

# Economy, Business Growth & Skills Overview & Scrutiny Committee



**Date: 8<sup>th</sup> November 2019**

**Subject: GM Local Enterprise Partnership**

**Report of: Simon Nokes, Executive Director Policy and Strategy  
on behalf of Mike Blackburn, Chair of Greater Manchester LEP**

## **PURPOSE OF REPORT**

This report provides an update on the work of Greater Manchester Local Enterprise Partnership in overseeing delivery of the Local Industrial Strategy and progress on innovation initiatives.

**NB:** Mike Blackburn, Chair of Greater Manchester LEP will attend the Committee meeting

## **RECOMMENDATIONS**

That Members note the report and provide any feedback

## **CONTACT OFFICERS**

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## **1. INTRODUCTION**

- 1.1 The Greater Manchester Local Enterprise Partnership (GM LEP) is a private-sector led, voluntary partnership sitting at the heart of the city region's governance arrangements, ensuring that business leaders are empowered to set the strategic course, determine local economic priorities and drive growth and job creation within the city region.
- 1.2 It works alongside and in partnership with the Greater Manchester Combined Authority (GMCA), offering leadership, insight, guidance and constructive challenge as we take forward our strategic ambitions.
- 1.3 There is no equivalent comprehensive partnership model to be found anywhere in the country. Both bodies were designed to have a shared strategic vision and complementary roles from the outset, as set out in the original proposal to government.
- 1.4 GM's unique partnership model of GMCA/LEP leadership through a shared vision for the city region is underpinned by joint ownership of 'Our People, Our Place' which represents a long term blueprint for the future of all the people of Greater Manchester.
- 1.5 Together, GM LEP and the GMCA provide a robust set of decision-making and governance structures in delivering our shared vision for Greater Manchester to be one of the best places in the world to grow up, get on and grow old.
- 1.6 The GMCA and the GM LEP's strategic agenda also provided the platform for the powers and responsibilities which were negotiated through the series of groundbreaking GM Devolution Agreements, placing Greater Manchester at the forefront of the national debate on devolution.

## **2. ROLE AND GOVERNANCE**

- 2.1 The core function of the LEP is to provide strategic leadership (alongside the GMCA) to deliver the region's strategic ambitions.
- 2.2 The Board is supported by a shared secretariat with GMCA, allowing the LEP access to the comprehensive GM 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 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, universities and TfGM.
- 2.4 The LEP Board contributes, informs and provides supportive challenge to Greater Manchester's strategic work through membership of project teams, partnerships and events. These projects represent key partnerships between the LEP and the public, private and voluntary sectors.

### *LEP Membership*

- 2.5 The LEP consists of 15 Board members; 11 private sector members and 4 GMCA members (which includes the Mayor and Deputy Mayor for Business and the Economy alongside two GMCA representatives). The Board is also supported by two ex-officio members who provide additional insight and expertise but do not have voting rights.

- 2.6 Private sector members of the GM LEP are appointed (as laid out in its terms of reference) via an open and transparent recruitment process, overseen by the Chair of the GM LEP and representatives of the GMCA.
- 2.7 Private sector terms of office are for two years and then reviewed. The most recent review of private sector members was concluded earlier this year. The current Chair's term of office will come to an end in March 2020 and a recruitment exercise has been launched to identify a successor.
- 2.8 It should be noted that all LEP Board roles are non-remunerated and no LEP member, Chair or Deputy Chair receives a salary for their participation on the LEP Board.
- 2.9 The Board is chaired by a private sector member with the current membership set out below.

	<b>Member</b>	<b>Business/Role</b>
<b>Private Sector Member (2019-21)</b>	Mike Blackburn	Consultant (Chair)
	David Birch	Consultant
	Lou Cordwell	Magnetic North (Deputy Chair and SME Representative)
	Juergen Maier	Siemens Plc
	Dame Nancy Rothwell	University of Manchester
	Richard Topliss	RBS & Manchester Growth Company Chair
	Lorna Fitzsimons	The Alliance Project
	Fiona Gibson	Octagon Theatre
	Chris Oglesby	Bruntwood Plc
	Mo Isap	IN4.0 Plc
	Amanda Halford	GE Healthcare Life Sciences

