

## **GREATER MANCHESTER LOCAL ENTERPRISE PARTNERSHIP BOARD**

**DATE:** Monday 16 March 2015

**TIME:** 4.00pm - 6.00pm

**PLACE:** Scrutiny Room, Level 3, Town Hall Extension, Manchester

### **AGENDA**

1. Introductions and Apologies
2. Declarations of Interests (attached)
3. Report of an Inquorate Meeting of the GM LEP held on 12 January 2015
4. GM LEP Membership: April 2015 – April 2017 (Julie Connor)
5. GM Health & Social Care (Steven Pleasant & Warren Heppolette)
6. India Business Plan (Mark Hughes)
7. GM Growth Deal Round 2 (Simon Nokes)
8. GM Investment Fund: Status of Funds (Bill Enevoldson)
9. Manufacturing Strategy Update (Simon Nokes)
10. Digital, Creative and Tech Update (Simon Nokes)
11. Any Other Business
12. Programme of Future Meetings

Monday 18 May 2015

Thursday 9 July 2015

Monday 7 September 2015

Thursday 12 November 2015

**The following items contain matters relating to the financial and business affairs of particular persons or organisations. It is therefore proposed that discussions on these items are not held in public.**

13. Manchester Growth Company Business Plan and 2015/16 Targets (Mark Hughes)
14. GM Investment Fund: Status of Funds (Bill Enevoldson)
15. GM Investment Framework and Conditional Project Approvals (Bill Enevoldson)

## ITEM FOR INFORMATION

1. Atlantic Gateway – to follow
2. Metrolink Performance Report – to follow
3. GM LEP Work Programme - attached

<b>Agenda Contact Officer:</b> Allan Sparrow GM Integrated Support Team 0161 234 3312 a.sparrow@agma.gov.uk	<b>Press and Media Contact:</b> Mark Coleman Marketing Manchester 0161 238 4542 mark.coleman@marketingmanchester.com
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## DECLARATIONS OF INTEREST

**16 MARCH 2015**

(To be completed as necessary by all board members and advisors)

Name: \_\_\_\_\_.

Minute Ref / Item No	Nature of Interest

**COMPLETE THIS FORM IF YOU HAVE AN INTEREST IN ANY PARTICULAR ITEM ON THIS AGENDA (SEE GUIDANCE OVERLEAF).**

**ANY COMPLETED FORMS SHOULD THEN BE HANDED IN TO ALLAN SPARROW AT THE START OF THE MEETING**

## GUIDANCE ON DECLARATION OF INTERESTS (AS PER DRAFT TERMS OF REFERENCE)

1. Subject to point 3) below, members (and advisors) must declare any interests (on the form provided), either at the **start of the meeting or as soon as any potential interest in an agenda item becomes apparent** during the course of the meeting.
2. Members must declare an their interest when the business being discussed specifically relates to
  - Their business
  - Any body of which they are a member
  - Any person or body who:-
    - Employs them
    - Makes payments to them
    - Has a contractual relationship with them
  - Any land or property in which they have an interest

This also applies to any close member of their family or person with whom they have a close relationship.

3. For the purposes of the above:
  - An interest of which a member has no knowledge and of which it is unreasonable to expect him or her to have knowledge shall not be treated as an interest of his or hers.
  - In relation to a non-pecuniary interest, a general notice given to the LEP that a member is to be regarded as having an interest, of the nature and the extent specified in the notice, in any transaction or arrangement in which a specified person or class of persons is interested shall be deemed to be a disclosure that the member has an interest in and such transaction of the nature and extent so specified.
4. Members (and advisors) with a declared interest in an item of business would usually be required to leave the room. **BUT** the board may want such an individual to contribute their knowledge and experience to the discussion despite the interest so declared. If this is the case the affected member can remain in the room - functioning as a resource that can be drawn upon to assist the board in their deliberations. The affected member should then withdraw when the decision on the matter is being taken and must withdraw at the decision-making stage if the member has a pecuniary interest unless otherwise determined by the Chair of the meeting. In the absence of the Chair or where an item of business relates to the Chair or an interest of the Chair, the meeting shall be chaired by a nominated Vice Chair if there is any or by a member selected by the meeting for that purpose.

## **Item No. 3**

### **REPORT OF AN INQUORATE MEETING OF THE GM LEP BOARD HELD ON MONDAY 12 JANUARY 2015 AT MANCHESTER TOWN HALL**

#### **Board Members:**

Mike Blackburn (In the Chair)

Councillor Sue Derbyshire, Councillor Sean Anstee, Nancy Rothwell, Lou Cordwell and David Birch

#### **Chairs of Strategic Boards:**

Michael Oglesby and Iwan Griffiths

#### **Advisors:**

Howard Bernstein (Manchester CC), Eamonn Boylan (Stockport MBC), Sean Harriss (Bolton MBC), Theresa Grant (Trafford MBC), Simon Nokes (New Economy Manchester), Mark Hughes (GM Growth Company), Tim Newns and Dan Storer (Manchester Investment Agency Service), Jon Lamonte (Transport for GM), Andrew Stokes and Louise Latham (Marketing Manchester), Julie Connor, Rebecca Heron, Susan Ford and Allan Sparrow (GM Integrated Support Team)

#### **Apologies:**

Councillor Richard Leese, Councillor Peter Smith, Keith Johnston, Scott Fletcher, Wayne Jones and Juergen Maier

#### **LEP/15/01 DECLARATIONS OF INTEREST**

Michael Oglesby declared an interest in Manchester Science Park.

David Birch declared an interest on the Public Sector Reform update as McKinsey's were engaged in supporting the NHS and Manchester City Council on the health and social care integrated care agenda.

Nancy Rothwell declared an interest on the Manchester/India Strategic Review as the University of Manchester had a strong interest in India (c700 students).

Mike Blackburn declared on the GM Investment Framework and Conditional Project Approvals as Zen Internet are an organisation operating in the same market place as part of BT.

#### **LEP/15/02 MINUTES**

## **AGREED**

1. That the Minutes of the meetings of the GM LEP Board held on 18 September and 5 November 2014 be approved as correct records.
2. That the written resolution of the Board dated 11 November 2014 be noted.

## **LEP/15/03 MATTERS ARISING**

### Atlantic Gateway (Written Resolution LEP2 refers)

The Chair reported that GM were to appoint three representatives onto the Atlantic Gateway. One would be appointed by the GMCA, one by Manchester Airport Group and one from the GM LEP. Currently, former GM LEP member Roger Milburn represented the Board on Atlantic Gateway. Following consideration of the appointment and taking into account that Atlantic Gateway was not to meet for another month, the Chair undertook to find a new representative and report back to the Board.

## **LEP/15/04 GREATER MANCHESTER SKILLS CAPITAL: PROCESS AND NEXT STEPS**

Consideration was given to a report that outlined the process and next steps to deliver the Skills Capital Funding announced in the Greater Manchester Growth Deal in July 2014. The report set out the work that is underway to ensure that Greater Manchester is best placed to deploy skills capital in a strategic and cost efficient way which contributes to the GM Growth and Reform Plan.

The appraisal of the Skills Capital projects was ongoing with a report to go to the GMCA in March. The Board was also asked to grant delegated authority to the Chair to endorse the approved projects.

## **AGREED**

1. To note the report.
2. That delegated authority be granted to the Chair to endorse the approved Skills Capital projects on behalf of the GM LEP Board.

## **LEP/15/05 GM LEP BUDGETS**

A report was submitted that provided the GM LEP with a brief overview of the LEP's budgets which set out a proposal on the GM LEP capacity and strategy funding for 2015/16 and how this should be allocated. The report proposes that funds from the DfT are used to support programme costs for transport capital scheme delivery in 2014/15.

A member asked if the list of proposed areas of funding detailed in the report were the only proposals developed. The Board was informed that a detailed package of schemes would be brought back to the Board.

## **AGREED**

1. To note the report and endorse the proposed use of LEP capacity and strategy funds as set out in section 4 of the report.
2. To note and endorse the proposed use of LEP LTB-related funds to support programme costs for transport capital scheme delivery.

## **LEP/15/06 GM LEP: MANCHESTER INDIA STRATEGIC REVIEW**

The Board was informed that India was identified as a key international market within the GM Internationalisation Strategy. As part of the Internationalisation Strategy's implementation plan, it was agreed that a strategic review of the India market should be undertaken, using a similar approach to the one undertaken for China in 2012.

The UK-India Business Council (UKIBC), the UK Government-sponsored specialist trade body for the Indian market was commissioned in May 2014 to carry out a GM-India Strategic Review. The resulting strategic review provides a scoping document from which a strategy and set of focused priorities will be identified and agreed with the subsequent creation of an implementation and business plan.

It is suggested that a sub-group of the GM LEP oversees the creation of this implementation and business plan, led by the Chair of the Advisory Board for Internationalisation and Marketing and involving interested parties from the GM LEP and other key stakeholders. This could also incorporate members of the existing "GM-India Steering Group" which consists of private sector representatives as well representatives from GM universities and the Indian business group TiE. In addition it is suggested that relevant wider UK Government bodies such as the British Council are brought in to discussions to add insight to relevant areas of the review and subsequent implementation plan.

The Board was asked to review the initial recommendations and the proposed next steps.

Nancy Rothwell reported that the University of Manchester attracted over 700 students from India each year which generated significant income for the University. The University was now giving consideration to opening an office in India (New Delhi) and looking to recruit a Manchester graduate to run the office. The Board felt that a presence in India by GM would be beneficial. It was added

that neighbouring LEP areas would be happy for a joint approach on this and ways to carry this concept forward were needed.

The Board welcomed the creation of a sub group (to be chaired by Iwan Griffiths) to progress ties with India and the Chair offered the assistance of the GM LEP members. It was reported that an update would be given to the next meeting of the GM LEP.

## **AGREED**

1. That the recommendations and next steps from the Manchester India Strategic Review be endorsed:
  - Make in India, innovate in Manchester
  - Addressing Manchester's profile in India
  - A Manchester-India 'Enterprise Bridge'
  - A 'Northern Powerhouse'/BMEC Corridor Tie-up
  - Supporting Manchester's SMEs
  - Establishing a direct air route.
2. That a further update be reported to the next GM LEP Board.

## **LEP/15/07 TRANSPORT UPDATE**

### **A. One North Update**

Consideration was given to a report that updated the Board on the significant progress made since September 2014 when Sir David Higgins published his report 'HS2: the Sooner the Better'. The Government had supported the joint working arrangements for Transport for the North and strong momentum regarding One North had been achieved as set out in the One North Executive Summary.

## **AGREED**

To note that discussions are currently continuing with Government to agree the detailed arrangements for Transport for the North. The intention is that these structures are established very early in the New Year and that work is undertaken as a matter of urgency to inform the March Interim report. A further report will be submitted to the GM LEP Board once the work has progressed.

### **B. Delivering Active Travel and Travel Choices**

Consideration was given to a report that provided an update on the good progress made with Travel Choices and Active Travel programmes which are currently funded through Department for Transport grant awards, namely the Local Sustainable Transport Fund (LSTF) which includes both revenue and capital schemes; the Cycle City Ambition Grant (CCAG) which includes only



capital schemes and the Cycle Safety Fund. The report also provided an update on the recently published DfT Cycling Delivery Plan; the Cycling Summit held on 27 November 2014 in Bristol and cross sector working as part of Greater Manchester's physical activity agenda. It was reported that since the report was prepared the Government had announced that GM would receive an allocation of £22m from CCAG funding subject to GM agreeing the final programme. The Board welcomed the announcement of CCAG funding.

A member asked how other major cities in the UK compared to GM with Travel Choices and Active Travel so GM could measure the progress it was making. Simon Warburton responded that TfGM would need to look at the data collected and could then report something back.

A member highlighted the need to move things forward particularly regarding the GM bus network. It was reported that to deregulate the network new legislation would be needed and discussions were underway regarding the timescales for this. GM had a clear view on how the legislation should work.

#### **AGREED**

1. That the report be noted and the allocation of CCAG funding be welcomed.
2. That further information be provided to the Board as to how GM compared with other Cities in terms of Travel Choices and Active Travel.

#### **C. Greater Manchester Rail Priorities and Control Period 6**

The Board was informed that the rail industry strategic planning process and funding arrangements are delivered in five-year cycles, referred to as 'Control Periods'. The current period is 'Control Period 5' (CP5) and covers April 2014 to March 2019; and 'Control Period 6' (CP6) will commence in April 2019. The rail industry is beginning to prepare for CP6 and therefore Greater Manchester needs to confirm what it would like to see achieved during this Period.

#### **AGREED**

That the report be noted.

#### **LEP/15/08 MANCHESTER CHANNEL UPDATE**

Consideration was given to the Executive Summary of the Manchester Channel Digital Publishing Plan. The Executive Summary set out the objectives and details were given of an investment proposal. It was reported that a full business plan would be reported to the GM LEP and funding of c.£30k was being sought from the GM LEP Capacity Budget.

#### **AGREED**

That members support the proposal to further develop a business case to progress the Manchester Channel as laid out in the report. The likely costs are in c.£30k to come from the GM LEP Capacity Budget.

#### **LEP/15/09 ANY OTHER BUSINESS**

There were no items of business.

#### **LEP/15/10 PROGRAMME OF FUTURE MEETINGS**

##### **AGREED**

That the future programme of meetings 2015 be noted.

Monday 16 March 2015  
Monday 18 May 2015  
Thursday 9 July 2015  
Monday 7 September 2015  
Thursday 12 November 2015

**The following items contain matters relating to the financial and business affairs of particular persons or organisations. It is therefore proposed that discussions on these items are not held in public.**

#### **LEP/15/11 PUBLIC SECTOR REFORM UPDATE**

The Board received a presentation from Sean Harriss and Andrew Lightfoot updating the Board on Public Sector Reform.

##### **AGREED**

That the update on public sector reform be noted.

#### **LEP/15/12 MANCHESTER GROWTH COMPANY MID YEAR PERFORMANCE REPORT**

It was reported that at its meeting held on 14 May 2014, the GM LEP Board received the Manchester Growth Company's (MGC) Business Plan for the 2014/15 financial year. This represented the first Business Plan for the newly constituted MGC Group. The purpose of this report is to present to the Board a performance review of progress against Business Plan objectives and targets during the first half of the year (April to September 2014).

The report comprises a high level summary and two appendices which provide greater detail of performance against objectives and KPI targets.

##### **AGREED**

That the report be noted.

**LEP/15/13 GM INVESTMENT FRAMEWORK AND CONDITIONAL PROJECT APPROVAL**

Consideration was given to a paper that provided the Board with new projects which have been reviewed by the GM Core Investment Team, Chief Executive Appraisal Sub Group, Independent Advisor and approved in principal by the GMCA.

