GM LOCAL ENTERPRISE PARTNERSHIP BOARD

SUBJECT: LEP Funding Update

DATE: 18th September 2017

FROM: Simon Nokes, Executive Director, Policy and Strategy

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PURPOSE OF REPORT

This report highlights the progress made on activity supported by the LEP Capacity and Strategic Funding 2016/17 and further details activity supported by the Capacity and Strategic Funding 2017/18.

The report also highlights the additional DBEIS funding provided to the LEP for 2017/18 to provide business support through the Manchester Growth Hub.

RECOMMENDATIONS

The LEP is asked to:

- Note progress on activity funded by LEP Capacity and Strategic Funding in 2016/2017 and anticipated outcomes for 2017/18 and;
- Note the additional DBEIS funding providing business support through the Manchester Growth Hub

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1. **INTRODUCTION**

1.1 At the meeting in January 2017, the LEP Board received a report highlighting the capacity and strategic funding for 2016/17 and 2017/18.

1.2 The report noted the progress on activity funded by LEP Capacity and Strategic Funding in 2016/2017 and set out the proposed use of the LEP capacity and strategic funding for 2017/18.

1.3 The Board noted the progress made and agreed the proposed use of funds. It was also agreed that a further report would be brought back to the Board providing more detail of the 2016/17 spend and more details on the 2017/18 work agreed including outcomes, impacts and key highlights.

1.4 This information is set out in tables 1 and 2 below.

2. **2016/2017 LEP CAPACITY AND STRATEGIC FUNDING**

2.1 In 2016/17, the LEP had a total capacity and strategic budget allocation of £500k which was allocated by the Board in March 2016 as follows:

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

2.2 Further to this the LEP board agreed in November 2016 the appointment of consultants to support the LEP Board Membership Review under the direction of the Chair at a cost of £16,300.

2.3 As there was an anticipated underspend of 2016/17 funds allocated to the GM Land and Property Programme, it was agreed that the costs of the LEP Membership Review were met through this available funding with any remaining underspend being carried forward to the next year.

3. **2017/18 LEP CAPACITY AND STRATEGIC FUNDING**

3.1 As in previous years, the LEP was awarded a total capacity and strategic budget of £500k for 2017/18.

3.2 The LEP agreed that due to the significant work required to implement devolution, and to support further devolution asks, the £250k Capacity Funding should be used to support delivery as follows:

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

3.2 GM LEP was allocated £250,000 of Strategic Funding. Together with the underspend in the 2016/17 funds highlighted above, this provided a total to £302,000 to be allocated to strategic priorities.

3.3 Given the context of the review of the Greater Manchester Strategy, implementation of the GM devolution deals as well as uncertainty following the EU referendum, the LEP agreed to allocate this fund as follows:

- £120k to support the development of the Greater Manchester Strategy as well as continuing engagement with Government
- £100k to the GM Land and Property programme (£52k rolled forward from 2016/7 and £48k from the 17/18 budget)
ITEM FOR INFORMATION

- £66k to MIDAS to support the India and China market specific initiatives as part of the wider GM Internationalisation Strategy
- £6K LEP Network
- £5k Atlantic Gateway Board support
- £5k LEP contingency for ad hoc activity including expenses

4. GM BUSINESS GROWTH HUB
4.1 Alongside this funding, the LEP was awarded a separate allocation of £512,000 by DBEIS to support the further development of growth hubs, aligned to the Government’s objective to simply access to support for business.

4.2 This funding will support the continuing GM business support programme provided by Manchester Growth Hub in line with previous LEP delivery arrangements, ensuring that Greater Manchester businesses get the right support, at the right time, to help them grow and innovate.

4.3 Regular reports are provided to the LEP Board on the performance of the Growth Hub as part of the wider Manchester Growth Company including a performance review of progress against Business Plan priorities, objectives and targets.

5. RECOMMENDATIONS
5.1 The recommendations can be found at the front of this report.
Table 1: LEP Capacity and Strategic Funding 2016/17

