

# GREATER MANCHESTER LOCAL ENTERPRISE PARTNERSHIP

**DATE:** Thursday, 18 March 2021  
**TIME:** 4.20pm - 5.30pm  
**PLACE:** Via Microsoft Teams

## AGENDA

Item	Pages
1. Welcome, Apologies and Introduction  Lou Cordwell	
2. Declarations of Interest	1 - 2
3. Notes from 24 February 2021 and Approval of Decisions  To receive the notes from the discussion of 24 February 2021 and approve the decisions through the agreed procedure.	3 - 6
<b>Strategy</b>	
4. Budget Discussion  John Wrathmell	7 - 20
<b>Governance</b>	
5. Board Member Feedback on Meetings Attended  All	
<b>Performance</b>	
6. <a href="#">GM Economic Dashboard</a>  John Wrathmell	
7. Innovation GM Update  Chris Oglesby	21 - 28

- |            |   |          |
|------------|---|----------|
| <b>8.</b>  | GM International Strategy Implementation Plan         | 29 - 56  |
|            | Mike Blackburn  |          |
| <b>9.</b>  | 3 Year International and Marketing Programme          | 57 - 74  |
|            | Mike Blackburn  |          |
| <b>10.</b> | GC Business Support, International & Marketing Update | 75 - 84  |
|            | Mark Hughes   |          |
| <b>11.</b> | GC Business Plan 2021-22                              | 85 - 138 |
|            | Mark Hughes   |          |
| <b>12.</b> | Suggestions for Future Agenda Items                   |          |
|            | All   |          |

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## DECLARATIONS OF INTEREST

**28 March 2021**

(To be completed as necessary by all board members and advisors)

**Name:** .....

Minute Ref / Item No	Nature of Interest

**COMPLETE THIS FORM IF YOU HAVE AN INTEREST IN ANY PARTICULAR ITEM ON THIS AGENDA (SEE GUIDANCE OVERLEAF).**

**ANY COMPLETED FORMS SHOULD THEN BE HANDED IN TO ALLAN SPARROW AT THE START OF THE MEETING**

## GUIDANCE ON DECLARATION OF INTERESTS (AS PER DRAFT TERMS OF REFERENCE)

1. Subject to point 3) below, members (and advisors) must declare any interests (on the form provided), either at the **start of the meeting or as soon as any potential interest in an agenda item becomes apparent** during the course of the meeting.
2. Members must declare an their interest when the business being discussed specifically relates to
  - Their business
  - Any body of which they are a member
  - Any person or body who:-
    - Employs them
    - Makes payments to them
    - Has a contractual relationship with them
  - Any land or property in which they have an interest

This also applies to any close member of their family or person with whom they have a close relationship.

3. For the purposes of the above:
  - An interest of which a member has no knowledge and of which it is unreasonable to expect him or her to have knowledge shall not be treated as an interest of his or hers.
  - In relation to a non-pecuniary interest, a general notice given to the LEP that a member is to be regarded as having an interest, of the nature and the extent specified in the notice, in any transaction or arrangement in which a specified person or class of persons is interested shall be deemed to be a disclosure that the member has an interest in and such transaction of the nature and extent so specified.
4. Members (and advisors) with a declared interest in an item of business would usually be required to leave the room. **BUT** the board may want such an individual to contribute their knowledge and experience to the discussion despite the interest so declared. If this is the case the affected member can remain in the room - functioning as a resource that can be drawn upon to assist the board in their deliberations. The affected member should then withdraw when the decision on the matter is being taken and must withdraw at the decision-making stage if the member has a pecuniary interest unless otherwise determined by the Chair of the meeting. In the absence of the Chair or where an item of business relates to the Chair or an interest of the Chair, the meeting shall be chaired by a nominated Vice Chair if there is any or by a member selected by the meeting for that purpose.

**NOTES OF A GREATER MANCHESTER LOCAL ENTERPRISE PARTNERSHIP BOARD DISCUSSION HELD AT 16:20 ON WEDNESDAY 24 FEBRUARY 2021 VIA MICROSOFT TEAMS LIVE EVENTS**

**1 WELCOME, APOLOGIES & INTRODUCTIONS**

The Chair welcomed all present. It was noted that the meeting was not quorate, and therefore a private discussion session would take place, and that any decisions required would take place through the agreed written procedure set out in the terms of reference following the discussion.

**STRATEGY**

**2 GM INFRASTRUCTURE UPDATE**

- Roger Milburn (Chair of the Greater Manchester Strategic Infrastructure Board (SIB)) introduced a report that updated the Partnership on SIB infrastructure development and its future working relationship with the GM LEP.
- It was advised that since adopting a more formalised approach to the SIB two years ago, the Board had taken on two primary elements to its work. Firstly, the adoption of the Greater Manchester Infrastructure Framework 2040, and secondly the underpinning of this with 11 separate infrastructure challenges noted within the report.
- Members commented on how well the SIB had brought together previously fractious elements of the market together for the benefit of Greater Manchester, with a clear integration into governance and future plans.
- The powerful recommendations arising from the SIB were highlighted. Such as the SIB's recommendations around broadband infrastructure being focussed on the towns and regions on the outer edges of GM.
- The importance of working with the SIB on work going forward, such as Net Zero Carbon activity, was highlighted. The SIB could work with the LEP on how the milestones could be best achieved in the timeframes; skills needed; appropriate investments; what could be done by government & locally etc.
- The importance of collaborative pan-GM work around Innovation GM was highlighted.
- The Chair of the SIB stated that there was a need to think about 'infrastructure' as something wider than simply transport connectivity. Equal to the importance of transport, were utilities (energy/water/drainage), which would become increasingly vital going forward; and thirdly digital infrastructure – which has proven its importance in how much it had underpinned the work of the last

twelve months. These three lynchpins were all interconnected and one could not succeed without equal focus being given to the other two.

### **3 GM INTERNATIONAL STRATEGY**

- Mike Blackburn advised that six months ago a one-year International Strategy had been prepared, with plans to undertake a review about when to best (in light of ongoing Covid issues) widen the remit to restart an International Strategy that covers a number of years. It was felt that now would be the right time to start moving on this.
- The Growth Company and MIDAS had been working with the Department and International Trade (DIT) to get more resource into GM. DIT representative Christos Kottis provided some further insight – stating that a lot of collaborative work was taking place across relevant sectors about how to boost exporting, not just for existing exporters, but those who may not have previously had the confidence to get involved.
- Feedback was sought on the Export Plan which would be fed back outside of the meeting.

## ***GOVERNANCE***

### **4 LEP CAPACITY FUNDING 2021/22**

- The allocation of the 2021/22 LEP core funding was discussed including the proposed priorities for in the forthcoming year in line with the GM Economic Vision.
- Approval would be considered through the agreed written procedure set out in the terms of reference.

## ***PERFORMANCE***

### **5 LOCAL GROWTH FUND UPDATE**

- The deadline for full allocation spend was 31<sup>st</sup> March. Following this the LGF would no longer exist and would be replaced by new government funding initiatives. This formed a final request to allow LA CEX's to apply flexibility to how the funds would be allocated. A full reconciliation of the spend would be provided following this.
- Approval would be considered through the agreed written procedure set out in the terms of reference.

## **6 BOARD MEMBER FEEDBACK ON MEETINGS**

- The annual LEP performance review had taken place. Broadly the feedback had been strong.

## **7 GM ECONOMIC DASHBOARD**

- Noted.

## **8 GROWTH COMPANY BUSINESS SUPPORT UPDATE**

- There had been a notable hiatus on activity over the previous month. This was possibly down to businesses waiting to see the national roadmap from the government. Generally, business had welcomed the roadmap when it was announced. Businesses were now waiting for the outcomes of next week's Budget announcements.
- In general, more businesses were moving towards a positive mindset looking forward – with lots of discussions taking place around growth.
- More reflective thinking appeared to be taking place about returning to the office-based environment, with more nuance now than the initial pendulum swing thinking.

Session closed at: 17:10

The next meeting of the Board would take place on Thursday 18<sup>th</sup> March 2021

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## Budget 2021: Briefing

### HEADLINES

#### Fiscal position and economic projections

- **Headline projections for the economy are better than those produced in November 2020.** The OBR forecasts that real GDP will reach its pre-pandemic peak by the second quarter of 2022, 6 months earlier than originally anticipated. Government borrowing reached 16.9% of GDP in 2020-21, the highest level of peacetime borrowing on record and next year it is forecast to be 10.3% of GDP. Peak unemployment is now expected to be 6.5% (rather than 11.9% forecast last July and 7.5% forecast in November).

#### Covid-related support

- **Most forms of Covid-related business support extended.** The Chancellor announced an extension to most forms of emergency CV-19 business support – including the furlough scheme, VAT cuts and business rate reliefs. In most cases these are extended until the end of September, though in some cases they begin to ‘taper’ from July (e.g. the furlough will begin requiring some employer contribution from July). The Self-Employed Income Support Scheme (SEISS) will also run for a further two grant periods until the end of September. It was also extended to those who were newly self-employed in 2019-20 or who became majority self-employed in that year. However, this still leaves those whose average profit is over £50k and company directors excluded from the scheme.
- **Apprenticeships and Traineeships.** Various funding announcements were made to support job creation: including a boost to the apprentice hiring bonus (to £3k) and an extra £126m for traineeships for 18-24 year olds this year.
- **Universal Credit uplift temporarily extended.** The £20pw Universal Credit uplift was extended by 6 months to September. There will also be an analogous one-off £500 payment to eligible Working Tax Credit claimants (who can’t receive payments each week for logistical reasons).
- **New ‘Restart’ grants** of £6k (for shops) and £18k (for hospitality and leisure businesses) were announced to help firms with the costs of reopening after lockdown.
- **ARG boost.** An additional £425 million of discretionary business grant funding for local authorities to distribute (which we believe will be a top up to the Additional Restrictions Grant).

#### Tax changes

- **Corporation tax and Income tax increases.** Two major tax rises were announced. Corporation Tax on the largest companies (those with profits over £250k) will increase to 25% from 2023. And the income tax personal allowance and higher rate thresholds will rise to £12,570 and £50,270 respectively in April 2021 and then be frozen at that level until April 2026.
- **The ‘super-deduction’.** One major tax cut was announced. From 1 April 21 until 31 March 23, companies investing in qualifying new plant and machinery assets will benefit from a ‘super deduction’ - a 130% first-year capital allowance.

## Other announcements

- **Intracity Transport Settlement.** GM received an allocation of £8.6m capacity funding to prepare for our share of this £4.2bn settlement, announced in the Budget last year.
- **Funding under the Towns Fund** was announced, which includes three places in GM: Bolton (£22.9m), Cheadle (£13.9m) and Rochdale (£23.6m)
- **Freeport** status was awarded to Liverpool City Region (LCR) and seven other places in England (including East Midlands Airport, owned by the Manchester Airport Group). Port Salford is a site within the broader LCR bid.
- **The National Minimum Wage** will increase to £8.91 per hour next year.
- **Help to Grow schemes:** Two new business support schemes for SMEs were launched - 'Help to Grow: Management' (providing leadership and management training), and 'Help to Grow: Digital' (vouchers subsidising the cost of software).
- **A review of Local Enterprise Partnerships (LEPs)** was soft launched on a webpage summarising details of a range of competitive funding streams announced as part of the budget.
- Further details were announced on four competitive funding schemes:
  - **The Community Renewal Fund** (a one-year pilot ahead of the UK Shared Prosperity Fund). This will fund primarily revenue projects totaling up to £3m per local authority to fund activity to boost skills, support local businesses, support communities and places, and support employment. Four GM areas (Manchester, Bolton, Oldham, Rochdale) are on the 'top priority' list for funding. GMCA will be required to invite bids from local organisations and submit a portfolio to national government who will then take final decisions.
  - **The Levelling Up Fund.** This will fund capital projects of up to £20m, focusing on transport, regeneration and cultural investment. Local authorities will be the lead bidders and over the lifetime of the Fund (this Parliament) will be eligible for funding for one project per constituency in their area. Where constituencies cut across council boundaries, a lead authority needs to be negotiated. 9/10 GM authorities are on the 'category 1' priority list for this fund (Salford is not). In addition, GMCA is eligible to submit one Transport bid. Local MP support will be heavily encouraged.
  - **The Community Ownership Fund** will provide up to £250k match funding for community groups to help them buy or take over community assets at risk of being lost.
  - **The £1bn Net Zero Innovation Programme** was first announced in the PM's 'Ten Point Plan for a Green Industrial Revolution' last year. Further details were announced in the Budget, including competitions on four components of the Programme:

## FURTHER DETAIL

This briefing broadly follows the structure of the Budget itself, with five key sections:

1. **The fiscal and public spending outlook**, including updated projections for the public borrowing and economic growth
2. **Protecting jobs and livelihoods**, which concentrated on CV-19 specific measures to support people and firms
3. **Strengthening the public finances**, which looked at tax and benefits changes
4. **An investment-led recovery**, which covered interventions and policy announcements designed to support the UK's medium-long term economic recovery from the pandemic
5. **Other documents published alongside the budget** (inc. the mandate for the new UK Infrastructure Bank and the 'Plan for Growth')

### 1. Fiscal and public spending outlook

The Government's priority is to return the public finances to a more sustainable footing following a period of record borrowing. The preferred way of doing this is through growth, along with some tax rises. Though in reality day-to-day public spending will continue to be quite tight outside a few 'protected' Departments who are seeing growth.

Many of these projections (and therefore the following spending and tax decisions) are based on an unusually uncertain forecast. The central forecast is that national income will take a long-term real hit of 3% relative to pre-pandemic forecasts. But this sits within a range from 0% to 6%.

- **Gross Domestic Product (GDP) for 2020 as a whole fell by 9.9%** and the Office for Budget Responsibility (OBR) predict that GDP will be c0.75% higher in Spring and Summer 2021.
- The OBR forecasts that real GDP will reach its pre-pandemic peak by the second quarter of 2022, **6 months earlier than originally anticipated**. The new OBR GDP forecast suggests the economy will grow by 3.9% in real terms between 2019 and 2024, compared to 3.7% in the November 2020 forecast.
- **Government borrowing** reached 16.9% of GDP in 2020-21, the highest level of peacetime borrowing on record and next year it is forecast to be 10.3% of GDP. Overall, the pandemic has added an additional 25% of GDP to our debt levels, with debt now expected to reach a new peak of nearly 100% of GDP toward the end of this Parliament.
- **Unemployment is now projected to peak at 6.5%** which is below what many commentators expected last year.
- **The Budget did cut £4bn from day-to-day public spending next year**, though HMT argues that this is a technical adjustment to reflect changes in inflation and doesn't represent a real terms change in spending.