**AGREED**

That the decisions made by the Combined Authority on 28 November and 19 December 2014 be endorsed.

**LEP/15/14 ANY OTHER BUSINESS**

There were no items of business.



# Item No. 4



## Greater Manchester Local Enterprise Partnership

**Subject:** Greater Manchester Local Enterprise Partnership: Membership April 2015 – April 2017

**Date:** 27 February 2015

**Report of:** Howard Bernstein, GMCA, Head of Paid Service

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### PURPOSE OF REPORT

The Greater Manchester Local Enterprise Partnership (GM LEP) terms of reference require that the LEP's private sector membership is reviewed every two years. This bi-annual review ensures that the Board is still meeting its strategic remit and is fit for purpose going forward. The current private sector members' terms of office expire on 31 March 2015. The purpose of this report is to endorse the GMCA's approval of the recommendations regarding the future private sector membership for the period April 2015 until March 2017.

### RECOMMENDATION:

The GM LEP is asked to endorse the decisions of the Greater Manchester Combined Authority at its meeting held on 27 February 2015 regarding private sector membership of the GM LEP as follows:

- i. That the eight existing private sector members' terms of office are renewed for another two year term (these members are Mike Blackburn, David Birch, Lou Cordwell, Scott Fletcher, Keith Johnston, Wayne Jones, Juergen Maier, Professor Dame Nancy Rothwell);
- ii. That Mike Blackburn is invited to continue as Chair of the GM LEP for a further two years;
- iii. That the Chair of the Manchester Growth Company, Richard Topliss, is invited to join the LEP as a full board member; and,
- iv. That a full review for the GM LEP's private sector membership is undertaken in 2017.

**CONTACT OFFICERS:** Julie Connor [j.connor@agma.gov.uk](mailto:j.connor@agma.gov.uk)

## **1 INTRODUCTION**

- 1.1** The LEP sits at the heart of Greater Manchester's governance arrangements, working alongside the GM Combined Authority, offering private sector insight, guidance and challenge to the development of GM's strategic agenda. As we continue to implement our Devolution Agreement it is crucial that we continue to have a strong and credible LEP to support our work with government.
- 1.2** The GM LEP's terms of reference specify that private sector membership should be reviewed every two years to establish whether the Board is still meeting its strategic remit and is fit for purpose going forward. Following the last full review of membership, completed in April 2013:
- four new board members, were appointed (using a transparent search and selection process including an open advertisement)
  - four members of the existing board (including the Chair) were invited to serve on the board for a further two years; and,
  - one private sector board vacancy was left unfilled.

## **2 REVIEW OF CURRENT MEMBERSHIP AND PROPOSED MEMBERSHIP CHANGES**

- 2.1** The LEP Chair, Mike Blackburn has recently conducted a review of private sector members, and he is satisfied that all have demonstrated their continued commitment to the LEP Board's work and all have expressed a wish to remain on the Board for the period April 2015-March 2017.
- 2.2** In the last eighteen months the GM LEP Board have worked well together under the chair-ship Mike Blackburn, and so it is suggested that GM's needs would best be served by retaining the current chair and private sector members for a further term of two years. This is in line with the LEP's terms of reference and good practice regarding board membership within the private sector. It is recommended that a further full review of the GM LEP's private sector membership be undertaken in 2017.
- 2.3** This leaves the matter of the unfilled private sector seat. It is suggested that the new Chair of the Growth Company, Richard Topliss, is co-opted as a full member of the LEP. His professional background in the financial sector would complement existing LEP members' expertise. This addition to the Board would mean that, the LEP's private sector expertise would reflect GM's strategically important business sectors, which are described in the table at 2.4, along with the GMCA members' portfolios:

## 2.4 Membership of the Greater Manchester Local Enterprise Partnership April 2015-March 2017

<b>PRIVATE SECTOR MEMBERS</b>	<b>COMPANY &amp; ROLE</b>	<b>SECTOR / KEY AREAS OF KNOWLEDGE</b>
Mike Blackburn (Chair)	Vice President of Strategy and Planning, BT	Digital Communications
David Birch	Director, McKinsey and Company	Professional Services/ Manufacturing Consultancy
Lou Cordwell	CEO, Magnetic North	Marketing/ Digital (SME)
Scott Fletcher	Chair ANS Group	Digital (SME)
Keith Johnston	Partner and Head of North West Market, Addleshaw Goddard	Professional Services (legal)
Wayne Jones	CEO, MAN Primeserv Diesel	Engineering / Advanced Manufacturing
Jeurgen Maier	Managing Director, Siemens UK	Advanced Manufacturing / Science
Professor Dame Nancy Rothwell	President and Vice Chancellor, University of Manchester	Science and Higher Education
Richard Topliss	Regional Director of RBS and chair of the Manchester Growth Company	Financial Services
<b>PUBLIC SECTOR MEMBERS</b>	<b>ROLE</b>	<b>PORTFOLIO</b>
Cllr Lord Peter Smith	Chair of GMCA	Public Sector Reform (Early Years, Complex Dependency Working Well & Transforming Justice), ICT
Cllr Sir Richard Leese	Vice-Chair of GMCA	Economic Strategy/ Growth Deal, Rail North, HS2 & East to West Strategy
Cllr Sean Anstee	Vice-Chair of GMCA	Skills, Employment & Worklessness
Cllr Sue Derbyshire	Vice-Chair of GMCA	Planning, Housing & Environment (including Low Carbon)
<b>EX OFFICIO MEMBERS</b>	<b>COMPANY &amp; ROLE</b>	<b>SECTOR / KEY AREAS OF KNOWLEDGE</b>
Iwan Griffiths	NW Chair PWC in the North	Financial Services
Michael Oglesby	Chair of Bruntwood Group	Property, regeneration





## Item No. 5

### **GREATER MANCHESTER LOCAL ENTERPRISE PARTNERSHIP BOARD**

**Date:** 16 March 2015

**Subject:** GM Health and Social Care

**Report of:** Sir Howard Bernstein, Head of the Paid Service and Steven Pleasant  
Lead Chief Executive for Health

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#### **PURPOSE OF REPORT**

To provide the GM LEP with an analysis of a Memorandum of Understanding that has been developed between GM local authorities, GM CCGs and NHS England in consultation with other stakeholders including GM NHS Providers.

The MoU creates a framework for the delegation and ultimate devolution of health and social care responsibilities to Greater Manchester as part of a new partnership between local authorities, CCGs, NHS England and other stakeholders.

A Road Map starting in April 2015 and leading to full devolution in April 2016 is part of the MoU.

On 27 February 2015 the Joint Greater Manchester Combined Authority and AGMA Executive Board agreed:

1. To welcome the MoU as representing an important and significant step in the development of a new collaborative partnership model for GM health and social care leading to the full devolution of responsibilities in April 2016.
2. To reinforce the commitment of the GMCA/AGMA to work constructively and in partnership with all NHS stakeholders so that together all organisations create the best possible platform for improving the outcomes for local people and the long term sustainability of the health and social care system.
3. To endorse the MoU and commend it to all ten AGMA local authorities and request that it is considered and endorsed by each authority by 30<sup>th</sup> March 2015
4. To authorise officers to bring back a report following consultation with NHS colleagues on an Implementation Plan.

The report considered by the joint GMCA and AGMA Executive Board is attached to this report.

#### **RECOMMENDATION**

The LEP Board is invited to welcome the Memorandum of Understanding and Roadmap to devolution.

**JOINT GREATER MANCHESTER COMBINED AUTHORITY  
& AGMA EXECUTIVE BOARD MEETING**

Date: 27<sup>th</sup> February 2015

Subject: GM Health and Social Care

Report of: Sir Howard Bernstein, Head of the Paid Service and Steven Pleasant  
Lead Chief Executive for Health

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**PURPOSE OF REPORT**

This report provides an analysis of a Memorandum of Understanding that has been developed between GM local authorities, GM CCGs and NHS England in consultation with other stakeholders including GM NHS Providers. The MoU creates a framework for the delegation and ultimate devolution of health and social care responsibilities to Greater Manchester as part of a new partnership between local authorities, CCGs, NHS England and other stakeholders.

A Road Map starting in April 2015 and leading to full devolution in April 2016 is part of the MoU.

**RECOMMENDATIONS:**

1. To welcome the MoU as representing an important and significant step in the development of a new collaborative partnership model for GM health and social care leading to the full devolution of responsibilities in April 2016.
2. To reinforce the commitment of the GMCA/AGMA to work constructively and in partnership with all NHS stakeholders so that together all organisations create the best possible platform for improving the outcomes for local people and the long term sustainability of the health and social care system.
3. To endorse the MoU and commend it to all ten AGMA local authorities and request that it is considered and endorsed by each authority by 30<sup>th</sup> March 2015
4. To authorise officers to bring back a report following consultation with NHS colleagues on an Implementation Plan.

## **CONTACT OFFICERS:**

Sir Howard Bernstein,  
[h.bernstein@manchester.gov.uk](mailto:h.bernstein@manchester.gov.uk)

Liz Treacy  
[l.treacy@manchester.gov.uk](mailto:l.treacy@manchester.gov.uk)

Steven Pleasant  
[Steven.pleasant@tameside.gov.uk](mailto:Steven.pleasant@tameside.gov.uk)

## **BACKGROUND PAPERS:**

**None**

## **INTRODUCTION**

1. The integration of health and social care within and across Greater Manchester has been a major priority for some time as it is a key component of GM's growth and reform strategies. This was reflected in the GM Devolution Agreement agreed with the Government in November 2014, which secured access to a range of functions to drive growth and reform, and in which GMCA, working with GM CCGs and other stakeholders, was invited to bring forward a business plan for the integration of health and social care across Greater Manchester.
2. Since that Agreement officers have been working with CCGs, Providers and other stakeholders to bring forward such a plan. Discussions have also taken place with NHS England whose support for such an approach would be crucial. In the light of these further discussions GM local authorities and the full range of NHS stakeholders have been invited to develop ambitious plans for a new partnership between Greater Manchester health and social care bodies and NHS England which would significantly widen the platform for collaboration from that identified in the Devolution Agreement; and crucially, bring into sharp focus and deliver the devolution of all current funding and decision making for health and social care within Greater Manchester.
3. NHS England's 5 Year Forward View, which was published last year, articulates why change is urgently required, what change might look like and how it can be achieved. Collaboration between different stakeholders within the NHS and with social care providers and funders is at the heart of this strategy. NHS England sees GM as a test bed for new approaches to delivering new models of integrated care which reflect the needs of the local population. Through a new partnership approach involving local and national stakeholders greater freedoms and flexibilities and new place-based organisational models can be explored and developed to make the best use of total resources and deliver better outcomes for people. Such an approach will address the fundamental challenges of how the GM health and social care system can become financially sustainable over time, and how health and well being can support and enhance GM's priority of reducing worklessness,

supporting people back into employment and providing growth through innovation.

4. A Memorandum of Understanding has therefore been worked up by the GM local authorities and CCGs, with support from GM NHS providers, which responds to this invitation. It is intended to provide the essential broader framework within which NHS England working with a wide GM partnership of local authorities, CCGs and other stakeholders can prepare for the full devolution of relevant NHS funding to GM and for GM to become the trailblazer for the objectives set out in the NHS 5 Year Forward View.
5. The MoU has been in development for several weeks between all of the relevant GM bodies. It has the support of the NHS Providers (NHS Trusts) which is key to the successful delivery of devolution and integration. This report requests the endorsement of GMCA and AGMA to the MOU and requests GMCA and AGMA to recommend the endorsement of the MOU to all ten local authorities in order to progress the Road Map to full devolution which is described within the MoU and which is due to commence from the 1<sup>st</sup> April 2015. GM CCGs which have agreed the overall direction of the strategy will also be requested to take the MoU through their own decision making processes.
6. It should be noted that, as a MoU, the document sets out the broad principles that the parties have agreed, the objectives, a proposed governance structure and a timeline for implementation all of which are explained in more detail below. It does not make any changes to the statutory accountabilities or duties of local authorities or CCGs nor will the accountabilities or existing financial flows to CCGs or local authorities be affected.

## **THE CASE FOR CHANGE IN GREATER MANCHESTER**

7. Health and social care services represent a significant proportion of the total public services costs incurred in GM and are central to GM's growth and reform agenda. It is estimated that under the "business as usual" model the GM health and social care economy faces a fiscal challenge of £1.1bn pa by 2017/18.
8. The ongoing challenge of securing financial sustainability is made all the more difficult by a number of factors;
  - Artificial barriers between primary care, secondary care, social care, self-care and social support;
  - Hospital services which are fragmented and expensive; and which tend to focus more on organisational priorities than those of the places they are intended to serve.
  - Mental Health services which fail to address community requirements, particularly in supporting people into work;
  - Primary Care Providers who are not empowered or incentivised to make intensive intervention at the earliest stages to prevent ill – health which is resulting in rising levels of health inequalities;
  - Inadequate focus on public health prevention;
  - A social care system that does not link with health providers to support people to independence;

- National Delivery Models which fail to prioritise local partnerships with academic institutions to drive innovation, improvement and large scale change.

The impact of these constraints is intensified by fragmented leadership structures which creates an inability to focus on place, and regulation that focuses on institutional outcomes not systems and communities.

9. GM is seen to have the leadership capacity to develop the partnership structures to create stronger collaboration across public services; the opportunity to place integration of health and social care services at the heart of a wider reform agenda for public services; to create the framework where new incentives and flexibilities can help address many of these challenges; and to harness the activities of academic and research institutions to support the transformation which is required.
10. Through the CA/AGMA and the CCGs working with other stakeholders it has been possible to develop shared priorities for some time; the need to improve the health and well being of the residents of GM from early age to elderly and to move from having some of the worst health outcomes to having some of the best; to close the health inequalities gap within GM and between GM and the UK faster; to contribute to growth and connect people to growth; to address the issue of financial sustainability; to enable effective integrated health and social care across GM; to ensure people are helped to take more control over their own health and care; to redress the balance of care to move it closer to home where possible; forge new partnerships on health based activities within Universities and Science; and strengthen the focus on prevention and public health.
11. It is GM's collective leadership capacity on public services and its active pursuit of clear and shared objectives which the MoU seeks to build upon to address the challenges facing the health and social care system within Greater Manchester.
12. This agreement will address those challenges by bringing both decision making and resources closer to GM residents with more direct local control over services which were previously commissioned nationally or regionally. It will ensure false boundaries between hospital care and neighbourhood care and support are removed to ensure residents receive better joined up care. It will also prioritise early help and support to ensure people are able to take more control over their health and prevent existing illnesses from getting worse. Residents should therefore see better health and social care outcomes and have an improved experience of services across GM.

