

Date: 21st September 2022

Subject: Future of GM Local Enterprise Partnership

Report of: Lou Cordwell, Chair of GM Local Enterprise Partnership

PURPOSE OF REPORT:

Following completion of the recent LEP Review, it was announced in the Levelling Up White Paper that LEPs will now be integrated into local democratic institutions.

This report sets out a proposed model for the future of GM LEP and its integration into GMCA.

RECOMMENDATIONS:

The LEP Board is requested to:

- provide feedback and approve the proposed approach

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Equalities Impact, Carbon and Sustainability Assessment:

Greater Manchester's approach represents a unique partnership model of GMCA/LEP leadership through a shared vision for the city region as set out in the Greater Manchester Strategy, GM Local Industrial Strategy and GM Economic Vision

These strategies provide a blueprint for remodelling the city-region's economy including a range of long-term initiatives to help businesses innovate more effectively and become more productive, creating a greener and more resilient Greater Manchester.

This includes a clear commitment to tackle inequalities, embrace diversity and recognise the importance of civil society with actions aiming to encourage diversity in company leadership and workforce and turn Greater Manchester into a living wage city-region.

It also builds on GM's bold target of carbon neutrality by 2038 and will support Greater Manchester in driving the UK as a global leader in low carbon innovation.

1. INTRODUCTION

- 1.1 In March 2022, the LEP received a letter from Minister Neil O'Brien MP (DLUHC) and Minister Paul Scully MP (BEIS) providing an update on the conclusion of the LEP Review and way forward.
- 1.2 The letter set out that LEPs will now be integrated into local democratic institutions following the policy announcement made in the Levelling Up White Paper along with the process by which this will be achieved.
- 1.3 Greater Manchester must now submit an Integration Plan to Government by the end of October setting out how Greater Manchester LEP will be integrated with GMCA and complete the Integration Plan template.
- 1.4 In the meantime, Government have set out a number of key principles:
 - Embed a strong, independent and diverse local business voice into local democratic institutions
 - LEPs, or local democratic institutions where LEP functions have been integrated, should use their convening power to bring together business, education and other local stakeholders to carry out economic planning in partnership with leaders that articulates priorities/sectoral strengths based on strong evidence
 - Government Depts will continue to liaise with LEPs, or respective local democratic institution once LEP functions have been integrated, on: Growth Hubs; International Trade; Local Digital Skills Partnerships; Careers Hubs; Local Skills analysis; monitoring local growth programmes
 - LEP business boards can help broker and support new/deeper devolution deals, where requested by partners, but these do not need to be signed off by LEPs
- 1.5 It is therefore timely to explore and agree the next steps in this evolution of the LEP's role.

2. GM LEP – EXISTING MODEL

- 2.1 The existing Greater Manchester approach is already highly integrated and represents a unique partnership model of GMCA/LEP leadership through a shared vision for the city region as set out in the Greater Manchester Strategy (GMS), GM Local Industrial Strategy and GM Economic Vision. The two bodies operate over the same footprint comprising the ten local authorities that collectively reflect GM's functional economic geography.
- 2.2 The Board is supported by a shared secretariat with GMCA, allowing the LEP access to the comprehensive Greater Manchester evidence base, as well as support to take forwards initiatives to support the delivery of areas identified by the LEP Board as priorities.
- 2.3 For instance, the LEP has most recently supported the Greater Manchester agenda through membership of workstreams focused on realising the goals of

the GMS and GM Economic Vision with LEP Board leads identified to champion and drive delivery of three key agendas:

- Making Greater Manchester the UK's leading green city region
- Tackling inequalities to make Greater Manchester the UK's most diverse and inclusive city region
- Supporting all people in the city region to achieve their full potential

2.4 This has been complemented by the LEP's decision to allocate a private sector lead to each of the ten Local Authority districts to work with local partners in driving the economic recovery across Greater Manchester and ensure it delivers for all parts of the city region.

2.5 This approach allows the LEP to engage with a variety of political and statutory partners at the level of both strategy and delivery including Government departments, GMCA, individual Local Authorities, other LEPs (including through the NP11 group of Northern LEPs), Universities and TfGM.

