

Greater Manchester Combined Authority

Date: 28 October 2022

Subject: Innovation Greater Manchester and Innovation Accelerator Pilot

Report of: Councillor Bev Craig, Portfolio Lead for Economy, Business and International and Tom Stannard; Portfolio Lead Chief Executive for Economy, Business and International

Purpose of Report

To report on progress made in developing Innovation Greater Manchester, the Innovation focused delivery arm of the Greater Manchester Strategy, to deliver the Greater Manchester vision for economic growth, and to agree Governance arrangements for delivery of the Innovation Accelerator pilot being co-designed with Government.

Recommendations:

1. Note progress in developing Innovation Greater Manchester, which is supporting the Greater Manchester Strategy commitment to “Realise the opportunities from our world-class growth and innovation assets”.
2. Delegate to the Chief Executive Officer, GMCA & TfGM and the GMCA Treasurer, in consultation with the GMCA Economy Portfolio Lead and GMCA Economy Portfolio Chief Executive, the decision making and sign-off authority for local selection and oversight of the projects to be funded through the Innovation Accelerator pilot. Decisions will be informed by consultation with the Innovation Greater Manchester Board.
3. To note that the innovation accelerator pilot is expected to have direct positive impacts on equality and inclusion, health, resilience and adaptation, economy, and mobility and connectivity. There will be indirect positive impacts on carbon emissions.

Contact Officers

Simon Nokes, Executive Director of Policy and Strategy

Steven Heales, Head of Science and Innovation Policy

Leila Mottahedeh, Innovation Senior Policy Officer

Equalities Impact, Carbon and Sustainability Assessment

There are no expected negative carbon, equalities or sustainability impacts.

It is expected that projects funded through the innovation accelerator will have a positive impact on carbon emissions by accelerating business-led Research & Development (R&D) in this field.

Funded projects are required to make a positive contribution to equalities - projects are expected to increase the diversity of people and businesses undertaking R&D and innovation, and participating organisations including businesses are expected to commit to exploring joining the Greater Manchester Good Employment Charter and the Living Wage City Region pledge.

Recommendation - Key points for decision-makers

Insert text

Impacts Questionnaire

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

Contribution to achieving the GM Carbon Neutral 2038 target

Net Zero is key to the Innovation Greater Manchester Vision. Projects that will enable R&D interventions to generate the solutions we need to achieve net zero and are fully aligned to GM ambitions to reach Net Zero by 2038 are welcomed.

Further Assessment(s): Equalities Impact Assessment and Carbon Assessment

G	A	R	RR
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.

Carbon Assessment				
Overall Score				
Buildings	Result	Justification/Mitigation		
New Build residential	N/A			
Residential building(s) renovation/maintenance		Unkown Projects linked to R&D Projects linked to R&D Unkown Projects linked to R&D		
New build non-residential (including public) buildings	#####	n/a Projects linked to R&D Projects linked to R&D Projects linked to R&D n/a Projects linked to R&D Projects linked to R&D Projects linked to R&D Projects linked to R&D Projects linked to R&D Projects linked to R&D		
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

Risks are managed through the delivery of the programme. So long as relevant legislation is followed there are not expected to be any major risks to the organisation, delivery or finance of GMCA.

Legal Considerations

GMCA should ensure it follows relevant legislation when any decisions are made in relation to selection of projects for public funding.

Financial Consequences – Revenue

The programme is expected to result in additional revenue and capital funding for innovation projects and assets for external organisations.

There are direct costs to GMCA for delivery of this programme. These are expected to be met through capacity grant funding from Government, via Innovate UK, in addition to utilisation of locally retained business rates.

Financial Consequences – Capital

There are no Financial Capital implications.

