

**GMCA ECONOMY, BUSINESS GROWTH AND SKILLS OVERVIEW AND SCRUTINY COMMITTEE
12 APRIL 2019 AT 2.00 PM AT GMCA OFFICES, CHURCHGATE HOUSE**

Present: Councillor Michael Holly (Rochdale) (in the Chair)

Bolton: Councillor Kevin McKeon (substitute)

Bury: Councillor Mary Whitby

Oldham: Councillor Chris Goodwin

Oldham: Councillor Valerie Leach

Salford: Councillor Kate Lewis

Stockport: Councillor Mark Hunter

Stockport: Councillor Jude Wells

Trafford: Councillor Barry Brotherton

Wigan: Councillor Charles Rigby

In attendance

GMCA Councillor Richard Leese, Portfolio Lead for Economy
Simon Nokes, Executive Director Policy & Strategy
Steven Heales, Head of Innovation and Science Commercialisation
Lisa Dale-Clough, Head of Industrial Strategy
Emma Stonier, Governance and Scrutiny Officer

Manchester Martha Samma
Metropolitan Chris Taylor
University

Growth Co Donna Edwards, MD for Business Support & Business Finance
Richard Jeffrey, Director of Business Growth

E39/19 APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillor Susan Haworth (Bolton), Councillor Robert Caserta (Bury), Councillor Luke Raikes (Manchester), Councillor Daniel Meredith (Rochdale), Councillor Karen Garrido (Salford) and Councillor Yvonne Cartey (Tameside).

Apologies were also received from Jim Taylor (Salford).

E40/19 CHAIR'S ANNOUNCEMENTS AND URGENT BUSINESS

i. Brexit Update

The Chair noted that Parliament was currently in recess and therefore a further update would take place at the next meeting. The formal position of the EU had been set out earlier this week.

E41/19 DECLARATIONS OF INTEREST

There were no declarations of interest received.

E42/19 MINUTES OF THE MEETING HELD ON 15 MARCH 2019

The minutes of the meeting held on 15 March 2019 were submitted for approval. The Chair requested an amendment to the recommendations under E31/19. It was requested that this stated 'That Mayoral updates would be scheduled into the work programme twice a year for 2019/20'.

RESOLVED:

That the minutes of the last meeting held on 15 March 2019 be approved as a correct record subject to the amendment outlined above.

E43/19 WORK PROGRAMME

Simon Nokes, Executive Director Policy and Strategy, GMCA, introduced the work programme, provided for Members to develop, review and agree.

It was explained that the meeting scheduled to take place on 17 May 2019 had been cancelled because the Committee would not be properly constituted until after the May 2019 District Council meetings and the GMCA at the end of May 2019. Members were informed that a Skills Capital item was scheduled for the May Combined Authority. This will be circulated to Scrutiny following the meeting. A Work and Skills update and the Greater Manchester Strategy (GMS) Annual Report were scheduled for the June Scrutiny meeting.

Members raised concerns in relation to not being able to scrutinise the Skills Capital item and requested that when developing the work programme for 2019/20 consideration was given to ensuring that the scheduling of meetings enabled all areas, where required, to receive proper scrutiny. The impact on attendance and the timing of meetings around local elections was also raised.

RESOLVED:

1. That the Work Programme be noted.
2. That when developing the work programme for 2019/20 consideration be given to ensuring that the scheduling of meetings enabled all areas, where required, to receive proper scrutiny.

E44/19 UPDATE ON THE GM BUSINESS PRODUCTIVITY AND INCLUSIVE GROWTH PROGRAMME

Members considered the report of Councillor Sir Richard Leese, Portfolio Lead for Economy and Business which updated the committee on the GM Business Productivity and Inclusive Growth Programme and the Made Smarter Programme.

Richard Jeffrey, Director of Business Growth, Growth Company provided Members with a brief overview of the GM Business Productivity and Inclusive Growth Programme.

Key areas highlighted included:

- This is a £45m programme which has been funded through Local Growth Fund (LGF), retained Business Rates and EU funds. EU funds had now been formally contracted.
- The start-up programme Spark2Scale had recently launched and had received high levels of engagement within its first quarter of delivery.
- The Business Growth Hub were currently recruiting Account Managers who will provide businesses with access to advice and guidance and focus on relationship management with those businesses with the highest growth potential.
- The GM Tech Co-Investment Fund, which is a seed and early stage co-investment fund that invests in technologies and innovations, has a strong pipeline of projects. This was in its early stages but initial feedback has been positive and significant demand had been generated.
- Global Scale-Up Programme launched in March 2019. This will support businesses who operate in multiple markets, working with partners KPMG, Santander, Manchester Airport and DWF, to develop new routes and products for market. 100 applications have been received to date and businesses have been attracted which the Growth Hub have not previously engaged with. It was also highlighted that GM was the first area outside of London to implement this type of programme.
- The 'Amplify' programme. This was designed to support businesses in the digital, creative and tech sector where there was real growth potential. Work had taken place with local authorities to ensure businesses across GM were supported.
- A Local Authority Framework has been implemented to develop the local frameworks of collaboration with the Business Growth Hub and, to ensure that the right businesses to work with, are identified.
- That the GM Business Productivity Programmes were in their infancy and more data/insights would be available as these programmes progressed and developed.

Donna Edwards, MD for Business Support & Business Finance, Growth Company provided Members with a brief overview of the Made Smarter Programme.

Key areas highlighted included:

- Made Smarter was a North-West programme. There had been a soft launch in November 2018 and it was launched for Small, Medium Enterprises (SME) on 2nd January 2019. Since then 300 SMEs have been in contact regarding this and 49 projects are being worked on, with 12 signed off to date.
- The programme is governed by a Steering Group which includes a mix of SMEs and larger businesses from across the North West. There is representation from the creative sector also.
- The North West Pilot team is in place and will be based at the Manchester Growth Hub. The pilot will test and measure what is or is not working in terms of engaging with SMEs around adopting digital technologies. It will also work with large manufacturers and supply chains to assess if there were more effective routes to effect change.

- Made Smarter provides the opportunity to offer businesses in-depth support over a longer period of time and to better track outputs and Return on Investment (ROI). This will be monitored as the project develops.
- The specialist support team includes experts in virtual reality, robotics and additive manufacturing. Innovate UK is providing additional resource which can be used to provide support where/when there may be gaps in provision.
- Target of £115m increase in Gross Value Added (GVA) with an average of £240k increase per each SME participant. Initial feedback from businesses was positive and progress towards this would be monitored.
- Funding to support training for employees was crucial as this was often cited as a barrier to businesses up-skilling their staff.

Member's comments and questions included the following:

- That there were positive signs of progress outlined in the report and the level of detail provided within the report was useful.
- The Business Growth Hub restructure outlined in the report was highlighted. Further information as to the reasons behind this were requested. Members were informed that the restructure was in relation to the fact that the Business Growth Hub had introduced new programmes/activity and therefore a new structure was being implemented to enable these to be carried out.
- The Made Smarter key outcomes in section 6.1 were raised as these appeared to be significantly higher than the outcomes for other programmes referenced in the report. It was also stated that it would be beneficial to receive more information around the numbers of SMEs engaged with, in relation to the Made Smarter programme, as current figures seemed to suggest that this was minimal. It was stated that this programme was in its initial stages and that once it had been running for longer a more accurate picture in relation to number of SMEs engaged with would be able to be provided. The end date for the programme was 2021.
- Some concerns were raised that localities may not have sufficient knowledge of the programmes on offer and it was queried whether marketing/engagement had taken place with all local authorities to ensure that businesses were aware of the support available. Business Growth Hub Account Managers have been engaging with local authorities around these programmes. Members stated that all GM local authorities assisted in funding these programmes so it would be beneficial to receive geographical/sectoral breakdowns once the programmes had been in place for longer. It was confirmed that further information will be provided to the Scrutiny Committee in relation to the breakdown of businesses by sector/locality once this is available.
- Do businesses apply to the programme directly or does the Business Growth Hub target businesses? Members were informed that it was a mixture of both. Work had taken place with the GMCA to identify potential businesses, for example those with innovation/export potential and programmes will be widely publicised to encourage businesses to engage.
- A Member asked for clarity around 'driving circular economy behaviour and servitisation of clients' business models'. It was confirmed that circular economic behaviour referred to the low carbon agenda, reusable materials and innovative ways of looking at carbon reduction. This also included businesses looking at what can be recycled back into their business. Servitisation was to identify ways which businesses can be supported to be more service driven, for example by the renting out of machines to other companies.

- Why had local delivery targets not been included in the programmes? Programmes had been agreed at a Combined Authority level and are intended to support growth across the whole of GM so therefore the targets have been implemented at a GM level. Local authority teams will also link local businesses into these programmes.
- What were the targets for the 'Recipe for Success' programme, particularly as this was an important area of the GM economy? This was intended to support businesses that had growth potential in bidding into supermarket supply chains, for example by providing advice and guidance around how to pitch to companies.
- How much funding was available through the Tech Co-Investment Fund? The overall investment was £2m and to date the pipeline included 25 projects. The programme aimed to bring angel investors together to co-invest alongside this, acting as a driver to increase the project pipeline and encourage investors.

