
**Manchester City Council
Report for Information**

Report to: Economy Scrutiny Committee – 27 August 2014

Subject: Greater Manchester Growth and Reform Plan

Report of: Chief Executive

Summary:

This report provides an update on the Greater Manchester Growth and Reform Plan produced in March and the subsequent Growth Deal agreed with Government and announced in July.

Recommendations:

The committee are invited to note the key themes in the Growth and Reform plan and the Growth Deal negotiated with Government. This has resulted in funding for transport, skills, life sciences and the GM growth hub, totalling £273.1m over the coming five years alongside commitments to progress negotiations on a range of freedoms and flexibilities supporting growth and reform priorities. Key projects will benefit the City and its residents.

Wards Affected: All

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Background documents (available for public inspection):

The following documents disclose important facts on which the report is based and have been relied upon in preparing the report. Copies of the background documents are available up to 4 years after the date of the meeting. If you would like a copy please contact one of the contact officers above.

The Greater Manchester Strategy
The Greater Manchester Growth and Reform Plan

1.0 Background

- 1.1 Last summer Government invited Greater Manchester alongside all the other City regions and LEP areas to develop Strategic Economic Plans to underpin individual Growth Deals. Through the Growth Deal process, City Regions and Local Enterprise Partnerships were invited to seek freedoms, flexibilities and influence over resources from Government; and a share of the Local Growth Fund to target their identified growth priorities. This built on City Deals and was a response to Lord Heseltine's review 'No Stone Unturned' which recommended decentralising up to £30bn of growth related funding to local areas.
- 1.2 Government asked LEPs to produce a "Strategic Economic Plan" to support their existing Local Growth Strategy – in Greater Manchester's case this local growth strategy is the recently refreshed Greater Manchester Strategy.
- 1.3 These Strategic Economic Plans were used as the basis for the award of Local Growth Fund resources which totalled around £2bn a year and are primarily from transport and skills budgets. Government indicated that they were prepared to consider arrangements for further transfer of powers and responsibilities to local areas to support the growth plans and LEPs were invited to include such proposals within the plans.

2.0 A Plan for Growth and Reform In Greater Manchester

- 2.1 In response, the GMCA and LEP prepared a Growth and Reform Plan, which built on the review of strategic priorities undertaken through the recent refresh of the Greater Manchester Strategy. This recognised the critical relationship between growing our economy, creating jobs and gva, and the need to reform public services to support more people into the labour market and to reduce the costs of dependency.
- 2.2 The Growth and Reform Plan, submitted at the end of March, supported the aim in the Greater Manchester Strategy to become a net contributor to the UK economy by 2020. To achieve this we must eliminate the present gap between public spending and tax generated which we calculate to be £4.7bn a year. The Growth and Reform plan supports the creation of a platform for fiscal self reliance not simply by seeking access to available resources from the Local Growth Fund, but through the development of a new "place based" partnership with Government to drive public sector reform and further align local and central growth programmes.
- 2.3 Our Plan included an ambitious set of reform proposals to increase local flexibilities and decision making and to help us to deliver key elements of the Greater Manchester Strategy related to worklessness and skills, complex dependency and health and social care.

3.0 The Greater Manchester Growth Deal

3.1 The Greater Manchester Growth Deal was announced following a period of negotiation on 7 July 2014 alongside deals for the other LEP areas. This was the Government's response to the Growth and Reform Plan submitted by GMCA and the LEP at the end of March. The full text of the Deal is attached at Annex A.

3.2 Overall the Greater Manchester deal is extremely positive for the city region as a whole and for Manchester. We have secured funding of £273.1m (£65.1m for 2015/2016 and £208m for 2016/2021), and a commitment from Government to progress negotiations around key freedoms and flexibility.

3.3 In headline terms our Deal comprises the following elements:

Funding:

- £10m to establish a **Life Sciences Fund** with Cheshire, dependent on the development and approval of a robust business case;
- Funding in full for the remainder of the **major transport schemes** that were identified through the Greater Manchester Local Transport Body process and reconfirmed in the Growth and Reform Plan (£204m in addition to £110, previously confirmed by Government and £37m local funding contributions);
- An initial £8.91m in 2015/16 and £6.3m for 2016/17 onwards for **minor transport schemes**. This is approximately 50% of the aspirational 2015/16 – 2016/17 funding settlement that we were seeking; however, there will be scope to secure higher minor works allocations in subsequent Growth Deals;
- **A skills capital** allocation of £13.3m for GM schemes that start in 2015/16. Any schemes due to start in 2016/17 have been excluded from our Deal;
- £625,000 for 2015/16 to support **core Growth Hub activities**. This is significantly less than the £7.9m over three years that we were seeking. However, there is no revenue funding within the LGF itself, so our award is from the limited additional resource that Government has identified to support Growth Hub activity nationally.

Policy:

- A series of initiatives to accelerate the pace and scale of **public service reform** and jointly build the evidence base of impacts on key outcomes and on public spending including:
 - Reshaping the current investment in the tax incentive pilot project to support growth in apprenticeship numbers through a £2m funded brokerage model that will support the transition to new apprenticeship standards and funding arrangements;
 - Additional skills support investment under the Access to Employment theme within the ESF programme, to be commissioned by GM
 - Co-design with Government of a mental health and employment integration trailblazer;
 - Our proposition to deliver an expanded Troubled Families Programme for 2014/15 has been welcomed, subject to Greater Manchester meeting the national performance threshold to become an early starter.

