

GREATER MANCHESTER LOCAL ENTERPRISE PARTNERSHIP

DATE: Tuesday, 19 January 2021
TIME: 4.20 - 5.30 pm
PLACE: Microsoft Teams Live Event

SUPPLEMENTARY AGENDA

Item		Pages
4.	GM LIS Implementation Plan 1 Year Review Lou Cordwell	1 - 30
8.	Growth Company Business Support Update Mark Hughes	31 - 40

Agenda Contact Officer:

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GM LOCAL ENTERPRISE PARTNERSHIP BOARD

SUBJECT: Greater Manchester Local Industrial Strategy Implementation Update and 2021 Priorities

DATE: 19th January 2021

FROM: Simon Nokes, GMCA Executive Director Policy and Strategy

PURPOSE OF REPORT

On 27 November 2020 the Greater Manchester Combined Authority received its [2019-20 annual progress update of the LIS Implementation Plan](#) which identifies how Year 2 implementation and milestones is being adapted in light of COVID-19 and the measures put in place to respond to and recover from the pandemic.

The slides brought to this meeting provide a summary of this report and draw out the key priorities for year 2 implementation of the Greater Manchester Local Industrial Strategy.

RECOMMENDATIONS

The LEP Board is asked to:

- Approve the priorities for the Year 2 LIS Implementation Plan

EQUALITIES IMPLICATIONS

The Local Industrial Strategy recognises the significant social, economic and spatial disparities across GM. The Local Industrial Strategy Implementation Plan looks to create opportunities across Greater Manchester, to create an economy fit for the future, that leads to prosperous communities filled with opportunity for all across the whole city-region.

CLIMATE CHANGE IMPACT ASSESSMENT AND MITIGATION MEASURES

The GM Local Industrial Strategy Implementation Plan works towards GM's ambition to achieve carbon neutral living in the city-region by 2038. This includes actions amongst other actions aimed to accelerate carbon neutral retrofitting and new builds, accelerate innovative local renewable energy generation and to support businesses to accelerate the implementation of energy and material efficiency measures in the design and production of products and services

CONTACT OFFICERS:

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Lisa Dale-Clough, Head of Economic Policy, GMCA: lisa.dale-clough@greatermanchester-ca.gov.uk

BACKGROUND MATERIALS:

- Greater Manchester Local Industrial Strategy: <https://www.greatermanchester-ca.gov.uk/media/2132/gm-local-industrial-strategy-web.pdf>
- Greater Manchester Local Industrial Strategy Year 2 Implementation Plan: <https://democracy.greatermanchester-ca.gov.uk/documents/s10606/16%20LIS%20UPDDATE%20GMCA%20NOV%202020.pdf>
- Independent Prosperity Review One-Year On: https://www.greatermanchester-ca.gov.uk/media/3408/gmipr_one-year-on.pdf

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Greater Manchester Local Industrial Strategy: Implementation Update and 2021 Priorities

GM LEP

19 January 2021

Page 5



On 27 November 2020 the GMCA received the 2019-20 annual progress update of the LIS Implementation Plan.

This slide pack draws out the key messages of the report including:

Page 6

- Overview of the Local Industrial Strategy
- Progress in 2019 – 2020
- The Impact of COVID-19
- Priorities for 2020 – 2021
- Thematic Highlights and Key Actions

Background materials

- [2019-20 annual progress update of the LIS Implementation Plan.](#)
- [Greater Manchester Local Industrial Strategy.](#)
- [GM Independent Prosperity Review One Year On](#)
- [Greater Manchester Local Industrial Strategy Implementation Plan October 2019 GMCA Report](#)



The Greater Manchester Local Industrial Strategy is the long-term plan for our economy

The Greater Manchester Local Industrial Strategy (GM LIS) is one of the country's first modern local industrial strategies.

The ambitious strategy is designed to deliver an economy fit for the future, with prosperous communities across the city-region and radically increased productivity and earning power

It aims to create a highly productive, more inclusive and prosperous city region for all residents, with:

- ▶ A plan for communities across all of GM to thrive and prosper.
- ▶ Good jobs across the city region backed up by the right infrastructure, skills and networks.
- ▶ Supporting everyone to reach their full potential, giving people hope and optimism for the future, leaving nobody behind.
- ▶ Driving innovation and productivity in both our frontier and foundational sectors.



In October 2019, the GMCA and GM LEP agreed an Implementation Plan including 52 actions across 9 themes for delivering phase one of the LIS 2019 – 2022:

Health Innovation

Advance Materials and Manufacturing

Digital Creative and Media

Clean Growth

People

Infrastructure

Ideas

Business Environment

Place

It was agreed that each year an annual progress report and refreshed implementation plan would be provided to the GMCA.



In Year 1 progress was made against all 52 actions

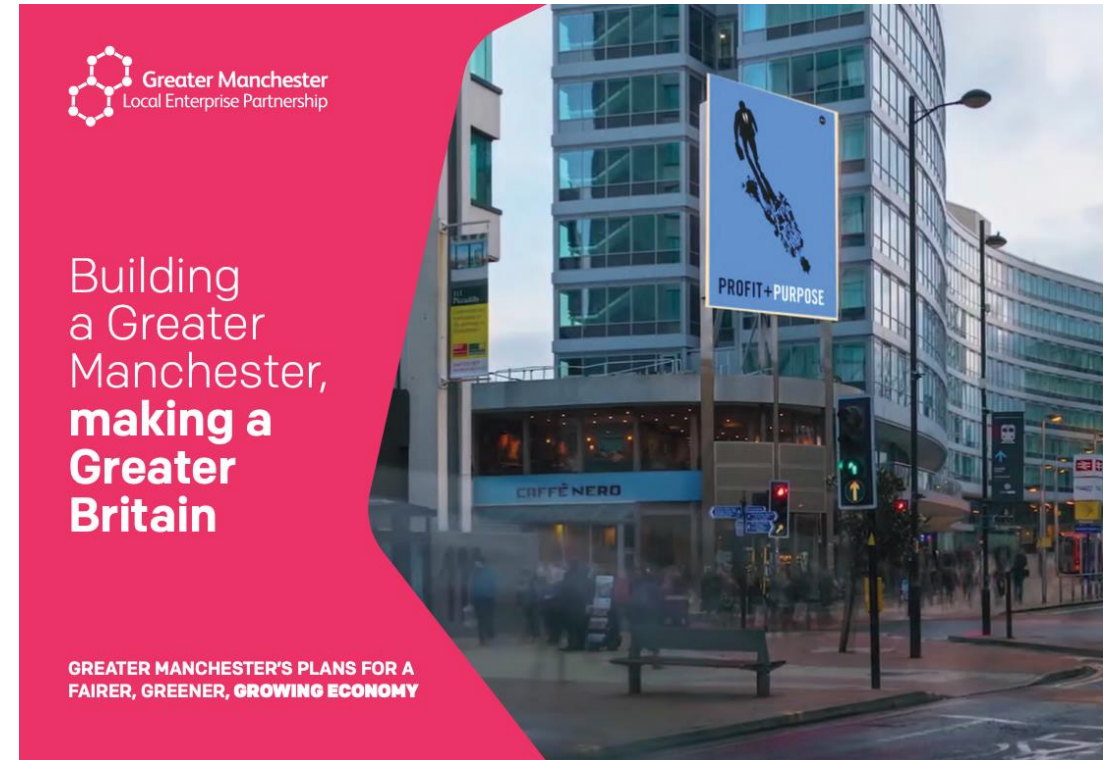
- The Year 1 Priority Actions have been largely delivered against milestones. GM has worked quickly with Government and other partners to put in place new policies and solutions.
- The LIS has also been embedded in the plans of Greater Manchester's local authorities. An overview of this activity is provided in [Annex 2 of the main report.](#)



