AGENDA CIRCULATED ON: Thursday 23 March 2017

DATE: Friday 31 March 2017
TIME: 11:45am
VENUE: Council Chamber, Bury Town Hall, Knowsley Street
Bury, BL9 0SW

Metrolink: Bury Metrolink stop

Public Wi-Fi Network: Choose BuryCouncilFreeWiFi from the options - no password is needed

AGENDA

1. APOLOGIES - attached

2. CHAIR’S ANNOUNCEMENTS AND URGENT BUSINESS

3. DECLARATIONS OF INTEREST - attached
   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 GMIST officer at the start of the meeting.

4. MINUTES OF THE GMCA MEETING HELD ON 24 FEBRUARY 2017 - attached
   To consider the minutes of the GMCA meeting held on 24 February 2017 as a correct record.

5. FORWARD PLAN OF STRATEGIC DECISIONS OF GMCA - attached

6. MINUTES
   A) GMCA STANDARDS COMMITTEE – 16 MARCH 2017 - attached
      Minutes of the Standards Committee held on 16 March 2017 for approval.
   B) TRANSPORT FOR GREATER MANCHESTER COMMITTEE – 17 MARCH 2017 - attached
Minutes of the Transport for Greater Manchester Transport Committee held on 17 March 2017.

C) GREATER MANCHESTER LOCAL ENTERPRISE PARTNERSHIP - 20 MARCH 2017 - attached
Minutes of the Greater Manchester Local Enterprise partnership held on 20 March 2017 for Members information.

7. CHALLENGING HATE AND BUILDING COHESION - attached

8. WORKING WELL – to follow
Report of Councillor Sean Anstee, Portfolio Lead for Employment & Skills and Councillor Peter Smith, Portfolio Lead for Health & Social Care and Theresa Grant Portfolio Lead Chief Executive for Employment & Skills.

9. GREATER MANCHESTER SUBMISSION TO THE ROYAL SOCIETY OF ARTS INCLUSIVE GROWTH COMMISSION - attached
Report of Councillor Jean Stretton, Portfolio Lead for Fairness, Equalities and Cohesion and Carolyn Wilkins, Portfolio Lead Chief Executive for Fairness, Equalities and Cohesion.

Appendices can be viewed from the following links to the GMCA Website:

https://www.greatermanchester-ca.gov.uk/meetings/meeting/322/greater_manchester_combined_authority

10. DRAFT GREATER MANCHESTER CONTINUITY OF SERVICE PROTOCOL - attached
Report of Tony Lloyd, GM Interim Mayor and Andrew Lightfoot, GMCA Deputy Chief Executive.

11. BREXIT MONITOR AND SPRING BUDGET - attached

12. NORTHERN POWERHOUSE PARTNERSHIP - attached

13. TRANSPORT FOR THE NORTH – ACCOUNTABLE BODY TRANSFER - attached

14. DEVOLVED TRANSPORT FUNDING, INCLUDING HIGHWAYS FUNDING UPDATE - attached

15. **LOCAL GROWTH DEAL (1 & 2) – 6 MONTHLY PROGRESS UPDATE** - attached

16. **GREATER MANCHESTER COLLABORATIVE WORKING IN THE DELIVERY OF HIGHWAYS SERVICES** - attached
   Report of Tony Lloyd, GM Interim Mayor and Portfolio Lead for Transport and Jon Lamonte, Chief Executive of Transport for Greater Manchester and Eamonn Boylan, Chief Executive, Stockport MBC.

17. **WORLD HEALTH ORGANISATION – BREATHE CLEAN CAMPAIGN** - attached
   Report of Tony Lloyd, GM Interim Mayor and Portfolio Lead for Transport and Jon Lamonte, Chief Executive of Transport for Greater Manchester.

18. **CORNBROOK HUB** - attached
   Report of Councillor Richard Farnell, Portfolio Lead for Planning and Housing and Eamonn Boylan, Portfolio Lead Chief Executive for Planning & Housing.

19. **GREATER MANCHESTER HOUSING INVESTMENT LOAN FUND - INVESTMENT APPROVAL RECOMMENDATIONS** - attached
   Report of Councillor Richard Farnell, Portfolio Lead for Planning and Housing and Eamonn Boylan, Portfolio Lead Chief Executive for Planning & Housing.

20. **GREATER MANCHESTER INVESTMENT FRAMEWORK PROJECT UPDATES** - attached

21. **EXCLUSION OF PRESS AND PUBLIC**

   To exclude the public from the meeting during consideration of the reports at items 22 & 23.

   That, under section 100 (A)(4) of the Local Government Act 1972 the press and public should be excluded from the meeting for the following item of business on the grounds that this involves the likely disclosure of exempt information, as set out in paragraph 3, Part 1, Schedule 12A of the Local Government Act 1972 and that the public interest in maintaining the exemption outweighs the public interest in disclosing the information.
22. GREATER MANCHESTER HOUSING INVESTMENT LOAN FUND - INVESTMENT APPROVAL RECOMMENDATIONS

Report of Councillor Richard Farnell, Portfolio Lead for Planning and Housing and Eamonn Boylan, Portfolio Lead Chief Executive for Planning & Housing.

23. GREATER MANCHESTER INVESTMENT FRAMEWORK AND CONDITIONAL PROJECT APPROVAL


Agenda Contact: D.Hall, GMCA Secretary
Sylvia Welsh
Democratic Services Team Manager
GMIST
Tel: 0161 234 3383
Email: sylvia.welsh@agm.gov.uk
GREATER MANCHESTER COMBINED AUTHORITY

31 March 2017

APOLOGIES

Part 5A, sections 3.1, 3A.1 and 3.2 of the constitution of the GMCA states that:

3.1 Each Constituent Council shall appoint one of its elected members to be a Member of the GMCA.

3.2 Each Constituent Council shall appoint another of its elected members to act as a Member of the GMCA in the absence of the Member appointed under sub-paragraph 3.1 above ("the Substitute Member")

3A.1 The GMCA may appoint an additional member of the GMCA, to be known at the Interim Mayor

Any substitute attending today is requested to confirm his/her attendance under this item.

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<thead>
<tr>
<th>Constituent Council</th>
<th>GMCA Member</th>
<th>GMCA Substitute</th>
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<tr>
<td>Bolton</td>
<td>Cllr C Morris</td>
<td>Cllr L Thomas</td>
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<td>Bury</td>
<td>Cllr R Shori</td>
<td>Cllr J Lewis</td>
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<td>Manchester</td>
<td>Cllr R Leese</td>
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<td>Oldham</td>
<td>Cllr J Stretton</td>
<td>Cllr A Jabbar</td>
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<td>Rochdale</td>
<td>Cllr R Farnell</td>
<td>Cllr A Brett</td>
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<td>Salford</td>
<td>Mr P Dennett</td>
<td>Cllr J Merry</td>
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<td>Stockport</td>
<td>Cllr A Ganotis</td>
<td>Cllr W Wild</td>
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<td>Tameside</td>
<td>Cllr K Quinn</td>
<td>Cllr J Taylor</td>
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<td>Trafford</td>
<td>Cllr S Anstee</td>
<td>Cllr A Williams</td>
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<td>Wigan</td>
<td>Cllr P Smith</td>
<td>Cllr D Molyneux</td>
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Donna Hall
Secretary
GMCA Meeting on 31 March 2017

Declaration of Councillors’ Interests in Items Appearing on the Agenda

NAME: ______________________________

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<thead>
<tr>
<th>Minute Item No. / Agenda Item No.</th>
<th>Nature of Interest</th>
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MINUTES OF THE MEETING OF THE GREATER MANCHESTER
COMBINED AUTHORITY, HELD ON FRIDAY 24 FEBRUARY 2017 AT
WIGAN TOWN HALL

GM INTERIM MAYOR  Tony Lloyd (in the Chair)
BOLTON COUNCIL  Councillor Cliff Morris
BURY COUNCIL  Councillor Rishi Shori
MANCHESTER CC  Councillor Richard Leese
OLDHAM COUNCIL  Councillor Jean Stretton
ROCHDALE MBC  Councillor Richard Farnell
SALFORD CC  City Mayor Paul Dennett
STOCKPORT MBC  Councillor Alex Ganotis
TAMESIDE MBC  Councillor Kieran Quinn
TRAFFORD COUNCIL  Councillor Alex Williams
WIGAN COUNCIL  Councillor Peter Smith

JOINT BOARDS AND OTHER MEMBERS IN ATTENDANCE

GMF&RS  Councillor David Acton
GMWDA  Councillor Nigel Murphy
TfGMC  Councillor Andrew Fender

OFFICERS IN ATTENDANCE

Margaret Asquith  Bolton Council
Pat Jones-Greenhalgh  Bury Council
Geoff Little  Manchester CC
Carolyn Wilkins  Oldham Council
Steve Rumbelow  Rochdale MBC
Jim Taylor  Salford CC
Eamonn Boylan  Stockport MBC
Steven Pleasant  Tameside MBC
Theresa Grant  Trafford Council
Donna Hall  Wigan Council
Ian Hopkins  GM Police
Peter O’Reilly  GM Fire & Rescue Service
Bob Morris  Transport for Greater Manchester
28/17 APOLOGIES

Apologies for absence were received and noted from Councillor Sean Anstee (Trafford). Councillor Alex Williams was in attendance in Councillor Anstee’s absence. Apologies were also received and noted from Mike Owen (Bury) and Jon Lamonte (TfGM).

29/17 CHAIR’S ANNOUNCEMENTS AND URGENT BUSINESS

a) Photo Call

Leaders and Chief Executives were reminded that a photo call in support of the #BeliveinHer initiative was to take place at the rise of the GMCA meetings.

30/17 DECLARATIONS OF INTEREST

There were no declarations of interest made by a Member in respect of any item on the agenda.

31/17 MINUTES OF THE GMCA MEETING HELD ON 27 JANUARY 2017

The minutes of the GMCA meeting, held on 27 January 2017 were submitted for consideration.

RESOLVED/-

That the minutes of the GMCA meeting, held on 27 January 2017 be approved as a correct record.

32/17 FORWARD PLAN OF STRATEGIC DECISIONS OF GMCA

Consideration was given to a report advising members of those strategic decisions that were to be considered by the GMCA over the forthcoming months.

RESOLVED/-

That the Forward Plan of Strategic Decisions be noted,
The Minutes of the Greater Manchester Local Enterprise Partnership held on 10 February 2017 were submitted for information.

RESOLVED/-

That the minutes of the GM Local Enterprise Partnership held on 10 February 2017 be noted.

ESTABLISHMENT OF AN INDEPENDENT REMUNERATION PANEL

Tony Lloyd, GM Interim Mayor, introduced a report which provided a briefing for Members on the current and prospective position concerning members’ allowances and to propose that the Monitoring Officer be given delegated authority to establish, in accordance with relevant statutory provisions, an Independent Remuneration Panel.

Members noted that the Remuneration Panel will be independent of any political members and would be established in line with current statute.

RESOLVED/-

1. That the current and prospective position in respect of members’ allowances be noted.

2. That authority be delegated to the GMCA Monitoring Officer the power, in consultation with the Interim Mayor, to establish, in accordance with relevant statutory provisions, an independent remuneration panel to make recommendations to the GMCA and to constituent councils in respect of allowances payable to:

   a) Members appointed to the GMCA;
   b) The Mayor of the GMCA; and
   c) Members of committees and sub-committees of the GMCA.

APPOINTMENT OF GMCA RETURNING OFFICER

Liz Treacy, GMCA Monitoring Officer, presented a report which proposed the appointment of Sir Howard Bernstein as the Combined Authority Returning Officer until 31 March 2017, with that appointment passing to Eamonn Boylan from 1 April 2017.

RESOLVED/-

1. That the appointment of Sir Howard Bernstein as the Combined Authority Returning Officer for elections of a Greater Manchester Combined Authority Mayor, until 31 March 2017 (inclusive) be agreed.
2. That the appointment of Eamonn Boylan, as GMCA Head of Paid Service as the Combined Authority Returning Officer for elections of a Greater Manchester Combined Authority Mayor, with effect from 1 April 2017 be agreed.

36/17 APPOINTMENT OF GMCA EXTERNAL AUDITORS

Councillor Kieran Quinn, Portfolio Lead for Investment Strategy and Finance, introduced a report which informed Members that the Local Audit and Accountability Act 2014 (the Act) at Section 7 states that a “relevant authority must appoint a local auditor to audit its accounts for a financial year not later than 31 December in the preceding financial year.” Members noted that current auditor contracts have been extended for 12 months and therefore, the appointment of an auditor for the Combined Authority must be completed by 31 December 2017 for the audit year 2018/19.

Members noted that at its meeting on 20th January, the GMCA Audit Committee considered a report and of the GMCA Treasurer regarding the decision by the Public Sector Audit Appointments Ltd Board (PSAAL) on the weighting to be attributed to Social Value in the contract award process and on the subsequent discussion by Greater Manchester Treasurers.

Extensive discussions with PSAAL had taken place over recent months, and Treasurers had been advised that a weighting in the tender evaluation of 5% would be attributed to Social Value and that it would be a discrete category rather than a smaller proportion within the Quality Assessment. Members noted that whilst this weighting was disappointing, it was felt that GM lobbying had been successful in getting this matter recognised as a relevant criterion and that the benefits of joining a collective procurement approach were apparent, both in terms of greater buying power and in minimizing the ongoing overhead of running a GM specific procurement process and contract monitoring through a GM Independent Audit Panel.

Members noted that for this reason, GM Treasurers have recommended to their respective Councils that they should each join the PSAAL collective procurement. In addition, the GMCA Audit Committee, having considered the discussion with PSAAL and the recommendation from Treasurers, agreed to recommend that the GMCA should also join the PSAAL sector-led procurement.

RESOLVED/-

That the recommendation of the GMCA/AGMA Audit Committee that the Combined Authority agrees to opt in to the sector-led PSAAL national procurement process be endorsed.
Councillor Kieran Quinn, Portfolio Lead for Investment Strategy and Finance, introduced a report which presented Members with a new Code of Corporate Governance. Members noted that this new Code presented the Greater Manchester Combined Authority’s (GMCA) arrangements for the current year only, and was responding to the substantially changed arrangements of the new CIPFA Local Governance framework published in 2016.

Members noted that this report was considered by the GMCA and AGMA Joint Audit Committee at its meeting on 20th January 2017 and resolved to recommend that the GMCA should adopt this new Code of Corporate Governance.

Councillor Quinn noted that 2016-17 is an important year for the GMCA as it prepares to take on significant new powers devolved from government, as set out in a series of devolution agreements. Members will recognise that the future governance of the combined area of Greater Manchester is currently subject to a series of Parliamentary Orders which will set out the new powers of the GMCA and the elected mayor (implementing GM’s devolution agreements). The GMCA’s new powers will come into force on 1 April 2017, and the mayoral powers on 8 April 2017. A new code for the GMCA will be produced in April 2017.

RESOLVED/-

That the adoption of this new Code of Corporate Governance for the Greater Manchester Combined Authority, as set out in the report, be agreed.

38/17 CHANGING LIVES THROUGH SPORT & PHYSICAL ACTIVITY

Councillor Peter Smith, Portfolio Lead for Health and Social Care, introduced a report which provided the GMCA with an update on the progress of work following the signing of the Memorandum of Understanding in July 2016 between the between Sport England, the GMCA and the NHS and seeking agreement to progress with the development of an Expression of Interest from Greater Manchester to Bid for the local delivery pilots scheme.

RESOLVED/-

1. That it be agreed that the GMCA sign off the mandate to move forward with a Greater Manchester Bid to the local delivery pilot investment stream.

2. That it be agreed that GreaterSport be mandated by GMCA to facilitate the connection between the GM Health and Social Care Partnership, the GMCA and the physical activity and sport sector and support production of the Expression of Interest (EOI).
3 That the GM Reform Board be requested to advise on and oversee the development of the Expression of Interest.

39/17 GREATER MANCHESTER BREXIT MONITOR

Councillor Richard Leese, Portfolio Lead for Economic Strategy, introduced a report which updated Members on the key economic and policy developments in relation to the UK’s decision to leave the European Union (EU). The latest edition of the monthly Greater Manchester Brexit Monitor is attached to provide a real-time view of the economic and policy impact of Brexit.

Members noted that although there was a degree of cautious optimism by GM firms, the full impact of Brexit was yet to be felt.

RESOLVED/-

That the February Brexit Monitor, as set out Appendix 1 to the report, be noted.

40/17 INDUSTRIAL STRATEGY – DEVELOPING A GREATER MANCHESTER RESPONSE

Councillor Richard Leese, Portfolio Lead for Economic Strategy, introduced a report which updated Members on the Government’s national industrial strategy consultation document published on the 23rd January. It outlines a suggested process for developing a comprehensive Greater Manchester response to the national industrial strategy aligned to the GMS refresh process. He said that developing a strategy was positive and in particular the stronger focus on Place was welcome. Our response still needs to be strong however to ensure that the Strategy remains aligned to our GM priorities and moves away from the silo approach of “one sector one place”.

RESOLVED/-

1. That it be noted that the consultation on the national industrial strategy is now on-going and the summary of key GM issues identified in this report.

2. That the development of the GM response as set out in section 4 to the report be agreed and that authority be delegated to sign off for GM’s response to the portfolio leads as set out in para 4.5 to the report .

41/17 GREATER MANCHESTER STRATEGY – CONSULTATION DRAFT

Tony Lloyd, GM Interim Mayor, introduced a report which presented a first draft of the refreshed Greater Manchester Strategy (GMS). Members noted that the GMS, originally produced in 2009 and revised in 2013, had been redeveloped to ensure that it reflects the things that GM residents, businesses and partners have identified as important to them through the public
conversation conducted throughout December 2016 and early January 2017. Members also noted that the refreshed GMS also repositions Greater Manchester’s strategic approach in the light of changes at a global, national and local level.

The report sought the GMCA endorsement of the draft GMS as a basis for beginning Phase 2 of the GM Strategy public conversation and proposed arrangements for the next phase of consultation are detailed in the report.

In welcoming the work on the refresh of the GMS, a Member suggested that the consultation process be deferred until after May 2017 to enable the Elected GM Mayor to oversee the development of the Strategy. In supporting this amendment, a Member recognised the need include links with Health and Social Care Plan to reflect the good work already going on in the districts and align the GMS with other GM and district work streams.

RESOLVED/-

1. That the draft GMS attached at Annex A to the report, be noted.

2. That it be agreed that the public consultation on the GMS be deferred until after the May 2017 Election to allow the GM Elected Mayor to oversee its development.

42/17 GROWTH DEAL – ROUND 3

Councillor Richard Leese, Portfolio Lead for Economic Strategy, introduced a report which informed Members that in 2016, local areas were invited to submit proposals for the third round of Local Growth Fund Deals, against a national pot of £1.8billion. Members noted that in the light of uncertainty regarding the impact of Brexit, and the future of the GM ESIF programme, GM submitted a proposal for £566.1m, with a reduced programme proposal of £410.051m. On 23rd January 2017, Government confirmed GM’s third Local Growth Deal allocation would be £130.08m, the highest allocation in the North.

Members noted that this report now set out details of the revised Growth Deal 3 priorities as agreed by GM Local Enterprise Partnership (GMLEP) at its meeting on 10th February 2017.

RESOLVED/-

1. That the Local Growth Fund Growth Deal 3 allocation for Greater Manchester be noted:

2. That the revised Local Growth Fund Growth Deal 3 priorities and spend approved by GM LEP on 10th February 2017 be endorsed.

3. That it be agreed that the GMCA Treasurer/Monitoring officer should finalise the terms of individual grant agreements.
LOCAL GROWTH FUND – GROWTH DEAL 3: INTERNATIONAL SCREEN SCHOOL MANCHESTER

Councillor Richard Leese, Portfolio Lead for Economic Strategy, provided Members with details on the International Screen School Manchester (ISSM) and outlines the way in which it will work and the impact it will have. The £15m Growth Deal 3 grant agreed by GM LEP will match the contribution being made by Manchester Metropolitan University.

Members noted that together this funding will be used to establish a new centre for business skills and innovation on Corridor Manchester, that will benefit the whole of the GM creative and digital supply chain.

RESOLVED/-

1. That the proposed plans and timescale for the development of the ISSM.

2. That the GM LEP approval of a grant of £15m of Local Growth Deal Funding 3, matched with £15m from Manchester Metropolitan University to develop the ISSM be endorsed.

3. That it be agreed that the GMCA Treasurer and Monitoring Officers should finalise the terms of the grant agreement.

LOCAL GROWTH FUND – PANKHURST CENTRE FOR HEALTH, TECHNOLOGY AND INNOVATION

Councillor Richard Leese, Portfolio Lead for Economic Strategy, introduced a report which sought Members endorsement of the Greater Manchester Local Growth Fund Round 3 priorities agreed by GM LEP on 10th February included a grant of £5m for Phase One preparatory work on the Pankhurst Centre. The Pankhurst Centre will be aimed at driving innovation in health, by strengthening the local science asset base.

Members noted that the grant of £5m of Growth Deal 3 funding would ensure that Phase One preparatory work could be commenced for the Pankhurst Centre (including, design, surveys, legal fees, and limited refurbishment of premises). This would ensure the Pankhurst Centre would be well positioned to bid for further significant funding from the new £2bn Industrial Strategy Challenge Fund (ISCF) to fully establish the facility. However, if such initial work is not funded and carried out then the Pankhurst will not be ready to seek further funds from the ISCF.

RESOLVED/-

1. That the proposed plans and timescale for the development of the Pankhurst be noted.
2. That the GM LEP approval of a grant of £5m of Local Growth Deal Funding 3 to support the project be endorsed.

3. That it be agreed that the GMCA Treasurer and Monitoring Officers be granted delegated authority to finalise the terms of the grant agreement, subject to approved business plan.

45/17 LOCAL GROWTH FUND 3 TRANSPORT FUNDING SETTLEMENT

Tony Lloyd, GM Interim Mayor and Portfolio Lead for Transport, sought the agreement of the Combined Authority to defer the consideration of this item.

RESOLVED/-

That the Local Growth Fund 3 Transport Funding Settlement report be deferred.

46/17 GREATER MANCHESTER LOCAL GROWTH DEAL - TAMESIDE INTERCHANGE – FULL APPROVAL AND FUNDING DRAW DOWN

Tony Lloyd, GM Interim Mayor and Portfolio Lead for Transport, introduced a report which informed the Combined Authority of the outcome of the recently completed Gateway Review for Tameside Interchange (Ashton-under-Lyne), which recommend to Members that this project be granted Full Approval and sought the remaining budget of £31.82 million to be released from the Local Growth Deal to enable the delivery of the works.

RESOLVED/-

1. That full approval for the Tameside Interchange (Ashton-under-Lyne) project, as set out in the report, be agreed.

2. That the release of funding of £31.82 million from the Local Growth Deal to enable the delivery of the scheme to progress, as set out in the report, be approved.

47/17 HIGH SPEED RAIL 2 ROUTE UPDATE AND CONSULTATION RESPONSE

Tony Lloyd, GM Interim Mayor and Portfolio Lead for Transport, introduced a report which set out the key changes to the Phase 2b network within GM and the proposed GMCA consultation response, which needs to be submitted by 9 March 2017.

A Member noted that the relocation of the Network Rail rolling stock depot from Golborne to Crewe needed to be revisited.
The works around Piccadilly Station regarding Northern Powerhouse Rail were important for both HS2 and local rail services. In addition, Members reiterated that although HS2 services would not stop at Stockport, it remained an important station for local rail services.

RESOLVED/-

1. That the approach to responding to the HS2 route refinement consultation as set out in the report be approved.

2. That authority be delegated to Tony Lloyd, GM Interim Mayor and Lead for Transport and the Chief Executive TfGM, to submit the consultation response to HS2.

48/17 GREATER MANCHESTER PUBLIC SECTOR APPRENTICESHIP APPROACH

Councillor Alex Williams, Deputy Portfolio Lead for Skills & Employment, introduced a report which builds on the paper received by Leaders in December 2016, and set out a clear direction of travel for the work to maximise the opportunities the Apprenticeship levy brings for the public sector and describes the key work streams required to support individual public sector organisations and develop a GM Public Sector Apprenticeship Approach.

RESOLVED/-

1. That the content of the MoU be agreed for discussion and sign off.

2. That the update and the issues raised including difficulty in completing workforce development plans and likely underutilisation of digital vouchers in the first instance be noted.

3. That the recommendation to invest in additional workforce planning support for the Public Sector be approved.

4. That the recommendations to the GMCA to work towards a minimum set of terms and conditions for apprentices (including salary) and support the further financial impacting work required across organisations be noted.

5. That the recommendation to explore the development of an enhanced provider supplier list for providers delivering apprenticeship training and assessment to GM’s public sector organisations to ensure GM’s values & beliefs are embedded in all apprenticeships be agreed.

6. That the proposed governance alignment within the MoU between work/skills; Health and Social Care Partnership, Reform Board and Workforce Development Board be noted.
Councillor Alex Williams, Deputy Portfolio Lead for Skills and Employment, introduced a report which provided Members with an update on the progress made in relation to the devolution of the Adult Education Budget (AEB) in Greater Manchester, highlighted particular matters for consideration, areas in which action was required and set out the timetable for activity. These matters were in preparation for a devolved AEB from 2018/19.

Members noted that following the Brexit referendum vote, restructuring of the machinery of government and an ensuing Cabinet reshuffle were undertaken which expanded the Department for Education (DfE) remit to encompass skills, Higher Education and apprenticeships. These changes in Central Government, have led to slippage in the timeline of the Government agencies regarding information about AEB Devolution, whilst proposals to take forward the devolution process (as developed by the Skills Funding Agency) were to be considered by the new Secretary of State with work needed locally to ensure that effective and efficient devolution of AEB continues to take place on an ongoing basis.

A Member stressed the point that the aim here was to achieve better outcomes for the GM economy and its people, it was not about institutions.

RESOLVED/-

1. That the update and the issues raised be noted.

2. That the support of key officers in taking forward discussions within Greater Manchester, and with the Skills Funding Agency, around the processes and future resources needed to implement AEB devolution be agreed.

3. That it be agreed to support the principle that future funding decisions taken by GMCA for AEB implementation/delivery will be directly linked to achieving the priorities in the Greater Manchester Outcomes Framework to meet the economic needs of individuals and employers.

Councillor Alex Williams, Deputy Portfolio Lead for Skills and Employment, introduced a report which presented Members with a proposal for a GM Digital Talent and Skills Programme. This will realise GM’s digital ambition through a holistic approach that addresses challenges relating to talent, skills, apprenticeships & inclusion.
GMCA approval was sought to invest £2m of existing Skills Capital LGF monies into revenue funding over three years to deliver a Digital Talent & Skills Programme across GM.

RESOLVED/-

1. That expenditure of £2m over three years from the existing Local Growth Fund allocation for Skills Capital for the delivery of a GM Digital Talent & Skills Programmes, subject to the GMCA Treasurer being able to identify suitable revenue funds to substitute for the identified LGF capital funding be approved.

2. That authority be delegated to the GMCA Treasurer, in consultation with the Lead Member for Investment Strategy and Finance, to finalise the details of the funding.

3. That authority be delegated to the Lead Chief Executive for Skills and Employment to approve changes to the programme as may be required for delivery.

51/17 GREATER MANCHESTER INVESTMENT FRAMEWORK UPDATES

Councillor Kieran Quinn, Portfolio Lead for Investment Strategy and Finance, introduced a report that sought the approval of Greater Manchester Combined Authority for a loan to Forrest. Members noted that the investment will be made up from recycled monies.

Members also noted that the report provides an update on AppLearn Ltd and Incorporate Travel Management.

Members agreed to take the commercially sensitive Part B report at Item 26 on the agenda as read whilst considering the report.

RESOLVED/-

1. That the project funding application by Forrest (loan of £2,000,000) be given conditional approval and progress to due diligence be agreed.

2. That authority be delegated to the GMCA Treasurer and Monitoring Officers to review the due diligence information and, subject to their satisfactory review and agreement of the due diligence information and the overall detailed commercial terms of the transaction, to sign off any outstanding conditions, issue final approvals and complete any necessary related documentation in respect of the loan at a) above.
52/17 EXCLUSION OF PRESS AND PUBLIC

Members noted that as the commercially sensitive information was taken as read during the consideration of Greater Manchester Investment Framework Update (Minute 51/17) and for this reason was not considered in Part B of the Agenda.

53/17 GREATER MANCHESTER INVESTMENT FRAMEWORK AND CONDITIONAL PROJECT APPROVAL

CLERK’S NOTE: This item was considered in support of the Part A Greater Manchester Investment Project Update report (Minute 51/17).
1. INTRODUCTION

1.1 At their meeting on 24 June 2011, the GMCA agreed procedures for developing a Forward Plan of Strategic Decisions for the Authority, in line with the requirements of the GMCA’s constitution. The latest such plan is attached as the Appendix to this report.

2. RECOMMENDATIONS

2.1 GMCA members are invited to note, comment and suggest any changes they would wish to make on the latest Forward Plan of Strategic Decisions for the GMCA; attached to this report.