	<b>Member</b>	<b>Business/Role</b>
<b>GMCA Representative (2019-20)</b>	Andy Burnham	GM Mayor
	Cllr Sir Richard Leese	GM Deputy Mayor
	Cllr Elise Wilson	Leader of Stockport MBC
	Cllr Brenda Warrington	Leader of Tameside MBC

	<b>Member</b>	<b>Business/Role</b>
<b>Ex-Officio Member</b>	Iwan Griffiths	PWC
	Vanda Murray	Non-Executive Director (Diversity Champion)

*LEP Delivery*

- 2.10 The LEP Board contributes, informs and provides supportive challenge to Greater Manchester's strategic work through membership of project teams, partnerships and events.
- 2.11 These projects represent key partnerships between the LEP and the public, private and voluntary sectors with the LEP playing a significant in the development of a number of key initiatives including:
- The **Internationalisation Strategy** was formally launched in 2017. It sets out Greater Manchester's approach to international markets across trade, investment, tourism, events, higher education and research to 2020. The LEP is currently leading a review of this Strategy.
  - The GMCA and GM LEP have developed a **Digital Strategy** with a vision for establishing GM as the UK's number one digital city using the power of technology to connect people, businesses and communities
  - **Transport 2040**, a long-term transport strategy for Greater Manchester has been developed in partnership with GMCA and TfGM to drive the delivery of world class connections that will support long term sustainable economic growth and access to opportunities for all;
  - Working with GMCA, the GM LEP secured around £500m of **Growth Deal** investment between 2015 and 2021 to support people learning new skills, help to create 6,250 jobs and generate up to £210 million in public and private investment.
  - Supporting the development of the digital **Manchester Channel** to build international recognition for Manchester's key world class areas of excellence and showcase Manchester as an innovative, diverse and international city.
  - Supporting MIDAS to drive inward investment through bespoke programmes targeting key markets such as **India and China** as part of the Internationalisation Strategy.
  - GM LEP has supported the **Business Growth Hub** from its inception ensuring local businesses have the right support at the right time to help them succeed.
  - GM LEP led a partnership of organisations across Greater Manchester to secure the **City Verve** project. The £10m project will help embed smart technology and the Internet of Things in the Corridor Manchester.
- 2.12 Beyond delivery within Greater Manchester, the LEP works in partnership at sub-regional, regional and national level for the benefit of the city region. In particular, GM LEP is an active member of the national LEP Network and is committed to further partnership working across the Network in future. GM LEP is also a founder member of NP11, bringing together the 11 Northern LEPs to tackle boost productivity, overcome regional disparities in economic growth and tackle the historic north-south divide.
- 2.13 The LEP has recently developed an Annual Delivery Plan which will set out the actions (drawn from the GMS and the GM Local Industrial Strategy) which have been identified

as LEP Board priorities. An end of year report will be produced which will reflect progress made against these priorities represented by the relevant outcomes as set out in the GMS Performance Dashboard.

### **3. LOCAL INDUSTRIAL STRATEGY AND INNOVATION**

3.1 Greater Manchester has been one of three designated trailblazer areas working in collaboration with Government to develop a Local Industrial Strategy (LIS). The LEP has taken a lead role in partnership with GMCA in developing the LIS which was jointly launched with Government on 13<sup>th</sup> June 2019.

3.2 The strategy outlines a set of long-term policy priorities to help guide industrial development and provides a joint plan with Government for good jobs and growth across the city region. It is based on the robust evidence provided by the 2019 Independent Prosperity Review, and the 2016 Science and Innovation Audit.

3.3 The importance of innovation is strongly reflected with the LIS which highlights a number of interventions that will support the growth of GM's economy and boost productivity including:

- Continuing to drive science investment in to the areas of health innovation, advanced materials, digital, creative & media, and clean growth.
- Accelerating the commercialisation of science within these areas, and facilitating ways for cross-overs between technologies and industries to be harnessed. Initial priorities include:
  - Developing an Innovation Partnership on Healthy Ageing to respond to the needs of an ageing population;
  - Establishing the GM Graphene, Advanced Materials and Manufacturing Alliance to capitalise on GM's strengths in advance materials;
  - Launching an International Creative and Digital Showcase to highlight the best of GM's digital and creative industries to a global audience;
  - Furthering the Clean Growth Mission to achieve carbon neutral living in GM by 2038;
  - Post-16 Skills, Education and Work Partnership with a focus on digital skills and talent to underpin future digital and media growth.
- Driving increased private sector investment in to R&D and increased take-up of national innovation funding, to support the achievement of the national target for UK spend on R&D to reach 2.4% of GDP by 2027
- Working with partners to improve Leadership and Management skills

3.4 There are four GM LIS actions that directly relate to innovation, whilst it will contribute or support the delivery of many others. The Greater Manchester Innovation Advisory Board is supporting leads for each area to ensure plans are highly innovative and that cross-cutting opportunities are identified and harnessed. The Innovation Advisory Board is committed to driving increased investment into research and development, and increasing the take-up of national innovation funding in Greater Manchester.

