GM LOCAL ENTERPRISE PARTNERSHIP BOARD

SUBJECT: LEP Core Funding Update

DATE: 12 November 2018

FROM: Simon Nokes, Executive Director Policy and Strategy, GMCA

PURPOSE OF REPORT

The GM LEP was awarded a budget of £500K Core Funding for the 2018/19 financial year with an indicative allocation of a further £500k for 2019/20 – to be confirmed in late 2018/19.

In March 2018, the Board allocated 2018/19 funding to support delivery of key LEP priorities and agreed that consideration be given to proposals for 2019/20 funding at least six months in advance of the expected decision date in April 2019.

This report summarises the 2018/19 funding allocation and sets out options for future funding in 2019/20.

RECOMMENDATIONS:

The GM LEP is asked to:
- approve the proposed use of the LEP Core Funding in 2019/2020, subject to confirmation of the allocation from Government
- provide feedback on options for the remainder of the available funding

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1 INTRODUCTION

1.1 The Ministry for Housing, Communities, and Local Government (MHCLG) confirmed in January 2018 the availability of LEP core and capacity funding of £500,000 per annum for the following two financial years. As with previous years, LEPs are required to match fund this locally to a minimum of £250,000.

1.2 Funding for 2018-19 was provided to each LEP at the start of the financial year, contingent on continued compliance with the LEP National Assurance Framework and confirmation that the relevant recommendations of the Mary Ney review have been implemented.

1.3 The Board received a report in March 2018 setting out GM LEP’s continued compliance with these recommendations including the Government’s assessment that GM LEP’s governance is considered to be good with a strong governance culture with a commitment to improve.

1.4 For 2019-20 core funding, which is indicative, LEPs will need to demonstrate how they meet the above conditions and how they have taken forward the outcomes of the Ministerial Review of LEPs.

1.5 The Board received a report at the last meeting in September 2018 setting out the background and recommendations of the LEP Review and the key implications for Greater Manchester.

1.6 This report summarises the activity funded for the current year 2018/19 and sets out the priorities for the use of the 2019/20 funding.

2. 2018/19 LEP FUNDING ALLOCATION

2.1 At the meeting in March 2018, the LEP Board received a report highlighting the Core Funding available for the following financial year 2018/19.

2.2 The report noted the progress on activity funded by LEP Core Funding in 2017/2018 and set out the proposed use of the LEP capacity and strategic funding for 2018/19.

2.3 The Board noted the progress made and agreed the proposed use of funds which included the following (see Table 1 below for further detail and progress update):

- GMCA: Research, Policy and Strategy Development - £250k
- Marketing Manchester: Communications, PR and Digital - £50k
- Marketing Manchester: GM LEP Content Curation Continuation - £40k
- MIDAS: GM Internationalisation Strategy - £50k
- GMCA: GM Local Industrial Strategy (LIS) Review - £45k
- GMCA: Support Development and Delivery of LEP Foresighting Group - £5k
- Contribution to the LEP Network - £6k
- Contribution to the Atlantic Gateway Board - £5k
2.4 There were a number of areas that were identified as strategic priorities but where development work was still underway. It was agreed to delegate authority to the chair of the LEP, in consultation with the Chief Executive of the GMCA, to finalise the remaining £49k allocation, and any underspend, to the areas outlined.

2.5 In the event, activity in these areas has been included into activity to develop the GM LIS (see para 2.7 regarding funding for this) with the £49k remaining unspent and therefore available to be rolled forward into the 2019/20 allocation.

2.6 As noted above, the 2019/20 funding must be allocated with a view to the outcomes of the LEP Review. As part of this review, Government is making an additional £200k available in 2018-19 to each LEP to fund a timely and effective implementation of the LEP Review, and the development of an evidence base for the LIS.

2.7 In agreement with the LEP Chair, it has been proposed that this £200k is used to support the rigorous independent evidence base, policy development, stakeholder engagement and implementation of the GM LIS including embedding Design (Quality of Place and People Creativity) across the next two financial years until March 2020.