The LIS Implementation Plan Supports the GM Economic Vision

- The LIS and LIS Implementation plan support the ambitions outlined in the GM Economic Vision, and will help to deliver a world class innovation eco-system in Greater Manchester through tangible action.
- Key areas of activity where there is alignment include:
 - Innovation GM
 - Health Innovation and Devolution
 - Green Growth and Low Carbon Innovation
 - Digital and Cyber
 - Employment and Skill Provision
 - Business Support
 - Driving Good Employment

Page 10



- Since March 2020, the COVID-19 pandemic has caused large scale and rapid disruption to our health, social, economic and community infrastructure
- In GM, the learning of 450,000 people has been disrupted; the number of residents in receipt of unemployment benefits rose by 93% from March to August
- As nationally, GM's hospitality, leisure and tourism sector has been most severely affected, which accounts for circa £1.7bn of Gross Value Added (GVA) and 80,000 jobs locally
- Since March 2020 the number of persons claiming unemployment related benefits across GM has risen by 89% to 141,250 residents as of November 2020.
- Online job vacancies are around 50% the same levels they were at in the first week of March 2020.
- According to the Growth Company's fortnightly business survey, the number of GM firms planning to make redundancies was 12.2% in the 2 weeks to 7th December. The number that had already made redundancies was 15% for the same period.
- £560m in Coronavirus Business Interruption Loans and £1.68bn in Bounce Back Loans have been accessed by businesses in GM as of 5th October 2020.

- The [2019-20 annual progress update of the LIS Implementation Plan](#) identifies how Year 2 implementation and milestones need to be adapted in light of COVID-19. Each action has been given a High, Medium or Low COVID-19 impact rating.
 - **High** - impact rating have significantly amended Year 2 milestones, actions where there is a
 - **Medium** - impact of COVID-19 need some flexibility in the Year 2 milestone, and actions with a
 - **Low** - impact rating can proceed largely as planned.
- Within this framework, **priority actions have been identified for 2020/2021**, that will support GM's recovery from COVID-19 and long-term growth prospects.

Independent Prosperity Review "One Year On" Report

Independent Prosperity Review 'One Year On' (September 2020) identified a central challenge for GM's COVID-19 recovery: *"resist the temptation to lower standards and instead keep its focus on growth that can form the basis for long-term prosperity. This means growth built on carbon reductions, good employment and sustainable business models."*

- Highlighted links between COVID-19 recovery, economic resilience and continued reform and devolution, arguing that relevant LIS actions should be prioritised. E.G:
 - Page 13 Improving Health outcomes to build resilience for future pandemics
 - Responding to potential high unemployment via significantly devolved polices and programmes
 - Supporting foundational economy businesses to adopt sustainable and higher value business models
 - Creating high value jobs through research, talent and innovation assets to drive an innovation-led recovery
 - Meeting GM's 2038 carbon target in ways that benefit the economy, health and quality of life
 - Support SMEs with leadership, management and skills utilisation, and raising employment standards
 - Putting GMs public service reform model at the centre and funded on a long term basis



Three high-impact programmes will form the core of GM's recovery from COVID-19 and the focus of LIS implementation in 2021-2022:

- 1. Leadership and Management Programme** - The programme will support small businesses in every local authority to adapt their operations and plans in light of COVID-19, and will also focus on increasing the diversity of people coming into leadership and management positions.
- 2. Improving Jobs and Productivity in the Foundational Economy** - Roughly 42% of jobs in GM are in the 'foundational economy', and the plan will help ensure the jobs and business models that emerge through the recovery increase GM's resilience to future shocks and pandemics, improving the lives of people living in every part of the city-region and addressing longstanding inequalities.
- 3. A new model for innovation – "Innovation GM"** – Delivering on government's ambitions for levelling-up and global Britain and building on the city region's existing assets to drive innovation-led growth in all our towns and cities.



The following actions are also Year 2 priorities:

- **M62 North East Growth Corridor & Advanced Materials City** - To grow high value jobs in the North of GM the strategy and model for 'Advanced Materials City' will be progressed locally and with Government (including through GAMMA).
- **Develop a robust digital skills pipeline** - To address digital skills shortages, GM will successfully deliver pilot programmes, like Skills for Growth and Skills Investment Pot, and use evidence to extend approach.
- **Establish the UK's first city-region Clean Growth Mission** - To ensure GM achieves the 2038 target and a green recovery, mission projects will be prioritised. Review of the Mission Based Approach will be undertaken to learn from year 1.
- **GM Good Employment Charter** - To support the growth of good jobs, GM will scale-up the Charter, embedding in procurement and investment and linking it to the work on the foundational economy. First evaluation results available April 2021.