### **4. PROGRESS IN SECURING INVESTMENT IN GREATER MANCHESTER'S SCIENCE AND INNOVATION ASSETS**

4.1 This Scrutiny Committee last received an innovation update report in April 2019. Since that time, there has seen significant progress in securing investment in the city region's science and innovation assets as set out below:

#### *Local Science Asset Investments*

- 4.2 The universities of Salford, Manchester, Manchester Metropolitan, and Lancaster have secured £6m to establish the GM Cyber Foundry, supporting 600 local businesses to develop new digital and online security capabilities.<sup>1</sup>
- 4.3 The University of Manchester, in partnership with Manchester University NHS Foundation Trust, Health Innovation Manchester, and Manchester Science Partnerships, received £5m from Local Growth Fund, in addition to £20.6m already committed from other funds, in order to establish the Pankhurst Institute. A direct recommendation of the Science and Innovation Audit, the Pankhurst Institute will exploit GM's strengths in advanced materials, digital technology and precision medicine to drive health benefit and business growth.
- 4.4 Transport for Greater Manchester (TfGM) submitted a successful initial application to the Future Mobility Zone fund, which aims to demonstrate and scale technology enabled products, services and systems that improve urban transport. GM was one of seven areas that was invited and since submitted a final-stage an application. The outcome will be known by the end of 2020
- 4.5 A European Regional Development Fund (ERDF) Call for Greater Manchester closed on 7 June 2019. Up to £25m was available for organisations in order to accelerate the commercialisation of GM's science and innovation assets, and with a particular focus on health innovation. Applicants were required to demonstrate how they would build on the scientific excellence in GM's higher education institutions and that they had private sector partner involvement and investment. Eight organisations have since been invited to submit a full application by 15<sup>th</sup> November 2019. The outcome of full applications will be known by the end of 2020.<sup>[1]</sup> Of the £25m ERDF available for innovation projects, £2.3m was unallocated and so a second ERDF Call for this amount closed on 30 September 2019. Applications are currently being appraised by the UK Government Ministry of Housing, Communities and Local Government.<sup>[2]</sup>

#### *National Science Asset Investments*

- 4.6 £5m has been awarded to the University of Manchester to lead UK research in to healthy ageing and the development of frailty in older age. It is one of 15 funded UK Applied Research Collaborations that join up some of the country's best universities, leading innovators and local authorities to solve some of the biggest issues facing health and social care over the next five years.<sup>2</sup>
- 4.7 The International Alliance for Cancer Early Detection, including the University of Manchester, has received £40m from Cancer Research UK to pioneer early diagnosis methods such as community screening programmes in deprived communities.<sup>3</sup>
- 4.8 The University of Manchester has launched the first known applied study in to the impact of air quality on educational attainment, involving 20 schools and 6,000 students across

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<sup>1</sup> <https://www2.mmu.ac.uk/business-school/business/sme-support/cyberfoundry/>

<sup>[1]</sup> <https://www.gov.uk/european-structural-investment-funds/research-and-innovation-call-in-greater-manchester-oc15r19p-0903>

<sup>[2]</sup> <https://www.gov.uk/european-structural-investment-funds/research-and-innovation-call-in-greater-manchester-oc15r19p-1038>

<sup>2</sup> <https://www.nihr.ac.uk/news/new-nihr-applied-research-collaborations-to-tackle-the-biggest-challenges-faced-by-the-health-and-care-system/21373>

<sup>3</sup> <https://www.manchester.ac.uk/discover/news/multimillion-pound-boost-for-manchester-scientists-to-detect-cancer-earlier/>

Greater Manchester.<sup>4</sup> This builds on related research in to air quality led by the University of Manchester, where £2m was also recently invested in real-time air quality monitoring in urban environments from the UKRI Clean Air Strategic Priorities Fund.<sup>5</sup>

