

GREATER MANCHESTER COMBINED AUTHORITY

DATE: Friday, 30th June, 2023

TIME: 10.00 am

VENUE: Conference Rooms 1 & 2 - (Greater Manchester Pension Fund building), Guardsman Tony Downes House, 5 Manchester Road, Droylsden, M43 6SF

AGENDA

- 12. Delivering the Bee Network: Annual Review of Capped Bus Fares** 1 - 12

Report of Andy Burnham, Mayor of Greater Manchester

- 13. Delivering the Bee Network: Multimodal Fares and Products** 13 - 20

Report of Andy Burnham, Mayor of Greater Manchester

- 15. 2022/23 GMCA Provisional Capital Outturn - To Follow**

Report of Councillor David Molyneux, Portfolio Leader for Resources & Investment

- 16. 2022/23 GMCA Provisional Revenue Outturn - To Follow**

Report of Councillor David Molyneux, Portfolio Leader for Resources & Investment

BOLTON	MANCHESTER	ROCHDALE	STOCKPORT	TRAFFORD
BURY	OLDHAM	SALFORD	TAMESIDE	WIGAN

Please note that this meeting will be livestreamed via www.greatermanchester-ca.gov.uk, please speak to a Governance Officer before the meeting should you not wish to consent to being included in this recording.

18. UKSPF E19: Increasing Investment in Research and Development at the Local Level 21 - 44

Report of Councillor David Molyneux, Portfolio Leader for Resources & Investment

19. UKSPF E23: Proposal for Hyper-Local Micro-Business Start-up and Development Support 45 - 56

Report of Councillor David Molyneux, Portfolio Leader for Resources & Investment

Name	Organisation	Political Party
Councillor Arooj Shah	Oldham Council	Labour
GM Deputy Mayor Kate Green	GMCA	Labour
Councillor Tom Ross	Trafford	Labour
Councillor Mark Hunter	Stockport	Liberal Democrats
Councillor Gerald Cooney	Tameside Council	Labour
Councillor Neil Emmott	Rochdale	Labour
Councillor Eamonn O'Brien	Bury Council	Labour
GM Mayor Andy Burnham	GMCA	Labour
Asst. Deputy Mayor Beverley Hughes	GMCA	Labour
City Mayor Paul Dennett	Salford City Council	Labour
Councillor David Molyneux	Wigan Council	Labour
Councillor Bev Craig	Manchester CC	Labour
Councillor Nicholas Peel	Bolton Council	Labour

For copies of papers and further information on this meeting please refer to the website www.greatermanchester-ca.gov.uk. Alternatively, contact the following

Governance & Scrutiny Officer: Governance and Scrutiny

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This agenda was issued on 23 June 2023 on behalf of Julie Connor, Secretary to the
Greater Manchester Combined Authority, Broadhurst House, 56 Oxford Street,
Manchester M1 6EU

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Greater Manchester Combined Authority

Date: Friday 30th June 2023

Subject: Delivering the Bee Network: Annual Review of Capped Bus Fares

Report of: Andy Burnham, Mayor of Greater Manchester, Portfolio Lead for Transport
and Eammon Boylan, Chief Executive Officer, GMCA & TfGM.

Purpose of Report

The report summarises the outcome of the annual review of capped bus fares and proposes the continuation of the capped fares at existing prices.

Recommendations:

The GMCA is requested to:

1. Note the outcome of the annual review of capped bus fares;
2. Note the recommendation for the continuation of capped single, daily and weekly bus fares at the existing price;
3. Delegate authority to the Chief Executive of GMCA and TfGM, in consultation with the GM Mayor, to approve the continuation of the capped bus fares scheme, subject to any recommendations made by the GMCA Overview and Scrutiny Committee at its meeting in July 2023; and
4. Note that a further annual review of capped bus fares will take place in summer 2024.





Contact Officers

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Equalities Impact, Carbon and Sustainability Assessment:

Impacts Questionnaire		
Impact Indicator	Result	Justification/Mitigation
Equality and Inclusion	G	
Health	G	
Resilience and Adaptation		
Housing		
Economy	G	
Mobility and Connectivity	G	
Carbon, Nature and Environment	G	
Consumption and Production		
Contribution to achieving the GM Carbon Neutral 2038 target		
Further Assessment(s):	Equalities Impact Assessment and Carbon Assessment	
 Positive impacts overall, whether long or short term.	 Mix of positive and negative impacts. Trade-offs to consider.	 Mostly negative , with at least one positive aspect. Trade-offs to consider.
	 Negative impacts overall.	

The Bee Network is a critical enabler of Greater Manchester's Net Zero ambitions; a truly integrated transport network across active travel and public transport will provide excellent public transport and active travel choices for all, promoting sustainable travel behavioural change through integrated spatial, digital and transport planning; and supporting the electrification of vehicles and public transport fleets.

Risk Management

There is a risk that 'shadow fare' (the theoretical 'fare foregone' by operators under the scheme) increases are higher than forecast if inflation is higher than forecast levels. This risk has been considered in determining the affordability of continuing the capped bus fares scheme at existing prices.

Legal Considerations

The scheme for setting capped fares is, in legal terms, a general rule specifying a maximum tariff, pursuant to Article 3(2) of Regulation 1370/2007 EU (as now incorporated into UK law). This allows for an authority to specify a general rule public service obligation arrangement that specifies a maximum tariff for a class of person (or all persons) travelling on services in an area. In doing so, the requirement is that operators who are subject to that requirement are compensated for the net financial effects (positive or negative) on

costs incurred and revenues generated in complying with the tariff obligation to prevent over-compensation.

This obligation already applies in respect of the concessionary travel schemes that the GMCA already have in place, which seek to achieve a no better no worse outcome as a result of the scheme.

The Capped Fare Scheme (the Scheme), which was published on 4th September 2022 and revised on 8th January 2023, is drafted based upon the principles already applied to concessionary travel. The Scheme complies with the requirements of Regulation 1370/2007.

Financial Consequences – Revenue

See Section 3.

Financial Consequences – Capital

N/A

Number of attachments to the report: None

Comments/recommendations from Overview & Scrutiny Committee

This report will be considered by the GMCA Overview and Scrutiny Committee at its meeting in July 2023.

Background Papers

GMCA Report - Towards the Bee Network - Network Review, Market Renewal and Bus Service Improvement Plan, 24th June 2022.

GMCA Report - Delivering the Bee Network: Bus Fares, Zero Emission Buses, Bus Depots and CRSTS, 29th July 2022.

GMCA Report – Delivering the Bee Network: Annual Review of Capped Bus Fares

Tracking/ Process

Does this report relate to a major strategic decision, as set out in the GMCA Constitution?
Yes.

Exemption from call in

Are there any aspects in this report which means it should be considered to be exempt from call in by the relevant Scrutiny Committee on the grounds of urgency?

No. The report requests delegation to the Mayor and the CEO of GMCA and TfGM to approve the continuation of the capped single, daily and weekly bus fares at existing prices, subject to the subsequent approval by the GMCA Overview and Scrutiny Committee at its meeting in July 2023.

Bee Network Committee

N/A

1. Background

- 1.1 GM's move to bus franchising provides the mechanism to deliver transformational change in bus service delivery. This all builds towards delivering the Bee Network, an integrated 'London-style', high patronage, low fare, transport system, which will transform the way people travel across the city region.
- 1.2 The locally funded programme to transition to franchising is being supplemented by government funds, including capital funds via the City Region Sustainable Transport Settlement (CRSTS) and revenue funding from the Bus Service Improvement Plan (BSIP).
- 1.3 The initial GM BSIP submission¹ made in October 2021 included ambitious asks from GM over the three financial years 2022/23, 2023/23 and 2024/25 for circa £300 million of revenue funding (including stabilisation / 'recovery' funding of c£30m per annum i.e., £90m in total) and £600 million of capital funding over three years from 2022/23 to 2024/25. GM and other Mayoral Combined Authorities were subsequently advised that:
- their BSIP allocations would be revenue funding only; and any capital elements should be funded from the GM CRSTS allocation; and
 - stabilisation / 'recovery' funding would, for a period, be provided via a separate source and that the BSIP funding should be applied to 'transformational' interventions in the bus market rather than for stabilising bus (or indeed the Metrolink) network.
- 1.4 On 4th April 2022, the Secretary of State (SoS) for Transport awarded GMCA an indicative BSIP allocation of £94.8m revenue funding, conditional on GM and DfT agreeing a Delivery Plan that would need to be submitted by 30th June 2022. The SoS set HM Government's priorities for BSIP as fare reductions to improve passenger affordability and for additional bus priority (funded from CRSTS) to help improve bus performance and hence drive patronage and revenues and also to reduce bus service operating costs. Following approval at GMCA on 24th June 2022,

¹ <https://tfgm.com/corporate/bus-service-improvement-plan>

a draft final BSIP Delivery Plan covering the indicative £94.8m of funding was submitted by TfGM to DfT on 30th June 2022, covering:

- Fares support: Delivery of £2 adult/ £1 child and £5 adult/ £2.50 child 'bus all day' capped / maximum fares across GM, at a then forecast cost of £68m over the period to March 2025;
- Services: Network Sustainability: Contribution to network sustainability of £5.8m; and
- Customer Offer: Integrated ticketing and information measures (revenue support for capital measures set out in CRSTS) at a then forecast cost of £21m over the period to March 2025

1.5 Following discussions on the draft BSIP Delivery Plan with government officials, on 5th September 2022 GMCA received confirmation of the funding allocation of £94.8m, and the notification of the release of the first-year allocation. The funding confirmation set a condition to produce a business case to cover the £68m allocated to lower fares, which has subsequently been submitted to DfT and approved.

1.6 The initial GM BSIP included an intention to deliver lower fares via franchising powers, and so the scheme would be rolled out across GM as part of the three-tranche plan. However, to help to mitigate the cost-of-living crisis, a proposal was developed to deliver fares reductions as soon as possible, which meant the introduction of capped / maximum bus fares was 15 months earlier than that anticipated in the BSIP submission.

1.7 From 4th September 2022, the scheme introduced maximum £2 single fares (maximum £1 for children) across GM wide, with a maximum £5 all operator day ticket (maximum £2.50 for children), on an initial one-year basis, subject to an Annual Review.