- A series of **transport-related freedoms and flexibilities**, including:
 - Government commitment to explore potential legislative changes to bus regulations that could be delivered in the next parliament; and
 - Government commitment to closer joint working on long-term rail planning and highways.
- 3.4 Our Growth and Reform Plan contained a proposal to test the impact of Universal Credit for our most vulnerable residents, as outlined in the Local Support Services Framework. The timetable for DWP announcements regarding such proposals were not consistent within the Growth Deal timetable but we will continue to work with DWP to progress our ambitions in this regard.
- 3.5 Government commitments to improve relationships; communications and working relationships between GM and the TSB and UKTI are also a welcome step forward. Greater Manchester has initiated a number of direct one-to-one discussions via this route.
- 3.6 The Deal has significant benefits for Manchester across both the growth and reform agenda. Although many of the projects are Greater Manchester wide there will be positive impacts in the city. For instance the Life Science Investment Fund will support investments in businesses that are likely to locate in Manchester given the assets in the Corridor and Manchester Science Park. The Growth Hub will support Manchester businesses and the minor works programme will include funding for projects within the city and additional trams will bring benefits across the Metrolink network. There are two Manchester specific transport projects that will be delivered to improve the inner ring road at Great Ancoats Street and Water Street.
- 3.7 In return for Local Growth Fund investment and Government commitments to progress the freedoms and flexibilities that we're seeking, Greater Manchester has been asked to make a number of commitments in return. These include:
- A requirement to report progress on implementation of the Growth Deal, with at least two reports per financial year
 - Agreement of a series of monitoring metrics and reporting arrangements with Government by April 2015;
 - Developing of an evaluation plan for the GM Growth Deal by April 2015; and
 - To communicate with local people on a regular basis, so that they understand how Government money is being spent, and what the benefits are for them and the area.

4.0 Next Steps

- 4.1 Work is underway to implement the Growth Deal on behalf of the GMCA and lead chief executives have been identified to take forward each action. The plan is attached at Annex B.

- 4.2 Work is also underway to ensure that Greater Manchester is well prepared for the next round of Growth Deals. Whilst details of the Growth Deal process are not yet available, a small working group, led by Howard Bernstein, has been established to develop our approach.

GREATER MANCHESTER GROWTH DEAL

The Greater Manchester Growth Deal sets out a multi-million pound investment programme that will support further economic growth. This Growth Deal has also brokered agreement, between Greater Manchester and Government, to trial a series of public service reform programmes that will provide more effective support to residents and drive down the cost of public services.

This Growth Deal, subject to a satisfactory conclusion of the funding agreement, will bring together local, national and private funding as well as new freedoms and flexibilities to focus on five key priority areas as identified in the Greater Manchester Growth and Reform Plan:

- Securing Greater Manchester and the North West's place as a major centre for Life Sciences.
- Enhancing further education facilities, creating more apprenticeships and maximising skills investment.
- Major Investment in public transport and highways.
- Reforming public services so that they reduce duplication and are designed around the needs of residents.
- Providing effective business support services.

The Greater Manchester LEP has secured **£476.7 m from the Government's Local Growth Fund to support economic growth in the area – with £65.1m of new funding confirmed for 2015/16 and £208m for 2016/17 to 2021.** This includes £203.6m of funding which the Government has previously committed as part of Local Growth Deal funding to the area.

This substantial investment from Government will **bring forward at least £86.9m of additional investment from local partners and the private sector. Combined together this will create a total new investment package of £563.6m for the Greater Manchester area.**

By 2021, this Deal will create at least 5000 jobs.

The Greater Manchester Local Enterprise Partnership brings together the local authorities of: Bolton; Bury; Manchester; Oldham; Rochdale; Salford; Stockport; Tameside; Trafford; and Wigan. In addition the Local Enterprise Partnership Board includes the following private sector representatives: BT; ANS Group; Addleshaw Goddard; Siemens; magneticNorth; MAN PrimeServ Diesel; McKinsey & Company; the University of Manchester; and businesses in the area.

Summary of Greater Manchester Growth and Reform Deal projects and funding

The Greater Manchester Growth and Reform Deal brings together different funding streams designed to support local growth, and with a share of the new Local Growth Fund, gives local partners the backing to focus on local priorities.

Greater Manchester LEP Local Growth Fund breakdown (£m)			
	2015/6	2016 onwards	Total
Local Growth Fund award	65.1	208	273.1
Previously committed funding	104.6	99	203.6
Total	169.7	307	476.7

The table above includes the provision of £3m loan funding (subject to due diligence) to Barnes Village Ltd to accelerate the delivery of 300 homes on the Barnes Village site.

Please note: These totals exclude match funding for European Social Fund skills activities. The total amount of European Social Fund skills activity LEPs have planned in their draft strategies over the 7 year programme is currently just over 1 billion euros. Actual skills European Social Fund match will be used on the basis of the skills activity which is delivered at LEP level according to their final strategies.

