

GMCA Overview & Scrutiny Committee

Date: 23 November 2022

Subject: Greater Manchester Strategy – Economy Focus

Creating a More Prosperous Greater Manchester (section A) and Innovation Greater Manchester and the Innovation Accelerator Pilot (section B).

Report of: Councillor Bev Craig, Elected Portfolio Leader, Economy, Business and International, and Tom Stannard, Executive Portfolio Leader, Economy, Business and International

Purpose of Report:

This report has two parts, the first (section A) provides Scrutiny members with an overview of strategy, policy and programmes underway that are delivering against the commitments in the Greater Manchester Strategy to ensure Greater Manchester will flourish, drive local and UK growth through a fairer, greener, growing economy built on our innovation assets, putting people and place first, and recognising our global strengths and progressive thinking in advanced materials and manufacturing, health innovation, digital and creative and clean growth.

This is supplemented with a specific report (section B) which provides an update on the Innovation Accelerator pilot that was announced in the Levelling Up Whitepaper and is being delivered through a process of co-design with Government and Greater Manchester.

To note that this is a separate activity and is in parallel to the GMCA Foundational Economy Innovation Fund.

Recommendations:

In relation to the overview report on a ‘Creating a more prosperous Greater Manchester’ (pg 1-17) the GMCA Overview and Scrutiny Committee is requested:

1. To note the activity underway, and the assessment provided by the Greater Manchester Strategy six-month review process.

2. To comment as to where there are further areas for activity to achieve the ambitions of the Greater Manchester Strategy, and whether there are areas where further scrutiny is required.
3. To note that the long-term framework for activity under the economy portfolio – the Greater Manchester Local Industrial Strategy – is currently being refreshed, and this process will facilitate a review of policy, investments and programmes that support the ambitions in the GMS for a more prosperous Greater Manchester.

In relation to the Innovation Greater Manchester and the Innovation Accelerator Pilot (pg 18-26) the GMCA Overview and Scrutiny Committee is requested:

4. To comment on the approach taken to develop the innovation accelerator pilot with Government.
5. To note that the innovation accelerator pilot is expected to have direct positive impacts on equality and inclusion, health, resilience and adaptation, economy, and mobility and connectivity. There are also expected to be indirect positive impacts on carbon emissions.

Contact Officers (Section A)

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Equalities Impact, Carbon and Sustainability Assessment (Section A)

Impact Indicator	Result	Justification/Mitigation
Equality and Inclusion		The Local Industrial Strategy recognises the significant social, economic, and spatial disparities across GM. The strategy and its actions are designed to create an economy fit for the future, that leads to prosperous communities filled with opportunity for all.
Health		Improving health and health outcomes is now a core factor for ensuring everyone in GM has the access to opportunities and income needed for their resilience, and that businesses can access the talent needed to thrive.
Resilience and Adaptation		GM is creating a new Economic Strategy, which will take the Local Industrial Strategy and put it within a wider agenda for economic recovery and resilience.
Housing	N/A	
Economy	1	GM is creating a new Economic Strategy, as part of the process for developing the new strategy we refreshed the evidence base that drove the Local Industrial Strategy.
Mobility and Connectivity		The GM Local industrial strategy recognises transport as a crucial enabler of access to places, jobs, services and centres, and that we need interconnected, reliable, affordable public transport and active travel solutions for people across GM.
Carbon, Nature and Environment		The Local Industrial Strategy launched the GM Mission to achieve carbon neutral living in the city-region by 2038. This includes accelerating the implementation of energy and material efficiency measures in the design and production of products and services.

Consumption and Production	N/A	
Contribution to achieving the Greater Manchester Carbon Neutral 2038 target.	The Local Industrial Strategy launched the GM Mission to achieve carbon neutral living in the city-region by 2038. This includes accelerating the implementation of energy and material efficiency measures in the design and production of products and services.	

Risk Management

N/A

Legal Considerations

N/A

Financial Consequences – Revenue

N/A

Financial Consequences – Capital

N/A

Number of attachments to the report

Comments/recommendations from Overview & Scrutiny Committee

Background Papers (Section A)

[Greater Manchester Local Industrial Strategy](#)

[Independent Prosperity Review](#)

[Greater Manchester Strategy](#)

Tracking/ Process

Does this report relate to a major strategic decision, as set out in the GMCA Constitution?

No

Exemption from call in

N/A

GM Transport Committee

N/A

Overview and Scrutiny Committee

23 November 2022

1. Creating a more prosperous Greater Manchester – the Greater Manchester Strategy

1.1. The Greater Manchester Strategy (GMS) commits us to creating a prosperous Greater Manchester, driving local and UK growth whilst also making GM fairer, and greener. The strategy sets out an agenda for doing this, which is by [abridged]:

- Ensuring more of our people contribute to, and benefit from, the economic development of the city-region.
- Adopting new approaches to innovation.
- Supporting our businesses to grow and develop, and recognising the key role in a successful business played by a skilled and talented workforce.
- Embracing the renewed understanding and recognition that businesses have a purpose beyond growing shareholder value, and power to impact positively on their communities.
- Attract new investment, drive innovation and developments across sectors.
- Developing our frontier sectors (Health Innovation, Advanced Materials and Manufacturing, Digital, Cyber and Creative, and Net Zero).
- Maintaining and building on GM's position as the global gateway to the North of England, at the centre of the Northern Powerhouse with assets important to UK's global standing.
- Ensuring there are economic opportunities for all, focusing not just on our frontier sectors, but also developing the foundational or everyday economy, to support higher paid and better jobs.
- Continuing to celebrate, support and develop new economic models in the social economy.
- Supporting good jobs and work through the GM Good Employment Charter.
- Driving investment in our six Growth locations, each of which provide a platform to lever their unique opportunities and assets to respond to the variety of needs and challenges present in different parts of the conurbation.

