

Greater Manchester Combined Authority

Date: 24th November 2023

Subject: Innovation Greater Manchester

Report of: Cllr Bev Craig, Leader of Manchester City Council and GMCA Portfolio leader for Economy, Business and Inclusive Growth and Tom Stannard, Chief Executive Salford City Council and GMCA Executive Lead for Economy, Business and Inclusive Growth

Purpose of Report

This report is to update the Combined Authority on the ongoing work of Innovation Greater Manchester (IGM), and to ask the GMCA to adopt the recommendations made at the IGM Board meeting of 12th October 2023 that formalise the ongoing functions and form of this triple helix entity at the centre of Greater Manchester's innovation ecosystem.

Recommendations:

The Combined Authority is requested to:

1. Note the update on the work of Innovation Greater Manchester Partnership
2. Note that the IGM Board approved a series of recommendations at their Board meeting of 12 October 2023, approving the creation of a triple helix partnership arrangement as set out in this report.
3. Approve the GMCA entering into such a Partnership Agreement and move to appoint a new Chair for IGM, and to delegate authority to the Chief Executive in consultation with the Economic Portfolio Leader and the GMCA Solicitor and Monitoring Officer, to agree the terms of the partnership agreement in accordance with the terms set out in this report.
4. Approve the use of already committed resources to support the development of IGM in its new form in 23/24 and to consider 24/25 resources as part of the Retained Business Rates process

Contact Officers

Simon Nokes, Executive Director, Policy, Strategy and Research, GMCA:

simio.nokes@greatermanchester-ca.gov.uk

Lisa Dale-Clough, Assistant Director, Economy Directorate, GMCA: [lisa.dale-](mailto:lisa.dale-clough@greatermanchester-ca.gov.uk)

[clough@greatermanchester-ca.gov.uk](mailto:lisa.dale-clough@greatermanchester-ca.gov.uk)

Equalities Impact, Carbon and Sustainability Assessment:

Risk Management

The IGM Partnership is a triple helix partnership endorsed in the GMCA trailblazer Devolution Deal, with the public sector element being represented by GMCA. The relationship between GMCA and IGM, and the success of IGM itself, is subsequently important to progressing flagship policies including the GM Innovation Accelerator and GM Innovation Plan, as well as GM's ongoing engagement with Government on innovation strategy and policy and delivery. This risk is being mitigated through the representation of the GMCA Chief Executive on the IGM Board and Simon Nokes and Lisa Dale-Clough as Board observers, and the active contributors to the work of the Partnership by the GMCA Economy Directorate.

Legal Considerations

The parties have agreed to enter into a partnership agreement which will set out the details of the arrangements for each contracting party within the triple helix. The risks and rewards for GMCA will be set out in the paper supporting the delegation to the Chief Executive as part of the final decision making on the terms of the agreement

Financial Consequences – Revenue

There will be a revenue implication for the GMCA, to meet a proportion of the short-term funding needs under the proposed IGM workplan. A proposal will be brought to the GMCA in due course as part of potential future Retained Business Rates allocations.

Financial Consequences – Capital

There are no capital funding implications for the GMCA.

Number of attachments to the report: 0

Comments/recommendations from Overview & Scrutiny Committee

N/A

Background Papers

- Greater Manchester Innovation Plan, Executive Summary:

https://assets.simpleviewinc.com/simpleview/image/upload/v1/clients/investmanchester/IGM_Exec_Summary_Nov_22_1_63d0f877-c7fa-4c0f-a328-04fc0cdbeae9.pdf

Tracking/ Process

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

No

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

1. Introduction/Background

1.1 The GM Local Industrial Strategy, Greater Manchester Strategy and GM Economic vision set out the city-region's priorities to build a Greater Manchester and in turn a Greater Britain. Building on our frontier sector strengths in advanced materials, green growth, health innovation and digital and creative, Greater Manchester is poised to lead UK economic recovery with a plan for innovation, green growth and addressing inequalities.

1.2 To deliver government's ambitions for levelling-up and global Britain, the UK needs a national engine of growth at the heart of the Northern Powerhouse that can drive its economy in the same way that London does for the South East, and play a full role in the UK's aspiration to be a science superpower, where Research & Development (R&D) and innovation leads to broad based national prosperity. Greater Manchester (GM) is one of the fastest growing, broadest economies in the UK, enabled by the breadth of our academic research excellence, with strengths across all seven of the key technology families in the UK Innovation Strategy. GM is experiencing the beginning of a productivity resurgence and there is growing confidence that GM can be a world leading innovation hub, delivered by building out from frontier sector strengths and connecting them to enabling and supporting sectors, and continuing to create a vibrant and attractive city-region.

