

Greater Manchester Local Industrial Strategy:

Implementation Update and 2021 Priorities

Greater Manchester Economy, Business Growth and Skills Overview and Scrutiny Committee

05 February 2021



Overview

On 27 November 2020 the GMCA received the 2019-20 annual progress update of the LIS Implementation Plan.

This slide provides an update and draws out the key messages of the report including:

- Overview of the Local Industrial Strategy
- Progress in 2019 – 2020
- The Impact of COVID-19
- Priorities for 2020 – 2021
- Thematic Highlights and Key Actions

Background materials

- [2019-20 annual progress update of the LIS Implementation Plan.](#)
- [Greater Manchester Local Industrial Strategy.](#)
- [GM Independent Prosperity Review One Year On](#)
- [Greater Manchester Local Industrial Strategy Implementation Plan October 2019 GMCA Report](#)



The Greater Manchester Local Industrial Strategy is the long-term plan for our economy

The Greater Manchester Local Industrial Strategy (GM LIS) is one of the country's first modern local industrial strategies.

The ambitious strategy is designed to deliver an economy fit for the future, with prosperous communities across the city-region and radically increased productivity and earning power

It aims to create a highly productive, more inclusive and prosperous city region for all residents, with:

- ▶ A plan for communities across all of GM to thrive and prosper.
- ▶ Good jobs across the city region backed up by the right infrastructure, skills and networks.
- ▶ Supporting everyone to reach their full potential, giving people hope and optimism for the future, leaving nobody behind.
- ▶ Driving innovation and productivity in both our frontier and foundational sectors.



A Plan For Delivery

In October 2019, the GMCA and GM LEP agreed an Implementation Plan including 52 actions across 9 themes for delivering phase one of the LIS 2019 – 2022:

Health Innovation

Advance Materials and Manufacturing

Digital Creative and Media

Clean Growth

People

Infrastructure

Ideas

Business Environment

Place

It was agreed that each year an annual progress report and refreshed implementation plan would be provided to the GMCA.



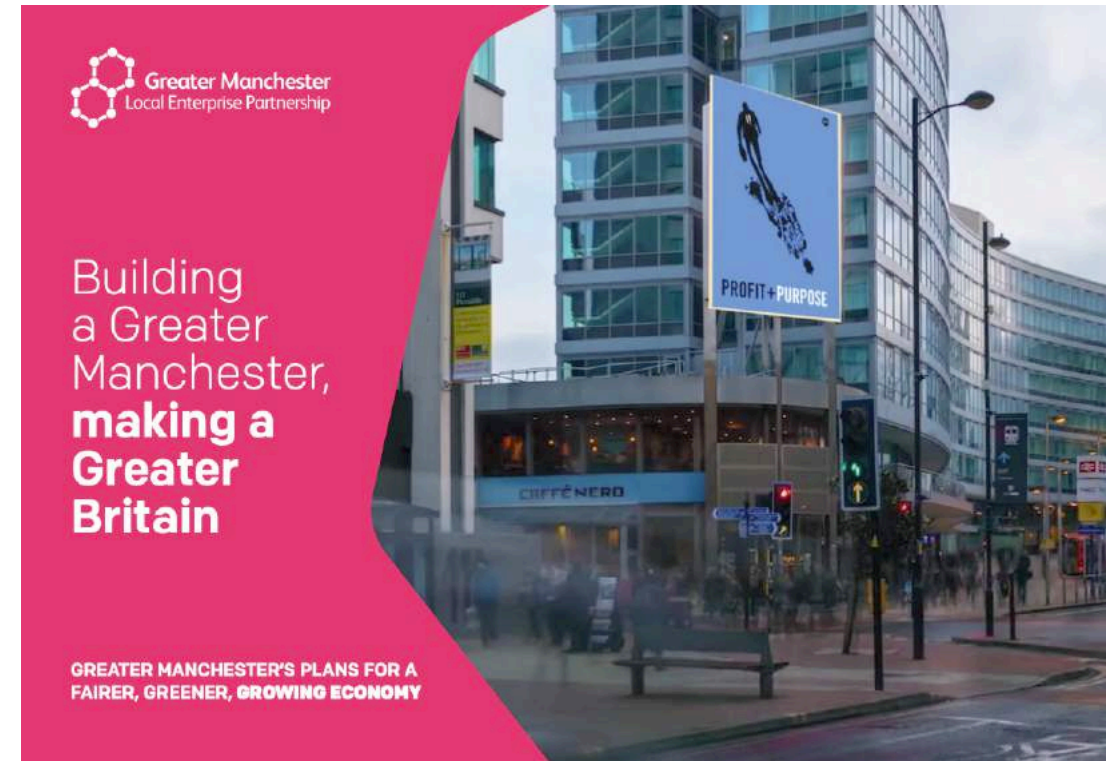
In Year 1 progress was made against all 52 actions