1.2. This report focuses primarily on the work delivering the GMS within the Economy portfolio on innovation, businesses, and supporting new economic models. It will contain an overview of some of the work that supports the GMS' aspirations relating to Prosperity that is being undertaken through the Work and Skills and Digital portfolios for completeness, but the Committee is advised to request separate reports from these portfolios if further detail is required.

2. Greater Manchester's underpinning framework for creating prosperity: the Local Industrial Strategy and Independent Prosperity Review

2.1. The GMS builds on the priorities in the Greater Manchester Local Industrial Strategy, which has provided the framework for our economic policy, investments and programmes since it was launched in Summer 2019. The origins of our Local Industrial Strategy were the Government's 2017 Autumn Budget, in which Government and Greater Manchester Combined Authority (GMCA) 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.

2.2. To develop an effective strategy, in 2017 GM commissioned the Greater Manchester Independent Prosperity Review (IPR) to provide a robust and independently verified evidence base. The Review was led by a panel of six experts: Professor Diane Coyle (Chair): Bennett Professor of Public Policy, University of Cambridge; Stephanie Flanders: Head of Bloomberg Economics; Professor Ed Glaeser: Fred and Eleanor Glimp Professor of Economics, Harvard University; Professor Mariana Mazzucato: Professor of Economics of Innovation and Public Value, and Director of the University College London Institute for Innovation and Public Purpose; Professor Henry Overman: Professor of Economic Geography, London School of Economics, and Director of the What Works Centre for Local Economic Growth, and Darra Singh: Government and Public Sector Lead at Ernst and Young. The Review Panel was responsible for assessing progress since the Manchester Independent Economic Review (MIER) in 2008-09 and identifying lessons learnt; reviewing GM's evidence base and current policy response, identifying key gaps; commissioning new, ground-breaking research into priority areas, and making recommendations for the GM Local Industrial Strategy.

2.3. A summary of the main conclusions of the review has been provided in Annex 1, and the full reports are available on the GMCA website: <https://www.greatermanchester-ca.gov.uk/what-we-do/economy/greater-manchester-independent-prosperity-review/>

2.4. In taking this evidence base and turning it into a strategy, GM also undertook a broad consultation exercise 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. Joint work with districts, GM stakeholders and Government departments was also undertaken to explore policy options. The led to a strategy that is bought into by businesses, universities, social enterprises and other local stakeholders and retains their support.

2.5. Following the launch of the strategy, significant work was undertaken to develop the governance channels to oversee implementation and to define the capacity and resources to deliver against the actions outlined in the first Implementation Plan for the strategy, which covered 2019-2022. However, during this period, Government has moved away from the national Industrial Strategy and introduced Build Back Better: our Plan for Growth, amongst other strategies, and its present economic policy approach is unclear. Locally, the GM Living With COVID Plan, GM Independent Inequalities Commission, new Economic Vision, the development of Innovation GM and the new Greater Manchester Strategy have also introduced new narratives and propositions. Combined, these changes represent a major shift both in our economic reality and the associated policy context.

2.6. Since March 2020, the economy of Greater Manchester and the UK has also been impacted by a global pandemic and the exit of the UK from the European Union. The COVID-19 pandemic has caused large scale and rapid disruption to our health, social, economic and community infrastructure, and the decisions taken by governments across the globe to shut down and re-open large parts of the economy are continuing to reverberate through international supply chains and the costs of goods and services. In addition, the UK's exit from the European Union is also having an effect on our economy, with the transaction costs of international business being higher in many sectors, and changes to the composition of our labour markets. We are presently in an economic crisis related to the increased costs of energy but also inflation and increased transaction costs that are putting Greater Manchester's residents and businesses under massive strain again.

2.7. Considering these changes, work has been underway since spring to consider what this means for the GM Local Industrial Strategy and the next phase of implementation. Given the scale of economic challenges GM is facing, the strategy will need to evolve into a broader plan for GM's long-term economic recovery, prosperity and resilience, as well as continuing the focus on growth and productivity improvements that were the focus of the Industrial Strategy.

3. What we're delivering now

3.1. Under the long-term framework provided by the Local Industrial Strategy a range of programmes are being delivered that are supporting a more prosperous, fairer and greener GM. Some of these programmes are large in scale and scope, whilst others are smaller innovative pilot projects looking at new ways to support people and businesses in the city-region where we don't have enough evidence on what works or need to try new approaches. This section provides a summary of some of the projects and programmes being delivered, with more information provided in Annex 2.

