

GM LOCAL ENTERPRISE PARTNERSHIP BOARD

SUBJECT: LEP Governance and Funding Update

DATE: 17th March 2020

FROM: Simon Nokes, Executive Director, Policy and Strategy

PURPOSE OF REPORT

This report provides an update on current governance arrangement and proposed way forward including feedback on the recent Annual Performance Review, developing the 2020/21 Annual Delivery Plan and Report and an update on the 2020/21 LEP Core Funding allocation.

RECOMMENDATIONS

The LEP is asked to:

- Note the feedback from the Annual Performance Review
- Provide feedback on the proposed approach to developing an Annual Delivery Plan and Report and;
- Approve the allocation of the 2020/21 LEP Core Funding

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1. Introduction

- 1.1 The Greater Manchester Local Enterprise Partnership is a private-sector led, voluntary partnership sitting at the heart of the city region's governance arrangements, ensuring that business leaders are empowered, working with the Greater Manchester Combined Authority to shape 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 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.
- 1.4 This report provides an update on current governance arrangements and a proposed way forward including feedback on the recent Annual Performance Review, developing the 2020/21 Annual Delivery Plan and Report and an update on the 2020/21 LEP Core Funding allocation.

2. Annual Performance Review

- 2.1 In January 2020, the Greater Manchester 2019-20 Annual Performance Review took place with representatives from Government and the LEP Chair and officers.
- 2.2 The purpose of the Annual Performance Review remains the formal process by which the Government and each LEP meet annually: to discuss and review the contribution the LEP has made towards driving forward local economic growth; its governance and assurance processes; progress with delivery on key local growth programmes; and priorities and challenges for the year ahead.
- 2.3 Taken together, this information provides colleagues in the Cities and Local Growth Unit with a shared understanding of the LEP's position in relation to governance, strategic impact and delivery.
- 2.4 *Governance*
The Review set out a number of key GM LEP governance updates from the last twelve months.
- 2.5 This centred on the maintenance of GM's unique model of integrated GM LEP/GMCA leadership through a shared vision for the city region underpinned by joint ownership of the Greater Manchester Strategy.
- 2.6 Beyond this, key developments of the LEP's governance approach include:
 - Reformatting Board meetings to reflect governance, strategy and delivery
 - Development of LEP Communications Plan
 - Refreshing Board membership with new appointees
 - Appointment of new LEP Co-Chairs
 - Development of GM LEP Annual Delivery Plan
 - LEP Chair attendance at GM EBGs Scrutiny Committee

- Continuation of Foresight Group meetings with themed discussions on Local Industrial Strategy priorities of Creativity and Clean Growth
 - Joint ownership, with the GMCA, of the implementation of the Local Industrial Strategy and linking LEP Board members to overseeing priority LIS actions
- 2.5 Importantly, the Cities and Local Growth Unit were clear that each LEP must achieve a number of requirements relating to Board composition which GM LEP already meet or exceed. This includes the need for the Board membership to comprise at least two thirds private sector members, one third female appointed board members and a maximum board size of twenty permanent members by the end of the 2019-2020 financial year. GM LEP has already achieved this.
- 2.6 *Strategy and Policy*
The Review heard that over the past twelve months, GM LEP has continued to play a significant role in the development of the Greater Manchester Strategy, providing private sector led input, support and constructive challenge.
- 2.7 This was reflected by the LEP's contribution to the Future of Greater Manchester approach which brought together a range of strategic and policy initiatives on infrastructure, housing, transport, digital, investment and sustainability.
- 2.7 In particular, the LEP led on the development of the ground breaking Local Industrial Strategy (LIS) which was launched with Government in July 2019. The LIS 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.
- 2.8 The Board had further agreed that each private sector member takes a lead on one of the LIS Implementation plan's priority actions to help drive project delivery.
- 2.8 *Delivery*
GM LEP oversees our £493.5m Growth Deal programme which underpins our continuing commitment to inclusive growth; investing in skills capital transport and economic development and regeneration to ensure GM residents can contribute to and benefit from GM's growing economy.
- 2.10 As part of the original agreement with Government, the GM Growth Deal programme was expected to leverage £210m in match funding and deliver 6,250 job outcomes. However, GM is now forecasting £364m match funding and 6750 jobs to be achieved by 2025.
- 2.9 The Review was also provided with evidence of GM's commitment to publicise the impact of Growth Deal funding with a focus on Ministerial engagement. This included visits to the Tameside College and messages of support for the Christabel Pankhurst Institute for Health Technology and the Bolton College of Medical Sciences
- 2.12 *Next Steps*
Government colleagues at CLGU will conclude the process with a letter setting out the outcome of the Annual Performance Review alongside identifying good practice and areas for improvement.