1.8 To introduce these fares proposals in advance of franchising, GMCA has had to:

- enter commercial arrangements via a new Scheme² with local bus operators to develop the compensation mechanism in such a way that:

²

[Capped Fare Scheme 080123 Final for publication.pdf \(ctfassets.net\)](#)

- GMCA can demonstrate that it has made a rational decision, defined as having information of sufficient quality to assure itself that the scheme delivers on objectives in a way that is affordable and value for money; and
 - a 'no better no worse' outcome is achieved for operators.
- Used the existing concession scheme to introduce the maximum £1 child fare element of the scheme.

1.9 Following a report to GMCA in December 2022, the maximum fares offer was extended to weekly tickets in January 2023, via the introduction of a cap of £21 adults (£10.50 for children) on the weekly all-operator ticket that was agreed with GMTL on the same basis as the all-operator day ticket, and the Scheme was subsequently revised to include this. That report noted that, to the extent that the cost of the weekly cap is not covered by further Government funding and / or the £68 million of BSIP funding cannot also accommodate the costs of the capped weekly fares, the extension could, subject to the agreed annual review and the agreement of GMCA, be funded from a combination of Reserves that are specifically allocated for Bus, including the Concessionary Fares Reserve.

1.10 Since March 2020, Greater Manchester's public transport network has been supported by emergency funding provision from central Government, which has been subject to several short-term extensions. At the time the lower fares policy was approved by GMCA in August 2022 this emergency funding was due to expire in early October 2022. The scheme was therefore introduced on an initial one-year basis, from September 2022 to August 2023, with a commitment to an Annual Review in summer 2023.

1.11 This report presents the outcome of the Annual Review and makes recommendations regarding the future of the scheme.

2. Annual Review

2.1 The aim of the Annual Review was to determine whether the lower fares policy was achieving its objectives and whether it would be affordable for GMCA to continue to hold the maximum fares at the current levels.

2.2 The inputs to the review have been:

- Evaluation research on the impacts of the lower fares;
- Assessment of the financial compensation payable to bus operators; and
- A review of the wider policy context, including the DfT national scheme.

Evaluation Research

2.3 The passenger response to the lower fares has been evaluated in two waves, with surveying being undertaken between September – December 2022³ and then March – April 2023. These evaluations present a consistent positive customer sentiment since the scheme launched in September 2022.

2.4 Key findings of the evaluation research are that:

- the introduction of the maximum bus fares has reduced the average cost of travel for bus users by almost 20%.
- the maximum bus fares offer has contributed to an increase of bus patronage of 12%⁴.
- The residents continue to feel the new fares save them money (76%) and that they have been helpful to combat the cost of living crisis (72%).
- Issues with the stability of bus service provision and with service reliability (driven in part by driver availability) continue to deter potential customers.

2.5 Bus users who switch to the new maximum fares in effect receive a direct cash benefit, which TfGM estimates to be equivalent to an overall average fare reduction of approximately 17%. Some passengers will likely however have saved as much as 50% on routes that were most expensive prior to the introduction of the maximum fares.

2.6 There has also been a positive impact on travel horizons, as two thirds of those responding to the survey agree that the new fares mean that they can travel more often, to more places and as often as they want. 55% of respondents that have used

³

https://assets.ctfassets.net/nv7y93idf4jq/4bvY846dOvayHQgWPjZAKx/bb39f35da506c5dfa86214de05641895/Evaluation_of_GMs_lower_bus_fares_first_3_months_March2023.pdf

⁴ A 12% increase for Sep-22 to Apr-23 compared with Sep-21 to Apr-22.

one of the new maximum fare products say that the offers have meant they have travelled by bus more.

- 2.7 Analysis of ticket sales data estimates that there has been a 12% increase in bus trips since the new bus fares were introduced, predominantly by those travelling 5 or more days a week. As with the initial wave of research, there are however confounding factors which make it difficult to directly attribute this change to the fares, including but not limited to the ongoing return of public patronage post-pandemic and bus reliability issues due to driver availability.
- 2.8 While lower fares attract less frequent users, there is a risk that for those less frequent users, unreliability, or a lack of frequent services may have overridden the attraction of a lower fare. Social media monitoring has picked up many residents trying the bus for the first time as a result of the maximum fares offer and expressing frustration at the quality of service. Positivity towards travelling by bus in GM experienced a spike in the wake of the initial introduction of the capped bus fares; however, that sentiment has reduced, largely from those using the £2 single and travelling 2-3 days a week. This is further evidence that the full benefit of lower fares will only be realised once franchising is introduced and services, reliability and standards are improved.

National £2 Single Fare

- 2.9 As the GM lower bus fares scheme launched in September 2022, DfT announced that it was introducing a similar scheme for capped £2 single fares from January 2023 in England outside of London and outside the three areas that were promoting local BSIP schemes i.e. Greater Manchester, West Yorkshire and Merseyside. This is a voluntary scheme, which most bus operators have joined, with the aim of supporting people who were struggling with the rising cost of living and to encourage more people back onto bus.
- 2.10 In February 2023, DfT announced that the £2 single fares scheme would be extended to 30th June 2023, and then more recently the scheme has been extended to 31st October 2023, after which the cap will increase to £2.50 through to 30th November 2024.
- 2.11 In addition to the local evaluation research, the Government have published an [evaluation of the first month of the national £2 fare scheme](#) (which launched in

January 2023). Similar to Greater Manchester, early evidence suggests a positive impact on patronage. The key findings from the national scheme evaluation are:

- Awareness was good with around 7 in 10 respondents reporting an awareness of the scheme.
- 10% of respondents had made more journeys by bus since the introduction of the £2 national bus fare cap.
- Of the respondents to the survey who had purchased at least one capped £2 bus fare, 35% reported that they had taken more bus journeys since the introduction of the initiative.
- Around 30% of survey respondents said that the £2 bus fare cap has had a positive impact on their disposable income and income for other expenses.

3. Costs and Affordability

Operator Compensation

- 3.1 To introduce the GM maximum fares proposals in advance of franchising, as noted above, GMCA/TfGM have had to enter into arrangements with local bus operators via the Scheme to develop the compensation mechanism in such a way that:
- GMCA can make a rational decision, defined as having information of sufficient quality to assure itself that the scheme delivers on objectives in a way that is affordability and value for money; and
 - a 'no better no worse' outcome is achieved for operators.
- 3.2 On implementation of the scheme, it was agreed with operators that they would be reimbursed' for all journeys made for the first six months of the scheme, following which there would be a review of reimbursement to date and arrangements would be put in place to reflect an appropriate level of reimbursement on an ongoing basis.
- 3.3 The actual costs for the year ended 31 March 2023 were £14.9 million, with the forecast costs for the first year to 31 August 2023 currently in line with the original estimate of c. £25 million for the first 12 months of the scheme including the addition of the weekly cap.
- 3.4 The total forecast costs for the scheme, including the weekly cap, for the period to March 2025 are dependent upon a number of factors, including usage; and

particularly levels of inflation which is a key factor in determining the amount of reimbursement payable to operators. The shadow fare is in effect the theoretical 'fare foregone' for each journey made under the Scheme and is the mechanism by which the reimbursement rate per journey is calculated. Ongoing high levels of inflation would therefore increase the overall forecast costs as the shadow fares are increasing in line with inflation whilst the caps / maximum fares remain at the same cash level.

Affordability

- 3.5 Uncertainty remains in relation to long term funding for the bus industry, including Bus Recovery, BSIP and BSOG funding and so TfGM has been in discussions with DfT officials with a view to securing a continuation of financial support for both the bus and tram networks for the next two financial years (2023/24 and 2024/25). Some of this additional financial support will be provided through the new bus funding package announced by DfT on 17th May 2023, and a further £18m will be provided via the 'extraordinary' funding, to be provided to GM that was announced by DfT on 8th June 2023.
- 3.6 In parallel, TfGM has committed to a Financial Sustainability Plan (FSP). The FSP outlines a set of initiatives that, alongside continuing government financial support as discussed above, are targeted at ensuring the financial sustainability of the transport network, including a fully franchised bus network.
- 3.7 There is sufficient total funding available to continue the capped fare offer at the existing prices to March 2025, however, it is proposed that a further Annual Review be undertaken in summer 2024. Subsequent reviews will include input from the proposed Bee Network Committee which will be responsible for reviewing fares and making recommendations to GMCA.

3.8 Subject to agreement of the proposals to continue to price the maximum / capped bus fares at existing levels, bus only users travelling on any bus in Greater Manchester, including franchised and non-franchised services, will be able to continue to purchase single, one day and 7 day AnyBus tickets at the current maximum / capped prices. The 28 day product AnyBus will also continue to be available, this product is currently priced at £80.

Greater Manchester Combined Authority

Date: Friday 30th June 2023
Subject: Delivering the Bee Network: Multimodal Fares and Products
Report of: Andy Burnham, Mayor of Greater Manchester, Portfolio Lead for Transport and Eammon Boylan, Chief Executive Officer, GMCA & TfGM.

Purpose of Report

The report sets out a range of multimodal ticketing products to make it easier for passengers to switch between bus and Metrolink. Subject to approval, the products will be implemented across Greater Manchester from 24th September 2023 to coincide with the start of bus franchising.

Recommendations:

The GMCA is requested to:

1. Note the range of multimodal ticketing products that will be available across Greater Manchester from 24 September 2023; and
2. Note that the multimodal ticketing products will be considered by the GMCA Overview and Scrutiny Committee at its meeting in July 2023 alongside the annual review of capped bus fares.

Contact Officers

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Managing Director, TfGM

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Equalities Impact, Carbon and Sustainability Assessment:

Impacts Questionnaire			
Impact Indicator	Result	Justification/Mitigation	
Equality and Inclusion	G		
Health	G		
Resilience and Adaptation			
Housing			
Economy	G		
Mobility and Connectivity	G		
Carbon, Nature and Environment	G		
Consumption and Production			
Contribution to achieving the GM Carbon Neutral 2038 target			
Further Assessment(s):		Equalities Impact Assessment and Carbon Assessment	
<div></div>	Positive impacts overall, whether long or short term.	<div></div>	Mix of positive and negative impacts. Trade-offs to consider.
<div></div>		<div></div>	Mostly negative, with at least one positive aspect. Trade-offs to consider.
<div></div>		<div></div>	Negative impacts overall.

The Bee Network is a critical enabler of Greater Manchester's Net Zero ambitions; a truly integrated transport network across active travel and public transport will provide excellent public transport and active travel choices for all, promoting sustainable travel behavioural change through integrated spatial, digital and transport planning; and supporting the electrification of vehicles and public transport fleets.