New approaches to Innovation, Growth, and the Frontiers of Greater Manchester's Economy

3.2. The IPR and LIS show that innovation is important for growth, and they identified 4 frontier areas of greater Manchester's economy in which innovation was already globally pioneering, or had the potential to be, and would also address societal and environmental issues affecting GM. These were Health Innovation, Advanced Materials and Manufacturing, Digital, Cyber and Creative, and Net Zero. To capitalise on these strengths and opportunities a new approach to innovation has been developed, known as **Innovation Greater Manchester**. The initiative is being led by business, with scientific, academic and local government leaders, and it has a vision that by 2030 Greater Manchester will be a leader of the fourth industrial revolution and known globally for the strength of its innovation ecosystem. Further information on Innovation GM is available on the GM LEP website: <https://gmlep.com/innovation-gm>

3.3. GM has been engaging with Government on Innovation GM and how place-based initiatives like this would help re-balance the UK's economy for some time. The Government's Levelling Up White Paper subsequently announced three '**Innovation Accelerators**' in Greater Manchester, West Midlands and Greater Glasgow, with £100m available of new Government funding available to support these places to create thriving innovation ecosystems like those in places like Greater Boston and Silicon Valley. **The GM Innovation Accelerator** will help GM to deliver the vision of Innovation GM, although it won't be the entirety of the actions needed. GMCA is working with Government officials to co-design the Accelerator, part of which is developing a GM Innovation Plan and Business Case to draw down the available Government funding. The accelerator funding will draw in substantial additional 'match' funding through the public-private-research partnerships that will deliver the projects under the Innovation Plan. Section B of this report contains further information on the approach to the pilot being developed with Government.

3.4. Work to support local businesses to grow and become more productive and innovative has continued through activity delivered by the Business Growth Hub and GM's universities. This has also been complemented by sector-specific programmes, support for business decarbonisation, and supporting entrepreneurship through angel funding and networks (amongst other activities). A new £2m **SME GM Leadership & Management programme – Open SME** – has also been created, and we have increased support for self-employed people, including those who work in the gig economy, as well as support for digitalisation and adopting new technologies.

Celebrating, supporting and developing new economic models, good jobs and pay

3.5. The Local Industrial Strategy committed GM to creating an environment where social enterprises can thrive, and since 2019 a GM Social Enterprise Advisory Group (chaired by Rose Marley) has been leading a **Social Enterprise Action Plan** designed to address some of the structural issues affecting the social enterprise sector. GMCA has also been coordinating other work to underpin the social economy including the **VCSE Accord**, and facilitating new ideas that would grow co-operatives, mutuals, social and community enterprises and increase the proportion of the economy owned by residents and communities.

3.6. GM has also launched a campaign to increase the proportion of residents being paid the real Living Wage, and **in November 2021 GM became the first Living Wage City-Region officially recognised by the Living Wage Foundation**. We have continued to grow membership of the **Greater Manchester Good Employment Charter** and over 1300 employers are engaged with the Charter Unit as of the start of November, with 66 formal members and 404 supporters. Work is underway to link both initiatives to procurement across GM's public sector.

Skills and access to opportunities

3.7. Through forums like the Employment and Skills Advisory Panel, GM has long worked collaboratively with our businesses to develop skills provision that meets business need. Recently the GM Chamber of Commerce has been working with employers and other representative bodies to develop the **GM Local Skills Improvement Plan (LSIP)**. LSIPs were announced in the Levelling Up White Paper to: put employers at the centre of a more responsive skills system and build stronger local partnerships. The GM LSIP will set out the city-region's current and future skills needs and how local skills provision needs to change to help people develop the skills to get good jobs and increase their prospects.

3.8. We are also providing employment and skills support, with targeted support available across places and population groups; adding new skills provision that provides the talent needed for specific sectors to grow, and working to better connect residents to education, training, work and other opportunities through new transport funding and planning. Digital connectivity is also essential for growth and ensuring residents can access opportunities, and the **Local Full Fibre Network Programme** is providing up to 2,700Km of new fibre optic broadband infrastructure and will connect more than 1,500 public sites across GM. There has been significant work in digital inclusion – especially since the pandemic, one example being the **Greater Manchester Technology Fund**, which has supported over 1,300 digitally excluded young people.

4. Where strategy and delivery needs to progress further

4.1. The GMS six-month review recommended that for GM to improve delivery under this part of the GMS, we need to respond to a series of issues and actions. The recommendations were that GM needs to translate opportunities into economic benefit for all parts and communities of GM, whilst also positively impacting upon environmental, social and wider economic ambitions (mitigating the negative impacts of growth); and that greater targeting of economic programmes should be pursued to directly respond to inequalities, whilst programme that are effective can be scaled up further. The review also warned that skills supply and work to increase demand for skills may struggle to deliver at the scale and volume required to meet current and projected future growth in some industries and create good jobs.

4.2. The review recommended some practical steps for the policy making process and delivery to address these issues, namely that we review current activity to look at where we can better support the embedding of social and environmental goals and use data and targets more effectively in the design on ongoing review of policies and programmes. The reviewers thought business support would be more effectively delivered if it was better communicated and advice was tailored with respect of different business sectors. On skills the reviewers recommended undertaking a pipeline analysis and mapping to fully understand breaks in the skills system, and what can be done to address them, as well as developing a programme to encourage employers, however small, to make a commitment to support skills development. Finally, the reviewer's urged GM to work with Government to further decentralise powers and resources which can unlock GM's potential to deliver the GMS and national ambitions around growth and prosperity.