- The Year 1 Priority Actions have been largely delivered against milestones. GM has worked quickly with Government and other partners to put in place new policies and solutions.
- The LIS has also been embedded in the plans of Greater Manchester's local authorities. An overview of this activity is provided in [Annex 2 of the main report](#).



The LIS Implementation Plan Supports the GM Economic Vision

- The LIS and LIS Implementation plan support the ambitions outlined in the GM Economic Vision, and will help to deliver a world class innovation eco-system in Greater Manchester through tangible action.
- Key areas of activity where there is alignment include:
 - Innovation GM
 - Health Innovation and Devolution
 - Green Growth and Low Carbon Innovation
 - Digital and Cyber
 - Employment and Skill Provision
 - Business Support
 - Driving Good Employment



Impacts of COVID-19

- Since March 2020, the COVID-19 pandemic has caused large scale and rapid disruption to our health, social, economic and community infrastructure
- In GM, the learning of 450,000 people has been disrupted; the number of residents in receipt of unemployment benefits rose by 93% from March to August
- As nationally, GM's hospitality, leisure and tourism sector has been most severely affected, which accounts for circa £1.7bn of Gross Value Added (GVA) and 80,000 jobs locally
- Since March 2020 the number of persons claiming unemployment related benefits across GM has risen by 89% to 141,250 residents as of November 2020.
- Online job vacancies are around 50% the same levels they were at in the first week of March 2020.
- According to the Growth Company's fortnightly business survey, the number of GM firms planning to make redundancies was 12.2% in the 2 weeks to 7th December. The number that had already made redundancies was 15% for the same period.
- £560m in Coronavirus Business Interruption Loans and £1.68bn in Bounce Back Loans have been accessed by businesses in GM as of 5th October 2020.

Looking to 2020-21 in the Context of COVID-19

- The [2019-20 annual progress update of the LIS Implementation Plan](#) identifies how Year 2 implementation and milestones need to be adapted in light of COVID-19. Each action has been given a High, Medium or Low COVID-19 impact rating.
 - **High** - impact rating have significantly amended Year 2 milestones, actions where there is a
 - **Medium** - impact of COVID-19 need some flexibility in the Year 2 milestone, and actions with a
 - **Low** - impact rating can proceed largely as planned.
- Within this framework, **priority actions have been identified for 2020/2021**, that will support GM's recovery from COVID-19 and long-term growth prospects.

Independent Prosperity Review "One Year On" Report

Independent Prosperity Review 'One Year On' (September 2020) identified a central challenge for GM's COVID-19 recovery: *"resist the temptation to lower standards and instead keep its focus on growth that can form the basis for long-term prosperity. This means growth built on carbon reductions, good employment and sustainable business models."*

- Highlighted links between COVID-19 recovery, economic resilience and continued reform and devolution, arguing that relevant LIS actions should be prioritised. E.G:
 - Improving Health outcomes to build resilience for future pandemics
 - Responding to potential high unemployment via significantly devolved polices and programmes
 - Supporting foundational economy businesses to adopt sustainable and higher value business models
 - Creating high value jobs through research, talent and innovation assets to drive an innovation-led recovery
 - Meeting GM's 2038 carbon target in ways that benefit the economy, health and quality of life
 - Support SMEs with leadership, management and skills utilisation, and raising employment standards
 - Putting GMs public service reform model at the centre and funded on a long term basis



2021-2022 Priorities

Three high-impact programmes will form the core of GM's recovery from COVID-19 and the focus of LIS implementation in 2021-2022:

- 1. Leadership and Management Programme** - The programme will support small businesses in every local authority to adapt their operations and plans in light of COVID-19, and will also focus on increasing the diversity of people coming into leadership and management positions.
- 2. Improving Jobs and Productivity in the Foundational Economy** - Roughly 42% of jobs in GM are in the 'foundational economy', and the plan will help ensure the jobs and business models that emerge through the recovery increase GM's resilience to future shocks and pandemics, improving the lives of people living in every part of the city-region and addressing longstanding inequalities.
- 3. A new model for innovation – "Innovation GM"** – Delivering on government's ambitions for levelling-up and global Britain and building on the city region's existing assets to drive innovation-led growth in all our towns and cities.



