

Greater Manchester Combined Authority

Date: 28 October 2022

Subject: Create Growth Programme

Report of: Councillor Neil Emmott, Portfolio Lead for Culture and Alison McKenzie-Folan, Portfolio Lead Chief Executive for Culture

Purpose of Report

In 2018, GMCA and the Growth Company were selected by Government to deliver the Creative Industries Scale Up pilot alongside West Midlands and West of England's Combined Authorities.

Following the successful pilots, the Department of Culture, Media and Sport (DCMS) secured funding to create a successor programme called the Create Growth Programme (CGP). This competitive programme would fund six areas in England (excluding London) to deliver a programme of investor readiness for creative businesses to allow them to grow, alongside a programme to better inform investors of the potential of the creative industries.

GMCA, with the Growth Company, bid to deliver the Create Growth programme in GM, continuing the well regarded delivery of the pilot programme, with funding potentially available to March 2025 if successful. GMCA has now been confirmed as one of the six successful bidders.

This report seeks GMCA agreement to act as the accountable body with the DCMS for the Create Growth Programme in GM, that the Growth Company should act as delivery partner as they did during the pilot, recognising the Create Growth Programme is a continuation of the Creative Industries Scale Up pilot programme.

Recommendations:

The GMCA is requested to:

1. Support the Create Growth Programme in GM.
2. Agree to act as the accountable body with the DCMS for the Create Growth Programme in Greater Manchester funded from a £1.275million Section 31 grant over the period 2022/23 – 2024/25

3. Agree to enter into a grant agreement with the Growth Company for £1.2m to deliver the programme as set out in the bid.
4. Note the decision of the impact tool, and that the proposed approach will support equality inclusion, health outcomes and the economy in Greater Manchester.

Contact Officers

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Equalities Impact, Carbon and Sustainability Assessment:

Recommendation - Key points for decision-makers

Insert text

Impacts Questionnaire

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

Contribution to achieving the GM Carbon Neutral 2038 target

Further Assessment(s):	G Positive impacts overall, whether long or short term.	A Mix of positive and negative impacts. Trade-offs to consider.	R Mostly negative, with at least one positive aspect. Trade-offs to consider.	RR Negative impacts overall.
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Carbon Assessment

Overall Score		
Buildings	Result	Justification/Mitigation
New Build residential	N/A	
Residential building(s) renovation/maintenance	N/A	
New build non-residential (including public) buildings	N/A	
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.
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Risk Management

The programme will be closely performance managed by GMCA, with any conditions of the grant funding agreement between the GMCA and DCMS being reflected in the GMCA's grant funding agreement with The Growth Company. The grant funding agreements between the DCMS and the GMCA and between the GMCA and The Growth Company will be compliant with the UK's Subsidy Control Regime requirements.

Legal Considerations

DCMS has agreed to make £1.275m of grant funding available to the GMCA under section 31 of the Local Government Finance Act 2003 for the purpose of the delivery of the DCMS Create Growth Programme in GM. The GMCA has agreed to act as the "accountable body" in relation to this DCMS grant funding and will enter into a Grant Determination Letter and a MoU with DCMS. Delivery of the DCMS Create Growth Programme in GM will be led by The Growth Company and will be in accordance with the Create Growth Programme – Full Application Form that the GMCA has submitted to the DCMS and which is attached at Annex C to the MoU between the GMCA and DCMS . The GMCA will therefore also enter into a grant funding agreement with the Growth Company, which reflects the terms of the GMCA's Grant Determination Letter and MoU with the DCMS

Financial Consequences – Revenue

£1.275m of CGP grant from DCMS to the GMCA over 2.5 years ending March 2025. DCMS CGP Grant funding will fund the delivery of the Create Growth Programme in GM by the Growth Company, with £25k per annum retained by GMCA for programme management and reporting.

Financial Consequences – Capital

None

Number of attachments to the report: ?

Comments/recommendations from Overview & Scrutiny Committee

N/A

Background Papers

N/A

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?