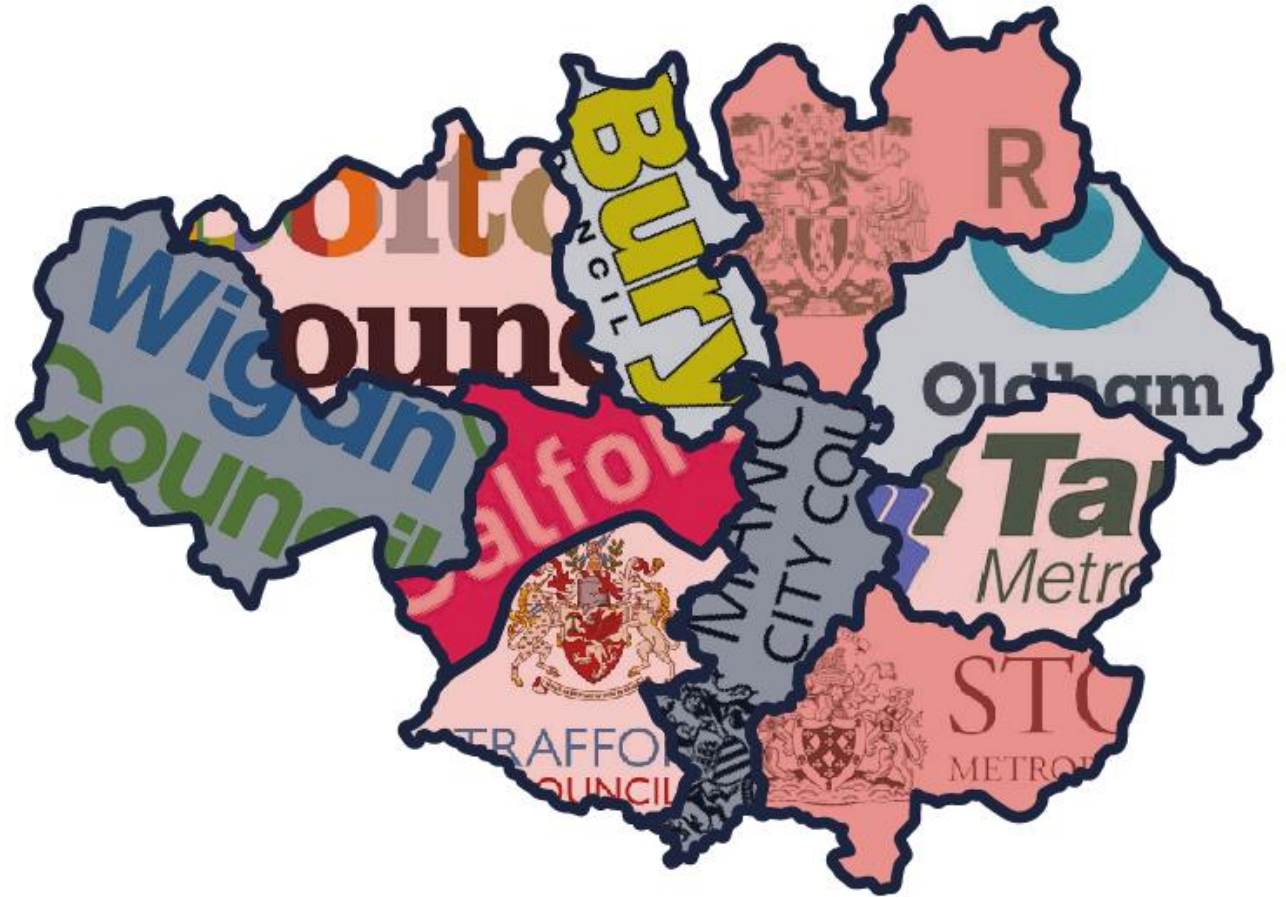
- Whilst the existing GM LIS Implementation Plan has been flexed to include the initial impacts of COVID-19 and changing economic policy environment, there will need to be a more fundamental review of the strategy and its implementation plan once the full economic, social and other impacts of the pandemic have become clear.
- A proposal for doing so will be presented to the GM LEP and GMCA as part of the annual review in November 2021, or sooner if circumstances require it.



ANNEX

The strategy was developed using a partnership approach, locally and nationally

- ▶ The Strategy was co-designed with business, the community, the voluntary and social enterprise sector and citizens. A comprehensive consultation exercise was undertaken, including a 6-week formal consultation.
- ▶ The strategy is owned by the Greater Manchester Combined Authority (including all ten GM Local Authorities), the GM Local Enterprise Partnership and UK Government, helping to support and drive the [GM Economic Vision](#)

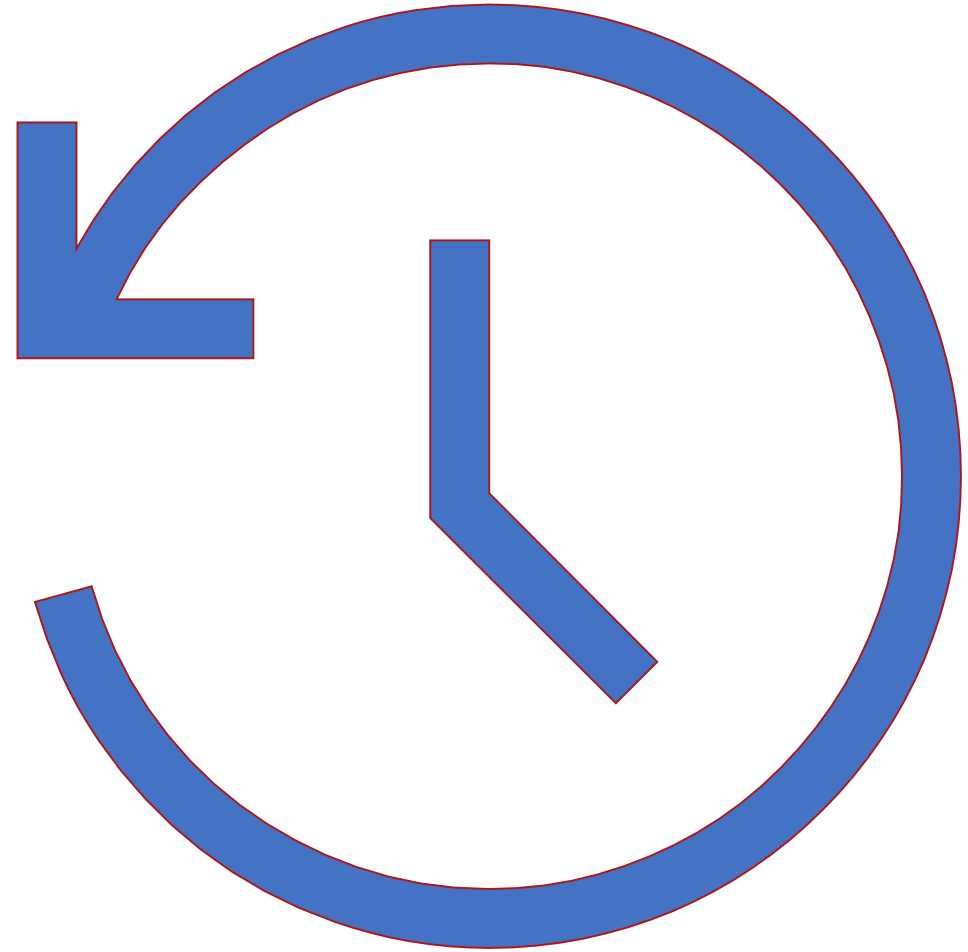


The strategy is informed by a robust evidence-base

- ▶ Based on the robust evidence provided by the 2019 Independent Prosperity Review, and the 2016 Science and Innovation Audit
- ▶ Developed from the ground up with local and national stakeholders, including business and social enterprises, trade unions, universities and colleges, and community and voluntary organisations



The following slides provide extra detail regarding the 9 themes of the Implementation Plan, drawing out key actions and long-term ambitions



2040 AMBITION - A fully integrated, digital health and care system, using preventative and assistive health tech; helping people stay healthy and economically and socially active for longer.

Page 21

KEY ACTION - To spearhead the transformation of health and care systems in response to the needs of an ageing population, GM will establish an Innovation Partnership around the Ageing Society Grand Challenge, with government sitting on its board, to develop a credible and robust innovation pipeline that adds value to the existing health and ageing research and innovation assets in the city-region.