3. FORWARD PLAN: CONSTITUTIONAL REQUIREMENTS

3.1 In summary the Secretary of the GMCA is required to:-

- prepare a plan covering 4 months, starting on the first day of the month
- to refresh this plan monthly
- to publish the plan fourteen days before it would come into effect
- state in the plan
  
  (i) the issue on which a major strategic decision is to be made;
  (ii) the date on which, or the period within which, the major strategic decision will be taken;
  (iii) how anyone can make representations on the matter and the date by which any such representations must be made; and
  (iv) a list of the documents to be submitted when the matter is considered
The constitution is also quite specific about the matters which would need to be included within the Forward Plan:-

- any matter likely to result in the GMCA incurring significant expenditure (over £1 million), or the making of significant savings; or

- any matter likely to be significant in terms of its effects on communities living or working in the area of the Combined Authority.

plus the following more specific requirements:-

1. a sustainable community strategy;
2. a local transport plan;
3. approval of the capital programme of the GMCA and TfGM and approving new transport schemes to be funded by the Greater Manchester Transport Fund;
4. other plans and strategies that the GMCA may wish to develop;
5. the preparation of a local economic assessment
6. the development or revision of a multi-area agreement,
7. the approval of the budget of the GMCA;
8. the approval of borrowing limits, the treasury management strategy and the investment strategy;
9. the setting of a transport levy;
10. arrangements to delegate the functions or budgets of any person to the GMCA;
11. the amendment of the Rules of Procedure of the GMCA;
12. any proposals in relation to road user charging

3.3 All the matters at 1-12 above require 8 members of the GMCA to vote in favour, except those on road user charging, which require a unanimous vote in favour

3.4 The attached plan therefore includes all those items currently proposed to be submitted to the GMCA over the next 4 months which fit in with these criteria. GMCA members should be aware that:-
Only those items considered to fit in with the above criteria are included. It is not a complete list of all items which will be included on GMCA agendas.

Items listed may move dependent on the amount of preparatory work recorded and external factors such as where matters are dependent on Government decisions; and

In some cases matters are joint decisions of the GMCA & AGMA Executive Board.

CONTACT OFFICER:

Julie Connor 0161 234 3124 j.connor@agma.gov.uk
Sylvia Welsh 0161 234 3383 sylvia.welsh@agma.gov.uk
The Plan contains details of Key Decisions currently planned to be taken by the Greater Manchester Combined Authority; or Chief Officers (as defined in the constitution of the GMCA) in the period between 1 April and 31 July 2017.

Please note: Dates shown are the earliest anticipated and decisions may be later if circumstances change.

If you wish to make representations in connection with any decisions please contact the contact officer shown; or the offices of the Greater Manchester Integrated Support Team (at Manchester City Council, P.O. Box 532, Town Hall, Manchester, M60 2LA, 0161-234 3124; info@AGMA.gov.uk) before the date of the decision.

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<thead>
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<th>Subject</th>
<th>Contact Officer</th>
<th>Description</th>
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| April 2017                     | **Portfolio Lead:** Councillor Richard Leese  
                                  Portfolio Lead Officer: Mark Hughes  
                                  Contact Officer: Kirsty Rawlinson | Business Plan                | 28 April 2017                |
| **Manchester Growth Co**       | **Portfolio Lead:** Richard Farnell     
                                  Portfolio Lead Officer: Eamonn Boylan  
                                  Contact Officer:                         | Flexible Funding Prospectus     | 28 April 2017                |
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<tr>
<td>Brexit</td>
<td>Portfolio Lead: Cllr Richard Leese</td>
<td>Monthly Monitor</td>
<td>28 April 2017</td>
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<td>Portfolio Lead Officer: Simon Nokes</td>
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<td>Prevent</td>
<td>Portfolio Lead: Tony Lloyd</td>
<td>Progress Update and support the self assessment process within individual Local Authorities.</td>
<td>28 April 2017</td>
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<td>Portfolio Lead Officer: Adam Allen</td>
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<td>Contact Officer: Lura Mercer</td>
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<tr>
<td>To be confirmed</td>
<td>Portfolio Lead: Tony Lloyd</td>
<td>To present the priority list of future rail schemes to be submitted into the industry control period mechanism with a view to securing funding.</td>
<td>To be confirmed</td>
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<tr>
<td>Rail Industry Funding Submissions for CP6 (2019 – 2024)</td>
<td>Portfolio Lead Officer: Jon Lamonte</td>
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<td>Contact Officer: Jon Lamonte</td>
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<tr>
<td>Stations Investment</td>
<td>Portfolio Lead: Tony Lloyd Portfolio Lead Officer: Jon Lamonte Contact Officer: Steve Warrener</td>
<td>Programme and Asset Management – Proposal for Transfer</td>
<td>To Be confirmed</td>
</tr>
<tr>
<td>Section 48 Grants</td>
<td>Portfolio Leader: Councillor Alex Ganotis Portfolio Lead Officer: Donna Hall Contact Officer: Sue Parkinson</td>
<td>Proposals for a new Funding Programme</td>
<td>To be confirmed</td>
</tr>
<tr>
<td>Greater Manchester City Deal : Homes for Communities Agency Receipts</td>
<td>Portfolio Lead: Cllr Richard Farnell Portfolio Lead Officer: Eamonn Boylan Contact Officer: Bill Enevoldson</td>
<td>Proposed Strategy for equity investment</td>
<td>To be confirmed</td>
</tr>
<tr>
<td>Intermediary Body Status</td>
<td>Portfolio Lead: Cllr Kieran Quinn Portfolio Lead Officer: Simon Nokes Contact Officer: Alison Gordon</td>
<td>Update on progress of discussions with Government</td>
<td>To be confirmed</td>
</tr>
<tr>
<td>Wigan Interchange</td>
<td>Portfolio Lead: Tony Lloyd Portfolio Lead Officer: Jon Lamonte Contact Officer: Steve Warrener</td>
<td>Full Approval</td>
<td>May 2017</td>
</tr>
<tr>
<td>Subject</td>
<td>Contact Officer</td>
<td>Description</td>
<td>Anticipated Date of Decision</td>
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| Bus Franchising | **Portfolio Lead:** Tony Lloyd  
                  | Portfolio Lead Officer: Jon Lamonte  
                  | Contact Officer: Steve Warrener                     | Consultation and progress with legislation  
                  |                                                              | To be confirmed                                               |
Minutes of the GMCA Standards Committee Meeting held
Thursday 16 March 2017 at Manchester Town Hall

Present
Geoff Linnell Co-opted Independent Member
City Mayor Paul Dennett Salford City Council
Councillor Alex Ganotis Stockport MBC
Councillor Cliff Morris Bolton Council

Also in attendance
Nicole Jackson Independent Person
Steve Hollard Senior Lawyer
Susan Ford GMIST Policy Manager
Nicola Ward GMIST Senior Democratic Services Officer

GMSC 16/10 Welcome and Apologies
The Chair welcomed members to the GMCA Standards Committee. Apologies were received from Councillor Jean Stretton and Councillor Sean Anstee.

GMSC 16/11 Declarations of interest
There were no declarations of interest in relation to any matter on the agenda.

GMSC 16/12 Minutes of the GMCA Standards Committee meeting held 3 November 2016
Resolved /-
1. To approve the minutes of the GMCA Standards Committee held on 3 November 2016.

GMSC 16/13 Code of Corporate Governance
Members received a report which provided assurance that the 2017 GMCA Code of Corporate Governance would take into account the revised requirements of the CIPFA guidance ‘Delivering Good Governance in Local Government Framework’ as issued in 2016.
Susan Ford, Policy Manager for the GMCA reminded the committee that the GMCA had signed off the updated code in February 2017 and were now undertaking a review of the constitution in anticipation of changes to the GMCA from April 2017. The revised code has a greater focus on social, environmental and equalities which will also have an impact on the emphasis of the Annual Governance Statement.

Once the parliamentary orders have been passed and the new powers for the GMCA and Mayor are set out there will be a requirement to update the code to detail the new arrangements.

The committee welcomed these changes and discussed how the revised code should be embedded into the work of the GMCA to ensure a visible commitment to its delivery.

There was also discussion regarding clarification as to whom the code applies to, and whether all members serving in a CA capacity should be captured by the code. Officers agreed to look at how the code could be clear in relation to this and ensure that there were no discrepancies. Further to this it was suggested that on appointment all elected members are given guidance as to how the code of conduct applies to their role.

The committee further asked that officers review the GMCA policies in relation to standards matters, and assurance is given as to their monitoring and review. It was suggested that best practice could be sought from other local authorities.

**Resolved /-**

1. To note the report.
2. Officers to ensure that the code is clear about which elected members are covered, and in which capacities.
3. Officers to provide guidance to all members appointed to the GMCA as to how the code of conduct applies to their role.
4. As part of the GMCA’s transition work that officers to undertake a review of the codes and protocols in the GMCA’s Constitution and provide members with an assurance map as to which bodies are responsible for their review.

**GMSC 16/14 Annual Report and Work Plan of the Committee on Standards for Public Life**

Members received a report of the GMCA Monitoring Officer which detailed the relevant information from the Annual Report of the Committee on Standards for Public Life.

Steve Hollard, Principal Lawyer for the GMCA reported that the role of the Independent Person had generally been well received, with the number of vexatious complaints to local authorities falling. However, the effectiveness of the sanctions regime remained a concern and the committee planned to continue to invite local authorities to consider whether their own standards regimes are sufficient.
A member raised the role of political whips in regards to maintaining standards on behalf of the GMCA and suggested that this role be discussed where appropriate.

Resolved /-

1. To note the report

**GMSC 16/15 Date of future meetings**

The Chair suggested that provisional dates be set for quarterly meetings of the GMCA Standards Committee which would be used as required.

These dates would be subject to approval from the members appointed by the GMCA at their AGM in June 2017.

Resolved /-

1. Provisional dates for the GMCA Standards Committee for 2017/18 are –

   Thursday 2 November 2017
   Thursday 15 March 2018
MINUTES OF THE MEETING OF THE TRANSPORT FOR GREATER MANCHESTER COMMITTEE, HELD ON 17 MARCH 2017 AT MANCHESTER TOWN HALL

PRESENT

Councillor David Chadwick Bolton
Councillor Guy Harkin Bolton
Councillor Stuart Haslam Bolton
Councillor Noel Bayley Bury
Councillor Azra Ali Manchester
Councillor Andrew Fender Manchester (in the Chair)
Councillor Naeem Hassan Manchester
Councillor Dzidra Noor Manchester
Councillor Chris Paul Manchester
Councillor Mohon Ali Oldham
Councillor Norman Briggs Oldham
Councillor Phil Burke Rochdale
Councillor Ian Duckworth Rochdale
Councillor Shah Wazir Rochdale
Councillor Roger Jones Salford
Councillor Barry Warner Salford
Councillor Geoff Abell Stockport
Councillor Annette Finnie Stockport
Councillor Tom Grundy Stockport
Councillor John Taylor Stockport
Councillor Warren Bray Tameside
Councillor Doreen Dickinson Tameside
Councillor Peter Robinson Tameside
Councillor Michael Cordingley Trafford
Councillor David Hopps Trafford
Councillor June Reilly Trafford
Councillor Mark Aldred Wigan
Councillor James Grundy Wigan
Councillor Lynne Holland Wigan
Councillor Eunice Smethurst Wigan

OFFICERS IN ATTENDANCE

Jon Lamonte Chief Executive, TfGM
Steve Warrener Finance and Corporate Services Director, TfGM
Peter Cushing Metrolink Director, TfGM
TfGMC16/68 APOLOGIES FOR ABSENCE

Apologies for absence were received and noted from Councillors Robin Garrido (Salford), Howard Sykes (Oldham) and Jamie Walker (Bury).

TfGMC16/69 DECLARATIONS OF INTEREST

There were no declarations of interest made by any Member in relation to any item on the agenda.

TfGMC16/70 CHAIR’S ANNOUNCEMENTS AND URGENT BUSINESS

a) GMATL

Members were reminded that following TfGMC, a meeting of the Greater Manchester Accessible Transport Ltd (GMATL) Board was to take place.

b) Rail Update

Members noted that at the rise of the TfGMC meeting, an update on rail matters was to be provided by TfGM officers.

c) Peter Cushing

The Chair informed Members that this was to be the last meeting attended by Peter Cushing in his capacity of Metrolink Director. Members noted that during Peter’s time in this role he had overseen the expansion of the Metrolink Network, a monumental capital programme, and had significantly increased Metrolink patronage which continues to carry record numbers of passengers. It was noted that Peter would now be overseeing the transition to a new Metrolink operator and that Daniel Vaughan as Head of Metrolink and Alex Cropper as Head of Capital Group would be taking over respective Metrolink operational and capital programme roles.

Members offered thanks to Peter for the significant contribution that he had made to the work of the Committee and to the travelling public and wished him well for the future. In response, Peter offered thanks to Members for their help and support.

Resolved/-

To thank Peter Cushing for the significant contribution he had made to the work of the Committee and to the Greater Manchester travelling public.
TfGMC16/71 MINUTES

The Minutes of the TfGMC meeting that took place on 13 January 2017 were submitted.

Resolved/-

To approve the minutes of the TfGMC meeting that took place on 13 January 2017 as a correct record.

TfGMC16/72 MINUTES FROM SUB COMMITTEES

a) Bus Network and TfGM Services – 20 January 2017

The minutes of the Bus Network and TfGM Services Sub Committee that took place on 20 January 2017 were submitted.

Resolved/-

To note the minutes of the Bus Network and TfGM Services Sub Committee, held on 20 January 2017.

b) Metrolink and Rail Networks - 3 February 2017

The minutes of the Metrolink and Rail Networks Sub Committee that took place on 3 February 2017 were submitted.

Resolved/-

To note the minutes of the Metrolink and Rail Networks Sub Committee, held on 3 February 2017.

c) Capital Projects and Policy - 10 February 2017

The minutes of the Capital Projects and Policy Sub Committee that took place on 10 February 2017 were submitted.

Resolved/-

To note the minutes of the Capital Projects and Policy Sub Committee, held on 10 February 2017.

d) Bus Network and TfGM Services– 10 March 2017

The minutes of the Bus Network and TfGM Services Sub Committee that took place on 10 March 2017 were submitted.

Resolved/-
To note the minutes of the Bus Network and TfGM Services Sub Committee, held on 10 March 2017.

TfGMC16/73 FORWARD LOOK

Members considered a report which set out those key work streams requiring decisions from the Joint Committee over the next four months. Members also noted those significant elements of the Committee’s work programme, where further updates on progress and activity are anticipated over a longer period of time.

Resolved/-

To note the Forward Look.

Section 2 - TfGMC Recommendations for Further Approval by GMCA

There were no items requiring further approval by GMCA.

Section 3 - Item for Resolution by TfGMC

TfGMC16/74 2017/2018 TRANSPORT LEVY BUDGET

A report was presented which provided Members with an update on the Transport Levy Budget following the approval of the 2017/18 Transport Levy by the Greater Manchester Combined Authority (GMCA) on 27 January 2017. The report also included an update on the latest outturn position for TfGM for 2016/17.

Members noted that prior to the approval by GMCA, the transport budget was the subject of a scrutiny process involving the Leaders and Treasurers of Bury and Wigan Councils and the GMCA Portfolio Lead for Investment Strategy and Finance.

Members also noted that the Levy budget represented a cash standstill position, after accounting for the usage of reserves, when compared to 2016/17 and that the Budget presented in the report relates to the TfGM element of the Transport Levy budget and includes all the costs of TfGM, including its own financing costs but excludes the financing and overhead costs of GMCA. The levy funding allocated to TfGM in 2017/18 is £126.2 million.

Following a comment from a Member, officers noted that the 2017/18 Budget was challenging but aside of these challenges, TfGM remained committed to providing first class public transport for Greater Manchester.

Members noted that a Transport Budget Briefing took place at Manchester Town Hall in early February. Officers noted that despite the wide promotion of this Briefing across a number of media platforms, it was sparsely attended and it was suggested that thought was needed as to how this engagement would take place in the future.

Resolved/-

1. To note the Transport Levy and the proposals recommended by the Scrutiny
Panel and approved by the GMCA on 27 January 2017, which is a cash standstill funding position.

2. To grant approval of the proposed increase in Bus Station Departure Charges of one pence (1.6%), as set out in the report, with effect from 14 May 2017.

3. To agree the proposed simplification and increase of Local Link fares, to be implemented on 5 June 2017, which is expected to save circa £20,000 annually and circa £15,000 in 2017/18 (based on 9 months), as set out in the report.

4. To agree to the increase in TfGM’s Schools’ Weekly Pass, which has not changed since 2011, from £6.50 to £7.00, as set out in the report.

5. To agree the proposed changes to charges for the issue and replacement of Concessionary Passes to £10.00, as set out in the Section 6 to the report.

6. To note that the budget approved by GMCA on 27 January 2017 included a grant of up to £4.657 million for GMATL.

**TfGMC16/75**  
**GM CASUALTY REDUCTION PARTNERSHIP UPDATE**

Members considered a report which provided an update on the delivery of schemes by the Casualty Reduction Partnership and sought Members approval of the Casualty Reduction Partnership funded schemes.

With regard to the Rochdale Townhead junction improvements scheme, as set out at Appendix B to the report, a Member highlighted continuing incidents of congestion at this location. In response, TfGM officers undertook to speak to Rochdale Highway officers in this regard.

A Member highlighted that although Manchester continued to be one of the lowest casualty rates when compared to other cities, on average there was one fatality per week in Greater Manchester. Members noted that work was continuing to encourage better behaviour in relation to driving, cycling and walking.

Following a comment from a Member regarding the behaviour of some young drivers, officers highlighted the “Safe Drive Stay Alive” initiative worked with colleges and schools. Members noted that this was a voluntary programme and required the assistance of North West Ambulance Service and the Fire and Rescue Service.

A Member highlighted the benefits of 20 mph zones and sought clarification of enforcement measures. In response, officers explained that all 20 mph zones needed to be self-enforcing and would need to include the use of physical measures to reduce traffic speeds.

**Resolved/-**

1. To note the latest position on the delivery of road safety schemes by the Casualty Reduction Partnership.

2. To note the intention to accelerate further casualty reduction measures utilising ring-fenced reserves, as set out in the report.

3. To grant approval of the Casualty Reduction Partnership funded schemes to commence in 2017/18, as set out in paragraph 2.5 to the report.

4. To note that TfGM would contact Rochdale Highway officers in relation to the Townhead Junction improvement scheme.
Section 4 - Items for Information

TfGMC16/76 POLICY PRIORITIES UPDATE

A report was presented which provided Members with an update on the progress made in achieving the Committee’s policy priorities. These policies include:

- Overseeing the Greater Manchester 2040 Transport Strategy and the accompanying delivery plans.
- Bus reform and transport devolution.
- Air Quality and Sustainable Travel Choices.
- Capital Programme and Service Delivery.

With regard to Air Quality measurement and in response to an enquiry from a Member, officers noted that there are currently 17 reference sites across Greater Manchester and undertook to explore if any of these sites were located close to schools.

A Member highlighted that traffic congestion and poor air quality issues continues to impact on health and the public purse and noted that for relatively small investment, active travel can make a significant difference. Links with Defra and the Department for Heath would be helpful. In response, officers noted their disappointment that recent funding bids had not been successful and would continue pressing the Government in this regard. Members did however welcome that TfGM had been successful in securing funding for walking and cycling to work schemes.

In response to an enquiry from a Member, officers undertook to provide details of the locations of the proposed 20 mph zones that were referenced in the report. A Member highlighted that the provision of 20 mph zones changes driver attitude and child safety and for these reasons, should be encouraged.

With regard to the progress made in enabling residents to make sustainable travel choices, a Member sought clarification as to whether the target for cycle training attendees was measured on the basis of a calendar year or over a financial year. In response, officers undertook to respond directly to the Members concerned after the meeting.

A Member highlighted the action being taken in Stockport to deter car engines running idle whilst parents were waiting for their children outside schools.

In relation to air quality measurement, a Member commented that although the current target for Greater Manchester was challenging, it was twice the target recommended by the World Health Organisation.

Resolved/-

1. To note the progress made on the transport policy priorities, as set out in the report.
2. To note that officers were to undertake to inform Members in relation to the
locations of the proposed fourteen 20 mph Zones and the annual timeframes for the measurement of the cycle training attendees target.

**TfGMC16/77 SMART TICKETING UPDATE**

A report was presented which set out TfGM’s plans to extend the availability and range of smart ticketing to Metrolink and multi-modal on smart cards from later in 2017. The report also informed Members of TfGM’s plan to partner with Transport for the North to deliver the back office infrastructure needed to support a future account based payment system. In addition, a roadmap which presented key actions and milestones in the lead up to the fully implemented smart card solution in 2022 was appended to the report.

In welcoming the report, the Chair highlighted that this was the first step to meet the long term ambitions of the Committee to provide a multi modal product.

A Member commented that technological advances may overtake what is proposed for Greater Manchester and observed that in London, debit cards rather than Oyster cards were frequently used. In response, officers noted that the proposals set out in the report include for the introduction of ‘contactless’ account based ticketing. The introduction of smart technology would ultimately enable customers to travel several times on different transport modes and automatically be charged the best value for their travel.

A Member commented on the implementation period for Smart card technology and enquired as to why the back office systems and protocols with transport operators were not yet in place. In response, officers noted that work was continuing to develop the back office systems and protocols.

Following a comment from a Member, officers undertook to explore further revenue protection measures on the get me there app.

Resolved/-

1. To note the plans to extend the availability and range of Smart Ticketing to Metrolink and multi-modal on Smart cards in summer 2017, as set out in the report.
2. To note those plans endorsed by Greater Manchester Combined Authority on 27 January 2017 to partner with Transport for the North to develop the IT infrastructure needed to support contactless account-based ticketing in Greater Manchester and across the North, as set out in the report.

**TfGMC16/78 EXCLUSION OF PRESS AND PUBLIC**

Resolved/-

To agree that, under section 100 (A)(4) of the Local Government Act 1972 the press and public should be excluded from the meeting for the following items of business on the grounds that this involves the likely disclosure of exempt information, as set out in paragraph 3, Part 1, Schedule12A, Local Government Act 1972 and that the public interest in maintaining the exemption outweighs the public interest in
disclosing the information.

Part B

Section 5 Item for Resolution by TfGMC

TfGMC16/79   GM CASUALTY REDUCTION PARTNERSHIP BUDGET

A report was presented which sought approval of the budget for the Joint Road Safety Group and provided an update on the delivery schemes by the Casualty Reduction Partnership.

Resolved/-

To grant approval of the budget for the 2017/18 Joint Road Safety Group budget, as set out in the report.
MINUTES OF A MEETING OF THE GREATER MANCHESTER LOCAL ENTERPRISE PARTNERSHIP BOARD HELD ON MONDAY 20 MARCH 2017 AT THE TOWN HALL, MANCHESTER

Board Members:

Mike Blackburn (In the Chair)

Councillor Sean Anstee, Councillor Richard Leese, Tony Lloyd, Nancy Rothwell, David Birch, Richard Topliss and Michael Oglesby

Strategic Chairs:

Iwan Griffiths

Advisors:

Sir Howard Bernstein (Manchester City Council), Eamonn Boylan (Stockport MBC), Mark Hughes (Manchester Growth Company), Jon Lamonte (TfGM), Simon Nokes (New Economy), Tim Newns (MIDAS), Louise Latham and James Stanley (Marketing Manchester), David Rogerson and Allan Sparrow (GM Integrated Support Team)

Apologies:

Keith Johnston, Lou Cordwell, Juergen Maier and Vanda Murray

LEP/17/19 DECLARATIONS OF INTERESTS

Mike Blackburn declared an interest in the following items:

- GM Digital Talent and Skills Programme – BT had been consulted on this programme to maximise the impact of the investment
- Fibre to the Premises – BT is a supplier of fibre to the door.

LEP/17/20 MINUTES

AGREED

That the Minutes of the meetings of the GM LEP Board held on 16 January and 10 February 2017 be approved.

LEP/17/21 REVIEW OF BOARD MEMBERSHIP

The Chair provided a verbal update on the process for appointing new GM LEP members. He added that a shortlist of qualified, credible candidates was
being drawn up including strong representation from female and BAME candidates. A brief outline was given regarding next steps and timelines.

A member reflected on whether the Board could be expanded to harness the skills and expertise of a greater number of suitable candidates. In response it was reported that this would require a change to the current terms of reference for the Board which could be explored in further detail following the review.

AGREED

That the update on the review of Board membership be noted and that a further update be given to the next meeting.

LEP/17/22 INDUSTRIAL STRATEGY: DEVELOPING A GM RESPONSE

A report was received that updated members on the Government’s National Industrial Strategy consultation document published on the 23 January 2017. The report outlined the approach for developing a comprehensive Greater Manchester response to the consultation aligned to the GMS refresh process.

The Board was informed that GM has set up a working group to develop a final response to the National Industrial Strategy with GMCA Leaders and would value the input of the LEP Board.

The Board welcomed the consultation and felt that the Government’s draft strategy contained many positive proposals although it could be strengthened in some areas. In particular, the need for a joined up approach to skills and education provision was noted along with the fact that the strategy should include greater emphasis on the importance of improving productivity.

The Board highlighted the importance of ensuring that the final strategy was not solely focused on the key industrial sectors but takes a broader, place based approach. This would reflect the approach set out in the Greater Manchester Strategy but also in the Northern Powerhouse Independent Economic Review.

The Board also discussed government proposals around rebalancing the economy and the potential relocations of national agencies and institutions. It was reported that GM would undertake work to evidence the link between GM’s sectoral strengthens and the potential relocation of existing key institutions.

AGREED

1. To note the GM key issues regarding the National Industrial Strategy response and to note that the consultation process was now underway.

2. That Mike Blackburn and Nancy Rothwell be appointed as the LEP’s representatives on the small working group to develop GM’s response to
the National Industrial Strategy. This group would also include the Leaders with portfolio responsibilities in this area.

**LEP/17/23 GM DIGITAL TALENT & SKILLS PROGRAMME**

A report was submitted that provided the background to and details of a £2m investment that had been agreed by the GMCA in a GM Digital Talent & Skills Programme. This would realise GM’s digital ambition through a holistic approach that addresses challenges relating to talent, skills, apprenticeships & inclusion.

The report sought LEP involvement in steering the direction of the programme to respond to employer demand and to help secure buy in from the business community. There was now a unique opportunity for GM to transform its digital skills base and it was critical that business played their part in maximising the impact of this investment.

The Board was informed that GM had four areas it wished to focus on

- More young people in GM to take up digital learning opportunities and enter careers that require digital skills
- Individuals of all ages acquire the up to date digital skills required by employers
- More people progressing onto advanced digital apprenticeships providing employers requiring digital skills with a work ready talent supply
- All GM residents will have the basic digital skills required for basic social interaction, accessing public services and entering the labour market.

The Board welcomed the programme and recognised the need for this work to be linked to the National Industrial Strategy

The programme would need to be flexible in its approach given that the digital economy was innovative and fast moving with the digital skills required by employers evolving rapidly.

In particular, it was felt that the strategy should recognise the need digital skills needs of the wider population as well as developing specialist digital needs for industry.

The Board also noted the need to reach out to non-digital employers to reinforce the importance of the digital economy and the need for appropriate skills in more “traditional” industrial sectors.

Additionally the Board anticipated that the initial £2m revenue funding could be used to leverage further private sector investment to strengthen the delivery of digital skills training.

**AGREED**

1. That the report be noted.
2. That approval be given for the use of £2m of LGF monies to support the
digital skills programme.

**LEP/17/24 MANUFACTURING CHAMPIONS NETWORK**

Consideration was given to a report that provided an update on the Greater
Manchester Manufacturing Champions Network.

It was noted that the Network continued to meet on a regular basis with
continuing LEP support and that further consideration was being given to
attracting and retaining SMEs.

**AGREED**

That the update on the Manufacturing Champions Network be noted.

**LEP/17/25 FIBRE TO THE PREMISES**

*(At this point in the proceedings Nancy Rothwell took the Chair as Mike
Blackburn’s employer (BT) was a supplier of fibre to the premises.)*

The Board received a verbal update on the current position on the installation
of fixed-line digital infrastructure in Greater Manchester.

A member asked if GM knew the costs for fibre installation at a GM level and
it was reported that significant funding would need to come from government.

The Board also felt that any future strategy needed to promote a range of
solutions to address the needs identified. The Board asked officers to report
back to next meeting with proposals on the next steps.

**AGREED**

1. That the verbal update on fibre to the premises be noted.

2. That a report be submitted to the next meeting of the Board outlining
proposals regarding how to take this work forward.

*(Mike Blackburn retook the Chair at this point in the proceedings.)*

**LEP/17/26 HS2 ROUTE UPDATE AND CONSULTATION RESPONSE**

The Board was informed that on 15 November 2016, HS2 Ltd announced the
preferred route for HS2 Phase 2b, serving Manchester, East Midlands, South
Yorkshire and Leeds. A paper was submitted that provided a summary of the
key changes affecting GM and a recommendation to endorse the response to
the consultation. Consideration was also given to the GMCA response to the
consultation, submitted in line with the HS2 Ltd deadline of 9 March 2017.
The Board welcomed the consultation response and were updated on the parliamentary progress of the HS2 hybrid bill along with the work being carried out to support the developing evidence base.

In particular, work was underway to understand the impact HS2 would have on economic growth which would benefit from future LEP input.

**AGREED**

1. That the GMCA response to the HS2 route refinement consultation be endorsed.

2. That a further paper be brought to the Board on the work being undertaken to understand the impact HS2 would have on economic growth.

