

Item No. 3

MINUTES OF A MEETING OF THE GM LOCAL ENTERPRISE PARTNERSHIP BOARD HELD ON MONDAY 7 SEPTEMBER 2015 AT MANCHESTER TOWN HALL

Board Members:

Mike Blackburn (In the Chair)

Nancy Rothwell, Lou Cordwell, David Birch, Richard Topliss, Michael Oglesby, Tony Lloyd, Councillor Sean Anstee, Councillor Sue Derbyshire, and Councillor Richard Leese.

Advisors:

Howard Bernstein and Carol Culley (Manchester City Council), Mark Hughes (Manchester Growth Company), Alison Gordon, John Holden and Alex Gardiner (New Economy), Bill Enevoldson (GM Investment Board), Jon Lamonte and Simon Warburton (Transport for Greater Manchester), Tim Newns (Manchester Investment Development Agency Service), Louise Latham (Marketing Manchester) Rebecca Heron, David Rogerson and Allan Sparrow (GM Integrated Support Team)

Apologies:

Keith Johnston, Wayne Jones, Juergen Maier, Vanda Murray, Iwan Griffiths, Simon Nokes and Eamonn Boylan

LEP/15/64 DECLARATIONS OF INTEREST

Michael Oglesby declared a general interest as Chairman of Bruntwood and of the Manchester Science Park.

Nancy Rothwell declared her interest in the item regarding the spending review 2015 as the University of Manchester was involved in the spending review bid.

David Birch declared an interest in the item regarding devolution of health and social care in greater Manchester as McKinsey & Co were providing consulting advice to the NHS (although not presently on health & social care devolution in GM).

LEP/15/65 MINUTES

AGREED

That the Minutes of the meeting of the GM LEP Board held on 2 July 2015 be approved as a correct record.

LEP/15/66 MATTERS ARISING

There were no matters arising.

LEP/15/67 FURTHER DEVOLUTION TO GM

A. Presentation on Devolution of Health and Social Care in GM

The Chair informed the Board that the presentation regarding the devolution of health and social care in GM would need to be considered under the private part of the meeting as the presentation contained financial information not yet available in the public domain.

AGREED

That the presentation on the devolution of health and social care in GM be considered as a private and confidential item.

B. Presentation on Spending Review

The Board was provided with a presentation that gave an overview of GM's submission to the 2015 Spending Review process. The presentation set out GM's ambition to create a financially self sustaining city region and the challenges to be faced in the light of ongoing fiscal pressure. The presentation highlighted the opportunity presented by the SR process to secure a place based financial settlement for the SR period and provided the Board with an overview of GM's 'asks' to government.

The following issues were raised on the presentation:

- The board welcomed the proposals set out in the presentation and highlighted the need for continuity with previous agreements with government. GM also needed to hold government to account in delivering their side of the agreements.
- A member asked what impact the proposals would have to reduce the gap between tax and spend in GM and felt it would be useful to have an estimate. The Board was informed that the gap was closing and that the proposals clearly set out GM's ambition to become a financially self-sustaining city. Further assessment is being carried out to provide more up to date figures.

- A member asked if GM was confident that the figures within the submission were robust. It was reported that GM had worked hard to develop a robust analysis of spend across the city region and that the figures set out in the submission were as accurate as possible.
- The Chair commented that GM had produced a great submission which included a huge amount of detail and attempted to tackle the issues facing the conurbation head-on and he added that private sector members would be happy to support the proposals in any way possible
- A member queried how this submission fits within the Northern Powerhouse agenda. It was reported that the proposals had been developed to clearly set out to Government the role that GM could play in delivering that vision. GM is seeking a Northern Powerhouse plan to clearly set out what is required to deliver the Northern Powerhouse. Councillor Leese added that improved transport through infrastructure development was fundamental to the success of the Northern Powerhouse. Leaders and LEP Chairs from across the North of England were also looking at an economic narrative for the Northern Powerhouse in terms of its regional and global significance.

AGREED

That the presentation be noted.

LEP/15/68 MARKETING MANCHESTER REVIEW

A report was submitted that provided the LEP with a summary of the review undertaken on Marketing Manchester (MM) and the recommendations agreed by the Board of the Manchester Growth Company (MGC) for implementation.

A member commented that in the past MM had been very good at focussing on key areas such as tourism but had not been as focussed on business. He asked if the MGC had plans to improve its marketing for businesses. The Board was informed that MM was looking to bring in new people with a business focus although with no increase in overall budgets. However, Mark Hughes added that funding streams such as ERDF were being explored to provide additional revenue.

