

Date: 28th June 2019

Subject: Greater Manchester Local Industrial Strategy

Report of: Sir Richard Leese, Deputy Mayor for Business/Economy

PURPOSE OF REPORT

To update members on the launch of the Greater Manchester Local Industrial Strategy and the next steps that will be taken to ensure that it is effectively implemented by local and national government.

RECOMMENDATIONS:

Members are asked to:

- Note that the GM Local Industrial Strategy has now been agreed with Government and published on the Government, GMCA, and GM LEP websites.
- Note that discussions are now underway with Government to agree the process to ensure effective implementation and agree that an update should be brought to a future GMCA meeting setting out implementation plans in full.
- Note that work continues across Greater Manchester to ensure there is a coordinated response to all the recommendations from the Independent Prosperity Review, particularly around the development of the GM response to the forthcoming Spending Review.

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Risk Management – n/a

Legal Considerations – n/a

Financial Consequences – Revenue – para 3.2

Financial Consequences – Capital – para 3.2

Number of attachments included in the report: 1 (the Greater Manchester Local Industrial Strategy)

BACKGROUND PAPERS

- Greater Manchester Independent Prosperity Review. Available here: <https://www.greatermanchester-ca.gov.uk/what-we-do/economy/greater-manchester-independent-prosperity-review/>
- Greater Manchester Local Industrial Strategy: Final Strategy. Available here: <https://www.gov.uk/government/publications/greater-manchester-local-industrial-strategy>
- Greater Manchester Local Industrial Strategy: Progress Statement. Available here: <https://www.gov.uk/government/publications/local-industrial-strategy-greater-manchester-progress-statement>
- Update to the Greater Manchester Combined Authority on the Greater Manchester Local Industrial Strategy, 29th March 2019. Available here: https://www.gmcameetings.co.uk/meetings/meeting/668/greater_manchester_combined_authority

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?		N/A
TfGMC	Overview & Scrutiny Committee	
N/A	Economy, Business Growth, and Skills – 15 th March 2019	

1. Background

- 1.1. In the 2017 Autumn Budget, the Greater Manchester Combined Authority (GMCA) and Government (HMG) agreed to work together to develop one of the first Local Industrial Strategies in England. It was agreed that the GM Local Industrial Strategy would reflect the main themes of the National Industrial Strategy, but also take a place-based approach to build on the area's unique strengths and ensure all people in GM can contribute to, and benefit from, enhanced productivity, earnings and economic growth.
- 1.2. Greater Manchester has followed a process made up of three interlinked strands to develop its Local Industrial Strategy:
 - **Developing the evidence-base.** An independent review panel – the Greater Manchester Independent Prosperity Review – was established to provide a robust and independently verified evidence base. The Review was formally launched at events in Manchester (8th February) and London (5th March), attended by over 400 people.
 - **Consultation.** A broad consultation exercise has been undertaken to ensure a high level of input from local and national stakeholders, including businesses, local authorities, CVSE representatives, and universities and colleges. This included a formal six-week consultation period in the Autumn, where more than 20 events were held, getting input from more than 500 stakeholders, which resulted in over 120 written responses to the online consultation document.
 - **Joint policy development.** Joint work with districts, GM stakeholders and Government departments has been undertaken to explore policy options, linked to the national industrial strategy, to respond to GM's unique assets, opportunities, and challenges.
- 1.3. At the February GMCA meeting, noting that negotiations with HMG were at an advanced stage, delegated authority was passed to the Chief Executive of the GMCA and the GM portfolio lead officer for Economy/Business – working with the Deputy Mayor for Business/Economy, the GM Mayor, and the Chair of the GM LEP – to agree the full local industrial strategy with government.
- 1.4. On the 13th June 2019, HMG and Greater Manchester formally launched the GM Local Industrial Strategy at an event attended by around 200 key local and national stakeholders.