## **SCOPE OF MEMORANDUM OF UNDERSTANDING (MoU)**

13. A copy of the MoU is enclosed as Appendix 1. Its scope is comprehensive and involves the entire health and social care system in GM as follows;
  - Acute Care
  - Primary Care
  - Community Services
  - Mental Health Services

- Social Care
- Public Health and
- Health Education

It also encompasses the key enablers of change, including changes to;

- Governance and Regulation
- Resources and Finance
- Capital and Estates
- Workforce, and
- Information Sharing and Systems

14. The scope and nature of the Agreement embodied in the MoU is ground breaking and unprecedented, and provides the health and social sector in GM with the essential platform to optimise our potential and re-shape the way in which health and social care services are delivered to reflect the needs of, and outcomes for, our local populations.
15. The MoU does not change the position of NHS services in GM in relation to the NHS Constitution and Mandate, all of the services will remain firmly part of the National Health Service. The MoU does however set the groundwork for GM to exercise freedoms and flexibilities to provide innovative approaches focused on the needs of the residents of GM.

## **ROAD MAP TO FULL DEVOLUTION**

16. A Road Map will be developed which sets out the key changes which need to be delivered by GM and its national partners to enable the devolution of responsibilities and resources from NHS England to GM in a phased manner. This process will be supported by robust governance arrangements and a clear delivery plan.
17. The Road Map is considered essential to the management of risk and to enable GM to take more control of its own future and responsibilities in a way that is safe for patients and citizens and to ensure that the duties of the NHS constitution and all national accountability arrangements can continue to be delivered.
18. The financial year 2015/16 is depicted as a transition year with actions being planned and agreed with all parties with the objective of achieving full devolution from April, 2016. The Road Map to full devolution includes stepped increases in responsibilities and powers, underpinned by a clear set of financial and performance milestones and trigger points, robust risk and benefit share arrangements and the alignment of formal GM governance arrangements. These governance arrangements will effect a partnership between local authorities, CCGs, other NHS stakeholders – which for the purpose of this report is labelled “GM”

The key milestones include the following;

- April, 2015 ; all decisions about GM will be taken with GM

- April, 2015 ; the process for the establishment of shadow governance arrangements agreed including the Strategic Partnership Board
- By October, 2015 ; initial elements of the Business Case to support the CSR agreed, including a specific investment fund proposal to further support primary and community care
- During 2015; production of the final agreed GM Health and Social Care Strategic Sustainability Plan and related transformation case.
- December 2015; in preparation for devolution, GM and NHS England will have approved details on the funds to be devolved and supported governance, and local authorities and CCGs will have formally agreed the integrated health and social care arrangements.
- April 2016; Full devolution of agreed budgets, with the preferred governance arrangements and underpinning GM and locality S75 arrangements in place.

Workstreams have already been identified to progress all of this work - the principles, initial areas of work and potential achievements will be agreed by the Project Board and published separately.

## **APPROACH TO GOVERNANCE**

19. One of the most significant areas of work will relate to the development of clear, transparent and accountable governance arrangements that reflect the genuine partnership between local authorities and NHS bodies. These will be shaped by CCGs and the local authorities in accordance with existing accountability arrangements whilst recognising that over time different ways of working will be required to deliver the transformation ambitions of GM.
20. To guide this work a number of principles have been agreed. These include the acknowledgement that local authorities and CCGs will retain their statutory functions and that accountability for resources will remain as now for 2015/16 with the partnership between the organisations reflecting the contributions and competencies of all the parties. Importantly, these principles also underline the critical role of inclusivity – commissioners, providers, patients and the public having a role in shaping the future of GM health and social care together.
21. There are currently seen to be several components of new governance arrangements which will be developed over the coming months.
  - Greater Manchester Strategic Health and Social Care Partnership Board (the Strategic Partnership Board)

From April 2015 this Board will be formed to include local authorities and CCGs, Providers, NHS England and the regulatory bodies. It is proposed that this is the body that will include elected member representation from the local authorities. It will oversee the strategic development of the GM health economy, and will have specific responsibilities for the GM Health and Social Care Strategic Sustainability Plan and related investment funding proposals. The intention is that during 2015/16 work will be undertaken to explore with CCGs and Government whether the Board should become a statutory body as part of the enactment of legislation to give effect to the Devolution Agreement.

- GM Joint Commissioning Board

From April, 2015 a Shadow Board will be created including local authorities, CCGs and NHS England to agree decisions on all GM spend which is currently directly held by NHS England (there cannot however be any change in legal responsibility for decision making or financial responsibility at the present time). NHS England have agreed that the Board will be engaged in all decisions affecting GM health and social care and that financial plans, budget proposals and current performance will be shared across the GM health and social care economy.

During 2015/6 the shadow board will move to a formal structure operating under agreed S75 arrangements; there will need to be agreement reached on details of financial accounting arrangements within the current NHS accountability framework for GM wide funds devolved from NHS England. The intention is to have all of these arrangements in place from April 2016 so that the formal GM Joint Commissioning Board is in place – one of the key triggers to full devolution.

- Locality Arrangements

During 2015/6 each locality (for each of the local authorities in GM) will build on their current integration work and agree a MoU between the local authority and local CCG (s) which fairly reflects the responsibilities of CCG's and local authorities and supports how the parties wish to see working arrangements operate in each locality. This is where appropriate local authority health and social care funding should be pooled; the opportunities for further alignment of CCG resource management arrangements will be explored, and where the details for integrating health and social care, public health / prevention etc will be developed.

There will be 10 plans and it will be important to ensure that all deliver a consistent approach to service delivery and spend across GM. One of the responsibilities of the Strategic Partnership Board will be to work with localities to ensure this is the case so that investment funds held at that level are deployed effectively.

The existing role of local authorities and their local CCGs to determine the priorities and relevant spend for their areas will remain unchanged.

- NHS Providers

During 2015/6 providers will establish an agreed form of arrangements to enable them to provide a collective and positive response to the requirements of the GM Commissioning Board building on previous joint working arrangements. They will contribute to the principle of co-design and act accordingly. They will also develop a formal agreement with the regulatory authorities so that this becomes operational as soon as possible within 2015/16.

The NHS providers have produced a letter confirming their support for the overall strategy and this is enclosed at Appendix 2.



- National Bodies

NHS England will facilitate links with the various national bodies and arrangements for the formal involvement of national bodies other than NHS England will proceed during 2015/6 to ensure these are operational by April, 2016.

## **SUPPORT ARRANGEMENTS**

22. There will be a requirement to establish technical support requirements to enable these new arrangements to function effectively with value for money at the heart of the process.
23. A Programme Board will be established to oversee all the various workstreams. Progressing the workstreams at the pace required will also require considerable investment in capacity by all of the partners to the MoU and it is agreed that a more detailed programme and resourcing plan will be finalised by mid March. This will include the recruitment of a full time Chief Officer and a finance director.

## **CONCLUSIONS**

24. Since the Devolution Agreement was endorsed considerable progress has been made in charting a new strategic direction for health and social care within GM. The MoU appended to this report builds on this and provides an unprecedented opportunity for a new partnership structure not only to take active control over the shape and direction of health and social care within Greater Manchester, but to make significant progress in underpinning the long term financial sustainability of the entire system. In so doing there is potential to oversee the transformation of services, close the inequalities gap within GM and between GM and the rest of the country.

Detailed recommendations appear at the front of this report.

Sir Howard Bernstein  
Head of Paid Service.  
Greater Manchester Combined Authority  
[h.bernstein@manchester.gov.uk](mailto:h.bernstein@manchester.gov.uk)

Steven Pleasant  
Lead Chief Executive, Health.  
[Steven.pleasant@tameside.gov.uk](mailto:Steven.pleasant@tameside.gov.uk)



# GREATER MANCHESTER HEALTH AND SOCIAL CARE DEVOLUTION

Memorandum of Understanding



Scale 1:25,000



## 1 Introduction

The overriding purpose of the initiative represented in this Memorandum of Understanding is to ensure the greatest and fastest possible improvement to the health and wellbeing of the 2.8 million citizens of Greater Manchester (GM). This requires a more integrated approach to the use of the existing health and care resources - around £6bn in 2015/16 - as well as transformational changes in the way in which services are delivered across Greater Manchester.

To facilitate this, the Memorandum of Understanding creates a framework for achieving the delegation and ultimate devolution of health and social care responsibilities to accountable, statutory organisations in Greater Manchester (GM)<sup>i</sup>. It sets out the process for collaborative working in shadow form from 1<sup>st</sup> April 2015 and identifies the areas for further detailed work during the remainder of the year leading to full devolution in April 2016<sup>ii</sup>. It signposts the medium and longer term outputs and impacts anticipated from this process.

All parties agree to act in good faith to support the objectives and principles of this MoU for the benefit of all Greater Manchester patients and citizens.

## 2 Parties

The Parties to the agreement are:

- All local authority members of the Association of Greater Manchester Authorities (AGMA) and all Greater Manchester Clinical Commissioning Groups (CCGs) (together known as GM)
- NHS England (NHSE)<sup>iii</sup>

Letters of support from Greater Manchester NHS Trusts, Foundation Trusts and NW Ambulance Service are annexed to this MoU at Appendix 2.

## 3 The Memorandum of Understanding

The MoU sets out the ambition for full devolution of funding and decision making<sup>iv</sup> for health and social care within GM.

It should be read in conjunction with the commitments of the Greater Manchester Combined Authority (GMCA) Devolution Agreement; it builds upon the invitation to GMCA and Greater Manchester CCGs and Trusts to develop a business plan for the integration of health and social care across Greater Manchester. This will include the development of a GM Business Case (known as the GM Strategic Sustainability Plan), a comprehensive strategic plan to underpin a sustainable health and social care system which will inform submissions to the forthcoming Comprehensive Spending Review.

This MoU focuses on the elements of devolution relating to NHSE, the CCGs and AGMA, and their relationship with the GM provider community. It constitutes a roadmap, with initial undertakings which can be agreed by each constituent party now and further anticipated steps which will require ratification in the light of experience and developments in the future.

NHSE will engage with GM, the Department of Health and other national bodies on further phases of the work including on research & development, workforce and estates<sup>v</sup>. The outcome of all related discussions with other national bodies on potential areas for devolution and/or changes to their interaction with the GM community will, where relevant, be reflected in separate agreements.

The MoU, in establishing the framework, sets out:

- Context: **why** we are doing this
- Detail: **what** we want to deliver
- The principles we will follow and the processes by which we will implement the changes, with timescales: **how** we will deliver

## 4 Context and Objectives

The parties share the following objectives:

- To improve the health and wellbeing of all of the residents of Greater Manchester (GM) from early age to the elderly, recognising that this will only be achieved with a focus on prevention of ill health and the promotion of wellbeing. We want to move from having some of the worst health outcomes to having some of the best;
- To close the health inequalities gap within GM and between GM and the rest of the UK faster;
- To deliver effective integrated health and social care across GM;
- To continue to redress the balance of care to move it closer to home where possible;
- To strengthen the focus on wellbeing, including greater focus on prevention and public health;
- To contribute to growth and to connect people to growth, e.g. supporting employment and early years services; and
- To forge a partnership between the NHS, social care, universities and science and knowledge industries for the benefit of the population.

We recognise that integrating health and social care is vitally important for improving the efficiency of our public services and delivering improved health and wellbeing for our population. A digitally integrated health economy with strong partnerships with research institutions and industry can support GM's economic growth strategy. GM has many assets, strengths and capabilities that allow the economy, its residents, industry and commerce to develop and grow. This includes world class academic institutions which deliver health research and innovation as a contributor to growth.

The NHS Constitution sets out clearly what patients, the public and staff can expect from the NHS. GM wants to build upon the rights and pledges of the constitution and provide further opportunities for patients and the public to be involved in the future of their NHS.

The NHS Five Year Forward View articulates why change is urgently needed, what that change might look like and how it can be achieved. It describes various models of care which could be provided in the future, defining the actions required at local and national level to support delivery. Furthermore, it sets out the development of new organisational models. GM is committed to being an early implementer and a test bed for new, innovative approaches of delivering new models of integrated health and social care which reflect the needs of local populations.

GM now needs the freedoms and responsibilities to optimise its potential. This MoU builds on the Devolution Agreement which created the platform for greater freedoms and flexibilities through the invitation to GMCA and Greater Manchester Clinical Commissioning Groups and trusts to develop a strategic plan for the integration of health and social care across Greater Manchester, making best use of existing budgets to transform outcomes for local communities and including specific targets for reducing pressure on A&E and avoidable hospital admissions. This work will now form part of a much broader framework where NHSE are working with GM to prepare for the full devolution of relevant NHS funding to GM and for GM to be a trailblazer for the objectives set out in the Five Year Forward View.

## 5 Overarching Principles

The agreement is underpinned by the following principles which will support the objective of implementing a strategic sustainability plan for GM to assume full responsibility for NHS funding streams for Greater Manchester:

- GM will still remain part of the National Health Service and social care system, uphold the standards set out in national guidance and will continue to meet statutory requirements and duties, including those of the NHS Constitution and Mandate and those that underpin the delivery of social care and public health services<sup>vi</sup>;
- Decisions will be focussed on the interests and outcomes of patients and people in Greater Manchester, and organisations will collaborate to prioritise those interests;
- In creating new models of inclusive governance and decision-making, the intention is to enable GM commissioners, providers, patients, carers and partners to shape the future of GM together. There will be regular communication and engagement with patients, carers and the public during the different stages of devolution;
- Commissioning for health and social care will be undertaken at a GM level where the GM place-based approach is optimum for its residents, rather than at a regional or national level;
- A principle of *subsidiarity* will apply within GM, ensuring that decisions are made at the most appropriate level;

- Decision making will be underpinned by transparency and the open sharing of information;
- There will continue to be clear accountability arrangements for services and public expenditure;
- The delivery of shared outcomes will drive changes to organisational form where necessary;
- Any changes to accountabilities and responsibilities for commissioning health and care services will be carefully evaluated, agreed with the DH where necessary and phased to achieve the benefits of devolution at the maximum speed consistent with safe transition and strong governance. The risks associated with transition of health commissioning responsibilities to GM will be shared with NHSE;
- There will be a transfer of skills and resources to support the commissioning functions being transferred, and we will ensure that neither duplication of activity nor an increase in total cost arises from these changes;
- The principle of new burdens should also apply, such that where GM is expected to take on a new responsibility during this period, the funding to cover the associated costs will transfer, to the extent where there is such national funding available;
- We commit to the production, during 2015/16, of a comprehensive GM Strategic Sustainability Plan for health and social care. This aligned with the 5 Year Forward View will describe how a clinically and financially sustainable landscape of commissioning and provision could be achieved over the subsequent 5 years, subject to the resource expectations set out in the 5 Year Forward View<sup>vii</sup>, appropriate transition funding being available and the full involvement and support of national and other partners.
- We will aim to address any funding inequalities for the benefit of all residents in GM;
- A radical approach will be taken to optimising the use of NHS and social care estates<sup>viii</sup>;
- GM will be able to access any new or additional health and/or social care funding streams that become available during the CSR period<sup>ix</sup>;
- There will be a principle that *“all decisions about Greater Manchester will be taken with Greater Manchester”<sup>x</sup>*;
- GM will work collaboratively with local non-GM bodies and take into account the impact of GM decisions upon non-GM bodies and their communities.