**LEP/17/27 NORTHERN POWERHOUSE PARTNERSHIP**

The Board was updated on the publication of the first report by the Northern Powerhouse Partnership. The publication had identified priorities around the four Prime Capabilities of the North, (advanced manufacturing/materials, digital, health and energy) alongside Education and Skills.

The Board was informed that the report built upon the Northern Powerhouse Independent Economic Review (NPIER) published in February which described the strengths of the northern economy. The report set out the ambition that if the right actions are taken then the Northern economy has the potential to be £100bn larger over the next three decades than it would otherwise have been, alongside the creation of 850,000 new jobs.

**AGREED**

That the GM LEP notes developments around the NPP and to agree that GM should continue to be represented at the appropriate level in this work to ensure it supports broader GM objectives - with Simon Nokes continuing to co-ordinate activity in the short-term.

**LEP/17/28 GM BREXIT MONITOR**

A report was submitted on the key economic and policy developments in relation to the UK’s decision to leave the European Union. The Board was informed that since the publication of the latest Monitor the Prime Minister had announced that she will trigger Article 50 and commencing the process for the UK’s exit from the European Union.

**AGREED**

That the Brexit Monitor and the UK government’s decision to trigger Article 50 on 29 March 2017 be noted.
LEP/17/29   PROGRAMME OF FUTURE MEETINGS

Monday 15 May 2017
Monday 17 July 2017
Monday 18 September 2017
Monday 13 November 2017

LEP/17/30   SIR HOWARD BERNSTEIN

The Board was informed that this would be the last meeting attended by Sir Howard Bernstein before his retirement on 31 March 2017. The Board expressed its wish to place on record its thanks and appreciation to Sir Howard Bernstein for his guidance and leadership over the lifetime of the Board.
PURPOSE OF REPORT

The Greater Manchester Combined Authority is asked that as a body it adopts an agreed definition of antisemitism to help ensure there is clarity around what antisemitism is.

RECOMMENDATIONS:

- That the Greater Manchester Combined Authority adopts the International Holocaust Remembrance Alliance working definition of antisemitism

- The Combined Authority encourages other Greater Manchester local authorities and partners to also adopt the definition.

CONTACT OFFICERS:

Smyth Harper, Head of Communications, Office of the Police & Crime Commissioner

Smyth.Harper@gmpcc.org.uk
Risk Management – N/A
Legal Considerations – N/A
Financial Consequences – Revenue – N/A
Financial Consequences – Capital – N/A

BACKGROUND PAPERS: N/A

<table>
<thead>
<tr>
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<tr>
<td>Are there any aspects in this report which means it should be considered to be exempt from call in by the AGMA Scrutiny Pool on the grounds of urgency?</td>
<td>No</td>
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</table>
1. INTRODUCTION

1.1 Greater Manchester has a strong record in taking a stand against hatred. We recognise that, as one of the most diverse parts of the United Kingdom, we are at our strongest when all our communities celebrate our difference, but recognise that there is more that unites than divides us.

1.2 This approach has borne significant fruit. From marquee events like the annual hate crime awareness week, to on-the-ground transformation of how public bodies such as police and councils engage with minority communities, confidence amongst communities of identities that hate crime will be taken seriously is at an all-time high. It is a badge of honour that Greater Manchester has the highest level of hate crime reporting in the country, which is as a result of years of work to build community cohesion.

1.3 By taking a stand against antisemitism, Islamophobia and other forms of religious hatred; racism, homophobia, and transphobia; and attacks against disabled people or those who are part of alternative subcultures such as Goths, punks or Emos, Greater Manchester can truly say we stand together against all forms of prejudice and will act when incidents take place.

1.4 Greater Manchester representatives from the Jewish Leadership Council have contacted Greater Manchester Combined Authority to ask that as a body we adopt an agreed definition of anti-Semitism to help ensure there is clarity around what antisemitism is.

1.5 This definition, adopted by the International Holocaust Remembrance Alliance in Bucharest last year reads: Antisemitism is a certain perception of Jews, which may be expressed as hatred toward Jews. Rhetorical and physical manifestations of anti-Semitism are directed towards Jewish or non-Jewish individuals and/or their property, toward Jewish community institutions and religious facilities.

1.6 This description is a clear and practical working definition of antisemitism, and adopting it will build further confidence within the Jewish community in Greater Manchester that antisemitism will not be tolerated.

Recommendations
• Recommendations are set out at the front of this report
Date: 31 March 2017
Subject: Working Well
Report of: Councillor Sean Anstee, Portfolio Lead for Employment & Skills and Councillor Peter Smith, Portfolio Lead for Health & Social Care and Theresa Grant Portfolio Lead Chief Executive for Employment & Skills

PURPOSE OF REPORT

The purpose of this report is to update GMCA on the progress of Working Well programmes and to gain support for future plans on the work and health agenda.

RECOMMENDATIONS:

- Note the Working Well Pilot’s success in supporting participants into sustained employment.
- Note how benefit reassessment has resulted in 23% of Pilot participants being exited early from the programme and its impact on performance.
- Note the analysis of factors that influence a participant’s likelihood of securing work.
- Note the broader well-being outcomes achieved by the Pilot.
- Note the positive job start performance for Working Well Expansion.
- Note the added value of the GP referral route and Talking Therapies
- Note how local integration and co-ordination is supporting delivery and continuous improvement.
- Note that ESF has been secured to extend Working Well until Work & Health Programme goes live.
- Support the broader ambitions to address poor health, worklessness and low productivity through a GM health and employment system.

CONTACT OFFICERS:

Theresa Grant, Chief Executive, Trafford Council
Jon Rouse, Chief Officer, Health & Social Care Partnership
Mat Ainsworth, Strategic Lead for Employment Initiatives, GMCA

BACKGROUND PAPERS:
None

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<th>TfGMC</th>
<th>Scrutiny Pool</th>
</tr>
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</table>
1. **Introduction**

1.1 This report provides members with an update on the progress, issues and key learnings from GM’s Working Well Pilot and Expansion. It also provides an update on the continuation of Working Well until the launch of the Work & Health Programme.

2. **Working Well Pilot**

2.1 **Overview** - The Working Well Pilot went live in March 2014 with a target of supporting 5,000 long-term benefit claimants out of work due to ill health. All of those being supported would already have received Jobcentre Plus (JCP) support and completed DWP’s Work Programme, without succeeding in gaining and sustaining employment. Therefore, the cohort is among the most complex to support into sustained employment. Nevertheless, GM agreed a challenging target of supporting 20% of those completing the programme into work, with 75% of those sustaining work for 12 months.

3. **Referrals & attachments**

3.1 Between April 2014 and March 2016 there were in total 4,985 referrals to the programme, which resulted in 4,684 successful attachments (an attachment rate of 94%). The referral window has now closed and the last person will complete the programme in March 2019. The average length of time out of work and on benefits for those referred to the pilot is 6 years, which clearly demonstrates how disengaged from the labour market people on the programme have been.

4. **Early leavers**

4.1 When Working Well was designed, being a mandatory programme, there was an expectation that the vast majority of those who started the programme would complete two years later. However, the reality has been very different with significant numbers not completing their time on programme due to being exited by Jobcentre Plus following benefit reassessment.

4.2 In total 1,049 people have left the programme early; 311 not due to benefit reassessment (common reasons include going to prison or moving out of GM), but 738 have been exited by JCP due to a change in benefits. The majority of these have been medically re-assessed and moved into the ESA Support Group due to their deteriorating health. There is an obvious impact on the programme’s ability to support 20% of people originally attached on the programme into work.
Therefore, the Programme Office has also been monitoring the proportion of participants who complete the programme who secure and sustain employment, not only those who started.

<table>
<thead>
<tr>
<th>Reason for leaving</th>
<th>No. of leavers</th>
<th>% of attachments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Moving to other benefit</td>
<td>738</td>
<td>16%</td>
</tr>
<tr>
<td>Moves into ESA Support Group after repeat Work Capability Assessment</td>
<td>546</td>
<td>12%</td>
</tr>
<tr>
<td>Claimant moves to JSA</td>
<td>119</td>
<td>3%</td>
</tr>
<tr>
<td>Participant moves on to Income Support as a full-time carer</td>
<td>31</td>
<td>1%</td>
</tr>
<tr>
<td>Changing benefit</td>
<td>24</td>
<td>1%</td>
</tr>
<tr>
<td>Participant moves on to Income Support as a Lone Parent</td>
<td>11</td>
<td>0%</td>
</tr>
<tr>
<td>Participant moves to Universal Credit and is in Work Focused Interviews only or no other conditionality group</td>
<td>4</td>
<td>0%</td>
</tr>
<tr>
<td>Change in benefit - Only in receipt of NI Tax Credits</td>
<td>1</td>
<td>0%</td>
</tr>
<tr>
<td>Participant moves on to Income Support as over 29 weeks pregnant</td>
<td>1</td>
<td>0%</td>
</tr>
<tr>
<td>Moved to Work Choice</td>
<td>1</td>
<td>0%</td>
</tr>
<tr>
<td>Non-benefit related reasons</td>
<td>311</td>
<td>7%</td>
</tr>
</tbody>
</table>

5. **Job starts**

5.1 As of the end of February 515 people had started work. Those who have started work is detailed below based on the quarter in which they started the programme i.e. Q1 relates to April – June 2014, Q2 relates to July – September 2014. No further job starts are now likely to be claimed for quarters 1 to 3, which show a job start conversion rate of less than our expected 20%.
5.2 When we factor those who were exited early from the programme into the job start figures, their impact can be clearly seen, with job start rates averaging over 20% for those who actually completed their time on programme.

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Job Starts</th>
<th>% of Clients Attached</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1</td>
<td>54</td>
<td>24.1%</td>
</tr>
<tr>
<td>Q2</td>
<td>62</td>
<td>19.2%</td>
</tr>
<tr>
<td>Q3</td>
<td>78</td>
<td>22.4%</td>
</tr>
<tr>
<td>Q4</td>
<td>63</td>
<td>11.1%</td>
</tr>
<tr>
<td>Q5</td>
<td>77</td>
<td>12.9%</td>
</tr>
<tr>
<td>Q6</td>
<td>69</td>
<td>11.7%</td>
</tr>
<tr>
<td>Q7</td>
<td>42</td>
<td>8.4%</td>
</tr>
<tr>
<td>Q8</td>
<td>29</td>
<td>7.3%</td>
</tr>
<tr>
<td>Q9</td>
<td>5</td>
<td>4.2%</td>
</tr>
</tbody>
</table>

5.3 Econometric analysis has been undertaken to ascertain the factors that have the greatest impact on whether clients start a job or not, which described below. To date, no other factors have shown to be statistically significant in terms of the likelihood of job start, but this analysis will be repeated and findings may change over time.
<table>
<thead>
<tr>
<th>Variable name</th>
<th>Significant at 10%</th>
<th>Sign of coefficient</th>
<th>Interpretation</th>
</tr>
</thead>
</table>
| Level of qualifications  | Yes                | Positive            | • Individuals with either 5 or more GCSEs at grades A*-C (or equivalent) or with A Levels / NVQ level 3 (or equivalent) were **62-65% more likely to start a job** than those with no qualifications  
• The likelihood of an individual with only under 5 A*-C GCSE qualifications (or equivalent) starting a job was **no different** to that of a participant with no qualifications |
| Age                      | Yes                | Negative            | • Individuals **aged between 15-24 are twice as likely** to start a job than those aged over 50  
• However, the 24-49 age group were just as likely to start a job as participants aged between 15-24 |
| Length of time unemployed| Yes                | Negative            | • There was a strong negative relationship between those who had been **unemployed for over six years** and likelihood of starting a job – the odds/likelihood of achieving a job start for an individual who had been unemployed for 6-10 years was **76% lower** than an individual who had been unemployed for 0-6 months |
| Physical health           | Yes                | Negative            | • Individuals who stated their physical health was a barrier to work were negatively associated with starting a job. For a one unit increase in the |
0-6 ranking of physical health as a barrier to work, we can expect to see a **21% decrease in the odds/likelihood** of starting a job

<table>
<thead>
<tr>
<th>Mental health</th>
<th>Yes</th>
<th>Negative</th>
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<tbody>
<tr>
<td>• Individuals who believed their mental health was a barrier to work were negatively associated with starting a job. For a one unit increase in the 0-6 ranking of mental health as a barrier to work, we can expect to see a <strong>13% decrease in the odds/likelihood</strong> of starting a job.</td>
<td></td>
<td></td>
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</table>

<table>
<thead>
<tr>
<th>Conviction</th>
<th>Yes</th>
<th>Negative</th>
</tr>
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<tbody>
<tr>
<td>• Individuals who felt their past convictions were barrier to work were negatively associated with starting a job i.e. for a one unit increase in the 0-6 ranking of convictions as work barrier, we can expect to see a <strong>15% decrease in the odds/likelihood</strong> of starting a job</td>
<td></td>
<td></td>
</tr>
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</table>

### Sustaining work

6.1 The target is that 75% of job starts are sustained for 12 months. The latest performance report shows that 144 people have now been in work for 12 months, which is higher than expected (120) based on actual job starts at this point in time. Therefore, the figures suggest that the time spent preparing people for the ‘right’ job is helping to keep people in work.

### Other outcomes

7.1 Although Working Well’s primary outcome is to support people into work, it also provides support to address a wide range of issues, including health, housing, skills, debt and transport. The table below
shows the distance travelled for the top seven presenting barriers to work for those supported on the programme for at least 18 months.

Source: SQW analysis of monitoring data

8. Working Well Expansion

8.1 Overview - The Working Well Expansion went live in March 2016 and aims to support an additional 10,500 long-term benefit claimants from across a much wider array of claimant types. These include JSA Work Programme completers, Lone Parents claiming Income Support, ESA Work programme completers of differing prognosis groups and most recently those in receipt of Universal Credit.

8.2 As with the pilot, the cohort is among the most complex to support into employment. All clients have been out of work for many years and have already received all the support available to them from DWP and JCP without securing and sustaining work, although for some groups such as Lone Parents this is limited.

8.3 In recognition of the cohorts complex needs and grounded in the learnings of the pilot the expansion focuses its effort on providing a personalised support package enabling clients access the right service at the right point in time. This is supported by the ‘Working Well Ecosystem’ which provides expedient access to an integrated web of mainstream and bespoke support services such as Working Well’s Talking Therapies service, Skills for Employment and complementary local services (supported by LA local leads).
8.4 Due to the complex nature of the cohort and their distance from the labour market, GM & government agreed to maintain the challenging targets agreed in the pilot by supporting 20% of those completing the programme into work, with 75% of those sustaining work for 12 months.

9. **Referrals**

9.1 Between March 2016 and December 2016 there have been 9,357 referrals to the programme, which is broadly in line with where we would expect to be at thing point in time.

9.2 A breakdown of referrals by claimant types is provided in the graph below. The largest number of referrals is JSA claimants, with over 3,000 having been supported by JCP for at least 12 months, then going onto Work Programme for 2 years, then being supported by JCP for a further 12 months before being referred onto Working Well. Lone Parents claiming Income Support is the second greatest referral cohort accounting for 18% of all referrals. Very little mainstream support is currently available for this cohort, which goes some way to explain why such large numbers have been referred to Working Well.

9.3 Unlike the pilot, the expanded programme allows for referrals from the GP surgeries in Bury, Manchester, Tameside and Wigan. Referrals via this route by the end of December reached 126 (see Appendix 1 for GP referral route case studies).
10. **Attachments**

10.1 By the end of December 2016 there had been 5,065 successful 1st attachments (an attachment rate of 58%). This rate continues to improve as providers adapt to the voluntary nature of the programme and as JCP’s message and communications to clients about the Working Well offer is refined. It is expected that the programme will achieve a 70% attachment rate by the end of the referral period (March 2017).

10.2 Interestingly, of the 126 clients referred through the GP referral route, 77% attach to the programme demonstrating a more successful attachment rate via this route, albeit with relatively small numbers at this point.

10.3 When a client reaches six months on programme a 2nd attachment payment is triggered (providing all necessary documentation is in place). By the end of December 68% of all 1st attachments achieved a 2nd attachment – only just shy of the 70% target.

10.4 Some client claimant groups (having undergone 1st attachment) achieve better second attachment rates than others (for example JSA, WP completers comparable to Lone parents on Income Support). However, second attachment rates are broadly consistent across the range.

10.5 Interestingly, the graph below suggests that the older the client the more likely they are to remain on programme and reach/achieve the 2nd attachment. This is useful learning for GM’s Ageing Hub.
10.6 At this point, the programme has not been running long enough to achieve 3rd attachments (expected after 1 year on programme)

11. **Job Starts**

11.1 By December 2016 job starts on the Working Well Expansion are significantly ahead of forecast (129% against target). The graph below shows the 20% job start target (319 jobs) and the number of jobs achieved (410).

11.2 The Job starts are well distributed amongst Local Authorities which demonstrates a healthy single approach across the two providers and 10 LA areas.
11.3 When comparing claimant types, job starts are more quickly achieved by Lone Parents on Income support. The graph below shows that 13% of Lone Parents have achieved a job start to date. At this point in time the most challenging groups are ESA, although from our learning in the pilot it is reasonable to expect that ESA clients will achieve a greater proportion of job starts at a later date (following a longer period of support).

12. **Working Well Ecosystem**

12.1 **IAPT Talking Therapies Service** – is a bespoke mental health support package exclusive to Working Well clients and delivered by Greater Manchester West NHS trust. By December TTS had received 756 referrals, many of whom have long-term, low to medium level mental health needs.
health needs and have no previous interaction with mental health services. Waiting times are below 6 weeks across GM and 68% of referrals are entering treatment. The Working Well ecosystem is therefore enabling otherwise marginalised clients to access appropriate MH services.

12.2 To date of those that have completed a course of treatment and recovered as defined by the national IAPT guidance is very positive, with a recovery rate of 53%. The latest figures for reliable improvement are also very positive at 73%. This is higher than both the GM and national IAPT performance with a more complex cohort. Although numbers are still relatively small, this does suggest that the joint support of a Keyworker and Therapist could deliver improved outcomes.

12.3 Qualitative evaluation demonstrates good integration between WW providers and GMW mental health provision. Keyworkers and Mental Health practitioners are co-located across GM, driving new relationships with shared case conferencing between providers and LA’s supporting a holistic approach to provision.

12.4 **Skills for Employment** is commissioned by the Skills Funding Agency and offers a specialist intensive employment skills provision accessible to WW clients. The Programme specifically delivers CV and interview preparation, work experience opportunities, vocational and academic qualifications and employment opportunities.

12.5 To date Skills for Employment has supported with 986 WW clients in their preparation for work, with 316 starting a work experience opportunity and 40 having started a job.

12.6 **Local Integration** – Local Delivery Meetings between Providers, Programme Office and Local Authority Leads continue to operate with a specific mandate to provide an arena to challenge providers and Local Leads (in terms of performance and local opportunities), ensure shared learning and overcome barriers and issues raised through Local Integration Boards.

12.7 Recently, Local Delivery Meetings have supported the shaping of transformational change within one of our providers and driving improvement in the way Providers and Local Authorities work together to achieve employment outcomes for client. This has been supported by consultation on providers client management frameworks, consultation on staffing and structures, communication of employment
and work experience opportunities and highlighting and providing solutions to gaps in case conferencing and the client exit process. The meeting supports homogeneity of service quality across contract package areas.

12.8 Local Integration Boards between Providers, Local Leads and a broad range of locally integrated services continue to support the delivery of personalised wrap around support to clients in each Local Authority area. The boards support operational delivery and wider strategic alignment of services and well as specific case conferencing. Barriers and gaps in service are bought to the board in terms of real life case studies and consulted on to find solutions.

13. **Extending the Working Well Expansion**

13.1 The CA approved that GM proceeds with its £32.7m ESF CFO application in November 2016. This application, split between £10m for Working Well and £22.7m for the Work and Health Programme, was formally approved by the ESF Managing Authority (DWP) on 28th February 2017. The Memorandum of Understanding is in the process of being authorised by both GM and the ESF Managing Authority (DWP).

13.2 As a result over 33,000 GM residents are expected to benefit from the personalised key worker services offered by these programmes. In terms of the Working Well Expansion, providers were initially contracted to support 10,500 attachments / starts onto the programme between March 2016 and March 2017. The securing of ESF funding enables GM to continue the Working Well Expansion from April 2017 to January 2018.

13.3 Importantly this will ensure there are no gaps in employment support provision for GM residents as the GM Work & Health Programme will also start in January 2018. In total the Working Well Expansion will now look to support between 13,500-14,500 attachments towards sustainable employment with a maximum delivery contract value of c£14.8m.

13.4 GM officers are now working through the detail of contract extensions with the two contracted providers and also ensuring that JCP continues to make and monitor referrals from April 2017 onto the programme.
Creating a GM Health and Employment System

14.1 Working Well has demonstrated that GM is able to trial successfully innovative approaches to addressing worklessness and poor health through locally commissioned and managed service design. The challenge now is to build on the foundations that are place to create a transformation health and employment system that is able to enact positive change at scale to improve population health, address the worklessness challenge and increase productivity.

14.2 A considerable positive step has already been made in negotiating for the Work & Health Programme to be devolved to GM by DWP, and this provides an opportunity to mainstream Working Well and support a further 22,000 people over the next five years.

14.3 This will form part of a much broader programme of work to deliver change at a strategic, operational and cultural level to realise the vision of a system in GM which integrates health, employment and skills support. The Programme will be delivered within the context of a virtual joint team comprising the Work and Skills team at the GMCA alongside the nascent Health and Employment team from GMHSCP.

14.4 Outline of the programme
There are five key identified strands of work to deliver an integrated health and employment system. The high level proposition of each strand is detailed below.

**RETURN POSSIBLE WITHIN 15 MONTHS: GM Work and Health Programme.** GMCA has successfully negotiated for devolved commissioning of the Work & Health Programme from DWP. The programme’s primary outcome will be to support people out of work with a health condition into employment, but will also evaluate improvements in mental health, physical health and general well-being. The programme will accept referrals for 5 years from early 2018 and participants will receive 15 months out-of-work and 6 months in-work support.

**IN WORK BUT AT RISK: Creating an effective early intervention model for people in work who become ill and at risk of falling out of employment.** A GM Fit for Work Service to support those who have no existing access to occupational health, employment-related advice and support (Small and Medium-sized Enterprises and self-employed).

**RECENTLY UNEMPLOYED: Early support for the newly unemployed who need an enhanced health support offer.** Co-design and develop the health and care sector input to the expanded GM JCP remit to hold ‘work and health’ conversations and connect to community support through linking to developing placed-based offer within localities. Opportunity to capacity build with health partners on the benefits of good work and the range of support available in GM.

**LONG-TERM ECONOMICALLY INACTIVE: A health pathway into employment, skills and social determinants support for those who are long term economically inactive and receive minimal support from JCP.** Embed this work within emerging Locality Plan prevention and early intervention plans which address the social determinants.

**IN WORK: Development of the contribution that GM employers make to good quality work, including the public sector.** Cross-cutting priority alongside GM Work, Skills and Employer Engagement, GM Mental Health Strategy and GM HSC Workforce Strategy. Options proposed reflect priorities raised in the GM Health & Employment Stakeholder Event regarding employer engagement and public service modelling good practice.
GP Referral Route Case Studies:

Ingeus Working Well: Personalised Support Service

GP’s are a crucial partner in identifying clients who would benefit from more holistic support to address issues that are impacting health and wellbeing. The following examples show how GPs have approached clients, enabling the Working Well team to mobilise appropriate wrap around support.

DR. P.W.V. Thomas, GP Partner at Redbank Group Practice in Radcliffe, states:

“Long term unemployment is a result of multiple health and social problems for individuals. Contrary to widely held beliefs, many of these individuals do want to work. Unless all the barriers to work are addressed, often there is little prospect of these individuals achieving their goal.

An integrated team approach with expertise in housing, mental health, benefit support, physical therapy and access to work opportunities can support their pathway back to work. Paramount to this is the individuals GP supporting the programme to achieve successful outcome with employment and improved overall well-being of their patient. The “Better Life for You Programme” has already established proven success of this pilot project.”

Lee aged 27 was referred via his GP and Link Worker in Bury, and joined us with significant mental health needs. Having previously suffered abuse, Lee had no confidence and expressed feelings of being suicidal. He found it challenging to face anyone to discuss his current circumstances, and was referred by his Key Worker to Working Well Talking Therapies. We worked at his pace, and at the depth he wanted to. Lee feels we helped him to find the confidence to change his mind set about returning to work. Having been out of work for a long time, and claiming ESA, Lee was known to Police and Domestic Violence team in the borough. Although he found it difficult at times to engage, we maintained contact to ensure he knew he had support to become successful. After intensive 121 support from his Key Worker, Lee has returned to work in a full time permanent position and continues to receive contact and support.

James aged 32 was referred to Working Well PSS in complex personal circumstances. He had lost his business, following his mums death. He returned to live with his grandmother and younger brother and became a carer for both. James’ confidence was shattered through the loss of the business, and shortly afterwards, his Grandmother also passed away. James has a visual impairment, and required a lot of encouragement around his self-esteem and confidence. His Key Worker supported with a number of issues surrounding his personal circumstances, including supporting with budget planning and sorting benefit and housing support following his grandmothers passing. He also had a pending court case following a D&D charge. His Key Worker wrote supporting statements to the court and
solicitors to explain James’ caring commitments, and helped to arrange food parcels to James when he was struggling to cope financially. James maintained weekly attendance and started to make significant progress. James has no other family network or support, but has since moved into full time work, a solution that has helped him to remain stable, have a focus, and to care for his younger brother.

Sally, aged 33, was in a stable environment with her husband and 3 children all under 16. Sally went through a traumatic and sudden family breakdown, as her husband left, and Sally was unable to cope. After attempting suicide, her children were removed and Sally was unable to pay the mortgage. Court proceedings have been started to repossess the property, and Sally is at risk of being evicted on 1st January. Her husband isn’t supporting financially, and housing teams are unable to help until Sally is officially homeless. Her Key Worker has arranged and attended housing team meetings and case conferences, and sees Sally twice a week for moral support. Sally knows she can contact her Ingeus worker at any time. We have supported with food parcels, debt advice including budget planning and benefits advice. We have contacted Sally’s creditors and supported to arrange payment plans. Sally is mentally fragile, however was previously unable to leave the house at all. We continue to support Sally with high frequency and intense appointments. Sally has no other family or support network, and we feel that in the New Year when housing and family circumstances are clearer, Sally will be able to consider gaining new skills. She is a bright and capable woman, however she currently needs a high level of support, which we are proud to provide.

Sue, aged 43, was referred via her GP and Community Link Worker into Working Well this year. She is recovering from breast cancer, and following surgery, her arm is affected and she needs to wear a rubber sleeve to protect and support it. Sue’s husband committed suicide 3 years ago, and her mental health has understandably suffered a great deal. Her son was consistently in trouble at school and Sue was unsure which way to turn to be able to cope with the situation. Her Key Worker has supported the conversations and attended meetings with the school to agree a plan. Sue has considered the support through Talking Therapies, however at the moment can find it difficult to engage and is very tearful. Sue has no extended family or support network, and has praised the support through her Key Worker, stating she wished it had been available sooner. We have supported with budget planning, confidence, managing anxiety, food parcels and financial support. Her Key Worker has contacted creditors and arranged payment schedules for existing debts, including some having interest charges frozen. There has been improvements in her son’s circumstances and attendance at school. Sue will be able to progress closer towards work in the New Year, once her personal circumstances are more settled.

Natalie aged 19 was referred via her GP due to additional support needs being identified. Her severe anxiety meant that she would find it difficult to attend without her mum’s support, and at first found it difficult to open up and engage. Her Key Worker had frequent appointments and focusses on positivity and encouragement, and states “the difference for Natalie was that someone believed in a positive future for her, even when she found this difficult to see for herself”. Natalie knows she can contact her Key Worker at any time, when she feels she’s struggling or having a bad day. This belief and confidence is central to Natalie’s progress, who went on to engage with Talking Therapies, and Ingeus worked alongside the therapist through case conferencing. After identifying the right environment, Bury Council have been able to assist in sourcing a Traineeship in Childcare, giving Natalie an exciting and supported environment to start her career in the New Year.
A spokesperson from the Greater Manchester Working Well Programme Team stated ‘We welcome the support from Doctor Thomas and his team. Good health and good employment go hand in hand, we look forward to working with health professional in Bury and hope to enable individuals to live healthier, economically independent lives.’

Cllr Trevor Holt Chair of Bury’s Health and Well Being Board stated ‘Bury Council are an integral partner in the Working Well Programme, we completely understand the links between good health and good employment. This is a fantastic example how working together can make a difference to peoples lives’.

**Quote from a new Working Well client:** “nobody has ever encouraged me to go into work – I have been at home with 4 children and this is life changing, I am excited about the future.”
PURPOSE OF REPORT

This report introduces the paper on inclusive growth in GM that was submitted to the RSA’s Inclusive Growth Commission. It sets out brief details of the Commission’s final report and describes how the GM paper relates to it. It updates WLT on plans to undertake further work on inclusive growth, linked to the refresh of the Greater Manchester Strategy and the work programme that supports the GMCA Fairness, Equalities and Cohesion portfolio.

