



Department for Business, Innovation & Skills

University Enterprise Zones Pilot

Application Form

January 2014

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1. SUMMARY INFORMATION

1.1 Applicant Details

University name	The University of Manchester and Manchester Metropolitan University	
Address	The University of Manchester, Oxford Road Manchester, M13 9PL	
Lead contact name	<div></div>	
Direct telephone number		
E-mail		

1.2 Brief Project Summary

Brief description of project	<p>We propose to designate the city's Knowledge Quarter, known as Corridor Manchester, as the University Enterprise Zone (UEZ) due to the dense concentration of educational, clinical, research and knowledge assets co-located here, our unique, long-standing partnership structure and the potential to create more jobs and growth particularly through start-ups and SMEs. Designation as a UEZ would provide a major attractor for businesses, investors and entrepreneurs in our growth sectors and signal a clear recognition of a supportive environment to our growing community of innovators.</p> <p>The capital funding requested in this proposal is for the creation of a new specialist facility – the Healthcare Technology Innovation Centre (HTIC) - to drive the commercial exploitation of the considerable research strengths in emerging healthcare technology areas (including ehealth, mhealth, assisted living and translational medicine technologies) which together represent fast growing global markets. The facility will also provide support to graduate start-ups in the field.</p> <p>Corridor partners, together with the Greater Manchester (GM) LEP, have been developing the future vision for the Corridor and progressing with a physical masterplan designed to strengthen linkages between the individual adjacent university, hospital and science park campuses. The aim is to create an overall sense of place and identity for the Corridor as an international centre for business growth based on the knowledge economy.</p> <p>[REDACTED]</p> <p>Importantly, the overarching Corridor UEZ designation will provide the platform for a series of planned complementary developments to create additional specialist clusters in other areas of comparative strength, including further developments in the application of graphene and other 2-dimensional materials, Art, Design and Textiles with the International Centre of Textile Manufacturing, Innovation and Excellence - thus creating a multi-sector innovation hub on an international scale.</p> <p>The Corridor UEZ will build on the established partnership, governance structure and development programme, leveraging additional public investment and enabling access to wider private investment.</p>
Total project cost	£25.7m
Amount of funding applied for	£3.75m

Amount of additional co-investment	Capital: £21.95m
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2. PROJECT PROPOSAL

Provide an outline proposal for a pilot University Enterprise Zone. This should describe where the zone will be located, strategic context for its development, the concept for the zone (e.g. sector or technology specialism), the existing infrastructure and the partnership involved in developing it. It should describe any proposal to build incubator and grow on space as part of the University Enterprise Zone pilot and details of the offer to businesses. It should also set out arrangements to meet operating costs.

This application is submitted by the two universities on behalf of Corridor Manchester - a strategic partnership covering a 243 hectare area running south from Manchester city centre which is home to a unique concentration of educational, research, technological and cultural assets generating a significant amount of Manchester's GVA. Currently, the Corridor Manchester area generates £3.2bn (25%) of the city's GVA and employs 55,000 people with 43% of activity in knowledge intensive sectors (approx. double regional and national averages). It is estimated that by 2020 this has the potential to increase to £4.7bn with a high value workforce of 77,000 – but only if the necessary capital investment in infrastructure improvements along with the development of under utilised land/ buildings and exploitation of our science and knowledge assets is realised.

The Corridor Manchester Partnership, established in 2007, comprises The University of Manchester, Manchester Metropolitan University, Central Manchester University Hospitals NHS Foundation Trust, Manchester City Council and Manchester Science Park. Corridor partners are committed to working together to generate further economic growth and investment in the knowledge economy for the benefit of the Manchester city region and UK plc. To date, partners have made significant individual investments in their estates and facilities and have worked to improve supporting infrastructure such as transport links. However, there are considerable opportunities which remain unexploited to increase the speed and scale of business creation and economic growth resulting from the knowledge-intensive activities within this area of the city.