## 6 Scope

The parties will work together during 2015/16 (the Build-Up Year) to agree the mechanisms and timescales to devolve powers and resources from NHS England and local authorities to GM to achieve the aims and achievements set out below.

The scope is comprehensive and will involve the whole health and care system:

- Acute care (including specialised services<sup>xi</sup>);
- Primary care<sup>xii</sup> (including management of GP contracts);
- Community services;
- Mental health services;
- Social care;
- Public Health<sup>xiii</sup>;
- Health Education\*
- Research and Development\*

\*subject to discussion with the relevant bodies

The key enablers of transformation will include changes to:

- Governance and regulation;
- Resources and Finance;
- Capital and Estate;
- Workforce;
- Communication and Engagement;
- Information sharing and systems, including the potential for digital integration across GM.

A road map will be developed which sets out the key changes to be delivered by GM and its national partners, and specifically for the devolution of responsibilities and resources from NHS England to GM in agreed phases of change. This will be supported by robust governance arrangements and a clear delivery plan.

By working together, NHS England and GM will be able to fully understand and manage risk together. GM will take more control of its own future and responsibilities, in a phased way that is safe for patients and ensures the duties in the NHS constitution and all national NHS accountabilities continue to be delivered.

## 7 Roadmap

A significant amount of work will be completed during 2015/16, which is recognised as a Build-Up Year. A clear roadmap and supporting delivery plan will be developed and agreed with all parties with the objective of achieving full devolution from April 2016. The roadmap from delegation to full devolution will include stepped increases in responsibilities and powers, underpinned by a clear set of financial and performance milestones and trigger points, robust risk and benefit share arrangements and aligned development of GM governance arrangements. It will specifically enable regular reviews of progress against the key milestones drawn from the agreed aims and achievements:

- April 2015- *“All decisions about Greater Manchester will be taken with Greater Manchester”*;
- April 2015- Process for establishment of shadow governance arrangements agreed and initiated;
- By October 2015 – Initial elements of the Business Case to support the CSR agreed, including a specific investment fund proposal to further support primary and community care;
- During 2015 – Production of the final agreed GM Strategic Sustainability Plan and related transformation funding case;
- December 2015 – In preparation for devolution, GM and NHSE will have approved the details on the funds to be devolved and supporting governance, and local authorities and CCGs will have formally agreed the integrated health and social care arrangements;
- April 2016 – Full devolution of agreed budgets, with the preferred governance arrangements and underpinning GM and locality S75 agreements in place.



A programme of work will be agreed by the parties and completed between now and October 2015. This will include consideration of the legislative framework and any changes required to implement GM NHS devolution and ensuring the work programme as a whole is fully aligned with the CSR process.

In addition to the work already being undertaken between parties, a number of additional high priority workstreams have been identified:

- Governance;
- Resource and Finance;
- Clinical and Financial Sustainability;
- Primary Care;
- Specialised Services;
- Capital and Estates;
- Research and Innovation.

Additional workstreams and cross-cutting themes will be identified and agreed between the parties over the coming weeks, and these are likely to include:

- Prevention and Wellbeing
- Integrated Care
- Information and Data Sharing;
- Workforce.

## **8 Governance and financial pathway**

### **General**

The governance arrangements will be based on the principle of *subsidiarity*, i.e. that decisions will be taken at the most appropriate level. The governance arrangements will be shaped by the CCGs and local authorities in accordance with existing accountability arrangements, whilst recognising that different ways of working will be required to deliver the transformational ambitions of GM. These arrangements will be underpinned by the following principles:

- GM NHS will remain within the NHS and subject to the NHS Constitution and Mandate;
- Clinical Commissioning Groups and local authorities will retain their statutory functions and their existing accountabilities for current funding flows;
- Clear agreements will be in place between CCGs and local authorities to underpin the governance arrangements;
- GM commissioners, providers, patients and public will shape the future of GM health and social care together;
- All decisions about GM health and social care to be taken within GM and by GM as soon as possible;

- Accountability for resources currently directly held by NHS England during 2015/16 will be as now, but with joint decision making with NHSE in relevant areas to reflect the principle of “all decisions about GM will be taken with GM”;
- There will be a new partnership reflecting the contributions and competencies of all parties.

The governance arrangements will be regularly reviewed to ensure the programme aims are delivered within the required timeline.

### **April 15 to April 16**

#### **Greater Manchester Strategic Health and Social Care Partnership Board (GMHSPB)**

- In order to fulfil the ambition of Greater Manchester there is need to build upon the existing partnership arrangements and strengthen them both at local and GM level. A key step in facilitating the latter will be the development of a new body, the GMHSPB;
- **From April 2015** the GMHSPB will oversee the strategic development of the GM health and care economy, and will specifically steer the development of the GM Strategic Sustainability Plan and related investment funding proposals, which will be underpinned through local area plans. Commissioners and providers will be represented, plus NHS England and potentially other national bodies (e.g. Monitor/TDA);
- **During 2015/16** the process will be progressed through the GM devolution agreement for the formal establishment of the GMHSPB **by April 2016** with the same membership and function.
- A Chief Officer will be appointed to lead, manage and deliver the programme with appropriate staffing.

#### **GM Joint Commissioning Board**

- **From April 2015** there will be a Shadow Joint Commissioning Board (JCB) of GM local authorities, CCGs and NHSE. The shadow JCB will discuss and agree recommended decisions on all GM wide spend, but there will be no change in legal responsibility for decision making or financial accountability<sup>xiv</sup>;
- The shadow Joint Commissioning Board will be engaged in all decisions affecting GM health and social care;
- Financial plans, budget proposals and current performance will be shared across the GM health and social care economy;
- **During 2015/16** the Shadow JCB will move to formal JCB operating under agreed s75 arrangements, and agreement will be reached on the financially accountable body within the current NHS accountability framework. An approved form of governance and fundholding will be agreed;
- **From April 2016** a Joint Commissioning Board of local authorities, CCGs and NHSE will be in place.

## Locality arrangements

- **During 2015/16** each locality will agree an MoU between the local authority and CCG(s) to support the locality working arrangements, which accurately and fairly reflects their respective responsibilities for health and social care in their areas
- Opportunities for further alignment of CCG resource management arrangements will be explored;
- Each locality will continue to build on existing arrangements (e.g. Better Care Fund) and agree a local area plan for integration of health, social care and public health/prevention to be implemented **from April 2016**. Local area plans will be the focus for joining up health and social care services and ensure a consistent approach to service delivery and spend across GM.

## Providers

- **During 2015/16** providers will establish an agreed form of arrangements to enable them to provide a collective and positive response to the requirements of the shadow JCB, building on previous experience of successful joint working across the conurbation;
- They will support the proposals to include in the GM devolution arrangements a clear principle of co-design and act accordingly;
- They will develop with Monitor and TDA<sup>xv</sup> a Memorandum of Agreement to underpin the operation of the provider element of the governance structure, to be formalised as soon as possible in 2015/16.

## National Bodies

- Arrangements for formal involvement of national bodies other than NHSE in the development and ongoing delivery of the programme will be discussed and agreed with those bodies **during 2015**, with initial agreements on any changes to arrangements for 2015/16 being agreed **by April 2015**.

## April 2016 Onwards

Our shared aim is to proceed to full devolution of relevant budgets and commissioning responsibilities as outlined below by 2016/17. This will include NHSE delegating or devolving all relevant funds to appropriate bodies in GM. These changes will require formal decision-making by relevant statutory bodies in the light of progress, learnings and developments in the Build-Up Year (2015/16).

## Greater Manchester

- GMHSPB will set GM strategies and priorities. It will drive and facilitate the implementation of GM strategic priorities in the context of the NHS five year forward view and the GM Strategic Sustainability Plan<sup>xvi</sup>;

- It will provide system-wide management to ensure the strategic priorities are achieved;
- It will support locality health and social care plans to be strategically aligned and determine any allocations required of the available investment funds;
- GM Joint Commissioning Board will commission GM-wide services.

### **Local**

- Local HWBs will agree strategies and priorities for delivery of integrated health and social care (including prevention) within their districts and in the context of the GM wide strategy and local priorities;
- GMHSPB will work with local areas to ensure strategic coherence and consistency across Greater Manchester;
- NHSE, CCGs and local authorities will pool relevant health and social care funds to a local Joint Commissioning Board, building from existing arrangements (e.g. Better Care Fund);
- Each local area will commission services in line with the relevant local area plan (e.g. Integrated Care).

Appendix 1 includes a draft Governance Overview.

### **Support Services**

GM CCGs, working together with wider partner colleagues, will determine the scale, style and configuration of technical commissioning and business support services and ensure that they align with the wider three-level business strategies within GM to further support the devolution programme. In doing so, they will ensure that transition plans maximise value for money and that future arrangements fulfil the principle regarding transfer of skills and resources set out in section 5 above.

### **Delivery**

A Programme Board will be created to oversee the development of the programme through the agreed workstreams and milestones.

## **9 NHS England Support to GM**

NHSE will actively lead and facilitate the links to other national bodies/ALBs (e.g. DH, Monitor, TDA and HEE) to help all key bodies align to achieve the outcomes described in this MoU.

In this context, NHSE is committed to working with GM in pursuit of the following:

- GM to be responsible for designing and creating the provider structure and form to support its commissioning intentions in collaboration with the relevant regulators/ALBs<sup>xvii</sup>;
- GM to play a clearly defined leadership role in the oversight of its provider community<sup>xviii</sup>, working in close partnership with Monitor, TDA and CQC;
- GM to be responsible for determining its skilled workforce, capacity, education and training needs<sup>xix</sup>.

## 10 GM Commitments to NHS England

GM will:

- Continue to deliver the NHS Constitution and Mandate requirements and expectations;
- Commit to the production, during 2015/16, of a comprehensive GM Strategic Sustainability Plan for health and social care (as described above);
- Seek to play a leading role in designing and delivering innovative new models of care as set out in the Five Year Forward View. It will use the opportunities resulting from its GM-wide scale and integration to create ground-breaking innovation in areas of mutual GM/NHSE strategic focus to be agreed and to be an exemplar for the national whole system efficiency initiative;
- Ensure clear accountability, exemplary governance and excellent value for money in relation to the health funds delegated or devolved to it.

## 11 Delivery

### 11.1 Programme Governance

Section 8 outlines the proposed governance arrangements to support the Build-Up Year and subsequent years. However, it is recognised that additional programme governance will need to be put in place to support the key workstreams. A Health and Social Care Devolution Programme Board will provide overall strategic oversight and direction to the programme. It is anticipated that the Board will consist of:

- AGMA/CA Sir Howard Bernstein, Steven Pleasant, Liz Treacy
- CCGs: Dr Hamish Stedman, CCG Clinical Leader, Ian Williamson, Su Long
- Trusts Provider Representatives
- NHS England Simon Stevens, Paul Baumann, Graham Urwin
- Department of Health John Rouse

Further discussions will take place to finalise and confirm the membership. The Programme Board will provide strategic management at programme and workstream level. It will provide assurance to the parties that the key objectives are being met and that the programme is performing within the boundaries and principles set by this MoU. It will ensure that the transition from the current system architecture is managed effectively, ensuring that associated costs are minimised, risks are understood and managed and that appropriate governance and accountability is maintained.

The Programme Board will have responsibility for the creation and execution of the plan and deliverables, and therefore it can draw technical, commercial, legal and communications resources as appropriate into the Programme. The Chief Officer referred to in section 8 above will be accountable to the Programme Board. The first meeting of the Programme Board will agree the key workstreams of the programme.

## **11.2 Governance Principles for the Programme Board**

- Provide strategic oversight and direction;
- Be based on clearly defined roles and responsibilities at organisation, group and, where necessary, individual level;
- Align decision-making authority with the criticality of the decisions required;
- Be aligned with Project scope and each Programme Phase, recognising that changes will be agreed over the life cycle;
- Leverage existing organisational, group and user interfaces;
- Provide coherent, timely and efficient decision-making in respect of the programme
- Reflect the key features of the wider programme governance arrangements set out in this MoU.

## **11.3 Support Structure**

The Programme will need to be supported by full time resources in order to be delivered within the required time scales. This will include a full time Chief Officer, a full time Finance Director and such other staff as the parties agree.

## **11.4 Resources**

It is anticipated that all parties will contribute to the resourcing of the programme in cash and/or in kind. Furthermore, it is recognised that the identified key workstreams will also require additional funding to support the transformation process. A programme and resourcing plan will be agreed with all parties by 13<sup>th</sup> March 2015.

## **12 Parties' commitments to patient engagement**

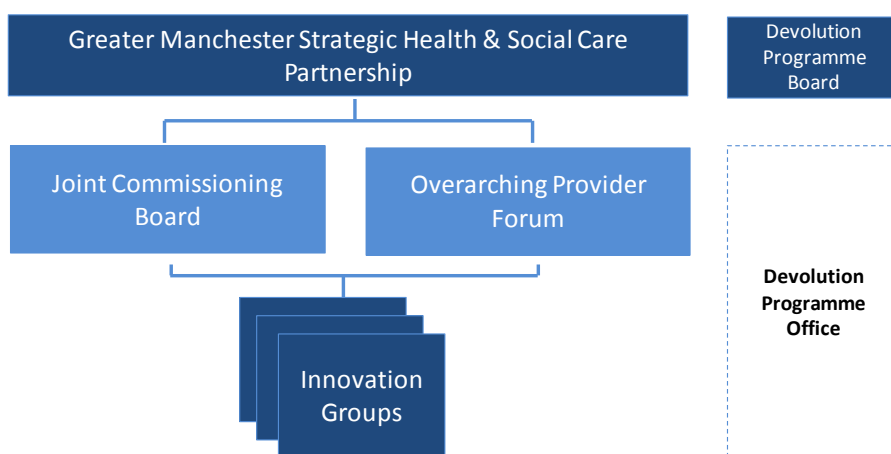
All parties acknowledge their various requirements to engage with patients, service users, carers and members of the public at relevant points and will cooperate to do so in a co-ordinated way.