Greater Manchester and Central Government have agreed to co-invest in this Growth Deal and will fund the following jointly-agreed priorities:

- The launch of a £40m **life sciences inward investment fund**, in partnership with Cheshire and Warrington Local Enterprise Partnership.
- A £35m investment programme for **further education colleges and further education providers** in Greater Manchester.
- Establishment of a new **Quality Bus Network** to deliver major improvements to bus services on the Route 8 from Bolton to Manchester.
- Acquisition of **12 additional light rail vehicles for the Metrolink** network.
- A **new Ashton Town Centre Interchange** that will improve public transport interchange within Ashton Town Centre.
- A **new Stockport Interchange and town centre access programme**, which will replace the existing interchange with a new facility to transform the quality of passenger facilities; improve the ease of movement between bus and rail services; support the significant town centre regeneration underway; and safeguard effective local and strategic travel options at this important gateway to the local and city region economy.
- **Key centre transport improvements:** A range of transport improvements in local town centres. These will improve junctions; cycle and bus facilities; and pedestrian facilities.

Local flexibility over Growth Deal programme: Greater Manchester has demonstrated strong partnership arrangements which deliver collective decisions, has articulated a clear and deliverable vision for growth in the area and has established strong financial monitoring procedures and cross local authority collaboration. As a result Greater Manchester Local Enterprise Partnership will have the ability to redirect Local Growth Funding to fit with changing growth priorities. Government will disburse funds to deliver the deal to the Local Enterprise Partnership annually in advance; the Local Enterprise Partnership will need to notify Government of any changes to specific projects.

The Growth Deal does not amount to an endorsement of everything in the submitted Strategic Economic Plan (Greater Manchester Growth and Reform Plan). All

development decisions for specific proposals must go through the normal planning process and be guided by local plans taking into account all material considerations.

Greater Manchester Growth Deal

The investment secured by this Growth Deal will be focused on Greater Manchester Local Enterprise Partnership's key priorities that will deliver transformative growth. This includes:

- Securing Greater Manchester and the North West of England's place as a major centre for **life science** in the country.
- Enhancing **further education** facilities, creating more **apprenticeships** and maximising investment in **skills** to ensure residents can access jobs.
- Major investment in **public transport and highways**, which will make Greater Manchester an easy place to work and grow businesses.
- **Reforming public services** so that they reduce duplication and are designed around the needs of residents.
- Continuing to provide effective **business support** services, which will enable small and medium enterprises in Greater Manchester to succeed.

Securing Greater Manchester and the North West's place as a major centre for Life Sciences

The Life Science sector is hugely important to the UK economy, generating turnover of over £52bn and employing an estimated 176,000 people across nearly 5,000 companies. The industry is high-tech, innovative and diverse spanning: pharma; med tech and medical biotechnology; and has applications across many other sectors. The Life Science sector has a key role to play in the continued rebalancing of the UK economy. Greater Manchester and Cheshire and Warrington have large concentrations of highly skilled and entrepreneurial scientists. In addition, both Local Enterprise Partnerships have identified life sciences as a priority economic growth sector.

Through this Growth Deal Greater Manchester and Government will establish a £40m Greater Manchester and Cheshire and Warrington Joint Life Sciences Fund. This fund will: support the development of the life sciences sector in the North West; and support the transition of Alderley Park from its current role as Astra Zeneca's research and development headquarters to the centre of a new world class bioscience cluster across the two areas.

Greater Manchester Local Enterprise Partnership commitments	Central Government commitments
<ul style="list-style-type: none"> • Establishment of a Joint Life Sciences Investment fund between Greater Manchester Local Enterprise Partnership and Cheshire and Warrington Local Enterprise Partnership. • Commit £10m of public sector funding 	<ul style="list-style-type: none"> • Provision of £10m of Local Growth Funding for the Joint Life Sciences Investment Fund, subject to Government approval of a robust business case that sets out the case for this investment – with £3m made available in 2015/16.

<p>and £20m of private sector funding into the Joint Life Sciences Investment Fund.</p> <ul style="list-style-type: none">• Provision of a robust business case setting out the case for a £10m Local Growth Fund investment in the Joint Life Sciences Fund. This business case will be submitted to Government by Autumn 2014.• Joint Life Science Investment Fund will be operated by experienced fund managers with applications appraised by an independent review panel, drawing on sector-specific expertise.• Investment will be made in companies in the Life Science sector (spanning pharma, biotech, diagnostics, CROs, healthcare technologies and medical devices) in the Greater Manchester and Cheshire Local Enterprise Partnership areas, supporting them to grow and expand through investment in R&D, product development, skilled staff, equipment, premises and accessing international markets.• The fund will be available to businesses seeking finance to support a broad range of needs from pre-start up and early stage development through to expansion plans for trading businesses. However, the investment programme will be designed specifically to address identified gaps in the funding market, including:<ul style="list-style-type: none">○ Proof of concept funding to accelerate the translation of research and support products and technologies to address areas of unmet clinical need.○ Pathfinder investments.○ Follow on investment.	
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Enhancing further education facilities, creating more apprenticeships and maximising skills investment

Greater Manchester is the biggest city economy outside London larger than that of: Wales; Northern Ireland; or the North East. With a working age population of 1.7 million, two thirds of whom are educated to NVQ Level 2 or above, the city region is already well placed to take advantage of future growth. Nevertheless the challenge remains to: ensure skills remain relevant; that the learner provision is aligned closely to employer needs; and that the economy is not constrained in its ability to grow by low skills. To make progress the city urgently needs to ensure it provides individuals with relevant skills for the future, whilst tackling long-standing and complex skills issues across its key economic sectors. In order to tackle these issues this Growth Deal will:

- Enable **£35m of investment in further education colleges and providers** in order to provide the right equipment and buildings for learners. This will help Greater Manchester to achieve its ambition of providing 21st century learning environments for citizens of Greater Manchester.