5. How we will make further progress

5.1. GM is creating a new Economic Strategy, which will take the Local Industrial Strategy and put it within a wider agenda for economic recovery and resilience. As part of the process for developing the new strategy we refreshed the evidence base that drove the Local Industrial Strategy. This results of this work showed that there has been progress on productivity in the city-region (GM contributed more to UK productivity growth than all but two other International Territorial Level 2 (ITL2) areas between 2010 and 2020); and in skills and qualification levels (although this will need to keep adapting); and in life expectancy. But there is still underperformance and room to grow productivity significantly and there are still wide variations in productivity across different parts of GM (a difference of £13,000 of GVA per job between GM's most productive sub- region and its least productive).

5.2. The review noted that there opportunities to reap higher rewards from pursuing higher value business models across the economy as a whole – including supporting international linkages, strong leadership and management and better skill utilisation and innovation – as well as continuing to support businesses to raise employment standards. However, as overall values of goods exported are showing signs of weakening since Brexit, businesses are likely to need more support to maintain their international trading relationships. A greater focus is also needed to support businesses in the foundational economy in GM to adopt a sustainable footing, enabling them to identify ways to adopt higher value business models while preventing further employment losses

5.3. Given that poor health was already holding GM's economy back before the pandemic, improving health and health outcomes is now a core factor for ensuring everyone in GM has the access to opportunities and income needed for their resilience, and that businesses can access the talent needed to thrive. The research observed that further economic instability could be created by a coming environmental crisis, and that meeting GM's ambitious 2038 target in a way that maximises the benefits to economy, health and quality of life will not just require innovative technologies, but a concerted effort from businesses, residents and consumers to make behavioural and practical changes. Subsequently, there is an urgent set of issues that have deep connections to our economy, as well as chronic stresses of poverty and inequality that need to be addressed.

5.4. As part of this process, we will also review progress on the major issues relating to GM's economy raised in the 2009 Manchester Independent Economic Review and the Independent Prosperity Review – as well as the GMS six month review above – where we have seen progress, where do we need to do better and how can we monitor this more effectively in the future to target investment effectively. We will continue to engage with local authorities through our governance structures, as well as business representative organisations and other partners as the new Economic Strategy takes shape.

6. Recommendations

6.1 Recommendations are laid out at the start of the report.

Annex 1: Summary of the Main Findings of the GM Independent Prosperity Review 2019

The research commissioned identified that GM has become one of the most economically diverse city regions in the UK, and our economy contains a sophisticated mix of industries and supply chains. Within this complex economy, the city region has internationally recognised research strengths and complementary industrial specialisms in Health Innovation and Advanced Materials, as also identified in the 2016 Science and Innovation Audit. These are supported by other high productivity sectors that, if not nationally unique, remain important strengths. These include manufacturing, digital and creative industries, and professional services, along with a broad and relatively deep base of innovation. The Reviewers' recommended Greater Manchester's Industrial Strategy focuses on the potential for these sectors to create new, highly productive activity at the frontier of innovation. The Prosperity Review also highlighted that the transition to a carbon neutral economy is a global challenge, but GM's leadership and ambitions have the potential to drive mission-based innovation to attract investment into new green industries and bring direct benefits to residents from quality of life improvements, such as better air quality and housing, as well as easy access to enhanced green spaces and urban planting.

The review also identified economic challenges in the city-region including significant potential to raise productivity in every sector of our economy, and significant disparities in the economic performance experienced by people and businesses across the city region. The Review did find that inequality on some measures had improved across the city region, with the number of neighbourhoods that were among the 10 per cent most deprived nationally has declined from 396 in 2004 to 348 in 2015. Nevertheless, social and health-related and spatial disparities were contributing to the productivity challenge. The devolved structures integrating health and care in Greater Manchester were noted as providing a nationally unique opportunity to find new ways to improve the health of local residents, and link health interventions with local skills provision and other services to improve progression in work and address long-term unemployment among older age groups and people with multiple or complex needs. The Prosperity Review identified many strengths in Greater Manchester's education and skills system, but concluded that it remained fragmented, but that there was also a problem with low demand for skilled labour and poor skills utilisation by businesses and in the public sector.

The Review also considered GM's infrastructure and business environment, finding that although significant progress had been made since the MIER, a long term, integrated approach to infrastructure planning and funding was needed – linked to planning for homes and jobs – backed up by long-term devolved funding to drive sustainable growth and to integrate the different parts of the city region more effectively. The Review argued that the city region's network of business advice services and the Good Employment Charter should be focused on critical factors for raising skills utilisation and productivity (particularly by improving leadership and management in firms), and that national business support programmes required significant coordination with local ones.

Finally, the Panel concluded that, although investment in assets is required, most of their recommendations for the Local industrial Strategy turn on ensuring the right powers are devolved to the city-region, and improved governance and coordination – both locally and between local and national government. Better coordination would make the economy function more effectively as a system, and lead to more effective use of existing resources by achieving a more productive balance between national and local decision-making about expenditure.

Annex 2: Additional Detail on Delivery

Growing GM's Frontier Sectors

The development of GM's the Advanced Materials and Manufacturing frontier is being championed by the Greater Manchester Advanced Materials and Manufacturing Alliance (chaired by Juergen Maier), which is developing a business case for a 'sustainable materials translational research centre' to be located in the Atom Valley growth location. This centre would complement the Advanced Machinery and Productivity Institute already underway in Rochdale. The Made Smarter programme is also continuing to help manufacturers adopt digital technologies enabling them to become more productive and profitable.