2.6 The LEP Board contributes, informs and provides supportive challenge to Greater Manchester's strategic work through membership of project teams, partnerships and events.

2.7 Given this level of integration, it is not anticipated that the transition to the new model will present a significant challenge to GM LEP/GMCA and that our approach will be more one of evolution, building on the developments already made to the way the LEP works over the last 12 months. However, there are a number of key points to consider as the role of the LEP evolves into a new model.

3. LEP INTEGRATION PRINCIPLES

3.1 The existing Greater Manchester approach has provided a firm foundation for recent discussions on how we can strengthen this partnership approach.

3.2 As we evolve into a fully integrated model, there is an opportunity to take this further and put in place new arrangements that will ensure we can be as ambitious as possible, maintaining a strong business voice at the heart of Greater Manchester and maximising economic growth across the city region

3.3 It is proposed that the approach reflects the following key principles that will underpin this transition:

- i. Greater Manchester recognises that an ambitious city region needs an ambitious partnership with business to act as a platform for business collaboration.
- ii. This public-private partnership will be central to driving a successful economy across Greater Manchester, addressing the challenges and opportunities

presented by the dynamic political and economic context to deliver for all parts of the city region.

- iii. The partnership will work on behalf of all the people of Greater Manchester and recognises that different people bring different ideas, knowledge and perspectives. It will reflect the breadth of industrial sectors and business size on the Board as well as represent the diversity of Greater Manchester's people.
- iv. The partnership will need to be proactive, demonstrating ambition, clear leadership and stability, maintaining its autonomy and building confidence and credibility in its activity; it will be a respected voice and influence at local, regional, and national level developing productive relationships with political and strategic decision-makers.
- v. It will use the insight, experience and expertise of the private sector to add value to key GM agendas, setting a clear direction of travel and build productive relationships with partners.
- vi. In order to deliver on this ambition, the evolved Board will agree annually with the GMCA a set of priority activities/actions from the GMS to lead on including both short term issues (e.g. the cost of living crisis and maintaining business confidence) and longer term responsibilities (e.g. driving innovation, stimulating new economic opportunity in priority sectors, private sector investment in skills, good employment to support growth, attracting private investment capital into the city region).
- vii. The Board will have a mandate to oversee implementation of these priority activities/actions and work with GMCA colleagues and others to ensure their delivery, holding colleagues to account as appropriate.
- viii. It will have a remit to support the promotion of Greater Manchester's vision of a greener, fairer, more prosperous city-region to the world and, within GM, raising any issues that are holding back its successful delivery.

4. GM LEP – PROPOSED MODEL

- 4.1 A new model has been developed which reflects these principles and is outlined below:

Role and Remit

- 4.2 As the LEP evolves into a new, integrated business board, it should remain as a private sector led economic partnership.
- 4.3 Its remit should be to shape Greater Manchester thinking on short and long term issues of importance to the business sector and the city region's economic future, and to ensure these are heard and considered at GMCA meetings.

- 4.4 Its role will be to oversee key GMS priorities within a framework to be agreed annually with GMCA that will focus on those areas where the LEP can bring most added value while allowing for agility to respond to emerging issues.
- 4.5 It is proposed that the key work of the LEP is carried out through LEP Board members driving delivery via a number of ‘affiliated’ groups and reported back at the main LEP Board (where there is often not time to do detailed work).
- 4.6 Each of these affiliated groups will bring together officers and partners in areas where GMCA is already allocating considerable resource and will include a LEP Board member with a strong/leading role to drive the deliverables agreed with GMCA.
- 4.7 An initial framework of GMS priorities and actions that the LEP could drive is set out below, for agreement with the GMCA, including the existing affiliated groups through which they will be delivered and the leading LEP Board member.

