Date: 27th April 2018

Subject: Manchester Growth Company Business Plan 2018/19

Report of: Cllr Sir Richard Leese, Portfolio Lead Leader, Economic Growth

PURPOSE OF REPORT

The purpose of the report is to present to the GMCA, the Growth Company Business Plan for the 2018-19 financial year.

The full business plan is included as an annex under PART B of the agenda, due to the inclusion of commercially sensitive information.

The full business plan has been approved by the GC Board with input from LA CEX portfolio leads and was discussed at Wider Leadership Team. Included in the plan is an agreed performance reporting framework to allow oversight on core GC deliverables throughout the year.

RECOMMENDATIONS:

GMCA is asked to;

- Endorse the GC 2018/19 Business Plan.

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<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>
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<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>
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Introduction

The Growth Company is a social enterprise whose purpose and governance are uniquely aligned to GMCA and LEP. GC aligns its strategy to meet the strategic challenges faced by GM and deliver, on behalf of GMCA and GM LEP, improved economic growth and productivity, to achieve this in an inclusive way and to lead the delivery of GM’s Internationalisation Strategy.

Delivering for Greater Manchester

Since it was established, the Group has achieved positive results in line with its ambition and purpose in terms of strategic value add, increased GVA and supporting greater inclusivity. There has also been significant progress in developing a single purpose led organisation delivering effective, efficient and integrated services which respond to policy objectives and address need.

The Growth Company delivers a range of business support, skills development, employment/health programmes and marketing activities commissioned at the GM level (e.g. Business Support and Work & Health) alongside a range of activities commissioned on a broader geography and including GM in their scope (e.g. International Trade and National Careers Service). It also delivers a range of commercial services across the country.

In brief:

- **Governance & Accountability:** brings together GM Local Authority and business leaders to ensure all our work is accountable to the local public and private sector.
- **Purpose:** As a not-for-profit GM-based provider, the Group’s purpose to enable growth, create jobs and improve lives is framed within a GM context. GC invests resources in supporting the work of GMCA, providing specialist staff to support key activities and providing full access to our data and insights from our 50,000 individual and 20,000 business clients, to shape future policy development, strategy and commissioning.
- **Collaboration:** Central to the GC operating model is collaborative working with stakeholders and partners, in assisting all parts of GM to have a vibrant and sustainable economic function. GC is a force for wider system integration and adds strategic value though curating partnerships including GM Futures and the Greater Manchester Apprenticeship Company which have leveraged additional income into GM and maximised supply chain opportunities for local SMEs/CVO’s. GC also convened the GM Manufacturing Champions network and launched a SME mentoring programme with 300+ mentors, currently working in partnership with Tech Manchester to provide digital focused mentoring support.
- **Unique:** The complimentary composition of GC delivery activities not only makes it a unique provider of services to clients but allows the Group to develop new approaches. For example, Skills and Marketing Manchester colleagues are developing a new hospitality skills framework to widen the recruitment opportunities and develop better job roles which will integrate into the national tourism sector deal and Local Industrial Strategy. In
addition, the Group is also able to quickly respond to large projects such as the Amazon relocation into GM through which GC invested in-kind support of circa £600k to deliver a bespoke and coordinated package of services. The Group supported the placement of 266 people into employment, with a 70% job start conversion rate from those attending interview which is substantially higher than the conversion rate Amazon have achieved through their private suppliers.

- Targeted: Through its integrated model, the Group is positioned to offer a holistic perspective and client led approach to ensure services best meet the needs of businesses and individuals across Greater Manchester, often those with greatest need and furthest from the labour market.
- Social Value: A core theme to activity delivered is an inclusive approach which, both as a provider and by the organisation itself, delivers wider economic benefits than would otherwise be the case. Core contracts such as the GM Work & Health Contract include a wide range of social value commitments and the Growth Hub is actively working with GM employers to encourage local recruitment from target GM groups and localities.

Results achieved by GC across the last three years have included supporting circa 15,000 companies per annum, 15,000 job opportunities created and 3,300 apprenticeships which collectively contributed an additional £605m in GVA to GM. Through GC interventions, over 23,000 people have been placed directly into jobs and as a Group, we support the GM inclusivity agenda through the client base with which we work.

Our skills provision routinely works with the individuals that other mainstream providers deem too hard to help, with 86% of our young learners having one or more social or personal development need, 11% of students on our foundation study programmes are from an offending background and 4 in 10 of all students were from the top 10% of the most deprived Lower Layer Super Output Areas in the country.