Number of attachments to the report

Greater Manchester's Innovation Accelerator Plan – Executive Summary

Comments/recommendations from Overview & Scrutiny Committee

Background Papers

Levelling Up White Paper – Mission 2: R&D investment

Innovation Accelerator Pilot – Innovate UK Guidance documents

Greater Manchester's Innovation Accelerator Plan – Executive Summary

Greater Manchester Local Industrial Strategy

Tracking/ Process

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

No

Exemption from call in

N/A

GM Transport Committee

N/A

Overview and Scrutiny Committee

23 November 2022

1. Introduction/Background

- 1.1. Innovation Greater Manchester is a triple-helix partnership of businesses, civic leaders, and universities with a goal to raise Research & Development (R&D) and innovation across the whole conurbation. Plans, projects and associated investments are being coordinated in line the Growth Locations approach. This is expected to raise productivity, job creation, and accelerate development and adoption of technologies, to meet GMS priorities relating to inclusive economic growth, net zero and reducing health inequalities.
- 1.2. Through the Levelling Up Whitepaper, Greater Manchester is one of three city regions of the UK selected for an innovation accelerator pilot, including a share of £100m, expected to be around £33m, of ring-fenced business-led R&D funds for local projects. The pilot is to support Levelling Up White Paper Mission 2 on rebalancing Research & Development (R&D) investment into the regions.

2. Innovation Greater Manchester

Context

- 2.1. Following the COVID-19 crisis the Greater Manchester Local Enterprise Partnership came together to develop plans to drive an economic recovery. The future economic vision set out a bold plan to build a greener, fairer, and more prosperous Greater Manchester and in turn a Greater Britain. Building on our frontier sector strengths in advanced materials, green growth, health innovation and digital and creative, Greater Manchester is now poised to lead UK economic recovery with a plan for innovation, green growth and addressing inequalities.
- 2.2. One key way this vision is being delivered is through Innovation Greater Manchester. This is a public-private partnership that is working to a plan to deliver a globally significant innovation ecosystem, to drive innovation-led economic growth across the city-region. It also aims to generate the solutions to meet societal challenges including transition to net zero and reducing health inequalities.
- 2.3 This plan was submitted to Spending Review 2020 and Spending Review 2021 and informed the Levelling Up Whitepaper's response through innovation accelerator pilots.

Innovation Greater Manchester objectives to 2030

2.4 The goal of Innovation Greater Manchester is to increase productivity, jobs and wages across the whole of Greater Manchester through increased levels of business-led R&D and innovation. The following objectives to 2030 are set out in order to achieve this goal:

- Dynamic and connected R&D intensive business clusters centred on our frontier sectors will fuel productivity growth and prosperity across the North
- The city-region's landscape of R&D intensive businesses will be enhanced by the growth of existing businesses, formation and scaling up of start-ups, and inward investment by firms at the international technology frontier
- Business R&D investment will be up by £500m per year
- The city-region's excellent scientific capabilities will be further strengthened and integrated into an ecosystem that will deliver inclusive growth. Public sector R&D investment will be up by £250m per year
- The ecosystem will have a robust and diverse skills and talent pipeline, easy access to finance for innovators, and deep business networks that fuel enterprise and entrepreneurship
- The innovation ecosystem will connect with partner cities and regions across the UK and internationally and will be a driving force of the UK as an Innovation Nation
- The growth of the innovation ecosystem will deliver measurable impacts on all Levelling Up Missions, reflecting more productive and R&D intensive firms, increased skills, higher quality jobs and reductions in health inequalities in all parts of the city-region
- GVA will be up by 5%, compared to business as usual, a prize worth £3.8bn

Innovation Greater Manchester Board

2.5 An initial Innovation Greater Manchester Board has been stood up to steer the delivery of this goal and associated objectives. This involves representation from the Local Enterprise Partnership and their networks, GMCA chief executives, and university leaders

2.6 Initial membership includes:

- Chris Oglesby, Interim Chair of Innovation Greater Manchester, GM LEP member, and CEO of Bruntwood
- Eamonn Boylan, Chief Executive, Greater Manchester Combined Authority

- Joanne Roney, Chief Executive, Manchester City Council
- Tom Stannard, Chief Executive, Salford City Council
- Juergen Maier, Chair Digital Catapult, Vice-Chair Northern Powerhouse Partnership
- Lou Cordwell, Chair, Greater Manchester Local Enterprise Partnership and CEO for Magnetic North
- Victoria Knight, Strategic Business Director, BAE Systems Digital Intelligence
- Peter Emery, former CEO of Electricity North West Ltd and Chair of the Greater Manchester Energy Innovation Agency
- Professor Dame Nancy Rothwell, President and Vice-Chancellor, University of Manchester
- Professor Malcolm Press, Vice Chancellor, Manchester Metropolitan University
- Professor Helen Marshall, Vice Chancellor, University of Salford
- Professor Richard Jones, Vice-President for Innovation and Civic Engagement, University of Manchester