Risk Management

The risks and opportunities resulting from the introduction of the multi modal products set out in the report are set out in sections 2 and 3 of the report

Legal Considerations

The introduction of the multi modal products set out in the report were approved by the Greater Manchester Travelcards Limited (GMTL) Board at its meeting on 19 June 2023.

Financial Consequences – Revenue

See Section 3.

Financial Consequences – Capital

N/A

Number of attachments to the report: None

Comments/recommendations from Overview & Scrutiny Committee

This report will be considered by the GMCA Overview and Scrutiny Committee at its meeting in July 2023.

Background Papers

GMCA Report - Towards the Bee Network - Network Review, Market Renewal and Bus Service Improvement Plan, 24th June 2022.

GMCA Report - Delivering the Bee Network: Bus Fares, Zero Emission Buses, Bus Depots and CRSTS, 29th July 2022.

GMCA Report – Delivering the Bee Network: Annual Review of Capped Bus Fares

Tracking/ Process

Does this report relate to a major strategic decision, as set out in the GMCA Constitution?

No.

Exemption from call in

Are there any aspects in this report which means it should be considered to be exempt from call in by the relevant Scrutiny Committee on the grounds of urgency?

No

Bee Network Committee

N/A

1. Background

- 1.1. Greater Manchester's move to bus franchising provides the mechanism to deliver transformational change in bus service delivery. This all builds towards delivering the Bee Network, an integrated 'London-style', high patronage, low fare, transport system, which will transform the way people travel across the city region.
- 1.2. In addition to the proposed continuation of the maximum / capped fares as set out in the separate report on the agenda for this meeting; and in order to support integrated bus and tram travel across Greater Manchester, it is proposed to introduce a range of Bus & Tram multimodal ticketing products for both adults and children from the commencement of Tranche 1 of bus franchising on 24th September 2024.

2. Proposals

- 2.1. Bus & Tram multimodal ticketing products in the city region are currently owned by Greater Manchester Travelcards Limited (GMTL), a company co-owned by Greater Manchester's private bus, rail and tram operators and Transport for Greater Manchester (TfGM). At present, these products are only available as a combined AnyBus and (all zone only) tram ticket and are available for adults only.
- 2.2. From 24th September, it is proposed that they are to be available for different combinations of tram zonal travel (as well as the existing all zone option) and for different periods (one, seven and 28 day). Child equivalents will also be introduced at 50% of the adult price. TfGM and GMTL are also considering the option of introducing annual products, with financial assistance available from organisations such as Credit Unions, to ensure lower income households can also benefit from the value of such products.
- 2.3. These multimodal products will, during the transition to a fully franchised bus network, continue to be 'owned by', and the prices will continue to be set by, GMTL.
- 2.4. The prices will, however, be set at a discount compared to the price of buying separate bus and tram tickets. Appendix A includes the proposed prices for each of the products for full fare paying adults and the child fare equivalents.

- 2.5. Subject to agreement of the proposals (included within a separate report on the agenda for this meeting) to continue to price the maximum / capped bus fares at existing levels, bus only users travelling on any bus in Greater Manchester, including franchised and non-franchised services, will be able to continue to purchase single, one day and 7 day AnyBus tickets at the current maximum / capped prices. The 28 day product AnyBus will also continue to be available, this product is currently priced at £80; and as referenced above discussions will continue in relation to the introduction of annual products.
- 2.6. Expanding the Bus & Tram product set to include child tickets, as well as different combinations of tram zonal travel, offers new opportunities for integrated travel to existing customers that previously had to buy an all zone, adult ticket, which therefore offered relatively poor value for money. The expanded products seek to better align the product offering to the journeys that customers want to make, making integrated travel easier, and driving patronage in the process to deliver a 'London-style' high patronage, low fare, integrated transport system.

3. Affordability

- 3.1. The available data indicates that there are currently very few multimodal journeys (less than 2% of total journeys) currently being made, and therefore, that there is a large, currently 'untapped' market for multimodal products.
- 3.2. An increase in multi modal journeys of 15% (that would still represent less than 3% of total journeys) would offset the impact of reducing the price of existing multi modal journeys.
- 3.3. Marketing these new products effectively will provide significant potential to increase multimodal, and total journeys - and total revenues - significantly beyond the offset position described in the paragraph above.
- 3.4. In addition to the AnyBus and multimodal (bus and tram) products that will be available across GM, work is underway to finalise the product offering for a range of other customer groups who will be traveling on franchised services, including students, families and those travelling across the GM boundary.
- 3.5. Holders of concessionary passes will be able to continue to use their existing passes on franchised and non-franchised services across GM as they do now.

- 3.6. As part of the further development of the Bee Network work will be underway to integrate rail (as part of the Greater Manchester Combined authority Trailblazer deeper devolution deal) and cycle hire into a fully integrated ticketing offer.

Appendix A – Proposed Multi Modal fares and Products

	1 -day anytime travelcard		1-day off peak travelcard		7-day anytime travelcard		28-day anytime travelcard	
	Adult	Child	Adult	Child	Adult	Child	Adult	Child
AnyBus + Any one zone (1,2,3,4)	£6.00	£3.00	£5.40	£2.70	£24.80	£12.40	£91.40	£45.70
AnyBus + Two zones (1+2)	£7.30	£3.70	£6.70	£3.40	£30.30	£15.20	£110.10	£55.10
AnyBus + Two zones (2+3 or 3+4)	£6.70	£3.40	£6.40	£3.20	£28.40	£14.20	£103.60	£51.80
AnyBus + Three zones (1+2+3)	£8.70	£4.40	£7.30	£3.70	£36.40	£18.20	£128.90	£64.50
AnyBus + Three zones (2+3+4)	£7.60	£3.80	£7.00	£3.50	£32.50	£16.30	£117.50	£58.80
AnyBus + All Zones	£9.50*	£4.80	£7.80*	£3.90	£41.00*	£20.50	£136.00*	£68.00

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GMCA Board

Date: June 23

Subject: UKSPF E19: Increasing investment in research and development at the local level. Investment to support the diffusion of innovation knowledge and activities. Support the commercialisation of ideas, encouraging collaboration and accelerating the path to market so that more ideas translate into industrial and commercial practices.

Report of: Councillor David Molyneux, Portfolio Lead for Investment and Steve Wilson Portfolio Lead Chief Executive for Investment.

Purpose of Report

The purpose of this report is to outline the GM approach to allocating UKSPF funding for intervention E19 via the procurement of a GM Provider (which may be a Consortium) to test and deliver a model of specialist innovation focused activity to strengthen the GM innovation ecosystem. The support will include a mixture of sector and technology agnostic support, sector and technology specialist support, and a range of financial interventions. In combination this will accelerate the development of new clusters and help businesses progress through the innovation cycle, by making it easier for them to access and move between the GM's innovation assets, and to access regional and national support schemes.

Recommendations:

The GMCA is requested to:

1. Agree the recommendations of the GM UKSPF Local Partnership Board on the strategic fit and deliverability of the UKSPF proposal E19, to "*Increase investment in research and development at the local level*".
2. Delegate authority to the GMCA Treasurer in consultation with the Portfolio Lead for the Economy, Business and Inclusive Growth and Portfolio Lead for Resources and Investment to agree the allocation method and subsequent award of contracts worth £5,775,000.

Contact Officers

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Clough@greatermanchester-ca.gov.uk

Report authors must identify which paragraph relating to the following issues:

Equalities Impact, Carbon and Sustainability Assessment:

Recommendation - Key points for decision-makers

Insert text

Impacts Questionnaire

Impact Indicator	Result	Justification/Mitigation
Equality and Inclusion	G	
Health	G	
Resilience and Adaptation		
Housing		
Economy	G	
Mobility and Connectivity		
Carbon, Nature and Environment	G	
Consumption and Production		

Contribution to achieving the GM Carbon Neutral 2038 target

The proposal will potentially contribute to the Greater Manchester achieving Carbon Neutral 2038 by increasing the amount of innovation in, and the diffusion of, products, processes and R&D in Sustainable Advanced Materials, and Net Zero technologies, supporting the city region's efforts to decarbonise housing, reduce energy consumption within the city region's commercial building stock, and work toward the goal of truly affordable net zero housing by reducing supply chain lengths in technologies and products that can support that goal. This contribution could be greater if the scale of the intervention was higher, and will also only truly be realised with the buy in of the whole support system, including factors such as the

Fur	G	Positive impacts overall, whether long or short term.	A	Mix of positive and negative impacts. Trade-offs to consider.	R	Mostly negative, with at least one positive aspect. Trade-offs to consider.	RR	Negative impacts overall.
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Carbon Assessment						
Overall Score						
Buildings		Result	Justification/Mitigation			
New Build residential		N/A				
Residential building(s) renovation/maintenance		N/A				
New build non-residential (including public) buildings		N/A				
Transport						
Active travel and public transport		N/A				
Roads, Parking and Vehicle Access		N/A				
Access to amenities		N/A				
Vehicle procurement		N/A				
La	No associated carbon impacts expected.	High standard in terms of practice and awareness on carbon.	Mostly best practice with a good level of awareness on carbon.	Partially meets best practice/ awareness, significant room to improve.	Not best practice and/ or insufficient awareness of carbon impacts.	
La						

Risk Management

There are no risk management considerations.

Legal Considerations

There are no legal considerations.

Financial Consequences – Revenue

There are no revenue consequences for the GMCA

Financial Consequences – Capital

There are no capital consequences for the GMCA

Number of attachments to the report:

None

Comments/recommendations from Overview & Scrutiny Committee

N/A

Background Papers

GMCA Report – GM UKSPF Investment Plan July 2022

[Greater Manchester Innovation Plan](#)

Tracking/ Process

Does this report relate to a major strategic decision, as set out in the GMCA Constitution

No

Exemption from call in

Are there any aspects in this report which means it should be considered to be exempt from call in by the relevant Scrutiny Committee on the grounds of urgency?

