

**MEETING OF THE GREATER MANCHESTER COMBINED AUTHORITY (GMCA)
ECONOMY, BUSINESS GROWTH AND
SKILLS OVERVIEW AND SCRUTINY COMMITTEE
FRIDAY 10 JULY AT 10.15 AM VIA WEBCAST**

Present: Councillor Michael Holly (in the Chair)

Bolton: Councillor Samantha Connor
Councillor Susan Haworth

Bury: Councillor Mary Whitby

Manchester: Councillor Greg Stanton

Oldham: Councillor George Hulme

Rochdale: Councillor Daniel Meredith
Councillor Raymond Dutton

Salford: Councillor Jim King

Stockport: Councillor Becky Senior

Trafford: Councillor Barry Brotherton

Wigan: Councillor Charles Rigby
Councillor Michael Winstanley

In attendance

GMCA Cllr Elise Wilson, GMCA Portfolio Lead for Economy
GMCA Joanne Heron, Statutory Scrutiny Officer
GMCA Gemma Marsh, Director of Skills (Policy, Strategy & Delivery)
GMCA Simon Nokes, Executive Director of Policy and Research
GMCA Paul Harris, Senior Governance & Scrutiny Officer

E13/20 APOLOGIES FOR ABSENCE

An apologies for absence was received from Cllr Basat Sheikh who was unable to access the meeting due to a technological issue.

E14/20 CHAIR'S ANNOUNCEMENTS AND URGENT BUSINESS

There were no items of urgent business reported.

E15/20 DECLARATIONS OF INTEREST

There were no declarations of interest received.

E16/20 MINUTES OF THE MEETING HELD ON 12TH JUNE 2020

The minutes of the meeting held on 12th June 2020 were submitted for approval.

The Chair reminded Members of their requirement to complete their Annual Declaration of Interests.

RESOLVED:

That the minutes of the last meeting held on 12th June 2020 be approved as a correct record.

E17/20 IMPACT OF COVID 19 IN RELATION TO THE GM ECONOMY, BUSINESS GROWTH AND SKILLS

The Chair extended a welcome to Councillor Elise Wilson, GMCA Lead Member for Economy, who introduced her portfolio role, the challenges that this brings and her enthusiasm for the role.

A verbal update on the work taking place to understand the unprecedented impact of Covid 19 to the GM economy was provided. Councillor Wilson explained that the Brexit Monitor had evolved to provide an economic dashboard in order to monitor what is going on with the economy and to understand where the difficulties lie, not only in response to Covid but also the relationship with the EU and the world in general.

Councillor Wilson picked out that the dashboard identified a particular concern that unemployment claimant count had increased 90% across Greater Manchester between March and May 2020. In addition, in excess of 326,000 people were currently on furlough leave and clarity is needed on what will happen with this cohort.

The Government had provided announcements in relation to investment for VAT, infrastructure projects, employment kick start, support to restaurant sector which are welcome. Vigilance still needed as the virus has not gone away with track and trace roll out to avoid any potential local lockdown measures being introduced.

Manchester Airport remains a key gateway for the growth of Greater Manchester and the North of England.

Councillor Wilson outlined the work of the Growth Board to input in to plans going forward and the work of the GM Local Enterprise Partnership.

Councillor Holly highlighted the work of the Growth Company in support the work of local councils. The Growth Company has provided advice and support for thousands of small businesses.

John Wrathmell, GMCA provided further details on the impacts that we are seeing, the response at GM level and the recent Government announcement. The following matters were highlighted:-

- Claimant numbers in GM was on average and increase of 90%. This is lower than the national average of 110%. Two districts, Trafford and Stockport saw an increase of 100%.