## **2. Protecting jobs and livelihoods**

### Covid-19 business support

The Budget announced fairly significant additional Covid-related funding for businesses, with the goal of supporting the economy as the country exists lockdown over the coming months. This includes:

- **Recovery Loan Scheme.** This new loan scheme will replace CBILS and BBLs. It will open on 6 April and enable businesses of all sizes to access term loans, overdrafts, invoice finance and asset finance between £25,000 and £10 million, with a Government guarantee of 80% on eligible loans.
- **'Restart Grants'**. These will be available in England and delivered through local authorities. They will be up to £6,000 per premises for non-essential retail businesses and up to £18,000 per premises for hospitality, accommodation, leisure, personal care and gym businesses. They are designed to support businesses with the costs of re-opening.
- **Additional Restrictions Grant.** The Budget announced an extra £425 million allocation for local authorities in ARG.
- **Statutory Sick Pay (SSP) Rebate Scheme.** SMEs will continue to be able to reclaim up to two weeks of eligible SSP costs per employee.
- **VAT Deferral New Payment Scheme.** Any business that used the initial VAT deferral will be able to pay that deferred VAT in up to eleven equal payments from March 2021.
- **Temporary VAT reduction.** The 5% VAT rate for goods and services supplied by the tourism and hospitality sector will continue until 30 September 2021 – and then a discounted 12.5% rate will apply for the subsequent six months until 31 March 2022.
- **Business Rates Relief.** 100% business rates relief will continue to 30 June for eligible properties, followed by 66% relief for the period from 1 July 2021 to 31 March 2022.
- **Trading loss carry-back.** This will be temporarily extended from the existing one year to three years to allow people to offset losses against tax paid in previous years.
- **Airports and Ground Operations Support Scheme.** This will be renewed for a further six months from the start of 2021-22, providing support for eligible businesses in England up to the equivalent of half of their business rates liabilities during 2021-22.
- **Increased single contactless payment limit.** This will be increased up to £100, and cumulative contactless payments up to £300.
- **Culture Recovery Fund.** The government will provide £300 million to extend the Culture Recovery Fund to continue to support key national and local cultural organisations in England as the sector recovers.
- **Film and TV Production Restart Scheme.** The government will extend the £500m Film and TV Production Restart Scheme for six months to 31 December 2021.
- **Sport Recovery Package.** The government will provide £300m for continued support to major spectator sports in England, supporting clubs and governing bodies.

### Covid-19 income support for individuals

- **Furlough.** The Coronavirus Job Retention Support Scheme (CJRS) will be extended to Sept 21. An employer contribution towards the cost of unworked hours will be introduced from July at 10%, then 20% in August and September.
- **Self-employed income support (SEISS).** SEISS has also been extended:
  - Fourth grant (Feb 21 - Apr 21) will cover 80% of average monthly trading profits, paid out in a single instalment covering 3 months' worth of profits up to £7,500 in total.
  - Fifth grant (May 21 - Sept 21) - A fifth and final grant will be provided under the scheme. The value will depend on percentage turnover reduction in the year Apr 20 to Apr 21:
    - For self-employed with a turnover reduction of 30% or more, the grant will cover 80% of 3 months' average trading profits, capped at £7,500
    - For self-employed with a turnover reduction of less than 30%, the grant will cover 30% of 3 months' average trading profits, capped at £2,850
  - People newly self-employed in 2019-20 (previously ineligible) will now be able to claim grants 4 and 5 if they submitted their 2019-20 Self-Assessment tax return by 2 March.

### Benefits

- **Universal Credit.** The £20/week Universal Credit (UC) temporary uplift will be extended for six months. However, this now means it will end around the time that unemployment is expected to peak. When it ends, it could cost the poorest households up to 7% of their total income.
  - The UC surplus earning threshold of £2,500 will be also maintained until Apr 22. The UC Minimum Income Floor (MIF) suspension for self-employed UC claimants will be continued until July 21 (it will be reintroduced from August with Work Coaches given discretion to not apply it where individuals' earnings are affected by Covid restrictions).
  - From Apr 21 the period over which UC advances will be recovered will increase to 24 months and maximum deductions will reduce from 30% to 25% of standard allowance (previously announced for October).
- **Working Tax Credit uplifts.** There will also be a one-off payment of £500 to eligible Working Tax claimants. Working Tax Credit claimants who have been furloughed or had fewer working hours due to CV-19, will still be treated as working their normal hours for the duration of CJRS.

### Housing

- **Mortgage Guarantee Scheme.** A new mortgage guarantee scheme from Apr 21 to 31 Dec 22 will provide a guarantee to lenders to offer 5% deposit mortgages for homes worth up to £600k.
- **Stamp Duty cut extended.** The temporary SDLT cut for properties up to £500k is extended until 30 June 21. From 1 July, the Nil Rate Band will be £250k, returning to £125k from 1 Oct.
- **Shared accommodation rate exclusion for care leavers.** Care leavers up to the age of 25 (and those who have spent at least three months in a homeless hostel) will be exempt from the Shared Accommodation Rate in UC and Housing Benefit from June 21 (previously Oct 23).

Jobs and training

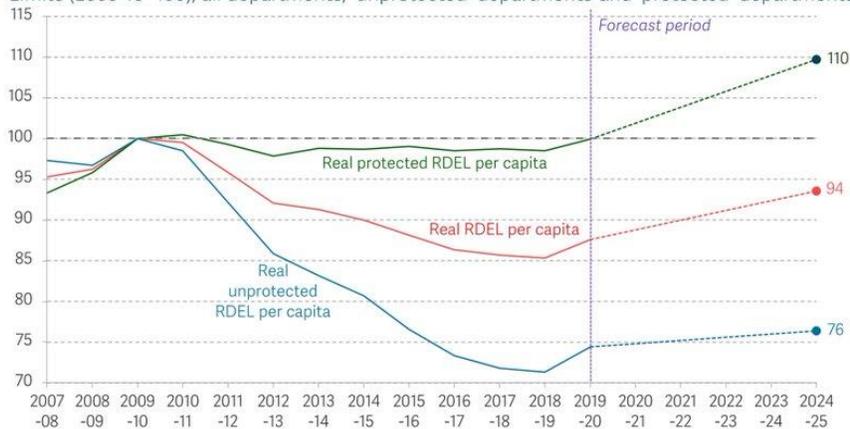
- **Traineeships.** An additional £126m will be provided in England for work placements and training for 16-24 year-olds next academic year.
- **Apprenticeship hiring bonus.** Employers in England who hire new apprentices between April and September 2021 will receive £3,000 per new hire (compared with £1500 per new apprentice hire and £2000 for under 25s under the previous scheme). This is in addition to the existing £1000 payment for 16-18 year old apprentices and under-25s with EHC plans.
- **Multi-employer apprenticeships.** A new £7m fund will be introduced from July 2021 to help employers in England set up and expand 'portable apprenticeships' which will enable people to work across multiple projects with different employers whilst undertaking an apprenticeship. In particular, the Creative Industries Council will be asked to bring forward proposals in recognition of the potential benefits for the creative sector.

Covid-19 related public spending

The Budget cut £4bn from day-to-day public spending next year, though HMT argues that this is a technical adjustment to reflect changes in inflation and doesn't represent a real terms change in spending. It also includes some specific additional CV-19 related spending next financial year (see below) which comes on top of extra CV-19 related spending for the next financial year which was set out in SR2020.

Beyond these allocations, the Budget does not alter the broad course of the public spending plans set out in SR2020. As it stands, these envisage spending outside some specific 'protected' Departments staying relatively flat across the coming years and ending well below 2008 levels at the end of the Parliament (see chart from Resolution Foundation below). The Office of Budget Responsibility has raised some concerns about this, as the long-term spending pressures arising from CV-19 could well last beyond the next financial year. This is one to watch for the multi-year Spending Review expected later this year.

Indices of real-terms (GDP-deflator adjusted) per-capita Resource Departmental Expenditure Limits (2009-10=100), all departments, 'unprotected' departments and 'protected' departments



Notes: RDEL total adjusted for public service pension adjustment (see OBR, Economic and Fiscal Outlook, October 2018) and for return of EU spending to UK (see Resolution Foundation, New Chancellor, BIG Budget: Spring Budget 2020 response, March 2020)  
Sources: RF analysis of OBR, Economic and Fiscal Outlook, November 2020; HM Treasury, PESA, Spending Review 2020, Budget 2021. © Resolution Foundation 2021 resolutionfoundation.org

There were some specific announcements on additional CV-19 related spending next year.

- **Domestic Vaccine Deployment Funding.** £1.65bn for 2021-22 to continue vaccine deployment in England. Plan is still to offer first dose to all over 18 by July 31<sup>st</sup>.
- **Education Catch Up Funding** – The Budget confirmed the £700m extra education catch-up funding announced a few weeks ago – which will fund a £300m Recovery Premium for state primary and secondary schools, £200m to expand tutoring programmes and £200m for secondary schools to deliver face-to-face summer schools. This comes on top of the £1bn announced last year.
- **Thalidomide Health Grant Renewal.** The Government announced a ‘lifetime commitment’ to continue Thalidomide Health Grant Funding beyond 2022-23. Includes £39m down payment for first four years and future funding confirmed every four years following assessment of need.
- **Armed Forces charities.** £475,000 was announced for armed forces charities in 2021-22 to support the development of a digital and data strategy which will help different charities work together.
- **Veterans mental health support.** An additional £10m was also announced for next year to the Armed Forces Covenant Trust to support veterans with mental health needs.
- **Tackling domestic abuse.** An additional £19m towards tackling domestic abuse, including £15m next year for perpetrator programmes that work with offenders to reduce risk of reoffending & £4m over the next two years to trial a network of respite rooms to provide support for homeless women facing severe disadvantage.

### **3. Strengthening the public finances**

To rebuild the public finances and bring debt under control as the UK recovers from the effects of the pandemic, the Budget set out a number of tax changes which it argues will target the highest-earning households and businesses. As has been widely noted in commentary on the Budget, these changes will increase the tax burden to 35% of GDP in 2025-26 – which is its highest level since 1969.

The Treasury is also planning a ‘Tax Day’ on 23 March. This won’t make further immediate changes, but is expected to launch a series of consultations which may provide some steers about future tax rises or changes later in the Parliament.

#### **Personal Tax**

- **New Income Tax increases.** The income tax personal allowance and higher rate thresholds will rise to £12,570 and £50,270 in April 2021. The thresholds will then be frozen in cash terms until April 2026, steadily increasing the amount of income tax people pay in real terms.
- **Inheritance tax.** The inheritance tax nil-rate band will remain at existing levels until April 2026.
- **NICs and Capital Gains.** The budget confirms previously announced and legislated increases in National Insurance Contribution and maintains Capital Gains Tax exemptions.

### Corporate Tax

- **Corporate tax rises.** The rate of corporation tax will increase from April 2023 to 25% on profits over £250,000. However, the rate for small profits under £50,000 will remain at 19% and will then be tapered between these two levels through putting a relief in place.
- **Diverted Profits Tax.** This will also rise in April 2023 to 31% so it remains an effective deterrent against diverting profits out of the UK.

### Other taxes and duties

- **Fuel Duty frozen (again).** Government will freeze fuel duty in 2021-22, this is the eleventh consecutive year of the freeze. Future fuel duty rates will be considered in the context of the UK's net-zero commitments.
- **VED and APD rising in line with inflation.** Vehicle excise duty and Air passenger duty will rise with RPI from April 2021 and April 2022 respectively.
  - However, vehicle excise duty will be frozen on HGVs for 2021-22 and will suspend the HGV Levy for another 12 months from August.
- **Alcohol duty frozen (again).** Duty rates on beer, cider, wine and spirits will be frozen for another year.

#### **4. An investment-led recovery**

This Budget sets out the Government's plans to place the UK's public finances on a 'sustainable footing' and spur an 'investment-led recovery' in the aftermath of the COVID-19 pandemic. This final section of the Budget report sets out some initial policy interventions designed to spur this growth, in particular through encouraging private sector investment.

### UK-wide action

- **The 'super-deduction'.** From 1 April 2021 until 31 March 2023, companies investing in qualifying new plant and machinery assets will benefit from a 130% first-year capital allowance, which Government believes will make the UK more competitive globally.
- **Study on the benefits of infrastructure for towns.** The Government has commissioned a new National Infrastructure Commission study, which will look at how to maximise the benefits of infrastructure policy and investment for towns specifically in England.
- **Two new 'Help to Grow' business support schemes.** These are:
  - 'Help to Grow: Management' will work to upskill 30,000 UK SMEs over three years, be delivered by business schools to a national curriculum and will be 90% subsidized.
  - 'Help to Grow: Digital' will support 100,000 SMEs to adopt new software through the distribution of vouchers covering half the cost of software up to a maximum of £5,000.

- **New fast-track visa routes.** The Budget announced the introduction, by March 2022, of an “elite points-based visa” with a specific ‘scaleup’ stream for people with a job offer from a recognised UK scale-up company.
- **New scale-up programme for fast-growing firms.** The Chancellor also announced £375m to introduce ‘Future Fund: Breakthrough’, where the British Business Bank will take equity in innovative, R&D-intensive businesses in funding rounds of over £20m led by private investors.
- **Modern Methods of Construction Taskforce.** The Chancellor also announced the creation of this Taskforce, led by MHCLG, that will work closely with Mayoral Combined Authorities to accelerate delivery of this kind of home in the UK.
- **Revenue settlements ahead of the £4.2bn Intra-city Transport Fund.** The 2020 Budget saw the Government commit to £4.2bn over the Parliament on intra-city transport settlements for eight English city regions, including Greater Manchester. It confirmed that GM will receive £8.6m in capacity funding in 2021-22 to begin preparations for settlements.