Greater Manchester will also receive significant skills freedoms and flexibilities. This includes:

- **Improving the uptake of apprenticeships** in Greater Manchester by increasing the involvement of small and medium enterprises (SMEs) in their provision.
- Radically enhancing the power of local leaders to ensure Greater Manchester's residents can access the courses they need to secure good jobs, by **providing the Local Enterprise Partnership with control of £12m of adult skills funding** over the next two years (2015/16 and 2016/17). This will be aligned with local funding.

Greater Manchester Local Enterprise Partnership commitments	Central Government commitments
<ul style="list-style-type: none"> • Invest £2.7m to support the establishment of a creative and digital media centre at Salford City College. • Invest £1.2m to provide specialist advanced manufacturing equipment for the new Advanced Manufacturing Technologies Centre at Tameside College. • Invest £11m of public funding and £1m of private sector funding to support the establishment of new leisure and tourism and business & management facilities in Ashton-Under-Lyne for Tameside College. 	<ul style="list-style-type: none"> • Invest £0.1m of the Local Growth Fund in 2015/17 and a further £1.2m in 2016/17 to support the establishment of a creative and digital media centre at Salford City College. • Invest £0.6m in 2015/16 to provide specialist advanced manufacturing equipment for the new Advanced Manufacturing Technologies Centre at Tameside College. • Invest £3.5m in 2015/16 and a further £2.5m in 2016/17 to support the establishment of new leisure and tourism and business & management facilities in Ashton-Under-Lyne for Tameside College.