No

GM Transport Committee

N/A

Overview and Scrutiny Committee

N/A

1. Introduction / Background

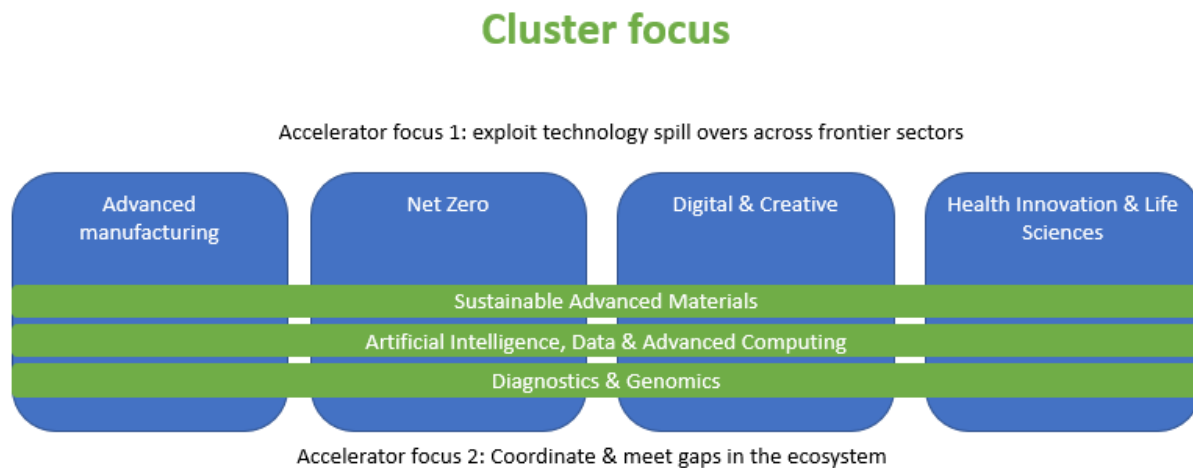
1.1 As part of the UK Shared Prosperity Fund programme in Greater Manchester, GMCA is looking to deliver the UKSPF Supporting Local Business investment priority E19, which aims to: *“Increase investment in research and development at the local level. Investment to support the diffusion of innovation knowledge and activities. Support the commercialisation of ideas, encouraging collaboration and accelerating the path to market so that more ideas translate into industrial and commercial practices”*.

1.2 The total funding available for E19 is £5.775m from April 2022 to March 2025. The programme of activity for E19 will need to collectively deliver against the output and outcome targets for this intervention specified by Government and as agreed in the GM UKSPF Investment Plan as a minimum, alongside any local additional outputs or outcomes aligned with the overarching objectives of the GM Investment Plan.

1.3 The purpose of this paper is to outline the background and proposal for the allocation of funding under E19 to procure a package of specialised support that strengthens the GM innovation ecosystem and accelerates innovation development, diffusion and commercialisation. The report sets out the strategic fit that the activity funded will need to align with, the type of delivery GM requires, and the outputs and outcomes the support will deliver.

1.4 The focus of activity funded through E19, including priority sectors and technologies and innovation activity to be enabled, will be guided and defined by the GM Innovation Plan, as outlined in fig. 1 below.

Figure 1: Focus on GM Innovation Plan



1.5 Through the UKSPF funding allocated to E19, GMCA proposes to test and develop a new approach to driving up levels of innovation aligned to the clusters and technologies in Figure 1, and that accelerates the innovation cycle - moving from ideation to commercialisation - by strengthening our innovation ecosystem.

1.6 The principles, objectives, and any additional outputs and outcomes required beyond those in the GM UKSPF Investment Plan, have been informed by the GM Innovation Plan and the subsequent portfolio of projects funded under the GM Innovation Accelerator Programme Pilot (see Annex 2 for further information on these projects).

1.7 The overall approach, principles, objectives, outputs and outcomes for the E19 funding have been established alongside and in conjunction with the design of the whole GM UK SPF intervention portfolio, with particular focus given to aligning with E23, E22, and E26. The specification of the procurement, and the scoring of submissions will clearly take into account how candidates to deliver the E19 contract intend to engage with the successful bidders across the full suite of interventions.

2. Strategic context for E19: increasing investment in research and development at the local level.

2.1 [The Greater Manchester Strategy \(GMS\)](#) commits to creating a greener, fairer and more prosperous Greater Manchester (GM) and embeds a vision for the economy that will

enable GM to lead local and UK economic recovery and development, including by working with our diverse business base to attract new investment, drive innovation and sector and cluster development and to continue developing collaborative, positive partnerships, supported by our five universities, providing research and academic excellence. The GMS recognises that innovation is key to improving the health of our citizens, achieving our Net Zero challenge, and meeting our ambition of being a world leading digital city, as our city-region can, and needs to be, at the heart of driving social and economic innovation, and with a renewed focus on people and planet.

2.2 The GMS includes the following shared commitments that are relevant to the UKSPF Supporting Local Business Investment Priority E19:

- Drive investment into our growth locations and use that to create opportunities in adjacent town and local centres.
- Realise the opportunities from our world-class growth and innovation assets, driven by our Places for Everyone Plan, Local Growth Plans and Industrial Strategy to open up opportunities in all parts of the city-region.
- Support our businesses to grow sustainably and be as prosperous as they can be.
- Support the creation of better jobs and good employment that has a purpose beyond growing shareholder value, utilising the opportunity to positively impact on our communities.

2.3 [The GM Independent Prosperity Review\(s\)](#) - the robust evidence base for the GMS and Local Industrial Strategy - suggest how some of these ambitions may be addressed, including by:

- Protecting and accelerating growth in GM's world-class strengths via substantial government investment and long-term R&D funding in strong local collaborations and supporting investment in places (e.g. Manufacturing Innovation Parks).
- Pursuing higher value business models across the economy as a whole.
- Taking advantage of opportunities from the technological innovation and behavioural and practical changes needed to avert an environmental crisis and reach GM's 2038 zero-carbon ambitions, and transitioning businesses to net zero.

2.4 Productivity improvements have been achieved recently in Greater Manchester's economy, driven by continued growth in output and employment in high value economic activities, investment in transport and infrastructure and as well as high rates of start-ups

and a growing resident population. However, challenges in achieving GM's economic ambitions remain. The Greater Manchester Independent Prosperity Review summarised these challenges authoritatively and they include, for example:

- A long-term issue with productivity across all business sectors, linked to the severity of the shock to UK labour productivity and other factors including the smaller proportion of jobs in science and technology sectors than would be expected for a city-region of GM's size. These factors also creates significant productivity variations across GM: a difference of £13,000 of GVA per job between GM's most productive sub- region and its least productive depending on industry and job mix.
- A significant proportion of older smaller firms that have decided not to, or have not been able to, scale-up.
- Not enough firms exporting and trading internationally – e.g. GM's export value per head is £2,380 - significantly lower than Birmingham (£6,141), Bristol (£4,639), and Leeds (£2,582).
- The complexity of transitioning from a low pay / low skills economy to growing knowledge economy jobs, as well as the need to increase business' resilience and ambition after the pandemic and during ongoing economic shocks.

2.5 Various studies of investment in research, development and innovation (R&D&I) activity have also identified that, despite the presence of strong Universities and national and regional innovation assets, GM and the North West lag behind both the South East and international comparator city regions in levels of public and private R&D spending. For example, the Business of Cities Innovation Performance Review 2022 reported that GM ranked 12th out of 15 cities for private R&D spend (22% below EU average); 12th for public R&D spend (39% below EU average), and 8th for private vs public ratio of investment. The North West also attracts less investment than competitor regions in the UK, particularly at early stages of development. The BVCA Report on Investment Activity 2021 identified that only 11.7% of all private equity and venture capital investment in the UK was in the North West, compared to 35% in London. The North West attracted £37m venture capital in 2021, lagging London (£726m), South East (£115m), East of England (£105m) and Scotland (£66m).

2.6 The [GM Local Industrial Strategy](#) lays out how GM will capitalise on its biggest opportunities to drive an innovation-rich economy and where GM can be a 21st century global pioneer at the centre of the Fourth Industrial Revolution – including in health innovation, advanced materials, and digital and creative industries. It aims to capitalise

on the local ambition to be carbon neutral by 2038, to drive improvements to environmental quality while also stimulating innovation and new industries. The strategy sets out the following priorities relevant to the UKSPF Supporting Local Business Investment Priority E19:

- In health innovation, Greater Manchester has internationally recognised research capabilities, one of the largest life sciences clusters outside the South East, and a devolved health and care system... [creating the] opportunity for the city-region to be a global leader on health and care innovation and commercialisation.
- In advanced materials and manufacturing, Greater Manchester is the home of graphene and other revolutionary 2D materials ... [a] complementary advanced manufacturing base, which is being transformed by the Fourth Industrial Revolution, provides the industrial capacity to commercialise these new technologies and create a world leading cluster in advanced materials
- Greater Manchester has the largest digital and creative cluster outside the South East, with the potential to create international significant clusters in broadcasting, content creation and media, and cyber security.
- Greater Manchester's city-region mission for carbon neutral living by 2038 is a significant opportunity to deliver environmental and health benefits to residents, while also creating new green industries.
- Transforming the productivity of businesses and all forms of enterprise by strengthening leadership and management, increasing innovation adoption, digital transformation, and raising levels of exports.
- Leading industrial, social and economic transformation through innovation and the spread of ideas throughout the city-region;