2040 AMBITION - More high-quality manufacturing opportunities close to transport links and population centers.

Page 22

KEY ACTION - To grow high value jobs in the North of GM, and as part of the ongoing work to define the M62 North East Growth Corridor development, the strategic approach and model for 'Advanced Materials City' will be progressed locally and with Government (including through GAMMA).



2040 AMBITION - A top five city-region for the digital economy in Europe, with full fibre broadband and 5G coverage, and with internationally-significant media and cyber-security clusters.

Page 23

KEY ACTION - Develop a robust digital skills pipeline - To address digital skills shortages, GM will successfully deliver pilot programmes, like Skills for Growth and Skills Investment Pot, and use evidence to extend approach.



2040 AMBITION - Carbon neutrality that improves quality of life for residents, minimises the productivity impact on businesses and maximises commercial opportunities.

Page 24

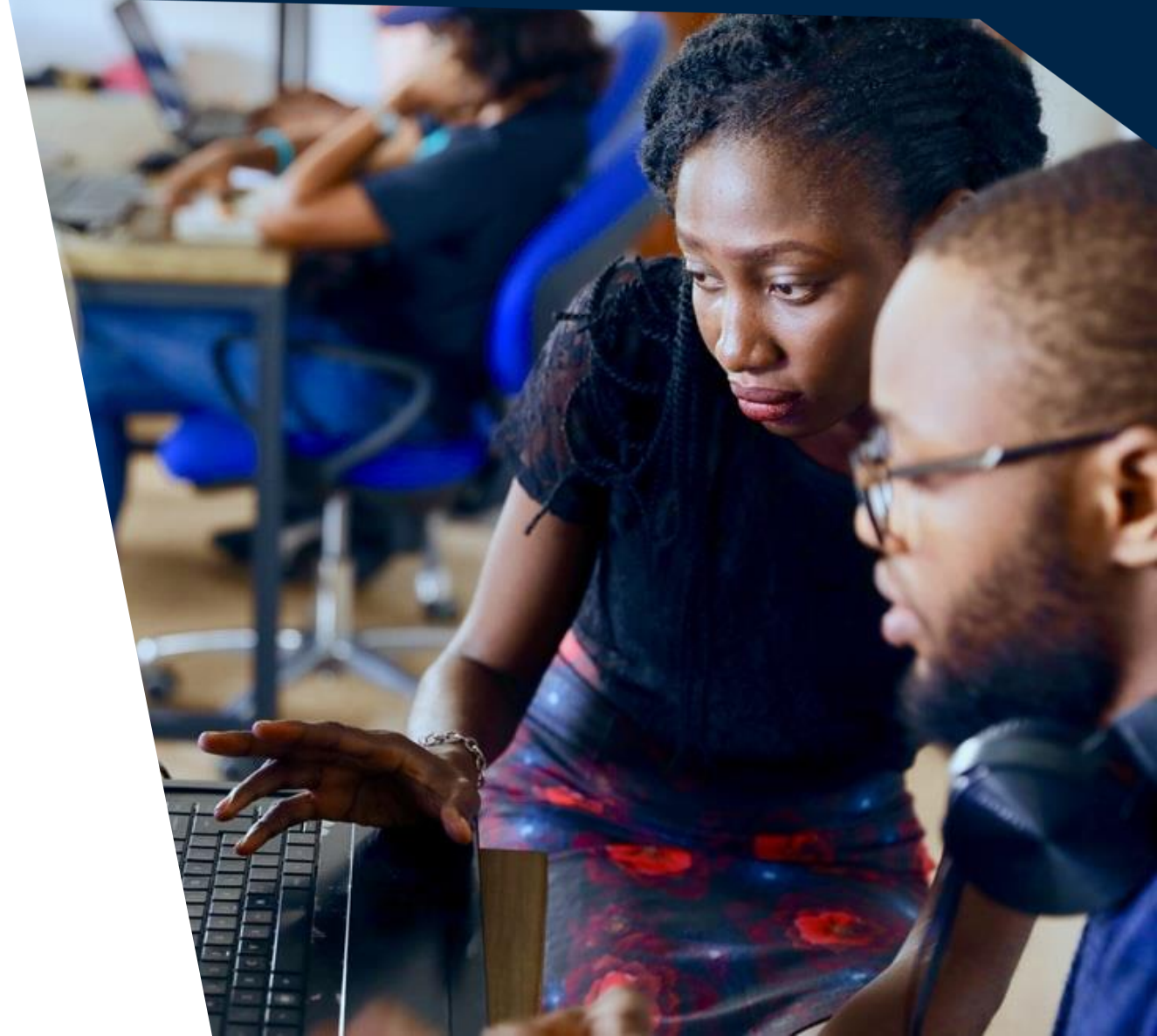
KEY ACTION - Establish the UK's first city-region Clean Growth Mission. To ensure GM achieves the 2038 target and a green recovery from C-19, mission projects will continue to be prioritised. A review of the Mission Based Approach model will be undertaken to learn lessons from year 1.



2040 AMBITION - A skills and work system that enables people to realise their potential, supports emerging industries and is responsive to employers.

Page 25

KEY ACTION - Government and GM have been working in partnership to explore opportunities to connect national and local post-16 skills and work policies in GM. In 2021 the partnership will look apply its recommendations in policy development and delivery.



2040 AMBITION - A coordinated infrastructure system, better commuting and connections north-south and across the Northern Powerhouse.

KEY ACTION - To build the integrated 21st century infrastructure GM needs, GM will develop a comprehensive city-region infrastructure plan that: meets both local and national priorities. The Principles of the GM 'multi year' Single Infrastructure Programme have been agreed with government, and 2021 will focus on identified allocating identified funding pots in line with a Place Based Investment approach.



2040 AMBITION – GM meeting Government’s target for 2.4 per cent of GDP being invested in R&D by 2027, and 3 per cent by 2040.

Page 27

KEY ACTION - Maximizing the impact of existing innovation assets and developing GM’s innovation ecosystem. 2021 will focus on implementation routes for “Innovation GM”, a prospectus for £250m/year devolved R&D funding and a high impact investment pipeline across GM developed for CSR 2020.



2040 AMBITION - Raised productivity and pay across sectors, driven by innovative well-managed businesses which are trading and investing globally.

Page 28

KEY ACTION - To increase the productivity, innovation and growth of businesses in GM, the new programme of management and leadership support developed with GM's Universities will be implemented (subject to resources).

KEY ACTION - To increase economic resilience and grow good jobs and pay, GM will develop an action plan for the 'Foundational Economy' by Spring 2021.



2040 AMBITION - Prosperous cities, towns and communities across Greater Manchester

Page 29

KEY ACTION - GM will seek to strengthen economic areas across the city-region based on their unique opportunities and challenges, building on the diversity of people and places. Each part of GM and each industry sector will need a different mix of policy interventions to realise their full potential, which could include investment in infrastructure, skills, business support, design and marketing, or specialist incubator spaces and premises



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GM LOCAL ENTERPRISE PARTNERSHIP BOARD

SUBJECT: GM Business/Economic Update & Growth Company Support Activities

DATE: 19th January 20201

FROM: Mark Hughes, Group Chief Executive, Growth Company

PURPOSE OF REPORT

To provide an update on the business and economic situation in Greater Manchester and how, in response, The Growth Company is providing vital support to the GM economy and the report specifically focuses on the GC's Business Support, Marketing Manchester and MIDAS activities. The report focuses on new initiatives or significant changes rather than reporting on all components of our support to businesses since Covid-19 impacts commenced. The report has been completed prior to the first 2021 survey results (due on the 18th January) so is more reflective on 2020.