2021-2022 Priorities

The following actions are also Year 2 priorities:

- **M62 North East Growth Corridor & Advanced Materials City** - To grow high value jobs in the North of GM the strategy and model for 'Advanced Materials City' will be progressed locally and with Government (including through GAMMA).
- **Develop a robust digital skills pipeline** - To address digital skills shortages, GM will successfully deliver pilot programmes, like Skills for Growth and Skills Investment Pot, and use evidence to extend approach.
- **Establish the UK's first city-region Clean Growth Mission** - To ensure GM achieves the 2038 target and a green recovery, mission projects will be prioritised. Review of the Mission Based Approach will be undertaken to learn from year 1.
- **GM Good Employment Charter** - To support the growth of good jobs, GM will scale-up the Charter, embedding in procurement and investment and linking it to the work on the foundational economy. First evaluation results available April 2021.



Looking Beyond 2021

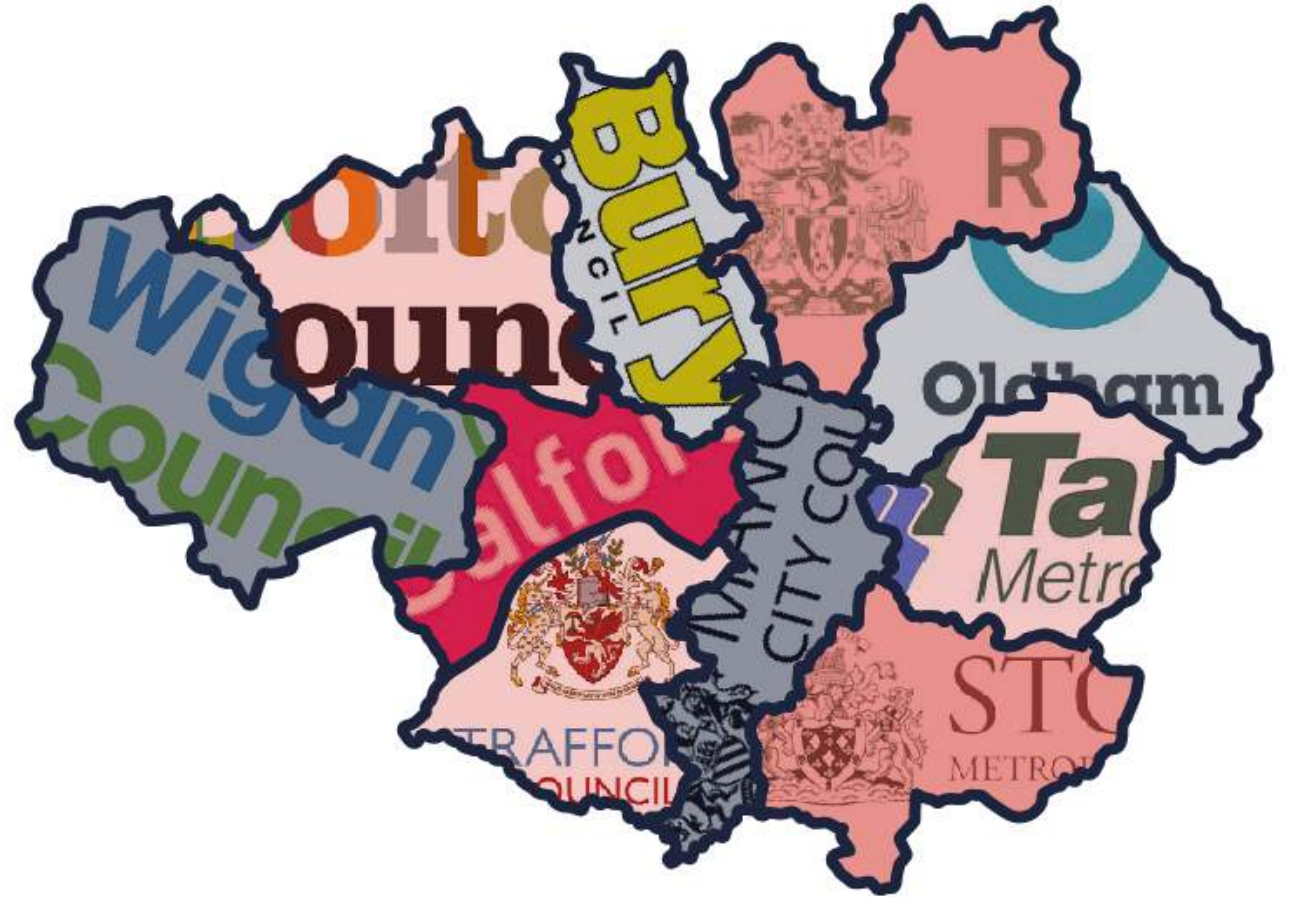
- Whilst the existing GM LIS Implementation Plan has been flexed to include the initial impacts of COVID-19 and changing economic policy environment, there will need to be a more fundamental review of the strategy and its implementation plan once the full economic, social and other impacts of the pandemic have become clear.
- A proposal for doing so will be presented to the GM LEP and GMCA as part of the annual review in November 2021, or sooner if circumstances require it.



