ECONOMY, BUSINESS GROWTH AND SKILLS OVERVIEW AND SCRUTINY

DATE: Friday 12th July 2019
TIME: 2.00 – 4.00pm
VENUE: Boardroom, GMCA Offices, Churchgate House, 56 Oxford Street, Manchester, M1 6EU

AGENDA

1. APOLOGIES

2. CHAIR’S ANNOUNCEMENTS AND URGENT BUSINESS

3. DECLARATIONS OF INTEREST
   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 Governance & Scrutiny Officer at the start of the meeting.

4. MINUTES OF THE MEETING HELD ON 14 JUNE 2019
   To consider the approval of the minutes of the meeting held on 14 June 2019, as a correct record.

5. WORK PROGRAMME
   Report of Joanne Heron, Statutory Scrutiny Officer, GMCA

6. GREATER MANCHESTER LOCAL INDUSTRIAL STRATEGY IMPLEMENTATION
   Report of Sir Richard Leese, Portfolio Lead for Economy, and Jim Taylor, Portfolio Chief Executive for Economy

7. SKILLS INVESTMENT
   Report of Sean Fielding, Portfolio Lead for Education, Skills, Work and Apprenticeships

Please note that this meeting will be livestreamed via www.greatermanchester-ca.gov.uk, please speak to a Governance Officer before the meeting should you not wish to consent to being included in this recording.
ITEMS FOR INFORMATION

8. LOCAL GROWTH FUND ROUND 3 – CHRISTABEL PANKHURST INSTITUTE FOR RESEARCH IN HEALTH, TECHNOLOGY AND INNOVATION (‘THE PANKHURST INSTITUTE’)
Report of Simon Nokes, Executive Director of Strategy and Policy

9. REGISTER OF KEY DECISIONS
https://www.gmcameetings.co.uk/downloads/file/1112/register_of_key_decisions_published_on_1_july_2019

10. DATES OF FUTURE MEETINGS
Friday 13th September 2019, 2.00-4.00pm

MEMBERSHIP OF THE COMMITTEE FOR THE CURRENT MUNICIPAL YEAR

<table>
<thead>
<tr>
<th>Name</th>
<th>Organisation</th>
<th>Political Party</th>
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<tbody>
<tr>
<td>Councillor Mudasir Dean</td>
<td>Bolton</td>
<td>Conservative</td>
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<td>Councillor Susan Haworth</td>
<td>Bolton</td>
<td>Labour</td>
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<td>Councillor Mary Whitby</td>
<td>Bury</td>
<td>Labour</td>
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<td>Councillor June Hitchen</td>
<td>Manchester</td>
<td>Labour</td>
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<td>Councillor Luke Raikes</td>
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<td>Councillor George Hulme</td>
<td>Oldham</td>
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<td>Councillor Daniel Meredith</td>
<td>Rochdale</td>
<td>Labour</td>
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<td>Councillor Michael Holly</td>
<td>Rochdale</td>
<td>Conservative</td>
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<td>Councillor Jim King</td>
<td>Salford</td>
<td>Labour</td>
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<td>Councillor Kerry Waters</td>
<td>Stockport</td>
<td>Labour</td>
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<td>Councillor Colin MacAlister</td>
<td>Stockport</td>
<td>Liberal Democrat</td>
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<td>Councillor Stephen Homer</td>
<td>Tameside</td>
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<td>Councillor Barry Brotherton</td>
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<td>Councillor Charles Rigby</td>
<td>Wigan</td>
<td>Labour</td>
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<tr>
<td>Councillor Michael Winstanley</td>
<td>Wigan</td>
<td>Conservative</td>
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For copies of papers and further information on this meeting please refer to the website www.greatermanchester-ca.gov.uk. Alternatively, contact the following Governance & Scrutiny Officer: Jamie.fallon@greatermanchester-ca.gov.uk

This agenda was issued on 4 July 2019 on behalf of Eamonn Boylan, Secretary to the Greater Manchester Combined Authority, Churchgate House, 56 Oxford Street, Manchester M1 6EU

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Declaration of Councillors’ Interests in Items Appearing on the Agenda

NAME: ________________________________

DATE: ________________________________

<table>
<thead>
<tr>
<th>Minute Item No. / Agenda Item No.</th>
<th>Nature of Interest</th>
<th>Type of Interest</th>
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Please see overleaf for a quick guide to declaring interests at GMCA meetings.
# QUICK GUIDE TO DECLARING INTERESTS AT GMCA MEETINGS

This is a summary of the rules around declaring interests at meetings. It does not replace the Member’s Code of Conduct, the full description can be found in the GMCA’s constitution Part 7A.

Your personal interests must be registered on the GMCA’s Annual Register within 28 days of your appointment onto a GMCA committee and any changes to these interests must notified within 28 days. Personal interests that should be on the register include:
- Bodies to which you have been appointed by the GMCA
- Your membership of bodies exercising functions of a public nature, including charities, societies, political parties or trade unions.

You are also legally bound to disclose the following information called DISCLOSABLE PERSONAL INTERESTS which includes:
- You, and your partner’s business interests (e.g., employment, trade, profession, contracts, or any company with which you are associated)
- You and your partner’s wider financial interests (e.g., trust funds, investments, and assets including land and property).
- Any sponsorship you receive.

**FAILURE TO DISCLOSE THIS INFORMATION IS A CRIMINAL OFFENCE**

### STEP ONE: ESTABLISH WHETHER YOU HAVE AN INTEREST IN THE BUSINESS OF THE AGENDA

If the answer to that question is ‘No’ – then that is the end of the matter. If the answer is ‘Yes’ or Very Likely’ then you must go on to consider if that personal interest can be construed as being a prejudicial interest.

### STEP TWO: DETERMINING IF YOUR INTEREST PREJUDICIAL?

A personal interest becomes a prejudicial interest:
- where the well being, or financial position of you, your partner, members of your family, or people with whom you have a close association (people who are more than just an acquaintance) are likely to be affected by the business of the meeting more than it would affect most people in the area.
- the interest is one which a member of the public with knowledge of the relevant facts would reasonably regard as so significant that it is likely to prejudice your judgement of the public interest.

### FOR A NON PREJUDICIAL INTEREST
**YOU MUST**
- Notify the governance officer for the meeting as soon as you realise you

### FOR PREJUDICIAL INTERESTS
**YOU MUST**
- Notify the governance officer for the meeting as soon as you realise you
<table>
<thead>
<tr>
<th>have an interest</th>
<th>have a prejudicial interest (before or during the meeting)</th>
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<tr>
<td>• Inform the meeting that you have a personal interest and the nature of the interest</td>
<td>• Inform the meeting that you have a prejudicial interest and the nature of the interest</td>
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<tr>
<td>• Fill in the declarations of interest form</td>
<td>• Fill in the declarations of interest form</td>
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**TO NOTE:**

| • You may remain in the room and speak and vote on the matter | • Leave the meeting while that item of business is discussed |
| • If your interest relates to a body to which the GMCA has appointed you to you only have to inform the meeting of that interest if you speak on the matter | • Make sure the interest is recorded on your annual register of interests form if it relates to you or your partner’s business or financial affairs. If it is not on the Register update it within 28 days of the interest becoming apparent |

**YOU MUST NOT:**

| • participate in any discussion of the business at the meeting, or if you become aware of your disclosable pecuniary interest during the meeting participate further in any discussion of the business | • participate in any vote or further vote taken on the matter at the meeting |
ANNUAL GENERAL MEETING OF THE GREATER MANCHESTER COMBINED AUTHORITY (GMCA) ECONOMY, BUSINESS GROWTH AND SKILLS OVERVIEW AND SCRUTINY COMMITTEE
14 JUNE AT 2.00 PM AT GMCA OFFICES, CHURCHGATE HOUSE

Present: Councillor Michael Holly (in the Chair)

Bolton: Councillor Susan Haworth
Bury: Councillor Mary Whitby
Manchester: Councillor Luke Raikes
Councillor June Hitchen
Stockport: Councillor Kerry Waters
Tameside: Councillor Stephen Homer
Trafford: Councillor Barry Brotherton
Wigan: Councillor Charles Rigby
Councillor Michael Winstanley

In attendance

GMCA Councillor Richard Leese, Portfolio Lead for Economy
Simon Nokes, Executive Director Policy & Strategy
Gemma Marsh, Assistant Director Skills
Matthew Ainsworth, Assistant Director Employment
Joanne Heron, Statutory Scrutiny Officer, GMCA
Emma Stonier, Governance and Scrutiny Officer

E49/19 APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillor Mudasir Dean (Bolton), Councillor George Hulme (Oldham) and Councillor Daniel Meredith (Rochdale).