RECOMMENDATIONS:

Members are asked to note the contents of the report.

EQUALITIES IMPLICATIONS

The Growth Company are committed to putting equality, diversity and inclusion at the heart of its services. The activities which are updated upon within this report are delivered with the recognition of the importance of supporting a diverse range of businesses and individuals across Greater Manchester and providing equal opportunities and for all. Programmes are designed and monitored for EDI.

CLIMATE CHANGE IMPACT ASSESSMENT AND MITIGATION MEASURES

Whilst not covered under the details of this report, The Growth Company support and deliver services which contribute towards GM's ambition to achieve carbon neutral living in the city-region by 2038. This includes specific projects such as the Low Carbon programme and providing support and advice to businesses to accelerate their implementation of energy and material efficiency measures in the design and production of their products and services. GC also provides a focused sector development programme for the Low Carbon and Environmental Goods and Services sectors.

CONTACT OFFICERS:

Mark Hughes – Chief Executive, The Growth Company

1. BUSINESS AND ECONOMIC CONTEXT

- 1.2 GC Business Intelligence team is continually monitoring a range of data and information sources and indicators to understand the impact that Covid-19 is having on the economy and business, with this intelligence used to inform and direct GC's activities.
- 1.3 GC also utilises the insight gained from its advisors working with thousands of businesses across GM and since Covid-19 hit, has undertaken a continuous survey of business impacts and issues with over 7,000 surveys now completed.

The report has been completed prior to the first 2021 survey results (due on the 18th January) so is more reflective on 2020. GC's observations across the period March – December 2020 are shared below.

The Current Economic Context

- 1.4 At the end of 2020, there were signs of a period of relative economic recovery. Official figures show the UK's GDP output grew by 15.5% from July to the end of September, the largest increase on record. However, the latest GC Business Survey response and economic indicators show signs of a slowdown as we move into 2021. Consensus of 100 leading economists (polled by the Financial Times), suggest that the economy will return to more 'stable conditions' well into 2023. Looking further to the future, the Office for Budget Responsibility forecasts suggest that output will be 3% lower by 2025; equivalent to £1,400 less per household.
- 1.5 Within Greater Manchester, leading indicators highlighted an easing of cashflow risk, and a rise in firms reporting increasing sales in the latter part of 2020. However, the latest risks to the economy are mirrored in both the most recent survey results and insolvency risk data. This shows that 16.5% of firms in GM are reported as having one or more red flags (a sign of financial stress) compared of 14.5% in the UK. This represents the highest levels of stress recorded by local businesses this year. The sectors most at risk (according to the December data) include real estate, construction, business services, utilities; and by volume tourism, hospitality, leisure, and retail.

Challenges and Opportunities facing GM Businesses

- 1.6 The main impacts reported by business since April this year have consistently been falling sales, cashflow risks, and reserves. Almost immediately, as the nation entered the first lockdown, the proportion of survey respondents reporting decreased sales rose to 75% within one month (March to April 2020), and peaked at 90% in mid-summer as the full impacts of lockdown took its toll.
- 1.7 Since the end of the July peak (as the lockdown eased), the proportion of firms reporting decreased sales fell. This was also reflected by a sharp fall in firms reporting cashflow problems, and an increase in firms reporting a stronger position on cash reserves. The latter also being a likely impact of the variety of government support schemes, local grants and loans put in place. The latest position indicates that the proportion of GM businesses reporting decreased sales and cashflow issues has remained broadly stable throughout the December, following a slight rise in the second lockdown in November/December this year.
- 1.8 The sectors most likely to report decreased sales and worsening cashflow positions throughout 2020 are in the tourism, hospitality, leisure, creative and cultural industries, and parts of retail. This relates to the parts of the economy that are most 'exposed' to lockdown, as well as changes in consumer spending and behaviours, as many firms grew their online sales.
- 1.9 Moving towards the end of 2020, the survey also shows that firms position on cash reserves and redundancy risk have improved. Around 70% of firms now state they have cash reserves to survive more than six months, compared to around 25% in April this year, prior to the announcement and delivery of support measures. This is also mirrored by an increase in the proportion of firms reporting increased sales.

- 1.10 Other commonly mentioned risks and impacts of the current economic crisis include cancellation of events, and difficulties seeing customers and clients. Unsurprisingly, these issues peaked at both the start of the crisis, and during lockdowns. More recently there have been increases in firms reporting supply chain disruption, where almost 40% of firms had experienced this issue, particularly in manufacturing (noting that this could also represent impacts of Brexit).
- 1.11 The parts of the economy most likely to report growth during 2020, include digital technology and software (in particular communications technologies, and digital integration), as many firms accelerated their digital transformation plans and investment. Other sectors experiencing growth include healthcare (in particular jobs in administrative roles linked to test-and-trace), and parts of manufacturing (bulk chemicals, testing/diagnostics and life sciences).
- 1.12 The GC business survey includes questions that track impacts on the labour market which can be compared against the latest official statistics. The latest figures from the ONS highlight that the labour market was starting to recover through September and October, and that the impacts of the second lockdown (on redundancy risk and job losses) in November appear to have been fairly muted so far.
- 1.13 The latest survey findings have consistently suggested that 70-80% of firms have not made redundancies and are not actively planning redundancies. Throughout the latter part of 2020 around 10-15% of firms said they were planning redundancies – in particular during July, although the latest report suggests the figure is lower. The survey shows that tourism, hospitality and leisure industries are more acutely affected.
- 1.14 The survey trends reflect the spike in redundancies notified to the Insolvency Office around late summer, as firms restructured after the first lockdown. The number then fell back as Government schemes were extended and the economy opened up again after October. In Greater Manchester alone, just over 100,000 people are still on 'furlough' down from the 400,000 peak earlier in the year.
- 1.15 Data elsewhere also suggests a that the second lockdown has led to a further weakening during November/December. However, this is nowhere near the scale seen during summer. Nationally, flows out of PAYE employment records in November were just over 100 thousand higher than they had been three months previous, but remained well below the levels of job losses reported back in April/May.
- 1.16 Data on company dissolutions and incorporations does reveal an interesting and emerging trend of company dissolutions being significantly abated due to Government support and forbearance. Many economic commentators believe that the figure will run above long-term average of the last two recessions, and that across the UK, around 25,000 to 30,000 businesses will close (although a recent FSB report speculates a far higher figure).
- 1.17 Whether these trends continue to strengthen, or alternatively run 'true' to previous recessions remains to be seen. The choices facing many businesses, whether to liquidate, restructure, reinvest, also remains to be seen. Indeed, there has been a consistent response in the types of activities firms have undertaken to minimise the risks/impacts they face, and there has been a clear message in terms of the areas of support they need raised in the 7,000 responses.
- 1.18 The UK and EU finally agreed a post-Brexit trade deal on 24th December. It is currently too early to measure the impact of the UK/EU Trade & Co-operation Agreement on businesses, but there are a number of common themes emerging where businesses are seeking clarity:
 - The Trade & Co-operation Agreement provides for tariff and quota free trade between the UK and EU as a bilateral trade agreement; but it's important to qualify that this requires businesses to meet the rules of origin criteria to ensure products contain enough local content (either UK or EU) not to attract tariffs. Due to multi-country supply chains there are UK businesses who are finding that EU importers will pay import duties on some products from the UK, and are currently having to re-consider their supply chains.
 - For some retailers the combined cost of VAT and duties applied to individual products exported is resulting in them suspending sales of lower value products to the EU.