ANNEX

The strategy was developed using a partnership approach, locally and nationally

- ▶ The Strategy was co-designed with business, the community, the voluntary and social enterprise sector and citizens. A comprehensive consultation exercise was undertaken, including a 6-week formal consultation.
- ▶ The strategy is owned by the Greater Manchester Combined Authority (including all ten GM Local Authorities), the GM Local Enterprise Partnership and UK Government, helping to support and drive the [GM Economic Vision](#)



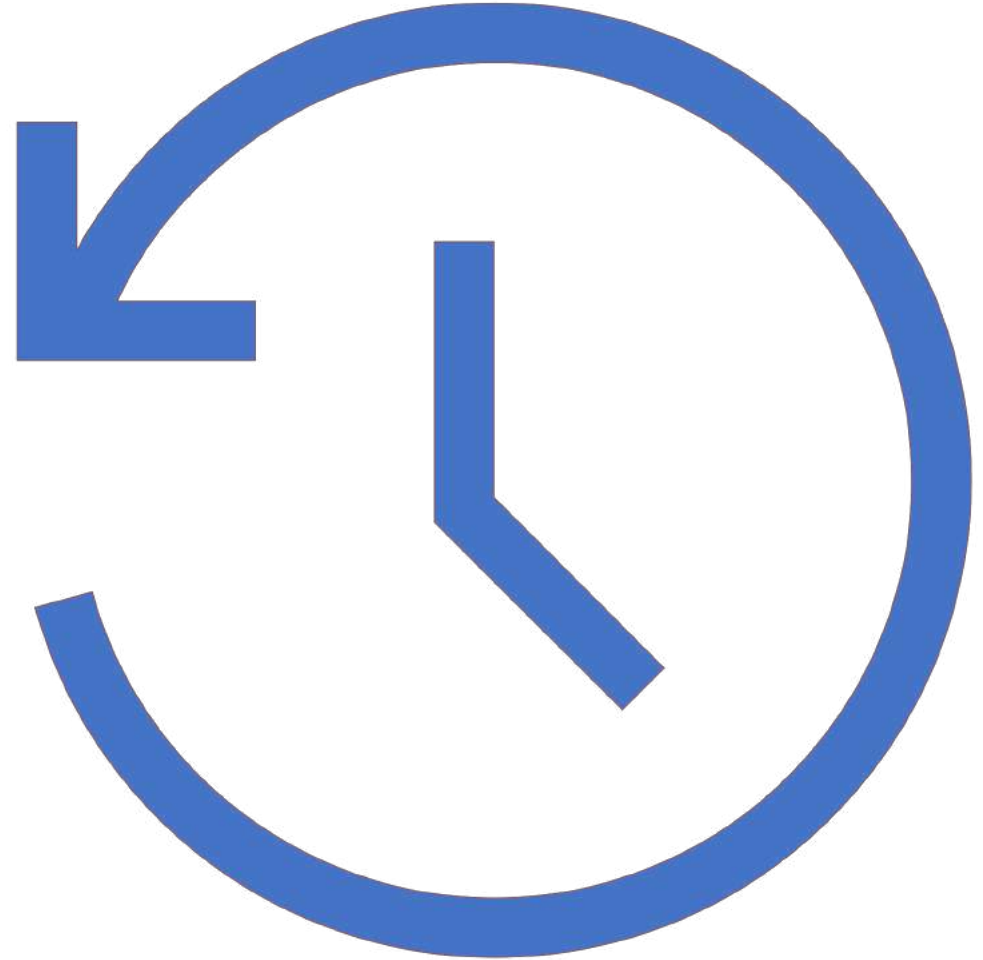
The strategy is informed by a robust evidence-base

