

Economy, Business Growth & Skills Overview & Scrutiny Committee



Date: 13th July 2018

Subject: Greater Manchester Local Enterprise Partnership

Report of: Mike Blackburn, Chair of GM Local Enterprise Partnership

PURPOSE OF REPORT

This report provides an update on the work of Greater Manchester Local Enterprise Partnership in overseeing delivery of the Greater Manchester Strategy

RECOMMENDATIONS

That Members note the report and provide any feedback

CONTACT OFFICERS

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1. INTRODUCTION

- 1.1 The Greater Manchester Local Enterprise Partnership (GM LEP) is a private-sector led, voluntary partnership sitting at the heart of the city region's governance arrangements, ensuring that business leaders are empowered to set the strategic course, determine local economic priorities and drive growth and job creation within the city region.
- 1.2 It works alongside and in partnership with the Greater Manchester Combined Authority (GMCA), offering leadership, insight, guidance and constructive challenge as we take forward our strategic ambitions.
- 1.3 Together, GM LEP and the GMCA provide a robust set of decision-making and governance structures in delivering our shared vision for Greater Manchester to be one of the best places in the world to grow up, get on and grow old.

2. ROLE AND OBJECTIVES

- 2.1 In June 2010 Government invited businesses and Local Authorities to come together to form Local Enterprise Partnerships (LEPs) which understand their economy and are directly accountable to local people and local businesses.
- 2.2 LEPs were constituted as partnerships between Local Authorities and businesses to provide clear vision and strategic leadership to drive sustainable private sector-led growth and job creation at local level as part of an integrated approach to growth and infrastructure delivery.
- 2.3 There are 38 LEPs across England each led by a business Chair with board members representing local industry, educational institutions and the public sector.
- 2.4 Each LEP represents an area which reflects a functioning economic geography, using their knowledge and understanding of their areas to drive local economic growth. Importantly, Government did not define LEPs in legislation so each partnership differs across the country in both form and functions in order to best meet local circumstances and opportunities.
- 2.5 This was reflected in the GM approach to establishing a unique partnership model of GMCA/GM LEP leadership providing integrated governance through co-ownership of the Greater Manchester Strategy (GMS). Both GM LEP and GMCA operate over the same geographic footprint with a shared strategic vision and complementary roles from the outset.
- 2.6 This establishment of Greater Manchester's LEP reflects our well-established track record of positive engagement with the private sector and commitment to inclusive growth, having developed a highly effective partnerships through agencies such as the Business Leadership Council and the development of the Manchester Independent Economic Review.
- 2.7 As set out in the Terms of Reference, GM LEP carries out this role through:
 - i. Providing strategic leadership and drive delivery of the GMS and the GM Growth & Reform Plan ensuring that activities maintain a sharp focus on economic growth and driving efficiency;

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- ii. Providing oversight of key strategic initiatives such as Greater Manchester's Growth Deal and key funding streams including Local Growth Fund, Growing Places and Regional Growth Fund;
- iii. Developing relationships with key private and public sector partners (local, national and international) to help Greater Manchester realise its ambitions;
- iv. Working with partners to create innovative solutions to maximise private and public sector investment;
- v. Together with the GMCA providing strategic oversight of the Growth Company's business plan.

2.8 To ensure that the LEP is effective in this role it has the power to:

- i. Commission and publish research and advice from a range of sources, subject to resources being available;
- ii. Provide advice to the GMCA on strategic issues such as economic development, planning, housing and transport;
- iii. Engage in dialogue with Government and respond to consultations;
- iv. Submit bids for available funding as necessary and appropriate;
- v. Agree strategies for private sector involvement in delivering their priorities of the Greater Manchester Strategy and its programme of Growth and Reform.

2.9 It is important to note that GM LEP is a voluntary partnership which cannot contract, procure services or employ staff and therefore uses GMCA as its Accountable Body.

2.10 This follows the approach set out in the original GM LEP proposal to government which was clear that the GMCA was to have the *'primary responsibility for prioritising funding decisions'* (as the democratically Accountable Body) with the GM LEP *'bringing a strong private sector input to decisions'*.