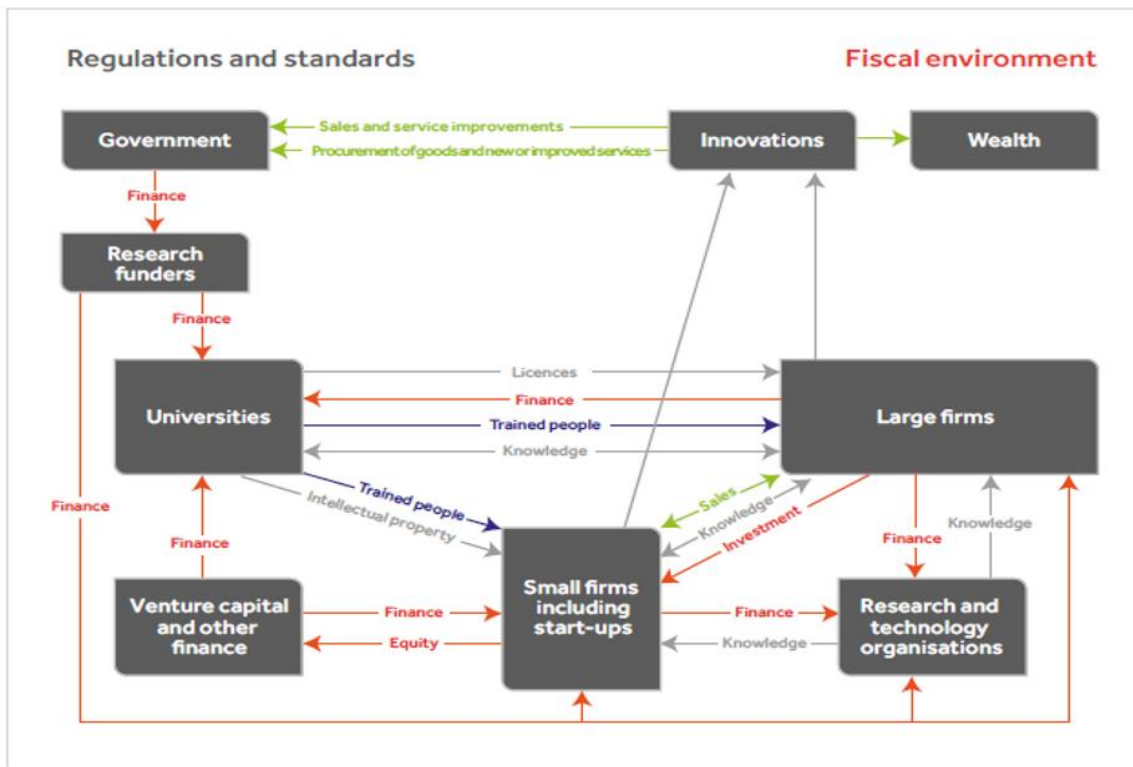
2.7 The GM Innovation Plan, (GMIP) as per it's [exec summary](#), was co-written between Innovation Greater Manchester, BEIS (now DSIT), DLUHC and Innovate UK, as part of the Innovation Accelerator Programme Pilot process launched in the Levelling Up White Paper. The plan lays out GM's place based approach to stimulating the long term innovation-led economic development through by creating a more effective city-region wide system for commercialising ideas, technologies and services, and growing new clusters around the cross-cutting technology families of Sustainable Advance Materials, Diagnostics and Genomics, and Data, AI and Advanced Computing in which GM has recognised leading positions – as well as the four frontier sectors identified in the GM LIS. The GMIP has the following priorities that are relevant to the UKSPF Supporting Local Business Investment Priority E19:

- Strengthen the wider ecosystem of support for business - we are seeking investment and policy support, aligned to the GM Devolution Trailblazer where appropriate.
- Establish new easy to access, business-led networks to drive up demand for existing local and national innovation programmes and facilitate new business-led initiatives.
- Develop new methods to fill the skills gaps which hold back business-led innovation, including through greater collaboration across higher and further education institutions.
- Facilitate the creation of new early-stage investment funds, and wrap-around support, to meet the huge untapped demand for “first investments” for the most promising IP-rich businesses.
- Align and coordinate innovation activities with other policies and investments to ensure that innovation investments play a key role in driving place-based regeneration and levelling up opportunities across the city region.
- Work to put GM on the global stage as a Science and Innovation Superpower.

3. The current delivery landscape and innovation ecosystem

3.1 By innovation ecosystem we are referring to both the tangible innovation assets in the city-region (e.g. our universities and research institutes, innovative businesses and investor funds) and the intangible assets, institutions and organisations that directly develop or enable the development of new or improved products and processes and their commercialisation and application by end users or customers. These intangible assets include networks and support services that link businesses and research and development and innovation assets, as well as the funding and know how needed to create start-ups and spin-outs or grow new markets, for example (see Fig 2 below). Having a strong ecosystem means a place not only has a large base of innovative companies, multiple innovation support facilities, or strong research focused universities, but that it also has the right infrastructure; sufficient investment finance; a ready supply of skilled people; knowledge being readily transferred, and a thriving set of interconnected networks driving the necessary flows across the system, breaking down siloes, and enabling collaboration.

Figure 2: Innovation Ecosystem (Georghiou)



3.2 GM currently has a mature and extensive business support environment funded through a mixture of local and national sources, and centres of innovation support across the Technology Readiness Levels (TRLs) provided by Universities, research centres, and other research and technology organisations including the Catapults and bodies such as National Physical Laboratories. The city region also has links - of varying strength - with other regional and national research bodies and innovation support providers, with particularly those aligned with the GM frontier sectors and key technology families.

3.3 This asset base, and relationship network has been a strength for the city-region but it is difficult for businesses to self-identify their own access points. Universities and the Business Growth Hub (part of The Growth Company) allocate considerable resource to helping businesses navigate different support options and referring them between different service areas, whilst bodies such as the GAMMA Provider Network have been established to try to align access to the numerous schemes that exist in just the cluster of Sustainable Advanced Materials.

3.4 This complexity is mirrored in the specialist innovation support landscape, with a broad range of local, regional and national assets with connections into the city-region and which specialise in different stages of technology development cycles, and with different incentives and support offers. Although, it should be noted that a significant proportion

of existing broader business support and specialist innovation focused support is funded via ERDF and other streams that will come to an end during 2023-2025.

3.5 There are also other weaknesses in GM's innovation ecosystem. GMCA commissioned research by The Data City and in-house analysis has identified a "dark matter" of innovation-intensive companies (i.e. companies that have invested £5,000, per employee, per year in R&D) which are spread across the whole city region and do not engage with our existing innovation support landscape at all – meaning those investments could be better supported or create more impact. This research also showed that the vast majority of businesses that do engage with innovation support only access a single support service (91.7% of 890 businesses) despite innovation being an ongoing process, with multiple stages, and an underpinning capacity that productive businesses should be continually refining and developing. There are also lots of networks that include innovation focused and innovation ready businesses, but they aren't joined up or engaged with the assets in our innovation ecosystem. We also have a perceived and real shortage in Venture Capital and Private Equity funding circulating in GM, particularly at early stage, exacerbated by a mismatch between the funds that do exist and the innovation opportunities coming out of our ecosystem. Finally, there is a shortage of access to the right lab and workshop space at a price that SMEs are able or willing to pay.

3.6 The GM allocation of the Innovation Accelerator Pilot Programme (c.£33m) has allowed GM to fund a range of projects and programmes that both deepen innovation intensity and broaden the accessibility of key innovation assets by delivering activities such as SME accelerators, grant schemes, funded access and knowledge exchange programmes. However, the investment through the IA has not provided any funding to programmes focussed purely on strengthening the connectedness and effectiveness of the flow of intangibles throughout the innovation ecosystem in the city-region, which are also vital to the strength of our ecosystem.

4. Developing the priorities and considerations for innovation ecosystem support through E19

Evidence Review

4.1 A literature review has been undertaken as part of the development of the evidence base for delivering Greater Manchester activity through priority E19 of the Supporting Local Business investment priority of the UK Shared Prosperity Fund (UKSPF).

4.2 The findings of this review can be considered to be in addition to the findings of the evidence review re: the broader business support offer, which was conducted for the development of the GM UK SPF E23 procurement which can be seen at Annex 3.

4.3 The review sought to answer the following key questions:

- What were the models of innovation support schemes outlined in the evidence? How did they operate?
- Were there schemes particularly effective at delivering the outputs associated with E19?
- Was their evidence of value for money performance of different interventions?
- To what extent does the evidence tell us that there are interventions that deliver across all elements of the intervention E19 as defined by Government – or if the specification needs to address each distinctly.

4.4 The review examined evidence from research and evaluations undertaken or commissioned by GMCA and also took account of published research and evaluation on this topic from national and international sources.

4.5 This review identified that the evidence around ‘what works’ in delivering impactful and value for money Innovation support is relatively sparse. From that evidence that does exist there are key principles that have guided the development of the GM E19 approach. Firstly, there is evidence that some innovation programmes, especially grants and other fiscal interventions were more effective when they did not have a sector specific focus. There is however evidence that there is benefit in targeting interventions at specific sub-sectors, suggesting that the needs of our frontier sectors should be strongly considered with specialised approaches developed where necessary. Finally, developing a strong ecosystem that develops strong referral relationships requires that the strategic aims of all parties are taken into consideration. A table of the research findings is at Annex 2

Consultation

4.6 Consultation on the priorities and considerations for the delivery of future innovation business support has also taken place with local stakeholders, including two workshops: one in-person, one online. The workshops were attended by representatives of local authorities, business representative organisations, business support providers,

Universities, successful and unsuccessful Innovation Accelerator applicants. A full summary of the discussion is included in Annex 3.

4.7 From the consultation, it is clear that there is agreement on the need for the intervention be fully integrated into the whole regional and national business and innovation support structure - making it easier for businesses of all sizes and types to access it - and for its objectives to be clearly linked to the city region's strategic aims on inclusivity and international engagement. There was broad agreement that the model of delivery should include a mix of a broader, non-sector specific support, leading to and linking with more sector or technology-based specialist support, potentially provided by other support schemes. However, it was clear that local specialist and intensive support should be an expectation and that UKSPF-funded support should go beyond sign-posting. There was consensus that some financial incentives should be included in the model, with a focus on removing barriers to innovation activity, and to draw in further private funding. The consultees also agreed on the need to take into account delivery timescales when considering outputs and outcomes to be targeted, and that focussing on quality and how the funding could be used to create coherent support that progresses businesses through the innovation journey would be as important as the numbers of interventions. The evaluation of the project should reflect this need to establish how impactful interventions really were, developing strong stories and case studies on what works, and on how the GM ecosystem has supported SMEs to innovate.

4.8 Participants had differing views on what the most important objective for the programme should be. Some attendees viewing the broadening of innovation capacity across all SMEs being the key objective, and that it was important that SMEs at all stages of the innovation cycle be engaged and supported. Whereas others viewed driving up the level of private sector investment to be the key objective and therefore, given the timescales available to the programme, there should be a focus on identifying and intensively supporting businesses that had secured budgets for investing in a specific innovation or innovation-related project. There was also some tension in the discussion between the need for the delivery model to emphasis effective joining up of all of the innovation-support on offer to businesses, and a desire for the programme to focus on in-depth intensive support and be less of a signposting service. A number of questions were also raised about how 'open' or 'closed' the support offer should be in terms of supporting investment in innovation and partners outside of GM that aligns with GM's innovation plan.

5. Framing of priorities for Innovation Business Support through E19

5.1 Based on the strategic context, evidence review and consultation feedback set out above, it is subsequently proposed to use UKSPF E19 funding to establish and evaluate (or test) a new, integrated and specialised innovation ecosystem development service. The service should provide two things in combination and concurrently:

- Specialist innovation provision that accelerates the development of innovation-focussed clusters, focused on those areas where GM has the technological and sector strengths to create commercialisable proposals (as set out in the GMIP). This should include a range of interventions, including direct funding support for businesses.
- An integrated service that integrates innovators and businesses into our innovation ecosystem and enables them to access multiple types of support for each phase of the innovation process or specific to their business needs or technological specialism, and that also links the ideas, knowledge and resources being generated by our Universities and other research institutes to industry partners that can drive commercialisation. This should also include a range of interventions and may also include direct funding support for businesses.