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<tr>
<th>Allocation</th>
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| £200k      | Implementation of the devolution deal in relation to skills and employment, including the curriculum review and the ongoing development of an outcomes framework for future commissioning of devolved Adult Education Budget | Key outcomes include:  
- The curriculum review has been developed and disseminated, this is helping to inform the development of Adult Education Budget.  
- An outcomes framework has been developed for the Adult Education Budget and modelling has been undertaken to identify where GM should focus activity.  
- Reports have been produced for GMCA and LEP that set out the action plan for AEB and next steps. Although devolution has been pushed back until 2019/20, GMCA is working with DfE on transitional arrangements. | Gemma Marsh    |
|            | Development of the deep dives research programme                               | Key outcomes include:  
- Finalisation and publication of phase 1 of the deep dive work which included 9 detailed sector studies outlining key issues and opportunities in GM's main sectors. This drew on desk-based research and consultation with employers and employer representation organisations.  
- Development of phase 2 of the deep dive work, which involved a comprehensive analysis of the key drivers of productivity (skills, innovation, investment, enterprise and competition) and employment and how these play out within the conurbation.  
- Engagement with the inclusive growth work being undertaken through the JRF/University of Manchester collaboration and the RSA Inclusive Growth Commission to provide an integrated analysis of issues affecting both productivity and inclusive growth  
- The outputs of the deep dive work has already contributed to a wide range of GM activity, including GM's response to the Industrial Strategy consultation, GM's | John Holden |
| Supporting the development of the evidence base for the Greater Manchester Spatial Framework | • In addition to the deep dive work described above, a detailed study on the manufacturing sector was commissioned to test and confirm the opportunities/barriers to growth and identify any support requirements of the sector that GM/districts could deliver. A steering group with representation from Salford, Trafford and Rochdale local authorities, New Economy/GMCA, MGC/Business Growth Hub and the Manufacturing Champions Network was established to oversee delivery of the research.  
• A consortium led by Regeneris and including Cushman & Wakefield and The Manufacturing Institute was appointed to undertake the research. The study is part of the evidence base for the GMSF and will help to inform the policies in the revised draft | Anne Morgan |
| The development of the Greater Manchester and Cheshire East Science and Innovation Audit | • In 2016/17 the LEP led on and delivered a Science and Innovation Audit for Greater Manchester in partnership with East Cheshire. This was part of a government sponsored exercise led by BEIS to understand the science, research and innovation strengths in localities. The LEP set the framework under which the audit was conducted, working alongside the University of Manchester as research lead, and drawing in contributions from a wide set of GM partners including big and small businesses, science partnerships the universities, and health leads.  
• The audit focused on the five areas of health innovation, advanced materials, digital, energy, and industrial biotechnology. Conducting the audit has helped GM partners to collectively understand local strengths and opportunities, helped with marketing GM in terms of international collaborations and investments, and placed GM in a stronger position to influence central government thinking in areas such as the industrial strategy.  
• It also helped release funding through the Local Growth Fund to support key | Michael Contaldo |
investments such as the Pankhurst Centre for Health, the International Screen School Manchester, a BGH programme focused around innovation, and a centre for cyber-security. Next steps include launching the audit locally now the new Mayor is in place and using the evidence compiled to seek investment support from the Industrial Strategy Challenge Fund.

| £50k | Marketing Manchester LEP media and website support | Marketing Manchester has provided the following support to Greater Manchester Local Enterprise Partnership:

- **Website Redevelopment**
  In 2016 the National Audit Office released a report into Local Enterprise Partnerships that raised issues around transparency and delivery capability. In particular they had concerns about transparency around financial information and accountability.

  In response Marketing Manchester created a brand new GMLEP website that was clearer, more accessible and mobile-friendly. It also featured a register of members' interest and a clearer link to the assurance framework. The new website also makes a clearer link to the strategic projects the GMLEP supports through the Growth Deal.

  Marketing Manchester maintains and regularly updates the website, including meeting agendas, board changes and news articles. The GMLEP website received 9,121 visits in the 2016/17 financial year.

- **Press Coverage**
  Marketing Manchester has secured GMLEP coverage in the Financial Times, commenting on the powers and responsibility of the new metropolitan mayors, on the BBC website talking about the importance of the business community for other regions’ devolution deals and in the Manchester Evening News on subjects including the benefit of the new direct flights from San Francisco to the region’s tech sector and the confirmation of phase 2 of HS2, linking Greater Manchester to

| Louise Latham |
Birmingham and London. Marketing Manchester also promoted the Greater Manchester Science and Innovation Audit.

Over the financial year 2016/17 GMLEP press coverage has reached potentially 3.5m people with an Advertising Value Equivalent of £54,000.

- **Reactive Press Office**
  Marketing Manchester provides a reactive press office function, answering journalist enquiries and arranging meetings with key stakeholders such as other LEPs, the Northern Powerhouse Partnership, government figures and HS2. Marketing Manchester also drafts and gets sign off for quotes and statements from the GMLEP on subjects such as investment and the implications of the budget for Greater Manchester.