Given the unique co-location and strength of our knowledge and innovation assets together with our long-standing partnership structure, we propose that the Corridor area is designated as the city's UEZ, incorporating the existing network of incubator and science park facilities (The University of Manchester's incubator - UMIC, Manchester Metropolitan University's incubator - Innospace and Manchester Science Parks).

Corridor partners have recognised the need to work across institutions to present joined-up, coherent propositions with linked physical spaces, facilities and support services and to collaborate to create fundable partnership developments for new facilities and infrastructure. With the existing governance structures and strong commitment from partners in place, the Corridor UEZ can be established immediately, creating an overarching platform with which to leverage significant future associated investments to support the commercialisation of our R+D and knowledge assets as part of the Corridor strategic development framework.

The capital investment support asked for in this application is to build on and strengthen this existing infrastructure within the overarching UEZ, with a specialist new facility to support the emerging healthcare technology market underpinned by the Corridor's major asset base which spans ehealth, mhealth, assisted living and translational medicine and includes the following:

- Manchester Centre for Health Informatics
- MRC Health eResearch Centre
- Farr Institute
- North West ehealth (NWeH)
- Manchester mhealth ecosystem
- Manchester: Integrating Medicine and Innovative Technology (MIMIT)
- UMI3
- MMU Healthcare Science Research Institute
- MMU Research Institute for Health and Social Change
- MMU Institute for Performance Research
- TRUSTECH
- NIHR Clinical Research Network for Greater Manchester
- Manchester Academic Health Science Centre (MASHC)
- Greater Manchester Academic Health Science Network (GMAHSN)
- Central Manchester University Hospitals Trust (CMFT) (comprising six leading teaching hospitals and community services)

Although many of these bodies have explicit remits to support industry engagement and wealth creation, there is currently no infrastructure to effectively leverage assets to drive and capture local business creation, inward investment and economic growth. There is now a real opportunity to create an enterprise cluster in Healthcare Technology to sit alongside these research and clinical assets, providing the specialist support and facilities needed to promote and deliver increased interaction and collaboration between academics, industry partners, and nascent businesses, including graduate start-ups.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

The HTIC is to accelerate the development, commercialisation and adoption of new technologies, processes and services through providing shared workspace, labs and infrastructure to support open innovation, collaborative working and co-creation between academic, clinical and industry partners. It will support key Government objectives

articulated in the Witty Review, BIS and DH policies including:

- Increasing levels of university-business engagement, knowledge exchange and commercialisation activities
- Leveraging academic strengths and specialist assets to deliver economic and social impact and generate GVA
- Supporting the Government's Innovation, Health and Wealth agenda to leverage NHS assets for wealth creation more effectively, accelerating adoption and diffusion in the NHS, and developing new models for healthcare delivery, improving patient outcomes etc.
- Accelerating innovation in the development of new technologies, products and processes – in particular - advancing technologies which will drive disruptive economic change with huge potential global value and demand. The Healthcare Technology market is growing globally, rising to a total market value of \$430bn by 2018.
- Developing a specialist technology cluster supported by a strong business ecosystem with the absorptive capacity to turn leading-edge R&D into commercial propositions supported by specialist business innovation services and open innovation programmes.
- Supporting the industry partnership and wealth creating agendas for both the NHS accredited MAHSC and NHS England licensed GMAHSN. AHSCs and AHSNs are identified as major drivers for effective translation of research outputs into practice in the NHS and diffusion and adoption of innovation across the NHS at pace and scale.
- Providing clear development, funding and adoption pathways (in partnership with AHSC and AHSNs) to help de-risk investment in new Healthcare Technology innovations and thereby significantly lowering the barriers to entry for SMEs and start-ups in accessing the NHS market

3.2 Demand for services

What demand is there for the services being proposed and what evidence is there that there is a market failure that needs to be addressed?

[Redacted content]

4. FINANCIAL INFORMATION

4.1 Co-investment

What is the indicative amount, nature and source of co-investment (this should be at least twice the amount of funding applied for)? You will be required to provide proof of the co-investment details.