5.2 It is proposed to issue a call to award a contract for services for the full allocation for E19 (£5.775m) to deliver this service. The call will include the high-level objectives that will guide the final specification for the service, as set out below:

- Objective 1: the service will test and establishing a new model of sector and institution agnostic innovation support that increases the number of local businesses engaging and collaborating with the GM innovation ecosystem and its assets. Innovators will be guided to sector and technology focussed support as needed, but the ‘front door’ to the service will be integrated across sectors and institutions.
- Objective 2: The service will increase our understanding of the innovation readiness, and absorptive capacity of our frontier sectors, and how to best support GM businesses to become more innovation ready.
- Objective 3: The service will develop and deliver innovation support that strengthens the GM innovation ecosystem and develops new clusters, by improving flows of skills, ideas, knowledge and funding between the business base and local, regional and national

innovation assets and investors, and also accelerates local commercialisation activity from our universities and other research assets.

- Objective 4: The service will develop and deliver innovation support that results in inclusive growth and helps with social and environmental gains, driven by the development, diffusion and adoption of innovative products and processes by businesses across the whole of the GM city region.
- Objective 5: The service will increase the amount of private sector investment in R&D activity in GM, by moving businesses through the innovation journey, removing barriers to the progression of ideas to commercialisation and supporting businesses to make the best investment decisions to achieve their innovation aims.

5.3 The call will also set out five principles for service delivery:

- **Principle 1:** the service promotes and supports innovation activity within and across GM's frontier sectors – including by focussing on key technology families.
- **Principle 2:** Provision should be rooted in place by responding to the priorities of the GM Strategy, GM LIS, the approach to cluster led innovation established in the GM Innovation plan and other relevant GM strategies.
- **Principle 3:** Provision should join up with other local, regional and national programmes and innovation assets, and better enable businesses to navigate the innovation ecosystem, progressing through the TRL Levels towards commercialisation of products and services.
- **Principle 4:** Provision should be focused on quality driven interventions and outputs, focused on effectively progressing businesses through the innovation cycle and commercialisation.
- **Principle 5:** Provision should seek to limit the potential inequalities driven by innovation models witnessed in other high innovation city regions, addressing the unevenness of engagement within the city region both geographically and societally.

5.4 The GM UKSPF Investment Plan agreed with government includes a list of required outcomes and outputs for the overall UK SPF programme, and a number of these have been allocated to E19. These outcomes and outputs are by their very nature general, and therefore risk being too generic to achieve the innovation-specific results that GM wishes to realise. We subsequently propose that they are made more innovation-specific, and the below table shows how the UKSPF outputs and outcomes could be modified to achieve this.

GM UKSPF requirement	GM E19 objective specific request.
Potential entrepreneurs provided assistance to be business ready.	Potential entrepreneurs provided assistance to become business ready, operating within GM's Innovation Clusters.
Businesses receiving non-financial support.	Businesses operating with the GM Innovation Clusters receiving non-financial support to develop, adopt or diffuse new products and processes.
Businesses receiving grants.	Businesses aligned with GM's innovation clusters receiving grants to engage with Innovation Assets and programmes to advance through the innovation lifecycle.
New businesses created.	New Innovation Focused / Innovative Businesses Created within one of GM's Innovation Clusters
Businesses with improved productivity	Businesses with improved productivity through development or adoption of innovative processes or products.
Businesses adopting new to the firm technologies or processes	
Organisations engaged in knowledge transfer activity	Organisations within the GM Innovation Clusters engaged in new knowledge transfer activity supporting innovation development, commercialisation or diffusion.
New to market products.	New to market products developed within the GM innovation ecosystem.
Businesses adopting new or improved products or services.	Businesses adopting new or improved products or services supported by, or developed within, the GM innovation ecosystem.
Greenhouse gas reductions	

5.5 To further ensure that the E19 programme delivers on the GM Innovation Plan and responds to consultation feedback, we propose the following additional outputs and outcomes:

- Private sector spend on services or programmes provided by GM-based innovation assets.
- New R&D tax credit claims and increased R&D tax credit claims by businesses engaged in innovation support.
- Businesses engaging with innovation services or programmes provided by GM innovation assets for the first time.
- Businesses progressing through the innovation cycle via support from multiple assets or service providers.
- Effective referrals of GM businesses from one innovation ecosystem asset or programme to another.
- GM businesses engaging with the catapult network for the first time.

5.6 In line with the joined up approach being taken to the delivery of the GM UK SPF intervention portfolio, the specification and scoring for the E19 procurement will require, and reward proposals that clearly lay out how they will engage and align with the delivery of the other GM interventions.

6. The process for procuring a provider through a call for competition

6.1 GMCA will undertake a 'Call for Competition' from organisations interested in delivering the whole of the intervention which will then be allocated by a contract for services. The call will be issued via 'The Chest' portal as an open process, with bidders given 6 weeks to respond through submission of an application form. GMCA will then appraise all bids according to an agreed set of assessment criteria and due diligence questions, with a clear requirement being set for the applicants to demonstrate their capacity to understand and deliver on the specialist and focused nature of the support being sought. Evidence of successful delivery of innovation-specific outputs and outcomes via programmes that have delivered technology or innovation-phase specific support, or support aimed at innovation clusters or system-building, will be valued more highly than experience in delivering more general business innovation support schemes.

- 6.2 It is our preference that a single award be made, with bidders forming a consortium, as we assert that this will allow the agent(s) delivering the contract to fulfil the aspects of the call related to system-building, which they will be unable to do as individual actors in the innovation ecosystem. Time will be given in the procurement process for potential consortia to form. Evidence of the development of well thought-through consortia, that can address all facets of the delivery model will be viewed favourably in the assessment of proposals.
- 6.3 The timeline for the procurement process is being set, with consideration needed to be given for the degree of time to be allowed between the ITT and deadline for submissions to allow potential providers the opportunity to form consortia.
- 6.4 Transfer of Undertakings (Protection of Employment) Regulations 2006 (TUPE) will apply on the signing of a service provision contract, where it applies, specifically where there is continuity of the outcomes being delivered through the service, and the relevant legal advice is being obtained to determine whether specific TUPE indemnity provisions will be included in the service provision contract.
- 6.5 The GMCA Decision Support Tool provides a high-level assessment of the impact of proposed policies, initiatives or services against carbon neutrality, tackling inequalities and wider GMS strategic outcomes. It is being utilised to further support development of the proposal, in respect to addressing inequalities and carbon. Analysis of equalities data relating to current provision has been undertaken. It is not anticipated that prescriptive targets will be employed in relation to engagement of particular groups on individual interventions as in some instances these may not be appropriate due to under or over representation in certain sectors or types of businesses. Instead, the analysis of current provision will be made available through the procurement process and bodies submitting proposals will be asked to articulate their strategy for engaging different groups and ensuring representative participation across all elements of delivery. It is anticipated that across the programme a representative number of businesses from equalities groups will be supported.
- 6.6 In respect to GM's de-carbonisation ambitions, bidders will be asked to articulate how they intend to embed net zero / support businesses to adapt to environmental issues. Information provided by bidders in respect to both inequalities and net zero will be scored as part of the process.

6.7 GMCA will also ensure this call for competition achieves value for money on a whole life basis in terms of generating benefits not only to the organisation, but also to society and economy. Bidders will be asked to set out how they will contribute to Greater Manchester's Social Value Framework through delivery of the programme.

6.8 On the basis that the GMCA will be selecting the GM Provider who will deliver this programme by carrying out an open and competitive procurement process which complies with the Public Contracts Regulations 2015 and the GMCA's own Contract Procurement Rules, it is likely that, for the purpose of the Subsidy Control Act 2022, the GMCA will be able to show compliance with the "Commercial Market Operator" principle. Where a public authority is able to demonstrate compliance with the CMO principle, this means that the "financial assistance" which the public authority is proposing to provide is not held to satisfy Limb B2 "*Financial assistance which confers an economic advantage*," of the 4-limb initial "Is it a Subsidy?" test which public authorities are required to carry out under the SCA (and will not qualify as a "Subsidy" for the purpose of the SCA).

6.9 At paragraph 5.4 above, reference is made to "*Businesses receiving grants*". Depending on how the arrangements for these awards of grant to individual businesses are structured, it may be the case that these grants will qualify as a "Subsidy" for the purpose of the SCA, meaning that it will be necessary to ensure that these grants are awarded in accordance with the requirements of the SCA.

7. Evaluation

7.1 An evaluation of the programme will be commissioned separately and will work to establish how effective the service was in delivering the outcomes and outputs specified and in achieving the wider strategic goals of the programme, with consideration given to measuring impact to understand the additionality provided by the E19 intervention. This evaluation will need to reflect that objective and approach that outputs and outcomes be quality focused and assess how effectively the interventions have supported businesses to advance through the innovation journey, rather than how effectively they have met the targeted number of outputs.

7.2 This will need to align with published Government requirements for the evaluation of UK SPF activity as well as delivering additional insights required by the GMCA. In particular

it is anticipated that the evaluation will seek to identify the differential experience of the programme amongst participants from a range of demographic groups.

Annex 1: Greater Manchester Innovation Accelerator Pilot Programme funded projects.