E50/19 APPOINTMENT OF CHAIR

Nominations were invited for the position of Chair of the GMCA Economy, Business Growth and Skills Overview and Scrutiny Committee for the 2019/20 Municipal Year. Councillor Michael Winstanley proposed Councillor Michael Holly and Councillor Barry Brotherton seconded the proposal. The Committee agreed that Councillor Michael Holly be appointed.

RESOLVED:

It was unanimously agreed that Councillor Michael Holly be appointed as Chair of the GMCA Economy, Business Growth and Skills Overview and Scrutiny Committee for the 2019/20 Municipal Year.

E51/19 APPOINTMENT OF VICE CHAIR
The Chair invited nominations for the position of Vice Chair of the GMCA Economy, Business Growth and Skills Overview and Scrutiny Committee for the 2019/20 Municipal Year. Councillor Michael Holly proposed Councillor Michael Winstanley and Councillor Susan Haworth seconded the proposal. The Committee agreed that Councillor Michael Winstanley be appointed.

RESOLVED:

It was unanimously agreed that Councillor Michael Winstanley be appointed as Vice Chair of the GMCA Overview and Scrutiny Committee for the 2019/20 Municipal Year.

E52/19 MEMBERSHIP FOR 2018/20

The Committee was asked to note its Membership for the 2019/20 Municipal Year.

<table>
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<tr>
<th>Members</th>
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<tbody>
<tr>
<td>Councillor Mudasir Dean, Bolton, CON</td>
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<td>Councillor Susan Haworth, Bolton, LAB</td>
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<tr>
<td>Councillor Michael Winstanley, Wigan, CON</td>
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Salford had now nominated Councillor Jim King who would be formally appointed at the June meeting of the GMCA.

RESOLVED:

That the Membership for the 2019/20 Municipal Year be noted.

E53/19 MEMBERS’ CODE OF CONDUCT AND ANNUAL DECLARATION OF INTEREST FORM

Consideration was given to a report that reminded Members that the GMCA’s Member Code of Conduct (Appendix 1 of the report) set out high expectations with regard to Members’ conduct. As Members of the GMCA’s overview and scrutiny committees are co-opted onto a GMCA Committee the GMCA’s code applied to them when they were acting in this capacity. Members were also reminded that they were required to complete an annual declaration of interest form, which would be published on the GMCA’s website.

RESOLVED:
Members noted the report and the GMCA’s Code of Conduct (Appendix 1 of the report) and agreed to complete an annual register of interest form (Appendix B of the report).

**E54/19 TERMS OF REFERENCE**

Members were provided with the Economy, Business Growth and Skills Overview and Scrutiny Committee’s terms of reference.

**RESOLVED:**

That the Committee’s terms of reference be noted.

**E55/19 DECLARATIONS OF INTEREST**

There were no declarations of interest received.

**E56/19 MINUTES OF THE MEETING HELD ON 12 APRIL 2019**

The minutes of the meeting held on 12 April 2019 were submitted for approval.

**RESOLVED:**

That the minutes of the last meeting held on 12 April 2019 be approved as a correct record.

**E57/19 WORK PROGRAMME**

Joanne Heron, Statutory Scrutiny Officer, introduced the 2019/20 work programme, provided for Members to develop, review and agree. The Committee agreed that further discussion in relation to the work programme would be undertaken in the induction session following this meeting.

**RESOLVED:**

That the work programme be noted and discussed further in the Scrutiny induction sessions.

**E58/19 GREATER MANCHESTER STRATEGY IMPLEMENTATION PLAN AND PERFORMANCE UPDATE**

Simon Nokes, Executive Director Policy and Strategy, GMCA introduced a report which provided Members with the latest six monthly update of the Greater Manchester Strategy (GMS) implementation plan and performance dashboards. It was explained that the update provided progress against the agreed delivery milestones and ambitions, and updated the outcome measures for each of the priorities within the GMS priorities. The updated plan also provided new delivery milestones at 6 and 12 months.

Key areas highlighted included:
• That GM had greater control over progress in some areas than others which were impacted more by national Government. GM would focus on those areas of slow progress within each priority and where they were able to have an impact on this.

• The following areas were highlighted as particular areas of focus: young people Not in Education, Employment or Training (NEETs); apprenticeships; welfare benefit and the number of people claiming unemployment benefits and economic indicators within priority 4 and the potential impact of Brexit on these.

Member’s comments and questions included the following:

• The reduction in apprenticeships numbers was highlighted and Members noted that it would be useful to receive further information on the GM Apprenticeship Action Plan. Officers noted that national policy had impacted on apprenticeships numbers and statistics in GM broadly aligned with the national picture. However, work was being undertaken at a GM level to monitor the situation and understand further the reasons for reductions.

The levy had impacted on numbers, although there had been an increase in higher level apprenticeships. The cost of apprenticeships had changed and the number of young people undertaking level 2/3 had decreased. Some of the work underway to improve numbers included; encouraging apprenticeship take up in SMEs; providing each Local Authority with a package of support and improving the quality and provision of apprenticeships. Public sector organisations were also pooling together resources to achieve economies of scale from the levy. Officers would share the action plan with the Committee following the meeting.

• The GM approach to managing Welfare Reform was raised and clarification was sought about whether GM intended to request further devolution from Government under the comprehensive spending review. GM already had employment support devolution and the working well programmes were highlighted in relation to this. Initial devolution of employment support and health had been extended to other groups including early help for people at significant risk of falling out of work. In addition, a programme of employment support for people with learning disabilities and autism would be launched later this year.

GM was also working on two new Working Well Programmes focusing on in work progression and support for the self-employed. It was noted that universal support and claimant advice was currently being reviewed which aimed to develop proposals for Government around future funding, following the end of the current Citizen’s Advice Bureau funding arrangements in March 2020.

A more localised approach to the managed migration of people on employment support to universal credit would also be discussed with Government. Councillor Richard Leese stated that the GM Independent Prosperity Review had looked at health and productivity and this would be picked up further in the Local Industrial Strategy (LIS) Implementation Plan. The GMCA had also recently launched their Public Service Reform (PSR) White Paper around the integration of public services which included the ability to get people back into work.
• What were the differences between the GM, West Midlands and Oxford/Cambridge Local Industrial Strategies and why was it felt that the GM LIS was the best roadmap for GM? The Committee were informed that the Oxford/Cambridge LIS had not been published and that there was currently no timeline for publication of this. It was felt the GM LIS was distinctive in its approach due to the undertaking of the Independent Prosperity Review and the proposals/recommendations which had come out of this. This also meant there had been an emphasis on the evidence base and innovative/challenging ideas.

The West Midlands LIS reviewed all sectors of the economy, whereas the GM LIS focused on four sectors where GM had recognisable global strengths. Additionally, it looked at where GM could contribute to UK economy growth and identified issues/challenges to unlocking growth. It was also emphasised that the fact it had been developed jointly with Government was a crucial strength.

• Internet connectivity across GM was discussed. It was stated that within some areas of GM residents still struggled to access a basic internet connection. The Committee were informed that a programme for upgrading to fibre broadband had taken place in 8 of 10 local authorities within GM (Manchester and Salford had been excluded as they were classed as urban areas). Furthermore, the £23m fibre connectivity programme of funding, from the Department of Culture, Media and Sport, was due to be rolled out soon. This would connect public sector premises across GM and covered all 10 local authorities.

A GM Prospectus outlining a common approach to the way fibre was to be laid across the whole of GM was also under development. It was expected that this would encourage commercial companies to invest in fibre more rapidly, as some of the barriers to laying infrastructure would be removed. The Committee were also informed that rules around state aid needed consideration.