Our employment programmes have seen over 700 Long Term Unemployed customers with health conditions / disabilities supported into employment through the Working Well contract in Greater Manchester, 1 in 3 customers in recovery from substance misuse enter employment, training, or education with 50% sustaining in work.

In Business Support, 19% of service recipients and 38% of loan recipients are female, 11% of service recipients and 24% of loan recipients are BME and 45% of start-up loan recipients were previously unemployed, with 47% of 18-24 years olds offered loans previously classed as NEET.

In addition to our work across GM, there has been a significant focus on making GC a robust, agile and commercial focussed organisation with the ability to generate a surplus to reinvest in its core infrastructure and ultimately deliver for Greater Manchester.

GC turnover in 2018/19 will be circa £85m. Whilst growth in Group turnover has brought significant benefits in terms of our scale, profile, positioning and
ability to address strategic economic objectives there is a need to further increase the Group turnover and resulting surplus to contribute to cash reserves and to reinvest in the development of the Group and its GM activities.

**Vision & Priorities for 2018/19**

GC operates in a changing (indeed challenging commissioning) environment and the 2018/19 financial year is one of change for all its business units. As such, the business plan will need to be flexible to adapt to commissioning and policy changes that may occur throughout the year.

Locally, the Greater Manchester Strategy sets the strategic context for much of the Group’s work and the business plan directly aligns to GMS priorities of people and place. GC undertakes key activities in progressing Priorities 2-5.

The future vision, agreed by the GC Board, includes a focus on three core strands of: driving growth & inclusion; achieving commercial & financial success; and being a High Performing Organisation. At the core of the Group’s vision is a ‘one client, one business’ ethos which underpins the need for continued cultural change and improved performance management.

Achieving commercial and financial success will also involve investing in the Group’s business development capabilities, positioning the Group as social enterprise ‘alternative provider’ nationally, maximising contract performance, full cost recovery on grant commissions and a relentless focus on cost control.

To support the vision, the GC strategic priorities for 2018/19 are set out below and covered in detail in the accompanying plan.

1. Support and enable GM’s priority to increase GVA and productivity
2. Contribute to inclusive growth across GM
3. Lead the delivery of GM’s Internationalisation Strategy
4. Improve GC’s financial resilience, including surplus
5. Integrate our services
6. Enhance GC’s profile and positioning
7. Deliver GC’s internal transformation

Each of the strategic priorities are focussed on driving forward growth and securing even greater outputs and outcomes for GM, in addition to ensuring that we achieve greater inclusive growth impact from our work. We will continue to develop our already high level of integrated work with Local Authorities across GM.

Priority GC deliverables for Greater Manchester in 2018/19 include:

- Realise a fully integrated business support system through the implementation and delivery of the GM Business Productivity and Inclusive Growth Programme, delivering high value jobs, creating employment in
key GM sectors and developing approaches to workforce management that support inclusivity objectives.

- Maximise the broader social value impact of the Business Growth Hub beyond the job outputs created, by working with businesses to encourage the development of their own social value agenda through initiatives including the roll out of the GM Mayoral Employers Charter.

- Achieving contract excellence in our employment support programmes and maximising the outcomes for Greater Manchester, working alongside Local Authorities as both strategic partners and supply chain partners, utilising insight to contribute to GM thinking around the integration and commissioning of future employment programmes.

- Utilising the Apprenticeship Levy to mobilise the private and public sectors to consider apprenticeships as part of their workforce development and growth & reform plans. Working in partnership with Colleges, GM providers, HEIs, and LAs across GM, GC will drive the number of apprenticeship starts and achievements to contribute to the GM target of 40,000 apprenticeship starts per annum.

- Driving the delivery of the Greater Manchester Internationalisation Strategy through enhanced international marketing campaigns, attraction of national and international business conferences and enhancing inward investment lead generation to increase the volume and value of foreign direct investment and jobs for GM residents.

Performance Oversight

Central to the GC operating model is collaborative working with stakeholders and partners, especially Local Authorities. Strategic dialogue and performance reporting to the CA and individual LA’s is fundamental to GC and will continue through 2018/19 and enhanced to include more frequent reporting of local outcomes for individual and business clients.

Bi-annual performance reports are received by the GM LEP who, on behalf of GMCA, oversees performance of the Group on its GM outputs and outcomes. LA economic development leads and officers also receive quarterly reports on outputs and outcomes at LA level.