#### Regionally specific announcements

- **Freeports announced.** Following a bidding process, the Budget also contained the announcement of eight new freeports in England. This included one in the Liverpool City Region, which includes Port Salford as a site. East Midlands Airport, part of the Manchester Airports Group, was also announced as a freeport.
- **Treasury North goes to Darlington.** The Government confirmed widespread reporting that the Government’s new Northern Economic Campus will be based in Darlington. This will centre on a new northern outpost of the Treasury, along with associated roles from BEIS and MHCLG.
- **National Infrastructure Bank to Leeds.** The National Infrastructure Bank (first announced in SR2020) will be located in Leeds. This will focus on catalysing private sector investment in Net Zero projects (further details below).
- **Towns Fund funding announced.** Over £1bn from the Towns Fund was allocated for a further 45 Town Deals across England. Of these, three are located in Greater Manchester: Bolton (who will receive £22.9m), Cheadle (£13.9m) and Rochdale (£23.6m).
- **A66 development funding.** The government will provide £135m to accelerate the start of construction on the A66 Trans-Pennine upgrade to 2024.

## New Funding Competitions

The Budget announced a number of new competitive funding streams. These include:

- **Levelling Up Fund.** SR2020 announced a £4.8bn 'Levelling Up Fund' to run across the lifetime of the Parliament. This replaces the Local Growth Fund. The prospectus was published alongside the Budget and sets out the goals of the Fund, eligibility and bidding process.
  - **Who can bid?** While the Fund is open to every local area, it is "especially intended to support investment in places where it can make the biggest difference to everyday life, including ex-industrial areas, deprived towns and coastal communities". There is also a rhetorical focus on smaller infrastructure projects – town centre regeneration, local culture, local transport. For GM's purposes – two types of public body are eligible to bid:
    - Districts will be able to submit one bid per constituency wholly in their place. Where constituencies cut across council boundaries, a 'lead bidder' needs to be agreed locally.
    - GMCA can additionally submit one transport bid.
  - Within England, the Government has developed an index of places in 'most significant need' with three tiers. All GM areas but Salford are in Tier 1 (the top tier). Local authorities in Tier 1 will receive £125,000 in capacity funding to develop their bids (though Government expects this to arrive too late to support bids into the first round of the Fund, it is intended to support bids in future years).
  - **How much is available?** Each bid can be up to £20m, either for a single project or a 'package' of up to 3 projects (still totaling no more than £20m). In 'exceptional circumstances' transport bids can be £20-50m, though the Prospectus is fairly clear the bar for approving these will be higher.
  - **How will bids be assessed?** Bids will be assessed on four key criteria: their 'tier' in the index above, deliverability of the project, strategic fit with local and fund priorities, and value for money. MPs will be expected to 'back one bid that they see as a priority'. The document is clear that this backing will be highly valued in the process.
  - **Which projects are eligible?** The Fund will fund three types of project:
    - Transport: public transport, active travel, and road improvements. There is a clear preference here for smaller schemes (larger schemes 'by exception').
    - *Regeneration and town centre investment*: This will 'build on towns fund framework', and include things like brownfield regeneration, site acquisition, community infrastructure and 'bringing public services into town centres'
    - Cultural investment: Maintaining, regenerating or creatively repurposing museums, galleries and visitor attractions.
  - **What are the timelines?** The Prospectus is for the first year of the fund, focussing on projects which can 'demonstrate investment or begin delivery on the ground' within the year. The deadline for bids is Friday 18<sup>th</sup> June. Decisions are expected in Autumn 2021.

- **Community Renewal Fund.** A prospectus for the Community Renewal Fund was also published alongside the Budget. This is the £220m, one-year pilot announced as a 'bridge' between EU Funding and the full UK Shared Prosperity Fund which will begin in 2022/23. It is designed to help prepare for the UKSPF by 'piloting new approaches and through provision of capacity funding'.
  - **What are the objectives?** The Fund has four objectives: supporting a smooth transition between EU funding and the UKSPF, enabling innovation through pilots, a new (more direct) way of working between the UK Government and places, and levelling up and creating opportunity.
  - **Who can bid?** The Community Renewal Fund also has a list of 100 'priority places' (note: these are not the same as the Tier 1 areas for Levelling Up Fund purposes). Only four GM local authority areas are in this list: Bolton, Manchester, Oldham and Rochdale.
  - GMCA will be the 'lead authority' for the CRF in Greater Manchester. GMCA will be required to 'invest project proposals from a range of local applicants' (inc. Local authorities, VCSE organisations, and local education providers). GMCA will then be responsible for 'appraising these projects and producing a shortlist of projects up to £3m per place). GMCA will receive 'capacity funding to help them invite bids locally and appraise these bids'. This will be £20k per priority place, which in GM means £80k in total.
  - The Prospectus does not rule out bids from places outside the 'Top 100'. But given the relatively low amount of funding available overall, it seems unlikely that bids from outside these places will be successful.
  - **How much is available?:** Bids can be for a total of £3m per place (i.e. local authority footprint).
  - **Which projects are eligible?** The CRF will be 90% revenue funding, and has four investment priorities:
    - Skills: including work-based training, retraining and digital skills/inclusion
    - Local business: including supporting entrepreneurs, innovation and decarbonisation
    - Communities and place: Including feasibility studies for net zero projects, opportunities for culture-led regeneration, green spaces and rural connectivity.
    - Supporting people into employment: Including addressing barriers to employment, raising aspirations, and basic skills.
  - **What are the timelines?** As with the LUF, bids are due by Friday 18<sup>th</sup> June. Results are expected in late July, and bids must relate to activity which is complete by 31 March 2022.

- **£1bn Net Zero Innovation Programme.** This was first announced in the PMs ‘Ten Point Plan for a Green Industrial Revolution’ last year. Further details were announced in the Budget, including competitions on four components of the Programme:
  - **Floating Offshore Wind (FOW) Demonstration Programme.** Launching soon, this is a funding scheme to support the development and demonstration of state-of-the-art technologies and products in the FOW industry and will target 4 challenge areas: Mooring/Anchoring, Dynamic cables, Floaters/Foundations, and others.
  - **Longer Duration Energy Storage Demonstration Programme.** Intended to accelerate commercialisation of innovative longer duration energy storage projects (i.e. excluding commercial solutions such as pumped hydro/lithium ion) at different technology readiness levels.
  - **Biomass Feedstocks Innovation Programme.** To increase the production of sustainable domestic biomass by funding innovative ideas that address barriers to biomass feedstock production. Bids have launched and the deadline initial registration of interest is 31 March 21.
  - **Direct Air Capture and other Greenhouse Gas Removal Technologies competition.** This aims to support the development of Greenhouse Gas Removals (GGR) technologies to help them achieve commercialization. It had already been launched.
- **Community Ownership Fund.** This new £150 million Community Ownership Fund: from summer 2021, community groups will be able to bid for up to £250,000 matched funding to help them to buy local assets to run as community-owned businesses. Further details are:
  - **Who can bid?:** The first bidding rounds will open by June 2021. A full bidding prospectus will be published. Bids will be accepted from all communities across the UK – in most circumstances bids should be made from community and voluntary organisations with formal governance in place. Bids may be considered from groups without formal governance where there is a clear plan to set up community level governance.
  - **Eligible projects:** Government won’t publish a definitive list of eligible projects - but projects could include community-owned sports clubs, cinemas and theatres, music venues, galleries, parks, pubs, post office buildings. They should be focused on “place-based assets or amenities” which are important to the local community, “build connections between people and foster a sense of pride in a local area”.
  - **Amounts available:** In most cases bids will be able to make a case for up to £250,000 of matched funding which communities have raised. Some funding will be available for feasibility studies and capability building. In exceptional circumstances up to £1m of matched funding to establish a community-owned sports club or help buy a sports ground.

## 5. Other documents published alongside the Budget

### Review of LEPs

Alongside the Budget documents itself, the Government released a website summarizing the Levelling Up Fund, Community Renewal Fund etc. On this page, it also says that “***We will also be working with local businesses on the future role of Local Enterprise Partnerships. We want to ensure local businesses have clear representation and support in their area, in order to drive the recovery. We will work with LEPs over the coming months, with a view to announcing more detailed plans ahead of summer recess. This will also include consideration of LEP’s geographies’***”

### UK Infrastructure Bank

The Chancellor announced that the **new UK Infrastructure Bank will be headquartered in Leeds and will begin operating in interim form in Spring 2021**. The Bank will be a long-lasting institution with a high degree of operational independence. An accompanying document was published setting out the Bank’s core objectives, mandate and ways of working.

- From its inception, the Bank’s core objectives will be to:
  - help tackle climate change, particularly meeting the 2050 net zero target
  - support regional and local economic growth
- In total, the Bank will have £22 billion of financial capacity to deliver on its objectives, consisting of £12 billion of equity and debt capital and the ability to issue £10 billion of guarantees. It will draw capital from HM Treasury and be able to borrow from private markets. It will also grow through recycling and retention of return on investments. It will use this financial capacity to:
  - offer a range of financing tools including debt, hybrid products, equity and guarantees to support private infrastructure projects
  - from the summer, offer loans to local authorities at a rate of gilts + 60 basis points for high value and strategic projects of at least £5 million
  - establish an advisory function for local authorities and other project sponsors to help with the development and delivery of projects
- The Bank will **focus on intervening where it can make the biggest impact**, addressing shortfalls in the provision of private finance to make projects happen that would otherwise not have had the necessary support. Acting as a cornerstone investor, it will leverage private sector finance into underdeveloped or challenging markets.
- The full range of products will also be available to projects in the private sector. **The focus in the public sector will be on an improved offer to local and mayoral authorities through a low-cost infrastructure rate.**
- The Bank will also help to structure deals to attract international investment and unlock capital from institutions including pension funds.

Build Back Better: The 'Plan for Growth'

This document was **reported in the press as a replacement for the speculated refresh of the Government's Industrial Strategy**. Led by HMT, it aims to set out the Government's broader policy thinking about how to stimulate economic growth and recovery from the pandemic – and the priorities it has for how to do this. **It does not include any new additional policy or spending commitments not set out above or in SR2020.**

The plan says that the 'primary objective of this government is to... ensure no region is left behind as we achieve greater economic prosperity' and has a big rhetorical focus on 'levelling up' and regional economic imbalances.

The Plan sets out three 'core pillars' of growth:

- **Infrastructure:** Where Government will invest £100bn in a National Infrastructure, invest in the UKSPF, Towns Fund and Levelling Up Fund, invest £12bn in the Ten Point Plan for a Green Industrial Revolution and support private sector investment through the new National Infrastructure Bank.
- **Skills:** Where the Government will transform FE, introduce a Lifetime Skills Guarantee, and continue to focus on Apprenticeships.
- **Innovation:** Where Government will support access to finance, develop the regulatory system, attract the brightest and best people, and invest in SME business support (via the two 'Help to Grow' schemes)

The Plan for Growth also sets out three goals for the type of growth it is aiming to deliver:

- **Level Up the whole of the UK:** Including a commitment for every region and nation to have 'at least one globally competitive city at heart', to 'catalyse centres of excellence' and strengthen the Union.
- **Support the transition to Net Zero:** Including through investment in carbon capture, hydrogen technologies and supporting and growing net zero industries.
- **Support our vision for a Global Britain:** Including through the UK's role in COP26, as a role model for free and fair trade and through developing a new export strategy.

Finally, the 'Plan for Growth' also sets out 21 plans and strategies (mostly previously announced) to follow later in the year, including:

- **Within the next three months:** Industrial Decarbonisation Strategy, Integrated Rail Plan for the Midlands and North, National Bus Strategy
- **Within the next six months:** Innovation Strategy, Lifelong Learning Entitlement Consultation, R&D Place Strategy, R&D People and Culture Strategy, and Transport Decarbonisation Plan.
- **Within the next twelve months:** Devolution and Local Recovery White Paper, Digital Strategy, Export Strategy, Full conclusion of the Post-18 Review of Education and Funding, and the Net Zero Strategy.



## **GM LOCAL ENTERPRISE PARTNERSHIP BOARD**

**SUBJECT:** Innovation GM Update

**DATE:** 18<sup>th</sup> March 2021

**FROM:** Chris Oglesby

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### **PURPOSE OF REPORT**

This report sets out an update on Innovation GM and the ambitious plans to create a new place-based partnership, led by businesses and entrepreneurs, to build on GM's existing R&D assets and local delivery capacity to drive innovation-led growth across all of the city-region's diverse towns and cities

### **RECOMMENDATIONS**

The LEP is asked to:

- Note progress made to build the case for an Innovation Deal with Government
- Consider the suggested principles for a permanent chair and wider members of a future Innovation GM Board
- Comment on the proposal for an Innovation GM press release in March 2021 and a launch event proposed for June 2021

### **EQUALITIES IMPLICATIONS**

Innovation GM is a central feature of the GM Economic Vision which provides a blueprint for remodelling the city-region's economy. It includes a range of long-term initiatives to help businesses innovate more effectively and become more productive, creating a greener and more resilient Greater Manchester.

This includes a clear commitment to tackle inequalities, embrace diversity and recognise the importance of civil society with actions aiming to encourage diversity in company leadership, promote better health and wellbeing support and turn Greater Manchester into a living wage city-region.

### **CLIMATE CHANGE IMPACT ASSESSMENT AND MITIGATION MEASURES**

As part of the Economic Vision, Innovation GM reflects the GM Local Industrial Strategy and its Clean Growth Mission while recognising the shift in attitudes among people, businesses and investors caused by the coronavirus pandemic. As such, it builds on GM's bold target of carbon neutrality by 2038 and will support Greater Manchester in driving the UK as a global leader in low carbon innovation.