- Businesses are clarifying the requirements for new product standard measures. The UK's own version of the CE mark will be phased in by the end of the year. Previously UK based testing centres could certify products meet EU standards and therefore fit for exporting to the EU. Now, if businesses manufacture in the UK and require 3rd party certification this will have to be carried out by an EU certification body. For products which can be self-certified, this can continue but now the liability falls to the importer to hold the declaration of conformity and take responsibility for entry into that country; operationally this means the importers address has to be on the product. In situations where there are multiple importers in a country, companies are seeking clarification on whether multiple packaging is required.
- Food & drink manufacturers and suppliers are reporting delays at the N.Ireland border resulting in foods at expiry date by the time they are entering, and in some cases the level of customs paperwork requirements is proving too costly to service what they see as a small market.
- Parcel operators like DPD are suspending UK-EU movements due to the level of incorrect or incomplete data on parcels, and have paused European road service due to the increased burden of customs paperwork for packages to the EU.

1.19 Businesses are currently assessing how the agreement impacts on their exports to the EU; determining what criteria applies to them and what actions they now need to take to review the viability of trade with EU and/or changes needed in their international business model to accommodate the new ways of working.

1.20 A combination of the impacts of COVID-19, alongside the risks associated with the UK's exit from the EU will combine in complex ways, and we are only really beginning to understand the full impacts of the challenges they face. Around half of firms we surveyed said they were unaware of the full impacts of leaving the EU, and just under half remained neutral in their outlook.

2. RESPONSE – GC SUPPORT ACTIVITIES

Business Finance

- 2.1 **Bounce Back Loan Scheme (BLS).** GCBF launched its £10m Bounce Back Loan Scheme on 16th November in order to support the many businesses who are dependent on loans at this time to continue to survive and grow as a result of the impacts of Covid-19 and local restrictions in place. By the following day, £16m worth of enquiries had been received and applications had to be paused. Significant levels of ineligible applications have been received (e.g. outside GM, banking with an accredited provider) and also duplicate/fraudulent activity. To 8th January, we have received 957 applications worth a total of £35.4m. Of these, 498 (£19.32m) have been declined, 221 withdrawn (£7.4m), 84 approved (£2.32m) and a further 154 (£4.6m) are in review. The scheme has now been extended until the 31 March 2021. The 84 approved loans have protected 339 GM Jobs, across a wide range of businesses, from small manufacturers and retail and landscapers.
- 2.2 **Coronavirus Business Interruption Loan Scheme (CBILS).** In terms of larger business loan activity, GCBF have invested £3.85m, with £2.54m of the total invested funded by NPIF micro loans. This takes total NPIF investment to £8.44m of the available £10m, with 18 months of the initial investment phase remaining. The announcement of the availability of a further £100m to NPIF in the Spending Review coincides with a bid from GCBF to the fund for further capital which was submitted before the announcement. In line with other Government support packages the CBILS scheme has been extended until 31 March 2021.
- 2.3 **Innovation & Angel Finance.** Demand continues to be high across GM with a reduced supply of private capital in the early stage market continuing. GC Angels has now invested £2.04m of LGF funding which has generated £9.3m of co-investment, with a further pipeline worth £17m. A recent investment saw GC Angels contributing £100k to unlock £1.25m private funding into Culture Shift Ltd, a Stockport tech innovation business supplying UK universities with harassment and bullying management tools.

- 2.4 **Start-up Loans.** After a slow start as a result of the immediate impact of Covid-19, Start Up Loan activity is now increasing. £4.1m has been invested in 336 GM start-ups which despite the challenging economic conditions is higher than the 301 start ups supported with a start up loan in the comparative period 19/20.

Business Support

- 2.5 **EU Exit.** BGH is working as part of the Government's campaign to enable businesses to adjust to the UK's new trading relationship with the EU, raising awareness of new process and documentation requirements. This has included ensuring the BGH enquiry line was staffed over the Christmas period, adding the latest summary guidance as part of web content which complements information held on Gov.uk and delivering a range of informative webinars. Pro-active outreach is also being undertaken, which will be backed up with access to dedicated support to assist businesses to answer their trade questions, in association with both DIT and private sector partners. National coordination support is also being developed for BEIS to support analysis of Growth Hub Network statistics reported in relation to EU trade deal activities. An anticipated potential surge in national enquiries immediately following the announcement of Trade Deal did not materialise nationally, but enquiry levels may rise during January.
- 2.6 **Enabling access to grant funding to deal with the effects of Covid.** GM has been allocated £1.4m of funding from MHCLG to provide 100% grants of up to £3k to businesses impacted by Covid. BGH received over 1600 EOIs which have been scored based on how a business has been impacted by COVID, the numbers of jobs the grant would safeguard, and how the grant would be used to support productivity. The target is to award 426 grants. To date, 60 projects are now live, and 24 have defrayed (20% against target). A further 80 projects are going live (56 in WIP awaiting additional details from the client, and 24 in verification pending internal compliance review). Of the 164 total projects, 99 businesses are requesting minor capital equipment (60%) and 65 are requesting consultancy support (40%). 60 are Visitor Economy and 104 from the Wider Economy.
- 2.7 **Business Support for Tourism, Hospitality & Leisure** GC BGH and Marketing Manchester have created a programme of support specifically tailored to the current needs of the tourism and hospitality sector across GM. Support includes: a specific landing page with a dedicated contact number (over 19,000 unique visitors to date); identified BGH advisors with specific experience in this sector to support; provision of Clinics and one-to-one support to help businesses with their strategic direction, along with a programme of support where businesses from the sector can work together to identify opportunities for the future; an Access to Finance specialist for the sector, helping businesses understand their finances, looking at cash flow and helping to identify sources of finance. For self-employed, freelancers or people working in the gig economy, GC can provide access to the Enterprising You Programme.
- 2.8 **Peer Networks Programme – Greater Manchester.** BGH are providing national co-ordination across Growth Hubs for the Peer Networks Programme in England. This has recently included joint work with the LEP Network and BEIS to engage LEP CEOs to raise the importance of the programme and efforts to achieve the programme goal of 6,000 participants nationally. BGH is leading on one to one meetings across the network involving LEP CEOs to evaluate progress in each Growth Hub area, particularly those with ongoing recruitment. Within Greater Manchester good progress is being made towards the extended commitment of 30 cohorts (a total of 330 participants) working with delivery partners. To date 300 businesses have been recruited and 245 participants are in the process of completing the full registration process. 9 cohorts are already operational with a further 7 starting the week beginning 11th January, with the remainder due to begin by early February following completion of the current recruitment process.
- 2.9 **Skills for Growth SME Support.** BGH will be supporting 4,000 SMEs across GM to reskill their workforces via the Skills for Growth programme, supporting the city region's long-term economic recovery in response to Covid-19. Funded by the European Social Fund and commissioned by the GMCA, the Skills for Growth – SME Skills Support package will be delivered in partnership with the Greater Manchester Chamber of Commerce (GMCC). The scheme will support businesses that need to better understand and develop their staff skill sets and business models to ensure they are future-