<ul style="list-style-type: none"> • Further education provider Economic Solutions to invest £0.55m of funding to support the relocation of two existing Training Centres (Salford and Wigan), the refurbishment of a further seven existing Training Centres and the enhancement of the Greater Manchester Skill Centre equipment (covering craft and mechanical, engineering and automotive skills). • Further education provider Mantra Learning to invest £0.66m of funding to develop a live process manufacturing facility to enable learning to take place. • Invest £3.55m to increase the range of further education provision and meet demand at Wigan and Leigh College. • Invest £0.78m to support the Civil Engineering & Groundworks centre at Stockport College. • Greater Manchester Local Enterprise Partnership will seek to bring forward further schemes for inclusion in future Local Growth Fund negotiations. • Greater Manchester Local Enterprise Partnership commits to a robust evaluation of its Tax Incentive and Employer Ownership Pilots and to facilitate evaluation by collecting detailed monitoring data on the individuals assisted. • Greater Manchester will facilitate stronger linkage between education providers and local businesses. Greater Manchester will also work with relevant local stakeholders to communicate their priorities and align their offer to the National Careers Service (NCS) providers ahead of the new service's roll-out in 	<ul style="list-style-type: none"> • Provide the further education provider Economic Solutions with £0.2m of funding to support the relocation of two existing Training Centres (Salford and Wigan), the refurbishment of a further seven existing Training Centres and the enhancement of the Greater Manchester Skill Centre equipment (covering craft and mechanical, engineering and automotive skills). • Provide the further education provider Mantra Learning with £0.3m of funding to develop a live process manufacturing facility to enable learning to take place. • Invest £1.8m to increase the range of further education provision and meet demand at Wigan and Leigh College. • Invest £3.1m to support the Civil Engineering and Groundworks Centre at Stockport College. • The Government agrees to work with Greater Manchester to reshape the current investment in the Tax Incentive Pilot and the Employer Ownership Pilot project to support growth in apprenticeships numbers through a £2m funded brokerage model which: <ul style="list-style-type: none"> ○ Focuses on Greater Manchester's target sectors and available existing apprenticeship frameworks. ○ Supports the transition to delivery of the new Trailblazer Apprenticeships (where these are available). ○ Tests the implementation of the new employer-routed funding model with a focus on the proposed Apprenticeships Credit model for small businesses in the Greater Manchester area.
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<p>October 2014 in order to augment the service.</p> <ul style="list-style-type: none"> • Greater Manchester Local Enterprise Partnership will consider skills implications as part of decision taking on growth strategies. • Greater Manchester Local Enterprise Partnership will clearly articulate and evidence their skills priorities in the light of strategic national and local growth opportunities and communicate them to the FE and skills sector. • Greater Manchester Local Enterprise Partnership will positively engage the FE and skills sector in key strategic partnerships eg Skills and Employment Boards. • Greater Manchester Local Enterprise Partnership will recognise where the private sector has a responsibility to invest in skills provision and work with business and the skills system to realise that investment. • Local Enterprise Partnerships are well-positioned to enhance the current Careers Information, Advice and Guidance offer by influencing the shape of provision so that it meets the needs of the local economy. Moreover, they have the ability to link employers with education providers; can have strategic influence over skills supply; and have the ability to coordinate local services towards a shared goal. To achieve this, • Greater Manchester Local Enterprise Partnership will open up new jobs associated with the Local Growth Fund to local unemployed and long-term unemployed people working closely with local and national back to work initiatives. This would be part 	<ul style="list-style-type: none"> • Government commits to investing £6million per annum over a 2 year period (in 2015/16 and subject to Departmental budgets being available, 2016-17) to enhance Greater Manchester's particular support under the Access to Employment theme within the ESF Programme: This will also ensure better integration and avoid duplication of employment and skills under one thematic objective. • Improving skills levels is a key factor in stimulating local growth and taking advantage of new economic opportunities. Government is committed to ensuring that adult skills provision is increasingly responsive to the needs of business and supports local economic growth and jobs. • Government, through the Skills Funding Agency, will support the process to ensure that provision meets local priorities and that increasing responsiveness is delivered through a three-pronged approach: <ul style="list-style-type: none"> ○ Procurement of new provision: Local Enterprise Partnerships will be involved throughout the process and providers' track records against Local Enterprise Partnership requirements will be considered as part of this assessment ○ Accountability: Providers will be required through their funding agreements with the Agency to explain to Local Enterprise Partnerships details of their provision and planning and we are testing ways in which they can be most effectively held to account for being responsive to local economic priorities. The Skills Funding Agency is trialling Skills Incentives Pilots from 2014/15 in
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<p>of a wider expectation that local areas use the Social Value Act, drawing on best practice across local councils and central expertise in maximising social value.</p>	<p>Stoke and Staffordshire, the North East and West of England, designed to explore the mechanisms through which providers will account to Local Enterprise Partnerships for delivery.</p> <ul style="list-style-type: none">○ Allocations and Intervention: In future years providers' records in delivering to Local Enterprise Partnership requirements will be taken into account when setting allocations and triggering interventions. From 2015/16 the Skills Funding Agency will take into account the outcomes of the Skills Incentive Pilots in Stoke and Staffordshire, the North East and West of England, in making allocations to those providers in scope; subject to evaluation of the pilots, these mechanisms will be rolled out to other Local Enterprise Partnerships in future years● Government will set out revised information for Local Enterprise Partnerships on how they can take advantage of this approach and options for seeking advice if provision is not responsive to their needs. The Skills Funding Agency will publish information during summer 2014 on how Local Enterprise Partnerships can influence the use of all skills budgets in their localities, and the steps they can take if they are dissatisfied with the pattern of delivery.● Government will seek to improve the provision of skills data for Local Enterprise Partnerships and will develop and publish new reports that will quantify and assess responsiveness to local skills needs. In the summer of 2014 the Skills Funding Agency will provide all Local Enterprise Partnerships with a data set that updates them on the provision
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	<p>delivered in their areas.</p> <ul style="list-style-type: none">• Government commits to working with Greater Manchester Local Enterprise Partnership to help ensure that local employer priorities are fed into the operations of the new NCS providers in Greater Manchester.• This Government remains committed to helping all young people to achieve their potential and specifically to reduce long-term youth unemployment. As part of this commitment the Deputy Prime Minister launched the Youth Contract for Cities in November 2013 providing local areas with devolved funding to boost employment opportunities for young people. As part of this, Greater Manchester was awarded £5.8m from the Government to develop its youth employment programme, including through the use of a personalised budget approach and an employer-led campaign. Alongside this Growth Deal, the Government expects Greater Manchester to deliver against its commitments towards youth employment.
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Major Investment in public transport and highways

Greater Manchester has a clear understanding of the role of effective and reliable transport networks in: connecting businesses with their supply chains, their customers, and their labour markets; and in controlling costs, promoting competition and spreading opportunity. Major improvements are already being made and/or are planned for the areas transport network. These include improvements to: the M62; the Wigan A49 link road; the Wigan M58 link road; Great Ancoats Street; and Salford Central Rail Station. In addition, Greater Manchester's Earn Back agreement (agreed in their 2012 City Deal) will support further transport investment.

Building on this Greater Manchester's Growth Deal will enable a further investment of £292m into the transport network. Major schemes will see:

- Establishment of a **new Quality Bus Network Route 8 from Bolton to Manchester**. Improvements will include: new bus lanes; new bus shelters; bus gates and junction improvements; and a new 1km busway on disused railway between Walkden and the A580. These improvements will also improve

interchange between bus and rail services at both Bolton and Walkden train stations and support significant growth in travel demand through this key section of the commuter network.

- **Metrolink Improvement Programme** that will acquire 12 additional light rail vehicles for the Metrolink network. This investment will provide additional capacity needed to address the projected growth in Metrolink passenger numbers, reduce overcrowding on key routes and provide network resilience to support economic growth in key commuter destinations, including Manchester city centre and MediaCity:UK.
- New **Ashton Town Centre Interchange** will replace the current bus waiting area with a new integrated transport interchange for both bus and Metrolink services, to enhance the impact of the recently completed Metrolink extension and support significant town centre regeneration underway.
- New **Stockport Interchange facility and town centre access programme**, which will replace the existing interchange with a new facility to transform the quality of passenger facilities; improve the ease of movement between bus and rail services; support the significant town centre regeneration underway; and safeguard effective local and strategic travel options at this important gateway to the local and city region economy.
- **Key centre transport improvements:** A range of transport improvements in local town centres. These will improve junctions; cycle and bus facilities; and pedestrian facilities.