2. Greater Manchester Local Industrial Strategy: Overview

- 2.1. The Greater Manchester Local Industrial Strategy represents a significant step forward in the city-region's devolution agenda and provides, for the first time, a comprehensive and shared strategy with HMG to capitalise on the city-region's opportunities, and tackle its challenges. The strategy outlines an ambitious plan to deliver an economy fit for the future, with prosperous communities across the city-region and radically increased productivity and earning power.
- 2.2. Based on the evidence in the GM Independent Prosperity Review, the Local Industrial Strategy sets out proposals to develop the city-region's unique assets and opportunities by aiming to:

- **set Greater Manchester up to be a global leader on health and care innovation - creating new industries and jobs, improving population health and extending healthy life expectancy.** The Local Industrial Strategy announced the establishment of an Innovation Partnership on Healthy Ageing, with a board comprising of representatives from Greater Manchester, the private sector and government agencies and departments. Greater Manchester will also work to identify a home for a prospective International Centre for Healthy Ageing to drive real-world testing and commercialisation of health, care and wellbeing innovations that support healthy ageing;
- **position Greater Manchester as a world-leading city-region for innovative firms to experiment with, develop and adopt advanced materials in manufacturing.** The Local Industrial Strategy announced that Greater Manchester will establish a new Graphene, Advanced Materials and Manufacturing Alliance (GAMMA) to develop the city-region's advanced materials and manufacturing strategy, and that government will sit on its board.
- **build on Greater Manchester's position as a leading European digital city-region; enable the digitalisation of all sectors; and capitalise on the links between digital and creative industries that feed internationally significant clusters in broadcasting, content creation and media, and maximize growing assets in cyber security.** The Local Industrial Strategy announced Greater Manchester's will initiate a review of local data, to identify and address barriers to making this openly available for re-use. Greater Manchester will lead a biennial international event to showcase to the world the best of the city-region's digital and creative talent, with support from government officials;
- **achieve carbon neutral living in Greater Manchester by 2038, by launching the UK's first city-region Clean Growth mission.** The government welcomed this mission, which will support the delivery of the national Clean Growth Grand Challenge. Initial priorities for the mission-based approach will be expected to be focused around opportunities to improve the environment, increase the energy efficiency of homes and buildings, adopt new models of local renewable energy generation; and accelerate the implementation of energy and material efficiency measures by businesses.

2.3. The GM Local Industrial Strategy also sets out actions to strengthen the city-region's foundations of productivity and ensure that growth benefits all people and places. Again, this drew on evidence in the GM Independent Prosperity Review. Through the GM Local Industrial Strategy, it was announced that:

- **People:** The Local Industrial Strategy announced that Greater Manchester, the Department for Education (DfE), and the Department for Work and Pensions (DWP) will work in partnership to explore areas to connect national and local policies for the post-16 skills and work system in the city-region. Through this joint partnership working, we will identify strategic and delivery areas for review and, based on evidence and advice, identify the respective actions needed from all parties to deliver them. We want to make quick progress, but all parties recognise, and accept, that this will require their commitment for the long term. Within nine months, GM, DfE and DWP officials will set out to the GMCA and DfE and DWP Secretaries of State the respective actions, both in the short and longer term, which all parties will agree to take forward and will move the joint working between Greater Manchester and government to the next stage.