## **13 Roles and Responsibilities**

Following signature, GM partners will formally ratify this MoU through Boards and Councils and consult on its content with stakeholders as appropriate.

## Appendix 1: Proposed Governance

The proposed governance structure below will exist in shadow form from April 2015, with the final structure being determined during the Build-Up year.



### Proposed Membership:

Greater Manchester Strategic Health & Social Care Partnership	12 CCGs, 10 LAs, Providers, NHS England, Regulators, Healthwatch, GMCVO
Joint Commissioning Board	12 CCGs, LA, NHS England
Overarching Provider Forum	Acute, Community, Mental Health, Ambulance, Primary Care (LMCs) Social Care, Public Health,
Innovation Groups	Joint Commissioner and Provider – Task & Finish Groups to support identified workstreams
Devolution Programme Office	TBC

Note: role of third sector and private sector providers in the arrangements outlined above remains to be determined.

All parties welcome the principles set out in this MoU and recognises the benefits it will bring to the patients and citizens of Greater Manchester. The following explanatory notes are provided for further clarity.

#### Explanatory Notes:

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<sup>i</sup> This will mean NHS England, CCGs and local authorities delegating relevant commissioning functions to joint commissioning boards, in line with the Government's policy of promoting joint commissioning between the NHS and local government. As stated elsewhere in this MoU, NHS England and CCGs, as statutory NHS organisations, would remain accountable for meeting the full range of their statutory duties.

<sup>ii</sup> This will require collaboration with national government, led by the Department of Health, to ensure that the proposed new arrangements continue to support the accountability of CCGs and NHS England for improving quality and health outcomes, delivering core operational standards, and ensuring the effective use of NHS resources. There will need to be agreement as to the precise scope and extent of the commissioning functions that can lawfully be delegated.

<sup>iii</sup> The NHS Commissioning Board operates under the name of NHS England (NHSE) and will be referred to as such throughout the remainder of this document.

<sup>iv</sup> All references to "devolution" of responsibilities or funding to GM would currently imply, in formal terms, the delegation of commissioning functions and associated financial resources to joint commissioning boards set up under section 75 of the 2006 Act.

<sup>v</sup> This recognises, in particular, that some of the areas described in the MoU go beyond the statutory powers of NHS England and CCGs, and are often commissioned nationally.

<sup>vi</sup> The proposed new commissioning arrangements will need to support CCGs and NHS England in continuing to meet the full range of their statutory responsibilities. There will need to be continued reporting against relevant national performance metrics to enable CCGs and NHS England to be held to account for core operational standards, progress in improving quality and outcomes and in other areas in a manner which is consistent and comparable to the rest of the NHS.

<sup>vii</sup> Funding for the NHS beyond 2015/16 will be agreed at the next spending review.

<sup>viii</sup> Options for more radical approaches in relation to NHS estates will need to be considered through engagement with relevant national partners.

<sup>ix</sup> Access to any new NHS funding streams will clearly depend on the extent to which those funding streams are made available to the GM CCGs (or to NHS England) and their relevance to the delegated commissioning functions.

<sup>x</sup> Where national policies apply, decisions about the implementation of those policies that are made about Greater Manchester will be made with Greater Manchester. As set out in the MoU national government will continue to set overall policy for health services, including setting the Mandate for NHS England. National policies, inspection regimes, guidance and regulations, and the standing rules for NHS commissioners will continue to apply to the whole NHS, including GM. Where there are decisions that cannot legally be delegated, these will continue to be taken by the relevant bodies.

<sup>xi</sup> This refers to those specialised services that can be commissioned appropriately and effectively at a Greater Manchester level.

<sup>xii</sup> Any delegation of primary care commissioning responsibilities will need to be consistent with the relevant enabling legislation. The main focus will be on primary medical care, i.e. general practice (GP) services.



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<sup>xiii</sup> This covers those public health services for which local authorities are responsible, subject to the statutory ringfence, together potentially (and subject to discussion with the Department of Health) with those public health services commissioned by NHS England on behalf of the DH.

<sup>xiv</sup> Any changes to the underlying statutory accountabilities of NHS England and CCGs would need to be agreed with DH taking into account the advice of the National Audit Office. In the absence of such changes, then the intention is that the relevant joint commissioning boards will exercise functions on behalf of NHS England and CCGs.

<sup>xv</sup> This remains subject to further discussion with Monitor, TDA and the Department of Health.

<sup>xvi</sup> These strategic priorities will also need to reflect the Government's Mandate to NHS England and other relevant national policies.

<sup>xvii</sup> The relevant provider Boards (or equivalent) will remain ultimately responsible for decisions on provider structure and form, but GM will work with existing providers – and with any potential new providers of health and care services – to help shape the provider response to local commissioning intentions.

<sup>xviii</sup> This will ensure that the role of GM commissioners in shaping and stimulating the development of local provider arrangements complements the role of the relevant regulatory bodies.

<sup>xix</sup> There will be further discussion with Health Education England about how best to take this forward.



Simon Stevens  
Chief Executive  
NHS England

20 February 2015

Dear Simon

### **Greater Manchester Devolution**

We are writing as the Chief Executives of the Mental Health and Community Trusts in Greater Manchester to confirm our support for the proposal to devolve greater decision-making authority and responsibility from central government to Greater Manchester.

It is important to recognise that a number of processes for working collaboratively across the GM footprint are already in place, and this includes the extensive involvement of provider organisations in strategic planning processes such as the “Healthier Together” programme, which is overseeing the development of integrated care and the restructuring of hospital services in Greater Manchester.

As providers of community and mental health services, we would make the following comments on the new and emerging arrangements;

- The national drive for parity of esteem for mental health will need to be embraced and even further advanced in the proposed devolution arrangements
- We welcome the proposal for an independently chaired provider forum to ensure an equity of voice in health and social care planning

There has been a considerable amount of positive joint working in the past, and this has often been undertaken when the prevailing ethos did not encourage providers to work collaboratively, or to cooperate to achieve strategic change and improved outcomes for service users across the wider conurbation. Our experience is that collaborative working is essential to how an integrated community like Greater Manchester can grow and develop, not least in respect of health and social care. Devolution offers the possibility to build on and formalise many of the vibrant working arrangements that have already been established, such that strategic change can be progressed more rapidly and more effectively.

The need to maintain the formal distinction between commissioners and service providers is still recognised and supported. We believe this is required to ensure clarity of purpose, not least for the Boards of provider organisations. We are also clear that the Memorandum of Understanding that is intended to underpin the health and social care aspects of GM devolution will be focused on the commissioner responsibilities, and needs to reflect the devolution of powers and resources from NHS England to GM CCGs and local authorities.

As noted, we strongly welcome the inclusion in the proposed GM health and social care governance arrangements of a formally established Provider Forum, and the centrality of a Co-design approach to the strategic transformation agenda. The Provider Forum will ensure that the voices of service providers can properly be heard on all relevant service issues, not just in the context of major service change programmes. Emphasising a Co-design principle from the outset will ensure that whilst there is still an important role for competition between providers (as appropriate), there are clearer mechanisms for cooperation between providers and with commissioners, to achieve the best outcomes for service users.

The new arrangements will also require the development of a new set of relationships with the regulatory and inspection bodies within health and social care, including Monitor, the

Trust Development Authority and the Care Quality Commission. It has been proposed that a Memorandum of Agreement should be developed to define the new relationship. We strongly welcome this proposal and would want to play an important role in developing the agreement. The key objective of the agreement must be to create a GM sub-regional focus for the regulatory and inspection functions, whilst maintaining proper consistency. This will allow the regulators to gain a far clearer understanding of the strategic and transformational agenda in Greater Manchester, and to provide advice and support that facilitates rather than impedes change.

The health and social care system in Greater Manchester faces many challenges, but the conurbation is strong and robust, and has many effective, high quality provider organisations. There is considerable potential to make faster and more substantial progress with transformational change across the conurbation, and GM devolution can support this. We support the principle of GM devolution, and the approaches that are being developed to future governance arrangements. These approaches must be developed to facilitate an effective role for provider organisations, including working in an increasingly collaborative manner, in concert with commissioners, and with integrated input from sector regulators and inspectors.

In summary, as the Chief Executives of the Mental Health and Community Trusts in Greater Manchester, we:

- support the principle of Greater Manchester Devolution
- recognise that collaborative working is increasingly delivering greater benefits and faster progress than competitive approaches
- believe there is considerable potential to build on previous experience of successful joint working across the conurbation
- strongly support the proposals to include in the GM Devolution arrangements a clear principle of Co-design
- strongly support the proposed creation of a Provider Forum to act as a conduit for provider engagement and participation
- strongly support the approach to developing a new relationship with regulatory and inspection bodies, and would want to contribute to establishing a Memorandum of Agreement that would ensure a clear sub-regional focus for these functions.

We hope that this letter will be a constructive and useful contribution to the development of the Greater Manchester Devolution proposals.

Yours sincerely



**Mr Simon Barber**

**Chief Executive, Five Borough Partnership NHS Foundation Trust**



**Dr Kathleen Fallon**

**Chief Executive, Bridgewater Community Healthcare NHS FT**



**Mrs Beverley Humphrey**

**Chief Executive, Greater Manchester West Mental Health NHS FT**



**Mr Michael McCourt**

**Chief Executive, Pennine Care NHS FT**



**Mrs Michele Moran**

**Chief Executive, Manchester Mental Health and Social Care NHS Trust**

Cc David Bennett – Chief Executive, Monitor  
David Flory – Chief Executive, Trust Development Agency  
David Behan – Chief Executive, Care Quality Commission



## **GM LOCAL ENTERPRISE PARTNERSHIP BOARD**

**SUBJECT: India Business Plan**

**DATE: March 2015**

**FROM: Iwan Griffiths**

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### **1. Executive Summary**

- After review by the LEP India sub-group the UKIBC recommendations were prioritised as follows: i) Raising Manchester's Profile in India; ii) 'Make in India, Innovate with Manchester; iii) A Manchester India Entrepreneur Bridge.
- A high-level 12 month activity plan has been created, outlining priority events and deliverables which are required to create further momentum for the India agenda across areas of Trade, Investment, Tourism and Education. (Appendix 2)
- In order to sustain this planned increase in India activity it is recommended that the LEP support the creation of GM-India Desk. This resource will be located within MGC and consist of two dedicated staff: A GM based Project Manager and an India based representative.
- A core funding requirement of £108,000 has been estimated for Year 1; this will largely cover the salary and running costs associated with the GM-India Desk. It is proposed that £55,000 of existing 2014/15 LEP Capacity Funding allocated to the India strategy, be carried-over to 15/16 and utilised to contribute to the first year core funding requirement. The remaining funding short-fall will need to be sought from public and education sectors. (See 4.3.1)
- A further campaign cost requirement of £150,000 has been calculated for Year 1 (See 4.3.2). The intent is to raise this largely through partner organisations sponsoring elements of specific interest e.g. Entrepreneur Bridge.
- In order to provide certainty for the full 24 month programme, the Board is requested to consider providing an additional £55,000 from the 2016/17 LEP capacity funding round.

## **2. Background**

Following the submission of the Manchester-India Strategic Review at the January LEP Board, it was agreed that Iwan Griffiths would lead a LEP sub-group tasked with producing a business plan outlining the planned activities and resources required to progress the India agenda. The purpose of this paper is to outline a high-level plan for the GM-India agenda.

## **3. LEP India subgroup**

The sub-group consisted of a broad range of participants from Manchester's private, education and public sectors (Appendix 1). All private sector participants either have operations or are trading in India. The sub-group reviewed the recommendations from the GM-India review appraising the UKIBC recommendations, both in terms of their ability to positively impact trade, investment, education & tourism and the relative ease of implementation - forming a short list of focused priorities.

### **Priority 1: Raising Manchester profile in India**

The original intent of this UKIBC recommendation was to deliver a broad integrated communications strategy, to increase Manchester's Indian profile as a modern business and science city.

There was consensus within the sub-group that Manchester's profile represents the most significant barrier to better harnessing the India opportunity. Through better coordination, communication and focus of the Manchester India agenda it will be possible to raise the city's profile.

This recommendation is very much the headline objective of the Manchester-India agenda; the other recommendations essentially providing the means to support this over-arching objective.

### **Priority 2: 'Make in India, innovate with Manchester'**

UKIBC recommended a specific campaign, focussed on promoting the Manchester's strengths in R&D, science and innovation specifically to support Modi's strategy of supporting manufacturing growth in India

The original intent of this recommendation was ambitious, in that it aimed to directly engage Modi's 'Make in India' strategy. After sub-group review it was felt that this recommendation might have been aspirational, but realistically more of a UK level undertaking. Nonetheless, the idea of Manchester running an innovation led campaign targeted at Indian government and industry decision makers was felt to be very worthwhile.

A further recommendation from the sub-group was that in view of Manchester's own manufacturing aspirations, the strap-line would be better phrased as simply: 'Innovate with Manchester'.



### **Priority 3: Manchester Entrepreneur Bridge**

Another key UKIBC recommendation was to establish a pathway and associated support for start-up businesses to set up in India and Manchester. The group concluded that this recommendation had real merit and would be relatively straightforward to deliver in conjunction with the right partner. The two-way nature of the original recommendation was challenged, as the business drivers for driving a high growth Indian business to the UK would be very different from UK businesses heading to India. Therefore, initially at least, it was recommended that this initiative on supporting Indian high growth business in early stage expansion to set-up in Manchester. Similar initiatives already exist in London (Tech Hub) and Cambridge (Bangalore Cambridge Innovation Network). Similarly, the UKTI 'Rocket Ship' programme aims to target high-growth companies and support their expansion into the UK.

The '**Supporting Manchester's SMEs**' recommendation was acknowledged as an important, but complex issue, much of which would be impossible for the city to influence. Short-term interventions could include better leveraging existing public and private sector support, and the sharing of 'best practice' of Manchester companies already operating in India.

'**A Northern Powerhouse/BMEC Corridor Tie-Up**'; and '**Direct Air Route**' were ranked as longer-term opportunities, which would be harder for the project to influence and/or requiring more time to develop. For example, MAG regards an Indian direct air route as a medium term opportunity for a variety of reasons – not least, due to its already comprehensive indirect India service offering (e.g. via Emirates & Etihad).