- ▶ Based on the robust evidence provided by the 2019 Independent Prosperity Review, and the 2016 Science and Innovation Audit
- ▶ Developed from the ground up with local and national stakeholders, including business and social enterprises, trade unions, universities and colleges, and community and voluntary organisations



Thematic Highlights and Key Actions

The following slides provide extra detail regarding the 9 themes of the Implementation Plan, drawing out key actions and long-term ambitions



Health Innovation

2040 AMBITION - A fully integrated, digital health and care system, using preventative and assistive health tech; helping people stay healthy and economically and socially active for longer.

KEY ACTION - To spearhead the transformation of health and care systems in response to the needs of an ageing population, GM will establish an Innovation Partnership around the Ageing Society Grand Challenge, with government sitting on its board, to develop a credible and robust innovation pipeline that adds value to the existing health and ageing research and innovation assets in the city-region.



Advanced Materials and Manufacturing

2040 AMBITION - More high-quality manufacturing opportunities close to transport links and population centers.

KEY ACTION - To grow high value jobs in the North of GM, and as part of the ongoing work to define the M62 North East Growth Corridor development, the strategic approach and model for 'Advanced Materials City' will be progressed locally and with Government (including through GAMMA).



Digital, Creative and Media

2040 AMBITION - A top five city-region for the digital economy in Europe, with full fibre broadband and 5G coverage, and with internationally-significant media and cyber-security clusters.