Activities to develop the Health Innovation frontier include the Innovation Partnership on Healthy Ageing which has supported the case for an International Centre on Healthy Ageing and building links to Innovation Greater Manchester and the new integrated care structure for the city-region. Other activity includes 'NHS at Home' – a two-year programme building from Covid experiences to create a blueprint for "virtual wards" including standard operating models, effective inclusive digital solutions and the Digital Care Record.

A Digital Cluster Development Plan is being developed to build growth from GM's key digital specialisms and assets, focusing on Cyber, E-Commerce and Media and Content. An eContent proposition is also being developed which sets out the sub-sector assets of GM. In addition, there is collaborative development of a GM Cyber Strategy to uplift the sector and shape future working. The North West Cyber Resilience Centre – a not-for-profit venture between North West Police forces and Manchester Digital – is working to equip businesses to protect themselves from online attacks. The Culture Recovery Plan – instigated post C19 – is continuing to draw on all available resources to support the sector, including taking advantage of significant digital advances to widen access to culture.

The development of GM's Net Zero cluster will be underpinned by the ten Local Area Energy Plans and 1 GM Masterplan that have been completed, and include activity associated with the 6 Growth Locations. An Energy Innovation Agency has been created with GM's Universities, public and private sector partners. The Agency will accelerate commercialisation of technologies that reduce carbon emissions. Work is ongoing to fully establish the Agency and support a pipeline of innovations. Bee Net Zero was also launched in October with targets of 12.5k/10% of GM businesses pledged to the Net Zero approach per annum and/or 287.5k/10% KtCO₂ of carbon footprint reduced via GM businesses pledged to the Net Zero approach per annum.

MIDAS' performance in driving international trade and attracting inward investment to GM remains strong in terms of projects concluding, with 51 project wins to date, creating 4,849 jobs and safeguarding 922. Project wins are 31% higher than this time last year and jobs created is over double the year-to-date pre-C19 average of 2,350. Marketing of GM's assets, frontier sectors and ecosystem overseas is another key element of this work.

Supporting businesses to grow and become more productive

The Business Growth Hub continues to support businesses at all stages of their growth journey with a broad range of services. The Business, Productivity, Innovation and Inclusive Growth Programme is GM's main business support program, running until June 2023 (funded via ERDF and local match funding) and focuses on delivering sustainable and inclusive growth across the GM business base, including through sector-specific programmes, innovation support, support for business decarbonization, and supporting entrepreneurship through angel funding and networks (amongst other activities).

Based on the recommendations of the IPR, GM has created a new £2m GM Leadership & Management programme – Open SME – to give local SMEs the tools, resources and training to develop leadership and management skills and capacity and subsequently improve their productivity. The Leadership Hive sits over all Leadership and Management supporting GM to help businesses access the best leadership and management training through one portal.

GM has also increased its self-employed support via Enterprising You – a government and GM-funded programme specially designed to support self-employed individuals, including those who work in the gig economy and small business owners. This programme is having particular success in supporting female business founders.

A range of Digital Business Support has also been introduced including the Digital Innovation Programme; Made Smarter; Digital and Technology Theme Support; ESF Skills Support for the Workforce; Digital Springboard, Tech Adoption Service, Global Scale Up, Greater Connected, Exceed and Creative Accelerator Programmes; Creative Leaders Festival and through the efforts of Digital Account Managers in each LA area.

Work is ongoing to understand better what works, demonstrate leadership, and build networks and collaborations that increase capacity for positive change for workers and businesses in the foundational economy. This includes a fund to stimulate experimental projects in “Challenge Areas” that will help businesses become more resilient. Complementary skills activity has also been commissioned related to the Foundational Economy, including new social care progression programmes.

Celebrating, supporting and developing new economic models, good jobs and pay

Following the commitment in the Local Industrial Strategy to create an environment where social enterprises can thrive, a GM Social Enterprise Advisory Group (chaired by Rose Marley) has been leading a Social Enterprise Action Plan which has four priorities:

1. Improving understanding of Social Enterprises and their contribution to the GM economy
2. Understanding and reforming public and business sector procurement and opportunities for Social Enterprises
3. Identifying potential markets and investment opportunities (including business support)
4. Raising awareness and profile of Social Enterprises.

A co-design process has also been undertaken to define how a GM Community Wealth Hub – staffed by people from the cooperative and community sector – could support and grow co-operatives, mutuals, social and community enterprises, thereby changing the proportion of the Greater Manchester economy that is owned by residents and communities.

GM has also launched a campaign to increase the proportion of residents being paid the real Living Wage, and in November 2021 GM became the first Living Wage City-Region officially recognised by the Living Wage Foundation. Through close partnership with the Foundation, GM has put in place a dedicated taskforce working across different sectors of the economy to engage with employers and encourage them to support our ambitions. Building on the campaign, it was announced in March that by the end of the year, more than half of Greater Manchester's 10 boroughs will be paying the real Living Wage to directly and indirectly employed adult social care staff, soon to be £9.90 per hour. The remaining boroughs are on track to deliver the RLW for their adult social care staff soon after.

We have continued to grow membership of the Greater Manchester Good Employment Charter – a voluntary membership and assessment scheme created to improve employment standards across all GM employers, regardless of size, sector or geography. Public sector bodies, private sector businesses, service providers, the third sector, and voluntary and community organisations can all sign up to the Charter. Over 1300 employers are engaged with the Charter Unit as of the start of November 2022.