- 2.13 As with last year, each LEP will receive a rating of exceptional, good, requires improvement or inadequate for each of the themes of governance and delivery. However, the Government have changed the assessment of strategic impact to either “requirements met” or “requirements not met”. GM LEP members will be updated about the outcome of the APR scoring in due course.

3. GM LEP Annual Delivery Plan and Report

- 3.1 The 2018 national LEP Review set out that LEPs were required to publish an annual delivery plan setting out a summary of the key economic development priorities, interventions and funding.
- 3.2 GM LEP published its 2019/20 Annual Delivery Plan in May 2019 setting out the key actions and performance indicators require to realise the ambitions of the Greater Manchester Strategy and Local Industrial Strategy.
- 3.3 It outlines the key activities the GM LEP will lead on to drive the strategic development of Greater Manchester forward; the key milestones for LGF projects and wider growth programmes; and set out how the GM LEP would operate and develop as a Strategic Board in 2019/20.
- 3.4 The LEP is now required to produce a similar plan for 2020/21 along with an end of year report on progress to date which will be published and shared with Government in May 2020.
- 3.5 As noted above, the last year has seen significant progress, particularly with regards to the launch of Local Industrial Strategy and development of an Implementation Plan, continued delivery of the GMS and refreshed Board membership with the appointment of two new co-chairs.
- 3.6 Given this changed context and feedback from the Annual Performance Review, it is timely for the Board to review its approach and agree the way forward as part of the development of the refreshed ADP. It is therefore proposed that an Away Day is held in April to explore the following key issues and options:
- The focus of LEP activity for the next 12 months including priority actions and key targets
 - The opportunity to fill current vacancies on the LEP Board by identifying any sectoral or demographic gaps
 - A review the internal governance structure to understand where LEP members can best add value to a range of strategic board, panels and groups
 - Exploring how LEP members portfolios can be better aligned with GMCA executive support with the framework of GMS and LIS delivery
 - Shaping the communications approach and future profile of the LEP
 - Strengthening the LEP’s links to local businesses and districts

4. 2020/21 LEP Core Funding

- 4.1 The Cities and Local Growth Unit confirmed in February 2020 the availability of LEP core funding of £500,000. As with previous years, LEPs are required to match fund this locally to a minimum of £250,000.
- 4.2 This current year’s allocation for 2019/20 was discussed at the Board meeting in November 2018. The Board agreed to allocate £250k to support the GMCA

Executive to fund research, policy and strategy development activity with the remaining £250k allocated to a number of key LEP priorities as follows:

- Marketing Manchester: Content Curation - £95k
- Marketing Manchester: Communications, PR and Digital - £50k.
- GMCA: LEP Membership Review – £20k
- GMCA: Delivery of LEP Foresighting Group - £5k
- Contribution to the LEP Network (TBA) - £6k
- Contribution to the Atlantic Gateway Board - £5k
- LEP contingency for ad hoc activity including expenses - £5k

4.3 The above allocations came to a total of £436k with the remainder combined with a historic underspend to fund LIS implementation activity. The details of which were agreed at a subsequent meeting in July 2019 and included support for the following thematic priorities:

- Core LIS Implementation capacity
- Supporting delivery of GM LIS and Internationalisation Strategy
- Healthy Ageing Partnership and GAMMA set up costs
- Leadership and Management
- External-facing version of the Local Industrial Strategy
- LEP communications capacity
- Evaluation

4.4 Following discussions with the LEP Chair and new Co-Chairs, it is proposed that a similar approach is taken for this round of funding in 2020/21. It should be noted that due to Government deadlines, and in agreement with the Chair/Co-Chairs, an outlie proposal has been shared with the Cities and Local Growth Unit.

4.5 This approach includes allocating a little over half the funding for the following core activities:

- **GMCA: Research, Policy and Strategy Development - £250k**

To fund research, policy and strategy development activity, to provide a robust research and evidence base in line with the Greater Manchester Strategy and Implementation Plan to ensure that GM remains at the forefront of current strategic thinking and developments.

- **GMCA: LEP Membership Review – £20k**

Following the recent changes in Board membership, a number of vacancies have arisen. A review therefore needs to be completed to recruit new Board members to fill these positions.

- **GMCA: Delivery of LEP Foresighting Group - £5k**

The Foresighting Group brings together senior representatives of the business community whose advice on key issues will help develop the LEP's long term thinking and implementation of the GM Strategy

- **Contribution to the LEP Network - £6k**

- **LEP contingency for ad hoc activity including expenses - £5k**

- 4.6 It is proposed that the remainder of the funding is allocated to LIS implementation activity. At this stage, it is not proposed to agree any more specific allocations of this money but to develop proposals with LEP Board members which reflect their LIS portfolio priorities to help drive overall delivery.