- 326,000 (25%) of GM employees were included in furlough schemes which is lower than the national average. The greatest number of these participants was in Manchester (62,000) however, proportionally, Bolton has the larger number of participants (26.8%).
- Growth Company and Chamber of Commerce are undertaking weekly surveys to understand the impact on business. All firms have suffered some impact mainly regarding a decrease in sales and cashflow.
- Bankruptcy levels have remained fairly low which indicates that local and national schemes to support businesses have helped but may create issues once this support is removed.
- The Chamber of Commerce survey identified the biggest impact was on hospitality, retail and wholesale businesses. The number of export documents was down by 25% also.
- In relation to support to businesses, the committee noted that £517 million in grants has been paid out to businesses by GM authorities. The Growth Hub has dealt with 6,000 enquiries and set up a GM Employ website to link people out of work with businesses.
- Public confidence was important and a number of campaigns have been set up to support people back on to transport safely and to attract people back in to the city region.
- In terms of the Government fiscal statement it was noted that for infrastructure, an £81 million Brownfield Housing Fund has been devolved to GM and other Mayoral Combined Authorities. A further £54 million for shovel ready sites to help provide stimulus.
- Addition funding from the Towns Fund process where Bolton, Cheadle, Oldham and Rochdale each receiving £500,000 to £1million.
- Funding of £10 million had been received for improvements to rail infrastructure in GM.
- In relation to jobs, the kick start scheme to support young people and the expansion of the work and health programme, GM can play an import park in this with the existing devolved structures in place. Discussions are asking place with the Government on this.
- A summary of the Government announcements was to be shared with the Committee.

Questions and Comments

A Member enquired as to what extent has the combined, amplifying effect of Covid 19 and the UK leaving the European Union had on the economy, particularly in light of the prospect of a second spike occurring close to the end of the transition period? In response, Councillor Wilson, highlighted the unprecedented situation we were living in and suggested that it was imperative that a holistic view is explored. The Brexit monitor dashboard provides detailed information and in addition, the GM Covid 19 Committee has been established to explore and monitor areas of concern and to understand the impact on the economy.

A particular focus on skills to develop confidence for individuals and create the confidence for investment.

A Member asked if an extrapolation can be provided on what the number of job losses that will entail as part of this crisis in order for planning to be undertaken? In addition the Member also sought details on what is being done to level up those areas that have been left behind to support small businesses? The Member highlighted that during the previous financial crisis in 2008, there was a reluctance from banks to support small businesses there needs a strategy that makes sure this doesn't happen again. In response, it was noted that it is very difficult to put a number on predicted job losses but forecasting was taking place. In terms of levelling up, Councillor Wilson highlighted the ongoing, targeted work taking place in the Growth Company on where there was a need to focus. To do this, it was suggested that government support to deliver local levelling up ambitions was needed. Local input is important to identify ensure resources go in the right areas to Build Back Better and drive recovery.

In terms of jobs, it was noted that this is an unprecedented economic shock and no one can be sure on its impact on jobs but it is inevitable that there will be a significant increase in job losses. Members noted that GMCA is working to model the extent of those individuals on furlough schemes or receiving self-employed support and how many will have jobs to return to.

Members also noted that there will be data on the Office of National Statistics on the latest job losses figures.

A Member sought clarification on how GM is placed across the Northern Powerhouse given previous pan-northern contraction in growth pre-Covid. It was noted that regional data shows growth contractions in GM's neighbouring regions. In response, officers noted that the GM city region went in to the crisis with a comparatively strong economy. It benefits from a diverse economy which provides a stronger position when compared to other Northern regions. Despite this there are significant job losses but in comparison lower than many areas.

A Member suggested that GM as a region is in a good place to build back better and thanked officers. The Member enquired if the economic dashboard referred to in the earlier discussion can be shared with Members. In terms of Building Back Better, is the digital offer provide better infrastructure and accessibility for residents, schools and children? The Member highlighted that one of the great indicators of inequality is access to internet and Wi-Fi. In responding, Councillor Wilson noted that the Economic Dashboard is reported to GMCA and is therefore a public document will be shared. The next dashboard will be published at the end of July.

In terms of Building Back Better, Councillor Wilson reiterated that GM is well placed to do so because of its diverse economy base but acknowledged that there is a long and challenging road ahead.

Councillor Wilson highlighted the work of the Independent Prosperity Review and Local Industrial Strategy which provide focus drive for growth in GM. In particular, the potential for the development of the Cyber Economy in GM to be a world leading centre for cyber remains an ambition and can help drive growth.

Councillor Wilson highlighted the work across GM to support inequality and closing the gap. This has included providing funding and local targeting to pupils to access digital

equipment to maintain studying and help people to be digitally enabled. Young people need to go back to school to avoid having a lost generation. Education is the source of everything to avoid inequality. Need to invest in people, to allow them to have the skills we need and resilience in this uncertain time.