- 4.9 The University of Salford has partnered with Morson Group, the third largest engineering recruitment company in the world, to launch two new facilities featuring the latest industry standard manufacturing technologies. The Morson Room provides industrial grade machinery for R&D, whilst the Print Hive features 3D printing machine. Both spaces have a strong emphasis on ensuring teaching aligns with the latest skills needs of industry.<sup>6</sup>
- 4.10 The University of Manchester has launched an international competition to find an investment partner for ID Manchester, the city centre North Campus site based around Sackfield Street in the city of Manchester. A formal tender notice was published on 12<sup>th</sup> September 2019 seek prospective joint venture partners. It is anticipated that a partner announcement will be made in autumn 2020. The site will include 240,000 square metres of new work space and a further three acres of high quality public realm. The planned £1.5bn redevelopment has the potential to create over 6,000 high value jobs and will provide research facilities for advanced materials and health sciences.

#### *Strength in Places*

- 4.11 The Strength in Places Fund (SiPF) is a national competition that takes a place-based approach to research and innovation funding, aiming to build on existing capabilities in order to grow local economies. The fund is focused primarily on the basis of specific 'economic geographies', and on the distinctive technology supply chain or sector to be driven in that locality. Consortia must include businesses and research organisations, with strong support from local leaders.
- 4.12 Round Two of the fund closed in 9 October 2019 and GMCA provided the following letters of support:
- Creative and Digital Growth – Manchester Metropolitan University, University of Salford, University of Manchester, and Royal Northern College of Music
  - Smart Health Diagnostics – University of Manchester, MSP, Health Innovation Manchester, Medicines Discovery Catapult, Qiagen
  - Advanced Machinery - Rochdale Development Agency, National Physics Laboratory, University of Huddersfield
- 4.13 The outcome of these applications will be known by Spring 2020.

## **5. OVERVIEW OF SIGNIFICANT INNOVATION AND SCIENCE COMMERCIALISATION INVESTMENTS ACROSS GREATER MANCHESTER**

- 5.1 Since the publication of the Science and Innovation Audit, significant progress has been made in securing investment to put the findings in to practice. These include:
- 5.2 **Greater Manchester Business Growth Innovation Services:** A £6m investment (including £3m from ERDF) is funding the GC Business Growth Hub (delivered by the Growth Company) to support local businesses to develop new products and services

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<sup>4</sup> <https://www.manchester.ac.uk/discover/news/first-of-its-kind-clean-air-for-schools-programme-launched-in-greater-manchester/>

<sup>5</sup> 2m-invested-in-tackling-air-pollution-in-greater-manchester

<sup>6</sup> <https://www.salford.ac.uk/news/articles/2018/welcome-to-make-in-salford-a-new-additive-and-digital-manufacturing-hub>

and make accessing knowledge and investment for commercial research and innovation simpler. The Innovation Service includes close collaboration with four Greater Manchester universities as well as other local science and innovation centres, in order to deliver a seamless service aimed at increasing investment in Innovation. 580 businesses are on target to be supported through this programme, to 2021.

- 5.3 **Graphene City:** The University of Manchester leads on graphene city, an ambitious vision that aims to create a thriving knowledge-based economy around 2D materials. To date at least £365m has been invested across three complementary institutes that have resulted in more than 300 researchers and businesses working on the commercialisation of graphene within Greater Manchester.
- 5.4 **Graphene Innovation Engineering Centre:** The most recent investment was the £60m Graphene Engineering Innovation Centre (GEIC), which is leading rapid development and scale up of graphene and other 2D materials applications. The GEIC formally launched in December 2018 and focuses on six application areas relating to composites, energy, membranes, inks and coatings, graphene production, and measurements and characterisation. The GEIC is part-funded through ERDF which enables engagement with 100 local enterprises to 2021.
- 5.5 **Bridging the Gap:** This ERDF funded project led by the Graphene@Manchester team at the University of Manchester is focussed on supporting Greater Manchester businesses to work with the GEIC to innovate using graphene and 2D materials technology. This project will engage with 100 SMEs in Greater Manchester.
- 5.6 **Additive Manufacturing:** The UK is a world leader in additive manufacturing capability and is at the forefront of developing technology and commercial use cases. Manchester Metropolitan University's Print City is a leading regional 3D printing and digital manufacturing centre. Recognising its high potential for growth, Manchester Metropolitan University has directly invested funding to provide facilities that enable SMEs to undertake small scale production and build mould making capability.
- 5.7 **Made Smarter:** The national Industrial Digitisation Review identified potential for up to 3% annual growth in the manufacturing sector through adoption of industry 4.0 applications across the UK manufacturing base. The review found that small and medium firms remain particularly reluctant to adopt new technologies, citing concerns of cybersecurity and a lack of common standards.
- 5.8 In response, Made Smarter was launched in November 2018. The 30 month £20m North West pilot, led by the Growth Company and regional business growth hubs, is supporting local enterprises to adopt industrial technology and management practices in order to boost productivity. It will enable engagement with 3,000 SMEs and aims to increase GVA by £115m.
- 5.9 **Energy House Two:** The University of Salford's Energy House is the only full-scale building in an environmental chamber in Europe, and the only full-scale test facility in a controlled environment in the world. In response to high demand from industry to access this facility, £16m funding has been secured, of which 8.2m is ERDF for Energy House Two. A larger two chamber facility with a higher degree of sensor sophistication and the ability to replicate more environmental conditions enables engagement with 100 local enterprises to 2020. Importantly, the increased scale and sophistication of the facility offers opportunities for further engagement with international firms recognising the excellence at the University of Salford.