A member commented that if resources were an issue it would be better for MM and the Manchester Investment Development Service (MIDAS) to focus its work on priority areas. Mark Hughes responded that the MGC was now developing a new management team to provide a unified marketing service for GM. A member pointed out that a lot of marketing work was being undertaken by the universities in GM. Mark Hughes responded that MM was keen to work inclusively with partners across GM, especially within the context of place based devolution, to better reflect GM's position on a global stage.

AGREED

1. That the contents of the report and the recommendations agreed by the Manchester Growth Company regarding the role of Marketing Manchester be endorsed;
 - Confirming Marketing Manchester as the brand champion for Greater Manchester with the remit to influence the relevant international stories and refining the brand identity
 - Reinvigorating Marketing Manchester's lead role in achieving co-ordination across partners of the Greater Manchester story
 - Undertaking additional sector marketing to promote Greater Manchester as a place to do business
 - Supporting wider Northern promotion for the benefit of both Greater Manchester and Manchester Airports Group
 - Working closely with local authorities to ensure assets within their areas are reflected in an appropriate way
 - Improving stakeholder relationships, particularly with local authorities.
2. That the Board's thanks be passed to Drew Stokes for all his hard work and commitment to Marketing Manchester and to wish him well for the future.

LEP/15/69 GM BUSINESS SURVEY

Consideration was given to a report that updated the Board on the findings of the 2014/15 GM Business Survey and the main implications of its results for GM.

A member referred to the fact that the Business Survey indicated that that only 10% of businesses had engaged with universities and this did not appear to be a success. John Holden responded that he agreed it did not appear to be a positive response but this was the first time that businesses had been asked this question in the survey and it was hoped future surveys would see this improve. The Chair asked if any plans were in place to improve the 10% figure. It was reported that there would be closer working between the Business Growth Hub and the four main universities and it was hoped that through this initiative there would be improvements to the 10% figure.

A comment was made that there was a significant time gap between when the survey concluded and its publication. In response it was reported that the survey had only concluded in January 2015 but it was accepted that the time taken to publicise the final results should be improved in subsequent surveys.

A member commented that the survey appeared to show that GM is not a leader in innovation and that this was a worrying message given that innovation lies at the heart of GM's ambitions and brand.

In response it was reported that it remains difficult to precisely define innovation and that this survey had used questions from related surveys. However, these may not adequately reflect the local picture in GM and so these will be improved in subsequent surveys. Overall, the survey had generated a lot of positive material regarding GM and these messages would be communicated widely.

AGREED

To note the findings and implications of the 2014/15 GM Business Survey and the actions that are now ongoing to ensure these are fed into GM policy development and programme delivery.

LEP/15/70 ENTERPRISE ZONE BIDDING ROUND 2015

A report was submitted that informed the LEP of the process set out by CLG for a new round of Enterprise Zone bids and to update on the ongoing development of potential GM bids. The Board noted that that the GM and Cheshire were working on a joint bid regarding life sciences. It was also noted that this round of funding would have greater emphasis on rural economies.

AGREED

That the report be noted.

That the sign off of full bids be delegated to the Chair of the LEP, along with the member of the Combined Authority with responsibility for Economic Strategy.

LEP/15/71 TRANSPENNINE ELECTRIFICATION & STRATEGIC RAIL ISSUES

The LEP was informed that TransPennine electrification was identified in the 2012 High Level Output Statement (HLOS) published by DfT as a requirement for completion during Railway Charging Period 5 (CP5) between October 2014 and 2019. It was reported that the Regulatory Settlement for CP5 announced in October 2013 by the Office of Rail Regulation, provided the required funding to deliver TransPennine Electrification by December 2018.

The Board was informed that the Chair had written to the Secretary of State for Transport regarding the delays to the redevelopment of Farnworth Tunnel and a response had now been received. It was noted that the new Chair of Northern Rail would be reviewing the announced delays in major rail schemes and would report his findings in October. Members were assured that the Northern Hub was a key project they wanted to keep and complete. It was added that the Transport Minister had also been lobbied strongly about the delays and in particular TransPennine and an update on this project is anticipated towards the end of the year.

AGREED

That the report be noted.

LEP/15/72 RAIL DEVOLUTION

It was reported that the Greater Manchester Agreement signed in November 2014 devolved a number of powers to GM including greater responsibility and budgetary control in areas such as health, policing, housing and transport.