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## **1. CONTEXT**

- 1.1 In November 2020 the Greater Manchester Economic Vision was launched, setting out the city-region's priorities to build a Greater Manchester and in turn a Greater Britain. Building on our frontier sector strengths in advanced materials, green growth, health innovation and digital and creative, Greater Manchester is now poised to lead UK economic recovery with a plan for innovation, green growth and addressing inequalities. Innovation Greater Manchester.
- 1.2 To deliver government's ambitions for levelling-up and global Britain, the UK needs a national engine of growth at the heart of the Northern Powerhouse that can drive its economy in the same way that London does for the South East, and play a full role in the UK's aspiration to be a science superpower, where Research & Development (R&D) and innovation leads to broad based national prosperity.
- 1.3 Innovation GM is an ambitious plan to create a new place-based partnership, led by businesses and entrepreneurs, to build on GM's existing R&D assets and local delivery capacity to drive innovation-led growth across all of the city-region's diverse towns and cities.
- 1.4 The Innovation GM model focuses on building capacity and investing in our places, people, and assets to create new clusters of growing businesses across the whole conurbation as follows:
  - Investing in our places - fostering emerging innovation zones in our town centres and manufacturing parks, and networking these with established innovation zones across Greater Manchester and the wider region. Innovation zones will be places where businesses can cluster, access the support they need to grow, and can act as magnets for inward investment.
  - Investing in our people - boosting the skills and entrepreneurial spirit of local people so the city-region becomes a leading place to attract, develop, retain, and retrain talent. Boosting the leadership and technical skills within businesses is key to building their capacity to invent, commercialise their inventions, and absorb proven innovations from related industries.
  - Investing in our assets - prioritising investment into assets that enable businesses to innovate and grow and that are aligned to a. GM's strategic innovation zones and b. Greater Manchester's established globally leading strengths in advanced materials & manufacturing, health innovation, digital & creative, and (c) seizing the opportunities of the transition to a low carbon economy.
- 1.5 Innovation GM will work closely with skills, business support, the Good Employment Charter, and infrastructure system leads to ensure we collectively put the distinct growth opportunities of places at the heart of Innovation GM.
- 1.6 Underpinning this approach is the aspiration to unlock a truly flexible fund that enables local areas to take action and invest in the particular growth opportunities of their places and communities.

## **2. LAYING THE FOUNDATIONS FOR IGM**

- 2.1 Led by Chris Oglesby as interim chair, a small executive team have developed a programme to translate our Innovation GM vision into action.

#### *Making the case*

2.2 As well as the R&D Place Plan that has already been confirmed for publication in Spring 2021, Government announced a forthcoming Innovation Strategy (Summer 2021) in the recent Budget. Innovation GM provides a blueprint for how a local-national partnership can deliver on our shared aims of levelling up through science and innovation by investing in places with potential. We propose that this can best be delivered through an Innovation Deal with places like Greater Manchester. LEP leads and officers will continue, through our Innovation GM model, to work with Government officials to lay the foundations for this kind of future approach.

2.3 Colleagues have continued to engage with local and national stakeholders to amplify our vision and lay the groundwork for deeper engagements ahead of the Government's R&D Place Plan, Innovation Strategy, and 2021 Spending Review. Some specific activities already completed include:

- Meetings with GM Leaders to build up our innovation ecosystem narrative, ensuring we connect in to local priorities
- A session with UKRI leaders to highlight Innovation GM as a blueprint for the R&D Place Plan
- Discussions with Government officials to understand the types of shared outcomes and ROI modelling needed for this to be a credible investable programme
- Submission to the Science and Technology Select Committee
- Engagement with think tanks and bodies who are acting a thought leaders in how to level up through science and innovation
- Discussion with MPs (scheduled)

#### *Resourcing*

2.4 In readiness for an Innovation Deal and as part of the work and funding to drive the Local Industrial Strategy we have identified core resources and begun to develop connections across innovation, skills, and place priorities.

2.5 At the last LEP discussion relating to Innovation GM, the group agreed to appoint an interim independent science advisor to work alongside the interim chair to translate the IGM vision in to action, and to continue to make the case to Government for an Innovation Deal.

2.6 Professor Richard Jones, co-author of NESTA's Missing £4bn Report, took this role up and brings an additional layer of knowledge and expertise, including deeper assessment and linkages with GM's scientific excellence. This blend of private sector, scientific, and civic leadership has worked incredibly effectively and is an arrangement IGM would formalise for the future.

#### *Developing our ecosystem*

2.7 Colleagues are connecting with all GM places, neighbouring LEP areas, and the GM and wider North West business community, to amplify our vision and create a network of innovation developments, programmes, and future priorities that collectively can unlock a high-performing innovation ecosystem at the city-region scale.

- 2.8 The Rochdale Advanced Machinery and Productivity Institute (AMPI) is an early example of the sort of things IGM would want to drive and make links across. Rochdale prioritised their Towns Fund to establish a physical AMPI presence in the north of the city-region, in partnership with the National Physical Laboratory, to unlock the beginnings of our Gateway North development. Over time we expect many more projects of this nature to be unlocked through the enabling role of Innovation GM.

### **3. FUTURE PLANS**

- 3.1 As a twin-track approach, whilst colleagues continue to make the case for a more transformational Innovation Deal, we propose to begin to work up structures and leadership roles to demonstrate there is aligned civic-business-scientific leadership in place to put this in to action.
- 3.2 As a twin-track approach, whilst colleagues continue to make the case for a more transformational Innovation Deal, we propose to begin to work up structures and leadership roles to demonstrate there is aligned civic-business-scientific leadership in place to put this in to action.
- 3.3 During this formation and set-up stage the lead should remain as a current LEP member to maintain strong links across priorities.
- 3.4 A business case to operationalise Innovation GM is in development and recommends that Innovation GM acts as connected group to the LEP, with strong links being maintained by the chair of IGM reporting directly to the LEP. This will enable the LEP to continue to focus on its wider portfolio of priorities, whilst enabling some focused and dedicated leadership around one of its key priorities of innovation.
- 3.5 This chair and the wider Innovation GM Board will be supported through strong links and networks to associated forums. Thematic discussions that connect with relevant leaders of related agendas will enable IGM to shape and enable a blended portfolio of projects and investment priorities that address the “vertical” opportunities within our frontier sectors and places, with the “horizontal” opportunities that cut across these such as access to finance and skills & talent development.
- 3.6 As a key next step, over the coming months a nationally significant individual, with credentials in science and innovation, will be sought to act as a permanent chair. In advance of this the LEP is asked to adopt the following principles to identify a chair and wider Board:
- a) Leaders in the field of innovation that are globally and nationally significant, and include a fair mix of individuals with a direct stake in GM as well as those that can act with a high degree of independence
  - b) A balance of expertise across the four domains of:
    - Industrial research and development
    - Place leadership
    - Scientific excellence
    - Financial instruments and access to finance
  - c) Majority of members being active in the private sector with a lead/deep knowledge of industrial research & development

- d) Expertise and leadership relating to GM's four frontier sectors, for example linking to the Graphene, Advanced Materials & Manufacturing Alliance (GAMMA) and the Healthy Ageing Innovation Partnership (IPHA)
  - e) Diverse membership that reflects the communities we seek to support
- 3.7 A specification for board members, which aligns to these suggested principles, is also outlined in appendix 1.

#### *Launching Innovation GM*

- 3.8 Alongside beginning to identify appropriate leadership and structures, it is proposed IGM works with MIDAS, Marketing Manchester, and other stakeholders on a press release in March 2020 that outlines our Innovation GM vision, as well as a launch event in June 2021, to align with wider re-opening of the economy and society.
- 3.9 This proposed launch event would bring together national and local business leaders with civic leaders, and think-tanks and Government/MPs with a strong interest in innovation and levelling up, for a big conversation. This would highlight the significant innovation activity going on in GM already, and GM's assets to support the Global Britain agenda as well as setting out our vision for the future to seek innovation investment to drive economic activity across all GM's towns and cities – linked to other Government agendas of Net Zero and Levelling Up. It would also provide a forum for consultation and the shaping of ideas based on the innovation challenges and opportunities our business community see.

#### **4. NEXT STEPS**

- 4.1 It is recommended that in order to move forward the Innovation GM vision, the LEP:
- i. Notes progress made to build the case for an Innovation Deal with Government
  - ii. Considers the suggested principles for a permanent chair and wider members of a future Innovation GM Board
  - iii. Comments on the proposal for an Innovation GM press release in March 2021 and a launch event proposed for June 2021

## APPENDIX 1

### Proposed operating model and person specification for Innovation GM Board

#### Introduction

Innovation GM is the city-region's programme to level up through R&D and business-led innovation. It aims to establish Greater Manchester (GM) as a national engine of growth at the heart of the Northern Powerhouse that drives the North's economy in the same way that London does for the South East. It will do this by focusing on:

- **Place:** creating a network of Innovation Zones that link labs to industry in city centres, town centres and advanced manufacturing parks so that Innovation GM has a presence and impact in every district in GM and across the North, with the symbiotic relationships between these Zones creating enhanced economic, social and scientific impacts.
- **Assets:** Developing GM's science and innovation asset base in its core strengths of advanced materials & manufacturing, health innovation, digital & creative, and low carbon and translating this into productivity gains and economic growth across GM and beyond, contributing to the government's target of raising the UK's public and private R&D intensity to 2.4% by 2027.
- **People:** Working with partners to ensure 'wrap-around' support is in place to connect people to opportunity by ensuring that people are trained for new opportunities, companies are supported to innovate and drive good employment, and place-making is linked to innovation.

Innovation GM will be led by businesses and entrepreneurs. It will be overseen and driven by a high profile Board made up of senior representatives from business, Further and Higher Education, and local government in GM, and representatives from national government, national research and innovation agencies, and international innovation experts. It will have a Chair with credible national and international experience.

#### How the Innovation GM Board will operate

The primary aim of the Innovation GM Board is to provide high level innovation leadership capacity to drive a new approach to, and culture of, innovation in GM, creating the platform for Innovation GM members to collectively drive change and progress in all parts of the city region and across the wider North of England.

The Board will be responsible for setting the strategic direction of Innovation GM, overseeing the development and implementation of its business plan and, as appropriate, taking delegated spending decisions. It will be formally accountable to the GMCA and LEP to ensure the synergies from GM's existing governance, strategic and delivery arrangements are maximised, including strong operational links to the Growth Company.

The core membership of the Innovation GM Board will be made up of between 10-15 members drawn from the full range of innovation stakeholders and representative of the diversity of GM's people and places. Board members will be selected to ensure that the board is balanced and representative and that all the required skills, talents and experience set out in the person specification are covered, including through open recruitment where appropriate.

The Board will operate in an open and outward facing way. It will take a proactive approach to bringing in the views, experience, and capabilities of non-Board members

from across all sectors, including through regular consultation and outreach and through the convening of both standing sub-groups and time-limited task and finish groups. These groups will draw on members from within and outside GM (nationally and internationally). Active links will also be developed with existing networks, support organisations, and business representative organisations. This approach will ensure Innovation GM has system-wide buy in for its strategy and plans.

### **Board member role**

The role of individual Board members will be to:

- Actively contribute to setting the strategic direction of Innovation GM, so that it becomes a trusted partner for national government and an international exemplar for regional innovation leadership.
- Champion a new culture of innovation across all businesses and places in Greater Manchester, opening up opportunities for all firms in all sectors and places in GM to be able to access the assets and support they need to innovate.
- Provide credible sectoral and place-based collaborative leadership as part of a diverse Board that represents key economic sectors, places, and a wide range of innovation stakeholders.
- Provide expertise and knowledge to enable Innovation GM to develop strategic plans and practical interventions to create a high performing innovation ecosystem in Greater Manchester that benefits the North and the whole of the UK.
- Inspire confidence in key innovation stakeholders (including businesses, universities, local and national Government, and UKRI) that Innovation GM understands the key innovation issues and opportunities facing the region and how these can best be addressed.
- Take the lead, provide strategic direction, and take responsibility for developing and delivering key areas of activity and working in partnership with stakeholders in Greater Manchester, the North and UK, and internationally, including by chairing sub-groups and task and finish groups.

### **Person specification**

Board members will need to be able to demonstrate that they have a good mix of the following skills, attributes and experiences (recognising that no individual Board member would be expected to demonstrate all of these points):

- An independent mindset – providing inquisitiveness, detachment and clarity in the development of strategy and the identification of opportunities.
- The ability to help develop, communicate and execute a clear strategic vision for Innovation GM.
- Strong links to the business community and the ability to build coalitions to leverage private sector involvement and create new partnerships with universities, public sector organisations, and other innovation stakeholders.
- Credibility with national innovation leaders, global companies, and other internationally-leading innovation ecosystems and the ability to create new mutually beneficial relationships.

- Strong understanding of the national strategic, organisational, and funding landscape for science and innovation.
- Strong interpersonal and communication skills, be articulate and passionate and have an ability to influence and network in a complex stakeholder environment.
- Experience of working in a partnership environment, and a strong commitment to fostering a spirit of collaboration and partnership across all organisations, public and private, in GM's innovation ecosystem.
- Experience of place-based working and leadership, creating collaborative and innovative cultures that maximise local assets and opportunities.
- Practical experience and proven track record of effective leadership and management of stakeholder relationships.
- An understanding of how to create an open, welcoming and diverse culture of innovation in Greater Manchester.
- Experience of leading new organisations, successful organisational expansions and/or significant organisational development and culture change programmes.
- Experience of working within business, industry and innovation, including experience of serving on groups or boards of senior executives.
- A strong grasp of the innovation drivers and challenges Greater Manchester faces and how to capitalise on the assets, talent and opportunities that are present in all parts of the city region.
- A total commitment to equality of opportunity and diversity, including an understanding of the barriers and challenges faced by economically or socially excluded groups.



## **GM LOCAL ENTERPRISE PARTNERSHIP BOARD**

**SUBJECT:** Greater Manchester International Strategy and Implementation Plan

**DATE:** 18<sup>th</sup> March 2021

**FROM:** Mike Blackburn, Chair of the International Marketing and Advisory Board

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### **PURPOSE OF REPORT**

In October 2020, Greater Manchester launched a one-year refreshed International Strategy which outlined the city region's ambitions on a global stage and responded to the challenges faced in-light of CV-19 and Brexit.

This report introduces the GM International Strategy Implementation, the work undertaken in drafting it and the key milestones and next steps over the strategy's one-year period.

The Implementation Plan has been presented to IMAB, the LIS Programme and Delivery Executive and The Growth Board in their most recent meetings.

A final draft of the full Implementation plan can be found in **Appendix.1**.

### **RECOMMENDATIONS**

LEP Members are asked to:

- Note and comment on the implementation plan

### **EQUALITIES IMPLICATIONS**

Working with diversity and ensuring equality is an essential component of the International Strategy, ensuring that any opportunities and benefits that emerge from international engagement such as jobs and growth are shared across all communities and groups in Greater Manchester.