No

GM Transport Committee

N/A

Overview and Scrutiny Committee

N/A

1. Introduction

- 1.1 Creative Industries businesses that can and want to grow, often require external investment and professional advice. Whilst there are central and local government sector agnostic measures in place to improve access to finance (including angel investment), creative industry businesses remain underserved by this provision.
- 1.2 Evidence shows that these businesses demonstrate a clear demand for investment yet lack access to, or knowledge of, financial and business expertise – and government research demonstrates that creative content businesses are more likely to have their finance applications rejected by finance providers than non-creative industry businesses with similar risk profiles.
- 1.3 Greater Manchester (GM) has the largest cluster of creative businesses outside of London and the South-East. Creative Industries (CI) is GM's fastest growing sector and accounts for a fifth of GM's employment, with 8,000 CI businesses generating £5bn of economic activity annually. GM has a thriving community of CI businesses of all sizes, types and stages in their life-cycle, from start-ups to globally-recognised brands, such as BBC, Google, and IBM.

2. Background

- 2.1 In December 2018, GMCA agreed that it would act as the accountable body with DCMS for a new pilot programme being delivered across GM, West Midlands and West of England Combined Authority areas. The £1.3m two year pilots called Creative Industries Scale Up (CSU) were focussed on supporting small creative businesses to become investment ready in order to grow as well as supporting investors to better understand the potential of investing in this sector.
- 2.2 DCMS identified GMCA as the accountable body for the CSU pilot and The Growth Company as the delivery partner. Both organisations have worked very closely and effectively to ensure the pilot was a success.
- 2.3 All three CSU pilots were extended to the end of 2021/2 as the pandemic required the programme to move on line which in turn generated some savings which allowed the CSU programme to run for a further year within the same cost envelope.
- 2.4 The 2021 Spending Review supported DCMS's request for funding to expand the programme to six places in England (excluding London) following a very positive

evaluation of the 3 CSU pilots, with £1.275m funding in place, per place, to March 2025. The new programme is called the Create Growth Programme (CGP).

- 2.5 DCMS decided to select the six places competitively, and GMCA bid into this process with a proposal that builds on the success of the CSU pilot and utilises the expertise built up over the pilot period by the Growth Company as the pilot programmes delivery partner.
- 2.6 GMCA's bid was successful and DCMS have confirmed that GM is one of the six areas selected to deliver the Create Growth Programme, once again with GMCA as the accountable body with DCMS. The five other areas selected are Kent County Council, West of England Combined Authority, Leicester and Leicestershire Local Enterprise Partnership, North of Tyne Combined Authority and New Anglia Local Enterprise Partnership.

3. The proposed GM Create Growth Programme

- 3.1 The Create Growth Programme (CGP) in GM is a bespoke business support offer, managed by our delivery partner The Growth Company, that captures and builds on the previous Creative Scale-Up (CSU) Pilot and will engage more than 160 creative high-growth potential businesses from across the wide range of sectors and sub-sectors in the GM city region. These businesses will work through a flexibly delivered programme of structured support, accessing workshops and one-to-one support all designed to create growth and move businesses to investor readiness. In addition to this structured support programme, the GM Create Growth Programme will deliver peer-to-peer networking, masterclasses, two Creative Leaders Festivals, four investor / CI business pitch events and signposting services for those creative industry businesses not yet ready to benefit from the programme or who may be better supported by other programmes.
- 3.2 Over 160 creative industry businesses will be engaged with throughout the length of the programme that are at the right stage of 'high growth potential' to benefit from the programme. The Growth Company will use its new 'Growth Propensity Fund' model, developed with one of the UK's leading providers of data insight Red Flag, to uncover detailed data on GM's creative industry sector and allocate a growth propensity score to each individual business, ensuring the Create Growth Programme targets the right 'high growth potential' candidates to the programme. A detailed and multi-channelled marketing and engagement plan will be developed

with a focus on digital channels, word of mouth through local networks and forums, and leveraging the contacts developed through alumni of the CSU Pilot.

Promotional activities will sit alongside a clear, established and structures expression of interest route for businesses via the GM Business Growth Hub website. A two-stage due diligence process will be undertaken before a business can join the programme, including initial verification checks and one-to-one review with a business adviser.