2.7 It is a requirement of the Innovation Accelerator pilot (see below) for a local partnership to be convened to steer the development of a plan and local selection decisions for projects to be funded, and through co-design with Government officials. The Innovation Greater Manchester Board acts as this local partnership. A Business, Energy and Industrial Strategy (BEIS) and/or UK Research and Innovation (UKRI) Director has been invited to join the board to strengthen linkages into Government.

3. Innovation Accelerator pilot

3.1. The Levelling Up Whitepaper announced that Greater Manchester was one of three innovation accelerator pilots, backed by up to £100m of research funding, to be split across, Glasgow, West Midlands and Greater Manchester, with projects to be locally nominated for Government consideration and submitted by 02 November 2022. The pilots are to last three years (having started in April 2022) and as well as drawing down a share of this funding, will benefit from bespoke support from the UK Government officials that will be led by BEIS in partnership with other departments.

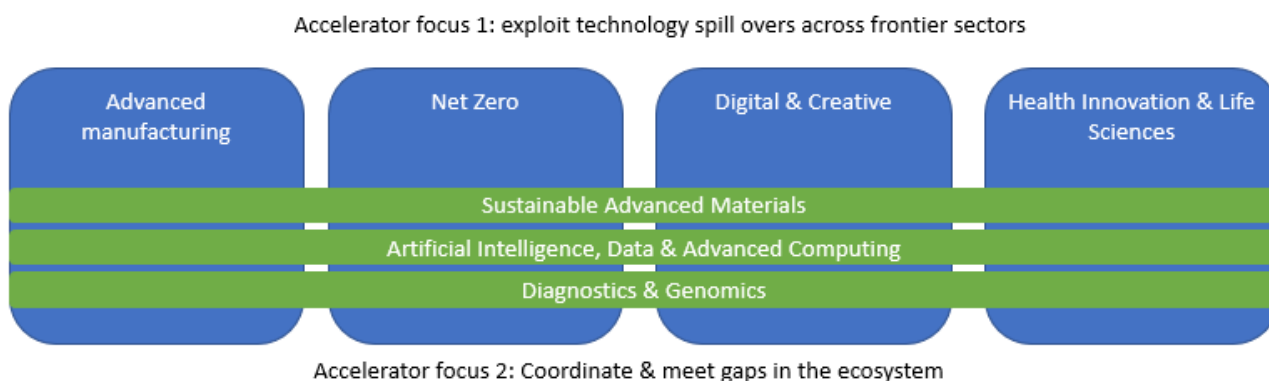
3.2. As outlined above, Innovation Greater Manchester is a bigger, longer-term vision and partnership for the city-region to 2030 with the innovation accelerator pilot acting as an initial catalytic set of activities to get this going. The relationship between Innovation Greater Manchester and the Innovation Accelerator pilot is set out below:

Summary		Timeline
Innovation Greater Manchester	<p>A central vision and strategy to 2030 to drive innovation-led economic growth across the whole conurbation.</p> <p>Innovation Greater Manchester is the longer-term public-private partnership to develop and steer an innovation plan (as opposed to a specific fund or project) and create alignment with a wide range of funding and policy programmes across Greater Manchester and nationally.</p>	To 2030
Innovation Accelerator pilot	<p>A three-year pilot programme with Government to catalyse innovation ecosystems.</p> <p>There are two mutually supportive elements to the innovation accelerator pilot:</p> <p>A bid for a share of £100m (to be shared across three areas of which Greater Manchester is one)</p> <p>New flexibilities and special arrangements with wider parts of Government that maximise the impact of R&D and innovation investments (existing and new) in Greater Manchester</p> <p>Innovation Greater Manchester is the designated local partnership to develop and deliver the Innovation Accelerator pilot.</p>	To 2025 initially