- **Infrastructure:** To build the integrated 21st century infrastructure that Greater Manchester needs, a comprehensive infrastructure plan for the city-region is required. The Local Industrial Strategy announced that government will join the Greater Manchester Strategic Infrastructure Board overseeing implementation of national and local plans and providing operational expertise to improve the performance of the city-region's transport, housing, energy and digital infrastructure. Greater Manchester will explore options for sustainable, long-term local investment into infrastructure to sit alongside devolved funding streams. It was also announced that, linked to the national Future of Mobility Grand Challenge, Greater Manchester and government will develop a programme of activity for transport innovation to explore new ideas and bring together relevant stakeholders to collaborate with Transport for Greater Manchester.
- **Business environment:** the Local Industrial Strategy announced the city region's intention to strengthen Greater Manchester programmes that support businesses to improve productivity, with a particularly focus on leadership and management programmes, innovation adoption, and international trade. Existing programmes will be complemented by the forthcoming Greater Manchester Good Employment Charter and a new plan for the 'foundational economy', to improve productivity, wages and job quality in all sectors.
- **Ideas:** The Local Industrial Strategy announced that Greater Manchester partners will continue to work with UK Research and Innovation (UKRI) to maximise investments in innovation assets in the conurbation, increasing the take-up and impact of funding to drive applied R&D to meet the strategic needs of the Greater Manchester economy.
- **Places:** The Local Industrial Strategy acknowledged that a thriving and productive economy in all parts of Greater Manchester is essential for the Strategy to be a success. This will be supported by addressing barriers to participating in employment and accessing opportunities across the city-region, and by Greater Manchester continuing to redesign public services around its model of unified public services. The Local Industrial Strategy announced that each of Greater Manchester's local authorities will develop a borough-level response to the Greater Manchester Local Industrial Strategy, to identify key opportunities and barriers in each locality and ensure coordinated implementation.

3. Implementation and next steps

- 3.1. The GM Local Industrial Strategy sets out a bold ambition for the city-region, jointly agreed by both Greater Manchester and HMG. The strategy does not include any new spending commitments outside of existing budgets. Instead, it will inform the strategic use of local funding streams and, where relevant, spending and decisions at the national level. The focus now is to ensure effective implementation of the strategy locally and nationally, so that relevant local and national plans and funding streams are aligned to its implementation.
- 3.2. The GM Local Industrial Strategy outlines that we will develop an Implementation Plan setting out clear milestones, deliverables, and timings for the actions set out in the strategy. An annual review of progress will be produced, that will be reviewed at a meeting of a government and Greater Manchester Implementation Board, made up of senior officials from across government and Greater Manchester. Work is currently on-going with officials to develop the Implementation Plan and it will be brought to a meeting of the GMCA for

approval later in 2019. This will include details of any impacts on capital and revenue budgets.

- 3.3. An independent overarching process and impact evaluation will be put in place to assess the efficacy of government and Greater Manchester in delivering against the objectives set out in this strategy. Results will be reported annually to both Greater Manchester and government. A three-year review will be undertaken in April 2022 on the quantitative impact of the strategy, recognising that interventions will have a lag before taking effect. This will include an assessment of whether the current set of interventions are effecting the desired change and assessing the latest evidence on 'what works' in collaboration with independent experts. Results of the evaluation will also be presented annually to the government's national Industrial Strategy Council, chaired by Andy Haldane (the Chief Economist of the Bank of England).
- 3.4. In line with the national Local Enterprise Partnership Assurance Framework, the Greater Manchester Local Enterprise Partnership (GM LEP) will have a central role to play in overseeing the implementation of the strategy. The GM LEP will produce an annual delivery plan and a qualitative end-of-year report to evaluate how the Local Enterprise Partnership and other partners have contributed towards achieving Industrial Strategy objectives.
- 3.5. Finally, it should be noted that the GM Local Industrial Strategy provides a substantial response to the recommendations of the GM Independent Prosperity Review (which were set out to the GMCA at the 15th February 2019 meeting). Through the joint policy development with Government, we have ensured that the GM Local Industrial Strategy provides a platform to progress most of the Review's main recommendations. In addition, since the Review was published, the GM Model for Unified Public Services and the Health and Social Care Prospectus have also been released (and cross referenced in the GM Local Industrial Strategy), which provide a further response to the Independent Prosperity Review's recommendations. However, important issues about funding and the effectiveness of service and programme delivery at a local level can only be truly addressed by a radically different national approach to English city region devolution and local government finance. The forthcoming Spending Review is an opportunity to make the case to government for the reforms required to fundamentally address all of the barriers to increased prosperity identified in the Review, and their complex origins.

4. Recommendations

- 4.1. Recommendations appear at the front of this report.