• The indicator for the proportion of KS2 children expected to meet national standards around reading and maths was green, however by KS4 21.2% secondary school pupils had fallen below the national standard. Members asked whether the reasons behind this drop between primary and secondary school were understood and if so was any action being implemented to encourage a reversal of this trend? GM did not have control over schools as this was a national policy area. It was also a very complex issue and it was difficult to identify the underlying causes of this drop off. School improvement was also an area which sat with the Regional Schools Commissioner.

The GMCA Bridge GM programme was designed to raise ambitions in schools by linking businesses with schools. However, GM recognised that the way in which it engaged with schools needed further work, to identify if there was any wrap around support which could be offered to secondary schools and to ensure that pupils progressed and attained national standards.

Work was needed with Local Authorities and the Department for Education (DfE) to understand the reasons behind this and what could be done to help schools achieve national standards. Education was not under the CAs remit but work was taking place across the 10 authorities through the Children’s Board.
The Independent Prosperity Review had found a significant variation in educational provision in GM and a focus would be to drive consistency in provision within and between local authorities. The LIS also provided GM with a 9-month engagement opportunity with the DfE and consistency in educational standards could form part of these conversations. The Committee requested that an item around schools and progression between KS2 and KS3 be added to the work programme for 2019/20.

- Members asked if more detailed data around school performance within individual local authorities was available. All the dashboard data was included in online in the interactive package tableau. This included datasets which drilled down to borough/ward level. The Committee were informed that if required additional data could be accessed.

- Members queried whether variations in standards between schools could be impacted by teaching staff/school leadership. Overall it was felt well led schools performed better, however there were currently no systems in place which enabled effective interventions to be assessed and translated to other schools.

- Members asked how many schools/colleges in GM had the Bridge GM programme engaged with? It was reported that 174 out of 234 secondary schools/sixth form colleges had been engaged in GM. A plan was in place to reach full coverage by December 2019.

- Questions around NEET data (pg. 47) were raised as it appeared that the data presented did not add up. Officers confirmed that these figures would be clarified and provided to the Committee.

- Members asked what the proposed lane rental scheme referred to within actions around improving performance of the transport network? It was confirmed this was related to passing on costs associated with roadworks to companies.

**RESOLVED:**

1. That overall progress towards the achievement of the GMS 2020 ambitions and targets be noted.

2. That the updated GMS implementation plan and performance dashboard detailed at Annex A of the report be noted.

3. That the GM Apprenticeship Action Plan be circulated to the Committee.

4. That an item around school standards and transition between KS2 and KS3 be scheduled into the work programme for 2019/20.

5. That clarity be provided to the Committee around the NEET figures provided on pg.47 of the report.

**E59/19**

**DATES OF FUTURE MEETINGS**
Members were provided with a proposed schedule of dates and times for 2019/20 meetings of the Committee. The majority of meetings will be held on the second Friday of the month from 2.00 – 4.00pm. Currently there are no meetings scheduled for August or April.

RESOLVED:

That the following dates/times of future meetings be agreed:

- Friday 12th July 2.00 - 4.00pm
- Friday 13th September 2.00 – 4.00pm
- Friday 11th October 2.00 - 4.00pm
- Friday 8th November 2.00 – 4.00pm
- Friday 6th December 2.00 – 4.00pm
- Friday 10th January 2.00 - 4.00pm
- Friday 7th February 2.00 – 4.00pm
- Friday 13th March 2.00 – 4.00pm

E60/19 GM WORK & SKILLS PROGRAMME UPDATE

Members noted the report of Councillor Sean Fielding, Portfolio Lead for Education, Skills, Work & Apprenticeships that provided Members with an update on the progress of key work and skills priorities in GM and development work underway to refresh the skills and work plan, in light of the Independent Prosperity Review findings and the emerging Local Industrial Strategy.

RESOLVED:

That the report be noted.

E61/19 BREXIT MONITOR

RESOLVED:

That the Brexit Monitor be noted.

E62/19 DATE AND TIME OF NEXT MEETING

Friday 12 July 2019, 2.00 – 4.00pm, Boardroom, GMCA Offices, Churchgate House, Oxford Road, Manchester, M1 6EU
2019/20 WORK PROGRAMME
FOR ECONOMY, BUSINESS GROWTH AND SKILLS SCRUTINY

The table below sets out the Economy, Business Growth & Skills Scrutiny’s work programme for the full meeting for Members to develop, review, and agree. This is a ‘live’ document and will be reviewed and, if necessary, updated at each meeting to ensure that the Committee’s work programme remains current.

For information items taken previously to Economy, Business Growth & Skills Scrutiny in 2018/19 are listed in appendix 1.

The Committee receive the GMCA’s monthly Brexit Monitor, and will also be circulated with the GMCA’s register of key decisions whenever it is updated and the GMCA’s monthly decision notice.

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<thead>
<tr>
<th>MEETING DATE</th>
<th>TOPIC</th>
<th>CONTACT OFFICER</th>
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<tbody>
<tr>
<td>12th July 2019</td>
<td>GM Local Industrial Strategy (LIS)</td>
<td>John Holden</td>
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<td>Implementation</td>
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<td>Skills Investment</td>
<td>Gemma Marsh</td>
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<td>Pankhurst Institute Proposal</td>
<td>John Holden</td>
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<tr>
<td>13th September 2019</td>
<td>Culture Programme</td>
<td>Alison Gordon</td>
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<td>Digital &amp; Creative Investment</td>
<td>Alison Gordon/ Phil Swan</td>
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<td>11th October 2019</td>
<td>Work and Skills with a focus on Apprenticeships</td>
<td>Gemma Marsh</td>
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<tr>
<td>8th November 2019</td>
<td>GM Strategy Update</td>
<td>Simon Nokes</td>
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<td>Innovation (linked to LIS)</td>
<td>Simon Nokes</td>
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<td>Attendance of LEP</td>
<td>David Rogerson (Mike Blackburn)</td>
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<td>6th December 2019</td>
<td>Work and Skills (Transition Points KS2)</td>
<td>Gemma Marsh</td>
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<td>Attendance of Growth Company</td>
<td>Steven Heales / John Holden</td>
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<td>10th January 2020</td>
<td>Women’s Employability</td>
<td>Amy Foots</td>
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<tr>
<td>14 June 2019</td>
<td>GM Strategy Update</td>
<td>Simon Nokes</td>
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Items considered in at previous meetings
## Appendix 1 - Items considered in 2018-19 by the Committee

<table>
<thead>
<tr>
<th>Date</th>
<th>Topics</th>
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| 12.04.19 | ● Business  
            ● Science                                                                |
| 15.03.19 | ● Mayoral Update  
            ● Women’s Employability/Equalities  
            ● GM Cultural Strategy  
            ● HMT Skills Pilot  
            ● Adult Education Budget Grant Agreements and Contracts  
            ● GM Careers Application Platform  
            ● Local Industrial Strategy – Presentation |
| 08.02.19 | ● Skills and Employment  
            ● Draft Employment Charter  
            ● Full Fibre Programme  
            ● Local Industrial Strategy (Statement of intent) |
| 11.01.19 | ● Digital  
            ● Welfare Reform & Work and Health  
            ● Skills Capital |
| 17.12.18 | ● Brexit  
            ● Culture  
            ● Internationalisation |
| 16.11.18 | ● Skills/Employment  
            ● Industrial Strategy/ Devolution  
            ● Mayor of Greater Manchester Andy Burnham  
            ● GMS 6 Month Update and refresh of implementation plan |
| 12.10.18 | ● Northern Powerhouse  
            ● AEB Procurement  
            ● Work and Skills Underspend |
| 21.09.18 | ● Business  
            ● Science  
            ● Local Industrial Strategy |
| 17.08.18 | ● Culture  
            ● Digital |
| 13.07.18 | ● Brexit  
            ● GM Internationalisation Strategy Implementation Plan Update  
            ● Local Enterprise Partnership (LEP)  
            ● Digital Full Fibre  
            ● Welfare Reform |
| 08.06.18   | Manchester Airport Economic Impact as a significant asset  
|           | Low Pay/Report on Task and Finish Group ‘A Fair Economy and Fair Wages’  
|           | Adult Education Budget  
|           | Amendment to Skills Funding  
|           | LGF Application – Skills Capital |
ECONOMY, BUSINESS GROWTH AND SKILLS OVERVIEW AND SCRUTINY COMMITTEE

Date: 12th July 2019
Subject: Greater Manchester Local Industrial Strategy Implementation
Report of: Sir Richard Leese, Portfolio lead for Economy, and Jim Taylor, Portfolio Chief Executive for Economy

PURPOSE OF REPORT

Greater Manchester has been one of three designated trailblazer areas working in collaboration with government to develop a Local Industrial Strategy. This strategy was jointly launched with Government on 13th June 2019. This report provides an update on planning for the implementation of the Greater Manchester Local Industrial Strategy in 2019/20.