proofed and in a strong position to grow. To the end of December, 392 businesses have been engaged by the Skills for Growth brokerage service, with 46 Skills Productivity Plans and 26 Individual Skills Development Plans produced. As part of the service, The GM Skills Map will be launched on 13th January, which will take the form of an online portal which providers can upload their learning activities to, so that the businesses and employees that are supported through the programme can find the right learning activities that will help them to re-skill and be fit for the future. Being part of the GM Skills Map will increase providers exposure to the businesses supported through the programme alongside being an open access website will be available for the general public to search for learning activities.

- 2.10 **EnterprisingYou.** Provides support for GM residents who are self-employed or Gig workers with earnings of less than £27,00, who have been trading for 4 months or more and are over 18 years old. The programme includes 1-2-1 access to a Business Coach & Specialist Advisors (Mentoring, Personal Finance & Health & Wellbeing); free access to a digital portal including H&W support; Career support & Training/Development provision. To date there have been 1,768 enquiries, 693 starts on programme, 193 clients have accessed the Finance Specialist, 173 the Health & Wellbeing specialist & 116 accessed and aligned with a Mentor (171 referrals in progress to mentoring). 80 clients have accessed the Training & Development provision and attended 341 courses. The programme has specifically adapted to the Covid lockdown situation with all support delivered remotely. The programme has also developed and provided Covid related factsheets, social media comms, specific webinars and web content. The information provided by these various communication channels is regarding the Covid specific support that is available, both nationally and in GM, from organisations such as GC, Government and other support providers.
- 2.11 **GC Kickstart.** GC's kickstart offer is underway, with a number of applications submitted to DWP. Currently GC have over 700 placement opportunities going through the application process. 377 of these have been submitted to DWP, and of which we have been noticed that 175 placements have been approved (including 31 placements internally in GC). DWP have requested that GC pause submitting any further applications until we receive the outcomes and paperwork for the 377 placements.

In addition to the above 700 placement opportunities at application stage, GC have received Expression of Interests which amount to a further 500 placements. GC are engaging with employers in order to qualify the placements ahead of proceeding to application. GC have also established partnerships with a number of organisations to provide white label services including: GMCVO, Bruntwood, Stockport Local Authority, Scaleup Institute, London & Partners, Bionow, Forum of Private Business. A number of LAs have also agreed to make referrals to GC's kickstart programme. GC's Tier 3 offer has the potential for Aspire to directly employ a Kickstarter, who is then placed/hosted in a business, however, we are still awaiting final confirmation from DWP on this route.

- 2.12 **Employment Legal Advice Service.** A new service delivered in partnership with Manchester Citizens Advice, providing support to individuals across GM to access free employment-related legal support, with legal experts donating their time on a Pro Bono basis. Law firms taking part include: Aaron and Partners, Glaisyers, Linder Myers, Monarch, Peach Law, Stephenson's, Wrigley Claydon, Hattons Solicitors, and JMR Solicitors. Enquiries to the service are passed on to a dedicated triage advisor to review the case and decide on the correct pathway for the user, including whether to refer them to an expert from the network of legal partners. To date, 71% calls received have been triaged to a solicitor, with 60% of clients referred being taken on. Issues has ranged from pay disputes to potential discrimination.
- 2.13 **Redundancy Support/EmployGM.** GC continue to receive and monitor HR1 notifications, with a system in place across GC Employment, GC BGH and DWP, who are working closely to ensure that both the business and their employees receive the support they need. Analysis of the latest December (provisional) jobs at risk figures from the Insolvency Office (HR1s, firms with over 20 employees), suggest that just over 800 jobs were notified at risk in December, 8% of the total notified at risk at the end of June (peak level) last year. GC are proactively reaching out to businesses affected and are liaising with partners including GMCA, DWP and Local Authorities in order to provide a co-ordinated response, and to ensure that employers/individuals are aware of GC's

services. This includes EmployGM, which helps to signpost individuals to find the support that they need in order to find new roles or develop new skills, and to date has received 18,745 visitors.

Support For Tourism, Hospitality & Leisure

- 2.14 **GM Tourism & Hospitality Support & Recovery Plan.** Launched in early November, the Recovery Plan has been developed by Marketing Manchester in partnership with the Tourism Industry Economic Recovery (TIER) group, which is comprised of leading voices across the tourism, hospitality and leisure sector including culture, aviation, transport, sport, conferencing, hotels, food and drink and retail. The aim of the plan is to help Greater Manchester's sector navigate the next six months before rebuilding, following the devastating effect of the Coronavirus pandemic.

The plan includes eight areas of focus. The first three that MM and partners have been, and will continue, to support: providing a regular programme of business advice and information; support across GM to lobby for continued Government support; and raising the profile of GM's tourism, hospitality and leisure sector at a national level. When the time is right to move towards recovery, the plan prioritises an additional five areas of focus: rebuilding consumer confidence in, and the profile of, Greater Manchester; rebuilding the region's international profile and connectivity; building back the business visits and events (conferencing) sector; better demonstrating how the tourism, hospitality and leisure sector can support Greater Manchester's wider strategic objectives; and seeking consensus for a more sustainable structure for DMOs like Marketing Manchester, to ensure businesses continue to benefit from their support and activity.

To accompany the Recovery Plan, a focused set of interventions has been identified to support the recovery of Business Visits and Events. The **GM Business Visits & Events 10 Point Recovery Plan** has been developed in collaboration with industry partners and again implementation will begin when Government restrictions permit.

Both plans have been shared with VisitEngland, VisitBritain and the Department of Media, Culture & Sport (DCMS).

Resources to implement both plans have yet to be identified: an application to VisitEngland for funding to support marketing activity has been unsuccessful. A further request to VisitEngland for funding to support Business Visits and Events recovery has been submitted.