The HTIC has a total capital funding requirement of £25.7m. The £3.75m capital grant funding from the BIS UEZ initiative is required because the project will not be commercially viable without it. Manchester City Council supports the project and will work with Corridor partners to source appropriate finance. There are a range of options available for financing this project including through the GMCA and GM LEP investment programmes. The project is currently listed as a pipeline project for Evergreen investment during the 2014-20 GM ESIF programme.

4.2 State Aid Compliance

Does your proposed investment comply with State Aid rules?

Corridor partners have extensive experience of similar investment proposals and will ensure that the UEZ investment follows state aid guidance at each stage. We expect the project to comply since it will fall either within the German Incubator Model or the GBER.

5. STRATEGIC PARTNERSHIPS AND OBJECTIVES

5.1 Local Enterprise Partnership

Demonstrate how this proposal contributes to the Strategic Economic Plan being developed by the relevant LEP.

This proposal to establish a Corridor UEZ, with a specific bid for funding to create an additional specialist facility is fully aligned with the LEPs strategic priorities, the Greater Manchester Strategy and Economic Plan. The LEP fully endorses the proposed bid. The Corridor UEZ contributes to the GM Strategic Economic Plan and Growth Strategy through leveraging our key scientific assets and research base for economic and social benefit. The HTIC is not an isolated, one-off capital development project and has been developed as part of a wider strategic development framework and investment plan for the city.

The GM Strategy along with the Growth and Reform Plan place the exploitation of the city's science assets at its heart, providing clear focus on those sectors that offer most growth potential for Manchester and add greater value to the UK economy. It has a key objective to increase the scale, profile, productivity and credibility of our science and technology assets; increase entrepreneurship and business growth; and bring public, private and academic institutions together to commercialise R&D at scale. The GM Strategy highlights the need to exploit the potential of our comparative scientific strengths and assets across 2-dimensional materials, life sciences and healthcare.

The Corridor is acknowledged within this strategy as a vehicle for this growth and recognises the critical importance of securing investment in the right facilities and support infrastructure to ensure it is at the forefront of innovation and business growth in the future. GM has a long-standing set of organisations to support economic growth through business support, inward investment and marketing. These have been restructured and reviewed to ensure that their work fully supports delivery of the GM Strategy and this would include the Corridor UEZ. LEP strategies for inward investment and international trade growth have identified Healthcare Technology as a key

international proposition and global target market to be supported by MIDAS and UKTI. The GM EU Structural and Investment Fund for 2014-2020 fully aligns European Funding with the priorities in the GM Strategy and therefore supports the aims of the Corridor UEZ and will allow us to deliver associated projects beyond this initial bid. The MAHSC partnership is acknowledged as an important asset for the city, being the only NHS designated Centre of Excellence outside of London and Oxbridge with the specific remit of driving the translation of research output to clinical practice as quickly and effectively as possible. MAHSC in turn works with its Greater Manchester counterpart (GMAHSN) for example in the roll out of data federation across the city. This is a key capability underpinning the successful development and deployment of connected health products and services.

5.2 Wider strategic plans

Demonstrate how this proposal fits with the wider strategic plans of the relevant university or universities.

The University of Manchester's business engagement strategy contains three related main lines of action:

i) **Knowledge exchange** encompasses carrying out research or consultancy directly with or for business and working with organisations that facilitate such collaborations. At the core is a series of key strategic partnerships with major international firms which are regularly invigorated by new initiatives. For example, the Manchester Collaborative Centre for Inflammation Research has opened a three-way partnership between the University, GSK and AstraZeneca. These partnerships provide a valuable frame for working with SMEs.

ii) **Commercialisation** refers to the activities undertaken to bring to market the ideas, knowledge and intellectual property developed by staff and students. Via its subsidiary UMI3, UoM has a substantial track record of exploiting novel and innovative research findings through commercialisation of intellectual property. In the last 4 years UMI3 successfully licensed over 100 inventions to commercial parties. Successes include NeuTec Pharma – a spin out sold to Novartis for over £300m in 2006, and the molecular fungal diagnostic company Myconostica sold to Cambridge-based Lab21 in 2011. A number of UoM ventures have also attracted significant venture capital funding, going on to launch products and generate revenues. Examples include the healthcare technology spin-out Phagenesis.

iii) **Development of people** covers the range of teaching and learning activities undertaken in relation to enterprise for staff and students and measures to facilitate mobility between the University and business. The University strives to ensure that graduates are equipped with the skills and experiences that enhance employability. This includes extensive availability of enterprise training and entrepreneurship competitions and events run by the Manchester Enterprise Centre – through which graduates have won several national and international venture competitions over the past 3 years.

