

Item No. 6

GM LOCAL ENTERPRISE PARTNERSHIP BOARD

SUBJECT: LEP Funding 2017-18
DATE: 16th January 2017
FROM: Simon Nokes, New Economy

1. PURPOSE OF REPORT

- 1.1 In 2016/17, the LEP had a capacity budget allocation of £500K. LEP members will recall the 2016/17 budget was used as follows:
- £250K Capacity Funding – split between GM policy, strategy, research and media and the LEP website; and
 - £250k Strategic funding – split £150k GM Land and Property Programme, £95k Manchester Channel and £5k LEP Network.
- 1.2 The GM LEP has a confirmed budget of £500K for the 2017/18 financial year. £250K of this is capacity resource, for which match funding is required. The remaining £250K is strategic funding and does not require match.
- 1.3 This report sets out the proposed priorities for the use of the 2017/8 funding, as well as updating the LEP on progress on activity funded from 2016/2017 capacity budget.

2. RECOMMENDATIONS:

The GM LEP is asked to:

- i) Note progress on activity funded by LEP Capacity and Strategic Funding in 2016/2017:and
- ii) endorse the proposed use of the LEP capacity and strategic funding in 2017/2018 as set out in section 4

CONTACT OFFICER: Alison Gordon, New Economy

3. 2016/2017 LEP CAPACITY AND STRATEGIC FUNDING

3.1 As stated above, the 2016/17 LEP capacity funding was allocated by the Board on 10th March 2016 as follows:

- £250K Capacity Funding – split between GM policy, strategy, research and media and the LEP website; and
- £250k Strategic funding – split £150k GM Land and Property Programme, £95k Manchester Channel and £5k LEP Network.

3.2 The capacity funding has supported:

- the implementation of the devolution deal in relation to skills and employment, including the curriculum review and the ongoing development of an outcomes framework for future commissioning of devolved Adult Education Budget;
- development of the deep dives research programme;
- Supporting the development of the evidence base for the Greater Manchester Spatial Framework.
- The development of the Greater Manchester and Cheshire East Science and Innovation Audit
- The LEP website
- Proactive and reactive media engagement
- GM LEP social media presence and press office function

3.3 The strategy funding has supported:

- The development of masterplanning for key sites in GM
- Early progress on the GM Land Commission as part of the devolution deal.
- The development of activity through the Manchester Channel (further details on this are contained elsewhere on the agenda)

3.4 Further to this the LEP board received a report 10th November 2016 setting out a proposal for the regular review of the LEP's private sector membership.

3.5 The LEP Board agreed that Penna Plc recruitment consultants should be appointed to support the membership review under the direction of the Chair with full costs to be reported when available.

3.6 The total project costs of up to £30,000 are now available comprising consultant fees of £16,300 together additional media support of up to £13,700 if required.

3.7 At this stage it is likely there will be an underspend of 2016/17 funds allocated to the GM Land and Property Programme and it is proposed that the costs of the LEP Membership Review be met through this available funding with any remaining underspend being carried forward to support the continuation of activities as in previous years.

4. 2017/18 LEP CAPACITY AND STRATEGIC FUNDING

4.1 As last year, GM LEP has been allocated £250,000 of capacity funding. Other LEP areas use the capacity funding to fund officers. In previous years, the LEP agreed that due to the significant work required to implement devolution, and support further devolution asks, this funding should be used

to support delivery capacity. This need for capacity support remains for the 2017/2018 financial year. Therefore, in agreement with the Chair, it is proposed that funding is allocated as follows:

- £200k GM policy, strategy and research
- £50k media and website

This will be matched against GMCA staffing resources.

4.2 Activity in the following areas will be delivered for Greater Manchester, via GMCA in 2017/2018, for policy, research, evidence, and LEP support activity funding across GM priorities, at a cost of £200K, including:

- Research and evidence base - continue to lead GM analysis and evaluation activity linked to key elements of the devolution agreements, and deliver economic analysis to ensure GM remains at the forefront of current thinking and developments particularly at a time of economic uncertainty. This will include the BREXIT monitor and other BREXIT related activity, building on the deep dive evidence to support national industrial strategy development, research into specific sector needs (including manufacturing and internationalisation), driving inclusive growth and ensuring the GM evidence base covers the whole spectrum of the CA/LEP agenda.
- LEP support including attendance at LEP events and engagement with the LEP Network as well as supporting LEP members and board meetings.
- Skills, business, science and innovation policy development – prioritizing implementation and further development of GM skills policy on the back of the GM Devolution Deals. In addition, on the back of the GM and East Cheshire Science Audit, for GMCA to lead work, in partnership with the GM universities and GM LEP on wider science and innovation policy to support the commercialisation of the GM science base, including access to the recently announced £2billion national research and development fund.

4.3 The areas of support activity to be delivered via Marketing Manchester at a cost of £50K for media and website funding are:

- Proactive and reactive media – ongoing engagement with media to maximise the LEP's profile within the devolution agenda and increase the LEP's online profile and presence.
- LEP website - provision of digital resource to support maintenance, development, updating of content and new content for the gmlep.com
- Press office – provision of a responsive press office function to media enquiries, issuing press releases, providing quotes and statements from LEP spokespeople as relevant and see press coverage through events
- Social media - deliver social media strategy including twitter and blog posts

4.4 Again as previously, GM LEP has also been allocated £250,000 of strategic funding. LEP members need to determine how the strategic funding allocation is spent. In addition, it is anticipated there will be an underspend in the 2016/17 programme, taking the total to £302,000.

4.5 In discussion with the Chair and within the context of the review of the Greater Manchester Strategy, implementation of the GM devolution deals as well as uncertainty following the EU referendum the following priorities have

been identified, and subject to views of the LEP, it is proposed that the allocation is used as follows:

- Significant changes in the political and economic landscape over the last eighteen months now means that it is appropriate that GM reviews the Greater Manchester Strategy. These changes include the EU referendum result and the resulting uncertainty of the path out of the EU, the GM devolution deals, the Greater Manchester Transport Strategy, Climate Change Implementation Plan and the Spatial Framework amongst others. It is proposed that the LEP provides £120k to support the development of the Greater Manchester Strategy as well as continuing strategy development which will include engagement with Government as the BREXIT negotiations become clearer, developing further devolution thinking, and development of submissions to Government e.g. potential approaches to fiscal devolution.
- The ability to manage the use of public sector land is fundamental to the economic and physical growth of GM. The GM Land and Property programme will support the best and most efficient use of the public estate as well as developing the business cases for investment in land remediation measures for a number of strategically important sites across GM. It is proposed that the LEP provide £100k to support this activity (£52k rolled forward from 2016/7 and £48k from the 17/18 budget).
- The GM Internationalisation Strategy will be relaunched in March, with ambitious growth targets across the spectrum of international activities such as international trade, inward investment, tourism, education and route development. The development of growth markets such as India and China, both LEP priorities, is at a critical stage, with additional funding required to accelerate performance and the development of in-market infrastructure. This will in turn leverage additional private sector investment thus supporting the long term sustainability of the respective models. These markets are even more important to GM in a post-EU Referendum environment, in order to mitigate the future impacts of Brexit on GM's international aspirations. It is therefore proposed that the LEP provide £66k to MIDAS to support the India and China market specific initiatives.
 - £6K LEP Network
 - £5k Atlantic Gateway Board support
 - £5k LEP contingency for ad hoc activity including expenses

5. RECOMMENDATIONS.

- 5.1 The recommendations can be found at the front of this report