RECOMMENDATIONS:

Members are asked to:

1. Note the joint sign off and launch of the Greater Manchester Local Industrial Strategy.

2. Comment on the proposed governance arrangements for implementing the Greater Manchester Local Industrial Strategy in Greater Manchester.

3. Comment on the priority actions to be initiated in 2019/20.

4. Give a view on which of the GM LIS 2019/2020 priority actions, within their remit, that they would like to consider in more detail during the year

CONTACT OFFICERS:

Simon Nokes, Executive Director of Strategy & Policy, GMCA
simon.nokes@greatermanchester-ca.gov.uk

John Holden, Assistant Director Research & Strategy, GMCA
john.holden@greatermanchester-ca.gov.uk
Lisa Dale-Clough, Head of Industrial Strategy, GMCA
lisa.dale-clough@greatermanchester-ca.gov.uk

Risk Management – n/a
Legal Considerations – n/a
Financial Consequences – n/a
Financial Consequences – n/a

Number of attachments included in the report: 1 (Greater Manchester Local Industrial Strategy)

BACKGROUND PAPERS:

1. **BACKGROUND**

1.1. The 2017 Autumn Budget agreement between the GMCA and Government (HMG) set out that the Greater Manchester’s Local Industrial Strategy (GM LIS) will reflect the main themes of the national Industrial Strategy, but also take a place-based approach to build on the area’s unique strengths and ensure all people in GM can contribute to, and benefit from, enhanced productivity, earnings and economic growth.

1.2. Over the past 16 months, Greater Manchester has followed a process made up of three interlinked strands:

   - **Developing the evidence-base.** An independent review panel – the Greater Manchester Independent Prosperity Review – was established to provide a robust and independently verified evidence base. The Review was formally launched at events in Manchester (8th February) and London (5th March), attended by over 400 people.

   - **Consultation.** A broad consultation exercise was undertaken to ensure a high level of input from local and national stakeholders, including businesses, local authorities, CVSE representatives, and universities and colleges. This included a formal six-week consultation period in the Autumn, where more than 20 events were held, getting input from more than 500 stakeholders, which resulted in over 120 written responses to the online consultation document.

   - **Joint policy development work.** Joint work with districts, GM stakeholders and Government departments developed policy options, linked to the national industrial strategy, to respond to GM’s unique assets, opportunities, and challenges.

1.3. The GM Local Industrial Strategy was officially launched with the Secretary of State for Business, Environment and Industrial Strategy, Greg Clark MP, on 13th June at an event in Manchester with over 150 people in attendance. The strategy is now available on the HMG website as well as the Greater Manchester Local Enterprise Partnership website and GMCA websites, reflecting its joint ownership.

2. **IMPLEMENTATION AND GOVERNANCE**

2.1. The implementation of the GM LIS is a core priority for the GMCA and other partner organisations in the city-region. An Implementation Plan is currently being developed, working closely with the Cities & Local Growth Unit, who are leading the development of Local Industrial Strategies in Whitehall. It is expected that this will be agreed with government by the end of 2019. The full Implementation Plan will set out for each action the lead organization and individual, supporting organisations, quarterly milestones, and a RAG rating against progress.
2.2. It will be critical that districts are at the heart of the implementation and it envisaged that the GM Growth Board\(^1\) – which is chaired by the Deputy Mayor for Business/Economy and its membership includes the economic development (or similar) portfolio holder member for each of the 10 GM districts – will have joint accountability for implementing the strategy, alongside the GM Local Enterprise Partnership\(^2\) (GM LEP). The directors of place group (which is made up of the 10 Place Directors or similar from each district) acts as advisors to the Growth Board and will take a lead on ensuring that actions taken forward at a district and GM level are coordinated. This will ensure strong district input and leadership of both the development of the Implementation Plan and delivery thereafter.

2.3. Subject to endorsement by the GMCA, the governance arrangements will include:

- the Greater Manchester Local Enterprise Partnership (GM LEP) and the Greater Manchester Growth Board will have joint accountability for implementing the strategy.
- The GM LEP will be responsible for providing strategic leadership and challenge; overseeing key initiatives, and ensuring strong links with the private sector. Each member of the GM LEP will be asked to lead on a particular theme within the GM Local Industrial Strategy, working with appropriate GM officers.
- Following approval of the LIS Implementation Plan by the GMCA, it is envisaged that the Greater Manchester Growth Board will oversee: overall decision-making on behalf of the GMCA; coordinating Local Authority implementation; ensuring policy alignment across themes, working with other relevant Boards and Committees (for instance those that cover skills, infrastructure and low carbon); and integrating the priorities in the GM Local Industrial Strategy with key investment portfolios.
- A LIS Programme Delivery Executive will also be established, chaired by the GMCA Lead Chief Executive for Economy/Business, and made up of lead officers from the GMCA and key delivery organisations. Topic specific sub-groups will be established as appropriate to ensure that key priorities are progressed.
- The GMCA Executive Director for Policy and Strategy will act as the Senior Responsible Officer (SRO) with overarching responsibility for LIS implementation and will sit on the LIS Programme Delivery Executive.
- Discussions are underway with Government to identify appropriate lead officers both in terms of overall programme governance and individual actions, details of which will be included in the Implementation Plan.

2.4. The Strategy text commits Government and Greater Manchester to an annual review of progress against the Implementation Plan, with an annual review meeting of a joint governance body.

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\(^1\) The GM Growth Board provides strategic leadership in the development, delivery and monitoring of GM’s economic development and growth agenda, including oversight of GM investment funding streams. It is chaired by the Deputy Mayor for Business/Economy and its membership is made up of the economic development portfolio holders from the 10 GM districts, representatives from the LEP, and senior officers from the GMCA, TfGM, and Growth Company.

\(^2\) Greater Manchester’s Local Enterprise Partnership is a private-sector led, voluntary partnership whose core function is to provide strategic leadership (alongside the GMCA) to deliver the conurbation’s growth ambitions. It has fifteen members, eleven non-local authority members and four representing the GMCA.
Government and Greater Manchester Implementation Group. This Group will be comprised of senior officials from across government and Greater Manchester. Membership has yet to be defined but it will include: the GMCA Lead Chief Executive for Economy/Business, the SROs from Greater Manchester and Government, and Lead Officers for particular themes and actions.

2.5. An overarching process evaluation will also be commissioned by the GMCA and the results will be presented annually to the national Industrial Strategy Council, which is chaired by Andy Haldane (the Bank of England’s Chief Economist). In 2019/20 Greater Manchester needs to define our local evaluation and monitoring arrangements and plan ongoing research requirements, as well as clarify national expectations and support for evaluation, including whether there will be a national evaluation programme.

3. PRIORITY ACTIONS IN 2019/20

3.1. The Greater Manchester Local Industrial Strategy includes a wide range of cross-cutting activity that will contribute to achieving the strategic priorities and outcomes it contains. This includes activity that is already underway (which may or may not need to undergo some degree of alignment), actions that require new activity to be initiated in the near-term, and other actions that will come on stream later in the implementation of the strategy.

3.2. Annex 1 sets out the main, non-business as usual, actions that were included in the GM LIS. It is expected that the full Implementation Plan will be finalised and agreed with Government in Autumn 2019. A key priority for 2019/20 will be embedding the strategy in Greater Manchester’s governance framework, decision-making mechanisms, and the planning processes of delivery partners.