International relations involve developing relationships and connections with people from a wide range backgrounds and cultures. The International Strategy recognises the value that diversity – gender, age, culture, religion and nationality can bring to this work. Understanding and valuing these differences can result in greater participation from our residents and also support us with expanding our collaborations across the world.

### **CLIMATE CHANGE IMPACT ASSESSMENT AND MITIGATION MEASURES**

Climate change is an international concern. Cities across the world share the same challenges of carbon emissions, energy security, water management and sustainable transport. While cities are one of the main contributors to climate change, they are also centres of innovation where new models and integral solutions are developed and tested. The International Strategy will support Greater Manchester's climate change actions, advocating the creation of new and development of existing relationships to share our experiences and learn from the best in the world, working jointly to develop new products and models that will address the global climate challenge.

This ambition is reflected across a range of priority areas including Research and Innovation, City-region Diplomacy and Marketing and Promotion. Furthermore, the green economy is identified as one of Greater Manchester's key sectors, increasing trade and investment activity will actively support the growth and competitiveness of this sector.

This strategy also considers how Greater Manchester can better leverage digital connectivity as a key enabler for supporting us to connect with our international partners as an alternative to international travel.

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## 1. Background

- 1.1 In October 2020 Greater Manchester published a refreshed International Strategy, jointly owned by the GMCA and GM LEP and drafted in collaboration with a wide range of stakeholders including Local Authorities, The Growth Company (MIDAS, Marketing Manchester), GM Chamber, Universities, the Airport etc.
- 1.2 The International Strategy sits as a key action in the Business Environment section of the LIS Implementation Plan. Our international connections, promoting our strengths and assets, attracting talent, driving international research partnerships, and increasing our export propensity across our frontier sectors are all important components to the successful delivery of the LIS.
- 1.3 The over-arching ambition of the International Strategy is to reaffirm the city region's commitment to international activity and engagement as well as respond to the emerging international challenges brought about due to the uncertainty of Brexit and COVID-19.
- 1.4 The objectives of this International Strategy refresh were twofold:
  - To review GM's long-term international vision and enhanced strategic framework, identifying new and continued strategic objectives that supports the delivery of Greater Manchester's long-term ambitions in-light of new challenges and opportunities.
  - Address the immediate and emerging issues brought about by COVID-19 and any emerging challenges and opportunities from the UK's new relationships with the EU.
- 1.5 The current International Strategy takes on a 12 Month time frame, in line with the publication of the Greater Manchester One Year Living with COVID plan. A refresh of this strategy will be considered again in Autumn 2021, in-line with the expected refresh of the Greater Manchester Strategy (GMS) and as more details emerge on national governments future UK foreign policy, including the delayed trade and investment strategies.

## 2. Wider Context

- 2.1 The pandemic has caused significant challenges locally including creating unimaginable difficulties for our key international stakeholders and delivery partners who help drive the priorities of our international strategy.
- 2.2 In addition to the changes brought about by the pandemic, the new context we find ourselves in today, locally, nationally, and internationally is very different to just a year ago:
  - **Brexit** - The UK has now left the European Union with significant impacts being reported by firm in the region particularly in relation to VAT and documentation which is disrupting day-to-day business and regional exports. It is believed that the true implications of Brexit are delayed due to the pandemic.

- **Global Britain** - The UK's departure from the EU has seen momentum build behind UK governments new approach to international policy. Global Britain focuses on the UK's role as a force for good and shifts its attention away from Europe towards the US, the Commonwealth and high-growth emerging markets.
- **Role of Cities in International Diplomacy** – There is growing recognition from UK Government of the important role city regions can play in supporting wider UK ambitions overseas. This role is arguably recognised more overseas and the GMCA have seen a noticeable increase in meeting and activity requests from other cities but other nations wishing to work directly with Greater Manchester.

2.3 The increased profile of Mayoral Combined Authorities, Brexit, the rapid adoption of digital tools in international diplomacy and a new phase of UK international policy are all influencing the way cities like GM can engage with the rest of the world. It is vital that despite the challenges we face, GM must continue to respond to opportunities as they emerge, under the framework of the refreshed International Strategy, recognising the opportunities international engagement present for supporting our economic recovery and delivering our wider economic vision.

### 3. Implementation Plan

- 3.1 To support the delivery of GM's one-year International Strategy and to ensure coordination of activity, a one-year Implementation Plan has been drafted in consultation with the city region's key international stakeholders such as The Growth Company (including Marketing Manchester and MIDAS), Department for International Trade, the Universities, Manchester Airport as well as Local Authorities.
- 3.2 The Implementation Plan takes the 46 strategic objectives identified in the GM International Strategy and breaks them down in to 92 clear and monitorable actions. These actions, developed in close consultation with relevant partners aim to capture existing activity, work programmes and campaigns that support the strategy's objectives as well as capture new activity required to address gaps and help better coordinate delivery.
- 3.3 Each action has been allocated an owner organisation who is responsible for ensuring its delivery and feeding back on progress at a 6- and 12-month period.
- 3.4 The plan takes on the form of a live document, it will be regularly updated over the course of the strategy period to capture any new and relevant work activity as well as progress and emerging challenges. Capturing detail in this way will also ensure a more efficient refresh later in the year.
- 3.5 To ensure the Implementation Plan is closely aligned to GM's wider strategy portfolio, the Strategic Objectives have been clearly mapped against those in both the Greater Manchester Strategy and Local Industrial Strategy.

### 4. Reporting and Monitoring

- 4.1 At the end of the strategy period (September 2021), a final evaluation on progress will be reported in to IMAB, Growth Board, the LEP and then to the Combined Authority.
- 4.2 The International Strategy will look to be refreshed again in Autumn 2021 in line with the Greater Manchester Strategy and will take on a similar long-term time frame.

## 5. **Conclusions**

- 5.1 The full implementation plan can be found attached in **Appendix 1** for your reference.
- 5.2 A summary of the GMCA International activity for the next few months can be found in **Appendix 2**

## **Appendix 1. International Strategy Implementation Plan**

*Separate spreadsheet*

## **Appendix 2. GMCA Planned International Priorities and Activity – 2020/2021**

Following the launch of the International Strategy in October, the GMCA received a positive response from diplomatic missions, foreign Ambassadors, Mayors, and senior officials from global city regions. This engagement presented a timely opportunity to pursue conversations with our priority markets as identified in the strategy.

Through this international engagement it has come to light that some European countries are investing significantly in their bilateral relationship with the UK post Brexit. Examples of this include Spain, Ireland and Turkey opening consulates in Manchester. The growing international presence in the region puts GM in a strong position to drive international activity and capitalise on the opportunities that may emerge.

This appendix provides IMAB with a summary of conversations the Mayor and International team are having with international markets and planned activity in coming months. In addition to GM engagements with India and China via the two special purpose vehicles – MIP and MCF - the team, supported by MIDAS and MM, is currently focused on the following activity:

### **1. Ireland – Greater Manchester – Liverpool City Region Partnership**

Following Taoiseach Varadkar's visit to Manchester in 2019, a virtual meeting involving the now Tánaiste Leo Varadkar, the Irish Minister of Foreign Affairs Simon Coveney, Department for International Trade Minister Graham Stuart MP, Irish Ambassador Adrian O'Neill, British Ambassador Paul Johnson, Mayor Steve Rotherham and Mayor Andy Burnham hosted a joint meeting in November 2020. This meeting coincided with the announcement from the Irish Government to open a new Consulate in Manchester.

All three parties agreed to work in partnership under three pillars – Trade and Investment, Research and Innovation and People and Culture links. During the meeting it was agreed a Task Group would be established to oversee activity.

The GMCA will continue to work with Liverpool, the British Embassy in Dublin, DIT, MIDAS and MM to develop a program of activity for 2021 and plan a joint LCR-GM mission to Ireland in summer/autumn 2021.

### **2. Japan**

In October the GMCA International team arranged a Japan-GM roundtable, co-hosted by the Ambassador of Japan and the Mayor, chaired by Jo Ahmed, Honorary Consul of Japan in Manchester. Attended by over 40 NW businesses the event received positive feedback from both the business community, DIT and the Embassy.

Following the event, a Japan-GM Steering Group chaired by Jo Ahmed has been established. The Group, that met for the first time in December, has agreed to initially focus the activities in three areas – raising awareness of the opportunities presented

by the UK/Japan Free Trade Agreement, the Olympic Games in Tokyo, city-to-city links with Osaka, GM-Japan air connectivity and a virtual mission to GM for Japanese Companies.

**A GM-Japan Steering Group** has since been formed as a follow up action to the meeting. With representation from industry, business support, local and national government departments, the steering group will oversee the development of a GM-Japan workplan, ensuring coordination in activity. In the short term the group aims to host a joint GM-Japan FTA awareness event in March for GM businesses and host a virtual Manchester mission for Japanese companies based in London in May. The group will also oversee development of a wider GM-Japan strategy.

### **3. Germany**

Germany is one of Greater Manchester's closest economic partners. Conversations with the British diplomatic missions in Berlin and Dusseldorf, the German Embassy in London and the Business German Association in the UK are ongoing. Richard Carter, former MD of BASF in the UK, and former member of the Mayor's Business Advisory Panel and the NWBLT is currently supporting the team with the development of a more coordinated strategy for proactively engaging with Germany to tap into opportunities that may emerge from their commitment to investing further in the UK post-Brexit.

Separate conversations are also ongoing with the Office of the Minister for Innovation, Digital and Energy of the North Rhine-Westphalia region in relation to the organisation of a series of events to encourage trade, investment, and exchange between the two regions. This activity comes as follow up to a positive virtual meeting the Minister and Mayor had in September 2020 where several areas of potential collaboration were discussed. It is worth pointing out that North Rhine-Westphalia is also a priority region for the Northern Powerhouse Department for International Trade team, with two post based in Dusseldorf appointed this year.

The GMCA are now working closely with MIDAS and the British German Association to better understand German clusters and sector opportunities with a view to development a GM-German workplan for 2021. The joint activity with North Rhine-Westphalia is due to take place in March and will focus on Cyber Security.

### **4. USA**

In December 2020 the Mayor had a positive meeting with the Trade Commissioner to North America, Antony Phillipson. The Trade Commissioner not only praised GM's ambition and approach to City-region Diplomacy but also added that the quality of analysis that underpins our priority markets and the proposition of the international strategy is head and shoulders above any other UK city region.

The Mayor agreed to visit the US when normality is restored. In the meantime, MIDAS will continue to work closely with the teams across the Embassy and Consulate network to arrange joint activity.

### **5. Bangladesh**

In addition to leveraging international activity to drive economic benefit and improve our global perception, the International Strategy also recognises the importance of people-to-people links and the role of our communities in building international connections.

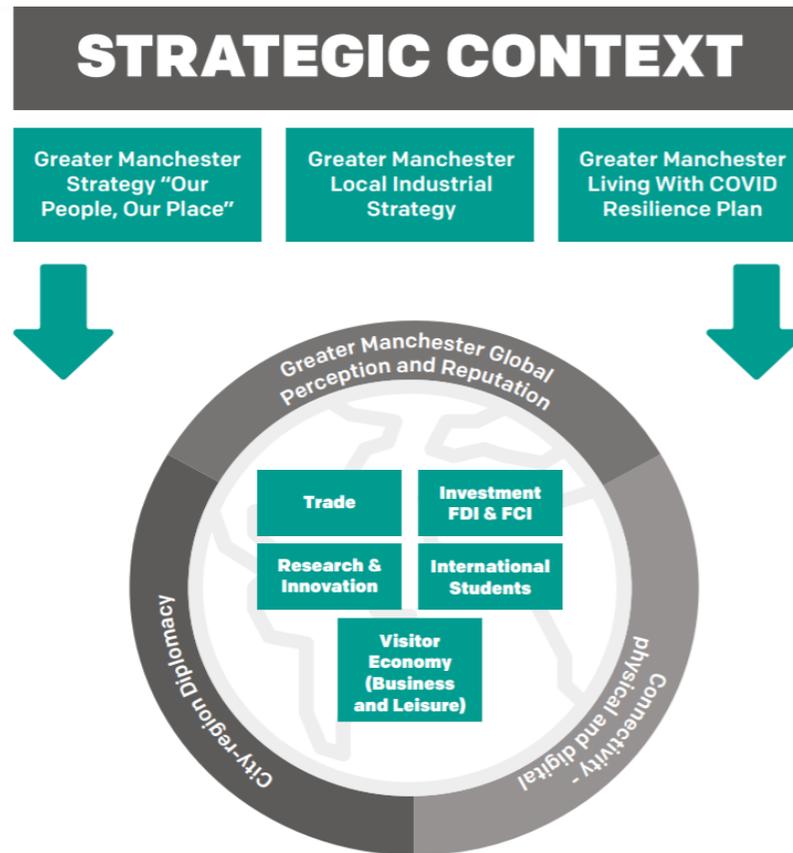
The largest diaspora communities in GM are Irish, Pakistani, Indian, Bangladeshi, and Chinese. The city region has a long history of working with these communities and groups to showcase their diversity, for example through annual festivals such as Chinese New Year or the St Patrick's Day Parade. MIP and MCF also play a key role in engaging with our Chinese and Indian communities.

In 2019 the Mayor travelled to Bangladesh with a large GM delegation which was considered a great success. The visit helped secure a direct route from Manchester to Dhaka and led to the establishment of two sister city agreements with the Mayors of Sylhet and North Dhaka.

Following the mission, a Manchester Bangladesh Partnership has been established, chaired by Cllr Abdul Jabbar, Deputy Leader of Oldham Council. The group consists of representatives from the airport, universities, the British Council, the British and Bangladeshi High Commissions, Manchester-India Partnership, Manchester Museum and two private sector partners, BDP and Seamark. The group aims to work in partnership with stakeholders in GM and Bangladesh, in particular with Sylhet and Dhaka North, to further the bilateral relations and opportunities for collaboration on the areas of education, tourism, knowledge sharing and trading and investment. The Mayor has committed to a follow up visit to Bangladesh in 2022, possibly combined with Pakistan.