RECOMMENDATIONS:

It is recommended that the Combined Authority:

- Note the report
- Note the intention to bring a further paper to WLT on the development of GMCA’s work on inclusive growth as part of the work programme supporting the Fairness, Equalities and Cohesion portfolio.

CONTACT OFFICERS:

Dr Carolyn Wilkins, Chief Executive Portfolio Lead for Fairness, Equality and Cohesion and Chief Executive, Oldham Council

Simon Nokes,
1. The RSA Inclusive Growth Commission

1.1 The final report of RSA’s Inclusive Growth Commission was published on 7 March. The Commission was chaired by Stephanie Flanders, Chief Market Strategist (Britain and Europe) for JP Morgan and former BBC Economics editor. It was supported by Core Cities UK, the Local Government Association, London Councils, Key Cities, the Joseph Rowntree Foundation and PWC.

1.2 The report argues that ‘If we are really going to build a nation that “works for everyone, not just the privileged few”, we need... above all, ... a national strategy for inclusive growth, agreed and supported by the centre but devised and implemented by local actors with a keen sense of place.’ It sets out a number of recommendations for achieving more inclusive growth, grouped under four main priority themes:

- Place-based industrial strategies: delivering business-led productivity and quality jobs,
- A fundamental reset of the relationship between Whitehall and the town hall, underwritten in new social contracts,
- Inclusive growth at the heart of public investment, and
- Making inclusive growth our working definition of economic success.

1.3 Greater Manchester is mentioned frequently in the Commission’s report, which borrows findings from New Economy’s research on the balance of public spending and income in different places. GM’s health and social care reform arrangements, in particular, are seen as a model upon which the ‘grown up devolution’ the Commission advocates can be built. Combined authorities are seen as playing a critical role. Core Cities have unanimously supported the Commission’s findings and are actively considering plans for how they can implement them across their cities, get other local partners to commit, and are working up detailed models with which to engage Government on specific policy areas where change is most urgent.

2. Greater Manchester’s work with and response to the Commission

2.1 New Economy and members of GM’s Public Service Reform team collaborated and shared information with the RSA Commission Secretariat during the period in which it was active. It also submitted formal evidence to the Commission on behalf of GMCA. The GMCA paper is publicly available via the Commission’s website. It is appended, along with the two annexes that accompanied it, to this paper.

2.2 In essence, the GMCA submission presents a baseline review of GM’s approach to inclusive growth, as set out in the Greater Manchester Strategy, Stronger Together, and delivered through the activities of the
GM family of organisations, individual districts and other GM partners. The main paper:

- Summarises GM’s developing understanding of inclusive growth and how progress towards it is and could be measured,
- Examines the opportunities and barriers to more inclusive growth in GM and draws out lessons for inclusive growth elsewhere,
- Explains GM’s developing approach to delivering inclusive growth, based on a granular understanding of GM’s economy, with a focus on raising productivity and innovative reform in the public sector, and
- Summarises the results of a bespoke Call for Evidence, issued specifically to inform the GM response, that illustrates the variety of activity underway across GM, complementing the Combined Authority’s growth and reform programmes, seeking to achieve inclusive growth at the local level.

3. Next steps

3.1 The notion of Inclusive growth has achieved a great deal of salience within current national and international policy debates. It is an issue that resonates with many strands of the Greater Manchester Strategy and overlays a number of the GMCA portfolio responsibilities of Lead Members and Chief Executives. In advance of further clarification of the way in which inclusive growth will be treated within the refreshed Greater Manchester Strategy, two interlinked pieces of work are being pursued.

3.2 First, members of the Outcomes Framework Task and Finish Group that is charged with developing a progress and performance evaluation framework for the Greater Manchester strategy are developing specific proposals about how progress towards inclusive growth might best be measured, both within GM and in comparison with other city-regions, nationally and internationally. Second, the implications of GM’s experience of attempting to make the growth it continues to experience more inclusive are being assessed and developed into a number of potential future priorities that could be pursued in through the work programme of the Fairness, Equalities and Cohesion portfolio.
Date: 31st March 2017
Subject: Draft GM Continuity of Service Protocol
Report of: Tony Lloyd, GM Interim Mayor and Andrew Lightfoot, GMCA Deputy Chief Executive

PURPOSE OF REPORT

The GM Workforce Engagement Board (WEB) has been established since January 2016 and meets quarterly to enable senior representatives from GMCA and the trades unions to consider the workforce implications relating to the delivery of the devolution agenda.

This report presents a draft protocol that has been developed by the WEB to be recommended for adoption by the GMCA and its constituent bodies, GM local authorities and GM NHS organisations on a voluntary basis to recognise continuity of service when an employee moves on a voluntary basis between those organisations listed at Appendix 1 of the protocol.

RECOMMENDATIONS:

i. To recommend the GM Continuity of Service Protocol for adoption by the organisations listed at appendix 1 of the Protocol

ii. That a progress report is presented to the GMCA and GM Health and Social Care Partnership Board in three months to report on the level of adoption and any issues encountered.

BACKGROUND

It is well recognised that staff play a vital role in the delivery of high quality public services and that high quality employment in public services plays a vital role in the functioning of the Greater Manchester economy and society.
Across Greater Manchester we continually highlight the importance of changing the relationships between public services, the people who access them and the people involved in their delivery. Our collective workforce in GM is fundamental to successful change. Each aspect of the devolution agenda is considering the workforce challenges both for now and the future. In some areas this includes pressing demand for core skills sets and professions such as nurses and social workers. The GM Health and Social Care Strategic Plan states, we need a flexible workforce with a breadth of skills and knowledge that enables us to transform, lead and develop new models of care.

One of the issues that the WEB has been considering in seeking to enable a flexible workforce is the portability of terms and conditions of employment and those entitlements calculated on the basis of length of service.

As an individual’s career progresses, service becomes a significant factor influencing decisions about career pathways especially cross-sector. Regulations are in place to recognise continuity of service for voluntary moves within local government and likewise for voluntary moves within NHS employers. However, there are no regulations that allow for service to be recognised for voluntary moves across the two sectors.

Continuous service determines the qualification for and value of employment related entitlements (statutory and contractual), including redundancy pay, annual leave, occupational sick pay, etc. and is generally sector specific; this means that unless there is an enforced move across sectors (e.g. under the provisions of TUPE), then continuity of service is lost where an employee voluntarily moves from one public sector service to another.

THE WAY FORWARD

The WEB parties were committed to exploring and jointly promoting solutions that would address this issue. The employer and staff side Joint Secretaries worked together to explore the challenges and benefits identified and develop solutions that could provide a platform for a recognition arrangement that GM employers could voluntarily sign up to.

Whilst the long-term ambition is to arrive at a solution for the entire GM workforce, it was practical to start with testing the approach for voluntary moves (where an individual responds to an advertised vacancy or in a redeployment situation) between local government and NHS only as a starting point. This would also include the GM Combined Authority and all its constituent bodies.

Work has taken place to explore the legal position and potential risks and benefits of the approach. This included discussion with national employer representatives from local government and the NHS who provided constructive advice and also confirmed that there were no immediate plans to consider any legislative change that would address this issue.
Following this review it was established that whilst there would be some practical considerations, the benefits of such an approach for staff, organisations and the wider GM family were considerable.

It was concluded that it is possible to have a GM approach for both local government and NHS employers to recognise accrued service for the calculation of entitlement to contractual benefits, such as annual leave, sickness and maternity and for the calculation of redundancy. This does not include pension arrangements.

This would apply to the voluntary movement of staff between local government and the NHS in all occupational areas, and would be recommended to those employers in scope to adopt on a voluntary basis.

In order to provide a mechanism to enact this variation, it was agreed that a protocol would be drafted for consideration and approval by the Greater Manchester Combined Authority and the Health and Social Care Partnership Board. This is attached at Appendix 1.

3. RECOMMENDATIONS

i. To recommend the GM Continuity of Service Protocol for adoption by the organisations listed at appendix 1 of the Protocol

ii. That a progress report is presented to the GMCA and GM Health and Social Care Partnership Board in three months to report on the level of adoption and any issues encountered.
GREATER MANCHESTER
CONTINUITY OF SERVICE PROTOCOL

INTRODUCTION

The Greater Manchester Combined Authority and Health and Social Care Partnership Board agreed a GM Protocol for Joint Working on Workforce Matters in December 2015.

This Protocol recognises that staff play a vital role in the delivery of high quality public services and that high quality employment in public services plays a vital role in the functioning of the Greater Manchester economy and society.

Flexibility of employment across public services is an ambition shared by the organisations and recognised trade unions. Portability of accrued service is a key consideration for employees which must be addressed to secure such flexibility.

PURPOSE

As a first step this protocol provides a mechanism for recognition of service where an individual employed within local government or the NHS in GM moves employment between those sectors on a voluntary basis.

Adoption of the protocol by the GM local authorities and NHS organisations would be voluntary and would be a decision for each individual organisation within their respective governance arrangements.

This protocol is recommended to the employers listed at appendix 1 and does not seek to extend such an agreement to the wider employer group comprising commissioned providers e.g. third sector parties, at this point in time.

The accrued service will be used for the calculation of contractual entitlements and for redundancy purposes in accordance with the policies and terms and conditions of the relevant participating employer.

This protocol does not apply to pension arrangements.

DEFINING CONTINUITY OF SERVICE

The calculation of an employee’s “continuous service” and/or “reckonable service” is extremely important in determining the qualification for and value of ‘time served’ entitlements.
It determines access to statutory entitlements such as making a claim for unfair dismissal at an Employment Tribunal and the application of the statutory redundancy scheme. It will also commonly determine access and value of contractual entitlements such as annual leave, occupational sick pay, occupational maternity pay and contractual redundancy or severance schemes.

Individual employers can decide how their contractual entitlements will be applied and there is some discretion to the calculation of redundancy beyond the statutory scheme.

**BENEFITS OF RECOGNISING CONTINUITY OF SERVICE**

The benefits of a flexible workforce, facilitated by the adoption of this protocol, are summarised below:

- Having a geographically and organisationally mobile workforce at a GM level will benefit both organisations and individuals. Employee movement within and between these organisations flexibly can help movement of staff into priority areas ensuring delivery at local level.

- A flexible GM workforce will strengthen cross organisational cultural understanding, enhance professional links and increase partnership working. Learning best practice from each other can only improve the totality of approaches adopted individually by each organisation.

- Employees, in turn, gain opportunities for personal and professional growth which can enhance their career opportunities. This increases staff morale and a motivated workforce, within a potentially shrinking public services sector, which is critical in delivering the challenges of devolution.

- A flexible workforce could support the deployment of staff across sectors during periods of organisational downsizing and service redesigns, increase GM ability to attract and retain staff with specialist skills and improve workforce and succession planning on a wider scale.

- Organisations can cut staff turnover costs and fill specialist roles more easily e.g. social workers moving from local authorities into local integrated care organisations under the NHS.

- Organisations can save on redundancy costs as there would be a wider pool of reasonable, suitable redeployment opportunities.

- Staff with cross-sectoral experience and understanding are essential for delivering new transformed services and redesigned roles in integrated services. The easy movement of staff between the NHS and local authorities will increasingly be needed going forward. A flexible workforce will aid the development of a shared language to describe capabilities required in all roles, with accompanying tools and resources.
CHANGES TO EMPLOYER POLICIES

Organisations who wish to be party to this protocol will need to make amendments to local policy and terms and conditions in respect of entitlement for contractual purposes. In respect of recognition of service for the purpose of redundancy the steps to be taken within each sector are set out below.

LOCAL GOVERNMENT

- Local Authorities who wish to be party to this protocol will need to amend their policies in respect of application of the 2006 Discretionary Compensation Regulations to incorporate recognition of continuous service with NHS bodies and PHE. Reference may also be included in the annual Pay Policy Statement.

- It is recognised that policy amendments can be made with one months’ notice and therefore authorities cannot make advance guarantees that certain redundancy compensation payments will be paid.

If the employees are in the NHS Pension Scheme under a Directions Order, the local authority will need to check whether the terms of the Direction Order means they can pay redundancy benefits under the NHSPS.

NHS

- Section 16 of the Agenda for Change Handbook (NHS Terms and conditions of service) outlines entitlement to redundancy pay. Employees dismissed by reason of redundancy must have at least 2 years of continuous full-time or part-time service. To qualify for a redundancy payment the employee must be working under a contract of employment for an NHS employer as defined in Annex 1 of the AfC Handbook (national agreement) and any predecessor or successor body.

- NHS organisations who wish to be party to this protocol have some flexibilities in national agreements and to act outside the national agreements if they opt to do so. The test must always be one of ‘acting reasonably’ in relation to resources/use of public money i.e.: redundancy payment should not be more than is necessary unless justified and agreed.

CONCLUSION

This protocol marks a significant step for Greater Manchester in achieving reform of public services. A competent, engaged workforce is a key enabler to successful reform and it is important to facilitate not only retention of skills and knowledge but to ensure that the sector is seen as attractive and rewarding to future generations.
The protocol applies in the first instance to the voluntary movement of employees between local government and NHS employers as a proof of concept. The Greater Manchester Workforce Engagement Board will monitor the application and success of this protocol and will make recommendations for any further revisions as appropriate.
APPENDIX 1 – EMPLOYERS IN SCOPE FOR VOLUNTARY ADOPTION OF THE PROTOCOL

Local Authorities
- Greater Manchester Combined Authority (and all its constituent bodies)
- The following local authorities:
  - Bolton
  - Bury
  - Manchester
  - Oldham
  - Rochdale
  - Salford
  - Stockport
  - Tameside
  - Trafford
  - Wigan

NHS Bodies

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<tr>
<th>Association of GM CCGs</th>
<th>GM NHS Provider Trusts</th>
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<td>• NHS Bolton CCG</td>
<td>• Bolton NHS FT</td>
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<tr>
<td>• NHS Bury CCG</td>
<td>• Central Manchester University Hospitals NHS FT</td>
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<td>• NHS Central Manchester CCG</td>
<td>• Greater Manchester Mental Health NHS FT</td>
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<td>• NHS Heywood, Middleton and Rochdale CCG</td>
<td>• North West Ambulance Service</td>
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<td>• NHS North Manchester CCG</td>
<td>• Pennine Acute Hospitals NHS Trust</td>
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<td>• NHS Oldham CCG</td>
<td>• Pennine Care NHS FT</td>
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<td>• Tameside Hospital NHS FT</td>
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<td>• NHS Tameside and Glossop CCG</td>
<td>• The Christie NHS FT University Hospital of South Manchester NHS FT</td>
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<td>• NHS Trafford CCG</td>
<td>• Wrightington, Wigan and Leigh NHS FT</td>
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<td>• NHS Wigan Borough CCG</td>
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Date: 31st March 2017

Subject: Brexit Monitor and Spring Budget – Monthly Update


PURPOSE OF REPORT

This report updates members on the key economic and policy developments in relation to the UK’s decision to leave the European Union (EU). The latest edition of the monthly Greater Manchester Brexit Monitor is attached to provide a real-time view of the economic and policy impact of Brexit. A briefing on the Spring Budget is also attached, summarising the key policy announcements of interest and relevance to Greater Manchester.

RECOMMENDATIONS:

Members are asked to:

• Note the contents of the March Brexit Monitor (appendix 1) and the briefing on the Spring Budget (appendix 2).

CONTACT OFFICERS:

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simon.nokes@neweconomymanchester.com

John Holden, Director of Research, New Economy
john.holden@neweconomymanchester.com
1. INTRODUCTION

1.1 Following the vote to leave the EU, the GMCA has been monitoring the economic and social trends and policy developments to develop an appropriate policy response. The impact of Brexit is being tracked across the following themes:

- Macro-economy trends and developments;
- Key sectors and business investment;
- Trade, regulation, and access to European Funding;
- Property investment, housing, and planning; and
- Economic inclusion.

1.2 This month’s Brexit Monitor (appendix 1) has a particular focus on the Spring Budget and a separate briefing on this is also attached (appendix 2).

2. KEY MESSAGES FROM THE BREXIT MONITOR & BUDGET BRIEFING

2.1 The key messages from both the March Brexit Monitor and the Spring Budget Briefing include:

- The UK economy has remained in good shape since the European referendum vote last year, but there remain risks for the short and medium term. GDP second estimates for Q4 2016 showed that the UK GDP grew by 0.7% in the last three months of the year, the largest increase since Q4 2015. The Office for Budget Responsibility (OBR) revised up GDP forecasts from 1.4% to 2% for 2017/18 but downgraded growth medium term expectations in subsequent years.
- Other leading indicators, such as the PMI data for manufacturing and services align with this economic outlook. They highlight a strong 2016 however this month’s data show a slowdown in the rate of growth, with rising input costs and inflation contributing to new challenges for the economy.
- GM firms continue to be optimistic about their investment plans following the vote to leave the EU. Research with MGC Business Growth Hub clients over the last quarter highlights that firms generally expect their investment plans to remain the same.
- Official Housing Index data and commercial property intelligence suggest that the vote to leave the EU has had little impact on house prices or occupier take up in GM. The level of sales/lettings is still in line with the seven year average suggesting that the industrial property market remains attractive in GM.
- The Household Finance Index (HFI) February 2017 indicates that UK household finances worsened at the second-fastest rate
since August 2014, predominantly due to rising living costs. Rising inflation is expected to have an increasingly negative impact on both real incomes and consumer spending levels in the coming years. However, Claimant Count and Universal Credit unemployment has fallen since the referendum result.

2.2 Despite economic data presenting a broadly positive picture, a number of sources are warning of the negative impact on the UK economy if a deal with the EU is not reached. A report by The Commons Foreign Affairs Committee has warned that failure to reach a deal would be "very destructive" for both Britain and the EU. The CBI has also said that leaving the EU without a deal on future trade arrangements would be "not only wrong but irresponsible" and that if the UK is left to fall back on World Trade Organisation (WTO) rules after Brexit it will open up a "Pandora's Box" of unforeseen consequences for the economy. These remarks were further reinforced in a leaked HMT analysis about the negative impact of leaving the EU without a deal. In much stronger language than has been used publicly by HMT, the report warned that plans to rely on WTO tariffs will cause a “major economic shock” with serious consequences for companies, jobs and food prices.

2.3 The Government has now confirmed that it intends to trigger article 50 on Wednesday, 29th March. The economic reaction to the triggering of Article 50 will be critical as it will bring the UK’s position into sharp and formal focus and may have an impact on confidence and the economy.

3. NATIONAL GOVERNMENT POLICY ANNOUNCEMENTS

3.1 The Spring Budget was the key policy announcement this month, setting out the Government’s plans for the economy based on the latest forecasts from the OBR. Whilst relatively low key and with little reference to Brexit, the Chancellor did respond to widespread concerns about the pressures on the health and social care system, with an additional £2 billion for adult social care allocated over the next 3 years. Spending on social care by councils across England was £14.3bn in 2014/15, so this investment represents an increase in funding of approximately 5% over the three year period, which many commentators have said is welcome, but not sufficient. A forthcoming green paper will look at the ongoing sustainability of the social care system.

3.2 Two of the headline announcements made in the Budget affect the self-employed with increases in the rate of National Insurance Contributions (NICs) paid by self-employed workers and increases in income tax on dividends. However, a week after the initial Budget announcement the Government subsequently reversed its decision to introduce the national insurance rise for self-employed workers after senior Conservatives expressed concerns about the proposal
and questions were raised over whether the changes were consistent with the tax pledges in the Conservative manifesto. Mr Hammond confirmed that there will be no increases in National Insurance rates in this Parliament and said he would use the Autumn Budget to set out further measures to "fund in full" the £2bn lost from NICs. The Government had planned to increase the main rates of NICs for the self-employed (Class 4) from 9% to 10% in April 2018 and to 11% in April 2019, although this would have been partially offset by the abolition of their flat-rate Class 2 NICs contributions (which had already been announced and will come into force in April 2018). The move may have made self-employment less attractive for workers and employers alike. For GM, whilst rates of self-employment remain lower than the UK, the rapid increase in this type of employment locally means that 12% of all GM employees (155,000 people in 2016) would have been affected. The tax free dividend allowance was also reduced from £5,000 to £2,000 from April 2018 and is likely to affect approximately 13,100 people in GM.

3.3 The Budget also responded to concerns about the impact on Business Rates bills of the revaluation. A £300m support fund for local authorities to help businesses in their areas from 2017-18 was announced and GM will receive nearly £8 million. GM must work to ensure that this resource benefits local businesses that might be disproportionately affected by the changes. Other measures announced include targeted support to hold down the increases in Rates bills for businesses that lose Small Business Rate Relief because of the revaluation; and a £1,000 discount from the bills of smaller pubs from 2017-18. The changes will ensure that the impact of the revaluation is softened for some businesses, and Local Government will be compensated for the loss of income as a result of these measures.

3.4 Other announcements include confirmation that the first wave of challenges funded from the Industrial Strategy Challenge Fund will include £270m for the next generation of electric vehicles; cutting-edge artificial intelligence and robotics systems; and new medicine manufacturing technologies. A proposal to introduce greater simplicity on tax credits to support Research & Development by firms is a positive development - New Economy’s research shows that take up of R&D tax credits in the North West is lower than expected. The Budget also confirmed Government’s ongoing discussions with GM in relation to future transport funding and announced the allocation of £90 million to the North to ease road congestion.

3.5 In other policy news this month, the EU withdrawal bill has now been backed by both Houses, clearing the way for it to receive Royal Assent and become law. Substantive talks on the UK’s departure from the EU are unlikely to get going until some point in May to July.
4. RECOMMENDATIONS

4.1 Members are asked to:
   • Note the contents of the March Brexit Monitor (appendix 1) and the briefing on the Spring Budget (appendix 2).
Greater Manchester Brexit Monitor

Key economic and policy developments

March 2017
Executive Summary

Headlines and Macro Economy

The UK economy has remained in good shape since the European referendum vote last year, but there remain risks for the short and medium term. The second estimate of Q4 2016 GDP showed that UK GDP grew by 0.7% quarter-on-quarter, the largest increase since Q4 2015, where output also grew by 0.7%. The OBR have subsequently revised up GDP forecasts from 1.4% to 2% for 2017/18 but they have downgraded medium-term expectations in subsequent years to 1.6% (2018/19), 1.7% (2019/20), 1.9%, (2020/21) and 2% in 2021-22. Leading indicators, such as the PMI data for manufacturing and services align with this economic outlook. They highlight a strong 2016, however this month’s data show a slowdown in the rate of growth. Rising input costs and inflation are contributing to new challenges for the economy.

The Spring Budget on March 8th aimed to maintain confidence in the economy whilst saving the unexpected windfall from better borrowing figures for the uncertain times ahead. As expected, the Budget did not contain any significant give-aways with funds being set aside to support growth in the UK economy post Brexit. There was an additional £2 billion allocated over the next 3 years for Adult Social Care. A number of tax changes were announced, including changes to the rate of National Insurance Contributions paid by self-employed workers, however the Government subsequently reversed this decision following criticism from senior Conservatives questions over whether the changes were consistent with the tax pledges in the Conservative manifesto. Measures to ease the impact of business rate rises were announced and extra help for small firms affected by the revaluation of properties, alongside a proposal to introduce greater simplicity on tax credits to support Research & Development by firms. The Budget confirmed the Government’s ongoing discussions with Greater Manchester in relation future transport funding and announced the allocation of £90 million to the North.

Key sectors & business investment

Research with MGC Business Growth Hub clients over the past 3 months highlights that firms generally expect their investment plans to remain the same following the EU referendum result (79%). Of the remaining 21%, 4% said they were likely to increase investment at their UK sites, whilst 7% envisaged decreasing investment, 9% were unsure of the impact on investment, and 1% said they had put investment plans on hold.

Manufacturing Purchasing Mangers’ Index (M-PMI) shows that the UK manufacturing sector continued to perform strongly in 2016. Whilst the PMI data continues to show growth in the sector, it is at a much slower rate this month, compared to December’s two-and-a-half year high. Similarly, the Services Purchasing Mangers’ Index (S-PMI) shows that the UK service sector continued to expand in February, but at a significantly lower rate.
Executive summary

Terms of trade, regulation & access to European funding

• March saw the House of Lords vote to amend the ‘Great Repeal Bill’ to force the Government to guarantee the rights of EU citizens living in the UK before the Brexit negotiations begin, however MPs have subsequently rejected this amendment.

• The EU withdrawal bill has now been backed through both Houses, clearing the way for it to receive Royal Assent and become law. The Prime Minister reaffirmed that her timetable of triggering formal negotiations by the end of March remained on track. Substantive talks on the UK’s departure from the EU are unlikely to get going until some point in May to July. March also saw David Davis, the Secretary of State for Exiting the European Union interviewed at the Commons Brexit committee, stating that the UK government has not made a thorough assessment of the economic impact of leaving the EU without a deal, and that British businesses would face tariffs and non-tariff barriers if no deal could be agreed. The default position for Brexit if there was no deal was that the UK would trade with the EU on “most favoured nation status” under World Trade Organisation arrangements.

• There was little detail in the Budget on trade, regulation, and Brexit. However, the Budget did announce that the first wave of challenges funded from the Industrial Strategy Challenge Fund will include £270m for: leading the world in the manufacture of batteries for the next generation of electric vehicles; developing cutting-edge artificial intelligence and robotics systems; and accelerating patient access to new drugs and treatments by developing brand new medicine manufacturing technologies.

Property investment, housing and planning

• Official Housing Index data suggest the vote to leave the EU has had little impact on house prices, with moderate growth in average sales this period. The latest average house price data for GM is £153,500, up over £10,000 on the value 12 months ago.

• Commercial property: According to Cushman & Wakefield’s analysis of annual occupier take up data the GM industrial property market saw over 400,000 sqm of sales/lettings in 2016 (excluding warehousing). Whilst the level of sales/lettings is down from what was recognised to be a record year at over 600,000 sqm in 2015 (following significant new supply) it is still in line with the seven year average suggesting that the industrial property market remains attractive in GM.

Economic inclusion

• The Household Finance Index (HFI) February 2017 indicates that UK household finances worsened at the second-fastest rate since August 2014, predominantly due to rising living costs. However, Claimant Count and Universal Credit unemployment has fallen since the referendum result in June 2016, from just over 46,000 to 44,000 in GM. Despite the fall, the claimant rate in GM (2.5%) remains higher than the average in the North West (2.3%) and the UK (1.8%).
Macro-economic trends and developments

**Macro-economy**

- The economy has performed better than the Office for Budget Responsibility expected in the latter half of 2016 and started this year with momentum (albeit slower than 2016) which should raise the growth numbers for this year. The Chancellor has highlighted that the headline growth forecasts for 2017 will be revised higher from 1.4% to close to 2%. However, the OBR (and other independent forecast houses) have downgraded medium-term expectations in subsequent years to 1.6% (2018/19), 1.7% (2019/20), 1.9%, (2020/21) then 2% in 2021-22.(1)

- GDP: UK gross domestic product (GDP) in volume terms was estimated to have increased by 0.7% between Quarter 3 (July to Sept) 2016 and Quarter 4 (Oct to Dec) 2016, revised up 0.1 percentage points from the preliminary estimate of GDP (published 26 January 2017). Upward revisions within the manufacturing industries is the main reason, with helpful boosts from higher exports, lower imports and extra government spending. However, Quarter 4 2016 saw a slowdown in business investment which fell by 1.0%, driven by subdued spending on “ICT equipment and other machinery and equipment”. (2)

- Trade: The UK trade deficit on goods and services narrowed to £8.6 billion in Quarter 4 (Oct to Dec) 2016 following a sharp widening of the deficit in Quarter 3 (July to Sept) 2016. The narrowing was predominantly due to an increase in exports of goods to non-EU countries. Exports of goods to both EU and non-EU countries have increased through most of 2016, but there was a much higher quarter-on-quarter growth in exports to non-EU countries in Quarter 4 2016, following a fall in Quarter 3. (3)

- Sterling: Following the EU referendum, the value of sterling fell sharply against a basket of currencies. Recent depreciation has coincided with upward price pressure on both export and import prices. Between Quarter 3 (July to Sept) 2016 and Quarter 4 (Oct to Dec) 2016, export prices increased by 3.0% and import prices increased by 2.4%. These growth rates are not as high as seen between Quarter 2 and 3 2016, but continue the trend in rising export and import prices. (3)

**Consumer sentiment**

- Consumer spending: UK GDP growth in Quarter 4 2016 saw a continuation of strong consumer spending in the last part of the year. However, the latest data from the Consumer Prices Index (CPI) highlights a rise in prices 1.8% in the year to January 2017, compared with a 1.6% rise in the year to December 2016, indicating that rising inflation may start to affect consumer behaviour later in 2017. The rate in January 2017 was the highest since June 2014. The main contributors to the increase in the rate were motor fuels and food prices. Pressures were offset by prices for clothing, which fell by more than they did a year ago. (4)
Key sectors & business investment

Business Investment

- Research with MGC Business Growth Hub clients over the past 3 months highlights that firms generally expect their investment plans to remain the same following the EU referendum result (79%). Of the remaining 21%, just 4% said they were likely to increase investment at their UK sites, whilst 7% envisaged decreasing investment, 9% were unsure of the impact on investment, and 1% said they had put investment plans on hold. The survey findings also suggest that businesses are increasingly unlikely to expect the referendum to impact on their recruitment intentions (77%).