Priority	LEP Lead Member and Affiliated Group	Deliverable
Innovation	Chris Oglesby Chair of Innovation Greater Manchester	Helping create an innovation ecosystem across the city region which will drive our frontier sectors; support productivity in all parts of the economy via innovation adoption; and generate solutions to societal issues such as achieving net zero
Net Zero	Steve Connor Chair of Bee Net Zero	Ensuring all our businesses are on a journey to Net Zero by making Greater Manchester the easiest place in the UK to become a net zero business
Real Living Wage	Lou Cordwell Chair of the Living Wage City Region Action Group	Supporting businesses in becoming the first city region to pay all employees a real living wage
Economic Resilience	[TBA] Economic Resilience Group	Ensuring issues affecting the resilience of GM’s businesses and economic networks are fully understood and emerging responses are developed and debated
Marketing and International	Mike Blackburn Chair GM International Marketing Advisory Board	Promoting Greater Manchester to our identified global, national and local audiences as a place to visit, invest and do business to boost Greater Manchester’s ambitions.

Business Support	Vanda Murray Chair of Business Support & Finance Advisory Board	Understand and respond to the needs of entrepreneurs and businesses to start, and grow; addressing productivity, inclusivity, and environment sustainability, via the Growth Hub and working in partnerships with public and private sector.
Investment Finance	Miles Rothbury Business Finance Advisory Group	Ensuring that finance needs of businesses and market finance gaps are understood. Improve the signposting of available finance in GM (public and private) to support business start-up and growth as well as attracting new finance solutions to GM.
Addressing Inequalities	Vimla Appadoo GM Good Employment Charter	Working with business to address inequalities and improve wellbeing by raising employment standards across Greater Manchester for all organisations of any size, sector or geography
Skills	Justin Kelly GM Employment and Skills Advisory Panel	Ensuring an integrated employment and skills eco-system that is demand led by employers building Greater Manchester's economic growth through the skills and talent development of its people.

LEP Meetings

4.8 It is proposed that LEP meetings will be held every two months with an agenda that will focus on the following four key elements:

- i. **Short Term Economic Challenges:** Each meeting will commence with a discussion of the current economic landscape informed by key economic intelligence and an analysis of the business environment (e.g. Growth Company/Chamber of Commerce/CBI intelligence, dashboards and surveys) provided by the GMCA Economic Directorate along with a summary of responses were appropriate.

LEP Board members will offer the business view on these issues, adding in further intelligence and reflecting on broader business sentiment. Members will also use their private sector insight and experience to feed into any responses to those issues.

This debate will be led by a LEP member who would sit on the Economic Resilience Group and feedback on its deliberations to the LEP Board and vice versa.

- ii. **Key Deliverables:** LEP Board members will feedback on each of their key deliverables and/or the work of their affiliated groups as highlighted above at every meeting, but with a deeper dive into one topic at each meeting.
- iii. **Long Term Economic Challenges:** In addition to the key deliverables above linked to the GMS it will be important for the LEP to consider the longer term economic changes and challenges that will shape the city region and that the city region will need to prepare for.

Previously this has been considered via the LEP Foresight Group. Going forward it is proposed that a small programme of issues/topics to be explored will be agreed with GMCA at the start of the year and will be reflected in into the work programmes of GMCA teams and resourced accordingly. LEP members (and others) would be involved in considering these issues, and the work debated at LEP meetings as it progresses, with final reports coming to the LEP for discussion. A programme of such work will be agreed with GMCA to commence in April 2023.

- iv. **For Information/Views:** presentation to the LEP on any issues where the LEP's view is sought, as a sounding board for the wider inclusive economic development work ongoing across the City Region.

4.9 This approach reflects the importance of the LEP's independent role in realising the ambitions of the GMS alongside GMCA with their distinct and complementary roles helping to add value to GM as a whole.

4.10 The proposed model will allow the LEP to explore current issues of concern and interest to small and large businesses in GM using the experience, expertise and insight of Board members themselves but also to act as a conduit for business to interface with GMCA in shaping GM policy as part of the LEP's role as a public/private platform.

4.11 It will also enable the LEP to develop its thought leadership by considering topics in depth that reflect the longer terms issues where Greater Manchester will need to be at the forefront in order to maintain its long-term economic future prosperity.

4.12 To support this role and the relevance of the business voice in shaping the consideration of Greater Manchester's work it is proposed that the Chair of the LEP should attend GMCA meetings (see below). The future schedule of LEP Board meetings will be aligned with GMCA meetings to ensure input remains timely.

Performance

4.13 It will be important for the LEP to understand how the city region is performing against its ambitions in the areas of focus it agrees annually with GMCA and the progress being made to achieve its targets.