1.2 Innovation is a complex activity and is not a linear process, and so the world's most successful and prosperous regions are based around strong innovation ecosystems that bring together the actors, relationships, and conventions needed to conceive, create, commercialise and adopt innovations, and speed the flows of knowledge, finance, people and services between them. GM has many of the key elements for a high performing innovation ecosystem, but there are elements missing and parts that need to be better connected. And all elements need further investment to build an ecosystem that can drive productivity, local job creation, and compete for investment and talent globally.

1.3 Innovation Greater Manchester (IGM) was created as an ambitious plan to create a new place-based partnership, led by businesses and entrepreneurs, to build on GM's existing R&D assets and local delivery capacity to drive innovation-led growth across all of the city-region's diverse towns and cities.

- 1.4 The recognition in national policy of the need for a stronger element of place in research and innovation funding has created a demand among government funding agencies, such as UKRI (including Innovate UK, Research England, and the Research Councils), for authoritative, representative and credible local organisations to work with. IGM seeks to be an exemplar of such an organisation.
- 1.5 IGM – as a strong triple-helix organisation, established to drive the development of the GM innovation ecosystem – subsequently fills an important gap for GM’s residents, businesses, sectors and places, as well as for Government and for UK’s overall global standing in R&D&I.

2. Update on Innovation Greater Manchester’s Achievements

- 2.1 In the last two years Innovation Greater Manchester (IGM) has driven real progress and change in the way Greater Manchester and the UK Government think about and do innovation. This has included:
- The creation of a local innovation plan for Greater Manchester – the GM Innovation Plan, which sets out how the city-regions frontier sectors and growing competences in key technology families will be combined with investment in infrastructure, skills and assets to create a step-change in the levels of investment in R&D&I in the city-region.
 - The successful strategic oversight and development of Greater Manchester’s response to the Innovation Accelerator pilot announced in the Levelling-up white paper, which carried a £100m national fund and a new mechanism for engaging and developing policy conversations across government departments.
 - The co-design of the National Innovation Accelerator programme alongside BEIS, DLUCH, Innovate UK, the West Midlands Combined authority and Glasgow City Council.
 - Engagement with local, regional and national stakeholders across the public, private and academic sectors to gather a broad range of ideas for innovation interventions, and to develop these into a strong and strategically coherent, high quality project applications, which secured £33m of funding for the GM Innovation Ecosystem, in line with the Innovation Cluster principals laid out in the GM Innovation Plan.
 - The shepherding of the GM IA project portfolio through IUK’s due diligence process, resulting in GM being the first region to receive Grant Offer Letters for its whole portfolio.

- Through engagement with the cross-government policy development offer, the acceleration of the UKAS accreditation of the University of Salford's Acoustics Research Centre as a national testing centre.
- The Signing of an MOU Agreement with GMCA and Innovate UK, in December 2022, committing to working to develop new place-based approaches to driving more public and private sector investment in R&D in the City region. This has been supported by the subsequent development of an MOU Action Plan to 2027, focused on shaping how Innovate UK activities in SME engagement, innovative public sector procurement, and the development of place based interventions, can be informed by local priorities in key growth agendas.
- The commitment to continuing to change and evolve GM's relationship with Government through the Trailblazer Devolution Deal and take forward the innovation commitments in the deeper devolution deal for Greater Manchester.
- The continuing work with Government on achieving its levelling up mission that "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", including through the Trailblazer Devolution Deal and the Strategic Innovation Partnership agreed.

3. Delivering Innovation Greater Manchester So Far

3.1 So far, IGM has been resourced through the time of: GMCA officers and the Greater Manchester Chief Scientific Advisor (Professor Richard Jones, University of Manchester), the time volunteered by members of an informal delivery group, and the time of its voluntary Board members and Chair. There are concerns that this largely voluntary resourcing doesn't align with IGM's level of ambition and objectives. The current Chair also took on the role on a temporary basis. At times, there have been concerns that the work of the partnership has become too focussed on the public-sector element of the triple-helix – although noting that boosting public investment in R&D is a necessary pre-cursor to increasing that of the private sector in many technology areas and industries.

3.2 A process that has included multiple stakeholder engagement exercises, challenge sessions by independent experts and independent analysis has concluded that IGM requires a formal Partnership agreement between the triple helix partners and dedicated resources, more defined relationships with other entities in GM's innovation

ecosystem, and a reformed Board to progress to the next phase of its ambitions – being to drive progress to becoming a world-class innovation ecosystem.