3. MEMBERSHIP AND GOVERNANCE

3.1 The LEP is chaired by Mike Blackburn and consists of 15 Board members; 11 private sector members and 4 GMCA members, including the GMCA Chair and Vice Chair Mayor Andy Burnham and Deputy Mayor Richard Leese alongside Cllr Sean Fielding and Cllr Linda Thomas. See appendix A for current Board membership.

3.2 The Board is also supported by two ex-officio members who provide additional insight and expertise but do not have voting rights.

3.3 Board membership reflects a range of GM's key industrial sectors and includes representatives of both large employers such as Siemens alongside representatives of SMEs such as Magnetic North.

3.4 Private sector members are appointed via an open and transparent recruitment process with the final recommendations approved by GMCA. Private sector terms of office are reviewed every two years with public sector members re-elected annually by GMCA.

3.5 More broadly, the LEP recognises that it works on behalf of all the people of Greater Manchester and recognises that different people bring different ideas, knowledge and perspectives. As part of this commitment to equality, GM LEP refreshed its board membership last year to ensure that it better reflects the breadth of industrial sectors and improves the representation of the diversity of Greater Manchester's people.

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3.6 In particular, the Board improved the gender and ethnic balance of board members as part of the latest refresh of board membership in 2017 and appointed one member to be the SME representative, engaging with the SME community and acting as the voice for SMEs on the LEP and championing those issues which affect small businesses.

4. STRATEGY AND DELIVERY

4.1 GM's unique partnership model of GMCA/LEP leadership through a shared vision for the city region is underpinned by joint ownership of 'Our People, Our Place' which represents a long term blueprint for the future of all the people of Greater Manchester.

4.2 The Board currently receives regular reports on key aspects of delivery along with updates from individual projects allowing the LEP to gauge performance and approve the next steps in partnership with the GMCA.

4.3 The LEP Board contributes, informs and provides supportive challenge to Greater Manchester's strategic work through membership of project teams, partnerships and events. These projects represent key partnerships between the LEP and the public, private and voluntary sectors with a number of highlights set out below.

4.4 The GMCA and the GM LEP's strategic agenda also provided the platform for the powers and responsibilities which were negotiated through the series of groundbreaking GM Devolution Agreements, placing Greater Manchester at the forefront of the national debate on devolution.

4.5 By taking this place based approach, local leaders are empowered to drive the strategic agenda and has led the LEP to take a leading role in a number of key initiatives such as:

- The **Local Industrial Strategy** will reflect the five foundations of productivity identified as essential to a successful economy in the national Industrial Strategy - Ideas, People, Infrastructure, Business Environment and Places - but also take a place-based approach that builds on the area's unique strengths
- The **Internationalisation Strategy** was formally launched in 2017. It sets out Greater Manchester's approach to international markets across trade, investment, tourism, events, higher education and research to 2020. A mid-term review of this Strategy is under currently underway and is the subject of a separate paper to this meeting
- The **Area Based Review and Skills Capital Programme** of post-16 education across the to ensure that a skills offer is in place to meet our economic and educational needs
- The **Digital Strategy** has a vision for establishing GM as the UK's number one digital city using the power of technology to connect people, businesses and communities
- **Transport 2040**, a long-term transport strategy for Greater Manchester that will deliver world class connections that will support long term sustainable economic growth and access to opportunities for all;
- The **Greater Manchester Investment Strategy**, which supports the implementation of the GM Strategy through investment from a variety funding streams
- In particular, the LEP secured, working with GMCA, around £500m of **Growth Deal** investment between 2015 and 2021 to support people learning new skills, help to create 6,250 jobs and generate up to £210 million in public and private investment. A full report on the Growth Deal was provided in a report to Economy, Business

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Growth and Skills Overview and Scrutiny Committee in September 2017: www.greatermanchester-ca.gov.uk/meetings/meeting/437/economy_business_growth_and_skills_overview_and_scrutiny

4.6 The LEP also receives £500k each year from Government to strengthen its capacity and deliver its strategic priorities. In the last two years, the Board has committed this funding to focus on key thematic areas including:

- Supporting development of the GM **research and evidence base** to deliver economic analysis to ensure GM remains at the forefront of current thinking and developments particularly at a time of economic uncertainty.
- Refreshing the **Greater Manchester Strategy** with GMCA including development, consultation and Implementation Plan
- Enabling development of the **GM Spatial Framework** including masterplanning of strategic sites across the city region
- Supporting the development of the digital **Manchester Channel** to build international recognition for Manchester's key world class areas of excellence and showcase Manchester as an innovative, diverse and international city.
- Supporting MIDAS to drive inward investment through bespoke programmes targeting key markets such as **India and China** as part of the Internationalisation Strategy.

4.7 Delivery on LEP priorities is not just through strategic input and oversight but driving project delivery with public, private and voluntary sector partners. The LEP works on a range of projects to realise its ambitions and some highlights include:

- **Business Growth Hub** – GM LEP has supported the Business Growth Hub from its inception ensuring local businesses have the right support at the right time to help them succeed.
- **Enterprise Zones** – GM LEP helped establish the region's two Enterprise Zones: one at Airport City and another life sciences zone at Corridor Manchester. Enterprise Zones offer business rates discounts, simplified local planning laws, tax relief and support.
- **Manufacturing Champions Network** - The Manufacturing Champions Network is led by some of the best manufacturers in Greater Manchester who are supporting the growth and development of ambitious executives in small and medium sized businesses by showcasing best practice and sharing leadership challenges.
- **City Verve** - GM LEP led a partnership of organisations across Greater Manchester to secure the City Verve project. The £10m project will help embed smart technology and the Internet of Things in the Corridor Manchester. Its plans include talkative bus stops, which let bus operators know when commuters are waiting; and a network of sensors in parks and along commuter routes to encourage people to do more physical activity.
- **Working Well** – GM LEP helps oversee the Working Well project that helps benefit claimants find employment by providing them integrated and intensive support.

4.8 More recently, the Board has recently decided to focus in depth on a number of key themes and has set in place new governance structures to reflect this approach. This includes the creation of four Task and Finish Groups chaired by a Board member to drive forward a number of key issues for the GM Economy including *Schools; Digital Skills; Business Start Up/Scale Up; and Adopting Digital Technologies*.

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4.9 Further, the LEP has established a Foresight Group to look at potential 'disrupters' to business as normal aligned to the Grand Challenges of the Industrial Strategy and the issues and opportunities for GM over the next 10 to 20 years. In this way it will complement the work of the LEP Board in supporting the development of the Local Industrial Strategy as well as the long term ambitions of the GMS.

5. CROSS LEP AND PARTNERSHIP WORKING

5.1 Beyond delivery within Greater Manchester, the LEP works in partnership at sub-regional, regional and national level for the benefit of the city region.

5.2 GM LEP worked closely with our neighbours in Cheshire to realise our ambition to see Greater Manchester at the leading edge of science and technology. We maintain the Life Sciences Investment Fund to further develop Alderley Park and support life sciences businesses across the city region. The Fund is a partnership with the Cheshire & Warrington and Cheshire East LEPs along with Bruntwood and is externally managed by Catapult.

5.3 Building on this, we partnered with Cheshire East LEP in developing our Science and Innovation Audit which identified our area's core strengths in health innovation and advanced materials, along with our fast growth opportunities which focused on the future potential of digital, energy, and industrial biotechnology.

5.4 It demonstrated that GM is characterised by an exceptional level of partnership and connectivity. There are close strategic and operational collaborations between our universities, the business community, local government and public sector partners, health and social care providers, and charities.

5.5 More broadly, GM remains committed to supporting the wider Northern Powerhouse agenda - recognising the importance of collaboration particularly across the Northern cities which helps give greater scale and visibility on a number of priorities such as infrastructure and skills.

5.6 GM LEP has been instrumental in supporting Northern Powerhouse discussions, particularly on trade and investment. The LEP also regularly leads regular meetings of the Northern LEP Chairs which have discussed a range of initiatives such as Northern Business Growth Hub Network as well as the Innovate North project aimed at developing a pan-Northern Innovation Strategy.