When the GMS was launched in March, it was announced that GMCA and local authorities will move by 2023 to only procuring from companies that pay the real Living Wage, support good employment and have developed plans to become carbon neutral. In addition, a commitment was also made to improve supplier diversity by reserving some contracts for GM SMEs or VCSE organisations. Furthermore, GM NHS has been included in discussions with GMCA around "Driving Social Value in Greater Manchester Public Procurement" with a joint action plan being developed. The Growth Company has published a Progressive Procurement Policy and is tracking Equality, Diversity and Inclusion measures for their supply chain.

Supporting residents – skills and work

Through forums like the Employment and Skills Advisory Panel, GM has a history of working collaboratively with business base to develop the skills provision that meets business need. Recently the GM Chamber of Commerce has been working with employers and other representative bodies to develop the GM Local Skills Improvement Plan (LSIP). LSIPs were announced in the Levelling Up white paper to: put employers at the centre of the skills system; build a stronger and more dynamic partnership between employers and further education providers; and allow provision to be more responsive to the skills needs of employers in local labour markets. The GM LSIP will set out the city-region's current and future skills needs and how local skills provision needs to change to help people develop the skills to get good jobs and increase their prospects.

There are already programmes being delivered which provide employment and skills support, with targeted support available across places and population groups, and with targeted interventions for particular cohorts e.g. the GM Age Friendly employer toolkit, Future Workforce Fund programme, NEET and Youth Employment programmes, Working Well programmes, Apprenticeship Levy matchmaking service, Adult Education Budget, Greater Manchester Apprenticeship and Careers Service and Bridge GM (which connects industry and local education providers).

Since the Local Industrial Strategy was agreed a range of sector specific skills training activity has been introduced targeted at sectors with skills shortages and with forecast growth in demand. The area with the largest demand for skills at the moment is GM's digital sector. Current skills provision includes the Fast Track Digital Workforce Fund – a joint venture between Department for Digital, Culture, Media and Sport, GMCA and Lancashire Digital Skills Partnership – to address digital skills gaps and support Greater Manchester and Lancashire residents with accessible routes into digital employment. The Future Workforce Fund has now supported almost 5,000 young people with 27% supported into a positive destination. Other digital programmes include GM Digital Curriculum, GM Digital Talent Pipeline, and Digital Bootcamps.

Significant investment is also being put into the retrofit skills programme to meet the demand to be able to retrofit GM homes and buildings to improve efficiency of buildings and make more homes warm, safe and affordable for GM residents, this is alongside other wider investment in skills training to support the wider construction industry.

There has also been further investment to better connect residents to education, training, work and other opportunities across the city-region. The Bee Network is a fundamental strand of transport as a crucial enabler of access to places, jobs, services and centres, providing interconnected, reliable, affordable public transport and active travel solutions for people across GM. Transport activity is also being developed to support particular cohorts, including the Our Pass scheme, Care Leavers Pass and work underway for possible apprentice and job seekers ticketing offer.

HS2 and the Northern Powerhouse Rail (NPR) Programme remain crucial to the future prosperity of GM and the North, acting as a catalyst for regeneration, jobs, homes and economic growth. GM remains supportive of both HS2 and NPR, whilst maintaining a clear position that they must be delivered in ways that fully complement the placemaking, local employment and sustainable growth objectives of the city region.

Digital connectivity is also essential for growth and accessing opportunities. The Local Full Fibre Network Programme is providing up to 2,700Km of new fibre optic broadband infrastructure and will connect more than 1,500 public sites across GM. Delivered in partnership with Virgin Media Business (now VMO2), the £23.8M programme, plus existing investments in digital infrastructure, make this the UK's largest LFFN programme and will underpin digital transformation and smart city projects. In its first year of delivery the programme has already delivered £11.8M of economic benefit to GM. The programme also has social value built into the contracting arrangements and has exceeded local employment targets, established the Greater Manchester Technology Fund, which has supported over 1,300 digitally excluded young people during the pandemic, and VMO2 staff have used annual volunteer days to support people across GM. This programme has also led to wider investment by VMO2 in the extension of its network which is helping to reduce the numbers of properties below 30Mbps.

GM's Advanced Wireless and 5G Strategy will provide a framework for public and private investment in digital infrastructure. The activity is seeking to provide a public wireless platform to address connectivity cold spots in GM and contribute towards access to connectivity for citizens and visitors.



GMCA Overview & Scrutiny Committee

Date: 23 November 2022

Subject: Innovation Greater Manchester and the Innovation Accelerator Pilot

Report of: Councillor Bev Craig, Elected Portfolio Leader, Economy, Business and International, and Tom Stannard, Executive Portfolio Leader, Economy, Business and International

Purpose of Report:

To update Scrutiny members on the Innovation Accelerator pilot that was announced in the Levelling Up Whitepaper and is being delivered through a process of co-design with Government and Greater Manchester.

To note that this is a separate activity and is in parallel to the GMCA Foundational Economy Innovation Fund.

To note that this report sits under the overall Scrutiny Committee report More Prosperous GM (November 2022) and is referenced in section 3.2 of that report.

Recommendations:

The GMCA Overview and Scrutiny Committee is requested to:

1. Comment on the approach taken to develop the innovation accelerator pilot with Government.
2. Note that the innovation accelerator pilot is expected to have direct positive impacts on equality and inclusion, health, resilience and adaptation, economy, and mobility and connectivity. There are also expected to be indirect positive impacts on carbon emissions.