Manufacturing

- The UK manufacturing sector continued to perform strongly in 2016, however the start of 2017 suggest signs of slower growth.
- Manufacturing output and new orders have continued to rise, although at a slower rate. The seasonally adjusted Markit/CIPS Purchasing Managers’ Index posted 54.6 in February, down from December’s two-and-a-half year high (56.1). Export orders increased for the ninth consecutive month, with improved sales to Ireland, mainland Europe, Asia, Australia, the USA and Canada.

Services

- The UK service sector continued to expand in February, but growth was much slower than the average for 2016.
- In February the Index stood at 53.3, down from 54.5 in January with service sector growth at its slowest since September 2016 (53.7). Rising energy costs and average input prices rising at their steepest pace since August 2008 have all contributed to the drop in the momentum of the sector’s growth.
Trade, regulation and access to funding

Trade, rules and regulatory developments

• March saw the House of Lords vote to amend the ‘Great Repeal Bill’ to force the Government to guarantee the rights of EU citizens living in the UK before the Brexit negotiations begin, however MPs have subsequently rejected this amendment.

• The EU withdrawal bill has now been backed by the process through both Houses, clearing the way for it to receive Royal Assent and become law. The Prime Minister reaffirmed that her timetable of triggering formal negotiations by the end of March remained on track. Substantive talks on the UK’s departure from the EU are unlikely to get going until some point in May to July. March also saw David Davis, the Secretary of State for Exiting the European Union interviewed at the Commons Brexit committee, stating that the UK government has not made a thorough assessment of the economic impact of leaving the EU without a deal, and that British businesses would face tariffs and non-tariff barriers if no deal could be agreed. The default position for Brexit if there was no deal was that the UK would trade with the EU on “most favoured nation status” under World Trade Organisation arrangements.

• Whilst the Budget did not make detailed reference to Brexit and trade, it did announce £270 million to launch the Industrial Strategy Challenge Fund. Initial funding will support research and innovation in universities and businesses, in areas like: developing artificial intelligence and robotics that will work in extreme environments, like offshore energy, nuclear energy and space; designing and manufacturing better batteries for new electric vehicles that will help improve air quality; improving medicine manufacturing technologies to speed up patient access to drugs.

• The Industrial Strategy Commission was also launched in March. This is an independent inquiry to support the Industrial Strategy Green Paper Consultation (launched in January). The Commission is Chaired by British economist Dame Kate Barker and will publish its findings in July 2017. It aims to address the following key questions: What are the strengths and weaknesses of the UK economy? What are the future challenges and opportunities for an industrial strategy? What is the appropriate role for the state to play? What lessons can be learnt from past UK experience and international comparisons? Each of these questions has strong links to Brexit and the future health of the UK economy. For more information: http://industrialstrategycommission.org.uk

• National Productivity Investment Fund. The Budget announced transport spending as part of the National Productivity Investment Fund. The government is funding improvements to transport infrastructure, including: £690 million for new local transport projects, to improve congestion on roads and public transport; and £220 million to improve congestion points on national roads, with £90 million going to the North and £23 million to the Midlands.

European Funding

• Following the announcement from Environment Secretary, Andrea Leadsom, on the remaining uncommitted funding from the Rural Development Programme for England (RDPE) Growth Programme in January, a national call for rural tourism infrastructure projects has been launched. Grants from £35,000 are available to GM organisations to fund the capital expenditure of tourism infrastructure projects that help the growth of the local rural economy and attract more visitors to the area.
Property and investment, housing, and planning

- **Housing data from the Land Registry continues to show little impact on house prices**, however separate data from some mortgage lenders (not National Statistics) suggests a slowdown in UK prices starting to emerge.

- **The Housing White Paper ‘Fixing our broken housing market’** recognises the need to diversify the market through support for SME builders and encouraging new methods of construction. Post Brexit there is still a focus on affordable homeownership with measures such as Lifetime ISAs and maximum income limits on Starter Homes supporting this, but the Paper adds an acknowledgment of the need to increase affordable renting options, including making the private rented sector more affordable. (13)

### Average House Prices Sales (Index July 2015=100)

- **Industrial.** According to Cushman & Wakefield’s analysis of annual occupier take up data, the GM industrial property market saw over 400,000 sqm of sales/lettings in 2016 (excluding warehousing). Whist the level of sales/lettings is down from what was recognised to be a record year, at over 600,000 sqm in 2015 following significant new supply, it is still in line with the seven year average suggesting that the industrial property market remains attractive in GM. (15)

- **Housing Index** data from the Land Registry suggest the vote to leave the EU has had little impact on house prices, with moderate growth in average sales this period. The latest house price data for GM shows the average price of £153,500 (December 2016) is up from £152,200 the previous month, and up £10,000 on the value in December 2015. (14)

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**GMCA**

- Bolton
- Manchester
- Rochdale
- Stockport
- Tameside
- Trafford
- Wigan
Economic Inclusion

• The Inclusive Growth Commission final report, Making our Economy Work for Everyone, was launched 7 March. Four key sets of recommendations are proposed for putting inclusive growth at the heart of public policy and finance: 1) Placed-based industrial strategies: Delivering business-led productivity and quality jobs; 2) A fundamental reset of the relationship between Whitehall and the town hall, underwritten in new social contracts; 3) Inclusive growth at the heart of public investment; 4) Making inclusive growth our working definition of economic success. (16)

• The Household Finance Index (HFI) compiled by Markit Economics provides the earliest indication of changes in UK household finances each month. Results for February 2017 indicate that UK household finances worsened at the second-fastest rate since August 2014, predominantly due to rising living costs. While income from employment rose marginally in February 2017, household perception of current inflation also increased. (17)

Claimant count (JSA and UC) unemployed by age

- Since the referendum result in June 2016, the claimant count unemployment has fallen from just over 46,000 to 44,000 in GM, a 4.8% fall, and a 0.1 percentage point change in the claimant rate up to January 2017. This compares to an increase of 0.8% in the UK level, and no change observed in the UK rate for the same period.
- As a proportion of working age residents, the GM claimant rate (2.5%) remains higher than that of the North West (2.3%) and the UK (1.8%).
- From August to December 2016, the GM claimant count has seen a month on month decrease. In January 2017 however, this has increased by 0.8%, however is down 1.4% from January 2016.
- With regards to age, the number of GM claimants aged 16-24 continues to decrease, down 4.4% in January 2017 (-430). This has decreased by 10.9% in the year to January 2017.
- The number of claimants aged 50+ has increased by 7.1% in the year to January, up 2.7% from December 2016 (255).
- The claimant rate of those aged 25-49 has remained fairly static, down 0.5% in the year to January 2016. (18)
**Sources (1)**

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| **Contact**                                  | **New Economy Research Team**  
To subscribe, please email: Research@neweconomymanchester.com |
Summary:
The 2017 Budget was delivered against a backdrop of economic resilience since the vote to leave the EU last June, but still heightened uncertainty as the Government prepares to invoke Article 50 in the coming weeks. Having moved the date for future Budgets to the Autumn, the Chancellor broadly held true to his promise that this would be a low key final Spring Budget. He did, however, respond to widespread concerns about the pressures on the health and social care system, with an additional £2 billion for adult social care allocated over the next 3 years. A number of tax changes were announced including to the rate of National Insurance Contributions (NICs) paid by self-employed workers, although the Government subsequently reversed its decision on this following criticism from senior conservatives and claims they had broken a manifesto pledge. The much trailed calls to ease the burden of steep rises in business rates for some companies were partially acknowledged with the Chancellor announcing extra help for some small firms affected by the revaluation of properties this year. The Budget also confirmed the Government’s ongoing discussions with Greater Manchester (GM) in relation to future transport funding and announced the allocation of £90 million to the North to ease road congestion.

Economic Outlook
The Chancellor was able to find some headroom to fund the new commitments made in the Budget without changing the broad thrust of Government spending plans announced in the Autumn. Some of that headroom was created through additional income measures, but it was mainly the result of revised forecasts produced by the Office for Budget Responsibility (OBR). Their growth forecasts have been revised up, to 2% in 2017 from 1.4%, but the OBR do expect slower growth over the course of the next three years. The OBR’s Economic and Fiscal Outlook suggests that the outlook for public finances in the medium term remains largely unchanged but a number of one-off factors now means that Government borrowing for 2016-17 will be lower than projected, falling to 0.7% of GDP by 2021-22.

The UK’s exit from the EU is expected to squeeze real pay as Sterling falls and inflation rises. The OBR’s forecast revised up average earnings slightly in 2017 to 2.6%, but revised them down in each of the following four years. Inflation (as measured by the CPI) is also revised up slightly to peak at 2.4% in 2017, but down in the following two years as it returns to the Bank of England’s target rate of 2%. Overall, real earnings are forecast to grow every year of the forecast, but only slowly over the next few years (0.2% in 2017 and 0.4% in 2018). There have also been concerns about the impact of Brexit on business confidence and, while the level of business investment was revised up for 2016 and 2017, is expected to fall by 0.4% in 2018 and 1.2% in 2019.

Health and Social Care
Additional funding for the health and social care system, which has been increasingly stretched in recent years, was the main public spending announcement in this Budget. An additional £2 billion was allocated to councils in England over the next 3 years to spend on adult social care services, of which £1 billion will be provided in 2017/18 (this is on top of existing powers for councils to
increase Council Tax by 2% to support social care). Spending on social care by councils across England was £14.3bn in 2014/15, so this investment represents an increase in funding of approximately 5% over the three year period, which many commentators have said is welcome, but not sufficient. It has since been confirmed that GM will receive £118 million of this additional funding over the three year period. A green paper will also be published later this year to look at the ongoing sustainability of the social care system. Additional health and social care announcements include: capital funding to support transformation of the health and social care estate, £100m in 2017/18 specifically to reduce pressure on A&E departments, and a further £325m over the next 3 years to support wider transformation proposals in the Sustainability and Transformation Plans (for GM this is the Taking Charge document).

**Taxation**

Two of the headline announcements made in the Budget affect the self-employed with increases in the rate of National Insurance Contributions (NICs) paid by self-employed workers and increases in income tax on dividends. However, a week after the initial Budget announcement the Government has subsequently reversed its decision to introduce the national insurance rise for self-employed workers after senior Conservatives expressed concerns about the proposal and questions were raised over whether the increase in NIC for the self-employed was consistent with the tax pledges in the Conservative manifesto. Mr Hammond confirmed that there will be no increases in National Insurance rates in this Parliament and said he would use the Autumn Budget to set out further measures to "fund in full" the £2bn lost from NICs. The Government had planned to increase the main rates of NICs for the self-employed (Class 4) from 9% to 10% in April 2018 and to 11% in April 2019, although this would have been partially offset by the abolition of their flat-rate Class 2 NICs contributions (which had already been announced and will come into force in April 2018). The move may have made self-employment less attractive for workers and employers alike. For GM, whilst rates of self-employment remain lower than the UK, the rapid increase in this type of employment locally means that 12% of all GM employees (155,000 people in 2016) would have been affected. Another variant of self-employment – people turning themselves into a business through incorporation – are also to be taxed more. The amount that they can take tax free as a dividend will be reduced from £5,000 to £2,000 from April 2018. In GM, this measure is likely to affect approximately 13,100 people.

The Chancellor recognised concerns about the impact on Business Rates bills of the revaluation in some parts of the country, announcing three measures to help:

- A discretionary support fund for local authorities to help businesses in their areas of £300m from 2017-18 – GM will receive nearly £8 million of this pot. GM must work to ensure that this resource benefits local businesses that might be disproportionately affected by the changes;
- Targeted support to hold down the increases in Rates bills for businesses who lose Small Business Rate Relief because of the revaluation;
- A £1,000 discount from the bills of smaller pubs from 2017-18. The changes will ensure that the impact of the revaluation is softened for some businesses, and it is welcome that Local Government will be compensated for the loss of income as a result of these measures.

**Northern Powerhouse / Devolution**

The Budget reaffirms the Government’s commitment to the Northern Powerhouse (NPH). Adding to announcements made with the publication of the NPH Strategy in the Autumn Statement, the Budget announced that £90 million has been allocated to the North from the £220 million National Productivity Investment Fund (NPIF) to tackle pinch points on the strategic road network. Building on its regional approach to growth, the Government has published the Midlands Engine Strategy. This sets out plans for significant investment in skills, connectivity and local growth. The
The Government has also agreed a Memorandum of Understanding on further devolution to London. On transport, most pertinent to GM is the reference the Budget makes to the Government’s ongoing talks with GM on future transport funding. More generally, £690 million from the £1.1 billion NPIF is to be competitively allocated to local authorities to tackle urban congestion and get local transport networks working more effectively, with £490 million made available by early autumn 2017. £90 million has been allocated to the North from the £220 million NPIF investment to tackle pinch points on the strategic road network. Details of individual schemes will be announced by the Department for Transport shortly.

**Business, science and innovation**

The Budget also announced a number of science and innovation investments to be made via the NPIF. This includes £90m for an additional 1,000 PhD places in STEM subjects and a further £160m for new fellowships for early and mid-career researchers – both in areas aligned to the Industrial Strategy. £50m is ring-fenced for fellowship programmes to attract global talent and over £50m from existing international funds will support fellowships that attract researchers to the UK from emerging research powerhouses such as India, China, Brazil and Mexico. These initiatives align with GM’s ambitions around commercialisation and exploiting GM’s core strengths and fast growth opportunities set out in the GM and Cheshire East Science and Innovation Audit, which also align with the Industrial Strategy priorities.

The Government will introduce changes to the Research and Development Expenditure Credit to increase the certainty and simplicity around claims. New Economy’s research shows that take up of R&D tax credits in the North West is lower than we would expect, so these changes are welcome. However, more work is needed to understand regional disparities in take up, including looking at barriers other than awareness among SMEs, if we are to maximise the effectiveness of this policy.

The Industrial Strategy Challenge Fund will initially invest £270 million in 2017-18 to kick-start the development of disruptive technologies. Amongst the first wave of challenges funded will be the next generation of electric vehicles, artificial intelligence and robotics systems and new medicine manufacturing technologies, which will help to improve public health. These areas align with the prime and supporting capabilities which have been identified across the NPH and include some of the areas of excellence and opportunities identified in the Science & Innovation Audit for investment in those capabilities where there are core strengths and fast growth opportunities.

On digital infrastructure, the Budget contains some announcements which reflect GM’s response to the Government Call for Evidence for Fibre networks. A full fibre-based competitive digital infrastructure that delivers as much bandwidth as needed, ‘on tap’, everywhere in GM, is essential to deliver the conurbation’s economic and social ambitions. The confirmation of £740 million investment in digital infrastructure by 2020-21 to support mobile and broadband communications is therefore welcome. GM has been at the forefront of calling for and actively pursuing the approaches the Government announced in the Budget to leverage patient private investment in new fibre networks, including aggregating public sector demand and market testing. In addition, the Government is looking to trial and demonstrate 5G applications. Initial trials will be focused in secondary UK cities. However, GM will have the opportunity to secure funding for future trials which will be awarded on a competitive basis. The Government will invest £200 million (of the £740m) to fund a programme of local projects to test ways to accelerate market delivery of new full-fibre broadband networks. This is half the £400m figure stated in the Autumn Statement for the Digital Infrastructure Investment Fund. It is not clear as yet where the other £200 million will go.

**Skills and education**
A key skills announcement was new funding for 16-19 year old technical education or ‘T-Levels’ from 2019, a replacement for the thousands of technical education qualifications currently in existence (the Chancellor referred to over 13,000, but previous estimates have put the total at 21,000). This builds on last year’s Post-16 Skills Plan following the Sainsbury Review of technical education. Instead, T-Levels will offer ‘15 routes to skilled employment extending from level 2 and level 3 up to higher skill levels, with a streamlined set of valuable qualifications’. The number of programme hours of learning on technical routes will increase to over 900 hours a year on average, including a high quality industry work placement. The aspiration for parity between academic and technical qualifications was reiterated, but there was no confirmation that one T-level would equal one A-level. These reforms will be worth £500m ‘once fully implemented’ and could help GM to increase the skills of its population and help more people into work. A number of technical route pathfinders will be trialled from September 2019. It has not yet been confirmed whether funding will be made available prior to full implementation to support development activity.

The Chancellor confirmed plans to use £320 million to fund up to 140 free schools, some of which will be grammar schools. This programme will cost over a billion pounds over the next five years. An additional £216 million will also be available for school maintenance. The Budget also confirmed that maintenance loans will be extended to further education learners and part-time students and the terms for doctoral loans were confirmed. In addition, education industry partnerships will be set up, and funds to enable children who receive free school meals to travel to selective schools further away will be established. A new idea of ‘returnships’ was also put forward, to help people who return to work after lengthy career breaks (£5m of new funding). The Government also announced lifelong learning pilots (worth £40m by 2018/19) which aim to test different approaches to how to upskill people through their working lives as the possibilities of automation grow. These investments will help support in-work skills development and career progression, tackling issues around GM’s low pay, low productivity economy.

Low Carbon, Waste and Environment

There was little mention of the future of Britain’s green economy, although the Government remains committed to carbon pricing to help decarbonise the power sector. Currently, UK prices are determined by the EU Emissions Trading System and Carbon Price Support. Starting in 2021-22, the Government will target a total carbon price and set the specific tax rate at a later date, giving businesses greater clarity on the total price they will pay. Further details on carbon prices for the 2020s and changes to the Levy Control Framework, are to be set out at Autumn Budget 2017.

The Budget also detailed a set of new packaging recycling and recovery targets, in line with the Packaging Directive. The Government set out proposals to, by 2020, increase recycling targets for paper to 75.0%, aluminium to 64.0%, steel to 85.0% and for wood packaging to 48.0%. Targets for overall packaging recycling will increase to 75.4% (from 72.7%) and for recovery to 82.0% (from 79.0%) by 2020. In addition, the value of the Landfill Communities Fund (LCF), widely used by NGOs to support local environment projects, will remain unchanged for 2017-18, at £39.3m, and the cap on contributions by landfill operators will be increased to 5.3%.

Planning and Housing

There were no new announcements directly related to planning and housing in the Budget, following the publication of last month’s White Paper ‘Fixing our Broken Housing Market’. This set out Government consultation on reforms to the planning system, and maintained a focus on affordable homeownership, an acknowledgment of the need to increase affordable renting options, a commitment to diversifying the market through support for SME builders and encouraging new methods of construction.
PURPOSE OF REPORT

To update the GMCA on publication of the first report by the Northern Powerhouse Partnership (NPP). This has identified priorities around the four Prime Capabilities of the North, alongside Education and Skills.

There is an opportunity for GM to ensure that it is able to shape this agenda going forward, ensure our major assets are recognised at the level of the North, and to support the actions which will be able to make the most difference to economic growth. It will also help to persuade national government that the overall outcomes for the UK are best achieved by both investing in, and devolving more power to, the North of England.

RECOMMENDATIONS:

GMCA is asked to note developments around the NPP and to agree that GM should continue to be represented at the appropriate level in this work to ensure it supports broader GM objectives.

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BACKGROUND

1. At the start of February the Northern Powerhouse Partnership (NPP), chaired by George Osborne, published its first report. The report sets out the ambitions – as articulated in the Northern Powerhouse Independent Economic Review (NPIER) – that if the right actions are taken then the Northern economy has the potential to be 100 billion pounds larger over the next three decades than it would otherwise have been, alongside the creation of 850,000 new jobs.

2. It identifies 4 key priorities where the NPP will focus its work going forward:

- **Education and Skills**
  The report identifies that it must be a priority for the North to improve educational attainment at age 16, and develop the technical and higher level skills employers need to compete. In order to achieve this, the NPP will commission a group of leading employers and education experts to come together to draw on the latest evidence and thinking to examine a number of key issues.

- **Infrastructure and Assets**
  The report argues that it must be a priority for the North to invest in the critical infrastructure to drive growth – including east-west connectivity between the major economic centres of the North. To achieve this, the NPP will bring together the different parts of the North and use the best evidence to deliver as agreed plan and clear priorities for infrastructure. This includes ensuring the ambitions set by Transport for the North (TfN) are met around speeding up journey times and capacity between the Northern Major Cities. The report also recognised the need to have stronger energy/ water and digital infrastructure, and to have a major pan Northern centre of science excellence linked to each of the Prime Capabilities identified in the NPIER.

- **International Competitiveness**
  The report recognises that it must be a priority to drive higher levels of productivity, innovation and enterprise across the Northern economy – and to do this be capitalising on the collective strengths in each Prime Capability. In order to achieve this, the NPP will bring employers and civic leaders together to develop a Productivity and Innovation Strategy. This will build on the Government’s Northern Powerhouse Strategy and contribute to the Industrial Strategy – and will analyse what needs to be done at each spatial level to drive productivity.
• **Leadership and Learning**

The report recognises that it must be a priority to develop the places in the North where people want to live, work, invest and visit. In order to achieve this, the NPP will develop a plan for greater devolution and decision-making in the North of England.

3. As next steps the NPP Board has agreed a number of specific actions which it will undertake over the next 6-9 months. This is to look in depth at the issues raised in the report under each theme and come up with tangible, practical, costed, evidence based solutions that can be implemented or championed to make a difference to Northern economic growth.

**Transport**

4. Firstly the NPP Board has agreed to look specifically at transport – recognising that the next few months will be a critical time to influence infrastructure funding. By the end of the year the window effectively closes for decisions on the big infrastructure projects to be undertaken over the next decade. TfN has already signaled the economic gains to be made in the North if the Government is prepared to invest in “step change” spend. Therefore, while TfN will continue to lead on identifying specific transport proposals, the NPP will work to bring this to life by highlighting the specific additional investments, jobs, and markets that could be unlocked by such transport infrastructure being put in place.

**Prime Capabilities**

5. Secondly the Board has agreed to establish four working groups to produce the evidence base to support the priorities identified. These are to be structured around each of the four prime capabilities of the North – Advanced Manufacturing/ Materials, Digital, Health, Energy – and will consider how best they can be advanced across the North. These working groups will look at barriers to faster growth such as skills, finance and innovation. A member of the NPP Board has been appointed to lead each prime capability - Siemens on Advanced Manufacturing/ Materials, Drax on Energy, EY on Digital and Nancy Rothwell on Health.

6. A small number of specific actions that would make the most difference across the North will then be brought together into one report covering all four capabilities (given their inter-relationships) and comment on what more needs to be done. The aim is publish this in the autumn, in time to influence the Budget.
Education and Skills

7. A fifth working group is being established specifically to look at education and skills. It will be led by Collette Roche of MAG and draw in education experts and civic leaders. It is anticipated that this group will report towards the end of the year.

Additional areas

8. Alongside these specific action points there are a number of areas where the NPP will also be active:

- There will be a further set of consultation meetings with business over the spring – engaging a number of additional places across the North beyond the five core cities;

- NPP is meeting with the universities on 24 March through the N8 partnership to ensure that they are engaged in the process – particularly in the skills and innovation agenda;

- The Chairs of the eleven Northern LEPs have already written to the Chief Executive of InnovateUK, Ruth McKernan, signaling their support for the NPP proposal to develop a Productivity and Innovation Strategy for the North. As a next step they will meet on 3 April to discuss practicalities;

- The Leaders and Chief Executives of the Northern Core Cities are agreeing to get together on regular basis to agree how they will contribute to the NPP work and will meet on 11 May;

- In the NW, 2 LA/LEP officer representatives from each of the 5 sub-regions have agreed to come together to support the work of NPP and co-ordinate ideas/activities from the sub-regions into NPP. This grouping will also feed into the NW Regional Leaders Board, and help to re-invigorate RLB around a strong NW voice into Northern Powerhouse. For GM it is recommended that nominated attendees be Eamonn Boylan and Simon Nokes. Ensuring the North West/North is speaking with one voice will be particularly important in conversations with Govt Departments such as DIT to ensure that services (such as trade services) are developed and delivered by the North with Government, rather than shaped by national procurement processes;

- The NPP will continue to engage with central government by submitting its own response to the Industrial Strategy consultation; and

- Finally, the NPP will support the roll-out of newly elected Mayors by working with the Centre for Cities, the What Works Centre, and Bloomberg Philanthropies, to offer a structured programme of support for CA Elected
Mayors in areas such as the better use of evidence to support decision making, performance monitoring and evaluation of devolution deals, and stronger citizen engagement.

Next Steps

9. GM has helped to get the NPP up and running and will have an ongoing interest in ensuring its work across the North supports GM objectives. To this end it will be important for us to engage in the work around the prime capabilities, transport and education/skills – ensuring that GM is represented at the appropriate level in each of these. GM will also have an opportunity influence the shape of the work through the LEP, universities, and Core Cities.
Date: 31 March 2017

Subject: Transport for the North Accountable Body Transfer

Report of: Councillor Keiran Quinn, Portfolio Lead for Investment Strategy & Finance; and Richard Paver, GMCA Treasurer

PURPOSE OF REPORT

To outline the roles and responsibilities the GMCA is proposing to undertake in becoming the Accountable Body for Transport for the North.

RECOMMENDATIONS:

Members are recommended to:

(i) note the current position in relation to the Accountable Body for Transport for the North; and

(ii) approve the transfer of the Accountable Body from Sheffield City Region Combined Authority (SCRCA) to GMCA from 1 April 2017.

CONTACT OFFICERS:

Richard Paver 0161-234-3564 r.paver@manchester.gov.uk
Steve Warrener 0161-244-1025 steve.warrener@tfgm.com
RISK/ FINANCIAL/ LEGAL CONSEQUENCES/DETAILS

The financial and legal consequences are set out in sections 2 and 3 of the report.

BACKGROUND PAPERS:

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1. **INTRODUCTION**

1.1 Transport for the North (TfN) is a pan northern transport body tasked to deliver the objectives of the Northern Transport Strategy (NTS). TfN is not yet a Statutory Body, instead operating on the basis of a Principles Document agreed between DfT and Northern Local Authorities. It is anticipated that TfN will achieve Statutory Status as a Sub-National Transport Body at the end of 2017.

1.2 The primary remit of TfN is to work in partnership with civic and business leaders across northern England together with the Department for Transport (DfT) and national agencies (Highways England, Network Rail and HS2 Ltd) to deliver the objectives of the Northern Transport Strategy (NTS).

1.3 The NTS sets out a comprehensive and pan northern transport strategy, including a programme of transformational, multi modal investment to enhance connectivity between northern cities.

1.4 As part of the delivery of the TfN Programme, the DfT awards an annual grant of £10 million to fund the scoping, feasibility and delivery of identified transport interventions.

1.5 In addition to the annual £10 million award, the DfT have committed funding for the current parliament life to deliver a northern Smart Ticketing programme; Northern Powerhouse Rail and Highways’ interventions. The phasing of these funding streams is dependent on expenditure profiles and milestones submitted to the DfT by TfN.

1.6 The SCR Combined Authority (SCRCA) has been the financially accountable body for the TfN programme since 2015. This includes the responsibility to oversee the day to day management of the financial operations whilst also administering and auditing any associated procurement processes.

1.7 Since 2015/16 the amount of funding awarded to the current Accountable Body, SRCA, is £25.2 million.

1.8 To enable the DfT to pass funding to TfN it needs to contract with a legal entity via a Grant Determination. Because TfN is not a legal entity one of TfN’s partner’s needs to act as the Accountable Body on its behalf.

1.9 SRCA have indicated that they do not wish to continue to undertake the role of Accountable Body for TfN. From the 1st of April 2017 it is proposed that the Accountable Body role will transfer from SCRCA to GMCA. Following discussions with SCRCA, TfN and the GMCA, it was proposed that the GMCA take on this role with effect from 1 April 2017. The TfN Executive Board agreed to the transfer of the Accountable Body role from SRCA to GMCA at its meeting on 23 February 2017, subject to the subsequent approval of GMCA.
1.10 TfGM currently provides much of the day to day support to TfN, via a cost recovery agreement. It is anticipated that TfGM will continue to provide day to day support following the proposed transfer.

1.11 DfT are aware of the proposed changes and are supportive of the proposed approach. This arrangement is expected to continue until Transport for the North becomes a Sub National Statutory Body, at which point TfN will become the Accountable Body.

1.12 The resource implications of GMCA undertaking the role of the Accountable Body will be agreed with TfN Officers and the associated costs will be recovered, in full, direct from TfN.

1.13 The paper outlines the key responsibilities GMCA will undertake whilst being the Accountable Body.

2. ACCOUNTABLE BODY RESPONSIBILITIES

2.1 Accountable Body status confers upon a body a requirement to ensure sound stewardship of public resource is used in an effective and efficient manner. Principally these obligations are discharged through the office of the Section 151 Officer.

2.2 The following are the key responsibilities that GMCA would undertake when it takes up the responsibility of being the Accountable Body:

- Ensure appropriate controls and mechanisms are in place for day to day management of the financial operations of TfN;
- Ensure any procurement is in accordance with Public Contract Regulations and demonstrates value for money;
- Overseeing and auditing any associated procurement processes if required;
- Disbursement of funds to partners that comply with funding agreements in place;
- GMCA will need to retain the right of audit to ensure any funding agreements are adhered to;
- Ensure any specific DfT grant conditions are aligned with partner funding agreements; and
- Claw back any grant if terms of funding agreements are breached.

2.3 Whilst GMCA would be accountable for the above, a framework of governance and financial control is currently in place which allows the day to day management of TfN to be carried out by TfN officers. This framework is regarded as fit for purpose whilst TfN is operating in its current form.
2.4 Due to the current framework being in place, GMCA is able to delegate day to day management of TfN to the current TfN officers and discharge the above responsibilities through the signing and monitoring of funding agreements between GMCA and TfN’s partners.