## **4. India Business Plan**

While the UKIBC review provides a compelling rationale for GM action in relation to the India market, the India agenda currently lacks the platform such as the BCEGs investment in Airport City or the China direct route which helped propel the GM-China agenda forward, and secure sizeable private sector funding. It is therefore proposed to initially take a 24 month campaign approach to the India agenda. LEP capacity funding carried-over from 2014/15 will be used to provide some of the campaign delivery resource over the next 12 months. Additional funding will also be sought from public and university sectors. Private sector investment will be sought to sustain campaign related event activity. The intent is that after 24 month period, the India agenda will have gained momentum, and more of the core costs could be borne from external sources.

### **4.1. "Innovate with Manchester" Campaign**

This campaign will be the basis of Manchester's India agenda for the next 1-2 years; the intent being it will provide a shared plan for engagement for all of Manchester's India stakeholders. Aside from outlining an activity plan, the campaign plan will also require the creation of a communications strategy,

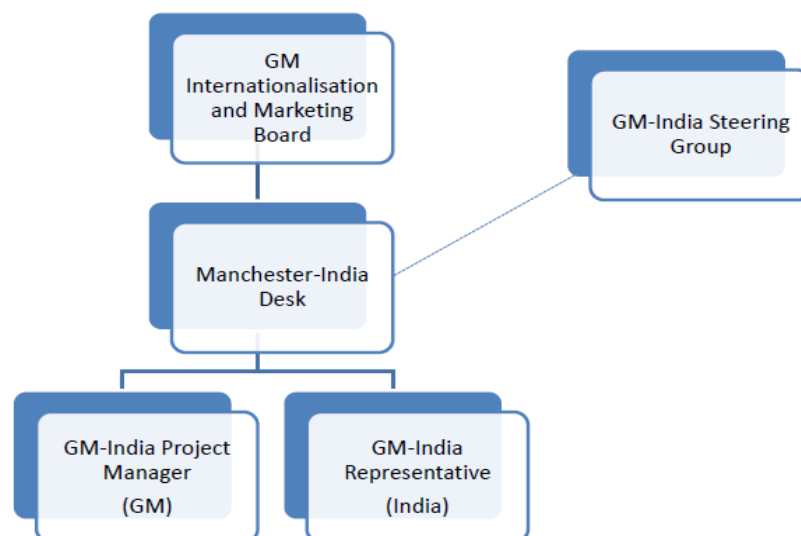
outlining how the Manchester's innovation offer will be communicated to the India market.

Appendix 2 outlines an activity plan in more detail, examples of key elements of the campaign for the next 12 months include:

- **Two 'Catalytic events':** One in India and one in Manchester during 2015/16. These will be ambitious events, built around high-profile Manchester ambassadors such as Jim O'Neill or Manchester United.
- **Corporate Engagement:** Systematically target and engage at least 5 Indian R&D led companies in each target sector with Manchester's Innovation and Science offer. This will require careful targeting of innovation led businesses and close co-operation with the universities and other India partners to engage companies at the highest level.
- **GM-India Partnerships:** Create at least one 'strategic partnership' between a Manchester and an Indian institution (e.g. University or key infrastructure). This could involve University of Manchester partnering with a leading Indian institution to secure the first global 100 academic ranking for an Indian university. Similarly, there may be an opportunity for Media City to partner with a similar Indian media/technology cluster.

#### 4.2. Manchester India Desk

In order to create the necessary India focus and coordination suggested by the UKIBC report it will be necessary to appoint dedicated resource through the creation of an 'India Desk'. While the Manchester-China Forum required its' own governance structures, with the advent of the MGC means there is a ready-made governance structure in which to locate the India Desk. The reporting line into the LEP would be via the GM Internationalisation and Marketing Advisory Board. The India Desk itself would consist of a GM based project manager and an India based Manchester India representative.



The scope of the Manchester India desk will be delivery of the ‘Innovate with Manchester’ campaign, which will in-turn encompass Trade, Investment, Route and Innovation/Science Agendas.

The India based representative will be employed and housed by a third party. Potential providers include: UKIBC through their Indian ‘launch pad’ network; UKTI, potentially replicated the co-location arrangements of the devolved administrations; or potentially the premises of a partner company (E.g. A professional services firm). As per the report findings, the preferred base for a Manchester representative would be Bangalore, from where it would also be easy to cover South India and Mumbai.

### 4.3. Costs and Funding

#### 4.3.1. Core Resource

Core resource consists largely of the people resource required to support the India campaign, the cost of which will likely need to be borne by the public and potentially education sectors.

Employment Costs (12months)	£	Possible Funding Sources	
India Representative	£ 50,000	LEP Capacity Funding/MGC/Universities	Year 1 Funded (LEP), Year 2 TBC. Employed by third party
India Project Manager	£ 35,000	Universities/MGC/Universities/UKIBC/ERDF?	Potential secondment opportunity.
India Hosting (Office & Support)	£ 15,000	Universities/MGC/Universities/UKIBC/ERDF?	Office and employment entity provided by third party
Expenses for India Representative	£ 8,000	Universities/MGC/Universities/UKIBC/ERDF?	£600 per month standard. Inc induction costs.
<b>Total</b>	<b>£ 108,000</b>		

The 14/15 LEP capacity funding of £55,000 will be carried over to 15/16 to provide the lions-share of the of the Year 1 funding requirement. The remaining £53,000 remains to be secured, most likely from existing public funding and hopefully from the universities.

The intent is to provide assured funding for core resource for at least 2 years; ***therefore there is an additional LEP ‘ask’ of £55,000 for the 2016/17 LEP capacity funding round.***

#### 4.3.2. Campaign Cost (2015-16)

Campaign costs consist of the proposed campaign activities for 2015/16, the cost of which would be covered through support from partner organisations and companies.

Campaign Costs	£	Funding
Catalytic Event 1 (India)	£50,000	Sponsorship
Catalytic Event 2 (Manchester)	£30,000	Sponsorship
GM-India Entrepreneur Bridge	£50,000	Sponsorship, Existing UK national programmes.
PR and Marketing Support	£20,000	MGC, Universities, Campaign Sponsorship.
<b>Total</b>	<b>£150,000</b>	

## 4.4. Targets and Outputs

### 1.1.1. Manchester India Strategic Review: Annual (Year 2) Impact Potential

Theme	KPIs	Historical Data			Aspirations		
		Latest Data	Year(s)	Annualised Data	Annual Aspiration	By year 2	Rough Order of Magnitude Impacts (annual, in year 2)
Inward investment	India-origin FDI Projects in Manchester	10	2003-14	1	+3	6	£5.2 in GVA terms (through a mix of more projects per year and higher value added FDI)
	Indian-origin FDI Jobs in Manchester	1,200	2003-14	120	+300	600	
	Indian-origin FDI Value in Manchester (£m)	104	2003-14	10.4	+36	72	
Trade	Visible Exports from NW to India (£m)*	440	2013	440	+8	456	£6.4 million in GVA terms
<b>TOTAL</b>							<b>£11.6 million in GVA terms</b>

Source: Deloitte Analysis for MIDAS, based on a series of high-level assumptions and for indicative purposes only.

\* Export data pertains to the North West region as a whole and implies that Manchester delivers all the impact shown at a North West level. I.e. a 10% increase in North West exports to India implies great than 20% increase in Manchester's exports to India.

Aggregating the annual impacts yields a low-end annual GVA contribution from the interventions in the order of £11.6million per annum for Greater Manchester. This equates to 0.024% of annual GVA in the Greater Manchester area.

It's worth noting that while the bulk of the benefits will result from increased FDI and Trade, if faster progress is made with regard to the student visa restrictions and with direct air routes GVA could further benefitted (Estimate £1.2 million during 2 year horizon).

If the annual cost to Manchester of embarking on the strategy is £258,000 per annum (covering financial costs and opportunity costs that detract from other public-policy interventions), then over 2 years, this would imply benefits of up to £23.2 million against costs of £516,000 for a (non-discounted) Benefit to Cost Ratio (BCR) of around 45:1.

UKTI has previously stated an ex-ante (pre-intervention) BCR of 15:1 for this generic type of intervention, and the above ROM estimates provide a greater return against this benchmark.<sup>1</sup> This is because of the aspirational nature of the metrics at this stage.

<sup>1</sup> Source: <http://www.nao.org.uk/press-releases/uk-trade-investment-trade-support-2/>

## Appendix

### 1. LEP India sub-group

Attendee	Organisation	Position
Iwan Griffiths	PwC Northwest Regional & Marketing Manchester	Chairman
Professor Stephen Flint	University of Manchester	Acting Vice-President of The University of Manchester and Dean of the Faculty of Engineering and Physical Sciences
Andrew Stokes	Marketing Manchester	Chief Executive
Barry Menzies	M&I Materials	Commercial Director and responsible for Dielectric Fluids business
Phil York	PBSI Group	Director, P&B Relays & Services India Pvt Ltd
John Rylands	Epistem	Financial Director
Jo Ahmed	Deloitte LLP	Director, Global Employer Services
Kevin McCole	UKIBC	Chief Operating Officer
Francis Glare	BDP Architects	Chair of India, Head of Urbanism
Vikas Shah	TIE	Board Member
Lynn Shaw	UKTI - Trade NW	Head Of International Trade Service
Tim Newns	MIDAS	Chief Executive
Daniel Storer	MIDAS	Director of Business Development

### 2. Key India Activity 2015/16

Key India Activities	Leads
1 Catalytic events': One in India and one in Manchester during 2015/16.	MGC/UKTI/UKIBC/Universities
2 Inbound delegations: Host at least 8 Indian sector/polical delegations in 2015/16	MIDAS/Universities
3 Outbound delegations: Undertake 2, sector specific 'Manchester Partnership' delegations in 2015/16 (Trade, Investment and Academic)	MGC/UKTI/Universities
4 GM India Events: With India partners deliver a series of 4 Manchester-India events for local businesses.	UKIBC/MGC
5 GM-India Partnerships: Create at least one 'strategic partnership' between a Manchester and an Indian institution (e.g. University or key infrastructure)	Universities/MGC
6 Corporate engagement: Systematically engage 5 R&D led companies in each target sector with Manchester's Innovation and Science offer.	MGC/Universities
7 Leverage GM-India Business Champions: Understand and utilise GM's businesses currently succeeding in India	MGC/UKIBC
8 Leverage City Science and ESOF ensuring it is fully exploited to maximise Indian business and academic engagement.	MGC/Universities
9 Entrepreneur Bridge: Understand best practice, devise GM approach and outsource to delivery partner by Jan 2016.	MGC to outsource

### 3. India Desk – Brief Role Descriptions

In-country India Representative:	GM India Project Manager:
Senior representative; broad representational role.	Focal point for GM/UK stakeholders and network
Engaging and managing relationship with targeted Indian corporates.	Support of in-country resource
Manage relationships with key influencers/stakeholders.	Project manage campaigns and in-country activity/in visits.
Supporting in-country activity (Public and Private sectors)	Co-ordinate marketing and comms (Social Media, PR etc, website).
Supporting UKTI Posts.	Management of large scale events.
Lead delivery of 'Innovate Manchester Campaign'	Manage research requirements
Route Development	



**GM LOCAL ENTERPRISE PARTNERSHIP BOARD**

**DATE:** 16 MARCH 2015  
**SUBJECT:** GREATER MANCHESTER GROWTH DEAL: ROUND 2  
**REPORT OF:** SIR HOWARD BERNSTEIN

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**PURPOSE OF REPORT**

This report sets out details of the Greater Manchester's second Local Growth Fund allocation, awarded through the second round of Growth Deals, and announced by Government on 29 January 2015.

**RECOMMENDATIONS**

The GM LEP is asked to:

- note the contents of this report; and
- welcome the additional funding, which will support GM's broader programme of investment, designed to support the transport and connectivity requirements of GM, and to further develop our business support and skills capacity to meet the needs of employers.

**REPORT AUTHOR**

Sir Howard Bernstein, Head of Paid Service

**CONTACT OFFICER**

Rebecca Heron, GMS Coordinator  
0161 234 3278

## BACKGROUND AND CONTEXT

Greater Manchester's Growth and Reform Plan, submitted to Government in March 2014, presented a coherent, holistic investment programme, complemented by a strong commitment to public service reforms designed to enhance efficiencies and benefits across the programme.

It formed the basis of Greater Manchester's first Growth Deal, secured in July 2014, which as well as securing a number of freedoms and flexibilities as a precursor to the Devolution Agreement, also brought a welcome funding allocation of £273.1 million (£65.1 million for 2015/16 and £208 for 2016 – 2021). This allocation included:

- **£10 million** to establish a Life Sciences Fund with Cheshire;
- **£204m** for major transport schemes;
- **£8.91m** in 2015/16 and **£6.3m** for 2016/17 onwards for minor transport schemes;
- **£13.3m** skills capital allocation for schemes that start in 2015/16; and
- **£625,000** (revenue support) for 2015/16 to support core Growth Hub activities.

In October 2015 Government invited Greater Manchester to bid for further Local Growth Funding to "top up" our July allocation. This additional Greater Manchester bid totalled **£78.9m** and comprised a **baseline programme of £51m** prioritising the unfunded elements of the Growth and Reform Plan originally submitted in March, along with **£27.9m** of additional investment priorities. Full details of that additional bid are set out in Annex A.

## GREATER MANCHESTER'S SECOND ROUND GROWTH DEAL ALLOCATION

Greater Manchester has been allocated an additional **£56.6m** of Local Growth Funding. This will enable us to take forward all schemes above the red line in the table at Annex A. In summary our allocation supports:

- **additional transport minor works (£25m):** financial asks originally set out in our Growth and Reform Plan and currently unfunded. These investment proposals were prioritised according to GVA principles in support of our growth strategy;
- **additional skills capital investment (£21m):** LGF match funding as part of a £63m programme to strengthen the skills provider base to support the supply of labour with the skills our employers require. Our bid is for a programme allocation to support investment relating to the themes of Engineering, Manufacturing & High Speed Rail, Logistics, Estate Renewal and Hospitality;
- **investment in capital infrastructure to support business support programmes (£1m):** and
- further **additional investment in transport**, including Rail/Metrolink passenger improvements (£4.9m) and some of the funding required for multi modal ticketing (£5.1m of the £6m requested).



## **RECOMMENDATIONS**

The GM LEP is asked to:

- note the contents of this report; and
- welcome the additional funding, which will support GM's broader programme of investment, designed to support the transport and connectivity requirements of GM, and to further develop our business support and skills capacity to meet the needs of employers.