PROJECT	PROJECT LEAD	PROJECT DESCRIPTION	GM FRONTIER SECTOR
1. Future Homes Project	The University of Salford	A partnership between industry and academia to use the unique facilities at Salford Energy House and Energy House 2.0 to develop net zero technologies for homes.	<ul style="list-style-type: none"> Advanced Materials & Manufacturing Digital & Creative Net Zero
2. Greater Manchester Electro-chemical Hydrogen Cluster	Manchester Metropolitan University	Building on the work of the Manchester Fuel Cell Innovation Centre to accelerate the development and adoption of clean and efficient electro-chemical hydrogen technologies.	<ul style="list-style-type: none"> Advanced Materials & Manufacturing Net Zero
3. Pilots for the Sustainable Materials Translational Research Centre	Rochdale Development Agency	Building on the world-class advanced materials research in Greater Manchester to provide sustainable materials for manufacturing supply chains.	<ul style="list-style-type: none"> Advanced Materials & Manufacturing Net Zero
4. Manchester Turing Innovation Hub (MTIH)	The University of Manchester	Linking businesses to cutting-edge artificial intelligence (AI) research and technologies to help enhance their productivity.	<ul style="list-style-type: none"> Advanced Materials & Manufacturing Digital & Creative
5. Immersive Technologies Innovation Hub	The Landing at MediaCityUK	Exploring applications for immersive technologies in the entertainment, education, health, built environment, and manufacturing sectors, helping businesses to design, develop and test new solutions for the metaverse.	<ul style="list-style-type: none"> Advanced Materials & Manufacturing Health Innovation & Life Sciences Digital & Creative Net Zero
6. DEVOTE Programme	The University of Manchester	A collaboration between industry, universities and healthcare professionals to support the development and implementation of time critical genomic testing technologies.	<ul style="list-style-type: none"> Health Innovation & Life Sciences Digital & Creative
7. Energy Accelerator for Non-Domestic Buildings	The Growth Company	Developing, testing and deploying net zero innovations to help commercial and public sector buildings to decarbonise.	<ul style="list-style-type: none"> Advanced Materials & Manufacturing Net Zero
8. Centre for Digital Innovation (CDI)	Manchester Metropolitan University	Working across four technology strands – artificial intelligence (AI), cyber, industrial digitalisation (ID) and immersive technology (IT) – on R&D, skills development, business models for SMEs, and community outreach.	<ul style="list-style-type: none"> Digital & Creative
9. AR EdTech For Hydrogen Skills	Blair Project	En education technology (edtech) platform providing hydrogen skills training content for the manufacturing, construction, transport and energy sectors	<ul style="list-style-type: none"> Advanced Materials & Manufacturing Digital & Creative Net Zero
10. GM Advanced Diagnostics Accelerator	Health Innovation Manchester, hosted by Manchester	A series of projects looking at Greater Manchester's major morbidities (liver, heart and lung disease including lung cancer) in which academic and industry excellence from advanced diagnostics, digital and data will be brought together to improve health outcomes for residents.	<ul style="list-style-type: none"> Health Innovation & Life Sciences Digital & Creative

	University NHS Foundation Trust		
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Annex 2: Evidence Review Key Findings:

Models of Support	
Sparse Evidence Base	Overall, the evidence around ‘what works’ in delivering impactful and value for money Innovation support is relatively sparse. There appears to be a shortage of high-quality studies examining the impact of innovation business support / advice services on business investment in R&D or innovation.
Volume vs Quality of Outputs	Across the ERDF evaluation activity reviewed there tended to be a focus on volume of outputs achieved rather than an examination of their nature. As such, it is challenging to draw meaningful comparisons and lessons for future commissioning from these studies
Sectoral focus	<p>There is evidence that innovation programmes providing grants, loans and subsidies to businesses performed better when they did not have sector specific focus.</p> <p>Though there is some evidence that there may be a greater case for intervention in some specific sectors, or for the targeting of specific interventions at some sub-sectors</p>
Target Business Size	Experience in Greater Manchester and elsewhere suggest innovation support is most effective when delivered to SMEs rather than larger businesses.
Developing the ecosystem through referrals	Building an innovation ecosystem with effective referral relationships is complex. Misalignment of strategic goals or variation in approach can create disincentives for referral between organisations.

Principles

Importance of clear objectives	The assessment of programmes' effectiveness is more straightforward when clear objectives are identified at the outset. These should be outlined in a logic model that coherently expresses how an intervention will achieve its strategic objectives
Alignment of strategic goals.	The strategic goals of different partners should be considered as part of commissioning of services that aim to incentivise referrals.
Careful consideration of outputs and targets	It would be beneficial to develop an understanding of the nature of output activity achieved rather than solely measuring the volume.
Scale of services	Consideration should be given to the relative merits of delivery through a wide range of providers delivering smaller packages of support versus one or a small number of providers providing larger packages.
Sector Specific Approaches	If a sector specific focus is to be considered, specific attention should be paid to the differing support needs of the frontier sectors and bespoke interventions developed reflecting these.
Inclusive Growth	Growing innovation has the potential to increase inequality and as such, careful consideration should be given to how supported activity will ensure that the resultant growth is inclusive.
Enhancing the evidence base	Given the relative sparsity of the evidence, consideration should be given to the appetite to enhance the evidence base around what works on business support.

GMCA Board

Date: June 23

Subject: UKSPF E23: proposal for Hyper-Local Micro-Business Start-up and Development Support

Report of: Councillor David Molyneux, Portfolio Lead for Investment and Steve Wilson
Portfolio Lead Chief Executive for Investment

Purpose of Report

The purpose of this report is to outline the background and proposition to use UKSPF Funding under E23 to resource a 20 month programme of support that maintains and extends support to start-up and develop micro businesses in the city-region, which is currently being delivered in partnership by GM Libraries, Local Authorities and other partners.

The UKSPF funding will enable this service to be expanded to cover all ten GM local authorities (Wigan and Rochdale do not currently offer this service). This will enable GM to continue support entrepreneurship and self-employment across the city-region at grass-roots level, invigorating GM's high streets and communities. The proposal contains a significant match-funding element which comprises c.60% of overall project costs. The current service has been successful at engaging with female entrepreneurs and entrepreneurs from minoritised communities.

Recommendations:

The GMCA is requested to:

1. Agree the recommendations of the GM UKSPF Local Partnership Board on the strategic fit and deliverability of the UKSPF proposal E23 for “*support for micro-business start-up and development*”
2. Delegate authority to the GMCA Treasurer in consultation with the Portfolio Lead for the Economy, Business and Inclusive Growth and Portfolio Lead for Resources and Investment to agree the allocation method and subsequent award of a grant to the value of £1,400,000.

Contact Officers

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Report authors must identify which paragraph relating to the following issues:

Equalities Impact, Carbon and Sustainability Assessment:

Recommendation - Key points for decision-makers

Insert text

Impacts Questionnaire

Impact Indicator	Result	Justification/Mitigation
Equality and Inclusion	G	
Health	G	
Resilience and Adaptation		
Housing		
Economy	G	
Mobility and Connectivity		
Carbon, Nature and Environment	A	
Consumption and Production		

Contribution to achieving the GM Carbon Neutral 2038 target

The material impact of the programme is unknown due to the wide variety of variables that will impact on the programme including types of business supported.

The amber rating reflects that whilst an increase in businesses may negatively impact carbon, nature and the environment, the Build a Business programme will support businesses to adapt to environmental issues through the delivery model and will support entrepreneurs with sustainable business ideas. Previous delivery of the programme has identified that approximately 60% of people using the support service are interested in starting an environmentally friendly or social enterprise-based business (Democratising Entrepreneurship, ERS, 2019)

The programme will offer a range of activity to support entrepreneurs to adapt to environmental issues such as sustainability themed workshops and alignment with leading sustainability and social enterprise organisations.

Further Assessment(s):

<div>G</div> Positive impacts overall, whether long or short term.	<div>A</div> Mix of positive and negative impacts. Trade-offs to consider.	<div>R</div> Mostly negative, with at least one positive aspect. Trade-offs to consider.	<div>RR</div> Negative impacts overall.
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Carbon Assessment					
Overall Score					
Buildings	Result	Justification/Mitigation			
New Build residential	N/A				
Residential building(s) renovation/maintenance	N/A				
New build non-residential (including public) buildings	N/A				
Transport					
Active travel and public transport	N/A				
Roads, Parking and Vehicle Access	N/A				
Access to amenities	N/A				
Vehicle procurement	N/A				
Land Use					
Land use	N/A				
No associated carbon impacts expected.	High standard in terms of practice and awareness on carbon.	Mostly best practice with a good level of awareness on carbon.	Partially meets best practice/ awareness, significant room to improve.	Not best practice and/ or insufficient awareness of carbon impacts.	

Risk Management

There are no risk management considerations

Legal Considerations

There are no legal considerations.

Financial Consequences – Revenue

There are no revenue consequences for the GMCA

Financial Consequences – Capital

There are no capital consequences for the GMCA

Number of attachments to the report:

None

Comments/recommendations from Overview & Scrutiny Committee

N/A

Background Papers

GMCA Report – GM UKSPF Investment Plan July 2022

Tracking/ Process

Does this report relate to a major strategic decision, as set out in the GMCA Constitution

No

Exemption from call in

Are there any aspects in this report which means it should be considered to be exempt from call in by the relevant Scrutiny Committee on the grounds of urgency?

No

GM Transport Committee

N/A

Overview and Scrutiny Committee

N/A

1. Introduction/Background

- 1.1. The UK Shared Prosperity Fund Investment Plan for Greater Manchester contains an allocation to deliver the UKSPF Supporting Local Business investment priority E23, which aims to: *'Strengthen local entrepreneurial ecosystems, and support businesses at all stages of their development to start, sustain, grow and innovate, including through local networks.'*
- 1.2. The total funding available for E23 is £9.9m from April 2022 to March 2025. Allocations of this funding have been agreed as follows:
- £0.5m was ringfenced by UKSPF Partnership Board in April 2022 for April 2022 to March 2023 to provide support for Greater Manchester businesses dealing with the increased cost of doing business over winter 2022-23.
 - £7.5m was allocated by UKSPF Partnership Board and GMCA in March 2023 to commission a core programme of business support for GM's diverse business base, running from May 2022 to March 2025.
 - £1.4m is proposed to be allocated to fund hyper-local micro-business start-up and development support, similar to that already funded via ERDF.
 - £0.5m is proposed to be allocated to fund experimental business support, enabling a test and learn approach around specific issues affecting Greater Manchester's businesses.
- 1.3. The purpose of this paper is to outline the background and proposal for allocating the £1.4m for hyper-local micro-business start-up and development support.

2. Strategic context for intervention E23 - Hyper-local micro-business start-up and development support

- 2.1 The Greater Manchester Strategy (GMS) commits GM to creating a greener, fairer and more prosperous Greater Manchester. It also embeds a vision for our economy that will enable Greater Manchester to lead local and UK economic recovery and development. This will be done by capitalising on Greater Manchester's assets and the opportunities for economic growth – through the regional centre, towns and our growth locations – recognising our city-region can, and needs to be, at the heart of driving social and economic innovation, and with a renewed focus on people and planet first.
- 2.2 The GMS includes the following shared commitments that are relevant to the UKSPF Supporting Local Business Investment Priority E23:

- We will drive investment into our growth locations and use that to create opportunities in adjacent town and local centres.
- We will realise the opportunities from our world-class growth and innovation assets, driven by our Places for Everyone Plan, Local Growth Plans and Industrial Strategy to open up opportunities in all parts of the city-region.
- We will support our businesses to grow sustainably and be as prosperous as they can be.
- We will support the creation of better jobs and good employment that has a purpose beyond growing shareholder value, utilising the opportunity to positively impact on our communities.
- We will ensure businesses are able to access the skills and talent they need, and people are able to realise their full potential – by provision of high-quality learning and wrapping support around individuals – with access to good work for those who can, support for those who could, and care for those who can't.