3. **2019/20 LEP FUNDING PRIORITIES**

3.1 This year has seen a number of significant developments to the context in which GM LEP priorities are being delivered, particularly regarding the national industrial strategy and the announcement that Greater Manchester will be a trailblazer in developing one of the first Local Industrial Strategies.

3.2 The LEP will take a central role in overseeing development and implementation of the strategy with the leadership team including Mike Blackburn, Mayor Andy Burnham and Deputy Mayor Sir Richard Leese, working in partnership with Secretary of State Greg Clark.

3.3 LEP Board members Jürgen Maier and Nancy Rothwell will take a central role in strategy development, acting as LIS Champions and leading engagement with businesses and universities on behalf of Greater Manchester.

3.4 Building on the priorities of the GMS, the strategy will set out how we will exploit our unique strengths and opportunities, such as in health innovation and advanced materials, and capitalise on the creativity of our people, to create a digitally-enabled, green city-region.

3.5 It will be based on a robust evidence base, currently being developed through the GM Independent Prosperity Review, to ensure it is grounded in a rigorous analysis of local opportunities and challenges.
3.6 Therefore, in agreement with the Chair, it is proposed that the indicative 2019/20 core funding is allocated as set out below to reflect the changing strategic landscape and to support the LEP’s central role in driving delivery of the Local Industrial Strategy and the ongoing priorities of Greater Manchester Strategy.

3.7 As last year, GM LEP is required to secure a minimum of £250k match funding which will be provided against existing GM resources supporting delivery of GM LEP priorities.

3.8 There also an underspend of around £200k from previous years’ allocations which is now available to support current activity.

3.9 The proposed allocation of funding is as follows:

i. **GMCA: Research, Policy and Strategy Development - £250k**
   To fund research, policy and strategy development activity, to provide a robust research and evidence base in line with the Greater Manchester Strategy and Implementation Plan to ensure that GM remains at the forefront of current strategic thinking and developments. This includes:
   - Local Industrial Strategy – finalise development of the LIS setting out an agreed view of the opportunities and challenges to be addressed including development of specific proposals with Government, implementation and evaluation.
   - Science and innovation – as part of the LIS, lead work in partnership with GM’s universities to support the commercialisation of the GM science base in line science and innovation policy.
   - Skills and Employment support – lead and support the implementation of the devolution deal and the overall agreed GM skills and employment priorities.
   - Research and analytical base - continue to lead GM’s cost benefit analysis and evaluation activity linked to key elements of the devolution agreement and LIS, and deliver economic analysis to ensure GM remains at the forefront of current thinking and developments across the whole spectrum of the CA/LEP agenda.
   - Developing further devolution thinking – continue to support potential future devolution asks and develop submissions to Government including proposals related to the Spending Review. Undertake work on a longer term “devolution settlement” for GM.
   - BREXIT – continue to monitor the key economic and policy developments in relation to the UK’s decision to leave the European Union.
ii. **Marketing Manchester: Content Curation - £95k**

As set out in a separate report in the meeting, funding is sought to continue and expand the Content Curation initiative beyond March 2019.

Content Curation will support the marketing and communications opportunities presented by Greater Manchester’s Local Industrial Strategy, while continuing to highlight the city-region’s sector narrative through strategically targeted global PR and content activity.

iii. **Marketing Manchester: Communications, PR and Digital - £50k**

Continuation of GMLEP communications PR and digital activity support including:

- Providing proactive and reactive media engagement to maximise the GMLEPs profile
- Providing a timely and effective press office function
- Increasing GMLEP online profile including website support and maintenance and the management of social media channels.

iv. **GMCA: LEP Membership Review - £20k**

The private membership’s term of office expires at the end of March 2019. A review therefore needs to be completed in time for new and reappointed members to take up their positions in April 2019 in line with the previous comprehensive review carried out in 2017 by Penna Consultants.

v. **GMCA: Delivery of LEP Foresighting Group - £5k**

The Foresighting Group brings together senior representatives of the business community whose advice on key issues will help develop the LEP’s long term thinking and implementation of the GM Strategy.

vi. **Contribution to the LEP Network (TBA) - £6k**

vii. **Contribution to the Atlantic Gateway Board - £5k**

viii. **LEP contingency for ad hoc activity including expenses - £5k**

3.10 The above allocations come to a total of £436k from the available funds for 2019/20 of around £750k consisting of the core funding allocation (£500k); the historic underspend (c.£200k) and in year underspend (£49k).