Greater Manchester will also receive significant transport freedoms and flexibilities. This includes:

- Government agreement to explore possible **freedoms and flexibilities to local highway regulations**.
- Government commitment to explore **potential legislative changes to bus regulations** that could be delivered in the next Parliament.
- Government commitment to **closer joint working on long term rail planning and highways**.

Greater Manchester Local Enterprise Partnership commitments	Central Government commitments
<ul style="list-style-type: none"> • Invest £8.5m in 2015/16 to take forward minor transport schemes in a series of key economic centres. • Invest £27m of public sector funding and £10m of private sector funding to take forward transport major schemes. • Greater Manchester authorities agree to identify and delegate the appropriate powers to Greater Manchester Combined Authority to manage a core Greater Manchester strategic road and bus route 	<ul style="list-style-type: none"> • Invest £2.5m of Local Growth Fund in 2015/16 and a further £30.2m from 2016/17 onward to take forward the Ashton Town Centre interchange. • Invest £3.7m of Local Growth Fund in 2015/16 and a further £38.1m from 2016/17 onward to take forward the Stockport Interchange. • Invest £5.0m of Local Growth Fund in 2015/16 and a further £34.7m from 2016/17 onward to establish the Route 8 Quality Bus Network.

<p>network. Transport for Greater Manchester and partners agree to review the protocol agreed between them and the Highways Agency.</p> <ul style="list-style-type: none"> • As part of joint working with Department for Transport, Greater Manchester will set out its proposals for local bus reform in more detail. • As part of joint working with Department for Transport, Greater Manchester will set out its proposals for local highway reform in more detail. • Greater Manchester Local Enterprise Partnership will take a more proactive role in: consultation on long-term rail planning and franchise specification; and provide a co-ordinating role between constituent local authorities. • Greater Manchester Local Enterprise Partnership and partners agree to take a more proactive role in consultation on long-term strategic road network planning and to provide a co-ordinating role between constituent local authorities. • Greater Manchester Local Enterprise Partnership will also commit to reviewing their protocol with the Highways Agency. • Progress on the development and delivery of the priority transport schemes identified by the Greater Manchester Local Transport Body that are fundable within available pre-allocated Local Growth Fund resources. 	<ul style="list-style-type: none"> • Invest £18.7m of Local Growth Fund in 2015/16 and a further £25.7m of Local Growth Fund from 2016/17 onward to purchase 12 new light rail vehicles for the Metrolink. • Invest £10.8m of Local Growth Fund in 2015/16 and a further £62.3m from 2016/17 onward to take forward the Stockport Town Centre transport scheme. • Invest £8.9m of Local Growth Fund in 2015/16 and a further £6.3m from 2016/17 onward to take forward minor transport schemes in a series of key economic centres. • The Department for Transport commits to explore with Greater Manchester possible freedoms and flexibilities to local highway regulations. • The Department for Transport commits to working with Greater Manchester to identify any potential legislative changes that could be delivered in the next Parliament to further achieve the objectives of their strategy for buses in the area. The Department for Transport will also provide an observer to sit on a group established by Greater Manchester to consider possible ways of trialling different approaches to the funding of buses. • The Department for Transport and Network Rail commit to more proactive engagement of the Greater Manchester Local Enterprise Partnership in the long-term rail planning process (e.g. Route Studies) and in rail franchise specification through targeted local engagement of the Local Enterprise Partnership as part of an enhanced consultation process. The Department for Transport also commits to encourage
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	<p>bidders for franchises to identify and take into account the priorities of Local Enterprise Partnerships and other key local stakeholders as part of the franchising process. The Department for Transport will also encourage Train Operating Companies to continue with, and enhance where possible, their engagement with Greater Manchester Local Enterprise Partnership as key local stakeholders.</p> <ul style="list-style-type: none">• The Highways Agency commits to developing more proactive and collaborative approaches to promoting national and local growth and commits to continue building strong relationships and working arrangements with Local Enterprise Partnerships and the Local Enterprise Partnership Network, in the same way as with Local and Combined Authorities and the Local Government Association. Through its Route Strategies, the Highways Agency will engage the Greater Manchester Local Enterprise Partnership in better understanding the challenges and opportunities associated with the network and to develop evidence based long-term plans to bring about much needed local economic growth and development, and commits to providing each Local Enterprise Partnership with a named contact, generally the relevant regional director. The Highways Agency commits to forming a Growth and Economic Development Group to support Local Enterprise Partnerships at a national and sub-national level, and a draft licence published on 23rd June 2014 for the new Highway Agency company includes a requirement to co-operate, which will underpin the arrangements described above.• The Government recognises the commitment, enthusiasm and
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	<p>proposals set out in the Greater Manchester Growth and Reform Plan for maximising the economic benefits of High Speed 2. In the published consultation on High Speed 2, the route for Phase Two included stations at Leeds, Manchester Airport, Manchester City Centre, Sheffield Meadowhall, and Toton. Department for Transport and High Speed 2 Ltd are considering the responses to the consultation, along with Sir David Higgins' recommendation to accelerate the benefits of High Speed 2 to the Midlands and the North by extending the line to Crewe. Ahead of the Secretary of State for Transport announcing the outcome of that consultation, Growth Deal support will focus on Phase One locations.</p> <ul style="list-style-type: none">• Through Growth Deals, Government has established a package of support which will be provided to all High Speed 2 station Local Enterprise Partnerships once the route is announced. Government commits to working with and supporting Phase Two Local Enterprise Partnerships to develop their High Speed 2 Growth Strategies once the final decision on Phase Two is published. This will include the development of detailed proposals which Local Enterprise Partnerships can put forward for financial or other support through future Growth Deals. In the meantime, Greater Manchester Local Enterprise Partnership will work with Phase One Local Enterprise Partnerships and Government officials to co-design an approach to developing and delivering High Speed 2 Growth Strategies.
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Reforming public services so that they reduce duplication and are designed around the needs of residents