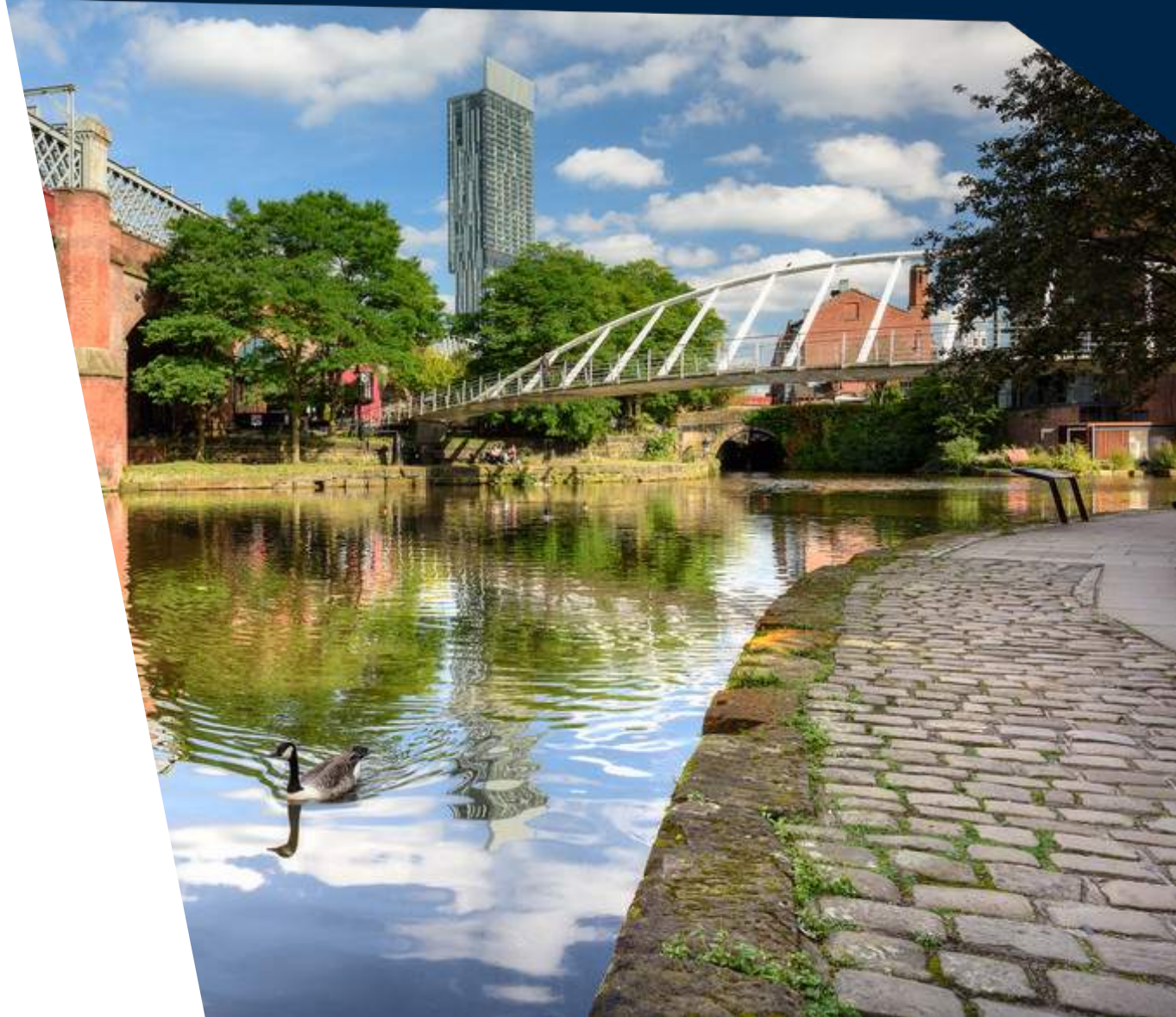
KEY ACTION - Develop a robust digital skills pipeline - To address digital skills shortages, GM will successfully deliver pilot programmes, like Skills for Growth and Skills Investment Pot, and use evidence to extend approach.



Clean Growth

2040 AMBITION - Carbon neutrality that improves quality of life for residents, minimises the productivity impact on businesses and maximises commercial opportunities.