In addition to market specific activity the GMCA International Team continues to work with cities where well-established relationships have been made, including Barcelona, Lyon, Rotterdam, Oslo, and Ulsan, identifying opportunities for exchange. To help drive strategic city partnership moving forward, the GMCA International Team are also working to develop a City-region diplomacy plan to provide a clear framework to developing further city links. Wider priorities also include supporting the Northern Powerhouse Department for International Trade team with the development of a GM Export Plan, supporting the Mayor and Cllr Elise Wilson with any international activity, and working with the GMCA Environment Team and MM on planned engagement at and around COP26.

# ONE YEAR GREATER MANCHESTER INTERNATIONAL STRATEGY IMPLEMENTATION PLAN



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Priority 1 - Trade

Priority	Lead/ Delivery Mechanism	Key Partner (s)	Action Plan Delivery to 2021	Timescale	Progress	RAG Rating
Work with national government on the development of their new national export strategy and regional export strategy, coordinating efforts to identify sector and market opportunities for the city-region in tandem with the Northern Powerhouse	GC/DIT NW GM Chamber	DIT GC International GM Chamber GMCA	<p>1.1 GM Export Manager (part of GC) to develop a high-level Greater Manchester Export Plan with DIT and wider GM stakeholders in liaison with DIT NPH</p> <p>1.2 GM Export Manager to consider establishing a GM Trade Group with participation from relevant GM Trade Delivery bodies creating a platform to share insights, intelligence, joint activity and where appropriate coordinate alignment of export service delivery and any events. Group objectives and membership to be agreed by Jan 2021 and driven by GM Export Manager.</p> <p>1.3 Engage regularly with DIT and DIT NPH on the delayed national export strategy as well as working to ensure government are well briefed on GM's export ambitions, priority markets and challenges facing our businesses.</p>	<p>March 21</p> <p>March 2021</p> <p>On-going</p>		
Support our exporters to address the challenges emerging from EU Exit and COVID, ensuring where possible that we maintain export market value share within our top markets such as the EU, the United States and China	GC/DIT NW GM Chamber	DIT GC International GM Chamber BEIS EEN NW	<p>1.4 Continue to deliver <b>Brexit training courses</b> and the roll out of <b>Brexit readiness services</b> ensuring companies are prepared for changes in new customs regulations ensuring that any appropriate feedback is fed in to the GM Brexit Readiness Group (GM Chamber)</p> <p>1.5 <b>Coordinate Brexit Messaging and Activity across GM</b> to ensure businesses can access relevant and up to date information easily and are provided with the necessary support to mitigate challenges as well as new opportunities that may arise</p> <p>1.5.1 <b>GC EU Weekly Round Up's to all GM Stakeholders</b></p> <p>1.5.2 <b>GC - BEIS EU Transition Project - funded through BEIS</b></p> <ul style="list-style-type: none"> <li>• BGH have agreed the delivery of 6 EU transition webinars (BGH)</li> <li>• Development of resources to be included as part of the "Toolkit" which are being made available on the EU Exist section of BGH's website. Communications campaign to be delivered in conjunction with the GMCA (Vicky Daly)</li> <li>• MD of BGH attends GM Brexit Readiness Meetings to feedback to BEIS from a GC perspective</li> </ul> <p>1.5.3 <b>Ensure that any relevant feedback is fed back to the GM Brexit Readiness Group (GC)</b></p> <p>1.6. <b>GMCA Research Team to continue providing regular data and monitoring on Brexit</b> - Ensure feedback loop between GM International Strategy delivery and monitoring work (GMCA)</p>	<p>On-going</p> <p>On-going</p> <p>On-going</p>		
Monitor the development of UK Free Trade Agreements and global trends, exploring and identifying opportunities to diversify Greater Manchester's International trading markets to countries and regions such as India, Japan, the Middle East and Australia	GC/DIT NW GM Chamber	DIT GC International GM Chamber GMCA	<p>1.7 Regularly engage with DIT and monitor development of FTAs's sharing intelligence as appropriate at the <b>GM Trade Group and in wider communications and meetings</b></p> <p>1.8 <b>Global Scale Up Programme</b> - take 100+ businesses through the programme by the end of 2021. GSU team continues to work closely with the CA to share insights of market opportunities and leverage city-level relationships to support program delivery.</p> <p>1.9 <b>Produce Monthly Trade Report</b> delivered by GC giving GMCA and clients a monthly snapshot of UK economic performance and international trade outlook, market overviews and overview of key reports and media coverage (BGH - Jeff)</p> <p>1.10 Strategically align GM Mayor's International engagement and activity to support International Trade to GM's priority and opportunity markets as well as relevant national government priority market (All)</p>	<p>Monthly</p> <p>By Jan 2022</p> <p>On-going</p> <p>On-going</p>		
Coordinate efforts across Greater Manchester to improve our international trade intelligence, including better understanding the opportunity that lower exporting sectors and the international trading of services presents for increasing our export productivity		DIT GC International GM Chamber GMCA	<p>1.2 <b>GM Trade Group</b> - as above</p> <p>1.11 <b>GMCA Research Team to undertake detailed analysis of 2019 GM Export and 2018 Export Service Data</b></p> <p>1.12 <b>GMCA Research to continue to lobby ONS for better access to GM Export and import info of goods and services to improve international trade intelligence locally</b> to help support the development of GM's Export Plan</p> <ul style="list-style-type: none"> <li>- Detailed breakdown of trade in services - sector and partner country</li> <li>- Detailed breakdown of import and export goods sector classification against each partner country</li> <li>- Break down of GM goods by business size and foreign/domestic ownership like with national data</li> <li>- Export and import data at a LA level</li> </ul> <p>1.13 <b>GC Export Services Project (GC)</b></p> <p>1.14 <b>GM Chamber Logistics Forum and Member Surveys</b> - Continue monitoring and engage Chamber members on export and import related issues through regular Logistics Forum and frequent surveys - intelligence to be reported to British Chambers of Commerce and GM Trade Group (GM Chamber)</p>	<p>By Jan 2021</p> <p>By Feb 2021</p> <p>On-going</p> <p>tbc</p> <p>On-going</p> <p>tbc</p> <p>On-going</p>		
Continue working to create a fully integrated business export offer through strong joint working with the Department for International Trade, Greater Manchester Chamber of Commerce and the business organisations in delivery planning, sharing of sector/market expertise and maximising 'Northern' export presence at key missions and events as well as maximising the level of intensive support to exporters and ensuring they have the tools and resources to expand into new markets		DIT GM Chamber GC International GMCA	<p>1.2 <b>GM Trade Group</b> - as above</p> <p>1.15 (1.2) Promote more integrated working through regular catch up's and joint working across GM by aligning GC International and GM Chamber services where appropriate with government contracts such as DIT NW, ERDR and EEN NW to support the delivery of GM's growth ambitions and wider NPH T&amp;I strategy</p> <p>1.16 Update the GMCA's International landing page to reflect the service offering of GM's International delivery bodies</p> <p>1.8 <b>Global Scale Up Programme</b></p> <p>1.16 Consider how GM may help address the significant skills shortage and knowledge gaps in logistics firms and exporting businesses</p> <p>1.17 <b>Join Up GM Trade Mission and Mayoral mission programs when appropriate</b></p> <ul style="list-style-type: none"> <li>• Liverpool-GM-Ireland joint mission to Dublin - Autumn 2021</li> <li>• DIT NPH Missions Program</li> <li>• GSU Missions Program</li> </ul>	<p>Feb 21</p> <p>Feb 21</p> <p>On-going</p> <p>On-going</p> <p>Entire strategy period</p>		
Develop and enhance existing relationships with the UK's priority markets including the US, Japan and EU, leveraging the region's existing relationships and city-to-city links to support Exporters to access new opportunities overseas	GMCA with GC	DIT GC International GM Chamber GMCA MIDAS EEN NW	<p>1.8 <b>Global Scale Up Program</b> - leveraging the networks of the programme partners, Department for international trade, the CA and the team's own business development – securing relationships with overseas agencies to create bilateral arrangements to share businesses, insight and opportunities in overseas markets (BGH)</p> <p>1.9 <b>Big Booster Partnership</b> - to deliver a high quality package of support to international businesses looking to do business in Greater Manchester, bringing together the business support ecosystem to showcase GM as a top place to scale a business. The package of support and agreement with Big Booster can be replicated to partner with overseas scale-up programmes in GM priority markets (GC)</p> <p>8.1 Develop a "City-region partnership model" as part of GM's City-region diplomacy plan that is supported that facilitates collaboration between key strategic international cities and clusters supporting two-way trade, investment, R&amp;D and wider policy exchange. Where aligned in priorities GM to work closely with DIT on their development and delivery, <u>jointly</u> with wider GM International partners where possible (GMCA)</p>	<p>On-going - co-hort 2 in Jan</p> <p>On-going</p> <p>March 21 for plan then on-going</p>		
Explore the opportunity that the national government's new Freeports policy presents for Greater Manchester as a means of supporting export growth	GMCA	DIT GC International GM Chamber Manchester City Council Salford City Council Trafford Council NWBLT MAG	<p>1.19 Re-convene <b>GM Freeports Group</b> to agree appropriate approach to GM's freeport bid (Deadline Feb 2021)</p>	<p>Feb-21</p>		

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Priority 2 - Investment

Strategic Objectives	Lead/ Delivery Mechanism	Key Partner (s)	Action Plan Delivery to 2021	Timescale	Progress	RAG Rating
Work across Greater Manchester to re-instit confidence in the investor community, re-building Greater Manchester's reputation as a top destination to live, work and invest with investment opportunities for businesses across a range of sectors including Creative & Media, Digital & Tech, Advanced Manufacturing, Clean Growth and Health Innovation.	MIDAS Marketing Manchester	Marketing Manchester Health Innovation Manchester GMCA	<p><b>2.1 Strengthen existing content/propositions</b> that convey the steps being taken to support and protect businesses and individuals, using language such as wellness, resilience and risk mitigation (Timescale Q3 and Q1 of 21/22)</p> <p><b>2.2 Develop</b> positive stories which reflect the success certain investors have seen throughout the pandemic</p> <p><b>2.3 Develop integrated campaigns as part of the GM LEP Economic Proposition</b> focused on Green, Innovation and Digital assets building on GM LIS and wider GM Inward Investment priority sectors.</p>	Q3 2020 and Q1 of 2020/2021 March 21 March 21		
Continue to monitor short term trends and implications on FDI emerging from COVID-19 and the UK's departure from the EU, identifying any challenges and future opportunities, and ensuring the city-region's FDI strategy is steered accordingly.	MIDAS	LA's GC	<p><b>2.4 Continue to monitor and respond appropriate to emerging trends and opportunities</b> arising as a result of COVID-19 and Brexit such as "North-shoring", re-shoring of critical manufacturing, importers and exporters with no UK head office and demand led projects in sectors such as cyber, health and logistic.</p> <p><b>2.5 Continue to monitor and respond to the opportunities COVID-19 presents for increase in out of town projects</b> to support town centre regeneration as well as the recovery of Manchester city centre.</p>	On-going On-going		
Coordinate efforts across our business support organisations to protect our existing investor base, offering support where possible to minimise job losses, providing solutions for redeployment and identifying potential expansion projects;	MIDAS	DIT KAM Program GC LA's	<p><b>2.6 Continue to support businesses through the HR1 process</b> that are at risk of redundancies, offering support and potential match making with investors to help save and create jobs.</p> <p><b>2.7 Through MIDAS account management program and wider GC support, continue to provide support to GM businesses impact by COVID-19, offering support to minimise job losses</b>, providing solutions for re-deployment and continuing to identify expansion projects.</p> <p><b>2.8 Build on the DIT Account Management Programme and implement a new account management strategy</b> that aims to support greater engagement across foreign owned account management businesses regionally, nationally and internationally.</p>	On-going On-going March 21		
Work with national government on the development of the new national investment strategy to support the levelling up agenda and ensure a fairer distribution of foreign investment across UK regions – over the next three years we aim to increase our share of UK investment (from 5%) to 8% adding approximately £114m to the city-region's economy.	MIDAS	DIT LA's GMCA	<p><b>Marketing and Promotion</b></p> <p><b>2.9 Increase GM's proactive promotional activity</b> both virtually in the short term and through in-market representatives in the long-term to support the development of a larger pipeline of high value inward investment opportunities.</p> <p><b>2.10 Work</b> with DIT and wider local, national and international stakeholders to support the promotion of GM's new assets such as the Northern Gateway Manufacturing and Innovation Park.</p> <p><b>2.11 Continue working</b> national government and DIT NPH to promote existing High Potential Opportunities (HPO's) in sustainable packaging, lightweighting and healthy ageing as well as develop new HPO's where GM has world-class strengths such as Cyber and E-Commerce.</p> <p><b>2.12 Strengthen LIS sector promotion strategies and implement analytical targeting to attract foreign firms</b> shifting focus to attract high value jobs targeting innovator led departments and sectors such as E-Commerce, Cyber, Clean Tech and Advanced Materials.</p> <p><b>2.3 Develop integrated campaigns as part of the GM LEP Economic Proposition (Green, Innovation and Digital asset)</b> - Promoting regions strong proposition as well as proactively targeting companies with direct outreach and wider events plan.</p> <p><b>Further Proposition Development</b></p> <p><b>2.13 Work across Greater Manchester to develop and define market and business opportunities for companies that support the delivery of the Local Industrial Strategy and broader Mayoral ambitions.</b> For example – Ashton Moss</p> <p><b>2.14 Work with local authorities to develop local propositions around Greater Manchester's key employment sites and town centres</b>, using market intelligence and international best practice to help design demand led site/place propositions.</p> <p><b>2.15 Develop a new portfolio of investment ready assets across different sector classes</b> such as Infrastructure, Real Estate, Low Carbon and business</p> <p><b>2.16 Package and tender GM infrastructure investment opportunities to coordinate and leverage wider capital investment in to GM</b></p> <p><b>Analytics and Business Development</b></p> <p><b>2.17 Implement a two-track approach for MIDAS strategy development and delivery</b> - 1. Data driven insight from new analytics packages 2. Market insights from clients, partners and networks to help determine opportunities and allocate where resource and activity is directed ensuring information is fed to relevant boards and stakeholders.</p> <p><b>2.18 Increase FDI in to R&amp;D specific activities</b> - this includes through new university partnerships via institutions like the GEIC or the attraction of R&amp;D facilities helping to enhance GM's innovation offer and driving GVA and growth.</p> <p><b>2.19 Continue to deliver the DIT Account Management program and ERDF SME Sectors program to deliver on MIDAS' annual account management and job target</b></p> <p><b>2.20 Develop links with Chambers of Commerce in key investment markets</b> that will support FDI flows and potential post Brexit projects</p> <p><b>2.21 Work with the new in-market NPH Champions to support greater trade and investment flows</b></p> <p><b>Special Purpose Vehicles and New Market Strategy</b></p> <p><b>2.22 Continue to develop Greater Manchester's special purpose vehicles (MCF and MIP)</b> and explore the creation of new market steering mechanisms such as the development of a Japan steering group in response to emerging opportunities presented by new national foreign policy.</p> <p><b>2.23 Implement US strategy</b></p> <p><b>3.7. Consider how Foreign Capital Investment (FCI) can bolster GM's innovation and R&amp;D investment funds to support start up's</b> as well as fund large scale projects (GC Angels/MIDAS/GMCA)</p>	On-going On-going On-going On-going March 21 On-going On-going Q3 2021 On-going Q2 2021 On-going On-going Q1 21/22 On-going On-going On-going		
Increase the proportion of high value jobs to improve the city-region's productivity and support Greater Manchester's inclusive outcomes;	MIDAS		<p><b>2.21 Work with the new in-market NPH Champions to support greater trade and investment flows</b></p>	On-going Q1 21/22		
Translate the city-region's strategic vision in to strong sector propositions and defined market opportunities for international investors and businesses through the development of new propositions around emerging sectors such as Clean Tech, Digital and Cyber, including by working with government on the delivery and roll out of additional High Potential Opportunities (HPO).	MIDAS		<p><b>2.22 Continue to develop Greater Manchester's special purpose vehicles (MCF and MIP)</b> and explore the creation of new market steering mechanisms such as the development of a Japan steering group in response to emerging opportunities presented by new national foreign policy.</p> <p><b>2.23 Implement US strategy</b></p> <p><b>3.7. Consider how Foreign Capital Investment (FCI) can bolster GM's innovation and R&amp;D investment funds to support start up's</b> as well as fund large scale projects (GC Angels/MIDAS/GMCA)</p>	On-going On-going On-going		