Contact Officers

Simon Nokes, Executive Director of Policy and Strategy, GMCA

Steven Heales, Head of Science and Innovation Policy, GMCA

Leila Mottahedeh, Innovation Senior Policy Officer, GMCA

Equalities Impact, Carbon and Sustainability Assessment

There are no expected negative carbon, equalities or sustainability impacts.

It is expected that projects funded through the innovation accelerator will have a positive impact on carbon emissions by accelerating business-led Research & Development (R&D) in this field.

Funded projects are required to make a positive contribution to equalities - projects are expected to increase the diversity of people and businesses undertaking R&D and innovation, and participating organisations including businesses are expected to commit to exploring joining the Greater Manchester Good Employment Charter and the Living Wage City Region pledge.

Recommendation - Key points for decision-makers

Insert text

Impacts Questionnaire

Impact Indicator	Result	Justification/Mitigation					
Equality and Inclusion	G						
Health	G						
Resilience and Adaptation	G						
Housing							
Economy	G						
Mobility and Connectivity	G						
Carbon, Nature and Environment							
Consumption and Production							
Contribution to achieving the GM Carbon Neutral 2038 target		Net Zero is key to the Innovation Greater Manchester Vision. Projects that will enable R&D interventions to generate the solutions we need to achieve net zero and are fully aligned to GM ambitions to reach Net Zero by 2038 are welcomed.					
Further Assessment(s):		Equalities Impact Assessment and Carbon Assessment					
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.

Carbon Assessment					
Overall Score					
Buildings	Result	Justification/Mitigation			
New Build residential	N/A				
Residential building(s) renovation/maintenance		Unkown			
		Projects linked to R&D			
		Projects linked to R&D			
		Unkown			
New build non-residential (including public) buildings	#####	Projects linked to R&D			
		Projects linked to R&D			
		Projects linked to R&D			
		Projects linked to R&D			
		n/a			
		Projects linked to R&D			
		Projects linked to R&D			
		Projects linked to R&D			
		Projects linked to R&D			
		Projects linked to R&D			
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.

Risk Management

Risks are managed through the delivery of the programme. So long as relevant legislation is followed there are not expected to be any major risks to the organisation, delivery or finance of GMCA.

Legal Considerations

GMCA should ensure it follows relevant legislation when any decisions are made in relation to selection of projects for public funding.

Financial Consequences – Revenue

The programme is expected to result in additional revenue and capital funding for innovation projects and assets for external organisations.

There are direct costs to GMCA for delivery of this programme as met through the overall programme.

Financial Consequences – Capital

There are no Financial Capital implications.

Number of attachments to the report

Greater Manchester's Innovation Accelerator Plan – Executive Summary

Comments/recommendations from Overview & Scrutiny Committee**Background Papers**

Levelling Up White Paper – Mission 2: R&D investment

Greater Manchester's Innovation Accelerator Plan – Executive Summary

Greater Manchester Local Industrial Strategy

Tracking/ Process

Does this report relate to a major strategic decision, as set out in the GMCA Constitution?

No

Exemption from call in

N/A

GM Transport Committee

N/A

Overview and Scrutiny Committee

23 November 2022

Background – Innovation Greater Manchester and the Innovation Accelerator pilot with Government

Innovation Greater Manchester

6.1. Innovation Greater Manchester is a triple-helix partnership of universities, business leaders, and civic leaders, and maintains close links to GMCA and the Greater Manchester Local Enterprise Partnership. Its membership is set out in annex a. Innovation Greater Manchester is taking forward a long-term innovation plan for the city-region to drive up R&D and innovation investment in to the city region, and in order to lead to innovation-led economic growth across the whole of the city region. This plan is included as a background paper and is available via the Local Enterprise Partnership website.

6.2. The goal of Innovation Greater Manchester is to increase productivity, jobs and wages across the whole of Greater Manchester through increased levels of business-led R&D and innovation. The following objectives to 2030 are set out in order to achieve this goal:

- Dynamic and connected R&D intensive business clusters centred on our frontier sectors will fuel productivity growth and prosperity across the North
- The city-region's landscape of R&D intensive businesses will be enhanced by the growth of existing businesses, formation and scaling up of start-ups, and inward investment by firms at the international technology frontier
- Business R&D investment will be up by £500m per year
- The city-region's excellent scientific capabilities will be further strengthened and integrated into an ecosystem that will deliver inclusive growth. Public sector R&D investment will be up by £250m per year
- The ecosystem will have a robust and diverse skills and talent pipeline, easy access to finance for innovators, and deep business networks that fuel enterprise and entrepreneurship
- The innovation ecosystem will connect with partner cities and regions across the UK and internationally and will be a driving force of the UK as an Innovation Nation

- The growth of the innovation ecosystem will deliver measurable impacts on all Levelling Up Missions, reflecting more productive and R&D intensive firms, increased skills, higher quality jobs and reductions in health inequalities in all parts of the city-region
- GVA will be up by 5%, compared to business as usual, a prize worth £3.8bn