3.3. Again, a core feature of our approach will be the bottom-up approach to working with districts to identify the key actions that will be progressed to implement the GM LIS, both at a district level and a GM level. Work is already underway, led by the Directors of Place group (which is made up of the 10 Place Directors or similar from each district), to develop tailored local responses to the GM LIS based on the specific opportunities and barriers in each locality, and to coordinate Greater Manchester and district level implementation across different policy areas.

3.4. Initial work with districts, Government and local stakeholders has identified a number of non-business as usual actions where there is a need to make rapid progress working in partnership with HMG. It is proposed that these actions are prioritised in 2019/20. Further information on the priority actions in the GM LIS in 2019/20 is provided below:

- **Innovation Partnership on Healthy Ageing:** Government and GM have agreed to create an ‘Innovation Partnership’ on healthy ageing to develop a robust innovation pipeline to deliver against local and national priorities and enable national Government to capitalise on GM’s health innovation and ageing ecosystem. The Partnership Board will comprise representatives from Greater Manchester Health and Social Care Partnership, Health Innovation Manchester, Ageing Hub, universities, BEIS, DHSC, the Office for Life Science,
and UKRI. Supporting this partnership, is the proposal to establish an International Centre for Action on Healthy Ageing (ICAHA) to accelerate systemic change across health and care for ageing by using a pipeline of successful testing, roll-out and system-wide adoption to drive innovation that meets local and national needs and can be commercialised internationally.

- **GAMMA:** Greater Manchester will establish a new alliance to drive faster commercialisation of graphene and 2D materials, and other materials innovations across a wide range of sectors as represented in the local manufacturing base. The Greater Manchester Graphene, Advanced Materials and Manufacturing Alliance (GAMMA) will develop the city-region’s advanced materials and manufacturing strategy, and address gaps in the commercialisation and diffusion ecosystem for graphene, advanced materials and industrial biotechnologies – based on independent research on the lessons learned from the graphene commercialisation experience so far. GAMMA will be led by a board with representatives from Greater Manchester’s universities, government, the Local Enterprise Partnership, GMCA, the Growth Company (Business Growth Hub and MIDAS), UKRI and the private sector. GAMMA will invite a strategic relationship with the Advanced Materials Leadership Council, providing a mechanism to coordinate local and national activity in collaboration with other UK centres of excellence, such as the University of Cambridge’s Graphene Centre, the CPI’s Graphene Application Centre and the NPL’s National Graphene Metrology Centre.

- **Digital Broadcasting and Skills Fund:** Greater Manchester will consider creating a fund to both grow local, regionally based independent production companies and attract larger scale TV, film and drama content production companies to relocate to the city-region (subject to approval by the Combined Authority). This would, in turn, be supported by a hub and spoke network to support apprenticeships, internships, work placements and graduate recruitment in TV, film and drama content production. This would improve access to employment in content production for talent from diverse communities and those furthest away from the labour market.

- **Digital Data Review:** Greater Manchester will initiate a review of local data to identify and address barriers to making this data openly available for re-use to stimulate open innovation and productivity improvements (including in public services). The process will identify willing partners and data owners for open data initiatives, including real-time big data owner. The assumption behind the review will be that data that can be made available should be made available, unless it is prohibitively expensive or not appropriate to do so (for legal, commercial or security reasons). The review will include an open consultation with the public to allow citizens, businesses and other stakeholders to present their own suggestions. Government will continue to provide policy support on design and best practice around open data, and available data sources. The review will report by the end of 2020.

- **International Creative and Digital Showcase:** Government will work with Greater Manchester and trailblazing digital and creative companies in the city-region to promote a locally funded biennial international event that showcases the best of Greater
Manchester’s digital and creative industries, providing platforms for artists, musicians, makers, designers, coders and developers to promote products and content around the world. The event will be supported by a wider programme and digital platform to curate and promote conversations, approaches and products unique to Greater Manchester. A three-day pilot of this event - “Distractions” - will take place in summer 2019 as part of the Manchester International Festival.

- **Establishing the Clean Growth Mission**: the Greater Manchester 5-year Environment Plan sets out the first steps towards defining the mission projects Greater Manchester will need to launch to drive the coordinated innovation required to achieve the 2038 target. Priorities for 2019/20 will be to continue developing the mission model with University College London and embedding this model within Greater Manchester. This will include work to understand the financial and governance capacity required at local level to effectively manage a ‘mission’ at the city-region scale including the local powers, structures and planning capacity required.

- **Post-16 Skills, Education and Work Partnership**: 2019/20 will see the instigation and completion of the joint-partnership agreed in the Greater Manchester Local Industrial Strategy to review the post-16 education, skills and work system. The Partnership is scheduled to report back to the GMCA, Mayor and Secretaries of State within nine months of the GM LIS launch (i.e. by end of March 2020). An officer Partnership Board has been established, which will meet every six weeks to monitor and guide programme delivery.

- **A Single Infrastructure Plan and Board**: Greater Manchester has agreed a city-region integrated infrastructure strategy, which now needs to be converted into a plan, under the direction of the Greater Manchester Strategic Infrastructure Board. Government has agreed to join this board, and the recruitment of appropriate Officer(s) from Government should take place in summer 2019. Greater Manchester has also committed to reviewing its institutions, structures and processes to deliver major infrastructure projects.

- **A programme of action for transport innovation**: Greater Manchester and government have agreed to develop a joint programme of action for transport innovation to identify the necessary locally-led changes needed to drive and shape innovation-led transport improvements. Transport for Greater Manchester and the government’s Future of Mobility team have committed to working together to bring together the right set of stakeholders and private and local investors for transport innovations, exploring new technologies and governance models, and potentially trialling them in Greater Manchester. Greater Manchester has already submitted a bid to the Future of Mobility Industrial Strategy Challenge Fund call for ‘Future Mobility Zones’ as a means of underpinning the foundations of the digital mobility ecosystem in the city-region (summer 2019 submission). Joint activity is required in 2019/20 to scope out this programme of innovations with Government.

- **Management and leadership skills**: a programme of work at Greater Manchester level is needed to understand how to address the deficit in management and leadership skills amongst GM businesses identified in the Independent Prosperity Review. This is likely to involve short term actions to better coordinate, align and promote access to existing provision as well as activity with a longer term focus to identify where new types of
intervention are needed, and their design. It is likely that a review to define requisite actions will need be required in 2019/20.

4. RECOMMENDATIONS

4.1. Recommendations appear at the front of this report.
ANNEX 1: SUMMARY OF MAIN ACTIONS IN THE GREATER MANCHESTER LOCAL INDUSTRIAL STRATEGY