3.11 This leaves c.£315k remaining for 2019/20 and it is proposed that this is allocated in support of the implementation of the priorities of the LIS, with a further report provided later in the year once the LIS is developed and the priorities for action between Government and GM are clear.

3.12 This will set out more detailed options in line with the principles that underpin the LIS, ensuring that the final strategy is ambitious, inclusive, distinctive and focused on where Greater Manchester is, or has the potential to be, a global leader.

4. **RECOMMENDATIONS**

4.1 The recommendations can be found at the front of this report.
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<th>2018/19 Allocation</th>
<th>Objective</th>
<th>Progress Update</th>
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<tr>
<td>£250k GMCA: Research, Policy and Strategy Development</td>
<td>To provide a robust research and evidence base in line with the refreshed GM Strategy and ensure that GM remains at the forefront of current strategic thinking and developments.</td>
<td>The GM Policy and Strategy team supports the delivery of GM priorities a set out in the GM Strategy. This includes the production of the GMS Implementation plan setting out the specific actions that will realise the vision along with regular updates on progress. As part of this approach, the team continues to engage with Government at various levels including meetings with Ministers and officials to raise GM’s profile and help drive delivery of the GMS across a range of policy priorities. This includes developing options for the forthcoming Spending Review to ensure GM’s priorities are at the forefront of Government thinking. We have also responded to national LEP initiatives such as the implementation of the Mary Ney Review recommendations and the more recent Ministerial LEP Review. The team continues to develop GM’s groundbreaking approach to devolution which has already resulted in GM taking control of spending and decisions in significant areas particularly around skills, employment, transport and health. GM has agreed six devolution deals with Government and now make decisions on how over £8bn of public money is spent in Greater Manchester each year.</td>
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Building on the robust evidence base that underpins the GM Strategy, the Team are providing further research and intelligence to support delivery development of the LIS to ensure the final strategy is ambitious, inclusive, distinctive and focused on where Greater Manchester is, or has the potential to be, a global leader.

We continue to review the potential impact of Brexit, producing a regular Brexit Monitor setting out the implications of Brexit on the GM economy with recommendations to ensure Greater Manchester is ready for the UK’s departure from the EU.

The team have supported a number of LEP specific projects including the Task and Finish groups, the Foresight Group and the development of the NP11 group. NP11 brings together LEPs from across the North to work in partnership with Government on realising our shared ambitions for the Northern Powerhouse.

£50k
Marketing Manchester: Communications, PR and Digital

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<td>Marketing Manchester: Communications, PR and Digital</td>
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<td>To provide proactive and reactive media engagement to maximise the GMLEPs profile; increasing the online profile and presence of the GMLEP including website support; and maintenance and the management of social media channels</td>
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<td>MM has managed comment requests for inclusion in regional media for articles covering health, life sciences, leisure and low carbon sectors of Greater Manchester.</td>
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<td>Since April 2018, 15 articles have been generated, providing 6million opportunities to see. PR support for GM LEP’s involvement in the first Council of LEP Leaders meeting at</td>
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10 Downing Street was also provided, generating coverage in The Times of India and Local Government Chronicle.

Media relations support for an interview request with Mike Blackburn by author and academic Brenda Evans, who is writing a book about the work of the GMCA and impact of the GMLEP. Coverage of Manchester’s tech sector appeared on the Bisnow website, including comment supplied on behalf of Lou Cordwell.

