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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<td>Does this report relate to a major strategic decision, as set out in the GMCA Constitution (paragraph 14.2) or in the process (paragraph 13.1 AGMA Constitution) agreed by the AGMA Executive Board:</td>
<td>Yes</td>
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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>
<td>No</td>
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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.

2.5 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.