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**Priority 3 - Research and Innovation**

Strategic Objectives	Lead/ Delivery Mechanism	Key Partner (s)	Action Plan Delivery to 2021	Timescale	Progress	RAG Rating	
Position Greater Manchester as an innovative and ambitious city-region committed to solving societal challenges through science and technology, tackling inequalities, and climate change issues, embracing diversity and recognising the importance of civil society - balancing profit with people and the planet - creating a society that works for everyone	MIDAS MM	Universities Marketing Manchester GMCA MIDAS Local Authorities EEN NW DIT BEIS InnovateUK GM Innovation Board The Growth Company	<p><b>Promotion of our Innovation Assets</b></p> <p><b>2.3 GM LEP Economic Proposition</b> - Develop integrated campaigns focussed on green, innovation and digital assets, featuring content developed as part of GM's Economic Proposition project, working with GM LEP and LIS priority themes and GM's priority inward investment sectors (LEP, MM and MIDAS)</p> <p><b>2.1</b> Develop strong cross-GM propositions to promote GM's Innovation Network and key innovation assets as outlined in InnovationGM such as ID Manchester, South Manchester Manufacturing and Innovation Park, Salford Innovation Triangle, Corridor Manchester and the Northern Gateway Manufacturing and Innovation Park to international businesses, investors and stakeholders - promoting our assets and aiming to attract top international talent, businesses and investment.</p> <p><b>2.11</b> Continue working national government and DIT NPH to promote existing High Potential Opportunities (HPO's) in sustainable packaging, light-weighting and healthy ageing as well as develop new HPO's where GM has world-class strengths such as Cyber and E-Commerce to raise awareness of GM's key sector strengths (MIDAS)</p> <p><b>2.18</b> Increase FDI in to R&amp;D specific activities - this includes through new university partnerships via institutions like the GEIC or the attraction of R&amp;D facilities helping to enhance GM's innovation offer and driving GVA and growth.</p> <p><b>3.2</b> Use existing structures, networks and support programs such as EEN NW, InnovateUK as well as city-to-city networks to actively promote GM's unique approach to innovation and assets to international universities and corporates and attract innovative companies to GM (8-1)</p>	March 21			
Use Greater Manchester's assets to put the UK at the forefront of global innovation in key areas such as health, digital, clean technologies and advanced manufacturing/materials						On-going	
						On-going	
Attract investment and talent in to Greater Manchester's leading research areas and innovation assets, leveraging the impact of investment to support the strategic needs of the Greater Manchester economy	MIDAS GMCA Universities	Universities Marketing Manchester GMCA MIDAS Local Authorities EEN NW DIT BEIS InnovateUK GM Innovation Board The Growth Company	<p><b>InnovationGM - Learning and proactively driving cooperation with other cities</b></p> <p><b>3.2</b> Develop strong cross-GM propositions to promote GM's Innovation Network and key innovation assets as outlined in InnovationGM such as ID Manchester, South Manchester Manufacturing and Innovation Park, Salford Innovation Triangle, Corridor Manchester and the Northern Gateway Manufacturing and Innovation Park to international businesses, investors and stakeholders - promoting our assets and aiming to attract top international talent, businesses and investment. (2.3)</p> <p><b>3.3</b> Build the Global North, Global Britain framework outlined in InnovationGM in to the Greater Manchester's City-region diplomacy framework, identifying city-regions and new structures to develop a small number of innovation city to city relationships with their investor and Global best practice investor cities to help forge new international partnerships that attract international tech founders, investors and national innovation leaders to the UK as well as help facilitate broader best practice sharing, and collaborative R&amp;D opportunities.</p> <p><b>3.3.1</b> Develop a Innovation diplomacy roadmap to global tech poles led by Innovation GM's business and civic leaders to promote GM and the UK's asset base and opportunities (InnovationGM bid)</p> <p><b>Cross Border University Collaboration and Industry R&amp;D</b></p> <p><b>3.4</b> Map GM's research and innovation strengths as well as key academics, leaders and officers who are open to representing Greater Manchester overseas in policy dialogues, international city-to-city exchanges and wider academic collaboration. (GMCA)</p> <p><b>3.18</b> Increase FDI in to R&amp;D specific activities - this includes through new university partnerships via institutions like the GEIC or the attraction of R&amp;D facilities helping to enhance GM's innovation offer and driving GVA and growth.</p> <p><b>3.5</b> Identify GM Anchor Companies with strong international R&amp;D partners that can support GM's wider international ambitions, eg. Urban Splash and Sesusuki House</p> <p><b>3.6</b> Age-friendly Design Agency - Health Ageing Trailblazer - monitor opportunities that newly created vehicles present for international cooperation (MIDAS/GMCA Economy Team)</p> <p><b>Public Sector Innovation</b></p> <p><b>3.7</b> Continue to deliver the Innovate Manchester events program enabling collaboration between SME's, corporates and academia by shaping innovative propositions for key challenges (MIDAS)</p> <p><b>3.8</b> Energy Innovation Centre - Clean Growth 2038 - MIDAS to support GMCA attract european and international business collaboration around at scale energy demonstrator projects</p> <p><b>3.9</b> International Centre for Healthy Ageing - Early stage proposal development - explore opportunities to leverage international R&amp;D and Expertise through Innovation GM - longer term opportunities for soft landing at ICWA</p> <p><b>3.10</b> GAMMA - monitor international opportunities (MIDAS)</p> <p><b>3.11</b> Consider how to use existing structures, networks and support programs such as EEN NW, Innovate UK as well as city-to-city links to deliver on GM's International Innovation priorities</p>	On-going			
Promote Greater Manchester as a top location for global companies to establish their R&D operations across the city-region's frontier sectors						On-going	
Foster international research and innovation partnerships and help promote our research and innovation capabilities globally						June 2021	
Develop city-to-city collaborations and cluster partnerships that promote collaboration between institutions, innovation hubs and businesses and connect international scale up programmes to support cross border R&D						On-going	
						June 2021	
						On-going	
Explore the opportunity to develop soft landing platforms locally for international businesses and partner with international landing hubs in our priority markets to support Greater Manchester's businesses access and establish new operations overseas to support cross border R&D						On-going	
						Jan recruitment	
						On-going/long-term	
						On-going/long-term	
Lobby national government to ensure the UK's participation in the Horizon Europe Programme (2021-2028)	Universities	GMCA	<p><b>3.9</b> Universities to continue lobbying national government through relevant groups and channels</p>	On-going			

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## Priority 4 - Visitor Economy (Leisure and Business)

Strategic Objectives	Lead/ Delivery Mechanism	Key Partner (s)	Action Plan Delivery to 2021	Timescale	Progress	RAG Rating
Support and sustain the business and conference sector as we live with COVID-19 and as we shift to rebuilding and recovery, and identify and attract major new sporting and cultural events to be held in the city-region as well as domestic and international business conferences and events that align and reinforce GM's priority sectors.	Marketing Manchester	Greater Manchester Tourism Industry Economic Recovery (GMTIER) Group	4.1 Implement <b>GM Tourism Hospitality and Leisure Support &amp; Recovery Plan</b> working with GM TIER Group	on-going		
Work in-market with the travel trade in-market to grow back passenger numbers and increase the number of international passengers arriving at Manchester Airport:	Marketing Manchester	VisitBritain, Manchester Airport	4.2 Deliver the programme of international activity as detailed in the <b>Discover England 5 Action Plan</b>	When appropriate		
Retain and increase Greater Manchester's International visitor market share as the alternative gateway to the UK;	Marketing Manchester	VisitBritain, Manchester Airport	4.2 Deliver the programme of international activity as detailed in the <b>Discover England 5 Action Plan</b>	On-going		
Promote Greater Manchester's cultural, sporting and hospitality assets to gain further recognition as a vibrant global city-region;	Marketing Manchester	Industry Partners, GM Local Authorities	4.4 Work with GMCA to develop Cultural campaign activity as part of the GM recovery campaigns to position GM's cultural assets and events. 4.5 Continue to identify and bid for international sporting events to generate economic GVA for GM's conference, retail, hospitality and leisure sector	on-going		
Build on the successes of Greater Manchester's devolved delivery contract with Visit Britain to secure a new sustainable structure focused on greater devolution and anchored around a new 10-year tourism strategy;	Marketing Manchester	VisitBritain, VisitEngland, DCMS	4.6 Assess the appropriate timeline to recommence industry consultation around the development of a new GM Tourism Strategy. 4.7 Implement and report on a programme of research, including hotel performance and STEAM data.	When appropriate		
Work with the Department for Digital, Culture, Media and Sport (DMCS) to establish a network of destination marketing organisations that improves the UK's competitiveness and productivity within the visitor economy sector.	Marketing Manchester	DCMS, other DMOs, Tourism Alliance	4.8 Continue to work with partner DMOs to lobby DCMS for further devolved budget in visitor economy delivery	On-going		

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## Priority 5. International Students

Strategic Objectives	Lead/ Delivery Mechanism	Key Partner (s)	Action Plan Delivery to 2021	Timescale	Progress	RAG Rating
Coordinate efforts across Greater Manchester to remove as many physical barriers as possible for the 2020/2021 international student intake	MCF UoM	Universities MM GMCA MCF MIP L.A.	5.1 The <b>Greater Manchester Student Welcome Group</b> led by The University of Manchester will continue to run to ensure all GM universities work together to coordinate charters and messaging to international students - this group will continue to meet throughout 2020/2021 to address challenges as they emerge.	By October 2020	Group will review re-convening in summer 2021	
Coordinate efforts across Greater Manchester to promote the region as a safe and welcoming place to study in response to increased negative sentiment towards the UK	Marketing Manchester	Universities GMCA The Growth Company	5.2 Coordinate messaging to International Students, building on the success of the <b>Find Your Space to Learn Campaign</b>  5.3 <b>Study Manchester</b> - Secure sustainable future for GM Study Manchester initiative working with all 4 Universities to ensure a coordinate Study GM story is told internationally	Up to Dec 21  On-going		
Stride ahead of our competitor cities to enhance Greater Manchester's student offer and remain competitive globally as a great place to study	BGH	Universities	5.4 <b>The International Student Work Experience Program</b> - build on the pilot scheme launched in 2019 to create a fully digitalised offer, supported by GM's Universities to support International Students access work placements and enhance GM's additional offer to international students.	On-going		
Explore what opportunities the new Graduate Immigration Route presents for supporting the diversification of Greater Manchester's international student population and how the city-region can come together to tell our place and sector story well to prospective students	Universities Marketing Manchester BGH	Universities BGH	5.5 Work with GM Universities to better understand and identify key opportunity markets for international student market diversification, joining up promotional activity with GM international comms when appropriate  5.6 Continue to bring together the GM Universities Communications Group and consider how GM's strong sector and business offering can be used to attract prospective students to study and then work in the region (MM to convene)  5.7 Consider developing a GC campaign in partnership with GM Universities promoting the benefits of the Graduate Immigration Visa to GM businesses as part of the GM International Student Work Experience program (BGH to consider)	On-going  On-going  By Sep 21		
Consider how Greater Manchester can better engage with the city-region's universities to connect with the international Alumni network, recognising that international students are life-long ambassadors for the city-region	Marketing Manchester MIDAS	The Growth Company Marketing Manchester MIDAS GMCA	5.8 Maintain regular contact with the Universities through regular 1-1's and the <b>GM Universities Communications Group</b> to identify relevant opportunities for engaging University Alumni during GM International missions and activity - Eg. Mayoral Missions to India/China/Japan etc	When pandemic allows for international visits		

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## Priority 6 - GLOBAL PERCEPTION AND REPUTATION

