidence and basic digital skills. Get Digital GM will bring together a range of organisations including businesses, health, community groups, voluntary sector, housing providers. It will proactively target those parts of GM where our citizens are at high risk of digital exclusion.
• Digital literacy will be prioritised in all publically funded provision as a core requirement alongside English and Maths (within the GM Work & Skills Outcomes Framework).
• In line with the newly announced statutory duty GM will use its AEB to offer (some) training in basic digital skills for adults lacking in relevant qualifications.

Outputs
• Participants receive support to develop their digital literacy
• People trained as digital champions (providing digital skills support to communities).

Outcomes
• Improved levels of digital literacy amongst GM residents.
• More GM residents accessing public services online.
5. **Funding and Sustainability**

5.1 The programme would cost £2m in total to run over three years. This is consistent with the strategic investments being made by other leading tech cities e.g. London Digital Talent Programme, £5m.

5.2 Mainstream skills funding would currently find it very difficult to fund a programme of the scale proposed and that is primarily aimed at tackling market failure. One option would be to deploy £2m of existing Skills Capital. This would require a capital-revenue switch the principle of which the GM Treasurer is supportive of, subject to more detailed discussions. (This is consistent with the approach taken by London who have used Local Growth Fund investment to fund their programme).

5.3 GMCA investment of £2m will provide pump priming to tackle gaps in provision and achieve a step change creating a critical mass of digital skills in GM. The purpose of the programme is to deliver the culture change that ensures over the longer term GM residents aspire to enter digital careers, employers take responsibility for investing in their tech talent pipeline and digital will be fully embedded in mainstream skills provision.

5.4 The £2m will provide core funding for the programme but it anticipated that the programme as a whole will be significantly larger and more sustainable as a result of leverage from private, public and third sector sources. For example – private sector financial contributions, secondments and direct participation in the programme. (The commissioning process will stipulate the requirement for partnership working and employer backing to maximise leverage). Drawing upon the experience of other digital skills programme of this type e.g. London we estimate being able to leverage public, private and third sector contributions to the value of £450,000 (approximately 22% of the programme).

5.5 The Combined Authority will lead on commissioning and support the coordination of the programme directed by an employer-led reference group. Commissioning will require partnership approaches to delivery from key stakeholders including; businesses and trade bodies, local authorities & wider public sector, education providers (all ages), voluntary sector and specialist digital organisations. The volume of outputs that will be delivered will be determined as part of the commissioning process and we will ensure these represent value for money in comparison with other programmes,

6. **Recommendations**

6.1 The Combined Authority are asked to:

- Approve expenditure of £2m over three years from the existing Local Growth Fund allocation for Skills Capital for the delivery of a GM Digital Talent & Skills Programme.
• Delegate authority to the lead member for investment finance to finalise the details of the funding with the GMCA Treasurer.

• Delegate authority to the Lead Chief Executive for Skills and Employment to approve changes to the programme as may be required for delivery.
Date: 24 February 2017
Subject: GM Investment Framework Project Updates
Report of: Cllr Kieran Quinn, Portfolio Lead Leader for Investment Strategy and Finance and Eamonn Boylan, Portfolio Lead Chief Executive for Investment Strategy and Finance

PURPOSE OF REPORT

This report seeks Greater Manchester Combined Authority (“Combined Authority”) approval for a loan to Forrest. The investment will be made from recycled monies. This report also provides an update on AppLearn Ltd and Incorporate Travel Management.

Further details of the projects are included as a more detailed report, considered in the confidential part of the agenda due to the information relating to the business affairs of the companies.

RECOMMENDATIONS:

The Greater Manchester Combined Authority is requested to:

a) agree that the project funding application by Forrest (loan of £2,000,000) be given conditional approval and progress to due diligence; and

b) delegate authority to the Combined Authority Treasurer and Combined Authority Monitoring Officer to review the due diligence information and, subject to their satisfactory review and agreement of the due diligence information and the overall detailed commercial terms of the transaction, to sign off any outstanding conditions, issue final approvals and complete any necessary related documentation in respect of the loan at a) above.

CONTACT OFFICERS:

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Richard Paver: r.paver@manchester.gov.uk
Bill Enevoldson: b.enevoldson@manchester.gov.uk
**BACKGROUND PAPERS:**

<table>
<thead>
<tr>
<th>TRACKING/PROCESS</th>
<th>YES</th>
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<tbody>
<tr>
<td>Does this report relate to a Key Decision, as set out in the GMCA Constitution or in the process agreed by the AGMA Executive Board</td>
<td>YES</td>
</tr>
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<tr>
<th>EXEMPTION FROM CALL IN</th>
<th>NO</th>
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<tbody>
<tr>
<td>Are there any aspects in this report which means it should be considered to be exempt from call in by the AGMA Scrutiny Pool on the grounds of urgency?</td>
<td>NO</td>
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</table>

Risk Management – see paragraph 4

Legal Considerations – see paragraph 5

Financial Consequences – Revenue – see paragraph 6

Financial Consequences – Capital – see paragraph 7
1. INTRODUCTION AND OVERVIEW

1.1 The Combined Authority maintains and develops a pipeline of projects submitted by applicants seeking funding from either the Combined Authority’s Regional Growth Fund Programme or Growing Places Fund allocation. These projects are assessed against criteria based on the GM Investment Strategy, developed to underpin the economic growth of GM.

1.2 This assessment incorporates:

a) an appraisal by the GM Core Investment Team; and

b) a review by a sub group of GM Chief Executives.

2. INVESTMENT PROJECT RECOMMENDED FOR APPROVAL IN PRINCIPLE

2.1 Forrest

The business case in respect of Forrest (loan of £2,000,000) has been submitted to, and appraised by, the Core Investment Team and is recommended to the Combined Authority for conditional approval. The loan will be funded through recycled investment funds.

Founded in 1955, Forrest is an established construction company employing 400+ people across three divisions: new build, refurbish & respond and energy services. The Company is headquartered in Westhoughton, Bolton. The Company is seeking investment of £2,000,000 as part of a wider recapitalisation of the business to fund forecast growth.

The investment will safeguard three hundred jobs in Bolton and Greater Manchester area. Forrest also employs c100 people across the North East, Yorkshire and SouthWest.

Summary appraisal notes on the projects are included as a more detailed report, considered in the confidential part of the agenda due to the information relating to the business affairs of the companies.

3 PROJECT UPDATES

3.1 AppLearn Ltd

AppLearn Ltd provide streamed digital video training to employees of companies using Talent Management Systems (TMS’) as an integral part of their HR processes. The business received £850,000 of loans from GMCA during 2013 and 2014 to help scale their user adoption product.

An update on AppLearn has been provided in the confidential part of the agenda.

3.2 Incorporate Travel Management (ITM)
ITM is a full service travel management company specialising in the corporate sector. The company received £800,000 of loans from the GMCA in 2014 to provide working capital support to the business.

An update on Incorporate Travel Management has been provided in the confidential part of the agenda.

4. RISK MANAGEMENT
The loan to Forrest will be governed under the existing investment framework which includes several levels of review and ongoing monitoring of the performance of the loan.

The legal funding structure proposed for the loan will mitigate risks as far as reasonably practicable utilising the standard framework of legal documents.

5. LEGAL CONSIDERATIONS
The legal agreement will be based upon the existing templates for the fund, amended for the specific requirements of the individual funding arrangements.

6. FINANCIAL CONSEQUENCES – REVENUE
There are no revenue implications.

7. FINANCIAL CONSEQUENCES – CAPITAL
The £2,000,000 loan proposed to Forrest is from recycled funds.