- 5.10 **Fuel Cells:** Hydrogen is the most abundant element on Earth and hydrogen fuel cells are the rapidly advancing technology set to revolutionise commercial and domestic energy. The Hydrogen Fuel Cell Innovation Centre at Manchester Metropolitan University enables rapid prototyping for hydrogen-related fuel cell technology. £3.9m funding has been secured through ERDF to enable engagement with 50 local enterprises to 2020 to increase innovation and the adoption of this new technology.
- 5.11 **Digital Arts:** Greater Manchester has the largest digital sector outside London, employing 40,000 people in approximately 6,000 businesses and creating £2.7bn GVA in 2016. In order to drive further growth, Manchester Metropolitan University alongside GMCA have invested in the new £35m Manchester School of Digital Arts (SODA). This new school on the Oxford Road Corridor will bring together disciplines from multiple faculties to create the digital designers, producers and content makers of the future, as well as offering a wide range of training for employees across Greater Manchester and beyond. The nationally significant School of Digital Arts (SODA) opens in 2021 and will address the skills and R&D needs of digital and creative industries.
- 5.12 **Cyber Security:** Greater Manchester is growing as a centre for digital excellence, as evidenced by the opening of a Government Communications Agency site (GCHQ) in 2019. The Cyber Foundry, a partnership between the University of Manchester, Manchester Metropolitan University, the University of Salford and Lancaster University has secured £3.2m of ERDF to deliver a programme of cyber innovation support and growth for SMEs in Greater Manchester. The CyberFoundry will support 45 GM businesses into university collaboration and provide support to 50 local enterprises to 2021.
- 5.13 Work is underway on the fit out for the Greater Manchester Cyber Innovation Centre, a £10m project being created to facilitate the growth of cyber security businesses in the region in the light of GCHQ's investment. The Centre will be the cyber embassy for Greater Manchester and the wider region, providing collaborative space in which companies, universities and government can share best practice to tackle cyber threats. This approach is influenced by the models already in operation in Cyber London (CYLON) and Mach37 in the USA.
- 5.14 **Precision Medicine:** The GMCA has provided a £3m loan facility, alongside a £21m investment from Manchester City Council, in support of the creation of a world-leading precision medicine campus in the Corridor Manchester Enterprise Zone. The joint project with global diagnostics firm QIAGEN, is forecast to create and support up to 1,500 jobs and add £140m to GM's economy over a decade.
- 5.15 Progress on QIAGEN's consolidation into Manchester, and the establishment of the new Biomarker business is proceeding in line with expectations. Qiagen will occupy all of the Citylabs 2.0 building which is due for completion in March 2021. The 96000 sq ft building will house Qiagen's European Precision Medicine R&D hub. APIS is now fully operational and is meeting all milestones in terms of business development and job numbers. The workforce comprises highly skilled scientific and technical roles, with support posts located in locally based finance, legal, and business services companies. As a result, APIS is well integrated with city stakeholders. Early biomarker projects include a collaboration with Cancer Research UK.

## 6. RECOMMENDATIONS

- 6.1 Recommendations appear at the front of this report