MAHSC is a partnership between the University of Manchester and six leading NHS organisations, dedicated to giving patients and clinicians rapid access to the latest research discoveries and improving the quality and effectiveness of patient care. It is the only accredited academic health science centre outside of London and Oxbridge, in recognition of our excellence across research, innovation, education and patient care and in particular the potential to excel in translational medicine. MAHSC will help to co-ordinate the activities of key health-care institutions as part of the HITC which will support their current priority to give industrial partnerships greater prominence with clearer, more visible engagement.

Manchester Metropolitan University has international excellence across biomedical

sciences and the allied health professions, including nursing, with one of the highest concentrations of research excellence in the UK in these areas (7/63 RAE 2008 UoA12: Analysis Power Rankings, Research Fortnight). Furthermore, MMU has invested over £150 million in capital projects to support allied health research. REF 2014 evidenced a larger, single coherent submission than RAE 2008 that has informed MMU's Research and Knowledge Exchange Strategy placing health and lifelong well-being as one of its five major themes. In this area, the University focuses on research that will impact on the health and well-being of men, women and children. The link between health and wealth ensures research that will lead to commercial outcomes is supported.

MMU's researchers are developing impact plans that will lead to significant developments in medical devices, new diagnostic and treatment procedures as well as innovations in professional practice, much of it capable of remote application. MMU's healthcare technology and connected health initiatives involve interdisciplinary teams of engineers, life scientists and computing experts. The HTIC will complement and be supported by MMU's current health policy related activity such as membership of the National Institute of Health and Care Excellence (NICE), membership of the Department of Health public health working party and association with the National Institute for Health Research (NIHR) public involvement committee.

In addition to MMU's research base in allied health, nursing and biomedical sciences including nutrition, it also has strong engagement with the local neighbourhoods linking to community centres to promote healthy living and providing on campus treatment such as physiotherapy to the public. The application of mobile technology to provide information to clinicians and support for people or patients managing their health in their own home is a particular area of strength and reflects the increasing importance of mhealth together with growing collaboration with SMEs in health related fields.

Central Manchester University Hospitals are leaders in healthcare innovation and are committed to connecting business and partners within the HTIC to experienced clinicians for early stage validation and on-going technology developments and trials, including working directly with patients and carers in a properly controlled and safe environment to ensure new technology solutions are acceptable. The hospital clinical interface connects community, secondary and tertiary care and this will help to ensure that early stage ideas are de-risked and can get early exposure to real world clinical situations. The Hospital is a partner in MAHSC and GMAHSN and these will be the conduit to accessing over 3.5 million patients and a healthcare market spanning 34 NHS organisations. This connectivity is attractive both to grant bodies and investors who value attenuation with market pull rather than technology push.

The co-location with the clinical academic campus on the Corridor is the defining aspect of the HTIC providing direct connections to the healthcare market and the consumer – patients. In both mature and emerging healthcare systems the ambition towards more connected healthcare is being driven by patients who expect to be more in control of their own health, by economic tensions of limited resources and an older population living with chronic long term conditions that need to be effectively managed outside of hospitals.