Innovation Accelerator pilot

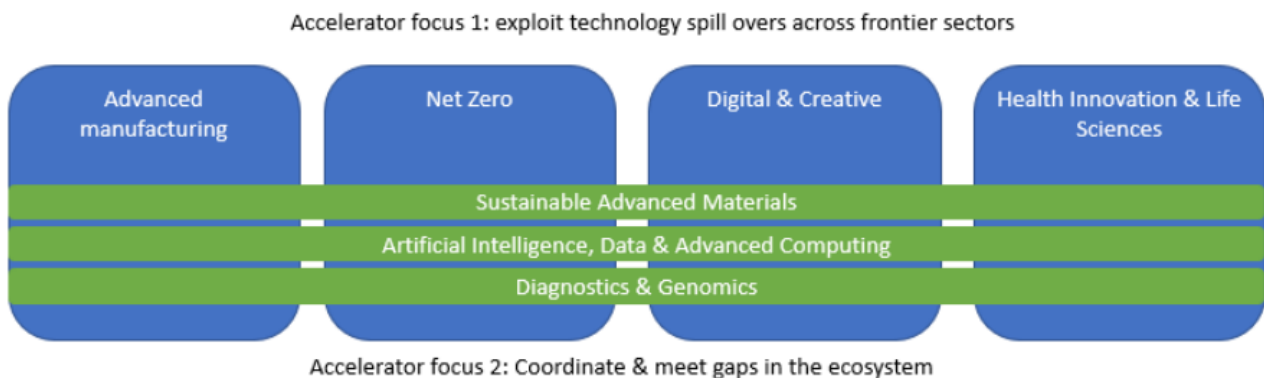
6.3. As an initial opportunity to take action against this plan, Greater Manchester was announced in the Levelling Up Whitepaper as one of three innovation accelerator pilots, backed by £100m of research funding from the UKRI budget.

6.4. The pilot lasts three years and started in April 2022. The pilot includes one year of programme design and projects selection for funding, and then two years of direct delivery and evaluation. As well as funding support, bespoke support from the UK Government officials, led by the Department for Business, Energy and Industrial Strategy (BEIS) is supporting the programme.

6.5. Innovation Greater Manchester is steering the Greater Manchester innovation accelerator pilot. Any key decisions relating to major public funding is steered through GMCA governance.

6.6. The innovation accelerator aims to enable more private sector businesses to investment more in research, development and innovation. In return for £33m grant funding, the expectation is that at least 1:1 eligible co-investment from businesses is achieved, leading to 2:1 co-investment from businesses in the longer-term. This programme was agreed by Government to begin to take forward Mission Two of the Levelling Up Whitepaper "By 2030, domestic public investment in R&D outside the Greater South East will increase by at least 40%, and over the Spending Review period by at least one third. This additional government funding will seek to leverage at least twice as much private sector investment over the long term to stimulate innovation and productivity growth".

6.7. The Innovation Accelerator pilot requires areas to identify innovation clusters to focus investment around Greater Manchester has strengths within all seven technology families as set out on page 85 of the UK Innovation Strategy, but in order to create a cluster focus for the innovation accelerator pilot, Innovation Greater Manchester has identified three priority areas that unify our asset base, connect to local and regional business strengths, go with the grain of inward investment trends and forecasts, and align to very significant global markets. See 'Cluster focus' visual below:



Innovation Accelerator project selection

6.8. Activity on the pilot commenced from April 2022. An open call for projects was undertaken over Summer 2022. Over 60 projects were shortlisted and through support over late summer projects have merged to avoid duplication or identified this funding isn't a good fit for them.

6.9. 22 projects submitted a final application to Innovate UK, the agency that administrates and assures the funding for this programme, on 02 November 2022. Project applications will undergo assurance by Innovate UK, and of those that pass this, Innovation Greater Manchester is invited to select a final portfolio of projects totalling no more than £33m of grant funding.

6.10. Following this assurance process, local areas are expected to be notified of which projects have passed by December 2022. Local areas are then invited to take final decisions on which projects will be funded, referred to as a portfolio selection exercise. This will be led by local areas with support of Innovate UK.

6.11. Projects are expected to be notified of outcomes in early 2023, with funding released to begin delivery in from 1st April 2023.

6.12. Due to the -pre-set timelines by Government and the need to reach timely decisions for successful projects in order for them to complete due-diligence and ensure Greater Manchester has the best opportunity to draw down its fair share of available funds before end of March 2023, the final local selection decision has been delegated to the GMCA Chief Executive, and Treasurer, in consultation with the GMCA Economy, Business & International Portfolio Leader and Chief Executive, the GMCA Education, Skills, Work, Apprenticeships and Digital the Portfolio Leader and Chief Executive, and the Innovation Greater Manchester Board. Government officials will also observe the decision-making process.

6.13. All activities are running in parallel to the completion and agreement of a full business case that needs to be agreed by HM Treasury.

6.14. The timeline of key milestones for the innovation accelerator pilot is set out in the table following visual.

Funders:	Innovate UK
Funding Type:	Grant
Total Fund:	£100,000,000
GM Portfolio expected allocation:	£33,000,000
GM portfolio to be put forward:	All current projects that wish to submit.
Project Award Range:	£500,000 - £15,000,000
Opening Date:	1 June 2022
Closing Date:	11am 2 November 2022



7. Recommendations

7.1 Recommendations are laid out at the start of the report.

Annex a – Innovation Greater Manchester membership

See - [Innovation Greater Manchester Board | Greater Manchester Local Enterprise Partnership \(gmlep.com\)](http://Innovation Greater Manchester Board | Greater Manchester Local Enterprise Partnership (gmlep.com))