3.3. Innovation Greater Manchester is steering the Greater Manchester pilot and maintains close links to GMCA and the Greater Manchester Local Enterprise Partnership. Any key decisions relating to major public funding is steered through GMCA governance. As part of the Innovation Accelerator pilot, Government requires an Innovation Accelerator Plan to be developed with local businesses and universities and that will set the scope and ways of working to assess and take final decisions on which projects are to be funded. Innovation Greater Manchester has steered the development of a plan that proposes to drive innovation that potentially leads to to commercialisation of key technologies across the four Greater Manchester frontier sectors, and in a way that drives innovation-led economic growth across the whole conurbation. The plan is based on an evidence base including consultation with businesses and business representative organisations, survey data on business barriers to innovation, as well as input from local innovation focused bodies. The plan also benefits from advice from wider Government departments.

3.4. The Innovation Accelerator pilot requires areas to identify innovation clusters to focus investment around Greater Manchester has strengths within all seven technology families as set out on page 85 of the [UK Innovation Strategy](#), but in order to create a cluster focus for the innovation accelerator pilot, Innovation Greater Manchester has identified three priority areas that unify our asset base, connect to local and regional business strengths, go with the grain of inward investment trends and forecasts, and align to very significant global markets. See ‘Cluster focus’ visual below:

Cluster focus



- 3.5. The Innovation Accelerator is a unique opportunity for local and national government and innovation agencies to work with business to co-design, deploy, and evaluate new approaches to place-based innovation. Enabling more private sector businesses to investment more in research, development and innovation is one of the critical deliverables of the innovation accelerator. The expectation is that at least 1:1 co-investment from businesses is identified at the outset of project submissions, leading to 2:1 co-investment from businesses over the longer-term. There are also requirements to achieve high quality job creation and productivity improvements within businesses involved.
- 3.6. Activity on the pilot was required to begin from April 2022. To date a Plan has been co-developed with Government officials, as well as an open call for project proposals. Innovation Greater Manchester generated over 60 projects which were then shortlisted and through support over late summer projects have merged to avoid duplication or identified this funding isn't a good fit for them.
- 3.7. It is now expected that 24 projects will submit a bid by 02 November 2022 to Innovate UK for assurance.
- 3.8. Following this assurance process, local areas are expected to be notified of which projects have passed by December 2022. Local areas are then invited to take final decisions on which projects will be funded, referred to as a portfolio selection exercise. This will be led by local areas with support of Innovate UK.
- 3.9. Projects are expected to be notified of outcomes in early 2023, with funding released to begin delivery in from 1st April 2023.

3.10. Due to the -pre-set timelines by Government and the need to reach timely decisions for successful projects in order for them to complete due-diligence and ensure Greater Manchester has the best opportunity to draw down its fair share of available funds before end of March 2023, it is recommended that delegated decision making is agreed for the portfolio selection decision of the innovation accelerator. It is recommended that the final portfolio selection decision is delegated to the GMCA Chief Executive and Treasurer in consultation with the GMCA Economy Portfolio Lead and GMCA Economy Portfolio Chief Executive. Decisions will be informed by consultation with the Innovation Greater Manchester Board as the identified local partnership.

3.11. The timeline of key milestones for the innovation accelerator pilot is set out in the table below.

Funders:	Innovate UK	1 June 2022 Call for ideas open
Funding Type:	Grant	30 June 2022 Call for Ideas closing date
Total Fund:	£100,000,000	1 August 2022 Decisions communicated. Successful applicants invited to work up their Ideas further
GM Portfolio expected allocation:	£33,000,000	12 September 2022 Point in time submissions to IGM board for update
GM portfolio to be put forward:	All current projects that wish to submit.	September & October 2022 Ongoing review and support of projects and proposals
Project Award Range:	£500,000 - £15,000,000	03 October 2022 Innovate UK Workshop on their application process
Opening Date:	1 June 2022	02 November 2022 – Projects submit to Innovate UK for national assessment
Closing Date:	02 November 2022	January 2023 Locally-led portfolio selection with support from Innovate UK
		April 2023 Start of delivery period
		April 2025 End of funding period

4. Recommendations

4.1 Recommendations are laid out at the start of the report.