  Marketing Manchester attends a quarterly LEP communications network meeting where national and cross-LEP issues are discussed and actioned. Marketing Manchester also attends all GMLEP board meetings and meets with a representative of the GMLEP once a month

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<th>STRATEGIC FUNDING</th>
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<td><strong>£150k</strong></td>
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<td>The Draft GMSF identified several strategic sites considered important for Greater Manchester's long term prosperity. Work is now underway to 'masterplan' these sites.</td>
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<td>To assist this work we are continuing to invest in MappingGM to provide all the spatial data in one place.</td>
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<td>Anne Morgan</td>
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<td>Early progress on the GM Land Commission as part of the devolution deal</td>
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<td>Work has been undertaken to establish the GM Land Commission. It will be jointly chaired by the GM Mayor and the Minister of State for Housing and provides greater local oversight and accountability for public estates management strategies, including approaches to disposals and generation of capital receipts, across all public agencies in the conurbation.</td>
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<td>Anne Morgan</td>
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- This role is in the context of an ambitious and rapidly evolving land supply and housing policy agenda, in addition to a comprehensive programme of transformation of the GM health estate.

£95k  The development of activity through the Manchester Channel

- The Manchester Channel concept has the following key objectives:
  - Build and change perceptions of Manchester
  - Achieve cut through by building international recognition for Manchester’s key world class areas of excellence
  - Show Manchester innovative, diverse and international city. The creation of this unique digital channel is a demonstration of Manchester’s modern and innovative instincts.
  - Following initial scoping work with Marketing Manchester, a Steering Group has been set up comprising Lou Cordwell, Mike Blackburn and Iwan Griffiths (Chair of the Internationalisation and Marketing Advisory Board) to over the next steps in the Channel's development. Funding from 2016/17 will be rolled forward into 2017/18 to ensure continued development of the Channel. This will include:
    - Securing an editorial resource to help coordinate content and support story curation to showcase Manchester as an innovative, diverse and international city.
    - Progressing the ‘M Drive’ ([www.themdrive.com](http://www.themdrive.com)), a digital depositary and content asset management tool for sharing Greater Manchester content assets containing images, factsheets, maps, presentations, video and sector overviews to promote Greater Manchester.
  - Activity and achievements from this appointment will be presented back to the GMLEP early in 2018 with future recommendations.

£16k  GM LEP Board Membership Review

- The LEP Board agreed at their meeting on 10th November 2016 that it was timely to review their private sector membership given that the current private sector members' terms of office expired on 31st March 2017. It was agreed that a comprehensive review would help to ensure the board is best equipped to address the range of current issues and opportunities that Greater Manchester faces.
- The two stage membership review was led by the LEP Board Chair with support from CA officers and Penna recruitment consultants. The first stage consisted of a review of the LEP’s current private sector membership with those who wished to be re-appointed to the board being assessed on the basis of the person specification and their wider skills and expertise. Secondly, an advertising and search campaign was launched to attract potential new candidates for interview, ensuring the refreshed board would have the necessary skills and capacity to contribute to the LEP’s expanding role. This also looked to ensure representation from a broad range of key economic sectors and that the diversity of membership reflects the wider Greater Manchester population.
- Following shortlisting of potential new board members, interviews were carried out by a mixed public/private panel of LEP members led by the Chair.

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<td>The LEP Network is a national partnership set up by LEPs proving a forum for them to come together on areas of shared importance, engage with Government and share knowledge and good practice. This has included several high profile meetings with Minister and officials, joint letters to Government promoting the shared interests of LEPs, working groups on key thematic areas such as skills, funding and business support together with an annual conference with keynote speakers such as Rt. Hon. Sajid Javid MP and Greg Clark MP</td>
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David Rogerson
### Table 2: LEP Capacity and Strategic Funding 2017/18