## ANNEX A: SECOND ROUND LGF2 BID

Name of Project	Current Status of Project	2015/16 (£m)	2016/17 (£m)	Total
<b>Transport: previous commitments, as set out in GM's Growth and Reform Plan</b>				
Regional Centre	Part Funded	2.50	0.00	2.50
Bolton Town Centre Package	Part Funded	0.00	1.10	1.10
Bury Town Centre Package	Part Funded	0.45	0.50	0.95
Oldham Town Centre and Mumps Connectivity	Part Funded	2.00	1.95	3.95
Rochdale Town Centre & Station Gateway	Part Funded	0.30	0.00	0.30
Stockport Town Centre Package	Part Funded	0.00	0.16	0.16
Ashton Town Centre Package	Part Funded	0.30	0.00	0.30
Wigan Town Centre Package	Part Funded	0.00	0.85	0.85
Manchester District Centres	Part Funded	0.30	0.70	1.00
Prestwich Town Centre	Part Funded	0.00	0.50	0.50
Stretford Town Centre	Part Funded	0.75	1.00	1.75
Hattersley Regeneration	Part Funded	0.00	0.75	0.75
Airport City	Part Funded	0.00	3.00	3.00
Birley Fields	Part Funded	0.00	0.05	0.05
Denton Regeneration	Part Funded	0.00	1.67	1.67
Hollinwood	Part Funded	0.80	0.00	0.80
Salford Central Development Area	Part Funded	0.75	0.95	1.70
Poolstock Environmental	Part Funded	0.00	0.40	0.40
Active Travel Networks	Part Funded	0.40	2.78	3.18
Passenger Improvements (Information etc)	Part Funded	2.00	2.00	4.00
Active Travel / LSTF	Part Funded	2.41	0.00	2.41
GD Funding awarded in July '14 yet to be allocated*	FUNDING	-0.26	-6.05	-6.31
<b>SUB TOTAL</b>		<b>12.70</b>	<b>12.30</b>	<b>25.00</b>
<b>CUMMULATIVE TOTAL</b>		<b>12.70</b>	<b>12.30</b>	<b>25.00</b>
<b>Skills Capital: previous commitments, as set out in GM's Growth and Reform Plan</b>				
A - Engineering, Manufacturing and High Speed Rail theme	Currently not funded	2.00	3.00	5.00
B - Logistics theme	Currently not funded	0.50	2.50	3.00
C - Estate Renewal theme	Currently not funded	4.50	0.50	5.00
D - Hospitality theme	Currently not funded	3.00	5.00	8.00
<b>SUB TOTAL</b>		<b>10.00</b>	<b>11.00</b>	<b>21.00</b>
<b>CUMMULATIVE TOTAL</b>		<b>22.70</b>	<b>23.30</b>	<b>46.00</b>
<b>Business Support: previous commitments, as set out in GM's Growth and Reform Plan</b>				
Capital infrastructure to enhance delivery of support services*	Currently not funded	1.00	0.00	1.00
<b>SUB TOTAL</b>		<b>1.00</b>	<b>0.00</b>	<b>1.00</b>
<b>CUMMULATIVE TOTAL</b>		<b>23.70</b>	<b>23.30</b>	<b>47.00</b>
<b>Transport: priority schemes to be brought forward if resources permit</b>				
Rail / Metrolink Passenger Improvements	New proposal	4.90	0.00	4.90
Multi modal ticketing	New proposal	6.00	0.00	6.00
Bus Passenger Improvements	New proposal	2.00	0.00	2.00
Highways KRN resilience package	New proposal	2.50	2.50	5.00
Rail Station Accessibility	New proposal	5.00	0.00	5.00
<b>SUB TOTAL</b>		<b>20.40</b>	<b>2.50</b>	<b>22.90</b>
<b>CUMMULATIVE TOTAL</b>		<b>44.10</b>	<b>25.80</b>	<b>69.90</b>
<b>Business Support: additional investment to be brought forward if resources permit</b>				
Loan capital investment for new and growing GM businesses~	New proposal	5.00	4.00	9.00
<b>SUB TOTAL</b>		<b>5.00</b>	<b>4.00</b>	<b>9.00</b>
<b>CUMMULATIVE TOTAL</b>		<b>49.10</b>	<b>29.80</b>	<b>78.90</b>
<b>OVERALL TOTAL</b>		<b>49.10</b>	<b>29.80</b>	<b>78.90</b>

### Notes

\*GM has agreed a Transport Minors programme for 2015/16. The 2016/17 programme will be agreed by mid-2015

A - Potential projects include provision of new build academy at Siemens to train and up-skill in leasing edge manufacturing skills

B - Potential projects include Bolton College and the two Mantra Learning proposals

C - Potential projects include The Manchester College, Bury College and Salford City College

D - Potential projects include Hotel Futures and Hopwood Hall

## **Item No. 8**

### **GREATER MANCHESTER LOCAL ENTERPRISE PARTNERSHIP BOARD**

**SUBJECT:** Greater Manchester Investment Fund – Status of the Funds

**DATE:** 16 March 2015

**FROM:** Eamonn Boylan

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### **PURPOSE OF REPORT**

This paper provides an update on the status of the Greater Manchester Investment Fund (GMIF).

### **RECOMMENDATION**

The LEP Board is asked to note the contents of this report.

## BACKGROUND:

The Greater Manchester Investment Fund (“GMIF”) is a virtual pool of funding that operates under the direction of the CA and is used to support economic growth across Greater Manchester.

Whilst there are specific requirements attached to each element of the GMIF, the overarching objective is primarily around the creation or safeguarding of jobs with a secondary objective of recycling funding wherever possible in order to maximise the impact of the funding over several investment cycles. This approach was endorsed by Government as part of the GM City Deal agreed in April 2012.

## STATUS OF THE FUNDS

### *Business Funds*

The status of the business funds as at 31<sup>st</sup> December 2014 is set out below. A detailed list of approved investments is included in the Appendix.

£'m	Business Funds			Total
	RGF2	RGF3	GM Loan Fund	
Committed	25.6	32.5	3.9	62.0
Pipeline	4.4	2.5	0.7	7.6
Remainder	-	-	15.4	15.4
Total	30.0	35.0	20.0	85.0

As at December 2014 £15m of funding remains available following strong activity in the RGF funding streams. It also should be noted that while the GM Loan Fund is shown as having an allocation of £20m, it is envisaged that no more than £14m will be drawn at any one time.

RGF 2 and RGF 3 need to be invested by 31<sup>st</sup> March 2016 and 31<sup>st</sup> March 2015 respectively, with all funds needing to have been committed by March 2015. Based on activity in the last quarter and the current pipeline, the team still expect to meet this deadline and in addition over-commit the fund by circa 5% to account for projects that inevitably fall away.

Alongside the deadline to have the funds committed is the deadline to have RGF 3 monies invested by Spring 2015. As at the end of December, £19.4m of the £32.1m committed funding had been invested.

The RGF funding provided to date has been through a mixture of grants and loans with the intention of restricting grant funding to transformational projects that create a significant number of jobs. The funds will continue to be

promoted as primarily loan funds in order to maximise the level of funding that is recycled.

### **Property Funds**

The status of the property funds as at 31<sup>st</sup> December 2014 is set out below. The Evergreen fund includes an additional £10m of funding from a reallocation of ERDF 2007-13 monies. This has been agreed in principle by the Combined Authority.

£'m	Property Funds		
	Growing places	Evergreen	Total
Committed	28.3	43.3	71.6
<b>Pipeline</b>	<b>6.5</b>	<b>16.0</b>	<b>22.5</b>
<b>Remainder</b>	<b>19.8</b>	<b>-</b>	<b>19.8</b>
Total	54.6	59.3	113.9

- *Note: £20m additional capacity has been created in the successful Growing Places fund through leverage model which was approved by the CA earlier in the year.*
- *Note: Evergreen funds need to be committed by December 2014 and spent by December 2015. There is no time limit for Growing Places.*

There remains an additional £30m of projects in the Evergreen pipeline. The remaining pipeline is expected to be funded through Evergreen 2 which is due to go live during 2015.

It should also be noted that the rate of new Growing Places commitments has been slowed by the increased Evergreen allocations and the need to invest those monies by the 2007-13 ERDF deadline.

### **OUTPUTS**

Delivery of outputs is forecast to be very strong with the programmes in a good position to meet their targets.

In terms of job creation, the funding per job target is approximately £15,000 for RGF 2, £20,000 for RGF 3 and £14,000 for Evergreen. A summary of the contracted outputs under the RGF programmes and achievement against those outputs to date is included below:

<b>Jobs</b>	<b>RGF 2</b>		<b>RGF 3</b>	
	Contracted	Achieved	Contracted	Achieved
Direct jobs created	1,614	522	1,309	76
Direct jobs safeguarded	1,075	1,049	292	264
Indirect jobs created (RGF 3 only)	-	-	558	147
Indirect jobs safeguarded (RGF 3 only)	-	-	835	206
<b>Jobs Total</b>	<b>2,689</b>	<b>1,571</b>	<b>2,969</b>	<b>693</b>
<i>Programme target</i>	<i>2,000</i>	<i>2,000</i>	<i>1,724</i>	<i>1,724</i>

*Note: GMLF outputs are included within the RGF 2 funding stream above.*

*Note: An analysis of outputs by district is available from the Core Investment Team if required.*

The job creation target must be met by the end of the monitoring period in 2018. Jobs are profiled to be created steadily over the period as the impact of the initial investment results in the supported companies achieving their growth strategies. Following the delay in finalising the RGF 3 letter, funds only started to be invested in companies at the end of 2013 resulting in a slow start to job creation in the RGF 3 programme.

A summary of the Evergreen contracted outputs is included below – as Evergreen funding relates to ongoing developments, it is not yet relevant to report on delivered outputs. There are no programme output targets for the Growing Places Fund.

<b>Committed outputs</b>	<b>Evergreen</b>
<b>Jobs</b>	
<b>Jobs Total</b>	<b>4,077</b>
<i>Programme target</i>	<i>4,088</i>
<b>Development</b>	
<b>Sqmt. Developed</b>	<b>104,975</b>
<i>Programme target</i>	<i>109,760</i>
<b>Brownfield Land developed</b>	<b>15.4</b>
<i>Programme target</i>	<i>11.6</i>

## **FUND PROFILE**

As previously discussed, the intention is to create a recycling fund that can be reinvested several times. A summary of the current fund profile is set out below.

£'000	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
<b>Growing Places</b>						
b/f	34.6	32.3	20.7	4.3	20.8	28.0
Payments	(2.3)	(13.2)	(18.3)	(0.8)	-	-
Receipts	-	1.6	1.9	17.3	7.2	6.7
c/f	32.3	20.7	4.3	20.8	28.0	34.7
<b>Evergreen</b>						
b/f	49.0	39.2	13.8	22.5	43.0	49.0
Payments	(9.8)	(25.4)	(7.9)	(6.0)	-	-
Receipts	-	-	16.6	26.5	6.0	-
c/f	39.2	13.8	22.5	43.0	49.0	49.0

*Note: the modelling is based upon full recovery of monies for all loans that have not defaulted.*

*Note: the profile includes an assumption for those projects that are not yet known.*

The profile models the fund based upon projects that have been committed to date, with an assumption built in for funds not yet committed.

The profile indicates that funding does not start to return in any quantum until 2016. This results in a capacity constraint particularly in the infrastructure funds, which has been addressed through the Growing Places leverage model and establishment of Evergreen 2. The constraint arises as, whilst there may be cash available for investments, this cash has been committed to projects.

The Growing Places and Evergreen loan books are strong both in terms of the financial strength of the applicants and the level of security provided. The main risk associated with the infrastructure funds is expected to be the timing of the recycling, as opposed to the risk of default.





**GM LOCAL ENTERPRISE PARTNERSHIP BOARD**

**SUBJECT:** Manufacturing Strategy Update  
**DATE:** 16 March 2015  
**FROM:** Simon Nokes, Acting Chief Executive, New Economy

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**Purpose**

The purpose of this report is to update the LEP on progress with the implementation of the recommendations of the Greater Manchester Manufacturing Strategy following approval by the Combined Authority and the LEP in December 2014 after extensive consultation.

**Progress**

The GM Manufacturing Strategy was led by the LEP through Juergen Maier and David Birch with significant input from Wayne Jones.

The Strategy has now been formally published and is available on the New Economy web site. The document has been well received particularly from within the manufacturing community. The feedback received confirmed that the Strategy addressed the key issues impacting on the growth of the sector with a set of practical deliverable recommendations.

This positive reception is important because the successful implementation of the strategy depends upon good ongoing constructive engagement with the sector particularly in relation to addressing skills shortages and tackling the leadership and management development identified as growth inhibitors.

Ongoing engagement is continuing with manufacturing businesses in both of these areas in particular through the employer led Engineering Futures Advisory Board which is focusing on future skills requirements and through the development of the Manufacturing Leadership Network which are explained in more detail below.

**1. Strategy Recommendations**

- a. Establish a private sector led Manufacturing Leadership Network that champions leadership development and technology enablement and serves as the voice of the sector and raises its profile.

**Progress** – The Manufacturing Strategy made clear that there was a need to strengthen leadership and management and encourage greater collaboration and sharing of best practice.

Martin Wright, former Chief Executive of NW Aerospace Alliance has been appointed to develop a Manufacturing Leadership Network working with the LEP led project Steering Group to create a practical and deliverable network and programmes.

It is proposed that programmes are aimed at engaging at CEO/COO level leading to the improvement of leadership and management skills in medium and the larger small manufacturing businesses. The Manchester Business School is also closely involved and is expected to play an important role in its delivery.

We are keen not to replicate the work of existing organisations and therefore we are working closely with EEF and GM Chamber, supply chain and other manufacturing support organisations to inform how the Network should be shaped.

A paper outlining options is to be presented to the Steering Group meeting on 16<sup>th</sup> March (before this meeting) for its consideration. It is intended that the Network will be launched in May/June this year.

- b. Establish a network of GM Manufacturing Skills Training locations which incorporate key private sector participants and give skills providers access to the latest manufacturing technologies.

**Progress** – New Economy has commissioned an audit of skills providers' technical training facilities. This work is expected to be complete by mid April. It will determine the quality and range of training facilities that are currently available and enable us to understand where there are gaps are that need addressing.

It is then intended to explore the potential for partnerships with manufacturing businesses to access their training facilities to help deal with the gaps identified. This creates the opportunity for new partnership models between businesses and providers.

- c. Development of an industry backed manufacturing engagement in schools pilot programme for Greater Manchester to drive up the numbers of young people choosing manufacturing as a career.

**Progress** - This work is being led by Engineering Futures, a partnership between Trafford and Tameside Colleges and The Skills Company<sup>1</sup>. City Deal Apprenticeship Hub funding has been secured to undertake this project. A small liaison team has now been appointed to develop the businesses engagement programme and promote engineering as a career to young people. The programme is now under development and on course to be implemented from April 2015. It will include initiatives that encourage a much greater level of manufacturing business involvement in schools.