<table>
<thead>
<tr>
<th>Action No.</th>
<th>ACTION</th>
</tr>
</thead>
<tbody>
<tr>
<td>HEALTH INNOVATION</td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>To spearhead the transformation of health and care systems to respond to the needs of an ageing population, GM and government will <strong>establish an Innovation Partnership around the Healthy Ageing Grand Challenge</strong>.</td>
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<tr>
<td>2</td>
<td>To link GM’s health and care innovation pipeline to global opportunities around healthy ageing, GM and government will <strong>establish an International Centre for Action on Healthy Ageing (ICAHA)</strong>.</td>
</tr>
<tr>
<td>3</td>
<td>GM will continue to use its devolved health and social care arrangements, excellence in health research and thriving life sciences and digital industries to <strong>act as a test-bed for large scale clinical and medical technology trials</strong>.</td>
</tr>
<tr>
<td>4</td>
<td>GM and government are working to <strong>create a city region test-bed to trial and diffuse close-to-market goods and services for older people</strong>. Independent work is underway, reporting in 2019, to define this opportunity.</td>
</tr>
<tr>
<td>ADVANCED MATERIALS AND MANUFACTURING</td>
<td></td>
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<tr>
<td>5</td>
<td>GM will <strong>establish a new alliance: GM Graphene, Advanced Materials and Manufacturing Alliance (GAMMA)</strong>. GAMMA will, based on independent research, develop and lead the implementation of the city region’s advanced materials and manufacturing strategy.</td>
</tr>
<tr>
<td>6</td>
<td><strong>Create a world class ‘Made Smarter’ ecosystem</strong> to support all local manufacturers to become leaders in the Fourth Industrial Revolution, capitalising on GM’s university strengths which include advanced materials (UoM), industrial digitalisation (MMU), robotics and AI (UoS) and materials (UoB).</td>
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<tr>
<td>7</td>
<td>Part of the development in the M62 North East Growth Corridor will be a <strong>new specialised Advanced Materials City</strong>, focused on accelerating opportunities in GM’s advanced materials manufacturing base.</td>
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<tr>
<td>8</td>
<td><strong>Create ‘Graphene City’ in the new innovation district at the former North Campus</strong> of the University of Manchester.</td>
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<td>DIGITAL, CREATIVE AND MEDIA</td>
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<tr>
<td>9</td>
<td>Consider <strong>creating a fund to both grow indigenous, regionally-based independent production companies and attract larger scale TV, Film and Drama content production companies</strong> to relocate to the city region.</td>
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<tr>
<td>10</td>
<td>GM will continue to <strong>support the development of digital and creative clusters across the city region</strong>.</td>
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<tr>
<td>11</td>
<td>Government and GM will work together to <strong>develop a robust digital skills pipeline</strong>, including through the £3m Digital Skills Pilot announced in 2018.</td>
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<tr>
<td>12</td>
<td>GM will <strong>establish closer ties with the new National Centre for Data Ethics and Innovation and Office for AI through a new GM Office for Data Analytics</strong>.</td>
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<tr>
<td>13</td>
<td><strong>Take a ‘Made Smarter’ approach to improve the productivity of all industries</strong> by encouraging the development, design, adoption and creative application of digital technologies, alongside skills development programmes.</td>
</tr>
<tr>
<td>14</td>
<td><strong>Initiate a review of local data</strong>. Government will continue to provide policy support on design, best practice, and available data sources. The review will identify willing partners and data owners - including real-time big data owners - to identify and unblock barriers to making this data openly available.</td>
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<tr>
<td><strong>15</strong></td>
<td>GM will work with trailblazing digital and creative companies in the city-region to <strong>develop an internationally significant bi-annual event that showcases the best of GM’s digital and creative industries</strong>, which government will promote.</td>
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<tr>
<td><strong>CLEAN GROWTH</strong></td>
<td></td>
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<tr>
<td><strong>16</strong></td>
<td>Establish the UK's first city region <strong>Clean Growth Mission</strong> for carbon neutral living within the GM economy by 2038, driving innovation, the creation of new technologies, improved resource efficiency, and improved quality of life.</td>
</tr>
<tr>
<td><strong>17</strong></td>
<td>Working with the UK Green Building Council and other building environment professionals in the city-region to <strong>test GM’s ambition that all new homes and commercial / industrial buildings should be net zero carbon by 2028</strong> - and see whether it can be achieved sooner.</td>
</tr>
<tr>
<td><strong>18</strong></td>
<td>Establishing a <strong>place-based whole system approach to energy supply and demand</strong> to create a local energy market and setting for integrating existing technologies with trials of new ones.</td>
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<tr>
<td><strong>19</strong></td>
<td>Establishing a <strong>Modern Methods of Construction and Design for Manufacture and Assembly centre of excellence in the city-region</strong>.</td>
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<tr>
<td><strong>20</strong></td>
<td><strong>Rapid action to provide relevant training</strong>, particularly in priority skills gap areas such as whole house deep retrofit.</td>
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<tr>
<td><strong>21</strong></td>
<td>Developing a <strong>programme to support businesses to accelerate the implementation of energy and material efficiency measures</strong> in the design and production of products and services.</td>
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<tr>
<td><strong>PEOPLE</strong></td>
<td></td>
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<tr>
<td><strong>22</strong></td>
<td>Explore opportunities to connect national and local post-16 skills and work policies in the city-region to deliver an effective offer for the 2.8 million citizens of GM. Within nine months, GM, the Department for Education and the Department for Work and Pensions will set out to the GMCA and DfE and DWP Secretaries of State the respective actions, both in the short and longer term, which all parties agree to take forward and move the joint working between GM and Government to the next stage.</td>
</tr>
<tr>
<td><strong>23</strong></td>
<td><strong>Align skills and work activity with health and care and other public services</strong>, in line with the recommendations of the Prosperity Review, recognising the links between good physical and mental health, employment and productivity.</td>
</tr>
<tr>
<td><strong>24</strong></td>
<td>GM, the Department for Work and Pensions, and the Centre for Ageing Better are exploring a new approach to <strong>employability support for older residents</strong> using a ‘test-and-learn’ approach.</td>
</tr>
<tr>
<td><strong>25</strong></td>
<td>Aligning the National Retraining Scheme with the GM Local Industrial Strategy.</td>
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<tr>
<td><strong>INFRASTRUCTURE</strong></td>
<td></td>
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<tr>
<td><strong>26</strong></td>
<td>A <strong>single infrastructure plan for GM</strong> that is developed with input from government and infrastructure providers, to ensure it meets both local and national priorities, and underpinned by a consensus to propel its delivery and success.</td>
</tr>
<tr>
<td><strong>27</strong></td>
<td>To ensure strong national input to the Plan, <strong>government will join the GM Strategic Infrastructure Board</strong>, which is overseeing its development.</td>
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<tr>
<td><strong>28</strong></td>
<td>GM will also review its <strong>institutions, structures and processes</strong> to ensure the city-region can continue to deliver successful integrated infrastructure programmes.</td>
</tr>
<tr>
<td><strong>29</strong></td>
<td>GM will subsequently <strong>explore options for achieving sources of sustainable, long-term local investment into infrastructure</strong>.</td>
</tr>
</tbody>
</table>
GM will continue working with government to improve the performance of GM’s transport system through greater local influence over rail services and stations, bus reform, trialling tram-trains, and regulatory reforms that complement the shift to cycling and walking, in the context of the Williams Rail Review.

GM will work to deliver the growth case for High Speed 2, and through Transport for the North the business case for Northern Powerhouse Rail and improvements to Manchester-Sheffield road links.

To identify the necessary locally-led changes needed to drive and shape innovation-led transport improvements, GM and government will develop a programme of activity for transport innovation to explore new ideas and bring together relevant stakeholders to collaborate with Transport for GM.

GM will continue to work with government to meet national targets of 100 per cent full fibre coverage by 2033 and full roll-out of 5G technologies by 2028, and to develop the right investment models and balance of public and private investment.

GM will continue to work with government and UKRI to maximise the impact of existing investments in innovation assets in the conurbation and incentivise private sector investment in R&D. We will work to increase the take-up and impact of research and innovation funding in GM, through bids into the Industrial Strategy Challenge Fund, the Strength in Places Fund, and other UKRI funds, as well as embed connections between Universities, businesses and public bodies.

GM will continue to reinforce its innovation ecosystem. This work will be coordinated by the GM Innovation Board. It will play a leading role in coordinating the public and private sector response to the GM Industrial Strategy, focused on the opportunity areas of health innovation, advanced materials, digital, creative and media, and clean growth.

GM will also work to identify and address gaps in the innovation funding ecosystem in the city-region to reduce financial barriers to private sector innovation.

To drive increased private sector investment into R&D, GM will also test new, and evaluate existing, routes for commercialising knowledge. This will include a pilot programme to develop a Cooperative Intellectual Property (IP) Bank.

To continue to build on the investments government and GM have already made in the Business Growth Hub, Government and GM will better coordinate business support programmes for increasing innovation and productivity, leadership and management, and supporting scale-ups to internationalise (as well as the wider business support offer available).

GM will also continue to rationalise regulation services to make access to advice and support simpler and easier for business, particularly regulations relating to innovation and exports.

GM will create a GM Global Prosperity Partnership model, which Government will promote.

The GM Good Employment Charter, which is being developed and implemented with employers and employees, will be another key lever for raising leadership and management amongst GM’s employers, improving productivity, wages and job quality in all sectors, particularly those that have not traditionally engaged with public-sector funded business advice.

By reforming the education, skills and training system, GM will also work with local universities to maximise the local impact of their excellent leadership and management training and development offer.