5.7 The LEP played a key role in setting up Northern Powerhouse Partnership and has established successful working relationships with neighbouring LEP areas pan-Northern transport initiatives through Transport for the North and Rail North.

5.8 At national level, the LEP is part of the national LEP Network which provides a forum for LEPs to come together to discuss issues of shared importance, engage with Government, and share knowledge and good practice.

5.9 For instance, the Council of Local Enterprise Partnership Chairs was announced in the 2017 Industrial Strategy White Paper as a new forum for LEP business leaders to help shape national policy decisions and ensure closer cooperation with the Government on Industrial Strategy objectives.

5.10 The LEP Network recently facilitated the inaugural meeting of council, co-chaired by the Prime Minister and the Chair of GM LEP, celebrating achievements to date and

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providing an opportunity to map out key areas for cooperation under the developing Industrial Strategy and ensuring that the UK remains at the forefront of innovation.

6. TRANSPARENCY AND ACCOUNTABILITY

6.1 GM LEP is committed to operating in a transparent and accountable manner and has put in place a number of key standards and practices to ensure governance and decision making remains fit for purpose.

6.2 In April 2017, MHCLG commissioned Mary Ney, in her role as Non-Executive Director, to review national LEP governance and transparency. The Ney Review produced a number of recommendations and best practice guidance.

6.3 Our existing commitment to transparency and accountability reflected much of this approach and has been strengthened to include:

- **Openness** - All meetings are held in public except items which are commercially sensitive with Board meetings, reports and minutes published on both the GMCA and LEP websites.
- **Code of Conduct** - All our Board members sign up to the Code of Conduct and commit to carry out their LEP duties in line with Nolan Principles for standards in public life.
- **Freedom of Information** – The LEP has elected to respond to any FOI requests.
- **Conflict of Interest** – All LEP members must declare any personal or prejudicial interests relating to agenda items and we publish a bi-annual Register of Interest.
- **Complaints Policy** - The GMCA's complaints policy covers the GM LEP
- **Whistleblowing Policy** - GM LEP is covered by the GM Whistleblowing Policy which supports people in raising any serious concerns they have about suspected illegal or illegitimate practices
- **Scrutiny** – Alignment of LEP/GMCA plans mean they fall within the GMCA oversight and scrutiny process. For instance, the Annual Performance Report 2016/17 set out a summary of progress against the ambitions in Stronger Together and was discussed and endorsed by the GMCA Oversight and Scrutiny Committees: www.greatermanchester-ca.gov.uk/meetings/meeting/437/economy_business_growth_and_skills_overview_and_scrutiny
- **Audit** – Funding streams overseen by the LEP are subject to scrutiny and audit through the Section 73 officer and GMCA as accountable body.

8.4 Following this review, MHCLG and BEIS Ministers have commissioned a wider review into strengthening the role of LEPs which is due to complete in Summer 2018.

8.5 After this review has been completed, MHCLG will update the national guidelines to take account of the recommendations of both reviews which will be reflected in updated local arrangements accordingly.

9. RECOMMENDATIONS

9.1 Recommendations appear at the front of this report

APPENDIX

PRIVATE SECTOR MEMBERS 2017-19

Mike Blackburn	Self-Employed (Chair)
David Birch	Consultant
Lou Cordwell	Magnetic North
Juergen Maier	Siemens PLC
Michael Oglesby	Bruntwood
Prof Dame Nancy Rothwell	University of Manchester
Richard Topliss	RBS & Manchester Growth Company Chair
Lorna Fitzsimons	The Alliance Project
Fiona Gibson	Octagon Theatre
Monica Brij	CMS Cameron McKenna Nabarro Olswang LLP
Mo Isap	Hobs Plc

GMCA REPRESENTATIVES 2017-18

Andy Burnham	GM Mayor
Cllr Sir Richard Leese	GM Deputy Mayor
Cllr Sean Fielding	GMCA Member
Cllr Linda Thomas	GMCA Member

EX OFFICIO

Iwan Griffiths	PWC
Vanda Murray	Non-Executive Director