- 2.15 **Tourism and Hospitality Support Hub:** GC/MM set up the Tourism and Hospitality Support Hub to signpost and connect the sector to advice, support, research and reopening guidance. To date the website has received 19,421 visitors. The most visited pages are 'support and guidance' updates. As mentioned above, Marketing Manchester have also been working closely with GC BGH to target support towards businesses in the Tourism, Hospitality & Leisure sector.

- 2.16 **Recovery Campaigns:** MM has delivered several recovery themed campaigns with partners:- Manchester Misses You, Find Your Space and Space to Learn, which collectively reached audiences over 12m with engaging inspirational content. Other campaigns include:

- **Have A Night on Us Short-break Campaign** – MM launched an Autumn Shortbreaks campaign on called 'Have a Night on Us' in partnership with MHA (Manchester Hoteliers Association) to promotes hotel offers that include a free night. The campaign was halted after a week when restrictions were increased and will restart when restrictions allow.
- **Space to Meet** – this campaign is focused on business tourism but was put on hold due to additional restrictions. However, MM's conference bidding activity continues and to date 5 conferences have been won with an estimated economic impact of £4m, including: 3rd International Conference on Energy Research and Social Science (September 2021); UKInbound Annual Conference (postponed to June 2021); Para Power Weightlifting World Cup (March 2021); World Para Swimming Championships (August 2023).

- **Back to the office** - campaign development is underway to target commuters to encourage them to begin returning to offices, aiming to increase footfall and support transport providers, hospitality, retail and cultural businesses. Timing for commencing this campaign will be aligned to GM's Tier status and government work from home advice. The campaign will include supporting GM's business organisations in communications with business networks and employees.

Since the National Lockdown Restrictions were re-introduced on 6 January 2021, the above campaign delivery has been placed on hold. However, campaign planning and content gathering continues in order to have activity plans in place when it is appropriate to recommence. In addition, work is underway in partnership with the Cultural Sector to develop and deliver a **Cultural Campaign**, funded by Arts Council England, to drive audiences back into cultural venues when restrictions permit. Marketing Manchester is coordinating and delivering this activity on behalf of 17 GM cultural venues.

In the meantime, the **Manchester Misses You** campaign from the original lockdown last year has been turned back on. As before, the campaign aims to inspire from the sofa, providing vibrant virtual content including cultural and education experiences about Greater Manchester. The campaign is supported by a social media campaign and new content from our partners is welcome.

2.17 GM Priority Thematic Campaigns: Longer-term strategic marketing campaigns are in development working with GMCA and MIDAS colleagues and will focus on three integrated multi-channel campaigns to run in 2021: Digital, Green and Innovation. These themes align with and deliver against GM's LIS, Economic Proposition and Internationalisation Strategy and will include inward investment and business conference delivery strands.

- **Innovation.** "Powered by Innovation Campaign" aims to strengthen GM's position as a leading region for innovation. To drive economic growth across GM and beyond, by building on our globally leading R&D and innovation capabilities, to deliver increased prosperity, and longer and healthier lives for all GM's citizens. Multiple sectors will be featured within the campaign including: Advanced Manufacturing and life Lifesciences and will be aligned with Innovation GM.
- **Digital.** The 'Digital in the DNA' campaign will showcase Manchester's digital strengths and position the city region as a digital exemplar on a global scale. The campaign will enhance GM's reputation as the business location of choice for digital sub-sectors where it outperforms all other UK cities – cyber security, eCommerce, AI and data, service design, IoT, MedTech (& strengthening the foundations of economy).
- **Green Campaign.** A 'Greener Manchester' Campaign is in development for 2021 in conjunction with key partners and organisations including GC, MIDAS, GMLEP, GMCA and the private sector. Work is underway to explore a unified GM presence at COP26, the United Nations Climate Change Conference to be held in Glasgow, Nov 2021.

2.18 Industry Research: The final series of industry surveys for the NatWest North of England Tourism Business Barometer has been completed. A webinar was held in late November for over 75 businesses to share the findings. Based on the success of the Barometer, NatWest have agreed to sponsor a further programme of monthly industry insights which will commence at the end of January 2021.

2.19 LEP Economic Vision: Marketing Manchester is delivering content curation and communications activity, on behalf of the GM LEP, working with GMCA colleagues to articulate Greater Manchester's economic vision, strengths and ambitions and ensure that the Government is fully aware of the city-region's capabilities and ability to play its part in delivering the UK's recovery agenda. The Proposition was launched on 18th November with 170 delegates registering. Speakers included Cllr Elise Wilson and GMLEP Co-Chairs, Mo Isap and Lou Cordwell. Media coverage was achieved in eight publications providing over 1million OTS and social media which a reach of 214k. The

Economic Proposition has been downloaded over 500 times to date. A more detailed Communications paper is included in the agenda.

Inward investment

2.20 **Performance.** To date MIDAS have closed 32 projects, creating 970 new jobs and safeguarding a further 453. Forecasts suggest a year end position of approximately 2,000 – 2,500 jobs created across 60-65 project successes. This would signify a fall of at least a third on the previous year of both jobs and project successes. UNCTAD and EY were predicting between a 40 – 50% fall in FDI this year, therefore GM looks like it will be at the more favourable end of that prediction.

MIDAS have held 504 meetings across 270 key accounts year-to-date as part of an accelerated response to COVID-19. A total of 269 enquiries have been sourced year-to-date, with monthly intake falling by around 30% compared to pre-COVID, although the pipeline had started to recover towards the end of quarter 3 which was itself down around 15% in comparison to the same period last year.

2.21 **Key Business Development Activity – Quarter 4**

- Ecommerce project (300 jobs) – involves the relocation of a growing ecommerce company already based in North West into GM. The client is currently finalising property and MIDAS hope to conclude a deal in the next couple of weeks.
- Project Valley (c.50-60 jobs, high value) – an overseas company with an existing GM operation looking to create an innovation centre for rapid design, prototyping and small-scale manufacturing to be their global hub for design and innovation. Future mobility / microbility (e-bikes), and would be linked to universities for skills and R&D – batteries, advanced materials etc.
- Project Oklahoma (up to 900 jobs) – in collaboration with DIT, MIDAS are working with a diagnostics manufacturing site.
- YourGene Health (105 jobs) – 70% of their expansion is in Manchester with the rest of their job expansion is in Canada, U.S. and France, as a result of the company pivoting to COVID testing and the expansion of their genomic testing services.
- New eCommerce project (c.200 jobs) – OnBuy, UK online marketplace company opening an office in Manchester in 2021.
- Berkshire Hathaway (10-15 jobs rising to c.50) – New insurance company to GM with a great profile.

2.22 **Initiatives.** Continued development of a Greater Manchester Low Carbon Innovation Park, particularly focused on e-bike manufacturing and R&D, with interest from several manufacturers and supply chain companies. The concept was put forward for CSR and has been developed since with input from GMCA.

MIDAS are commissioning research for a piece of work to map 'longevity assets' in respect to the healthy aging High Potential Opportunity (HPO) work, in anticipation of the rapid growth in this market during the rest of the pandemic and afterwards.

3 **RECOMMENDATIONS**

Recommendations appear at the front of this report.

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