3. CURRENT GOVERNANCE FRAMEWORK

**Partnership Board**

3.1 At the highest level, the Policy framework is outlined through consultation between Government Bodies and Northern Partners, to identify the key outcomes required by transport interventions to support economic growth in the North.

3.2 Working within the high level framework, the TfN Partnership Board (which reflects the diverse nature and geographical spread of TfN stakeholders) sets and agrees a more detailed strategic agenda. It is through the Partnership Board that the local voice and scrutiny of policy decisions can be undertaken.

**Executive Board**

3.3 The key governance body overseeing the activities of TfN is the TfN Executive Board, whose role is to ensure the programme outputs align with the strategic decisions that the Partnership Board recommend.

3.4 The Executive Board membership reflects the geographical regions and stakeholders that TfN serves. The Executive Board acts in a similar role to that of a regional transport authority's Executive and is the link between the Partnership Board and the delivery teams to ensure strategic goals are translated into the appropriate deliverables.

**Commissioning Board**

3.5 The key governance mechanism for delivering and monitoring TfN outputs is the Commissioning Board, whose membership reflects the geographical regions of TfN and the TfN funding body.

3.6 The Commissioning Board ensures any expenditure is subject to an appropriate scrutiny process before it is committed. The standard approval process is via reports being submitted for review and approval by the Commissioning Board.

3.7 Once approval to commit expenditure is given from the Commissioning Board, the procurement is undertaken through one of TfN’s partner bodies using its own process. Partners currently undertaking procuring activity on behalf of TfN are TfGM, West Yorkshire Combined Authority (WYCA), SCRCA and MerseyTravel.

3.8 Currently all TfN procurement activity is undertaken by established procurement departments within the partner bodies. As a result, all
procurements adhere to OJEU rules where required; are drawn down from frameworks that have previously been procured; or fall under the established processes of partner bodies.

3.9 Once approval is granted, the relevant partner organisation will procure the goods or services, approve payment when delivered and submit a grant claim to the Accountable Body for the expenditure. GMCA will only pay the grant claim if the relevant procurement rules have been followed. Principally this means that expenditure was approved by the TfN Commissioning Board, that a funding agreement is in place, and that the expenditure has been properly procured.

3.10 GMCA as the Accountable Body would directly, or indirectly via TfGM, use existing processes for contracting, invoicing and disbursing funds to TfN partners. The resultant financial transactions will be consolidated into GMCA’s statutory accounts.

3.11 Any TfN partner wishing to access funding needs to sign a formal Funding Agreement that will define the process by which funding will be disbursed from the Accountable Body to partner bodies.

3.12 The resource implications of GMCA undertaking the role of the Accountable Body will be agreed with TfN Officers and the associated costs will be recovered, in full, direct from TfN.

4. RECOMMENDATIONS

4.1 Recommendations are set out at the front of this report.

Cllr Kieran Quinn

Portfolio Lead for Investment Strategy & Finance

Richard Paver

GMCA Treasurer
Date: 31 March 2017

Subject: Devolved Transport Funding including Highways funding update


PURPOSE OF REPORT

To provide an update on the amount and the allocation of the Devolved Transport Funding for 2017/18.

RECOMMENDATIONS:

Members are recommended to:

i. Note the allocations of funding for Highways Maintenance and the Incentive elements for 2017/18 as part of the Devolved Transport Grant (‘Single Pot’);

ii. Note the funding mechanism for the payment of the Integrated Transport Block Grant, Highways Maintenance Capital Grant and Highways Maintenance Incentive funding in 2017/18 which will be received through additional retained business rates;

iii. Approve the inclusion of the capital elements of the Highways Maintenance funding in the GMCA Capital programme for 2017/18;

iv. note the intention to bring a future report to WLT and GMCA regarding the proposed treatment of the Devolved Transport Grant for 2018/19 onwards; and

v. note the bidding process for the Highways Maintenance Challenge Fund and delegate authority for the submission of the bid for the CA to the Interim Mayor, Head of Paid Service and the Chief Executive of TfGM.

CONTACT OFFICERS:

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RISK/ FINANCIAL/ LEGAL CONSEQUENCES/DETAILS

Risk Management –
Legal Considerations –
Financial Consequences – Revenue – See section 1.4 for the source of funding and how it will be applied
Financial Consequences – Capital - Progress on capital expenditure is reported quarterly to GMCA in Capital Monitoring reports

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<td>N/A</td>
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1. **INTRODUCTION**

1.1 In September 2016 the Department for Communities and Local Government (DCLG) wrote to GMCA setting out its plans for devolved transport funding for 2016/17 to 2020/21, called the ‘Single Pot’ Allocations. As well as including the previously agreed funding from Earn Back and Local Growth Fund the Single Pot included £43.377 million per annum with respect to the ‘Devolved Transport Grant’.

1.2 The Devolved Transport Grant is made up of the following funding streams for GMCA (amounts provided for 2016/17):

- Highways Maintenance Block - £25.649 million;
- Highways Maintenance Incentive Fund - £1.566 million; and
- Integrated Transport Block - £16.162 million.

1.3 The letter also noted that, from April 2017, the Devolved Transport Grant would also include the element of Bus Service Operators Grant (BSOG) that has already been devolved to local authorities; and, subject to a decision from the Mayor to choose to implement franchising, commercial BSOG will also be devolved through the Devolved Transport Grant.

1.4 The Devolved Transport Grant for 2017/18 will be received through additional retained business rates. In line with the Devolution Deal agreement and the Single Pot this grant resource can be used flexibly whilst ensuring the overall level of approved funding remains available for highways purposes. Additionally, the funding may be used to support revenue spending on transport projects, but may not be used to support borrowing.

1.5 This report provides an update on the funding allocations for 2017/18 as well as the future plans for the allocation of this funding.

2. **HIGHWAY MAINTENANCE BLOCK INCENTIVE ELEMENT FUNDING AND ‘POTHOLE FUND’**

2.1 Highways Maintenance Block Funding has to date been allocated to the Districts on the basis of a ‘needs base’ formula. These allocations take account of various factors including actual road length, condition and traffic volumes. This money has, to date, been paid by DfT to GMCA who have distributed on the basis of the allocations advised by DfT.

2.2 The Highways Maintenance Block is now part of the Devolved Transport Grant. Although an allocation of the previous ‘needs based’ formula was published when the DfT confirmed the grant for the period 2015/16 to 2017/18 it is ultimately for the CA to decide how the grant is to be used for highways investment in GM. However, given the proximity to the commencement of
financial year 2017/18, it is proposed that the allocation of the funding for 2017/18 will be in line with the ‘needs based’ formula as previously published by the DfT. The basis for funding allocations for 2018/19 onwards will be subject to a future report to WLT and the CA.

2.3 Similarly the Highways ‘Incentive’ element is being included in the Devolved Transport grant for 2017/18. This continues to be included at the top band for all authorities which DCLG has indicated reflects its commitment to reward places that are reforming their local governance arrangements through devolution deals.

2.4 In addition to the amounts being received through the Devolved Transport Grant for the Highways Maintenance Block and Incentive elements, DfT has also previously announced additional highways funding from the ‘Pothole Fund’. An additional £2.07 million is to be paid to GM authorities in 2017/18 from this source. This is in addition to the total Devolved Transport grant for 2017/18 of £43.377 million.

2.5 Therefore the total highways funding allocations for 2017/18, including amounts included as part of the Devolved Transport Grant and other amounts, will be:

<table>
<thead>
<tr>
<th>Local Authority</th>
<th>Highways Maint Block 2017/18</th>
<th>Incentive element for 2017/18</th>
<th>Pothole Fund 2017/18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bolton</td>
<td>£2,716</td>
<td>£254</td>
<td>£229</td>
</tr>
<tr>
<td>Bury</td>
<td>£1,812</td>
<td>£170</td>
<td>£144</td>
</tr>
<tr>
<td>Manchester</td>
<td>£3,381</td>
<td>£317</td>
<td>£315</td>
</tr>
<tr>
<td>Oldham</td>
<td>£2,180</td>
<td>£204</td>
<td>£193</td>
</tr>
<tr>
<td>Rochdale</td>
<td>£2,174</td>
<td>£204</td>
<td>£178</td>
</tr>
<tr>
<td>Salford</td>
<td>£2,234</td>
<td>£209</td>
<td>£193</td>
</tr>
<tr>
<td>Stockport</td>
<td>£2,826</td>
<td>£265</td>
<td>£213</td>
</tr>
<tr>
<td>Tameside</td>
<td>£2,064</td>
<td>£193</td>
<td>£164</td>
</tr>
<tr>
<td>Trafford</td>
<td>£2,069</td>
<td>£194</td>
<td>£175</td>
</tr>
<tr>
<td>Wigan</td>
<td>£3,416</td>
<td>£320</td>
<td>£266</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>£24,872</strong></td>
<td><strong>£2,329</strong></td>
<td><strong>£2,070</strong></td>
</tr>
</tbody>
</table>

2.6 It is proposed that a report be brought to WLT in June setting out a proposed basis for the allocation of these funding streams for future years beyond 2017/18. This may involve the funding being held centrally by GMCA being allocated in line with more locally based criteria, as opposed to the ‘national’ basis as previously provided by DfT.
2.7 As part of the funding arrangements as set out at 1.4 above the GM local highway authorities will be required to complete and return DfT’s annual self-assessment questionnaire on highways maintenance efficiency.

3. **INTEGRATED TRANSPORT BLOCK (ITB)**

3.1 As agreed by AGMA/GMCA in 2009 and, in line with previous years, as part of financial strategy for the Greater Manchester Transport Fund (GMTF), the whole of the ITB is ring-fenced as a contribution to the GMTF.

3.2 The capital schemes which are being delivered which the ITB is partially funding are in the GMCA Capital Programme for 2017/18, as included in the report to the CA on 27th January 2017.

4. **TOTAL DEVOLVED TRANSPORT GRANT 2017/18**

4.1 Based on the individual funding streams set out in sections 2 and 3 above, an analysis of the total Devolved Transport Grant for 2017/18 is set out below:

<table>
<thead>
<tr>
<th></th>
<th>2016/17</th>
<th>2017/18</th>
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<tbody>
<tr>
<td></td>
<td>£'000's</td>
<td>£'000's</td>
</tr>
<tr>
<td>Highways Maintenance Block</td>
<td>25,649</td>
<td>24,872</td>
</tr>
<tr>
<td>Highways Incentive Fund</td>
<td>1,566</td>
<td>2,329</td>
</tr>
<tr>
<td>Integrated Transport Block*</td>
<td>16,162</td>
<td>16,176</td>
</tr>
<tr>
<td><strong>Total Devolved Transport Grant</strong></td>
<td><strong>43,377</strong></td>
<td><strong>43,377</strong></td>
</tr>
<tr>
<td>Pothole Fund</td>
<td>1,479</td>
<td>2,070</td>
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* The ITB is pre any deductions for repayment of previous ‘advance’

4.2 As referred above the DfT has also announced £2.070 million of highways funding for GM districts in 2017/18 from the ‘Pothole Fund’.

5. **HIGHWAYS MAINTENANCE CHALLENGE FUND**

5.1 The DfT has recently issued its guidance for bids for ‘Tranche 2a’ of the Highways Maintenance Challenge Fund. As for the previous tranches the purpose of the Fund is to enable local highway authorities in England to bid for major maintenance projects that are otherwise difficult to fund through the normal needs element allocations they receive.

5.2 Key points to note for the bidding process are:

- Bids need to be submitted by 31 March 2017;
• 10% of the total scheme cost is required as a local authority contribution;
• The types of project that will be eligible include structural maintenance, on bridges, retaining walls or other structures; major maintenance, including full reconstruction of carriageways; improvement to footways or cycleways; and renewal gullies and drainage assets. A scheme may be for a specific site or on several sites within a local highway network;
• Given the relatively limited size of the overall national funding pot, it is unlikely that more than one successful bid will be allocated for each combined authority area; and
• Spend must be committed by 31 March 2018.

5.3 Due to the restriction to one scheme per CA area the prioritisation process will be very important. The principles being used are consistent with those for previous bidding rounds including supporting condition data; local funding contribution confirmation (i.e. the 10% local funding required); delivery timetable; BCR; Value for Money assessment; and economic impact of the scheme.

5.4 This information has been circulated to highways colleagues in all districts for the purposes of preparing bid submissions for this process.

6. RECOMMENDATIONS

6.1 A full set of recommendations appears at the front of this report.

Dr Jon Lamonte

Chief Executive, TfGM
Date: 31 March 2017

Subject: Local Growth Deal (1 and 2) – Six Monthly Transport Progress Update

Report of: Tony Lloyd, GM Interim Mayor, Portfolio Lead for Transport; Councillor Richard Leese, Portfolio Lead for Economic Strategy and Jon Lamonte, Chief Executive, TfGM

PURPOSE OF REPORT

To provide the Combined Authority with an update on the latest position in relation to the Local Growth Deal (1 and 2) Transport Programme, following on from the last update in September 2016, and to seek Full Approval and the release of the necessary funding to enable the delivery of the following schemes: Salford Bolton Network Improvement - Salford Delivery Package 1 (Walkden and Pendleton); Stockport Town Centre Access Plan Phase 2A; and Wigan Bus Station.

RECOMMENDATIONS:

Members are recommended to:

(i) note the current position in relation to the current Growth Deal Major Schemes programme;

(ii) note the current position in relation to the current Growth Deal Minor works and Additional Priorities programmes;

(iii) note the current position in relation to the third round of Local Growth Deal funding and the separate paper in relation to this initiative which forms a further item on the agenda for this meeting;

(iv) grant Full Approval for the Salford Bolton Network Improvement Salford Delivery Package 1 and the associated release of £1.729 million to enable the delivery the Salford Package 1 scheme (Walkden and Pendleton);

(v) grant Full Approval for the Wigan Bus Station scheme and the associated release of £14.506 million to enable the construction and completion of the new station; and

(vi) grant Full Approval for the Stockport Town Centre Access Plan Phase 2A and the associated release of £17.268 million to enable the delivery of Phase 2A.

CONTACT OFFICERS:

Jon Lamonte 0161 244 1020  Jon.Lamonte@tfgm.com
RISK/ FINANCIAL/ LEGAL CONSEQUENCES/DETAILS

Risk Management – see paragraphs 3.5, 3.25, 4.4, 5.2 and 5.3.
Legal Considerations – see paragraphs 3.18 and 3.32.
Financial Consequences – Revenue – N/A
Financial Consequences – Capital – see paragraphs 1.1 – 1.3, 2.3, 4.1 – 4.5, 5.1 – 5.3 and 6.3.

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1. INTRODUCTION

1.1 The Local Growth Deal announcements made by Government in July 2014, January 2015 and November 2016 confirmed capital funding for Greater Manchester in relation to a programme of Major Schemes, Minor Works and Additional Priorities.

1.2 This report provides an update in respect of the current position on, and recent progress in relation to, the various elements of the Growth Deal transport programme.

1.3 It also advises on the outcome of the recently completed Gateway Reviews undertaken for three schemes: Salford Bolton Network Improvement - Salford Delivery Package 1 (Walkden and Pendleton); Stockport Town Centre Access Plan Phase 2A; and Wigan Bus Station and recommends that Full Approval is granted along with the release of the required funding from Local Growth Deal budgets to enable delivery of these schemes.

2. MAJOR SCHEMES OVERVIEW

2.1 As of February 2017, four schemes have progressed through Full Approval and are now in implementation (either in their entirety or on a phased Full Approval basis); with six schemes having secured Conditional Approval and now working towards the achievement of Full Approval. Two schemes are still to progress through Conditional Approval.

2.2 In support of the scheme progression process, comprehensive public consultation exercises in relation to Tameside Interchange (Ashton-under-Lyne), Wigan Bus Station, Stockport Interchange, Stockport Town Centre Access Plan Phase 2, the South Heywood Area Wide Improvements and MSIRR Regent Road / Water Street) have been undertaken. Planning Consent on the Tameside Interchange (Ashton-under-Lyne), Wigan Bus Station, Stockport Interchange Bridge and a number of Stockport Town Centre Access Plan Phase 2 schemes has been granted.

2.3 In addition, and in support of both the economic growth objectives of the wider Local Growth Deal programme and Greater Manchester’s residential development and wider socio-economic agenda, work is ongoing with a number of stakeholders in relation to the potential to deliver complementary development in conjunction with the Growth Deal Interchanges schemes. This, when brought together as an overall development package, with other sites in Greater Manchester, has the potential to represent a commercially viable proposition.
3. INDIVIDUAL SCHEMES UPDATE

3.1 Work to develop all of the Major Schemes within the Growth Deal programme has been continuing in recent months. A brief summary of the current position in relation to each of these schemes is provided below.

South Heywood Area Wide Improvements

3.2 The scheme has been granted Conditional Approval in line with the agreed Growth Deal governance arrangements. Design and key stakeholder engagement is ongoing. Following a public consultation exercise a planning application was submitted to Rochdale Council for the scheme and a decision is expected by the end of 2017. Subject to the granting of planning permission, works are due to commence on site in 2018.

Wigan Gateway A49 Link

3.3 Planning consent for the scheme has been secured and Conditional Approval was granted in September 2015, in line with the agreed Growth Deal governance arrangements. Wigan Council and TfGM are currently working together to further develop the Full Business Case and associated contractual arrangements for the scheme. The design development phase of the scheme has now been completed and the construction phase is due to start in late 2017 / early 2018.

Salford Central Station Additional Platforms

3.4 The scheme was granted Conditional Approval in June 2016 in line with the agreed Growth Deal governance arrangements. The scheme was initially developed based on assumptions around rolling stock length prior to the announcement of actual franchise plans. The Ordsall Chord design constrains the platform lengths to take only 4-car trains therefore preventing longer services, including 5-car TPE services, from stopping at the proposed new platforms. To maximise the benefits of the additional platforms scheme TfGM and Salford City Council continue to work with the rail industry to enable the best service provision at the station by reassessing the scheme to account for longer trains and the potential need for further platform lengthening. Understanding that this approach will impact upon timescales for the delivery of the new platforms, TfGM continues to press Network Rail to deliver their
CP5 commitments at the earliest opportunity to reduce the stepping distances between trains and platforms 1 and 2, whilst simultaneously carrying out a review of the delivery arrangements for the wider scheme.

**MSIRR Improvements – Regent Road / Water Street**

3.5 Conditional Approval was granted in June 2016, in line with the agreed Growth Deal governance arrangements. Close liaison with Network Rail continues to take place during the scheme development process to ensure the delivery programme aligns with the implementation timescales for the Northern Hub Ordsall Chord works, which are being undertaken in close proximity to these improvements and will impact upon site access and traffic management arrangements. The procurement and delivery arrangements for the main works remain under review, with a view to identifying the optimum implementation route in terms of both efficiency of delivery and impact on the surrounding highway network. A public consultation exercise has been undertaken and no major issues were raised. Advanced utility works have been carried out to mitigate scheme construction risk. Following agreement of the procurement and delivery arrangements it is intended that a Full Approval business case submission will be made in late 2017 with the main works expected to start during early 2018.

**Wigan Gateway M58 Link**

3.6 Wigan Council is liaising with Highways England and Network Rail in relation to the interfaces between the new scheme and the adjacent motorway and railway networks. These discussions are helping to inform the most effective delivery strategy for the scheme. An initial business case is proposed to be submitted for Gateway Review in summer 2017 followed by Planning Approval in late 2017.

**Wigan Bus Station**

3.7 Conditional Approval for the scheme was granted in December 2015 and Planning Consent was granted in April 2016. Subsequently an OJEU compliant procurement exercise has been undertaken by TfGM to identify a design and build contractor, and this process is now nearing a conclusion.

3.8 In line with Growth Deal governance arrangements, a Gateway submission for Full Approval was submitted in January 2017. Overall the required criteria for the project to proceed were considered to have been met. This review included a thorough examination of the scheme value for money assessment, details of which are included in Appendix 1.
3.9 As a result of the outcome of the Gateway Review it is recommended that the Combined Authority grant Full Approval for the scheme.

3.10 A package of advanced works commenced in 2017 to create temporary bus, waiting, ticketing, information and bus crew facilities. Subject to the receipt of Full Approval it is intended that substantive main contract works will commence in mid 2017.

3.11 In conjunction with the current work to appoint a contractor for the scheme, a parallel initiative is being progressed to explore potential development opportunities which might be appropriate for construction in the vicinity of the core transport infrastructure.

**MSIRR Improvements – Great Ancoats Street**

3.12 The outline design has been developed to take into account the wider economic development planned for this part of the Regional Centre; along with discussions with stakeholders which will include developers at key stages going forward. The submission of an initial business case for Gateway Review is scheduled for spring 2017. Full Approval and contract award of a construction contract are scheduled for 2018.

**Stockport Town Centre Access Plan**

3.13 The Stockport Town Centre Access Plan (TCAP) is one of a small number of large and / or complex Local Growth Deal schemes nationally for which Ministers decided that DfT should retain approval oversight.

3.14 Following the securing of the necessary approvals from GMCA and DfT, construction of Phase One projects commenced in April 2015. To date, 15 of the 29 works packages have been completed. Work is ongoing on a further 9 works packages which are all progressing well and which are all scheduled to be complete by the end of 2017.

3.15 Development of the Phase Two work packages continues and the Phase 2A Full Approval Business Case which includes a further 18 schemes, focussed around transport corridor improvements to the west of the town centre, was submitted for Gateway funding approval in February 2017. Overall the required criteria for the Phase 2A works to proceed were considered to have been met. This review included a thorough examination of the value for money assessment, details of which are included in Appendix 1.
3.16 As a result of the outcome of the Gateway Review it is recommended that the Combined Authority grant Full Approval for the scheme.

3.17 All Phase 2A projects are being delivered under Stockport Council’s STaR (Stockport Trafford and Rochdale) Alliance Framework. Some advanced Phase 2A works commenced on site in Q1 2017. A Delivery Agreement between Stockport Council, GMCA and TfGM will be entered into to facilitate delivery of the works.

3.18 A Full Approval Business case for the remaining schemes in Phase 2B is expected in summer 2017 once the relevant procurement and land assembly arrangements in relation to the Phase 2B schemes have been finalised.

Tameside Interchange (Ashton-under-Lyne)

3.19 Following the undertaking of a comprehensive public consultation exercise in August and September 2015, Planning Consent was granted in February 2016.

3.20 Full Business Case Approval for the scheme was granted by the GMCA in February 2017, in line with Growth Deal governance arrangements.

3.21 Contract award is expected to take place in spring 2017, once the procurement exercise, which is nearing its conclusion, has been completed. Work is subsequently due to commence on site in mid-2017.

Stockport Interchange

3.22 Conditional Approval for the scheme was granted in November 2015, in line with the agreed Growth Deal governance arrangements.

3.23 A comprehensive joint SMBC/TfGM public consultation exercise on the proposals for both the Interchange and Stockport TCAP Phase Two works was undertaken in November and December 2015.

3.24 Complementary to the current work which is being undertaken to develop the design for the scheme, a parallel initiative is being progressed in partnership with SMBC to explore potential development opportunities which might be appropriate for construction in conjunction with the core transport infrastructure. The programme implications of this initiative for the delivery of the Stockport Interchange scheme are currently being reviewed. In parallel, a review of a package of works associated with the proposed new bridge and associated highways works is being progressed in order to mitigate project risk. Planning consent for the new bridge was received in October 2016 and a procurement exercise for these works is currently being progressed. Subject
to the successful conclusion of this procurement exercise and the receipt of Full Approval, it is anticipated that the advanced works will commence on site later this year.

**Salford Bolton Network Improvements**

3.25 Conditional Approval for the scheme was granted in February 2016, in line with the agreed Growth Deal governance arrangements. Subsequent to Conditional Approval the programme has been split into a number of Delivery Packages which have been/will be subject to separate Full Approval submissions.

3.26 Full Approval for the schemes at Long Causeway and Raikes Lane in Bolton has been achieved and the works are now complete.

3.27 Full Approval for Bolton Council’s Bus Stop Upgrades was achieved in July 2016 with these works due to commence in early 2017.

3.28 Full Approval for the Loxham Street Pinch Point was achieved in December 2016. Works started in January 2017 and are expected to be complete in March 2018.

3.29 In line with Growth Deal governance arrangements, a Gateway submission for the Full Approval of the Salford Delivery Package 1 (Walkden and Pendleton) was submitted in January 2017. Overall the required criteria for the project to proceed were considered to have been met. This review included a thorough examination of the scheme value for money assessment, details of which are included in Appendix 1.

3.30 As a result of the outcome of the Gateway Review it is recommended that the Combined Authority grant Full Approval for the scheme.

3.31 Subject to the receipt of Full Approval it is intended that Salford CC will enter into contract for the works which will commence in summer 2017. A Delivery Agreement between Salford City Council, TfGM and GMCA will be entered into to facilitate delivery of the works.

3.32 Further approvals for future Delivery Packages will be brought to the Combined Authority in due course.

**Metrolink Service Improvement Package**

3.33 Following the granting of Full Approval for this package of works in summer 2014, all vehicles have now been delivered with the last vehicle brought into operational use in October 2016. With regards to the supporting infrastructure
works associated with this package of improvements, the new wheel lathe has now been installed in the Trafford depot and the ipower upgrades are nearing completion. Work to install a new turnback at Sale will be completed in conjunction with other complementary works across the wider Metrolink network.

4. MAJOR SCHEMES – FINANCIAL UPDATE

4.1 The Local Growth Fund grant for 2015/16 and 2016/17 has been received by the GMCA. Claims for the reimbursement of expended costs from scheme promoters are being processed on an ongoing basis, in line with the agreed Major Schemes Capital Programme Guidance.

4.2 The previously approved arrangements for the cash flow of development work by scheme promoters are being kept under regular review and the quarterly Capital Expenditure Updates to the GMCA provide ongoing expenditure information in relation to these costs.

4.3 The forecast spend for 2016/17 for the Growth Deal Major Schemes, as reported to the January 2017 GMCA meeting, is £32.8 million. 2016/17 actual expenditure will be reported to the GMCA in June 2017.

4.4 The monitoring of the financial position on the Growth Deal programme which takes places on an ongoing basis has identified a number of schemes with projected potential savings or overruns against the original budget. As the GMCA’s Local Growth Deal budget is fixed, the ultimate cost risk is borne by the relevant scheme promoter, which is either GMCA, for TfGM promoted schemes, or one of the Local Authorities. The agreed arrangements for dealing with these savings and cost overruns are being progressed, as set out in previous reports.

4.5 In addition updates on scheme expenditure are being provided to Government on a regular basis.

5. MAJOR SCHEMES FUNDING RELEASE APPROVAL

5.1 As highlighted in section 3 of this report the Salford Bolton Network Improvement Salford Delivery Package 1 scheme (Walkden and Pendleton); Stockport Town Centre Access Plan (TCAP) Phase 2A scheme; and Wigan Bus Station scheme have all reached Full Approval and are ready to proceed through to delivery. This report therefore requests the following release of funding to facilitate scheme delivery.

5.2 A thorough review of the cost plans for each scheme was undertaken as part of the Gateway Review process. It was concluded that the cost plans are
robust and that the projects, including appropriate allowances for risk and contingency, are affordable within the overall scheme budgets.

5.3 The budgets illustrated in the table overleaf for the SBNI Delivery Package 1 and Stockport TCAP Phase 2A schemes are the specific budgets and funding allocated to these elements of their respective programmes. The overall budgets for these programmes are: SBNI - £39.665 million and Stockport TCAP - £73.212 million. Costs prior to Conditional Approval on these schemes have been captured and released from the Stockport TCAP and SBNI programme budgets.

<table>
<thead>
<tr>
<th>Scheme</th>
<th>Scheme Budget (£000)</th>
<th>Funding released to Conditional Approval (£000)</th>
<th>Funding requested for delivery (£000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>SBNI – Salford Delivery Package 1 (Walkden and Pendleton)</td>
<td>1,729</td>
<td>Released from SBNI programme budget</td>
<td>1,729</td>
</tr>
<tr>
<td>Stockport TCAP Phase 2A</td>
<td>17,268</td>
<td>Released from Stockport TCAP programme budget</td>
<td>17,268</td>
</tr>
<tr>
<td>Wigan Bus Station</td>
<td>15,720</td>
<td>1,214</td>
<td>14,506</td>
</tr>
</tbody>
</table>

6. ADDITIONAL PRIORITIES AND MINOR WORKS

6.1 In general terms the Minor Works initiatives are being delivered by the 10 GM Local Authorities and the Growth Deal “Additional Priority” initiatives are being delivered by TfGM.

6.2 The Minor Works programme represents a package of highways, public realm, cycling, walking and associated measures; with the identified interventions being very much focused on supporting economic growth.

6.3 As previously reported, the agreed governance arrangements for the Minor Works initiatives provide for the submission of Mini-Business Cases prior to the commencement of construction / delivery works on site; with approval oversight of these Mini-Business Cases resting with the GM Transport and Growth Group (TGG) of senior officers.
6.4 Progress has been made in taking forward the Minor Works programme. As at the end of February 2017, 37 out of 53 mini-business cases have been submitted for review, with 16 of these having been approved by TGG in line with the agreed Growth Deal governance arrangements. TfGM is currently working with scheme promoters with a view to securing TGG approval of the remaining mini-business cases at the earliest opportunity.