The LEP was informed that in terms of transport, and specifically rail stations, the GM Agreement provided the opportunity for GM to review the case for new models of rail station management in the interests of increasing economic prosperity and increasing opportunities for longer term investment. The report also provided an update on the GM proposal for rail station devolution.

AGREED

That the report be noted.

LEP/15/73 THE CURRENT BUS MARKET IN GM & FUTURE OF BUS SERVICES

The Board received a presentation on Transport for Greater Manchester's bus policy and devolution overview. Members were informed that the Greater Manchester Devolution Agreement had awarded GM greater power over a range of integrated transport functions and funding to ensure that transport provision is in place to support sustainable growth in GM. The presentation outlined the current bus market, the announcement in the Queen's speech in May 2015 regarding the Buses Bill, GM's case for change, what franchising means to GM and next steps.

A member asked what TfGM was doing to prepare itself for 2017 and ensure it hit the ground running should bus deregulation be secured. The Board was informed that TfGM were developing a plan for rolling out franchising arrangements with a focus on fares and ticketing. Getting this offer right was important as GM could then get a smart ticketing system in place.

With regard to the required legislation, a member asked whether there would be any secondary legislation needed and were TfGM aware of the required timeframes. TfGM are clear about what was needed with GM having to be ready for the 2017 start date when the new Mayor is elected. It was noted that the primary legislation in place covered most of what was needed by GM and TfGM were holding regular meetings with the DfT.

AGREED

That the presentation on Transport for Greater Manchester's bus policy and devolution overview be noted.

LEP/15/74 ANY OTHER BUSINESS

There were no items of business.

LEP/15/75 PROGRAMME OF FUTURE MEETINGS

AGREED

That the future programme of meetings 2015/16 be noted.

Thursday 12 November 2015
Monday 18 January 2016
Thursday 10 March 2016
Monday 16 May 2016
Thursday 14 July 2016
Monday 19 September 2016
Thursday 10 November 2016

The following items contain matters relating to the financial and business affairs of particular persons or organisations. It is therefore proposed that discussions on these items are not held in public.

LEP/15/76 DEVOLUTION OF HEALTH & SOCIAL CARE IN GM

The Board received a presentation that set out the key messages for the spending review in terms of health and social care in GM.

AGREED

That the presentation be noted.

LEP/15/77 SECURING INTERMEDIATE BODY STATUS FOR GM

The Board received a report that provided an update on progress of discussions with government to secure Intermediate Body (IB) status for GM. It was reported that IB status would allow GM a greater level of control of all GM ERDF and ESF projects to better align with GM priorities and the GM Devolution Agreement.

In terms of next steps it was reported that officers were now working closely with the managing authorities on the details of the transition and would push hard for IB status to come into effect for GM as quickly as possible, potentially before April 2016.

AGREED

That the report be noted.

LEP/15/78 GM & CHESHIRE LIFE SCIENCES FUND

A paper was submitted asking the LEP to consider the establishment of the GM and Cheshire Life Sciences Fund. The LEP was informed that the GMCA on 31 July 2015 agreed to:

- a. Make funding available (loan of up to £10,000,000) for the establishment of the fund funded by the Local Growth Fund.
- b. Approve the appointment of Catapult Venture Managers as fund manager; and
- c. 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 and fund manager agreements at a) and b) above.

It was reported that since GMCA approval was granted, Catapult had undertaken work to develop the pipeline and were currently looking to begin investing from September 2015. The formal launch of the fund was scheduled for the Biocap conference at Alderley Park on 29 September 2015.

AGREED

That the decisions taken by the GMCA on 31 July 2015 regarding the establishment of the GM and Cheshire Life Sciences Fund be endorsed.

LEP/15/79 GM HOUSING FUND: PROGRESS UPDATE

Consideration was given to a report that provided an overview of loans from the GM Housing Fund which the GMCA had approved to date.

AGREED

That the report be noted.

LEP/15/80 GM INVESTMENT FRAMEWORK AND CONDITIONAL PROJECT APPROVAL

Consideration was given to a report that provided the Board with two new projects which had been reviewed by the GM Core Investment Team, Chief Executive Appraisal Sub Group, independent advisor and approved in principle by the GMCA.

AGREED

That the report be noted.

LEP/15/81 ANY OTHER BUSINESS

There were no items of business.