- 3.3 Two routes have been developed for businesses to take within the CGP, enabling businesses to access the most suitable support to help them reach their goals and scale at speed. The route a business will take is determined by the need of the business and chosen jointly between the business and their Create Growth Programme business adviser.
- 3.4 Route 1 is the Create Growth Cohort Programme running over 20 hours in 6 weeks, including two full day workshops, two half days of peer to peer networking events, ongoing one-to-one support with masterclasses and sub-sector workshops. Modules here include on creative industry leadership for growth, strategic business planning in creative industries, innovation strategy, intellectual property, productivity and processes, measurements and metrics, market discovery, attracting and managing new talent, and sales and marketing.
- 3.5 Route 2 is an investment readiness cohort programme running over 15 hours in 6 weeks, where businesses will gain access to masterclasses and sub-sector workshops, alongside one-to-one support from a dedicated Create Growth Finance Adviser. Modules here include equity introduction, legal, intellectual property, valuation, online valuation, equity sources, Pitchdeck structure, presentation skills and pitch rehearsals. It is possible for businesses to enter route two after having completed route one.
- 3.6 Following completion of their module/s, businesses then have access to a finance specialist cohort programme of 6 modules, and a pitch prep programme of 3 modules with the latter including a pitch event. Upon completion in the programme, businesses will have ongoing support and access to a new sector ecosystem where there is the opportunity for alumni events and peer-to-peer networking.
- 3.7 Each business will be allocated a Create Growth Business Adviser and/or a Create Growth Finance Adviser for one-to-one mentoring. These advisers will first

undertake a triage call with the business, to understand and analyse their need and to design a bespoke route through the programme to meet this need. They will hold a series of one-to-one meetings with the business for further support and design an 'exit route' from the programme.

- 3.8 Two Creative Leader Festival events will be delivered in 2023 and 2024. These will be one-day events attracting over 500 attendees from creative industry sectors across the North of England. The festivals will deliver a range of activities such as keynote speeches from political leaders, insightful panel discussions, sector specific roundtable sessions, a virtual exhibition and peer-to-peer networking opportunities. The events will give attendees opportunities to share knowledge and best practice, hear from industry specialists and discover the wide-ranging support that is currently being made available to the sector from Government, Local Authorities and industry associations, as well as commercial opportunities.
- 3.9 DCMS will appoint a national partner to both coordinate the programme and to provide additional investor engagement and advice. GMCA, as well as the five other CGP places will work closely with this partner to ensure a successful programme is delivered in Greater Manchester.
- 3.10 The CGP will build long term capacity and legacy infrastructure through leveraging GM's creative infrastructure, the CSU pilot, CGP success stories and GMCA's and the Growth Company's wide reach to promote creative industry businesses. It will embed creative industry support throughout GM, creating an ecosystem based around local champions, evidence of impact, success stories and continued peer networking. A business support model will be developed that works for creative industries and shares best practice across participating regions. Data from the CSU pilot and the CGP will enable long-term tracking of success measures and the demonstration of measurable impact. Investor relationships that began with the CSU pilot will be built on, developing a wide pool of investors interested in creative industry businesses. Finally, a lasting legacy will be left through the creative industry business network, that brings together key stakeholders from the industry with SMEs, Universities, and national and local infrastructure.

4 Grant funding and governance

- 4.1 DCMS have confirmed that their £1.275m of grant funding to deliver the CGP across GM will be split across three years to the end of March 2025, via a Section 31 Local Government Act 2003 grant paid to GMCA as follows:

	2022/2023	2023/24	2024/25
April		£106,250	£106,250
July		£106,250	£106,250
October	£212,500	£106,250	£106,250
January	£212,500	£106,250	£106,250

- 4.2 It is proposed that GMCA act as the accountable body with DCMS, ringfencing the grant above to the Create Growth Programme. DCMS will retain regular monitoring and reporting requirements to assess progress of the payments and delivery of project milestones.
- 4.3 There will be a back-to-back grant agreement between the GMCA and the Growth Company as the delivery partner to ensure GMCA does not face any liabilities regarding performance and this will comply delivery of the GM Create Growth Programme to be fully compliant with UK's Subsidy Control Regime requirements.
- 4.4 The Growth Company have set out a clear delivery, expenditure profile and staffing/resource plan to deliver the programme as set out in the bid, and this will be reflected in the grant agreement between GMCA and the Growth Company. GMCA will use a small amount of the CGP grant to support GMCA's strategic oversight, reporting and management costs.
- 4.5 Internally, a GM CGP Officer Steering Group will be established, responsible for monitoring delivery, maintaining strategic oversight, and ensuring effective programme legacy. The steering group will also be responsible for resourcing and mobilising the CGP at contract award. Key milestones for the programme have been identified and GMCA and the Growth Company have undertaken initial resource mapping and project planning. Activity within these milestones is such that marketing and programme content has been completed for the first cohort of businesses to be recruited by the end of October 2022 with a start date at the end of November 2022. A programme board will be held quarterly, with best practice

reflection, analysis and sharing. The programme will close in March 2025, with a final report and claim by April 2025.

5 Recommendations

5.1 The recommendations can be found at the front of this report.