A Member enquired if there are any GMCA policies in place to support businesses and people back in to work following furlough. In response, Councillor Wilson welcomed the furlough scheme and the support it provided although it didn't support everyone. A more agile scheme should be explored by Government. Councillor Wilson explained that getting people in to work is a priority area for GM. Members noted the work regarding the Devolved Adult Education Budget and the skills initiatives that have been led by Councillor Sean Fielding. Particular sectors/work streams have been identified as areas of growth such as digital, green and health.

A Member suggested that a site in Spotland Rochdale be included in the Brownfield Site Funding. Councillor Wilson noted that there are specific criteria and conditions associated with this funding. GM remains ambitious to deliver Brownfield first ambitions at pace across the city region.

A Member suggested that in terms of rail infrastructure funding the congested Leeds Manchester corridor be improved.

A Member enquired if the £81 million Brownfield Sites Funding is reliant on house building or is it more flexible. In response, Councillor Wilson noted that there were specific conditions associated with the funding. Housing will be crucial for this. The funding will help to kick start jobs in the region but a holistic approach will be required.

A Member suggested that local government is one of the biggest employers in Greater Manchester. He enquired how can Greater Manchester avoid job losses and move forward if the 10 Councils are not financially assisted with their own deficit budgets. In response, local government finance pressures were noted. The Government has provided some funding to councils to support income and 75% of the costs for infection control activities. Councillor Wilson highlighted the importance local government makes to people's lives locally and understand their needs. A longer term view of Local Government finances is needed. Current funding will not cover financial pressures all councils currently have.

The Chair thanked Councillor Wilson and John Wrathmell for their update. He highlighted the importance of local input in Government discussions and supported the current approach during these unprecedented times.

RESOLVED/-

That the updated be received and noted with thanks.

E18/20 GREATER MANCHESTER LOCAL INDUSTRIAL STRATEGY IMPLEMENTATION

Lisa Dale-Clough, Head of Industrial Strategy, GMCA introduced a report which provided Members with an update on the delivery phase of the Local Industrialisation Strategy (LIS).

Members were reminded that the GM LIS sets out a wide range of cross-cutting actions to strengthen the city-region's economy, improve the foundations of productivity, and ensure that growth benefits all people and places. It was noted that the Implementation plan mirrors the Industrial Strategy in that actions are divided across 9 key thematic areas of Health Innovation; Advance Materials and Manufacturing; Digital and Creative Media; Clean Growth; People; Infrastructure; Ideas; Business Environment and Place.

The update provided an overview of the progress made against these priority areas as an appendix to the report.

Members also noted that a process is underway to review the Implementation Plan in relation to the impact of the Covid 19 crisis.

Questions and Comments

A Member enquired about the new specialised advanced materials city on the M62 north east growth corridor. Is the thinking for business to relocate to this site from other GM areas or will it be new businesses from elsewhere? In response it was noted that the aspirations of the growth corridor are still in development. It was suggested that a mixture of existing and new companies will be attracted to this location.

A Member enquired if research included the global position on hydrogen fuel cells had been explored on this. In response, officers noted that work was taking place with MMU and that they would check with them.

A Member suggested that it may be helpful given the review process of the LIS as outlined in the report, a further update may be brought to the Committee before the next scheduled update in March 2021.

RESOLVED/-

1. That the update be received and noted.
2. That officers would liaise with MMU colleagues to understand if global research has been drawn upon to inform the GM approach to hydrogen fuel cells.

E19/20 UPDATE ON INNOVATION, SCIENCE AND GRAPHENE COMMERCIALISATION

Adrian Toland, GMCA introduced a report which provided Committee Members with an update on work taking place in relation to innovation, science and graphene commercialisation in Greater Manchester. A presentation on the ERDF Bridging the Gap Programme, aimed at building a supply chain of businesses and supply chain in Greater Manchester, the challenges and successes was also presented by Paul Wiper and James Baker from the University of Manchester.

The report outlined that the GM Local Industrial Strategy adopts the findings of the GM and Cheshire East Science and Innovation Audit, identifying ambitious priorities that will build GM's future economy around its existing science and industrial strengths and opportunities of health innovation, advanced materials & manufacturing, digital, creative & media, and clean growth. It was noted that the LIS also commits GM to increasing private sector investment in to Research and Development (R&D) and increase 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.