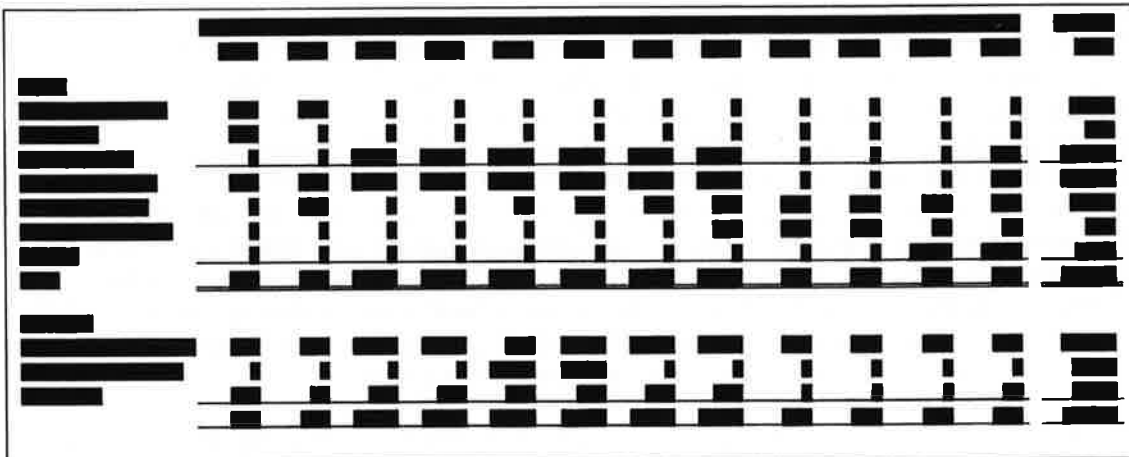
6. INDICATIVE PLAN AND MILESTONES

6.1 Provide an indicative plan that shows the timetable for the establishment of the zone and the delivery of the facilities.

Phase 1
Jun-Sep 2014: Contract agreement with BIS, establishment of Corridor UEZ, HITC Design Phase
Phase 2
Sep-Dec 2014: Planning application and approval period, agree design and build contract, contractor procurement
Phase 3
Jan-May 2015: Site demolition and remediation, detailed design
Phase 4
May 2015 – May 2016: Construction period, commissioning and installation
Phase 5
June 2016: HITC Opening

6.2 Predicted spend profile

Outline the predicted spend profile during development, demonstrating that the award will be spend across the three year period



7. RISKS AND CONTINGENCIES

Outline the risks (management, financial, commercial), strategies for their mitigation, and contingency planning. Please add additional lines to the table as required.

No.	Risk	Mitigation
1	Project Management & Delivery	Corridor Manchester partners have extensive PM delivery experience. The Universities and CMFT have invested over £1bn in their estates over a 10 year period. Delivery of the centre will be managed by MSP which has considerable experience delivering major projects throughout its portfolio.

3	Procurement & cost control	Corridor Partners and MSP have a strong track record delivering projects on time and on budget. Relevant public procurement rules will be followed throughout. Project costs have been benchmarked against rates on recently procured similar projects.
4	Collaboration & leverage	Corridor Partners have an established governance framework for this project that will ensure all stakeholders work together to promote its success. The project has the full support of the Greater Manchester LEP. Incubator and grow on space will be promoted through the network of GM agencies and UKTI
5	Funding and state aid	The project will secure co-investment through established private and public funding sources. Partners will ensure that funding structures are compliant with existing state aid legislation. Pre-lets will provide revenue against which private sector funding will be secured. MSP has experience raising private capital investment and the project is identified as a key strategic priority for the NW Evergreen Fund.

8. DATA PROTECTION ACT

BIS is subject to the Freedom of Information Act 2000, which gives a public right of access to information held by a public authority, which may result information arising from this work, or the outputs from the work undertaken being subject to disclosure if a valid request is made. We will comply with such requests in accordance with the legislation and our own policies. Institutions can if they wish provide potentially sensitive information (such as information relating to commercial interests) in a separate annex attached to the application form. This will highlight to us that there are concerns about disclosure.

Where we consider it to be appropriate and practicable we will seek views of applicants before disclosing this information in response to a Freedom of Information request. The applicant acknowledges that the information provided in the annex is of indicative value only, and that BIS may nevertheless be obliged to disclose this information. Our assumption will be that all information in the main application documents can be disclosed on request.

9. DECLARATION

I declare that the information in the application form and accompanying documentation is correct to the best of my knowledge and belief

Name...

Position...

Manchester...

Date ...31 March 2014...