6.5 As previously reported, the focus of the “Additional Priority” initiatives is centred around Rail/Metrolink passenger improvements, multi-modal ticketing, bus passenger facilities and highways key route network resilience.

6.6 A number of “Additional Priority” initiatives, in particular those related to Metrolink have progressed to delivery stage. The remaining schemes are progressing as planned.

7. GROWTH DEAL 3

7.1 A separate update report on Growth Deal 3 transport allocations is provided on the agenda to this meeting.

8. RECOMMENDATIONS

8.1 Recommendations are set out at the front of this report.

Dr Jon Lamonte

Chief Executive, TfGM
Appendix 1: Value for Money Assessments of schemes recommended for Full Approval

Wigan Bus Station

The Wigan Bus Station scheme was deemed to represent Very High Value for Money, when appraised in line with DfT criteria, with a Benefit to Cost Ratio (BCR) of over 4. An Analysis of Monetised Costs and Benefits is shown in the table below:

<table>
<thead>
<tr>
<th>Description</th>
<th>(£000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Noise Reduction</td>
<td>28</td>
</tr>
<tr>
<td>Local Air Quality</td>
<td>122</td>
</tr>
<tr>
<td>Greenhouse Gases Reduction</td>
<td>40</td>
</tr>
<tr>
<td>Journey Ambience</td>
<td>33,545</td>
</tr>
<tr>
<td>Accident Reduction</td>
<td>1,175</td>
</tr>
<tr>
<td>Economic Efficiency: Consumer Users (Commuting)</td>
<td>2,040</td>
</tr>
<tr>
<td>Economic Efficiency: Consumer Users (Others)</td>
<td>4,223</td>
</tr>
<tr>
<td>Economic Efficiency: Business Users and Providers</td>
<td>4,662</td>
</tr>
<tr>
<td>Wider Public Finances (Indirect Taxation Revenues)</td>
<td>(1,117)</td>
</tr>
<tr>
<td><strong>Present Value of Benefits (PVB)</strong></td>
<td>44,719</td>
</tr>
<tr>
<td><strong>Present Value of Costs (PVC)</strong></td>
<td>(10,980)</td>
</tr>
<tr>
<td><strong>Net Present Value (NPV)</strong></td>
<td>33,738</td>
</tr>
<tr>
<td><strong>Benefit to Cost Ratio (BCR)</strong></td>
<td>4.07</td>
</tr>
</tbody>
</table>
Stockport TCAP Phase 2A

The Stockport TCAP Phase 2A scheme was deemed to represent Very High Value for Money, when appraised in line with DfT criteria, with a Benefit to Cost Ratio (BCR) of over 4. An Analysis of Monetised Costs and Benefits is shown in the table below:

<table>
<thead>
<tr>
<th>Item</th>
<th>(£000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Travel Time Savings</td>
<td>135,200</td>
</tr>
<tr>
<td>'VOC' Savings</td>
<td>9,000</td>
</tr>
<tr>
<td>Carbon Emission Savings</td>
<td>1,700</td>
</tr>
<tr>
<td>Wider Public Finances (Indirect Taxation Revenues)</td>
<td>(3,600)</td>
</tr>
<tr>
<td><strong>Present Value of Highway User Benefits (PVB)</strong></td>
<td>142,200</td>
</tr>
<tr>
<td>Present Value of Costs (PVC)</td>
<td>(28,900)</td>
</tr>
<tr>
<td><strong>Net Present Value (NPV)</strong></td>
<td>113,300</td>
</tr>
<tr>
<td><strong>Benefit Cost Ratio (BCR)</strong></td>
<td>4.92</td>
</tr>
</tbody>
</table>
Salford Bolton Network Improvement Programme – Salford Delivery Package 1 (Walkden and Pendleton)

The Salford Bolton Network Improvement Programme – Salford Delivery Package 1 (Walkden and Pendleton) scheme was deemed to represent Very High Value for Money, when appraised in line with DfT criteria, with a Benefit to Cost Ratio (BCR) of 8.28. An Analysis of Monetised Costs and Benefits is shown in the table below:

<table>
<thead>
<tr>
<th>Benefits Description</th>
<th>(£000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Road User Benefits</td>
<td>7,734</td>
</tr>
<tr>
<td>Public Transport User Benefits</td>
<td>5,698</td>
</tr>
<tr>
<td>Pedestrian User Benefits (including health benefits)</td>
<td>56</td>
</tr>
<tr>
<td>Environmental Benefits</td>
<td>12</td>
</tr>
<tr>
<td>Wider Public Finances (Indirect Taxation Revenues)</td>
<td>(9)</td>
</tr>
<tr>
<td><strong>Present Value of Benefits (PVB)</strong></td>
<td>13,491</td>
</tr>
<tr>
<td><strong>Present Value of Costs (PVC)</strong></td>
<td>(1,629)</td>
</tr>
<tr>
<td><strong>Net Present Value (NPV)</strong></td>
<td>11,862</td>
</tr>
<tr>
<td><strong>Benefit Cost Ratio (BCR)</strong></td>
<td>8.28</td>
</tr>
</tbody>
</table>
Date: 31 March 2017
Subject: Collaborative Working in the Delivery of Highway Services
Report of: Tony Lloyd, GM Interim Mayor, Portfolio Lead for Transport and Jon Lamonte, Chief Executive, TfGM and Eamonn Boylan, Chief Executive, Stockport MBC

PURPOSE OF REPORT

This report notes the progress to date in collaborative working across GM in the delivery of Highway Services and proposes that the next phase of collaboration be delivered under a Memorandum of Understanding signed by all 10 Local Authorities and TfGM.

RECOMMENDATIONS:

Members are recommended to:

(i) Endorse the proposed partnership / collaborative approach to delivering highway services and approve the Memorandum of Understanding (MoU) for all 10 Local Authorities and TfGM with the aim of strengthening Highways collaboration across Greater Manchester.

CONTACT OFFICERS:

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Eamonn Boylan 0161 474 3000 Eamonn.boylan@stockport.gov.uk
### RISK/ FINANCIAL/ LEGAL CONSEQUENCES/DETAILS

Risk Management – N/A  
Legal Considerations – N/A  
Financial Consequences – Revenue – N/A  
Financial Consequences – Capital - N/A

### BACKGROUND PAPERS: None

<table>
<thead>
<tr>
<th>TRACKING/PROCESS</th>
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<tbody>
<tr>
<td>Does this report relate to a major strategic decision, as set out in the GMCA Constitution (paragraph 14.2) or in the process (paragraph 13.1 AGMA Constitution) agreed by the AGMA Executive Board:</td>
<td>No</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>EXEMPTION FROM CALL IN</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Are there any aspects in this report which means it should be considered to be exempt from call in by the AGMA Scrutiny Pool on the grounds of urgency?</td>
<td>No</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>AGMA Commission</th>
<th>TfGMC</th>
<th>Scrutiny Pool</th>
</tr>
</thead>
<tbody>
<tr>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
</tbody>
</table>
1. INTRODUCTION AND BACKGROUND

1.1 Greater Manchester has demonstrated that collaboration in the delivery of certain highway functions can deliver services that are nationally recognised as class leading. The combination of opportunities posed by devolution and the challenges of reduced revenue budgets and skill shortages, create an environment where increasing collaboration in all areas has the potential to deliver sustainable long term benefits.

1.2 Road users and customers across GM (as well as Government) are seeking more for less. Reductions in revenue funding have reduced the size of many highways teams, such that further cost savings would be difficult without impacting further on service delivery. It is a good time to think differently about how we can maintain local accountability supported by best practice service delivery.

1.3 In October 2013 GMCA gave approval to proceed with a review of highway services in GM. The review was led by TfGM in partnership with the 10 Local Authorities (LAs). The driver for this was a survey conducted in April 2013 of LAs which identified a number of challenges with respect to highway related services:

- Maintaining service levels with reducing revenue budgets;
- Developing skills to align with work requirements;
- Delivery of major projects;
- Addressing the maintenance backlog;
- Staff shortages in key areas;
- Managing peaks and troughs in workload;
- Maximising available funding opportunities;
- Condition of the network/depreciation of the asset, including public perceptions; and
- Protecting front line services.

1.4 In an attempt to address these issues, a shared services model was jointly developed by Bury, Rochdale, Manchester, Stockport and TfGM. The model continued to be developed until June 2016, when a variety of factors led to it becoming an unviable proposition.

1.5 The benefits of increased collaboration remain and this paper proposes a mechanism to build on the current collaborative successes across Greater Manchester. The proposal has the potential for GM to show leadership in identifying opportunities for efficiencies in the delivery of Highway Services.
1.6 This paper has been developed collaboratively through a series of monthly discussions that have taken place since November 2016. Representatives from all GM Local Authorities have taken part in these discussions and have agreed the content and the collaborative principles.

2. SUCCESS FACTORS

2.1 Many parties invested significant time and effort to develop the previous shared services model and the lessons learnt from that work have been captured to ensure that further attempts at collaboration have a significantly improved chance of success. The key lessons learnt were:

- All parties need to feel that they are contributing to the process to create a sense of ownership of the finished model;
- There is a need to build consensus at all levels of participating organisations to ensure that potential barriers are identified and discussed;
- A full endorsement of WLT and clear mandate from GMCA would help to maintain momentum when addressing significant challenges; and
- A more flexible model is likely to be more inclusive for Local Authorities (LAs).

3. CURRENT HIGHWAYS COLLABORATION IN GREATER MANCHESTER

3.1 Successful collaboration already takes place across GM in the delivery of Highway Services. Collaborative activity includes GM Urban Traffic Control, Traffic Forecasting, the GM Road Activities Permit Scheme and the GM Casualty Reduction Partnership. Local Authorities and TfGM work closely together to deliver these services in an efficient and effective way that also enables Greater Manchester to demonstrate leadership in relevant national forums.

3.2 The GM Casualty Reduction Partnership is one of the few national schemes where the surplus funds from the local driver training courses are recycled into local road safety initiatives. The GM approach is unusual in that it is self-financing and does not rely on contributions from local authorities; also the technical lead provided by the Joint Road Safety Group enables the partnership to take a more holistic view over road safety rather than just focussing on enforcement.

3.3 The GMRAPS scheme is the only joint permit scheme in England with a common operating platform and joint invoicing.
3.4 GM Urban Traffic Control are leading the industry in the integration and certification of red light cameras with LED signal heads.

3.5 Collaboration now also extends across the Key Route Network with the Control Centre providing a strong operational focus for combined working between TfGM, LAs, Highways England, GM Police, and bus operators.

3.6 Highways Group and Transport Growth Group are also delivering effective collaboration across a range of topics including the development of the 2040 Transport Strategy, the Highways Strategy and the Highway Delivery Plan.

3.7 Collaboration in the delivery of major highway infrastructure has also been successful. This has been evident in the preparation of DfT funding bids for GM schemes and in the programme management of significant schemes such as the Stockport Town Centre Access Plan, the SEMMMS A6 to Manchester Airport Relief Road, the A49 Link Road and the Cross City Bus projects.

3.8 The GM Highway Strategy Board (GM HSB) was established in 2015 and has been seen as a national example of effective collaboration between local and strategic highway networks.

3.9 These collaborative activities currently deliver a range of benefits to GM that include:

- Improved technical delivery;
- Improved resilience;
- Improved succession planning;
- Improved funding for road safety;
- Revenue and skills retained within the GM family;
- A designed mix of central support and local delivery to suit available skillsets;
- Improved coordination of operational responses to planned and unplanned events.

3.10 Manchester City Council and Salford City Council are working jointly on highways delivery which may be scalable in the future.

4. THE SUCCESS OF THE GM HIGHWAY STRATEGY BOARD

4.1 The GM HSB is a partnership between Highways England, Greater Manchester Police and Transport for Greater Manchester, with representation from Greater Manchester Combined Authority.
4.2 The GM HSB was founded on a Memorandum of Understanding (MoU) and, with the appropriate governance and commitment, it has delivered a series of collaborative projects, many of which have already transitioned into ‘business as usual’.

4.3 It is proposed that we draw on the successful experience of using an MoU to drive collaboration with Highways England to strengthen collaborative working in the delivery of Highway Services across GM.

4.4 The GM HSB has grown through an incremental approach which has helped both the organisations and individuals develop their understanding and more particularly their relationships and levels of trust.

4.5 A significant part of the success of the GM HSB is founded on the fact that the thinking and development through phases 1 – 8 below has been done together with all partners based on an equal footing and having an equal say. This took time as relationships and trust needed to be built. Over the last eighteen months the sequential development of the following phases has established a successful partnership:

- Phase 1 – CEO’s confirmed the need and desire at the top of each organisation for a partnership / collaborative approach. (2014)
- Phase 2 – Developed and agreed the MoU committing each party to a further course of joint action, to develop governance arrangements and to flesh out areas for collaboration. (Spring 2015)
- Phase 3 – Formal signing of the MoU by CEOs. (May 2015)
- Phase 4 – Established the board, agreed Terms of Reference, agreed working group structures and headline areas of focus. (July 2015)
- Phase 5 – Populated working groups with leads and support from each organisation; established and agreed initial work plan with milestones and outputs; commenced activity and mobilised resources. (September 2015)
- Phase 6 – Established a project management approach to delivery of the outputs. (December 2015)
- Phase 7 – Project delivery, (current phase).
- Phase 8 – 12 month review of working arrangements (September 2016).

4.6 Although the development and delivery of the first 6 phases took over a year, the collaborative approach to working through issues served to strengthen relationships and build an effective partnership.

4.7 A diagram showing the current projects and governance arrangements for HSB is included at Appendix 1.
5. PROPOSAL AND INITIAL SCOPE

5.1 As a result of the success to date of the GM HSB, it is proposed that an MoU would form a sound basis to increase the collaborative efforts in the delivery of highway services in Greater Manchester. The combined forces of the ten LAs and TfGM would form a GM Highways Partnership which could develop and operate in a similar way to the Partnership between TfGM and Highways England.

5.2 The scope of the MoU is intended to be broad enough to include those areas where collaboration is likely to bring significant benefits. The scope is illustrated in Appendix 2 and summarised below:

- Skills Development - identifying subject matter experts in GM and developing processes, training plans and succession plans to retain skills within GM and to enable expertise and knowledge to be shared;
- Apprentice and Graduate Training – developing GM wide training plans and accredited courses that will allow graduates and apprentices to experience and develop the full range of LA highway skillsets;
- HMEP Efficiencies – Learning from best practice in other authorities and organisations to improve efficiency in Highways Maintenance;
- Asset Management Principles – developing a single consistent approach to asset management. DfT are publishing new intervention Codes of Practice founded on a risk based methodology. The new codes provide an excellent opportunity to demonstrate effective collaboration in formulating a single GM wide approach;
- Network Development – Building on existing collaborative work in managing the KRN and developing a GM Highways Strategy;
- Delivering Large or Complex Projects – working collaboratively to identify the right resources to assist in the delivery of Major Highway Infrastructure;
- Sharing Technical Excellence and Resources – working to share best practice processes, procedures and policies through existing and future specialist sub groups;
- Collaborative Procurement – identifying highways ‘goods and services’ that can be collaboratively procured to leverage the buying power of the whole of GM; and
- Service Delivery Resilience – increased collaboration in the above areas will lead to improvements in recruitment, retention, and staff morale. Creating cross boundary incident plans will help to improve resilience in the event of major incidents such as flooding or extreme weather.
6. **BENEFITS OF COLLABORATION**

6.1 Collaborative working is a key component of the DfT’s Highways Maintenance Incentive Fund and being able to evidence effective collaboration will be a significant aspect of raising GM assessment scores to grade 3. Failure to achieve a grade 3 for all Authorities could cost a total of £8.3m in reduced revenue from DfT over the next 4 years.

6.2 The benefits of collaboration listed below are based on the scope of the MoU that is attached at Appendix 4:

- **Flexibility** - Authorities will be able to collaborate on those areas that are appropriate for their needs;
- **Low risk** - The level of initial commitment is at each district’s discretion, and commitment can build as confidence in the collaboration grows;
- **Potentially significant rewards** – improvements in resilience, succession planning, technical capability and capacity;
- **Local delivery** – Collaboration retains skills and capability within the GM family, reducing the level of ‘bought in’ services to support core delivery;
- **Low cost** – The set up and administration costs of collaboration are nominal, and if any project requires funding, then that can be shared between collaborating parties; and
- **Aligned with DfT and devolution agendas** – DfT are looking to Combined Authorities (CA) to make best use of collaboration to demonstrate to other LAs how much more efficient a CA can be. They have funded HMEP for a number of years to stimulate collaborative working and awarded all CA’s a level 3 HMIF award this year on that basis. It is not expected that GMCA will receive an ‘automatic’ level 3 for 2017/18. It is expected that GMCA will have to evidence effective collaboration to score highly this year.

7. **APPROACH**

7.1 It is proposed that the Partnership develops using a similar approach to the development of the Partnership with Highways England and that a Director level board be formed to set direction and agree collaborative projects. A potential governance structure is shown at Appendix 3.

7.2 The board would agree and prioritise the collaborative projects and ensure that they deliver the desired outcomes.
7.3 Collaborative projects would be delivered by staff across GM and funded from each authority from staff time. Where appropriate, the board would agree costs and funding on a project by project basis.

7.4 The board would co-exist alongside other collaborative groups such as GM Highways Group and GM Transport Growth Group. The nature of collaborative projects is that they will improve the way in which we deliver highway related services. By focussing the board on improvement initiatives, any overlap with existing groups will be minimised. The potential for overlap will be kept under review as projects are developed.

7.5 It is proposed that the following phases would be worked through in line with the following indicative timescales:

- Confirm the need and desire at CEO and Director level of each organisation for a partnership / collaborative approach. (February 2017);
- Collaboratively finalise and agree the MoU wording committing each party to a further course of joint action, to develop governance arrangements and to prioritise areas of collaboration. (February 2017);
- CEOs sign the MoU. (March 2017);
- Establish the GM Highways Partnership Board (or other agreed title). (April 2017);
- Agree Terms of Reference. (May 2017);
- Agree working group structures and headline areas of collaborative focus;
- Populate the working groups with leader and support names from relevant organisations, establishing and agreeing initial work plan with milestones and outputs, and provide authority to commence activity;
- Establish a project management approach; objectives, schedules, risk / issues, deliverables, outcomes, reporting;
- Develop a Partnership Plan, project delivery and monitoring; and
- 12 month review of working arrangements.

8. NEXT STEPS

8.1 If members agree the principle of a partnership / collaborative approach, it is proposed that the nominated Director level representatives develop the MoU governance arrangements and prioritise areas of collaboration.
9. RECOMMENDATIONS

9.1 Recommendations are set out at the front of this report.

Dr Jon Lamonte  Eamonn Boylan
Chief Executive, TfGM  Chief Executive, Stockport MBC
Appendix 2 – Areas of Potential Collaboration for GM Highways Partnership.

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<tr>
<th>Bury</th>
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Appendix 3 – Proposed Governance arrangements for GM Highways Partnership

Quarterly Meeting

Highways Cooperative Board (Director Level)

Collaborative Projects

Skills Development

Apprentice and Graduate Training Scheme

HMEP Efficiencies

Asset Management

Network Development

Major Projects Delivery and Pipeline

Sharing Technical Excellence

Existing Technical groups

Resilience opportunities

Collaborative Procurement
Appendix 4 – Memorandum of Understanding
## Greater Manchester Highways Partnership Board

Memorandum of Understanding

## Contents

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<td>Review</td>
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<tr>
<td>Board Members</td>
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</table>
The Partners
This Memorandum of Understanding (MoU) is made on 2017 between:

- Bolton Metropolitan Borough Council
- Bury Metropolitan Borough Council
- Manchester City Council
- Oldham Metropolitan Borough Council
- Rochdale Metropolitan Borough Council
- Salford City Council
- Stockport Metropolitan Borough Council
- Tameside Metropolitan Borough Council
- Trafford Metropolitan Borough Council
- Transport for Greater Manchester
- Wigan Metropolitan Borough Council

(together the Partners)

Context
There is already much collaboration that takes place across GM in the delivery of Highway Services. Collaborative ventures include GM Urban Traffic Control, Highway Forecasting and Analytical Services, the GM Road Activities Permit Scheme and the GM Casualty Reduction Partnership. Highways Group and Transport Growth Group are also delivering effective collaboration across a range of topics as well as the Highway Strategy Board which has been seen as a national example of effective collaboration between local and strategic highway networks.

This MoU is a mechanism to build on the existing collaborative approach and to bring greater efficiencies in the delivering of Highway Services across GM.

Working Arrangements
The Partners shall establish a ‘GM Highways Partnership Board’, co-chaired by one Director each from two of the Partners, the identities of which shall be agreed by the Partners from time to time. The co-Chair roles shall rotate on an annual basis, in such manner as the Partners shall agree. The GM Highways Partnership Board shall meet quarterly, with the purpose of identifying collaboration opportunities across the delivery of Highway services that are complementary and promote local and GM priorities, specifically focussing on:
• Skills Development
• Development of an Apprentice and Graduate Training Scheme
• HMEP Efficiencies
• Asset Management Principles
• Network Development
• Major Projects Pipeline
• Sharing of Technical Excellence
• Collaborative Procurement
• Service delivery resilience

**Status**
This MoU covers work areas which are the direct responsibilities of the Partners in their respective statutory geographic areas.

Save as provided below, this MoU does not and is not intended to create any legal relationship between the Partners. All matters described in this MoU are subject to appropriate corporate and regulatory authorisation and, where appropriate, formal agreement.

Nothing in this MoU shall affect the statutory or regulatory duties or responsibilities of any Partner and its existence does not preclude the taking of independent actions by the Partners where any Partner considers it appropriate to do so.

There is a working presumption that initiatives developed by the GM Highways Partnership Board are, in the first instance, delivered using existing resources through adjustments to normal business. However some initiatives are likely to be more significant in terms of expertise and resource and the benefits that will accrue in the longer term. These initiatives would be established as projects in their own right.

**Confidentiality Provisions**
The provisions below relating to confidentiality and the ‘Freedom of Information’ regime are legally binding.

Subject to any statutory, regulatory and constitutional requirements any commercially confidential information provided by one Partner to another in connection with this MoU shall not be disclosed by the Partner receiving such information.
If any Partner, under the Freedom of Information Act 2000 or the Environmental Information Regulations 2004 receives a request for information relating to activities undertaken under this MoU, it shall inform the other parties of the request as soon as possible and discuss the potential application of any exemption from disclosure.

**Review**

This MoU, and the working arrangements defined within it, will be reviewed annually by the GM Highways Partnership Board.

The Partners have signed this MoU on the date set out above.
Signatories

Margaret Asquith, Chief Executive
On behalf of Bolton Metropolitan Borough Council

Mike Owen, Chief Executive
On behalf of Bury Metropolitan Borough Council

Sir Howard Bernstein, Chief Executive
On behalf of Manchester City Council

Carolyn Wilkins, Chief Executive
On behalf of Oldham Metropolitan Borough Council

Steve Rumbelow, Chief Executive
On behalf of Rochdale Metropolitan Borough Council

Jim Taylor, Chief Executive
On behalf of Salford City Council

Eamonn Boylan, Chief Executive
On behalf of Stockport Metropolitan Borough Council

Steven Pleasant, Chief Executive
On behalf of Tameside Metropolitan Borough Council

Theresa Grant, Chief Executive
On behalf of Trafford Metropolitan Borough Council

Jon Lamonte, Chief Executive
On behalf of Transport for Greater Manchester
Donna Hall, Chief Executive
On behalf of Wigan Metropolitan Borough Council

Board Members
The board will be Director led comprising of the following representatives, or their successors.

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<tr>
<th>Partner</th>
<th>Representative</th>
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<tr>
<td>Bolton</td>
<td>Stephen Young</td>
<td>Director of Place</td>
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<tr>
<td>Bury</td>
<td>David Fowler</td>
<td>Assistant Director, Localities</td>
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<td>Manchester</td>
<td>Kim Dorrington</td>
<td>Director of Highways</td>
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<td>Oldham</td>
<td>Carol Brown</td>
<td>Director – Environmental Services</td>
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<td>Rochdale</td>
<td>Mark Widdup</td>
<td>Director of Neighbourhoods</td>
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<td>Salford</td>
<td>Ben Dolan</td>
<td>Strategic Director</td>
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<tr>
<td>Stockport</td>
<td>Caroline Simpson</td>
<td>Director of Place Management and Regeneration</td>
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<tr>
<td>Tameside</td>
<td>Ian Saxon</td>
<td>Assistant Executive Director - Environmental Services</td>
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<td>Richard Roe</td>
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<td>Andy Everest</td>
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<td>Wigan</td>
<td>Karl Battersby</td>
<td>Director, Economy and Environment</td>
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</table>
Date: 31 March 2017

Subject: World Health Organisation Breathe Clean Campaign

Report of: Tony Lloyd, GM Interim Mayor, Portfolio Lead for Transport and Jon Lamonte, Chief Executive, TfGM

PURPOSE OF REPORT

1. To provide an overview of the health impacts of air pollution in Greater Manchester;
2. To update on current activity to reduce the health impacts of air pollution; and
3. To seek support and agree for an application for Greater Manchester to become a WHO ‘BreatheLife’ City Region.

RECOMMENDATIONS:

Members are recommended:

i) to support an application for Greater Manchester to become a WHO ‘BreatheLife’ City Region.

CONTACT OFFICERS:

Jon Lamonte 0161 244 1020  Jon.Lamonte@tfgm.com
RISK/ FINANCIAL/ LEGAL CONSEQUENCES/DETAILS

The decision regarding accepting WHO ‘BreatheLife’ status has not been subject to scrutiny by the GMCA.

No significant risks and no significant financial or legal consequences relating to this decision have been identified.

BACKGROUND PAPERS:

N/A

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<th>TfGMC</th>
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1. INTRODUCTION

1.1 Recent years have seen an improved understanding of the significant impacts of air pollution upon health and the environment. This has been associated with increased public and political awareness of the issue, and a collective desire to take actions which improve air quality.

1.2 Greater Manchester (GM) has recently published an Air Quality Action Plan (AQAP) and Low-Emission Strategy (LES). These outline a comprehensive approach to reducing air pollution across the conurbation, to be delivered by TfGM in conjunction with GM Local Authorities.

1.3 This paper outlines an opportunity for the Greater Manchester City Region to further develop current activity in this area by partnering with the ‘BreatheLife’ campaign, a global initiative co-ordinated by the World Health Organisation.

2. BACKGROUND

2.1 Exposure to air pollution is associated with a range of health problems, including cardiovascular disease, respiratory disease (including lung cancer and asthma) and stroke. Vulnerable groups are disproportionately susceptible to the effects of air pollution; including children, the elderly, those suffering with long-term medical conditions and those living in the most deprived areas.

2.2 Based on 2010 data, there were 1,346 attributable deaths and 14,452 life years lost due to air pollution in Greater Manchester.

2.3 Although air quality has improved over recent years, Greater Manchester continues to exceed recommended annual limits for Nitrogen Dioxide (NO2), similar to many other urban areas in the UK. Road transport is responsible for the majority of these emissions.

3. CURRENT AND PROPOSED AIR QUALITY WORK IN GM

3.1 Transport for Greater Manchester (TfGM) leads on air quality on behalf of the Combined Authority. The GM Air Quality Working Group brings together TfGM, local authority air quality officers, local authority public health, academics, voluntary sector organisations and Public Health England to co-ordinate activity.

3.2 An AQAP has been drafted and will be delivered through the Air Quality Working Group and includes actions relating to:

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1 http://www.tfgm.com/GMLES/Pages/default.aspx
• Development control and planning regulation;
• Freight interventions;
• Actions to improve buses;
• Actions to increase cycling;
• Actions to improve travel choices;
• Actions to decrease emissions from cars; and
• Actions to improve information and resources

3.3 Actions relating to information and resources include plans to deliver a Clean Air Day in June 2017 as part of National Clean Air Day. The key themes are reducing contribution to air pollution and reducing exposure. The planned focus is primarily on schools by targeting parents in order to reduce air pollution and targeting children in order to reduce exposure. A secondary focus on businesses and reducing pollution is being considered. This is partially supported by a DEFRA grant.

4. PROPOSED ‘BREATHELIFE’ INITIATIVE AND ANTICIPATED BENEFITS

4.1 ‘BreatheLife’ is a global campaign co-ordinated by the World Health Organisation (WHO) in collaboration with UN Environment and the Climate and Clean Air Coalition (CCAC). Its purpose is to mobilise cities and individuals to take action to reduce levels of air pollution in order to meet WHO air quality targets by 2030. BreatheLife’s strategy involves identifying partner Cities/City Regions whom it recognises are taking positive actions to improve air quality. These partners are then given official WHO BreatheLife City status.

4.2 In addition to this designation, the campaign also provides partners with a range of resources and technical advice to support ongoing work. There is also an opportunity to take a leadership role; using the network to share best practice with other cities and using the BreatheLife website to profile and publicise GM efforts to improve air quality.

4.3 There is no financial cost associated with becoming a member of the ‘BreatheLife’ network. It is expected that efforts involved in developing Greater Manchester ‘BreatheLife’ branding would form part of ongoing work outlined in the AQAP to develop information and resources.

4.4 The campaign was launched recently, and the intention is to have a global network of Cities/City Regions. To-date, no other UK Cities have been awarded ‘BreatheLife’ status and very few across Europe.