Members noted that the following priority actions of the GM LIS are particularly focused on harnessing the opportunities of innovation to boost productivity and growth:

- A Healthy Ageing Innovation Partnership with UK Government will realise the economic opportunities of the Ageing Society Grand Challenge and is set to be launched in spring 2020.
- Within advanced Materials and manufacturing the pioneering Graphene, Advanced Materials and Manufacturing Alliance (GAMMA) will address gaps in the commercialisation and diffusion ecosystem for graphene, advanced materials and industrial biotechnologies.
- A new wave of highly productive jobs in the city-region is being generated, contributing to Greater Manchester's ambition to become a top five European digital city-region. An emerging cyber security sector has benefited from the partial relocation of GCHQ to Greater Manchester, bringing hundreds of jobs and stimulating the growth of SMEs in this space, supported by the GM Cyber Foundry and the forthcoming Cyber Innovation Centre.
- Realising investment in innovation parks and innovation campuses across Greater Manchester that create hubs for businesses and academia to co-locate and to act as anchors for future translation research centres.
- A highly ambitious and high-impact Greater Manchester Leadership and Management programme is in development between the four Greater Manchester Business Schools and the Business Growth Hub. This is important so that existing businesses in Greater Manchester are empowered and able to access the knowledge and skills to become innovation-active and benefit from frontier growth opportunities.

Questions and Comments

A Member welcomed the Made Smarter programme. The Member enquired about the £3 million ERDF funding from the GM Business Growth Innovations Service to support business. Currently there is a target to support 580 businesses and asked how the funding was distributed. In response officers highlighted that this target is ambitious and will be supported by grants in the region of £20k per company.

A Member enquired if there are any products making significant use of graphene. In response, James Baker, University of Manchester explained that work is taking place at the University to accelerate the science in to application and products. Graphene is

already finding its way in to training shoes, ant-corrosive paints, tyres and carbon fibre for cars.

A Member highlighted that as graphene is a natural material it cannot be patented. He enquired if the use and opportunities that graphene can provide is moving as quickly as it can do. In response, Mr Baker explained the work was taking place with the University and industry to develop products. An example of graphene coated face mask was shown. The network with businesses provide a base for support and investment.

RESOLVED/-

1. That the report and supporting presentation on Bridging the Gap be received and noted.

E20/20 DRAFT COMMITTEE WORK PROGRAMME 2020/2021

Members considered the draft Committee Work Programme for 2020/21 which set out those topics and items that would provide a focus of the Committee's work for the 2020/2021 municipal year.

The Chair suggested that the Committee extends an invitation to the GM Mayor to meet with the Committee at the scheduled meetings in November 2020 and March 2021.

A Member expressed disappointment the consideration of the report of the Fawcett society on women's employability was not to be considered until February 2021. In response, it was noted that officers would explore opportunities to consider this report with the work and skills items in September.

A Member suggested that it would be helpful for an update on Manchester Airport to be included on the work programme. In response, officers noted that issues relating to Manchester Airport can be included in the regular Covid updates.

RESOLVED/-

1. That the 2020/2021 Committee Work Programme be agreed and adopted, subject to the possible inclusion of the consideration on the report of the Fawcett society on women's employability in September.
2. That an invitation be extended to the GM Mayor to attend the meetings of this Scrutiny Committee in November 2020 and March 2021.

E21/20 REGISTER OF KEY DECISIONS

Members considered the register of GMCA Key Decisions for the period 1 July 2020 to 30 September 2020 that was published on 26 June 2020.

A member suggested that for future meetings, those key decisions pertinent to this committee be highlighted.

RESOLVED/-

That the register of GMCA Key Decisions for the period 1 July 2020 to 30 September 2020 be noted.

E21/20 PROGRAMME OF FUTURE MEETINGS

Members considered a programme of future meeting date for the Committee for 2020/2021.

It is suggested that the August 7 meeting be only used if there is an emerging issue or urgent business.

RESOLVED/-

That the following meeting dates for the Committee be noted:-

- Friday 7 August 2020 (if required);
- Friday 11 September 2020;
- Friday 9 October 2020;
- Friday 13 November 2020;
- Friday 4 December 2020;
- Friday 15 January 2021;
- Friday 5 February 2021;
- Friday 12 March 2021.

Meetings will commence at 10.30 am and will be held via video conference unless advised otherwise.

The meeting finished at 12.33 pm