

## GROWTH DEALS 3 FACTSHEET – Greater Manchester

### 1. How much is the Government investing in Greater Manchester as part of the Growth Deal programme?

	Growth Deal One (July 2014)	Growth Deal Two (Jan 2015)	Growth Deal Three (Nov 2016)
Local Growth Fund Award	£476.7m	£56.6m	£130.1m
<b>Total Award</b>	<b>£663.4m</b>		

### 2. What will this new funding deliver?

This new tranche of funding will support a number of programmes across Greater Manchester that will:

- invest in skills to deliver an integrated post-16 learning infrastructure across Greater Manchester that meets the city region's needs;
- support investment in the recommendations set out in Greater Manchester's Science and Innovation Audit (which was published in November 2016);
- drive a transformational step change in the scale of Greater Manchester's work with businesses to support business growth in the new trading environment; and
- invest in transport to provide a better integrated transport network across Greater Manchester.

### 3. What has previous funding delivered?

This builds on previous Growth Deal investments in Greater Manchester which has seen investment in:

- transport projects to provide a better integrated transport network across Greater Manchester, improving access to public transport and employment locations;
- the Greater Manchester Business Growth Hub which has helped thousands of businesses across Greater Manchester to grow, develop and reach their full potential; and
- further education colleges and providers in Greater Manchester to ensure the supply of skills matches the needs of local employers and that the residents can take advantage of the growing local economy.

### 4. How will this benefit the local community?

Through this and previous Growth Deal support, local people will benefit from enhanced further education facilities and skills investment; investment in public transport and highways; and reforms to public services so that they reduce duplication and are designed around the needs of the resident. According to estimates by the LEP, funding through these three elements of the Growth Deal could bring to Greater Manchester:

- Up to 6250 Jobs
- Up to £210 million public and private sector investment

### 5. How will this benefit local businesses?

This Growth Deal will assist in ensuring reliable transport networks to connect businesses to their supply chains, customers and their labour markets; provide support to ensure people

have the skills required to work in the Greater Manchester economy; and deliver effective business support services. The Growth Deal will also support the establishment of a Cyber Innovation Centre of Excellence which will provide collaborative research capabilities, security intelligence and support to businesses and the public sector to tackle issues of cyber security and resilience; and

## **6. How does this link to the Northern Powerhouse?**

The Northern Powerhouse is a vehicle for addressing productivity gaps across the country and ensuring a stronger, more sustainable economy for all parts of the UK. Through the Local Growth Fund, central government has already agreed over £2.9 billion worth of Growth Deals in the North to help address these issues by supporting locally-led projects to boost economic growth. This additional funding round will provide an extra boost of **£556 million** to LEPs within the Northern Powerhouse. The funding will also build upon the innovation, improved business support, and major capital projects which have already led to economic growth in the North, acting as a catalyst for growth building towards the Prime Minister's vision of an economy that works for all up and down the country.

## **7. What is the connection between devolution and the Local Growth Fund?**

As part of our efforts to deliver an economy that works for everyone, the Government is devolving wide-ranging powers directly from Whitehall to local people who know their areas best. Opportunities for growth are best identified by those with detailed local knowledge, and the Local Growth Fund enables places to tailor transformational interventions to local circumstances.

The Greater Manchester devolution deal is one of 8 across the country – 7 of which have directly elected mayors, with Greater Manchester having had an interim Mayor, Tony Lloyd, since June 2015. It means decisions that have previously been made in Westminster will now be made in the areas they affect most

## **Other Sources of Funding for LEPs**

This is currently the last round of Growth Deals that will take place in this Parliament. However, LEPs are eligible to bid for many other sources of funding, which they can use to make investments in significant economic projects in their local area.

The Growth Deal builds on significant investment in growth opportunities in Greater Manchester including:

- **Enterprise Zone funding:** Airport City EZ has received £6 million in funding to date to put in place new power infrastructure. This Enterprise Zone is focused on advanced manufacturing/engineering, aerospace, business services, industrial biotechnology and pharmaceuticals & healthcare.
- **Greater Manchester City Deal:** As a result of the Deal announced in 2012, Greater Manchester has financial powers to 'earn back' up to £90 million tax revenue, with a total investment of up to £30 million a year on a payment by results basis for 30 years. Government has also contributed £4.4 million for a Business Growth Hub which will integrate trade, investment and business advice.

- In addition to the transport projects allocated through previous Growth Deals, Greater Manchester LEP were also awarded development funding from the **Local Majors Fund** for the Manchester Western Loop – T2 Airport City Scheme. £341 million (€413.8m) **EU funding** for the period of 2014-2020.
- Greater Manchester LEP received £37,358,032 from the **Growing Places Fund**.
- Over £122 million investment from the **Regional Growth Fund**.

**Communities Secretary Sajid Javid** said:

“As part of efforts to deliver an economy that works for everyone, the Government is devolving powers and resources directly from Whitehall to local people who know their areas best.

“That is why we’re giving £130.1 million of new money to Greater Manchester to give businesses the support and opportunities they need to achieve their potential – on top of the £533.3 million we have already awarded.”

**Northern Powerhouse Minister Andrew Percy** said:

“Across the Northern Powerhouse local people will benefit from £556 million of extra investment thanks to these Growth Deals.

“This is more government money directly invested into the Northern Powerhouse. It is further proof that we will back the people of the North with the resources they need to reach their full potential.”

**Mayor of Greater Manchester Tony Lloyd** said:

“The latest Growth Deal Fund for Greater Manchester is a welcome step in supporting all parts of Greater Manchester to create the jobs and growth we need. However, given the pressure on national budgets and subsequent level of Growth Funding difficult choices will lie ahead for Greater Manchester.

“Greater Manchester will still continue to press ahead with our plans for growth and work to ensure everyone in our city-region feels the benefits of our growing economy.

“We continue to look forward to the Government’s further investment in research, development and science as announced in the Autumn Statement. This investment is essential to underpinning innovation and economic growth.”

**Chair of Greater Manchester LEP Mike Blackburn** said:

“We will be investing this new stream of money into the people and businesses of Greater Manchester to create the jobs and economic growth we need. Because Greater Manchester LEP’s business-led partnership brings together the region’s private and public leaders, we can use our local knowledge to direct funding towards where it is needed most. We therefore welcome this Growth Deal funding that will help us to deliver on our key priorities of skills, business support, transport, and science and innovation.”