GM will also develop a plan for increasing the productivity of big sectors in the ‘foundational economy’, including retail, hospitality and tourism, and social care.
| 44 | GM has a strong embedded **Social Value procurement policy**, which is being updated to reflect Industrial Strategy objectives, including those relating to the foundational economy. |
| 45 | GM will continue to **create the optimum conditions for Social Enterprises to thrive** and grow productive and valuable careers, products and services, including support and advice on development and innovation. |

| PLACE |
| 46 | Each GM local authority has committed to setting out how the key issues identified in the GM Industrial Strategy interlink with opportunities and barriers in their locality, and to **develop action plans to coordinate GM and district level implementation** and to deliver real change in all parts of the city region. |
| 47 | GM will consider how the city region’s emerging public service reform model, supported by innovation funding and the Reform Investment Fund, can be put on a sustainable and long-term basis. |
| 48 | The government and GM will **agree an Implementation Plan** setting out clear milestones, deliverables, and timings for the actions set out in this strategy. |
| 49 | At a regional level, the GM Industrial Strategy will inform, and be aligned with, the government’s **Northern Powerhouse Strategy**, which is due to be refreshed in 2019. |
| 50 | GM and government will **put in place a comprehensive evaluation programme** for the Industrial Strategy. |
ECONOMY, BUSINESS GROWTH AND SKILLS OVERVIEW AND SCRUTINY COMMITTEE

DATE: 12th July 2019

SUBJECT: Skills Investment

REPORT OF: Cllr Sean Fielding, Portfolio lead for Education, Skills, Work and Apprenticeships

PURPOSE OF REPORT

Building on the sector approach for investment agreed by the GMCA in October 18 and supporting the Local Industrial Strategy focus on skills as a driver for growth, particularly at the higher technical level, this paper outlines an opportunity to align and enhance investment in these areas.

As set out in the LIS; GM needs to focus activity to increase productivity and reduce skills gaps in certain occupations. Investment needs to be bespoke and bring together innovative solutions that include high quality equipment to enhance learning and respond to skills gaps.

In reviewing the LGF spend as set out in a previous paper an opportunity has arisen to allocate £8m to develop a proposal for an investment pot for skills that will support the LIS sectors outlined below and also where appropriate bring this together with loan/equity sector investment funds to truly drive growth. There is also the potential to add further value to such a pot via other sources of funding for skills in particular those targeting of certain cohorts.

This paper sets out an approach that can bring forward innovative skills provision linked to employer needs and skills gaps building on a sector approach.

RECOMMENDATIONS:

Members are asked to:
Agree the proposed programme and priorities identified for an “Investment Pot for Skills” to go onto the GMCA in July 2019.  
*Any LGF changes are dependent on ability to switch capital to revenue.

CONTACT OFFICERS:
Gemma Marsh 07973 875378 Gemma.Marsh@greatermanchester-ca.gov.uk
Simon Nokes 0161 778 7005 Simon.Nokes@greatermanchester-ca.gov.uk

1. BACKGROUND

1.1. Skills is a driver for change and is needed at both ends of the growth & reform agenda; through Adult Education Budget, Work & Health Programmes we are supporting residents to upskill and enter & progress into higher learner or employment. But GM only has control over a small part of the overall system. Building on the IPR, through the Local Industrial Strategy GM, DfE and DWP have agreed to undertake a 9 month review of how the various parts of the work/skills system join up. This will lead to discussion/agreement on what actions/different ways of working need to be taken by each party to use the collective levers we have to achieve better outcomes from the system as a whole. However there will continue to be a limited amount of public investment for the higher level skills required for growth outside of an individual investing in themselves. This paper sets out an approach that can bring forward innovative skills provision linked to employer needs and skills gaps building on a sector approach.

1.2. Through the Local Growth Funding, there is the opportunity to use £8m to support skills provision that we are proposing is used to test new ways to articulate and fill skills gaps within the LIS sectors above. In particular we are proposing this will be used to tackle technical skills gaps – which is where most employers seem to report skills difficulties, which would have been the focus on the unsuccessful Institute of Technology bid, and where there is currently no other public source of skills funding. GMCA will also add value to this funding by aligning other resource that identified for skills to ensure a targeted approach for some cohorts of residents and to remove barriers to job entry or progression.

2. Independent Prosperity Review

2.1 Greater Manchester has some world-class strengths, particularly in Advanced Materials and Health Innovation as identified in the 2016 Cheshire East and Greater Manchester Science and Innovation Audit, and they have been confirmed in the Independent Prosperity Review. These are supported by other high productivity sectors, which, if not nationally unique, remain important strengths and include: manufacturing, digital and creative industries and professional services. These sectors are the focus for Greater Manchester’s Local Industrial Strategy.

3. Sectors of interest

3.1 The Local Industrial strategy recognises recommendations from the Prosperity Review to capitalise on the city region’s industrial and research strengths with sources of competitive advantage being focused in the following sectors:

- Establishing Greater Manchester as a global leader on health and care innovation, creating new industries and jobs, but also improving population health and extending healthy life expectancy. By focusing on health innovation assets, Greater Manchester will improve the health of the local population, enabling residents to fully participate in the economy, progress in their careers and age well.
• Positioning Greater Manchester as a world leading region for innovative firms to experiment with, develop and adopt advanced materials in manufacturing. New strategic sites for manufacturing activity have been identified in the Greater Manchester Spatial Framework, which will provide a step-change in the market offer for industrial sites and provide space for the large-scale production and manufacturing of advanced materials. This will act as a magnet for inward investment and spin-outs as well as skills.

• Building on Greater Manchester’s position as a leading European digital, creative & media city region. Building on the Investment in sectors approach already agreed by Leaders as well as the evidence developed around the growth in TV, Film & Drama in GM there is opportunity through this skills investment to drive talent in these areas into GM.

• Launching the UK’s first City Region Clean Growth Mission to achieve carbon neutral living in Greater Manchester by 2038. It is an opportunity for Greater Manchester to emerge as one of the leading green cities in the world, offering a high quality of life that attracts and retains skilled workers.

Science, Technology, Engineering & Maths (STEM) Skills

• GM’s growth sectors are underpinned by STEM skills and therefore we must create a talent pipeline for STEM where opportunities to develop skills and knowledge are available for all residents. To do this we need to enhance the current offer by developing higher-level technical skills provision for the benefit of current and future STEM industries, as well as our key growth sectors. This will create an agile and diverse workforce, which is flexible and responsive to developing technology and STEM needs.

By focusing on these four areas (underpinned by STEM) will also allow support for emerging sub sectors that genuinely suffer from gaps in skills but more importantly job vacancies that are hindering growth. As these new industries grow and flourish, they will create significant global competence and additional value in the economy of Greater Manchester and for the UK. Therefore it is imperative that we build a skills system that can meet the demand for these sectors.

4. Investment focus

4.1 Too many employers state ‘they can’t find the skills’ yet GM is home to only good or outstanding institutions and providers of skills provision. This mismatch is historic and GM is keen to ensure something different can be done through devolution and local investment.

4.2 Much of this mismatch is down to how the ‘system’ has been set up nationally, where there is limited flexibility to truly respond to the needs of both residents and employers. However the system does work very well for many and it is untrue to say that there is a skills gap in every area – hence the need to be more specific as proposed here. Many young people and residents gain
qualifications that stand them in good stead for future learning, however those skills may not clearly match the job need.

4.3 There is no one size fits all solution to addressing the skills gaps that employers face now, and will continue to face into the future, so a solution needs to bring together the key partners, in a local area. By improving coordination between employers, who can identify the roles they need to fill and the skills needed, and training providers, who can help design bespoke courses and work with training candidates, **this fund aims to support targeted training for specific roles in particular Level 4/5 technical skills as set out in the LIS.** We aim to make the fund as flexible as possible placing the onus on employers, providers (and any other relevant stakeholders) to devise provision including high quality equipment/facilities that they can both commit to that will use innovative approaches to meet both their needs.

4.4 GMCA is also keen to ensure there is focus on those groups who experience barriers to employment within certain sectors and that strong pathways are developed to ensure progression.

5. **Additional funding which will align and enhance**

5.1 It is important to utilise all potential funding sources to ensure best value for money; therefore it is proposed that a small allocation of around £500,000 of existing funding be aligned to this pot to focus activity previously set out to the GMCA in October 2018 for targeted support to remove barriers to apprenticeships and particular cohorts. By doing this and bringing funding together GMCA can ensure innovative models of skills provision linked to employment are designed for all residents.