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<sup>1</sup> The new brand for Skills Solutions

The project is being overseen by the business led Engineering Futures Advisory Board and is being chaired by LEP member, Wayne Jones of Man Diesel and Turbo. Over 50 businesses have already signed up for the project.

Work is also taking place to explore how Greater Manchester can raise the profile of engineering as part of its European City of Science designation.

- d. Improving our supply chain knowledge and exporting intelligence base to better inform strategic policy and business support delivery.

**Progress** – We need to improve understanding about the most important supply chains in GM and how they are operating across the manufacturing base in Greater Manchester. The brief for the proposed supply chain work has been prepared. However, the commissioning of this work has been put back pending the findings of some further work GM has commissioned which is examining the role of supply chains in relation to the numbers and capacity of existing mid-sized companies, which is being undertaken by consultants Respublica.

This is due to be completed by the end of March 2015 and is expected to lead to a refinement of the supply chain intelligence brief to take account of those findings.

The Manufacturing Strategy identified specific issues about our relative exporting performance which is now undergoing further interrogation. It should also be highlighted that the capacity for GM to improve exporting levels has been boosted through the recent awarding of the five year NW UKTI contract to the MGC. In addition, MGC has been successful in securing a conditional offer of £9.9m under Regional Growth Fund 6. This is aimed at driving up our export led growth through the establishment of a Greater Manchester Export Fund which will enable firms to access finance in new ways through both grant and loan.

- e. Development of Business Support Package for Manufacturing Sub Sectors and Key Supply Chains to enhance the current national offer.

**Progress** - The Business Support Action Plan has been prepared by the GM Business Growth Hub, and has been considered by its Business Support and Business Finance Advisory Board. The plan outlines the process for developing an integrated and specialist suite of services for manufacturing businesses.

Work has begun to map existing services delivered by a wide range of providers across GM. It is then intended to exploit opportunities to deepen and integrate the services.

Discussions are also near to completion in relation to the Business Growth Hub's contract extension for delivery of the national Manufacturing Advisory Service through to March 2017 in GM (as well as the rest of the North West).

### **Recommendation**

That progress in relation to the delivery of the GM Manufacturing Strategy recommendations is noted.

**GM LOCAL ENTERPRISE PARTNERSHIP BOARD****SUBJECT:** Digital, Creative and Tech Update**DATE:** 16 March 2015**FROM:** Simon Nokes, Acting Chief Executive, New Economy

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**Introduction**

The use of technology plays a critical role in driving GM's economy. To achieve our economic ambitions, GM needs a thriving digital technology economy of sufficient scale that can create and commercialise new multi-purpose technology and innovation for the benefit of society and sustainable growth. We need companies and individuals that will drive economic growth by solving the world's problems, whether that is in education or health outcomes, commercial productivity or consumer experience. By digital technology businesses we mean those that use digital resources to find, analyse, create, communicate and use information in a digital context, which includes the IT services and support infrastructure, i.e. the platforms on which this can all take place. This therefore encompasses, but is broader than some definitions of the digital and creative sector.

**Ambition and Definition of Success**

We believe that our GM-wide ambition should be to become a global digital city and to have a leading position in a wider Northern ecosystem within the next decade. Greater Manchester should be aspiring to be a focal point for new and rapidly-growing digital technology companies that create, manipulate, distribute, analyse and store data and those that create the technology platforms on which this can be achieved. We want these companies to find a natural home in Greater Manchester. We want to be producing the next generation of tech giants, driving up demand and activity across GM and the North of England.

Through the process of analysis and discussion to date and via this paper, we are seeking a consensus across GM around this ambition and what it means in more concrete terms. A Greater Manchester that is the home of digital enterprise in the North of England would:

- be a larger, more productive economy;
- have a recognised culture, ecosystem and skills base that supports entrepreneurs and companies to drive digital technology- led innovation; and

- have a significantly higher profile and credibility as a natural home for an driver of

Success Measure	Potential Indicators
<b>Larger more productive economy</b>	<ul style="list-style-type: none"> <li>• Higher GVA per person;</li> <li>• More large and scale up digital companies in GM;</li> <li>• Faster rate of growth of start-ups;</li> <li>• Global tech giants choosing to locate their R&amp;D functions and HQ in GM (eg. presence of IP powerhouses eg. Microsoft, CISCO, IBM); and</li> <li>• More jobs in the Digital &amp; Creative and ICT industries.<sup>1</sup></li> </ul>
<b>Culture, ecosystem and skills base</b>	<ul style="list-style-type: none"> <li>• number of relevant skilled professionals such as coders and engineers;</li> <li>• number of graduates in relevant disciplines;</li> <li>• number of STEM apprentices;</li> <li>• levels of Angel and VC investment;</li> <li>• rate of commercialisation of Intellectual Property;</li> <li>• deal volumes; and</li> <li>• quality and cost of digital connectivity.</li> </ul>

digital technology-driven growth and innovation.

The table below sets out some potential indicators that could be used to assess progress on these success measures.

<b>Profile and credibility</b>	<ul style="list-style-type: none"> <li>• international media coverage;</li> <li>• proportion of graduates;</li> <li>• increased graduate retention; and</li> <li>• secured funding opportunities to stimulate digitally-led growth.</li> </ul>
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## Where are we now? Evidence Base

Considerable quantitative and anecdotal evidence has been gathered via private and public sector-led processes about the current state of the digital technology economy, opportunities and current barriers to becoming that focal point for digital technology businesses.

To summarise the current landscape, digital technology-driven businesses are of increasing significance to the economy of GM and the wider North. These knowledge-intensive businesses are high-value (for example, in Greater Manchester GVA per head in Creative and Digital industries is £67,100 and £78,000 per head in ICT industries, compared to average GVA of just under £40,000<sup>2</sup>), and they drive growth and demand across a wide range of sectors.

Greater Manchester has the largest cluster of digital technology businesses in the North of England and is home to the second greatest number of start-ups and fastest growth rate of start-ups in the UK. GM arguably leads the Northern push towards technology-driven economic growth, and is also home to many of the larger tech businesses which take the high-end production content of the digital and creative businesses and deliver innovative technologies to manipulate, store, analyse and distribute complex data.

The broad mix of strong industry sectors in GM including Financial & Professional Services, ICT, Business Services, Life Sciences and Healthcare and Advanced Engineering and Materials, together with massive investment in digital connectivity and infrastructure has created the environment across which this growth in digital technology has been created.

GM boasts many home-grown award-winning companies including Late Rooms, Boohoo, AO, Nifty, Formissimo, UKFast, ANS as well as many global investors such as IBM, Microsoft, HP, CISCO, NCC and companies who now perceive themselves to be tech businesses such as AutoTrader, BETFred and Ford Credit. It is also where national assets such as BBC's Digital and Strategy (formerly Future Media & technology) have relocated.

The digital and creative sector alone accounts for around 62,000 jobs<sup>3</sup> in Greater Manchester and generates over £3 billion GVA per annum, with the potential to grow to £4.5 billion over the next decade.<sup>4</sup>

Greater Manchester's digital and creative sector is comprised of sub-sectors ranging from software engineering and design, sports technologies, big data and analytics, gaming and alternative reality, production and broadcast and related services, through a range of digital

services including marketing, publishing and communications to digitally enabled sectors such as E Health, E learning and E commerce.<sup>5</sup>

Two key pieces of work that have informed the GM evidence base and proposed programme of activity discussed below are the attached report *Technology Enterprise in Greater Manchester: How does Manchester become the next major tech cluster in the UK?* by Peter Lusty and Dr Neil McArthur MBE, Chairman of Talk Talk; and the outcomes of the GM Digital Strategy Group Chaired by Mayor Ian Stewart and composed of local leading private sector companies, accelerators, incubators and digital hubs- these outcomes are summarised in a short report attached to this paper.



## Priorities for Improvement

This evidence base has led us to conclude that in order to achieve the pace and scale of change needed, we need to prioritise improvement in the following areas:

- **profile and perception** of GM's environment and existing successes- including a better 'front door' for new and growing tech businesses to access support, navigate infrastructure, build leadership capability, access networks, customers and labour markets;
- availability of the right type of **investment finance** at the right time;
- critical mass of talent as well as **skills** in specific areas (particularly coding and software development); and
- world-class **connectivity and digital infrastructure**.

## Programme of Activity in 2015-16

This section proposes a GM-wide programme to align and drive activity across Greater Manchester, organised under the themes that have emerged from evidence and discussion to date: profile and brand; finance; skills and infrastructure.

GM's private, public and academic institutions are already engaged in a range of activities around investing in infrastructure, improving the skills system, addressing market failures in access to finance and business support. It is critical that GM's approach is strongly driven by local entrepreneurs and the public sector will strongly support their actions in this area. However a number of specific areas for action have been identified by the private sector, outlined below, where their view is that additional action by the public sector, in conjunction with them, would lead to additional growth in the sector in GM

In addition to the specific areas of priority focus identified below, GM will work across these themes to:

- provide strategic policy leadership across the digital, creative and tech agenda including through engagement with initiatives such as Northern Powerhouse and Tech North;
- ensure our approach remains evidence-based and commission or undertake research as necessary;
- support the development of GM's enterprise ecosystem as a whole, removing barriers and making connections across different themes, sectors and interests;
- seek to influence policy and investment decisions at the national level to support GM's ambitions in this area, for example shaping GM's ESIF to drive innovation and growth of digital businesses;

- support the private sector-led GM Tech Enterprise Group to deliver its objectives around raising profile, stimulating the market and providing investment capital, advice and guidance to current and would-be digital tech entrepreneurs and businesses; and
- where there is a strong case for intervention, support individual initiatives and respond to funding opportunities to stimulate entrepreneurship and business growth in digital-tech businesses.

**1. Profile and Brand. To raise awareness of Greater Manchester’s credibility, capabilities and opportunities as a focal point for new and rapidly growing digital tech companies nationally and globally, focusing on the scale, quality and distinctiveness of its offer, including through:**

- ensuring that clear, accessible and accurate information is available about digital, creative and tech activity and performance in GM;
- establishing a single point of contact for sector stakeholders (accelerators, incubators, co-working, events);
- providing sector specialist support/advice across all teams including diagnostics and understanding of sector needs, advice on service provision and Development of sector focused events;
- leading on the creation and dissemination of key messages and identity including ‘The Manchester Story – creating the future of tech for over 200 years’ commissioned from BJL and supporting the development of the new ‘curator’ app<sup>6</sup>;
- supporting and providing content to tell and sell the GM story and offer at leading digital and tech conferences and festivals in the UK and globally (eg. [South by South West](#)<sup>7</sup>, [MIPCOM](#)<sup>8</sup>, [MIPTV](#)<sup>9</sup>).
- exploring the possibility of a flagship ‘tech’ event this year that aims to put Manchester on the map for its digital ecosystem, create a space for networking and deals and help to support inward investment goals.
- supporting other events within Manchester aimed at the industry e.g. OpenCo<sup>10</sup>, Manimation<sup>11</sup>;
- supporting digital inward investment familiarisation visits; and
- supporting the delivery of a programme of digital/tech focused ambassadors to help promote the sector, working closely with Neil McArthur’s GM tech Enterprise Group.

**2. To support the development of Greater Manchester's digital skills base and talent pool, focusing on scale, quality and distinctiveness, including through:**

- Supporting GM's work to re-design its work and skills system to ensure that we have an employer-led, fit for purpose 21<sup>st</sup> Century labour supply from school age through to higher education and work-based training;
- Ensuring that future skills provision is driven by a clear understanding of current and future strength and economic opportunity, especially by demand information from employers;
- ensuring that current MGC delivery programmes to create and sustain careers in the IT & Digital sector for new recruits & established employees are effective and focused on areas of greatest economic opportunity;
- addressing the skills gap in IT & Digital literacy for school and college leavers, employees, job seekers and service users in GM;
- identifying ways of increasing the volume, quality and flexibility of digital skills apprenticeships;
- identifying and supporting effective methods of engaging young people and improving skills within the school curriculum and IAG, eg. work to define what a 'digital curriculum' could look like;
- identifying and supporting effective methods of engaging young people and improving skills outside of the school curriculum- some options include expanding the Code clubs that currently exist in some Manchester primary schools, work experience placements in tech companies and industry-led summer 'boot camps' for school leavers; and
- working with the GM Tech Enterprise group to support planned private sector mentoring of 'current and would-be' tech entrepreneurs to nurture and retain talent and improve business management skills.

**3. To support the development of Greater Manchester's financial ecosystem so that digital technology driven businesses, entrepreneurs and would-be entrepreneurs can access the right type of finance at the right time to start and grow their businesses, including through:**

- continuing to embed and expand the GM Co Angel Investment Service to build capacity and scale across business angel investment, creating syndicates that can better access the British Business Bank's Angel Co Fund, and other sources to increase seed and early stage funding provision;
- working to understand the specific needs of tech entrepreneurs and feeding this back into the development of the financial ecosystem;
- working with GM's HEIs and Research Institutes to understand the role that Alumni can play in supporting new and growing tech businesses in GM;
- identifying the top 50 global VC tech funds and introduce them to GM through a high-quality relationship management process and a secure online 'Manchester Investment Zone'; and
- working with key partners including central government to develop a new and innovative approach to early stage technology and growth funding in GM utilising private and public, local and national resources to both manage risk and build the necessary expertise, networks and confidence that will allow private finance to move fully into this space.

**4. To ensure that Greater Manchester has a coherent, evidence-based policy and the right delivery mechanisms to ensure the required standard of digital infrastructure to be a focal point for digital tech-driven businesses, including through:**

- supporting the delivery of existing plans to improve digital infrastructure eg. Wifi in public places and Metrolink Network, rural broadband programme; Connection Vouchers, fixed infrastructure;
- analysing latest available evidence of GM's performance and ranking in terms of digital infrastructure and where there are proven gaps, for example in investment in urban areas; and
- working with partners (including TfGM and local authorities) and providers, develop a GM-wide view on what the required standard is and a proposed route map to achieve it, taking into account current levers, working to influence stakeholders including the EU and regulators and considering all avenues including regulatory, policy and spending options.

## **Governance and Performance Reporting**

The Manchester Growth Company will work together to deliver this programme of activity, working closely with the private sector to facilitate, challenge and deliver. Subject to Chief Executives' approval of this paper, we will agree with partners who should lead which elements of delivery (eg. private sector, New Economy, Growth Hub etc). MGC will report back to Chief Executives and the LEP on progress against this agenda as required, under the joint direction of the Portfolio leads for Digital and Enterprise.