4.14 This will primarily reflect the KPIs agreed within the GMS itself with a comprehensive performance framework setting out headline progress measures,

targeted indicators and qualitative assessments, as part of the LEP's role in implementing the GMS shared commitments.

- 4.15 Performance against these targets will be regularly reported to the Board to ensure the programme remains on track and that LEP members can help shape and drive delivery.
- 4.16 This will be complemented by a further set of indicators that will monitor the performance of the LEP itself in adding value to GM with the GMCA Research Team to advise on scope of possible measures. These will be developed with GMCA when agreeing the annual areas of focus to measure the LEP impact over the forthcoming year.
- 4.17 Subject to further discussion with GMCA, it is proposed that these indicators will reflect the following principles:
- Clarity on the LEP's key remit in supporting delivery of the GMS priorities as set out in a RACI matrix (Responsible; Accountable; Consulted; Informed) which will be developed.
 - Understanding the different timescales and milestones that will inform the LEP's activity e.g. short term (up to 12 months) and long term (5 years+).

Membership

- 4.18 A key strength of the LEP is its partnership between the private and public sector including Greater Manchester Leaders and a diverse range of businesses. It is therefore proposed that the LEP should keep a number of GM political Leaders on the Board, alongside its private sector membership.
- 4.19 However, over time it may be useful to consider evolving the private sector membership to add broader economic stakeholders, and others relevant to the issues being considered by the LEP, to enhance the voice of business even further. Initially it is proposed that the Chamber of Commerce should be invited to join the LEP.
- 4.20 Once the approach to integration has been agreed, a report will be therefore brought to the LEP/GMCA on the next steps on re-shaping Board membership.

Governance

- 4.21 At present the GMCA constitution simply notes the existence of the LEP. It is therefore proposed that the role of 'a strong, independent and diverse business voice' as highlighted by Government is included in the Constitution as part of the functions of the GMCA. To ensure the LEP/business voice is an integrated part of the Greater Manchester system and heard in the issues being considered by the GMCA, it is also proposed that the GMCA Constitution is amended to:
- Set out the process for appointing the Chair, board members and co-opted members.
 - Give the Chair of the LEP the right to attend and speak at GMCA meetings in a non-voting capacity.

- Set out that the CA and LEP will agree annually the range of short-term issues, key deliverables from the GMS, and longer term economic challenges that the LEP will focus on over the coming 12 months to support GM's sustainable economic growth, and resources available to do this. This framework should demonstrate a degree of agility with the ability for changes to be agreed in year as the economic situation dictates. It is proposed that for the remainder of the 2022/23 financial year the short-term focus is on the Cost of doing business crisis and the key deliverables are as set out in para 4.7. A further agreement would be reached for the 23/24 financial year, including a small number of longer-term economic challenges that the LEP/CA would investigate during that year.

Name

- 4.22 It is proposed that the 'LEP Name' is changed to 'GM Business Board (LEP)' with the 'LEP' element retired over time as the new business board evolves. However, the timing of any such change will need to be considered as part of the agreement of the Integration Plan with Government.

5. GM LEP – PROPOSED MODEL

- 5.1 The proposed approach ensures that Greater Manchester builds on its existing integrated model by maintaining a strong business voice at the heart of Greater Manchester's governance arrangements and placing the views of employers at the highest level through participation of the existing LEP Chair at the GMCA.
- 5.2 This builds on the expectation that business should be embedded in everything related to the economy in Greater Manchester and it should be noted that the LEP, and its successor body, will continue to be one of a variety of ways that the city region engages with the private sector.
- 5.3 In this way, the input of business leaders will continue to be focussed on both immediate concerns of business and the longer term issues that ensure the sustainability of the city region as part of the shared GMS vision to create good lives for all.
- 5.4 This model will be formally taken to the GMCA for agreement at its September meeting prior to updating the GMCA constitution.
- 5.5 It is further proposed that this report is used as the basis of the Integration Plan proforma to be submitted to Government and GMCA Leaders will be asked to provide delegated authority to the GMCA Chief Executive, in conjunction with Economic Portfolio lead and Chair of the LEP, to submit the completed proforma.