



Economy Scrutiny Committee

Date: Thursday, 9 December 2021

Time: 2.00 pm

Venue: Council Chamber, Level 2, Town Hall Extension

This is a **Supplementary Agenda** containing additional information about the business of the meeting that was not available when the agenda was published.

Access to the Council Antechamber

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Membership of the Economy Scrutiny Committee

Councillors - H Priest (Chair), Baker-Smith, Bayunu, Doswell, Farrell, Johns, Moore, Noor, Raikes, Stanton and Shilton Godwin

Supplementary Agenda

6. **Innovation Greater Manchester** 3 - 10
Report of the Director of City Centre Growth and Infrastructure

This report provides an update on Innovation Greater Manchester.

Further Information

For help, advice and information about this meeting please contact the Committee Officer:

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This supplementary agenda was issued on **Thursday, 2 December 2021** by the Governance and Scrutiny Support Unit, Manchester City Council, Level 2, Town Hall Extension (Library Walk Elevation), Manchester M60 2LA

**Manchester City Council
Report for Information**

Report to: Economy Scrutiny Committee – 9 December 2021

Subject: Innovation Greater Manchester

Report of: Director of City Centre Growth and Infrastructure

Summary

This report provides an update on Innovation Greater Manchester.

Recommendations

The Economy Scrutiny Committee is invited to comment on Innovation Greater Manchester.

Wards Affected: All

Environmental Impact Assessment - the impact of the issues addressed in this report on achieving the zero-carbon target for the city

Innovation Greater Manchester sets out a strategy, underpinned by public and private investment, that will create a globally leading innovation ecosystem that will spur on the discovery, invention, and adoption of new technologies and provide solutions for our big societal challenges such as the zero-carbon target for the city.

Manchester Strategy outcomes	Summary of how this report aligns to the OMS
A thriving and sustainable city: supporting a diverse and distinctive economy that creates jobs and opportunities	<p>Innovation GM will include Globally significant research into sustainable materials, with fast growing strengths in smart energy systems and sustainable construction methods.</p> <p>Key assets include the Dalton Nuclear Institute, The Tyndall Centre for Climate Change Research, The Manchester Fuel Cell Innovation Centre, Sustainable Materials Innovation Hub, and Salford Energy House.</p>
A highly skilled city: world class and home grown talent sustaining the city's economic success	<p>The strategy will create a network of Innovation Zones that link labs to industry in city centres, town centres and advanced manufacturing parks creating enhanced economic, social and scientific impacts - including high quality jobs and increased trade and investment.</p>

A progressive and equitable city: making a positive contribution by unlocking the potential of our communities	Innovation GM will connect people to opportunities by ensuring that residents have access to training, companies are supported to innovate, and place-making is linked to innovation.
A liveable and low carbon city: a destination of choice to live, visit, work	Innovation GM will seek to translate the region's science and innovation strengths in advanced materials & manufacturing, health innovation, digital & creative, and low carbon into practical achievements. Leveraging fully the existing institutions and centres of excellence and spreading the benefits through market innovation.
A connected city: world class infrastructure and connectivity to drive growth	Innovation GM will result in an integrated city-region ecosystem that builds on the city-regions legacy of science-led growth and prosperity and gives universities a key role in driving action alongside the business community.

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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.

- Greater Manchester Science & Innovation Audit - Greater Manchester and Cheshire East: A Science and Innovation Audit Report sponsored by the Department for Business, Energy & Industrial Strategy - Greater Manchester Combined Authority (greatermanchester-ca.gov.uk)
- Greater Manchester Independent Prosperity Review - Greater Manchester Independent Prosperity Review - Greater Manchester Combined Authority (greatermanchester-ca.gov.uk)
- NESTA – The Missing £4 Billion - The Missing £4 Billion | Nesta
- UK Productivity Institute report on North West productivity challenge - The North West of England's Productivity Challenge - The Productivity Institute

1.0 Introduction

- 1.1 Innovation Greater Manchester is a business-led platform that sets out how a long-term strategy, underpinned by public and private investment, will unlock a globally leading innovation ecosystem that will spur on the discovery, invention, and adoption of new technologies and business models needed to raise productivity & competitiveness, and provide solutions for our big societal challenges including net zero and reducing health inequalities.
- 1.2 It creates a blueprint for levelling up through innovation, with the capacity and capability to pilot an approach that can be replicated across the U.K.
- 1.3 The Greater Manchester Local Enterprise Partnership has brought the business, scientific, and government communities together to develop this blueprint, underpinned by a pipeline of investable priorities. This report provides an overview of Innovation Greater Manchester, its links to local and national priorities, as well as how this will catalyse delivery.