Government recognises the leading role of Greater Manchester on public service reform, through the Whole Place Community Budget pilots, the national Public Service Transformation Network, and developing the Cost Benefit Analysis framework within the Treasury Green Book. Government will continue to work closely with Greater Manchester to co-design place-based public services that accelerate the pace and scale of reform and jointly build the evidence base of impacts on key outcomes and on public spending.

Building on work undertaken to date, Greater Manchester Local Enterprise Partnership and partners will work with the Government to jointly design and develop a mental health and employment integration trailblazer to inform future national and local support for people with mental health conditions. The trailblazers will further test support to boost employment and clinical outcomes for people with mental health conditions, as well as testing integrated and better sequenced delivery models, which will complement public services at the local level at scale. This initiative will form part of a national pilot building on the first phase of Department for Work and Pensions and Department of Health's scoping trials. The Department for Communities and Local Government will provide up to £2.6m in 2015/2016 to support the design and delivery of this Greater Manchester Local Enterprise Partnership trailblazer, subject to a satisfactory business case which includes local matched investment.

Greater Manchester Local Enterprise Partnership commitments	Central Government commitments
<ul style="list-style-type: none"> • Work with Local partners including: Local Authorities; Jobcentre Plus; Increasing Access to Psychological Therapies (IAPT) leads; Clinical Commissioning Groups (CCGs); Health and Wellbeing Boards; and other experts to design a fully developed interception and business case for a mental health and employment integration trailblazer by the Autumn 2014. • To provide match funding for the delivery of the mental health and employment integration trailblazer. 	<ul style="list-style-type: none"> • The Department for Communities and Local Government will provide up to £2.6m for the pilot subject to receiving a satisfactory business case. • The Government, including: the Cabinet Office; the Department for Communities and Local Government; the Department of Health; and the Department for Work and Pensions will support the design of the pilot and consider the case for any relevant flexibilities to aid the delivery and integration of services within the pilot area. • The Government welcomes Greater Manchester's proposition to come together as a consortium to deliver the expanded Troubled Families Programme early from 2014/15. Greater Manchester are aware that in order to be able to progress in this

	<p>way they must collectively meet the national performance threshold for becoming an early starter. Current performance information suggests that Greater Manchester are on track to meet the thresholds, and the Troubled Families Team will be in touch with Greater Manchester once the final claims window has closed to confirm whether the thresholds have been met.</p> <ul style="list-style-type: none"> • This Government remains committed to helping all young people to achieve their potential and specifically to reduce long-term youth unemployment. As part of this commitment the Deputy Prime Minister launched the Youth Contract for Cities in November 2013 providing local areas with devolved funding to boost employment opportunities for young people. As part of this, Greater Manchester was awarded £5.8m from the Government to develop its youth employment programme, including through the use of a personalised budget approach and an employer-led campaign. Alongside this Growth Deal, the Government expects Greater Manchester to deliver against its commitments towards youth employment.
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Providing effective business support services

Greater Manchester has the potential to increase its long term growth rate, access international networks, enjoy stronger connections with the rest of the world and contribute significantly to continued economic recovery. Despite the strength of Greater Manchester's business support services this Growth Deal recognises that further work could be undertaken to better integrate local services with national business support. In addition, through this Growth Deal, Greater Manchester has also secured an additional £625,000 of funding to enhance business support service further in 2015/16.

Greater Manchester Local Enterprise Partnership commitments	Central Government commitments
<ul style="list-style-type: none"> • Greater Manchester Local Enterprise Partnership and local 	<ul style="list-style-type: none"> • Provide £625,000 funding to Greater Manchester Local Enterprise