3.3 To ensure IGM has the required set-up and resources, the IGM Board broadly has determined to take a number of steps including recruiting a permanent Chair, formalising the purpose, functions and structure of IGM, and putting in place arrangements for a small high quality executive function to support its work.

4. The Continuing Purpose of Innovation Greater Manchester

4.1 IGM exists to create a stronger, greener and more inclusive innovation ecosystem in GM, through a partnership that combines the power of businesses, universities, and local government to drive up productivity through collaboration, research and innovation. IGM seeks to establish GM as an internationally recognised and leading innovation ecosystem with clusters of innovation-led businesses and globally significant R&D&I assets, centred on our frontier sectors, driving up productivity growth and prosperity across the North, and providing a blueprint that can be adopted by other places.

4.2 The objectives set out in the GM Innovation Plan should continue to steer the focus of IGM, the primary objective being to increase public and private R&D investment in the region by an additional £750m by 2030. In doing this, IGM expect to also support:

- Increased productivity - a GVA increase of £3.8 billion (5% uplift)
- +100,000 additional jobs related to R&D intensive sectors and occupations.
- A diverse skills and talent pipeline, more access to finance, and innovation-focussed business networks.
- Recognition as a top ten European city region for science and innovation.
- Acceleration of the transition to a net zero society and reduced health inequalities.
- Inclusive economic growth across the city region.

4.3 In their October meeting, the IGM Board agreed that the objectives set out in the GM Innovation Plan should continue to steer the focus of IGM, the primary objective being to increase public and private R&D investment in the region by an additional £750m per annum by 2030 (2:1 private-public ratio) – but to increase the level of ambition around this uplift to £1bn per annum.

5. The future functions of IGM

5.1 Delivering these objectives requires a formal partnership focussed on making GM the 'go to place' for public and private innovation investment, intelligence and strategy, and that keeps challenging and changing the way that innovation is funded and managed at city-region level in the UK. This will need a formal partnership that can speak from the perspective of all parts of the triple-helix with its own brand, identity and point of view, that is expert, credible and evidence-based, and trusted. It will also require a partnership that is flexible in the way it connects and collaborates with industry, towns and cities in all GM districts and with Government and businesses, reflecting the diversity of GM's sectors, institutions and places. Through this, IGM will recognise and realise the opportunities for innovation-led growth across all of GM.

5.2 Whilst IGM will inevitably evolve and adapt to its operating environment as it matures over time, the Board has agreed three initial functions that will enable IGM to become operational and start driving impact against the 2030 objective:

- **Intelligence, evidence and knowledge:** IGM will ensure the best understanding of GM's innovation ecosystem, creating insight and having its own ability to gather and use data and analysis - as well as synthesising research and data of other bodies including GMCA, Sector Bodies, Growth Company, Universities, think tanks and businesses. IGM will use these insights to identify gaps and opportunities in the GM ecosystem – and advise on how these can be filled via policy, strategy, public funding and private investment.
- **Vision, promotion and persuasion:** IGM will maintain and drive the achievement of the vision for GM's innovation ecosystem, using the clarity and consensus behind the vision to directly influence investment decisions of businesses, GM local government and national government, HEIs and Research/HEI institutions, working with MIDAS and other stakeholders. IGM will increase investment in innovation in the city-region by creating a clear, independent, evidence-driven voice and perspective, and a strong brand and public profile for GM's innovation ecosystem, with global reach. IGM will have strong reach into business networks and across different parts of the triple-helix. IGM will support pitches and bids for funding across the triple helix and support the development of pipelines of investable propositions.
- **Strategy and planning:** IGM will have a strategy and plan for its primary objective of increasing R&D investment by £1bn per annum, and through this will support sector and place focused partnerships around GM's frontier sectors and growth locations; support

each GM Growth Location to develop and drive relevant place and industry specific innovation activities and collaborations, and advise on the design of publicly-funded innovation programmes and prioritisation of projects. This means that IGM will not directly manage or allocate public funding but will provide both strategic advice on the scale and use of public funding related to innovation and advise on specific projects or programme funding.

5.3 IGM is not starting from a blank sheet and must work through a range of innovation partnerships, groups and delivery agencies that already exist in GM relating to both GM's frontier sectors, places and delivery, including supporting each District in developing innovation investment at the heart of each of the six Growth Locations. In operating in this way, IGM will help ensure innovation-led economic growth sits at the heart of all parts of the conurbation, and help to recognise and capitalise on the synergies between the different parts of the conurbation e.g. Advanced Materials research assets in the regional centre and the commercialisation of these technologies through Advanced Manufacturing clusters in Atom Valley.