2.0 Background

- 2.1 The Government set out through its Plan for Growth (2021) that the UK's growth and prosperity can best be unlocked through the three pillars of innovation, skills, and infrastructure.
- 2.2 It sets out that the "formula for success" for vaccine production can be replicated more widely through deep collaboration across industry, science and government, backed by investment and a dynamic wider enterprise economy.
- 2.3 Encouragingly, there are further specific commitments to ensuring innovation investment plays a role in levelling up and enabling more places across the UK to fulfil their economic potential –
 - The UK Innovation Strategy was published in summer 2021 and set out a specific priority for innovation investment to land in "Institutions and Places – ensuring research, development & innovation institutions serve the needs of businesses and places across the UK"
 - The Autumn Budget 2021 sets out an uplift in the research and innovation budget to £20bn, a £5bn increase in real-terms. This includes a policy commitment to "ensure that an increased share of the record increase in government spending on research, development and innovation over the SR is invested outside London, the South East and the East of England." And that more detail will be outlined in the forthcoming Levelling Up White Paper.
- 2.4 It is in this context that the Greater Manchester LEP (chaired on an interim basis by Chris Oglesby, CEO of Bruntwood) has convened a wide range of businesses and partners to develop Innovation Greater Manchester, – a new platform for businesses, research institutions, the local and national

government, to work together to co-create a world-class innovation ecosystem.

- 2.5 This aligns with the recent report to this committee about the significant role universities place in the economic, environmental, and social priorities of Manchester through their teaching, research, wider social responsibility, and role as anchor institutions.

3.0 Progress

- 3.1 Greater Manchester is seeking a co-design mechanism with Government so we can crowd in investment from wider parts of national government, local government, and private sector, so we can take a place-responsive approach to unlocking high performing growth locations where innovative businesses can grow and scale – recognising the critical role of wider enabling infrastructure and access to talent & skills, that enable innovation assets to fulfil their potential to generate business growth and the resulting good jobs generated.
- 3.2 This was included as a key pillar of the Greater Manchester Levelling Up Deal submission to the Autumn 2021 Spending Review, setting out how skills, low carbon, transport and wider infrastructure, and business-led innovation can drive the growth and prosperity of local people and places.
- 3.3 More detail about how Government will rebalance research funding to places like Greater Manchester will be set out in the Levelling Up White Paper, which government committed to publishing by the end of 2021.
- 3.4 In readiness, local authorities, the GM LEP and partners are developing an investment fund model that would support the delivery of a pipeline of emerging innovation project priorities. This is alongside collaborating with wider areas across the North where it makes sense to do so, to ensure that Manchester's plays a leading role as an economic driver for the wider regions.
- 3.5 Some examples for the Manchester include:

- **Manchester Oxford Road Corridor**

Covering one square mile, the Oxford Road Corridor is at the heart of the City of Manchester, closely connected to Piccadilly and Oxford Road rail stations, and accounts for 50% of GM's key science and innovation assets.

It is home to anchor institutions including two universities and Manchester Foundation Trust, who are key players in the unique senior level partnership that cuts across academia, business, local government, NHS and cultural institutions.

The Corridor has particular specialisms in advanced materials and health innovation, as well as digital and smart energy solutions, and is home to

50% of Manchester's life sciences businesses, 20,000 clinical research participants, and more widely 74,000 students (42% of which relate to STEM), including over 16,000 international students.

As a result of £1.1bn investment the Corridor has unlocked over 79,000 jobs and £3.6bn annual GVA, and sees 27,000 graduate and post-graduate supplied in to the labour market every year.

[Innovation District Manchester](#) is a once-in-a-generation 18 acre city-centre development site with the potential to create up to 10,000 jobs in R&D intensive sectors linked to the science excellence on the Oxford Road Corridor. Situated immediately adjacent to Manchester Piccadilly rail station and the University of Manchester's main campus, it will super-charge the Oxford Road Corridor's impact and scale and create a new commercially led innovation neighbourhood with a mix of spaces for spin out and start-ups, SMEs, and multinational firms to innovate, collaborate and grow.

AI and Digital Trust Innovation Hub (University of Manchester).

Operating at the synergy between Artificial Intelligence and digital trust and security, and taking a people-centric approach to addressing the real world challenges that hold back productivity growth, this new centre will accelerate the development and adoption of cutting-edge new AI technologies and services to increase business growth and resilience.

- **North Manchester (Manchester Foundation Trust)** – a healthcare led approach to civic regeneration will ensure that investment into the new hospital acts as a catalyst to regenerate and improve the wider in health and employment outcomes for the people of North Manchester. The NMGH Healthy Neighbourhood is to be an international exemplar of healthy ageing, creating an environment for 'healthy ageing businesses' to establish and grow, with an International Centre for Action on Healthy Ageing (ICAHA) and a data platform providing easily accessible data for innovative companies, while at the same time addressing causes of poorer health outcomes and frailty amongst local residents.
- **Innovation District Manchester (University of Manchester)** – please see the case study above.
- **Green Hydrogen Commercialisation (Manchester Metropolitan University)** – a hydrogen Fuel Cell and Electrolyser Translational Research Centre has the potential to provide industrial-scale production and pilot testing facilities to enable the Green Hydrogen economy and as part of the wider North-West HyNet programme
- **Digital diffusion (Manchester Metropolitan University)** – a comprehensive programme, building on the Cyber and Artificial Intelligence Foundries, to support diffusion and adoption of digital technologies across the wider Greater Manchester business base.