RESOLVED:

1. That the GM Business Productivity and Made Smarter Programmes be noted.
2. That further information will be provided to the Scrutiny Committee by the Business Growth Hub, in relation to the breakdown of businesses supported by sector/locality, once this is available.

E45/19 UPDATE ON THE GM AND EAST CHESHIRE SCIENCE AND INNOVATION AUDIT

Consideration was given to the report of Councillor Sir Richard Leese, Portfolio Lead for Economy and Business, that provided Members with an update on investment in, and commercialisation of GM's science assets building on the GM and Cheshire East Science and Innovation Audit. The recently published GM Independent Prosperity Review (IPR) identified the important role Science and Innovation have in driving productivity and economic growth across GM. The findings of this also further reinforced the Science and Innovation Audit in recommending that GM continued to drive investment in health innovation, advanced materials, energy, digital and industrial biotechnology.

The findings in the IPR will be used to develop the GM Local Industrial Strategy, translating findings into actions for local partners to drive forward built around the key objectives of supporting GM's globally competitive strengths and strengthening the foundations of the GM economy. Additionally, the following projects/areas were highlighted to Members':

- GMCA and Manchester City Council have provided funding to support the creation of a precision medicine campus in the Corridor Manchester Enterprise Zone. This was a joint project with the global diagnostics firm QIAGEN. Challenges in relation to the allocation of national funding to projects and research were also raised.
- The University of Manchester was working to identify a developer for the 'North Campus' site, which will provide research facilities for advanced materials and health sciences. It is also expected that, once developed, this will provide employment opportunities.
- GM continued to receive interest from companies who wanted to be based in GM due to the research/skills provided by the Universities.

Members also received a verbal overview from Martha Samma and Chris Taylor, Manchester Metropolitan University (MMU), on their European Regional Development Fund (ERDF) Fuel Cell and Cyber Foundry projects. Key areas highlighted included:

- ERDF funding had been used to look at fuel cell innovation and additive manufacturing. MMU were investigating how these programmes could be linked more effectively with the wider work of the University.
- Work was underway to identify how to leverage the most benefit from different funding streams. This included identifying touchpoints and ensuring that SMEs had a clear path and were able to access all relevant programmes and maximise the benefits of these.
- Manchester Fuel Cell Innovation Centre – this is designed to help companies engage with and understand developments in fuel cell technology. The ambition is to engage with 50 GM businesses to enable them to understand the marketplace (future mobility/clean growth), what the technology can do and assist with developing business models to take new products to market. This was also expected to assist businesses with job growth.
- GM Cyber Foundry – the pilot will include 16 businesses and will officially be launched in May. Businesses supported will be those working within the cyber security sector. The programmes are intended to support business growth and product end stage development providing technical assistance and support.

Member's comments and questions included the following:

- Section 2.7 highlighted the £98m national call for a series of national healthy ageing testbeds, as part of the National Industrial Strategy Challenge Fund (ISCF), and it appeared this was a key area not referenced in GM's Local Industrial Strategy. It was highlighted that this would be reflected in proposals contained within GM's Local Industrial Strategy. Additionally, Members were informed that industrial strategies did not come with funding attached but it was expected that they would form the basis of the Comprehensive Spending review and future funding from Government.
- Opportunities for increasing productivity within GM in this sector were recognised as was the importance of receiving the appropriate amount of Government funding and support for the science sector. The Chair asked whether there were any actions local authorities could take to support ensuring that the right degree of Research and Development (R&D) funding is received by GM. Councillor Richard Leese stated that there was a lot of innovation taking place at the former Astra Zeneca site and highlighted to Members that the Universities perform well in relation to industry funder research. The National Graphene Institute was also noted as being significant for GM in attracting investment in relation to science. The Framework for Assessment of Public Funding was noted as being challenging for GM in this sector. Martha Samma noted that they were looking at ways to make working with the University more straightforward and had started discussions with Local Authority economic developments teams around this.

RESOLVED:

That the investment and activity underway to support science and innovation assets and ambitions be noted.

RESOLVED:

That the Register of Key Decisions be noted.

E47/19 BREXIT MONITOR

RESOLVED:

That the Brexit Monitor be noted.

E48/19 DATE AND TIME OF NEXT MEETING

Friday 14 June 2019, 2.00 – 4.00pm, Boardroom, GMCA Offices, Churchgate House, Oxford Road, Manchester, M1 6EU