5.4 There are three important ways IGM can add value to the existing landscape in GM:

1. By being a light, nimble and strategic organisation, IGM can support, join up and create coherence across these different actors and organisations.
2. Through creating a strong system-level overview of innovation capacity and investment, IGM can identify how to strengthen the ecosystem (working with and through different actors as needed)
3. Being a powerful independent voice analysing, advising and advocating on innovation in GM as well as outside GM, on GM's behalf.

5.5 IGM will also lead work that spans the triple-helix to develop relationships between Greater Manchester's innovation ecosystem and innovation ecosystems in other places in the UK, including the three Innovation Accelerator regions and other regions with aligned assets and interests like Cambridge, as well as city-regions in other countries.

6 The Structure of IGM

6.1 Following the work on what IGM is needed to do, the Board considered the legal structure required subsequently concluding that establishing IGM as a formal Partnership was their preferred option given the functions outlined above - and that

none of these were deemed trading activities -and because this structure enables the entity to be fully triple-helix, as well as being light touch and flexible.

- 6.2 The Board also agreed that the Partnership should be supported by another larger organisation, which would provide the corporate functions needed for a functioning organisation (HR, IT, finance etc).

7 Resourcing

- 7.1 To deliver the functions set out above and to create a distinct culture and way of working IGM will require its own small executive team and budget. Over time, as the Partnership becomes more established and IGM gets into its stride, the staffing and resourcing requirements are likely to change, indicating a phased set up process, starting with a temporary team, ideally made up of secondments from organisations across the triple helix.
- 7.2 Given the functions of IGM set out above, it is hard to see how individual businesses or other delivery agencies would make a major funding contribution at the outset. It is therefore expected that the initial resourcing for IGM will come from GMCA and the Universities in the short to medium term. A proposal for a proportion of this budget will be presented to GMCA in due course, subject to GMCA accepting the recommendations of the Board in this paper.
- 7.3 In terms of the Executive Team, key initial roles would be very similar to the staffing of the Oxford Road Corridor partnership:
- An Executive Director
 - GM Chief Scientific Adviser
 - An Executive Officer
 - A Project Support Officer
- 7.4 Not all of the roles may need to be full time at first. However, the Board recommends that the Executive Director and Executive Officer are close to full time or full-time as soon as possible to create the required momentum and drive for the next phase of IGM.
- 7.5 The Working Group recommends that IGM is supported by another organisation so that resources allocated are not disproportionately used for creating a corporate

structure and operations. The Partnership's staff would be employed by the support or host organisation and according to their terms and conditions.

This is the model used by the Oxford Road Corridor, Health Innovation Manchester and Energy Innovation Agency (among others).

8. Recruitment of permanent Chair and additional Board members

- 8.1 Discussions have been undertaken with each existing Board Member and members of the wider network about the recruitment of a permanent Chair for the partnership. There was clear agreement at the May 2023 Board meeting that the Chair should be nationally recognised, although ideally with some connection to GM and that recruitment should begin quickly. Views have been gathered about the characteristics of the Chair and a draft role profile developed.
- 8.2 There is a strong preference for a private sector Chair with direct experience of working in the innovation environment in business or industry. They needed to be credible, dynamic and able to influence a wide range of stakeholders. International experience and experience of working with central Government was a benefit.
- 8.3 The Board also agreed that additional private sector representation was required on the IGM Board, following the following principles for Board composition:
- 4 x public sector members
 - 4 x private /sector members
 - 4 x University members
 - 3 x 'external' members including the independent Chair
 - The GM Chief Scientific Advisor

9 Getting the new IGM up and running.

- 9.1 It is essential that IGM is supported to quickly establish its new operating model but at the same time remain focussed on delivering the Board's priorities and workplan.
- 9.2 Although this paper has focused on the IGM Partnership itself, and its set up, the Board is very clear on its 3 roles moving forward (see paragraphs 5.2-5.5) and the real work is to get into delivery against those priorities. Alongside the work to continue to formalise the new organisational structure and recruit the permanent chair, The Board identified the following areas of delivery to be prioritised for the remainder of 2023/24:
- IUK MOU workplan delivery and a One Year On Event

- Implementation and realisation of two Devo Deal commitments: 'Annual Presentation of GM's R&D&I priorities to UK Ministers', and 'Presentation of GM's R&D&I priorities to UKRI.
- Supporting the delivery of the GM Investment Zone and related activity linked to priority sectors and clusters.
- Continuing to define working relationships and requirements of IGM's links to sector bodies.
- Continue to oversee implementation of GM Innovation Accelerator.
- Working with each frontier sector and Growth Location to support the development of innovation investment and growth at the heart of their evolving plans.