- **Data in Places (Health Innovation Manchester)** – a programme to create platforms for businesses and investors to leverage new digital therapeutics to support place-based digital health transformation in communities including North Manchester, The focus of the work in North Manchester will be childhood obesity and frailty in later life, using data and qualitative information gathered through community engagement to reimagine and transform services for local residents.
 - **Growth Company SME innovation navigators (The Growth Company)** – a programme for SMEs to promote inclusive innovation and provide business support services including advice, access to finance, and links in to supply chains of multi-nationals.
- 3.6 Innovation GM will be a key route by which the city region seeks to maintain and develop programmes that support local SMEs to benefit from the region's existing R&D assets following the end of European Regional Development Funding (ERDF). Successful existing programmes include Bridging the Gap (which connects SMEs to opportunities in graphene and 2D materials), the Sustainable Materials Innovation Hub (which gives SMEs access to the Henry Royce Institute), the Cyber and AI Foundries (which support SMEs to adopt new productivity enhancing technologies), and the Health Accelerator (which supports SMEs to develop healthcare technologies).
- 3.7 As a city-region model, the city of Manchester is integral and it creates linkages to wider investment priorities that enable the research excellence of the universities of Greater Manchester to be commercialised by businesses across the wider conurbation so as to create "from discovery to production" models of innovation. For example, the Advanced Machinery and Productivity Institute and the Sustainable Materials Translational Research Centre that are being progressed for the Rochdale-Bury Gateway North site, would leverage Manchester's global reputation in materials science, to create at-scale assets and services to embed new net zero materials in to manufacturing processes in businesses across the wider conurbation.
- 3.8 This investment model and associated pipeline are continuing to be developed local authorities and partner organisations, coordinated by the Greater Manchester Combined Authority and Greater Manchester LEP, in anticipation of a potential competitive funding opportunity.

Appendix 1: Greater Manchester's science and innovation strengths

Greater Manchester and Cheshire East science excellence and key related assets <i>Sourced from the Greater Manchester and Cheshire East Science & Innovation Audit</i>	
Strengths	
<p>Health Innovation</p> <ul style="list-style-type: none"> • GM has amongst the highest concentrations of allied health research in the UK • University of Manchester is 5th in the UK for research power in medical sciences, the highest-ranking institution outside the South East <p>Key assets include: the Medicines Discovery Catapult, Manchester Cancer Research Centre, the Manchester Institute for Biotechnology, The Stoller Biomarker Discovery Centre, Manchester Science Park, Citylabs, the Christabel Pankhurst Institute for Health Technology Research and Innovation, the UK Biobank, and Alderley Science Park</p>	<p>Advanced materials</p> <ul style="list-style-type: none"> • University of Manchester produces the second-highest number of publications in 10% most cited among Russell Group universities • GM leads the world in graphene citations and is amongst the world leaders in carbon capture and storage <p>Key assets include: BP Centre for Advanced Materials, Henry Royce Institute, National Graphene Institute, Graphene Engineering Innovation Centre, the International Centre for Advanced Materials, and the Cockcroft Institute</p>
Fast-growing opportunities	
<p>Clean Growth</p> <ul style="list-style-type: none"> • Globally significant research in nuclear, hydrogen, and sustainable materials, with fast growing strengths in smart energy systems and sustainable construction methods • GM is the first city-region testbed for energy innovation, and our Local Industrial Strategy launched a mission-led approach to becoming carbon neutral by 2038 <p>Key assets include the Dalton Nuclear Institute, The Tyndall Centre for Climate Change Research, The Manchester Fuel Cell Innovation Centre, Sustainable Materials Innovation Hub, and Salford Energy House.</p>	<p>Digital</p> <ul style="list-style-type: none"> • GM is home to the largest digital and creative sector outside London, the fastest growing sector in GM accounting for £5bn of economic activity, 10k businesses, and 86k jobs • GM has a fast-growing UK and global market share in e-commerce, cyber, and broadcast media, anchored around large operations of Government Communication Headquarters (GCHQ) operation, The Hut Group, AO, BooHoo, Amazon and Hewlett Packard <p>Key assets in and around GM include MediaCityUK, the Manchester Digital Security Innovation Hub, Digital Futures, The Greater Manchester Cyber and AI Foundries, UoM Department of Computer Science, The Manchester School of Digital Arts, and the Hartree Centre.</p>

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