<p>partners will provide £625,000 match funding in 2015/16 to support the delivery of the local growth hubs.</p> <ul style="list-style-type: none"> • Greater Manchester Local Enterprise Partnership will continue to provide a clear growth hub model that joins up national, local, public and private business support and provides a seamless customer experience for businesses, which makes it easy for them to get the right support at the right time. • Greater Manchester Local Enterprise Partnership, Manchester City Council and Salford City Council will commit to continuing SME voucher take-up as part of the Superconnected Cities Programme. To support extension of superfast broadband coverage to 90% of UK premises by 2016, via existing broadband projects, Greater Manchester Local Enterprise Partnership will commit to: <ul style="list-style-type: none"> ○ Work with local partners and BT to support delivery. ○ To support extension of superfast broadband coverage to 95% of UK premises by 2017. ○ Work with local partners to help ensure match funding is in place for the next round of projects. 	<p>Partnership for growth hub business support coordination, subject to the growth hub meeting minimum conditions that reflect the position agreed by the Government review on business support and services.</p> <ul style="list-style-type: none"> • The Technology Strategy Board is committed to supporting Local Enterprise Partnerships in developing the emerging growth hubs and in exploring how Local Enterprise Partnerships can help drive up local business awareness and engagement in Technology Strategy Board programmes and initiatives. • UK Trade and Investment will commit to effectively communicating its strategic priorities to Local Enterprise Partnerships and where possible help them access relevant opportunities. UK Trade and Investment will double the number of Partnership Managers to 16. This will ensure that UK Trade and Investment can work more closely with Local Enterprise Partnerships and help build their capability to secure more inward investment.
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As part of the deal, Greater Manchester Local Enterprise Partnership will:

- **Strengthen governance:** Greater Manchester Local Enterprise Partnership is accountable to its local communities, people and businesses. The Greater Manchester Growth and Reform Plan has been developed through wide consultation with stakeholders and should be publically available, through publication on the Local Enterprise Partnership website. Greater Manchester Local Enterprise Partnerships is now asked to publish their Growth and Reform Deal and report regularly and publically on their progress in implementing their strategy.

- **Ensure implementation and demonstrate success** by accepting the funding agreement, and by tracking progress against milestones and agreed core metrics and outcomes in line with a monitoring and evaluation framework. This will include agreeing monitoring metrics and reporting arrangements with the Government by September 2014. The LEP will also produce an evaluation plan for the projects contained in the Deal before April 2015.
- **Ensure value for money** by developing robust processes that will guide local decision-making. This will include agreeing an assurance framework with the Government by September 2014, building on existing local and national frameworks
- **Communicate the ongoing outputs and outcomes of the Deal to the local community and stakeholders** by publishing the Growth Deal and reporting regularly, and publically, on their progress to implement the strategy, ensuring that local people understand how Government money is being spent via the Growth Deal, and what the benefits are for them and the area. The Cities and Local Growth Unit will continue to work with the LEPs on communications activities, and help make the links with other Government communications teams.

Funding for projects starting in 2016/17 will be subject to conditions that Government will discuss with the LEP over the next few weeks and months, along with establishing the best timetable for the project, taking into account practicalities and affordability.

The Government commits to opening discussions with the LEP right away on its priorities for the next round of Growth Deals.

	Lead CEX
<p>Life Sciences Fund Joint development of a business case with Cheshire East, to be submitted to Government by Autumn 2014</p>	Howard Bernstein
<p>Major Transport Schemes As set out in the Growth and Reform Plan, GMCA will now replace the GM Local Transport Body (LTB) as the approving body for the transport capital programme, following the approach set out in the previously agreed assurance framework. A delivery schedule and full business case for each of the major transport schemes will be submitted to the GMCA for approval in accordance with the delivery programme that will be set out in a further report to the August meeting of the GMCA, and to ensure that delivery is able to take place that the earliest opportunity in support of growth objectives. In addition, in accordance with the transparency principles of the LTB assurance framework to ensure that the public and stakeholders are aware of, and can influence, the priorities being set by the LTB, the final transport capital programme will now be published in an accessible form by TfGM (hosted on the TfGM/LTP web facility) for comment.</p>	Jon Lamonte
<p>Minor Transport Schemes Options for considering local priorities within the initial GM transport minor works programme is being reviewed with lead District Officers through the Transport and Growth Group, so as to bring further advice to GMCA in due course.</p>	Jon Lamonte
<p>Skills Capital More detailed capital proposals sought from skills providers to refine the EOLS for Schemes that have secured LGF funding, ensuring that they can quickly be turned into high quality value-for-money projects. Further review of remaining proposals within the GM skills Capital Plan to inform submission to the next Growth Deals round.</p>	Mike Emmerich
<p>Adult Skills Budget £12m (£6m per year for 2015/16 and 2016/17) has been top sliced from national budgets to provide additional support under the Access to Employment theme within the ESF programme. Discussions are underway with BIS regarding how best to align this additional resource with the EFS plans under development.</p>	Mike Emmerich
<p>Mental Health and Employment Integration Trailblazer Discussions are underway with Government to further develop proposals.</p>	Mike Emmerich
<p>Highways Reform Proposals for the development of a Key Route Network management arrangement, as advocated by Government in the Deal, are being developed and will be brought to GMCA in due course.</p>	Jon Lamonte
<p>Bus Market Reform A working group, involving DfT and key industry advisors, is now being convened to develop initial advice on legislative and other options to secure GM bus market growth objectives. This work will report findings in late October.</p>	Jon Lamonte

	Lead CEX
Rail North Rail North partnership arrangements with DfT continue to be developed through the current Northern franchise development process.	Jon Lamonte
Monitoring and Evaluation Work underway to develop and agree with Government reporting and monitoring arrangements in respect of the Deal.	Howard Bernstein

The publication of the final transport capital programme by TfGM, as per the Assurance Framework for the devolved funding agreed with Government, is to ensure that the public and stakeholders are aware of the priorities being set by the GMCA and have an opportunity to comment.