5.2 **There is the opportunity to test this type of learning through the recently announced budget funding for a Digital Skills Pilot via DCMS. This funding will go live in late June and will pilot innovative models of skills linked to specific job roles & vacancies.** Also where appropriate it is proposed to use the skills provision outlined in this paper alongside the sector investment approach to loan/equity funds as set out in the recently updated GMCA Investment Strategy. Finally, if successful, it is proposed that this more targeted approach to tackling key skills gaps will be used to roll out to other sectors via future funding sources such as the UK Shared Prosperity Fund.

6. **Funding and delivery ambitions**

6.1 It is proposed that applications to the funding will demonstrate **a set of key features**
● Training provision is co-designed and brings employers/providers together to address local skills gaps in stated sectors. We expect that bids will demonstrate support and investment from both key parties e.g. match funding (cash or in-kind).

● An element of capital investment will be eligible

● The training offer is new and innovative in some way - for example through the delivery model, the combination and scope of training, the make-up of the partnership and/or through helping improve the diversity of the sector.

● Employers must be based in GM and the candidates supported should also be resident in one of those areas.

● Training should primarily be aimed at filling roles that would be considered specialist and/or at middle skill level or above. Note: funding should predominantly be allocated to the delivery of training provision but there is scope for funding to be provided for other elements e.g. pre-Bootcamp/apprenticeship/traineeship activity.

6.2 Employers should look to offer as a minimum guaranteed interviews to those candidates that satisfactorily complete courses
PURPOSE OF REPORT
This report updates members on the Full Business Case which has been put forward by the University of Manchester to the Local Growth Fund (LGF) for the Pankhurst Institute.

RECOMMENDATIONS:
The Pankhurst Institute business case meets the level required at Gateway 3 (Full Business Case) in GM’s Assurance Framework process agreed with Government for LGF funding and represents a good return on investment.

Members are asked to note that the GM Local Enterprise Partnership is being advised to approve the Pankhurst Institute business case (Gateway 3) at its July meeting. Subject to agreement at the July GMCA Board meeting, the GMCA (as the Accountable Body) would then issue a grant agreement to the University of Manchester.

The payment of the grant will be conditional on implementing the full business case (as submitted to GMCA and summarised in this paper), including delivery of the agreed match funding and outputs in terms of jobs created and grant income received.

CONTACT OFFICERS:
Simon Nokes, Executive Director of Strategy & Policy, GMCA
simon.nokes@greatermanchester-ca.gov.uk
John Holden, Assistant Director Research & Strategy, GMCA
john.holden@greatermanchester-ca.gov.uk

Risk Management – n/a
Legal Considerations – n/a
Financial Consequences (Revenue) – n/a
Financial Consequences (Capital) – £5m of Local Growth Fund capital expenditure (para 2.5)
1. BACKGROUND

1.1. On 23rd January 2017, Government confirmed GM’s third Local Growth Deal allocation would be £130m, the highest allocation in the North.

1.2. On 10th February 2017, the GM Local Enterprise Partnership (GMLEP) agreed the priorities for this Growth Deal funding. This was made up of:

- £40m for transport.
- £50m for skills capital.
- £20m for two priority science projects (International Screen School Manchester and The Pankhurst Institute).
- £5m for Cyber Security.
- £15m for the Productivity Programme.

1.3. As the Accountable Body for the GM LEP, the GMCA endorsed these priorities at its meeting on the 24th February 2017.

1.4. The GM LEP approved the gateway 1 (strategic business case) for the Pankhurst Institute at its meeting on 10th February 2017, which in turn was endorsed by the GMCA at its meeting on 24th February 2017. It was noted that further work was underway in defining the details around the Pankhurst Institute and that the project would be presented to the GM LEP and GMCA for approval once the full business case had been developed.

1.5. The University of Manchester have now submitted a Full Business Case for approval by the GM LEP and GMCA, following the process set out in the Assurance Framework agreed between GM and Government.

2. PANKHURST INSTITUTE PROPOSAL

2.1. The aim of this proposal is to establish a new Institute which will exploit the University of Manchester’s strengths in advanced materials, digital technology and precision medicine to drive health benefit, business growth, productivity-gain and employment in Greater Manchester (GM), filling a critical gap in the GM health innovation ecosystem.

2.2. The bid is led by the University of Manchester, who propose to work in partnership with Manchester Science Partnerships (MSP), Manchester University NHS Foundation Trust (MFT), and Health Innovation Manchester (HInM) to deliver the Institute. It is proposed to build on a planned MSP investment in CityLabs to create a complete and robust translational pathway – from basic technology research, through to economic impact and health benefit. Research and early translation activities of the Institute will be located in a refurbished and extended building on the University campus (the NatWest building), and later-stage translational and business engagement activities will be located in the CityLabs 4.0 development.
2.3. The Institute will provide a focus for interdisciplinary health technology research, engaging University experts from science, engineering and the humanities in applying materials and digital technologies to meet real healthcare needs and address market opportunities. It will draw on existing expertise at the University (notably MAHSC and UMIP), HInM and MSP to create a comprehensive package of support for translation, helping to avoid bottlenecks and discontinuities of support that currently prevent realisation of benefits.

2.4. The key objectives of the Pankhurst Institute will be to:

- **Objective 1**: accelerate the application of advanced materials and digital technologies to meet real healthcare needs and address market opportunities in the priority areas of the Local Industrial Strategy, by providing a focus for multidisciplinary health technology research within the University, engaging new participants from science and engineering, bringing to bear critical humanities expertise in behaviour change, digital trust, health inequality and innovation, and connecting with relevant partners and resources.

- **Objective 2**: catalyse health technology innovation and attract both highly talented staff and significant investment by creating a vibrant multidisciplinary health technology community, collocating key staff to facilitate new collaborations, developing a health-needs-driven research agenda, running a comprehensive programme of internal and external engagement events, and providing a clear point of contact for potential partners.

- **Objective 3**: develop a complete and robust translational pathway working closely with HInM, MSP and MFT to provide comprehensive support at all stages of the innovation journey, covering healthcare needs, health economics, early stage trials, regulatory approval, information governance, service organisation, and procurement – leading to solid value propositions, viable commercialisation plans, and new business opportunities, supported by tailored business-growth mentoring and access to investors.

- **Objective 4**: create a workforce with the capability and capacity to support business growth in health technology by developing talented individuals, through PhD programmes and research posts, with the breadth of technical knowledge and skills, experience of the translational pathway, and understanding of the health technology market necessary to drive health benefit and economic impact.

2.5. The University of Manchester is seeking £5m of Local Growth Fund investment, which will be matched by £7.2m of additional capital investment. £13.4m of revenue match will also be provided, resulting in a total project value of £25.7m. The partners providing match are made up of the University of Manchester (£14m capital and revenue), MSP (£4m capital), Alan Turing Institute (£1.5m revenue), and EPSRC/University (£1.1m revenue).

2.6. It is expected (conservatively) that 6 new academic members of staff and 20 existing members of staff will base their activities in the Pankhurst, and that they will attract new basic and translational grants that will fund post-doctoral research associates (54 FTE by year 9) and project managers (10.8 FTE by year 9). Based on a set of conservative assumptions the project delivers a public value return on investment of 2.5 to 1 over a 20-year period,

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1 Note that the numbers do not necessarily sum to this total due to rounding.
which is felt to represent good value for money given the type of investment being proposed. Note that investments that will not affect grant income directly have been excluded from the impact analysis, but they will contribute to the broader impact of the Pankhurst. It is anticipated that these investments will stimulate additional public value being generated (for instance through a more trained workforce, new businesses, inward investment and so on) but as they are difficult to estimate at this stage, they have been treated as qualitative benefits.

2.7. Due to the level of detail within the business case, all the criteria for a Gateway 3 (full business case) approval have been assessed to be passed and therefore it is recommended that funding should be approved and a grant agreement issued, subject to regular monitoring of progress to ensure that key milestones are met.

3. RECOMMENDATIONS

3.1. Recommendations appear at the front of this report.