Regular social media posts and engagement on the @GMLEP Twitter handle. GMLEP has 1863 twitter followers.

| £50k MIDAS: GM Internationalisation Strategy | To support delivery of GM Internationalisation Strategy with a focus on India and China including the newly launched Manchester India Partnership and activity of the Manchester China Forum and deployment of the refreshed Manchester-China Strategy | There has been strong progress since the February launch of the Manchester India Partnership (MIP). The MIP Board now consists of 12 contributing partners, the latest being MCFC and ICICI bank; and has a full-time staff of four, located in Manchester and in India. The LEP funding provides vital additional income against a further £110,000 of private sector cash investment. Key recent activity includes: securing the Jet Airways Manchester Mumbai route (Nov 5th); the successful delivery of the India Business Conference linked to England/India T20 (Aug); the successful delivery of 3rd MIP/Deloitte India Fast 50 (Oct); a Graphene road show with Graphene@Manchester. The MIP has also won international promotion organisation at the UK-India Awards |
and hosted FCO Minister, Mark Field who requested to meet the MIP as an example of UK ‘best practice’.

The Manchester China Forum continues to go from strength to strength. The MCF won the prestigious Hurun Awards for its contributions to advancing UK-China relations and continues a key role in GM’s engagement with China. The LEP funding is critical to supporting a further £175,000 of private sector cash investment from partners.

Key areas of progress include: progress in furthering inward investment, including growth from established investors such as BCEG and FECIL and engaging new prospects (e.g. Huawei, BYD and Didi); successful delivery of the first mayoral visit to China, focussed on attendance of the World Economic Forum alongside Secretary of State for Health (Matt Hancock); support of UoM China initiatives such as the Manchester-China institute and UK-China Infrastructure Alliancem Academy.

Other highlights include has been the launch of an economic impact assessment for the Manchester-Beijing route and the creation of the first-of-its-kind WeChat App with Thoughtworks, which will transform the way the city engages Chinese visitors, students and investors.

£40k
Marketing
Manchester: GM
To extend the Content Curator role from November 2018 to end of March 2019.

The role will support activity to show Greater Manchester as an innovative, diverse and international city by creating original content to raise awareness and improve the
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<th>LEP Content Curation Continuation</th>
<th>To support development of the LIS through development of a robust evidence base drawing on expert input from leading academics and business stakeholders</th>
<th>reputation of GM’s priority business sectors, as well as its arts, culture and sport offer</th>
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<td><strong>£45k</strong> GMCA: GM Local Industrial Strategy Review</td>
<td>GMCA has established a Greater Manchester Independent Prosperity Review. This is led by a Review Panel chaired by Professor Diane Coyle and will oversee the development of the evidence base for the LIS. The Panel will independently verify Greater Manchester’s existing evidence and oversee the commissioning of new research into priority areas. The views of industry will be brought into the analysis through a number of challenge sessions which will bring together businesses, policy makers, and academics.</td>
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<td><strong>£5k</strong> GMCA: Support Development and Delivery of LEP Foresighting Group</td>
<td>The Foresighting Group has met three times to explore issues relating to the LIS Grand Challenges including Ageing Society; AI/Robotics; and the Future of Mobility. These roundtable meetings have provided significant insight and advice on key issues will help develop the LEP’s long term thinking and implementation of the GM Strategy and LIS as well feed into current related activity including the GM Ageing Strategy; Transport 2040; the Clean Air Plan; the Digital Strategy; the development of the Full Fibre Broadband Programme; and the development of the GM Productivity and Inclusive Growth Programme being delivered by the Growth Company.</td>
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| To support the Foresighting Group in bringing together senior representatives of business and academia to look at the long term ‘disruptors’ to the GM economy. |--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| £6k Contribution to the LEP Network | The LEP Network is a gateway to news and information that enables LEPs to come together on areas of shared importance, engage with government, facilitate dialogue with economic development stakeholders, and share knowledge and best practice. | GM LEP continues to engage with the wider LEP Network attending meetings with LEP Chairs, Ministers, officials and GM officers to share best practice and address common issues such as the Mary Ney and Ministerial LEP Reviews and development of the Local Industrial Strategy. |
| £5k Contribution to the Atlantic Gateway Board | Focusing on the corridor between Liverpool and Manchester, Atlantic Gateway works with a number of key private and public sector partners on priorities which are critical to driving growth and improving productivity across Atlantic Gateway and the Northern Powerhouse. | GM has been working in partnership with Liverpool City Region LEP and Cheshire & Warrington LEP with a focus on key priorities in freight and logistics infrastructure and the high growth sectors of logistics and science and innovation. |