2.3 Under these high level ambitions, the GMS include a series of priorities to be delivered through partnerships and investment. Priority 4 - a thriving and productive economy - is directly aligned with the proposed use E23 as it commits GM to: 'Increased business start-ups and inward investment, and improved business performance', with a target of at least 5,000 more business start-ups per annum compared to 2015 levels, and an increase from 90 start-ups per 10,000 Greater Manchester working-age residents to 117 or more. Furthermore, strategic commitment to investing in capacity for start-ups comes from the Greater Manchester Work and Skills Strategy and the Greater Manchester Local Industrial Strategy, which set out the ambition for Greater Manchester to be recognised as one of the best places in the UK to start up, develop and grow a business.

2.4 The Greater Manchester UKSPF Investment Plan, recognises that within the GMS a focus on our frontier and tradeable sectors has the potential to drive local and UK growth, create the jobs of the future, as well as address some of society's biggest challenges including achieving net zero carbon emissions and meeting the challenges of an ageing population. The GM Investment plan also outlines the need to also develop the foundational economy in supporting the creation of higher paid and better jobs. The foundational economy makes up a large proportion of the jobs and businesses in Greater Manchester and the value of these economies will be essential to the recovery of our town centres, cities and high streets, not least the significant foundational jobs in the night time economy, and hospitality specifically, which needs our support to grow back better, stronger and fairer.

3. Developing the priorities and considerations for supporting micro-business start-up and development support through E23

3.1 GM has a mature and extensive business support environment funded through a mixture of local and national sources, much of which will come to the end of its funding cycle during 23-25. Part of this environment is Greater Manchester's successful Business Growth Hub that provides sign-posting and a first point of contact for businesses in the city-region looking for advice and guidance, including start-up advice for people looking to set up businesses that will scale or spin-outs from research or technology investments for example. Another component of this landscape – which works with the GM Growth Hub on signposting and referrals - is the '*Build-a-Business in GM Libraries*' programme, which is funded by ERDF until end of June 2023.

3.2 *Build-a-Business in GM Libraries* (Build a Business) assists people from diverse backgrounds to turn their business idea into a reality and improve their chances of success by offering a programme of accessible, tailored business support. It provides a practical 'grass roots' approach to business support, breaking down barriers to entrepreneurship and giving people the skills, information, confidence and connections, they need to make their enterprises viable, competitive and successful. Build a Business helps participants view entrepreneurship as an attractive economic prospect and provides the appropriate support to help more people become prosperous business owners. The project achieves this by harnessing the unique specialist collections, resources, support and expertise of the public library network, by working in a hub-and-spoke model with GM boroughs to create a 'joined-up' business support offer. The project also uses the skills and expertise of local entrepreneurs and business experts. Through the support gained via this suite of tailored, customisable options, early-stage entrepreneurs are given the tools to develop a sound business plan and the foundations for creating and sustaining new business.

3.3 Between September 2021 - March 2023 the ERDF-funded Build A Business model delivered:

- Over 1800 registered interest
- Over 1000 individuals have attended at least one of the four workshops.
- Forecast 400+ to have completed 12 hours by end of project.
- A significant number have attended more than 30 hours support through the additional one to one, networking, events and other activities available.

3.4 Build A Business has been successful at attracting traditionally hard to reach or excluded groups:

- 60% of attendees are women (Build A Business management system, 2021-23). This compares with the national average of only 22% of businesses led by women (BEIS Small Business Survey 2017).
- 36% are from minoritised communities. Only 5% of businesses are led by people of black, Asian and minority ethnic origin (BEIS Small Business Survey 2017).

4. Proposition for allocating funding through UKSPF E23

4.1 This proposal is to use E23 funding to ensure the mature ecosystem of business support in Greater Manchester is maintained post ERDF, and via this specific allocation of £1.4m UKSPF funding, that this includes maintaining and expanding the support for people to set up and grow micro-businesses, including social enterprises (with the potential to link to the allocation of E26, growing the local social economy).

4.2 The UKSPF funding will enable the Build A Business service to continue to March 2025, and will also enable the service to be extended to all 10 local authority areas in the city-region – Wigan and Rochdale are not currently operating the service. The overall project cost is £3.449m, and the UKSPF funding will cover £1.401m, with match funding equating to £2.039m (60% of total project costs). Overall project costs are set out in Annex 2.

4.3 All Local authorities committed to the project will provide designated officer time to ensure successful delivery (NB. Rochdale and Wigan officers are being confirmed).

4.4 Libraries will also match fund with significant Added Value, including:

- High street locations at the centre of communities with extensive opening hours inc weekends/evenings. The combined opening hours of the main library sites across the project totals 460 hours a week. However, activities will be promoted through all library sites and staff, with some delivery taking place in different locations. The combined opening hours across all 8 library authorities totals 4,574 hours a week.
- Complementary space for activities, e.g. hiring the Performance Space in Manchester Central Library has a commercial cost of £150.00 per hour +VAT. Cost per workshop would be approx £450 based on 3 hours.
- Welcoming, safe & inclusive spaces with meeting rooms/co-working spaces; trained staff & digital support.
- Database subscriptions totalling almost £100,000 p.a.

- Access to existing partnerships and networks: local, regional & national including The British Library, Intellectual Property Office, GC Growth Hub, The Prince's Trust, FSB, YES Manchester and other local enterprise agencies as well as smaller, targeted networks such as The Women's Organisation, Trafford Women In Business, & Precious Online.
- Community reach, including via extensive library membership.

4.5 The project will engage with over 1,000 early stage entrepreneurs, and deliver at a minimum the following UKSPF outputs and outcomes:

Outputs	<ul style="list-style-type: none"> • Number of enterprises receiving non-financial support: 120 • Number of potential entrepreneurs assisted to be enterprise ready: 550
Outcomes	<ul style="list-style-type: none"> • Jobs created: 28 • Number of enterprises adopting new to the firm technologies or processes: 50 • Number of new enterprises created as a result of support: 90 • Number of people attending training sessions: 100

5. Delivery Model

5.1 The Build a Business programme will be delivered through a partnership model, led by Manchester City Council, which builds on significant experience of collaborative working across Greater Manchester libraries.

5.2 The project will be centrally coordinated by a core Project Management Team, based at Manchester Central Library, who will oversee all aspects of project delivery and compliance. This team sits within the Information & Digital Team in Manchester Libraries, who have experience of successfully delivering GM-wide enterprise projects (currently Build A Business, previously Enterprising Libraries: Start-Up Engines; Big Ideas Generators).

5.3 The project activity will be delivered through a network of all GM library authorities who will act as Delivery Partners within the project. Each library authority will promote the service, manage delivery at local level, work with local partners and provide local knowledge to support the project's development. A network of SME Champions will be based in each Local Authority area offering one-to-one help for entrepreneurs.

5.4 The Project Team will be as follows:

Core Team:	Project Officer Compliance Officer Outreach & Engagement Officer
Full delivery Team:	SME Champion Bury SME Champion Bolton SME Champion Manchester SME Champion Oldham SME Champion Salford SME Champion Stockport SME Champion Tameside SME Champion Trafford SME Champion Rochdale SME Champion Wigan

5.5 As stated above, the UKSPF funding will extend the Build-a-Business service to Rochdale and Wigan, Local Authority areas that were not able to take part in the ERDF-funded activity ending in June. As these areas are new to the project, and demand for the service will need to be tested and built up, it is proposed that the SME Champion posts in those authorities are profiled at 0.5 FTE initially. There will be wrap around support from other SME champions.

5.6 The full service model is set out in the UKSPF Proposal Documentation attached separately as Annex 1, but in summary, the key elements of the service will be:

- Modular support programme for new businesses
- SME Champion in every authority offering 1-2-1 help
- Day-to-day provision of business information resources and support (including intellectual property)
- Local workshops, events & networking

- Co-working space

5.7 A Build A Business project board currently operates and will continue for future delivery. This board will meet on a quarterly basis to oversee the operational delivery and strategic development of the project. The project board currently includes:

- Neil MacInnes – Head of Libraries, Galleries and Culture, Manchester City Council
- Mike Cunliffe - Work and Skills Lead, Manchester City Council
- Jonathan Ebbs, Service Development Specialist Libraries/Manager of BIPC Manchester
- Ryan Tracey, Service Development Specialist Work and Skills – represents operations and services delivery
- Sue Parkinson, Principal Resources and Programmes Officer & GM 2014-20 ESIF Technical Assistance Team
- Project Manager – To be recruited
- Subnum Hariff-Khan – Head of Heritage, Libraries & Arts, Oldham Council
- Chris Farey – Head of Salford Libraries

6. Next Steps

6.1 Subject to confirmation of the necessary allocation route, it is proposed to enter into a grant funding agreement with the lead partner in the Build-a-Business consortium - Manchester City Council - to commence the new delivery model as set out above, and to work closely with the other delivery partners to deliver the programme of support and UKSPF outcomes and outputs. The GMCA will follow its updated corporate Grant Award Process to ensure that the GMCA's proposed award of £1,400,000 to Manchester City Council for the grant purpose of the delivery of the GM Hyper-Local Micro-Business Start-up and Development Support Programme complies with the requirements of the Subsidy Control Act 2022.

6.2 Manchester City Council will subsequently enter into Service Level Agreement with all participating GM authorities, underpinned by a Memorandum of Understanding covering the operating model, outputs and outcomes.

Annex 1: Full UKSPF Proposal (see attachment)

Annex 2: Cost Breakdown

Cost line	Year 1 Total (23/24)	Year 2 Total (24/25)	Total
1. Total staff costs	£412,091	£572,636	£984,727
2. Total accommodation costs	£0	£0	£0
3. Total ICT costs	£50,000	£50,000	£100,000
4. Total Subcontractor costs	£0	£0	£0
5. Total other operating costs	£80,000	£95,000	£175,000
6. Total consultancy costs	£0	£0	£0
7. Total corporate overheads costs	£59,564	£82,596	£142,160
8. Total other corporate costs	£0	£0	£0
Total costs	£601,655	£800,232	£1,401,887