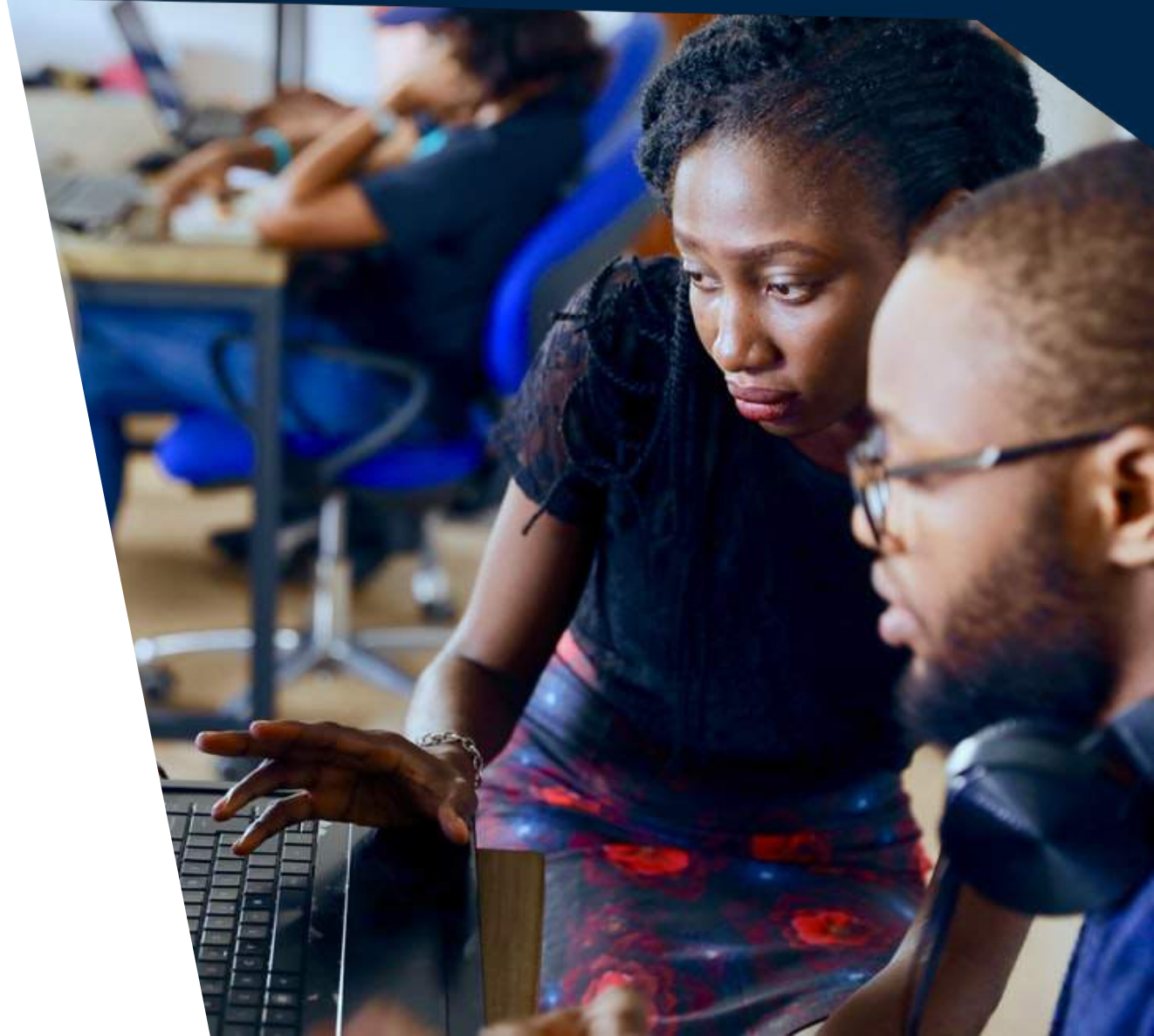
KEY ACTION - Establish the UK's first city-region Clean Growth Mission. To ensure GM achieves the 2038 target and a green recovery from C-19, mission projects will continue to be prioritised. A review of the Mission Based Approach model will be undertaken to learn lessons from year 1.



People

2040 AMBITION - A skills and work system that enables people to realise their potential, supports emerging industries and is responsive to employers.

KEY ACTION - Government and GM have been working in partnership to explore opportunities to connect national and local post-16 skills and work policies in GM. In 2021 the partnership will look apply its recommendations in policy development and delivery.



Infrastructure

2040 AMBITION - A coordinated infrastructure system, better commuting and connections north-south and across the Northern Powerhouse.

KEY ACTION - To build the integrated 21st century infrastructure GM needs, GM will develop a comprehensive city-region infrastructure plan that: meets both local and national priorities. The Principles of the GM 'multi year' Single Infrastructure Programme have been agreed with government, and 2021 will focus on identified allocating identified funding pots in line with a Place Based Investment approach.



Ideas

2040 AMBITION – GM meeting Government’s target for 2.4 per cent of GDP being invested in R&D by 2027, and 3 per cent by 2040.

KEY ACTION - Maximizing the impact of existing innovation assets and developing GM’s innovation ecosystem. 2021 will focus on implementation routes for “Innovation GM”, a prospectus for £250m/year devolved R&D funding and a high impact investment pipeline across GM developed for CSR 2020.



Business Environment

2040 AMBITION - Raised productivity and pay across sectors, driven by innovative well-managed businesses which are trading and investing globally.

KEY ACTION - To increase the productivity, innovation and growth of businesses in GM, the new programme of management and leadership support developed with GM's Universities will be implemented (subject to resources).

KEY ACTION - To increase economic resilience and grow good jobs and pay, GM will develop an action plan for the 'Foundational Economy' by Spring 2021.



Place

2040 AMBITION - Prosperous cities, towns and communities across Greater Manchester

KEY ACTION - GM will seek to strengthen economic areas across the city-region based on their unique opportunities and challenges, building on the diversity of people and places. Each part of GM and each industry sector will need a different mix of policy interventions to realise their full potential, which could include investment in infrastructure, skills, business support, design and marketing, or specialist incubator spaces and premises