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| £200k      | Development of GMCA policy, research and evidence | Capacity funding will support the following activity:  
- **Undertaking research and developing GM’s evidence base** - continue to lead GM analysis and evaluation activity linked to key elements of the devolution agreements, and deliver economic analysis to ensure GM remains at the forefront of current thinking and developments particularly at a time of economic uncertainty. This will include the Brexit monitor and other Brexit related activity including analysis and development of EU successor funding, building on the deep dive evidence to support national industrial strategy development, research into specific sector needs (including manufacturing and internationalisation), driving inclusive growth, and ensuring the GM evidence base covers the whole spectrum of the CA/LEP agenda. This will also include briefings to the LEP on the GM impact of major economic and political events, such as Budgets, as well as developing and bringing forward options to the LEP for future devolution, including fiscal devolution.  
- **Skills, business, science and innovation policy development** – prioritising implementation and further development of GM skills policy on the back of the GM Devolution Deals. In addition, on the back of the GM and East Cheshire Science Audit, officers from the GMCA will lead work, in partnership with the GM universities and GM LEP members, on wider science, innovation and business policy to support the commercialisation of the GM science base, including access to the recently announced £2billion national research and development fund and linking to wider investment funds.  
- **LEP support** – including attendance at LEP events and engagement with the LEP Network, as well as supporting individual LEP members with briefings and providing secretariat functions for the GM LEP Board meetings. | Alison Gordon |
| £50k       | Marketing Manchester media support | Capacity funding will support the following activity:  
- **Proactive and reactive media** – ongoing engagement with media to maximise the LEP’s profile within the devolution agenda and increase the LEP’s online profile and presence.  
- **LEP website** - provision of digital resource to support maintenance, development, updating of | Louise Latham |
content and new content for the gmlep.com

- **Press office** – provision of a responsive press office function to media enquiries, issuing press releases, providing quotes and statements from LEP spokespeople as relevant and see press coverage through events
- **Social media** - deliver social media strategy including twitter and blog posts

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| **£120k** Support the development of the Greater Manchester Strategy | Key deliverables from this funding will include:  
  - Development, consultation (including with business, residents, and civic agencies) and publication of a revised Greater Manchester Strategy document.  
  - Development and publication of a Greater Manchester Outcomes Framework, which will set out the indicators to measure progress against GMS ambitions and provide a framework for aligning the procurement activity of GM agencies.  
  - Development of a comprehensive Greater Manchester Strategy Implementation Plan, which will detail the actions that GM agencies and partners will undertake to deliver the GMS.  
  - Monthly publication of a report on the economic and policy impact of Brexit on GM and engagement with Government to identify how these impacts/opportunities can be addressed (including through influencing the development of the national Industrial Strategy). |
| **£100k** GM Land and Property programme | The ability to manage the use of public sector assets is fundamental to the economic and physical growth of GM. The GM Land and Property programme supports the best and most efficient use of the public estate as well as developing the business cases for investment in land remediation for a number of strategically important sites across GM. The programme will support:  
  - The development a GM Neighbourhood Asset Review programme that provides a holistic view across all public sector organisations - and their combined asset base - playing a role in the delivery of services and facilities to communities. This will provide a strategic framework for unlocking the value within the public sector asset base.  
  - The further development of master planning for key sites in GM.  
  - The development of One Public Estate initiatives and proposals to support town centre... |
Further to the objectives of the recently refreshed Internationalisation Strategy, the following areas will be delivered for Greater Manchester, via MIDAS:

- **India**: the funding will support the continuation of the Manchester-India Desk, both in terms of the full-time GM based India Project Manager and its full-time in-country representative. The intent is to launch a ‘Manchester India Partnership’ late in 2017 which will form a basis for private sector investment into the Manchester-India agenda.
- **China**: The LEP Capacity funding will support the continued activity of the Manchester China Forum to support the deployment of the refreshed Manchester-China Strategy. Efforts are also now underway to broaden the MCF’s income streams and maximise the impact of LEP funding.

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| £66k   | MIDAS support for India and China market specific initiatives | Further to the objectives of the recently refreshed Internationalisation Strategy, the following areas will be delivered for Greater Manchester, via MIDAS:  
  - **India**: the funding will support the continuation of the Manchester-India Desk, both in terms of the full-time GM based India Project Manager and its full-time in-country representative. The intent is to launch a ‘Manchester India Partnership’ late in 2017 which will form a basis for private sector investment into the Manchester-India agenda.  
  - **China**: The LEP Capacity funding will support the continued activity of the Manchester China Forum to support the deployment of the refreshed Manchester-China Strategy. Efforts are also now underway to broaden the MCF’s income streams and maximise the impact of LEP funding. | Tim Newns |
| £6k    | LEP Network Membership | The funding will secure GM LEP’s continued membership of the national LEP Network. | David Rogerson |
| £5k    | Atlantic Gateway Board support | The funding will support the Atlantic Gateway strategic plan development which will highlight the science, logistics and transport priorities across Liverpool, Cheshire and Warrington and Greater Manchester LEP areas, ensuring consistent and collective priorities to drive growth across the Atlantic Gateway area is evidenced and heard, nationally and across the North of England. | Alison Gordon |
| £5k    | LEP contingency | The funding will be used for ad hoc activity including expenses. In the event that this funding is not used, it will be rolled forward for future allocation in 2018/19 | David Rogerson |