3 http://breathelife2030.org
4.5 Representatives from the WHO, CCAC and the United Nations Environment Programme held a teleconference with Greater Manchester representatives on 14 February 2017 to review existing GM Air Quality plans. On the basis of the GM plans, it was agreed that the GM City Region is eligible to become a ‘BreatheLife’ City Region.

4.6 We anticipate that becoming a ‘BreatheLife’ City Region will bring significant benefits for Greater Manchester and its residents. These include the opportunity to be recognised as the first City/City Region in the UK and one of very few in Europe to be awarded this status. This will highlight the work already undertaken and the planned activities and measures summarised in the AQAP and Low Emissions Strategy.

4.7 Importantly, the branding and creative support offered by the WHO will also support the ongoing work to develop public information and resources on air quality, including in relation to the planned Clean Air Day in June 2017.

5. RECOMMENDATIONS

5.1 Members are recommended:

i) to support an application for Greater Manchester to become a WHO ‘BreatheLife’ City Region.

Dr Jon Lamonte,

Chief Executive, TfGM
Date: 31 March 2017

Subject: Cornbrook Hub

Report of: Councillor Richard Farnell, Portfolio Lead for Planning and Housing and Eamonn Boylan Portfolio Lead Chief Executive for Planning and Housing

PURPOSE OF REPORT

To seek approval, in principle, to utilise Combined Authority powers and to delegate authority to the Chief Executives of Manchester and Trafford in consultation with their relevant Leaders to present a report to the Greater Manchester Combined Authority requesting that a Compulsory Purchase Order is made.

RECOMMENDATIONS:

1. That the Combined Authority approves in principle the exercise of its powers to acquire all interests in the Cornbrook Hub site, in order to achieve redevelopment of the site in line with the Cornbrook Hub Strategic Regeneration Framework subject to:

   i) a further report being submitted detailing the justification for a CPO in line with government guidance, and
   ii) agreement that all costs of making a Compulsory Purchase Order (including all Heads of Compensation) are to be met under the terms of an appropriate indemnity,

2. That the Combined Authority appoints Manchester City Council to act on its behalf in taking all necessary steps to prepare the case for the CPO, including but not limited to securing an appropriate indemnity in respect of the Combined Authority’s costs in promoting and making the CPO.

CONTACT OFFICERS:

Name: Liz Treacy  
Position: Monitoring Officer  
Telephone: 0161-234-3086  
Email: l.treacy@manchester.gov.uk

Risk Management – see paragraph 3.7
Legal Considerations – see paragraph 3.7
Financial Consequences – Revenue – see section 5.
Financial Consequences – Capital – see section 5.

Background documents:

The following documents disclose important facts on which the report is based and have been relied upon in preparing the report.

General documents

The Cornbrook Hub SRF (available on the council’s website)

Council Reports

Manchester
Cornbrook Hub Regeneration Framework, Executive, 18 December 2013
Cornbrook Hub, Executive, 03 September 2014
Cornbrook Hub, Executive, 29 July 2015
Cornbrook Hub, Executive, 14 December 2016

Trafford
Cornbrook Hub, Executive, 27 July 2015
Cornbrook Hub, Executive, 19 December 2016

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<td>None</td>
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</table>
1. INTRODUCTION

1.1 The Cornbrook Hub site, shown on the plan at Appendix 1 to this report, is located within the Regional Centre in a strategically important gateway location at the South-Western gateway to Manchester City Centre. It is prominently situated adjacent to the A56 Bridgewater Way, which provides access to the Pomona Island strategic development location and the Bridgewater Canal. Located within the site is the Cornbrook Metrolink station, a key element and major transport hub of the regional public transport network.

1.2 Notwithstanding this strategically important location the site is presently underutilised, being occupied by a range of heavy industrial uses such as scrap metal merchants and open storage yards. These are uses which detract from the environmental quality of the area and which are increasingly incompatible with newly regenerated areas such as St George’s Island and the emerging proposals for Pomona Island situated within Trafford.

1.3 The contribution which the site makes to the economic and environmental success of the Regional centre/city centre is at present extremely limited. It has much more to offer.

1.4 Both authorities are committed to maximising the regeneration potential which is encapsulated within the subject area.

1.5 Redevelopment of the area will need to be of a scale and nature that will transform and regenerate not only the Cornbrook area, but the immediate surrounding area as well. This is considered a key priority in achieving a step change which will ensure that Cornbrook Hub, and surrounding area, become a place to live, work and invest.

1.6 Both authorities consider that only comprehensive coordinated holistic redevelopment of the site can achieve this and overcome the constraints to redevelopment which exist.

1.7 The Cornbrook Hub and St George’s area are situated on the fringe of Manchester city centre and are part of a ribbon of development around the Bridgewater Canal and railway lines that link the city centre with other parts of the Regional Centre in Salford and Trafford.

1.8 The Cornbrook Hub neighbourhood falls within the boundaries of both Manchester City Council and Trafford Borough Council. Manchester Ship Canal Developments (MSCD) has a significant landholding in the Cornbrook area, and proposes to develop large scale residential schemes around the adjacent Pomona area in Trafford.
1.9 The MSCD proposal for the Cornbrook Hub includes creating a new commercial, residential and leisure destination, recognising the importance of the site’s location as a “Gateway” between Manchester and Trafford. The regeneration proposals for Cornbrook will include significant environmental improvements to the immediate area and a potential new entrance and improved car parking to the Cornbrook Metrolink Station.

1.10 In order to support the regeneration of the Cornbrook Hub, Manchester City Council and Trafford Council have adopted a strategic regeneration framework (SRF) for Cornbrook. The Framework document identifies how the area could be transformed to create a new commercial and leisure destination, which supports significant new employment and business growth opportunities.

1.11 Regeneration Frameworks are produced to ensure that the development of a large site is comprehensive. They provide developers with information on expected development, and the public with information on timescales and phasing. All regeneration frameworks are subject to a public consultation period. Specific issues in relation to detailed design, roads, car parking, pedestrian access and accessibility will be examined by the relevant authority’s Planning and Highways committee when planning applications for individual developments are bought forward.

1.12 The area which is covered by the SRF is located on the city fringe of the Manchester and Trafford border and is bounded by Chester Road, and the Bridgewater Canal. The total site area includes around 2.3 hectares of land that is divided into two distinct parcels by the operational railway/ metrolink system. One parcel of the site is located within the boundary of Manchester, with the remaining parcel located in Trafford.

1.13 The Cornbrook Hub SRF aims to deliver high density commercially led, mixed use development of the land within Manchester and Trafford. It would create a new gateway to Manchester city centre from the West and would improve access to the Cornbrook Metrolink Station, a major transport hub. A broad range of uses are anticipated for the area that falls within the Manchester area including office space, residential, (circa 100 dwellings) retail and an 18 storey hotel. (Phase 1a appendix 1)

1.14 The land located in Trafford, is bounded by the Bridgewater Canal and the viaduct and divided into two sections by Cornbrook Road. The northern part is 1.10 hectares and is occupied by heavy industrial uses and the southern site is around 0.21 hectares and is vacant. The proposal is to deliver a new business hub within the proposed order lands which fall within Trafford (Phase 3 on attached appendix 1)
1.15 The regeneration of the Cornbrook Hub will not only provide a gateway to Manchester City Centre but will also form a new gateway onto the Pomona Island area in Trafford. This will enable the full redevelopment potential of the area which falls within Trafford, Pomona Island area to be achieved. In particular it would enable the delivery of a minimum of 1,100 new residential dwellings (Ref: Trafford Local Plan, Land Allocations-draft consultation January 2014) on the adjacent Pomona Island site, with the potential to increase this by a further 1,000 properties. This in turn will provide the impetus for the delivery of a real transformational scheme across the whole of the wider area.

1.16 It is estimated the above proposals could deliver around 1750 new jobs during construction and upon occupation, including local employment opportunities.

1.17 The Cornbrook Hub SRF sets out that a regenerated site could deliver an area that is integrated and well connected with its surroundings; the replacement of incompatible land uses with high quality buildings within a much higher quality environment; the reuse of the railway arches; the Bridgwater Canal and Irwell City Park and associated pedestrian/cycling routes and the provision of local amenities for the community, as well as improved permeability through the site providing improved access overall to the Cornbrook Metrolink station.

1.18 The regeneration of the Cornbrook Hub requires comprehensive large scale development and land assembly to transform the area, and deliver the step change required to ensure that it becomes a recognised new commercial, retail and leisure venue.

1.19 In July 2015, the Manchester City Council Executive considered a report in respect of the lands within Manchester forming part of the Cornbrook Hub neighbourhood seeking in principle the use of Town and Country Planning Act Compulsory Purchase powers to deliver the comprehensive regeneration of the lands. A similar report was also submitted to Trafford Council’s Executive in July 2015 in respect of the lands which fall within Trafford.

1.20 The above reports requested the executives to endorse an approach to the delivery of the Cornbrook Hub site, whereby both authorities would make their own Compulsory Purchase Orders in respect of the land falling within their respective areas. These Orders would be promoted in parallel through the confirmation process and managed by a project team made up of officers from both authorities with Manchester taking the lead role.

2. **Vision**

2.1 The comprehensive redevelopment of the Cornbrook Hub area will deliver;
• Creation of a new gateway in a prominent location on the A56- a sign post to Manchester City Centre, Trafford, Media City, Pomana Island and an enhanced Cornbrook Metrolink station.

• The relocation of existing heavy industrial uses which are incompatible with the area located at the gateway to one of Europe’s great city centres.

• New high quality contemporary urban buildings and areas of public realm alongside the A56 and Bridgewater canal.

• New investment, jobs (estimated 1750) and economic growth in one of the most deprived area in England. It will complement the existing and planned residential development of the area.

• An enhanced Metrolink station which will drive increased patronage and deliver sustainability benefits.

• A range of facilities for both local residents and visitors to the region. It will support city Manchester City Centre’s role as a global conference and business centre.

• Improved levels of integration between the site, surrounding areas and the waterfront of the Bridgewater canal and River Irwell.

2.2 As a result of the above the area will become a place to:

• To stay
• To eat
• To work
• To connect
• To meet a friend

3 Strategic delivery approach

3.1 Under the Greater Manchester Devolution Agreements and consequent legislation, the Combined Authority has now been given powers to purchase land compulsorily. For the reasons explained below, it is considered appropriate to utilise these new powers to promote a single CPO for the site.

3.2 The Greater Manchester Combined Authority (Functions and Amendment) Order 2016 (the Order), containing the devolution powers, was laid before Parliament in November 2016 and came into effect in December 2016.

3.3 Under the Order, the power to make a CPO will rest with the CA until
such time as the elected Mayor takes office. After that time the CPO powers will be exercisable by the elected Mayor, subject to the consent of the Combined Authority members for the areas affected by the proposed CPO.

3.4 The Order was made on 22 December 2016 and, by Article 1, it came into force on 23 December 2016. Powers in relation to the utilisation of CPO powers are contained within Articles 5 and 6, and these grant powers to the CA corresponding to those contained in (amongst others) section 9 of the Housing and Regeneration Act 2008 (Homes and Communities Agency CPO powers), section 226 Town and Country Planning Act 1990 (planning CPO) and section 17 of the Housing Act 1985 (housing CPO).

3.5 However, as with any CPO, the acquiring authority must demonstrate a compelling case in the public interest for the use of the CPO power. This would include demonstrating that there are no impediments to the proposed development/regeneration taking place, including any physical or legal impediments such as planning issues or funding issues.

3.6 Therefore, in relying on the existing regeneration framework as a basis for the CPO, it is likely that some of the elements of work required to submit a planning application would have to be undertaken in order to provide reassurance to the Inspector, in the event of a Public Inquiry, and to the Secretary of State that no impediments to the proposed development exist.

3.7 A project team of officers from both authorities will be formed to deliver the Compulsory Purchase Order which will include representatives from legal in order to ensure compliance with the legislation and relevant guidance and thereby mitigating the risks associated with the promotion of a CPO. The project team will meet on a regular basis and review any issues, risks which may arise.

4 Resolutions to date by Trafford and Manchester

4.1 Reports were submitted to both Manchester and Trafford’s Executive’s on the 14th and 19th December 2016 respectively seeking agreement to approve the delivery strategy set out above and the Recommendations below were agreed.

- Approve the alternative delivery strategy as detailed in section 2 below utilising the Greater Manchester Combined Authority Compulsory Purchase powers.

- Delegate authority to the Chief Executive in consultation with the Leader to present a report to the Combined
Authority requesting that a Compulsory Purchase Order is promoted by the Combined Authority in respect of the Cornbrook neighbourhood, as detailed in Appendix One. The report to the Combined Authority will ask the Combined Authority to appoint Manchester City Council to act on its behalf in taking all necessary steps to prepare the case for the CPO, including but not limited to securing an appropriate indemnity in respect of the Combined Authority’s costs in promoting and making the CPO.

5 Financial Consequences.

5.1 As with the previous CPO strategy being pursued using Town and Country Planning Act powers, subject to Agreement with MSCD, MSCD will underwrite the total cost of the CPO process. Under an agreed and signed CPO Indemnity Agreement MSCD initially agree to indemnify both Manchester City Council and Trafford Council for internal officer time commitments, and any external consultant time, incurred through the CPO process. They will also provide an indemnity for all compensation liabilities associated with the CPO. Subject to approval of the recommendations in this report, an indemnity would also need to be provided by MSCD in respect of any costs incurred, and compensation payable, by the Combined Authority in promoting and making the CPO.

5.2 The CPO Indemnity Agreement envisages that a project team, comprising representatives from MSCD, Manchester City Council and Trafford Council will be established that will meet regularly to oversee the making and confirmation of any CPO. Given that the project team has been meeting to discuss the early stages of the CPO and Manchester City Council has been taking the lead role, it is proposed that the Combined Authority appoints Manchester City Council to act on its behalf, in consultation with Trafford Borough Council, to take all steps necessary to prepare the case for making the CPO; to prepare a report to the CA setting out the justification for the CPO and seeking authority to make the Order, and; thereafter to take all necessary steps to secure the confirmation of the Order in compliance with applicable legislation and guidance.

5.3 The Indemnity Agreement also envisages that an account will be held by MSCD’s solicitors into which MSCD will pay in advance a sum equivalent to both Councils and, where appropriate, the CA’s best estimates of the likely costs involved in each stage of the CPO process. The Authorities will then be able to draw funds down from this account to fund their internal and external costs incurred through the CPO process. The CA will not be obliged to exercise its CPO powers to acquire any remaining third party interests unless and until MSCD has paid into the account a sum equivalent to the total outstanding CPO liabilities of the CA and/or Councils, as agreed between the CA, the Councils and MSCD.
6 Progress to date

6.1 Since July 2015 significant progress has been made through the negotiations in assembling the land required for the proposed development, all the former lease holders, holding over have now vacated, the formal closure of Westminster Street has been obtained, terms have been agreed with Clear Channel (who own an advertising sign on the site) and the demolition of vacant properties and subsequent hoarding off of the sites has been completed.

6.2 Extensive negotiations have been held with Hutchinson 3G UK limited (in respect of a telecommunications mast on the site), as well as with the principal occupiers of the site, Bennett recycling and Mancunian Springs, and their appointed surveyors. These negotiations have included extensive accompanied visits to potential relocation sites across the region. The negotiations are ongoing and will continue as long as necessary.

6.3 Planning approval for the creation of access road and new car parking beneath existing arches to provide 71 parking spaces for new residential development of 164 apartments at Pomona Wharf was approved under application ref 9034/FO/2015/C14 on the 10 August 2015. Alongside the above application an application in Trafford was approved under ref 85822/FUL/15 for the erection of 11 storey building of 86 apartments and 10 storey building of 78 apartments with ground floor link, provision of car parking, access from Hulme Hall Road, new landscaping and refurbishment of footpath alongside Manchester Ship Canal/River Irwell. This is on site and is due for completion September this year.

7.0 Proposed Indicative Redevelopment timetable

7.1 MSCD has worked with both local authorities to prepare a delivery strategy for the Cornbrook Hub site, which has been derived from the key principles set out in the Cornbrook Hub Regeneration Framework. A copy of the illustrative delivery plan for the Cornbrook Hub site is attached at Appendix 1.

7.2 The City Council propose to utilise the approved and adopted Cornbrook Hub Regeneration Framework, plus additional supporting planning studies to support the CPO process in order to ensure and demonstrate that there are no planning or other impediments in respect of the proposals for the Cornbrook Hub scheme in order to promote a successful CPO. The existing approved and adopted Cornbrook Hub SRF, provides an agreed framework for the scale, mass and type of new development on the site.

The draft delivery programme includes:-
**Phase 1a** (being the part of the Cornbrook Hub site falling within Manchester): Creation of a new hotel destination: Start on site proposed late 2019.

**Phase 1b** (being the part of the Cornbrook Hub site falling within Trafford): Site remediation and decontamination in readiness for a new commercial business hub: Works could commence late 2019

**Phase 2:** Development of the 1st residential apartments at Pomona Island: Commenced onsite April 2016 – completion expected September 2017

**Phase 3 / 4:** Delivery of future residential and commercial phases at Pomona Island will be over a period of 5 - 10 years following completion of the CPO process/securing vacant possession of the Cornbrook site

The above draft timescales assume that land assembly can be completed by the end of 2018.

### 8. Environmental and Climate Change Impacts

8.1 The regeneration proposal set out in the Cornbrook Hub SRF includes a vision for new high quality public realm as part of the overall development, which would significantly improve the environment of this part of the city centre. The Cornbrook area benefits from a Metrolink station within the vicinity, reducing dependence on car borne journeys. The SRF seeks to develop new improved access ways, which will provide residents with linkages to surrounding neighbourhoods and city centre districts.

8.2 The SRF includes a commitment to the highest possible standards of urban design and sustainability within the proposed commercial development through innovative building design, promoting low energy use. Sustainable design and development principles will be tested at planning application stage.

### 9.0 Concluding Remarks

9.1 The proposed change of strategic delivery will ensure that the full objectives of the SRF adopted by Trafford and Manchester will be delivered holistically and in a controlled, phased approach in order to create a new commercial destination which supports significant employment and business opportunities.

### 10.0 Recommendations

10.1 Recommendations are at the front of this report
Draft Phasing Plan: Pomona Island / Cornbrook Hub

Phase 2
1st Residential Phase

Phase 3
New Commercial Business Hub

Phase 4
7 sub phases of residential development

Phase 1a
Hotel and Retail destination

Phase 1b
Site clearance / demolition

Residential Phase 1

Residential Phase 5

Access to Residential

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PURPOSE OF REPORT
This report seeks Greater Manchester Combined Authority (“Combined Authority”) approval of the GM Housing Investment Loan Fund loans detailed in the recommendation below.

RECOMMENDATIONS
The Greater Manchester Combined Authority is requested to:

- Approve the GM Housing Investment Loan Fund loans in the table below, as detailed further in this and the accompanying Part B report;

<table>
<thead>
<tr>
<th>BORROWER</th>
<th>SCHEME</th>
<th>DISTRICT</th>
<th>LOAN</th>
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</thead>
<tbody>
<tr>
<td>Wiggett Homes Ltd.</td>
<td>Brook Street, Radcliffe</td>
<td>Bury</td>
<td>£1,555,880</td>
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<tr>
<td>Blue Dog Property 2 Ltd</td>
<td>Former Police Station, Baguley</td>
<td>Manchester</td>
<td>£1,866,000</td>
</tr>
<tr>
<td>Select Property Group / GM Property Venture Fund SPV</td>
<td>Circle Square</td>
<td>Manchester</td>
<td>£36,300,000</td>
</tr>
<tr>
<td>Urban &amp; Civic (Princess Street) Ltd.</td>
<td>Princess Street</td>
<td>Manchester</td>
<td>£43,310,000</td>
</tr>
<tr>
<td>FICM Ltd.</td>
<td>Trinity, Salford</td>
<td>Salford</td>
<td>£22,500,000</td>
</tr>
<tr>
<td>Hillcrest Homes Woodland Ltd.</td>
<td>Bretherens Hall, Heaton Mersey</td>
<td>Stockport</td>
<td>£3,900,000</td>
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</table>

- Recommend to Manchester City Council that it prepares and effects the necessary legal agreements in accordance with its approved internal processes.

CONTACT OFFICERS:
Bill Enevoldson (b.enevoldson@manchester.gov.uk)
Andrew McIntosh (a.mcintosh1@manchester.gov.uk, 0161 234 4061)

BACKGROUND PAPERS:
- Housing Investment Fund (report to GMCA, 27 February 2015)
- GM City Deal: Homes and Communities Agency Receipts (report to GMCA, 29 January 2016)
- GM Housing Fund – Updated Investment Strategy (report to GMCA, 27 July 2016)

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1.0 INTRODUCTION & OVERVIEW

1.1 In line with the agreed governance process for the GM Housing Investment Loan Fund, ("the Fund"), the Combined Authority is asked to approve the loans detailed in section 2, which have been recommended for approval by the Fund’s Gateway Panel and Credit Committee at their meetings earlier this month.

1.2 The total value of offers of loans from the Fund approved by the Combined Authority to date is £196.52m. If the recommendations set out in this report are approved, the total value of offers of loans from the Fund will increase to £305.95m. Recycled repayments from existing loans made by the Fund will be used to fund commitments above £300m.

1.3 The loan approvals sought through this report include three large-scale city centre schemes. During the next few months, the Fund also expects to bring forward proposals for lending to a further two large-scale city centre investments, one of which is a programme comprising three separate schemes. Beyond that pipeline, and subject to any proposals that may be brought forward to substitute lending to large-scale city centre schemes which has been previously approved but is not taken up, no further lending to large-scale city centre schemes is envisaged for the foreseeable future.

2.0 LOAN APPROVALS SOUGHT

2.1 Wiggett Homes Ltd. is seeking a loan of £1,555,880 for the development of 22 houses on a site in Radcliffe.

2.2 Blue Dog Property 2 Ltd. is seeking a loan of £1,866,000 for the construction of 33 apartments on the site of the former police station in Baguley.

2.3 Urban & Civic (Princess Street) Ltd. is seeking a loan of £43,310,000 for the construction of 351 apartments on a site at the junction of Princess Street and Whitworth Street in central Manchester.

2.4 A SPV to be established by Select Property Group and the Greater Manchester Property Venture Fund is seeking a loan of £36,300,000 for the construction of 677 apartments on the former BBC site in central Manchester.

2.5 FICM Ltd. is seeking a loan of £22,500,000 for the construction of 380 apartments on a site at the corner of Blackfriars Road and Trinity Road, Salford. The Combined Authority has previously approved a loan of
£17.3m to this scheme - as a result of changes to the project, approval to increase the loan to £22,500,000 is sought\(^1\).

2.6 Hillcrest Homes Woodlands Ltd. is seeking a loan of £3,900,000 for the construction of 15 houses and 9 apartments on the site of the Bretherens Hall in Heaton Mersey, subject to obtaining planning consent.

2.7 Further details of each scheme and proposed terms of the loans are included in the accompanying Part B report, to be considered in the confidential part of the agenda on account of the commercially sensitive nature of the information.

3.0 RISK MANAGEMENT

3.1 The structure and security package proposed for each loan in order to mitigate lending risks are given in the accompanying Part B report.

3.2 Each loan will be conditional upon a satisfactory outcome to detailed due diligence, including satisfactory resolution of requirements set out by the Fund’s Credit Committee. Monitoring Surveyors acting on the Fund’s behalf will also be appointed to provide ongoing confirmation that the schemes are being delivered satisfactorily.

4.0 LEGAL CONSIDERATIONS

4.1 A detailed loan facility and other associated legal documentation will be completed for each scheme ahead of the first loan payment.

5.0 FINANCIAL CONSEQUENCES – REVENUE

5.1 The borrowers will be required to meet in full the Fund’s legal, due diligence and monitoring costs and there is no requirement for additional revenue expenditure by GMCA / MCC in addition to the approved Core Investment Team budget.

6.0 FINANCIAL CONSEQUENCES – CAPITAL

6.1 The proposed loans will be sourced from the £300m GM Housing Investment Loan Fund.

7.0 RECOMMENDATION

7.1 The Combined Authority is recommended to approve the loans in line with the terms set out in the accompanying report.

\(^1\) The previously approved loan of £17.3m is not included in the value of loan offers approved to date given in paragraph 1.2.
PURPOSE OF REPORT

This report seeks Greater Manchester Combined Authority (“Combined Authority”) approval for investments to Kids Allowed Limited, Tailored Fire & Security Group Limited, Sitedesk Limited and Intechnica Limited. The investments will be made from recycled monies.

Further details of the investments are included as a more detailed report, considered in the confidential part of the agenda due to the information relating to the business affairs of the companies.

RECOMMENDATIONS:

The Greater Manchester Combined Authority is requested to:

a) agree that the project funding applications by Kids Allowed Limited (loan of £600,000), Tailored Fire & Security (loan of £1,100,000), Sitedesk Limited, (investment of £150,000) and Intechnica Limited (investment of £150,000) be given conditional approval and progress to due diligence; and

b) delegate authority to the Combined Authority Treasurer and Combined Authority Monitoring Officer to review the due diligence information and, subject to their satisfactory review and agreement of the due diligence information and the overall detailed commercial terms of the transactions, to sign off any outstanding conditions, issue final approvals and complete any necessary related documentation in respect of the loans/investments at a) above.
CONTACT OFFICERS:

Eamonn Boylan: eamonn.boylan@stockport.gov.uk
Richard Paver: r.paver@manchester.gov.uk
Bill Enevoldson: b.enevoldson@manchester.gov.uk

BACKGROUND PAPERS:

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Risk Management – see paragraph 3

Legal Considerations – see paragraph 4

Financial Consequences – Revenue – see paragraph 5

Financial Consequences – Capital – see paragraph 6
1. INTRODUCTION AND OVERVIEW

1.1 The Combined Authority maintains and develops a pipeline of projects submitted by applicants seeking funding from either the Combined Authority’s Regional Growth Fund Programme or Growing Places Fund allocation. These projects are assessed against criteria based on the GM Investment Strategy, developed to underpin the economic growth of GM.

1.2 This assessment incorporates:

a) an appraisal by the GM Core Investment Team; and

b) a review by a sub group of GM Chief Executives.

2. INVESTMENT PROJECTS RECOMMENDED FOR APPROVAL IN PRINCIPLE

2.1 Kids Allowed

The business case in respect of Kids Allowed (loan of £600,000) has been submitted to and appraised by the Core Investment Team and is recommended to the Combined Authority for conditional approval.

Kids Allowed is a private nursery and child care chain originally founded in May 2003 to provide high quality child care. The business provides childcare for 0-5 year olds (nursery and pre-school) and wraparound care for school age children (breakfast, afterschool and holiday club) from purpose built centres across the North West. The Group currently employs around 400 workers in the Greater Manchester region.

The Company is seeking investment of £600,000 to open two additional nursery sites in Trafford. The investment is expected to support the creation of 105 jobs in Trafford.

2.2 Tailored Fire & Security Group (TFS)

The business case in respect of TFS (loan of £1,100,000) has been submitted to and appraised by the Core Investment Team and is recommended to the Combined Authority for conditional approval.

TFS was founded in 2004 and is a specialist contractor, delivering bespoke customer solutions focussed on fire, surveillance and security.

The Company is seeking investment of £1,100,000 to facilitate growth, through expansion of the employee base, increased marketing expenditure and to assist with the expansion into a bigger site. The investment is expected to support the creation of fifty jobs in Trafford.
2.3 **Sitedesk**

The business case in respect of Sitedesk (investment of £150,000) has been submitted to, and appraised by, the Core Investment Team and is recommended to the Combined Authority for conditional approval.

Sitedesk was founded in 2011 and is a specialist in Building Information Modelling (“BIM”). The Company has developed a 3D collaboration tool aimed at contractors, owners and operators to help ensure compliance with BIM.

The Company is seeking investment of £150,000 to support the business as it seeks to increase utilisation of its software product. The project is expected to create eighteen jobs in Stockport over three years.

2.4 **Intechnica**

The business case in respect of Intechnica (investment of £150,000) has been submitted to, and appraised by, the Core Investment Team and is recommended to the Combined Authority for conditional approval.

Intechnica are an IT consultancy and product business based in Manchester. The Company have previously received investment of £750,000 from the GMCA.

Approval for an investment of £150,000 is sought, as part of a wider fund raise, which will support the original job creation target of forty four and create an additional five employees immediately in the product development team.

Summary appraisal notes on the projects are included as a more detailed report, considered in the confidential part of the agenda due to the information relating to the business affairs of the companies.

3. **RISK MANAGEMENT**

The loans and investments will be governed under the existing investment framework which includes several levels of review and ongoing monitoring of the performance.

The legal funding structure proposed for the loans/investments will mitigate risks as far as reasonably practicable utilising the standard framework of legal documents.

4. **LEGAL CONSIDERATIONS**
The legal agreements will be based upon the existing templates for the fund, amended for the specific requirements of the individual funding arrangements.

5. **FINANCIAL CONSEQUENCES – REVENUE**
There are no revenue implications.

6. **FINANCIAL CONSEQUENCES – CAPITAL**
The £600,000 proposed loan to Kids Allowed, the £1,100,000 proposed loan to Tailored Fire & Security, the £150,000 proposed investment to Sitedesk and the £150,000 proposed investment to Intechnica will be made from recycled funds.