Strategic Objectives	Lead/ Delivery Mechanism	Key Partner (s)	Action Plan Delivery to 2021	Timescale	Progress	RAG Rating
In response to the emerging challenges of COVID-19, continue promoting Greater Manchester as a safe, welcoming and diverse city-region and a great place to visit, invest, meet, study and live;	GMCA GC Marketing Manchester	Marketing Manchester MIDAS Universities Visit Britain TIGM DIT GC	6.1 Work with GM Partners to review the impact of COVID and Brexit on the perception of GM, coordinating efforts to develop and implement campaigns that mitigate negative effects and promote safe and welcoming messaging  6.2 Continue to develop, deliver and promote the Safe GM campaign in partnership with Growth Co, TIGM and others	On-going  On-going		
Recognise the critical importance our place assets have in building a globally competitive region, coordinating efforts across Greater Manchester to lobby government and secure additional investment in our offering recognising the importance that culture and life enriching qualities bring to our residents;	GMCA	Marketing Manchester Cultural leaders GMCA LEP	6.3 Develop Cultural campaign activity as part of GM's COVID recovery campaigns to help position GM's cultural assets and events program - MM to lead development, implementation and associated delivery actions.  6.4 Help the development, promotion and communication of GM's Economic Proposition focusing on innovation and tackling inequalities - helping to position GM's offer to senior government representatives, businesses influencers and relevant stakeholders and international audiences (2.3)	<i>tbc</i>  By March 21		
Tell Greater Manchester's story to the world, initiating focused and sustained communication of Greater Manchester's ambitions, unique selling points and Local Industrial strategy sectors, positioning Greater Manchester at the forefront of innovation;	Marketing Manchester MIDAS	MIDAS GMCA LEP	2.3 Develop integrated campaigns focussed on green, innovation and digital assets, featuring content developed as part of GM's Economic Proposition project, working with GM LEP and LIS priority themes and GM's priority inward investment sectors	Mar-21		
Strengthen Greater Manchester's global position and perceptions by implementing the Business of Cities research recommendations, defining our target indices and setting out a process to improving and tracking performance against our defined metrics of success;	Marketing Manchester	MIDAS, GMCA, The Business of Cities	6.5 Form GM benchmarking monitoring group (MM) - identify key indices that measure success against the 8 priorities of GM's International Strategy to be included in the GM Economic proposition and help measure global perception against LIS sectors - ensure current ranking and data source is submitted to reflect current position, identify underperforming areas that require intervention and aim to improve rankings.	Sep-21		
Explore a new public and private model for promoting Greater Manchester and delivering international activity.		MIDAS GMCA Growth Company DIT FCDO GM Stakeholders	6.6 Explore new mechanisms to better leverage the strength of the private sector in terms of commercial income and network access to enable the region to be more ambitious in its activities and enable stronger long-term financial sustainability that supports longer-term businesses planning and the delivery of more ambitious targets.  6.7 Conduct focus groups related to drivers & benefits of involvement with key campaigns (Innovation, Digital and Green/low carbon) with private and public stakeholders to assess appetite for a Manchester Partnership promotional approach (2.3)	On-going  March 21 - inform economic proposition campaigns		

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## Priority 7 - Connectivity (Physical)

Strategic Objectives	Lead/ Delivery Mechanism	Key Partner (s)	Action Plan Delivery to 2021	Timescale	Progress	RAG Rating
Continue to lobby government on the support needed to ensure a full and speedy recovery of the UK aviation sector and regional airports – emphasising the important role that airports and long-haul connectivity play in supporting the re-balancing and levelling up of the UK	MAG GMCA	MIDAS Marketing Manchester DIT NPH	<b>7.1 Continue to ensure regular communication between MAG, GMCA, TIGM and wider GM Stakeholder group</b> ensuring a coordinated approach is being taken on communication with government departments and wider GM Connectivity activity including - route development, raising recognition of the importance of regional connectivity, introduction of testing and wider aviation recovery activity.  <b>7.2 DIT NPH/MAG/DIT Working Group</b> - Support MAG as appropriate on their regular engagement with DIT NPH and DIT	Ongoing  On-going		
Ensure that Manchester Airport is well positioned against peer airports by developing a coordinated and clear proposition for Greater Manchester and the North including its surrounding business, leisure and student travel to ensure the city-region's route proposition remains competitive and that the Airport is able to win back and secure routes with markets such as the US, China, India and Japan	MAG	GMCA MIDAS Marketing Manchester	<b>7.2 DIT NPH/MAG/DIT Working Group</b> - quarterly meeting  <b>7.3 Coordinate a cross GM effort for supporting MAG to work with DIT NPH to develop business cases for route propositions and help revive existing routes damaged by COVID-19</b> - Support MAG to coordinate a "Commercial Contacts" list of GM Stakeholders who can support route development. Also important to ensure MAG are kept up to date on all International activity to identify any cross over with wider connectivity ambitions. (MM, MIDAS, MAG, DIT NPH)  <b>7.4 Work with MAG to ensure the success of attracting and delivery strategic routes through joint oint marketing campaigns and activity (MM)</b>	Ongoing  Action plan by March 21  On-going		
Monitor the announcement of travel corridors and support Manchester Airport to reinstate and attract additional routes and work with the travel trade in-market to grow back passenger numbers and increase the number of international passengers arriving at Manchester Airport	MAG	GMCA MIDAS Marketing Manchester	<b>7.1 Continue to ensure regular communication between MAG, GMCA, TIGM and wider GM Stakeholder group</b> ensuring a coordinated approach is being taken on communication with relevant government departments and wider GM Connectivity activity including - route development, raising recognition of the importance of regional connectivity, introduction of testing and wider aviation recovery activity.	Ongoing		
Work with government to accelerate investment commitments to HS2 and Northern Powerhouse Rail (NPR) to improve Greater Manchester's ground connectivity to the broader Northern Powerhouse region. Better connectivity enables Manchester Airport to increase its public transport catchment airport and improves the viability of new services to priority markets, makes use of existing capacity, maximises the city-region's global competitiveness and ensures the benefits of the airport to flow to all parts of the North	MAG	GMCA NP11 TIGM TIN DIT MIDAS Marketing Manchester	<b>7.5 Work with DIT NPH, MAG and DIT to develop a strong narrative and proposition building on "Greater Manchester Gateway to the North" to support the Airports catchment and route development proposition, in turn bringing wider benefits to the North of England</b>	On-going - Action plan by March 21		

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## PRIORITY 8 - CITY REGION DIPLOMACY

International Strategy - Strategic Objectives	Lead/ Delivery Mechanism	Key Partner (s)	Action Plan Delivery to 2021	Timescale	Progress	RAG Rating
Strengthen and broaden existing city-region collaboration agreements - including Barcelona, Lyon, Boston, Ulsan, Tianjin, Sylhet and Bangalore - identifying opportunities that promote further trade, investment and research collaboration between businesses and institutions	GMCA	MIDAS MM DIT GM Chamber LA's	<p><b>8.1 Scope and develop a City-region Diplomacy framework</b>, working with DIT, FCDO and delivery plan that builds in existing city-to-city partners and guides the development of new partnerships to help deliver the priorities of Greater Manchester's International Strategy - this includes supporting policy development through international exchanges, sharing best practice, supporting two way trade and investment, research and innovation cooperation as well as leveraging wider city to city exchange to engage with GM's wider diaspora communities.</p> <p><b>8.1.1</b> Scope GM capacity, resource and data required to deliver on GM's City-region diplomacy plan</p> <p><b>3.3</b> Build the Global North, Global Britain framework outlined in InnovationGM in to identify a small number of innovation and research city to city relationships</p> <p><b>8.2</b> Use the framework of the new City-region diplomacy plan to build on existing links with cities such as Barcelona, Grand Lyon, Boston, Ulsan, Tianjin, New York, Sylhet and Bangalore as well as identify further cities for the formation of new partnerships</p> <p><b>8.3</b> Utilise the newly formed GM-Japan steering group to support the development of a new city partnership with Osaka and the Kansai Region</p> <p><b>8.4</b> Maintain and further develop GM's relationship with British diplomatic missions in our priority markets as well as continuing to play host to diplomats and visits from foreign dignitaries and delegations</p>	June 21  April 21 June 21 On-going		
Develop a City-region Diplomacy Plan which identifies a small and strategic number of city relations and cluster partnerships that align with Greater Manchester's sector opportunities, policy interest and priority markets			<p><b>8.3</b> Utilise the newly formed GM-Japan steering group to support the development of a new city partnership with Osaka and the Kansai Region</p> <p><b>8.4</b> Maintain and further develop GM's relationship with British diplomatic missions in our priority markets as well as continuing to play host to diplomats and visits from foreign dignitaries and delegations</p>	By 2022 On-going		
Develop a 2020-21 Mayoral Mission Plan in partnerships with key Greater Manchester stakeholders and government to support the delivery of our international ambitions and raise our profile overseas	GMCA	MIDAS MM The Growth Company	<p><b>8.5</b> Work with GM Delivery Partners and wider GM Ecosystem to develop a Mayoral missions and activity program to support the delivery of GM's International Strategy with key priority markets</p> <p><b>8.5.1</b> Joint LCR and GM Ireland Mission in September 2021</p> <p><b>8.5.2</b> COP26 (8.6) - MM/GMCA/LA's</p> <p><b>8.5.3</b> Bangladesh and Pakistan visit in 2022</p> <p><b>8.5.4</b> Joint GM-NWR Cyber Event in March 2021</p> <p><b>8.5.5</b> Develop high-level work plan for key priority markets (US, Germany, Japan and Bangladesh to begin with)</p> <p><b>8.6</b> Work with GM Delivery Partners and wider GM Ecosystem to identify international engagement opportunities for GM's leadership and wider key stakeholders</p> <p><b>8.7</b> Identify opportunities and support engagement with GM's diaspora communities through existing arrangements such as MIP, MCF, Japan Steering Group and the GM-Bangladesh Steering Group as well as building on and supporting city-to-city activity delivered through our LA's</p>	On-going  By March 21 On-going through regular catch up's		
Explore opportunities emerging from the 10 boroughs that may benefit from city-to-city international partnerships and missions, for example, investment, trade and diaspora links	GMCA	LA's	<p><b>8.1 City-region Diplomacy Framework</b></p>	June 21		
Promote Greater Manchester as an active and strong voice in global issue on the international stage, map our international networks and identify opportunities for joint international working across the city-region	GMCA	MIDAS LA's MM The Growth Company	<p><b>8.8</b> Explore opportunities for "<b>Team Manchester</b>" activity at COP26 to raise the profile of GM's Green Credentials on a world stage and support the delivery of our wider international priorities including trade, investment, global perception and as a means of facilitating further city to city dialogue on the climate agenda</p> <p><b>8.9</b> Work with all GM International partners and LA's to map GM's international stakeholders and networks, ensuring GM is able to fully leverage the opportunities they present to deepen our connections with international partners and cities</p> <p><b>8.10</b> Work across GM to understand process and develop proposition for FCDO hub outside of London</p> <p><b>8.11</b> Identify and deliver on opportunities to support GM's Advocacy and Influence aspirations including hosting high-level expert meetings with global mayors and international institutions, for example at GM's Green Summit</p> <p><b>8.12</b> Identify future events that can be leveraged for wider international activity, for example Rugby League world cup and the Manchester International Festival</p> <p><b>8.13</b> Work with CA policy leads and GC to formalise a high-level peer to peer exchange program with GM's priority cities</p>	On-going - deadline Nov 21 March 21 On-going Ongoing - work plan by March 21 Ongoing - Long-list by March 21 Work plan by March 21 - exchange - is on-going		

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## MONITORING AND EVALUATION

PERFORMANCE							
Priority	Targets	Data Source	2016-17	2017-18	2018-19	2019-20	2020-21
Trade	Over the next year (2020-2021) maintain GM's 2018 Total Good's Export Value of £6.8bn	ONS - UK Goods Export Data		£6.8bn	£6.5bn		
	Over the next year (2020-2021) maintain GM's 2017 Total Services Export Value of £8.5bn	ONS - UK Services Export Data	£8.2bn	£8.5bn			
	Over the next year (2020 -2021) maintain our 2018 current number of exporting businesses - 13,043	ONS - Regional Trade Data		13043	10673		
Investment (FDI)	Increase MIDAS' high value jobs (£27.5k) from 52% to 66% by 2025.	MIDAS	46%	86%	79%	76%	
	MIDAS 4000 job target	MIDAS	3898	3778	4380	3458	
	To become a Top 10 global location for FDI attraction	EY Attractiveness Survey					
	Increase our % share of UK investment from 5% to 8% by 2025	DIT	4.10%	5.00%			
	Retain top tier position in IBM Global Location Trends	IBM Global Location Trends	n/a	12	10	12	N/A
Research and Innovation	GM University Rankings - UoM	QS World University	29th	34th	29th	27th	
	GM University Rankings - MMU	QS World University	701+	Top 1000	Top 1000	Top 800	
	GM University Ranking - UoS	QS World University	701+	Top 800	Top 800	Top 1000	
	GM University Rankings - Bolton	QS World University					
Visitor Economy	<i>Business Tourism - By 2025 Greater Manchester aims to increase business tourism earnings from £862m in 2017 by at least 40%, generating an additional £345m for the city-region economy.</i>						
	Monitor YoY growth in total business visitor numbers	MM	428,092	436,596	422,119		
	Conferences wins	MM					
	Conference Economic Impact	MM	£862m				
	International Congress & Convention Association City Rankings	ICCA	84th	93rd	82nd		
	<i>Leisure Tourism - By 2025 Greater Manchester aims to be a global destination of choice for leisure visitors and trade partners, working to ensure that the economic impact and benefits of tourism are felt across the whole of Greater Manchester.</i>						
	Monitor YoY growth in total leisure visitor numbers	MM	295,010	386,612	476,580		
	Monitor YoY growth in total international visitor numbers	MM	1.5m	1.6m	1.89m		
% of UK's Total Inbound visits	MM	4%	4%	4%			
International Students	In 2020 to 2021 aim to Maintain 4% market share of total UK International Students	HESA			4%		
International Students	Monitor YoY growth of total International Students	HESA		19015	19695		
International Students	Monitor % of international students of total student population	HESA		19%	19%		
Connectivity	New Routes	MAG					
Connectivity	Total Passenger numbers Inbound (year average)	MAG					
Connectivity	Total Passenger numbers outbound (year average)	MAG					

### PERCEPTION

rk is currently on-going with Marketing Manchester to identify the key indicies for monitoring of perception - formal proposal to be presented to IMAB in Feb 20

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## **GM LOCAL ENTERPRISE PARTNERSHIP BOARD**

**SUBJECT:** GM Business Rates Funded 3 Year International & Marketing Programme

**DATE:** 18<sup>th</sup> March 2021

**FROM:** Mike Blackburn, Chair of Marketing Manchester and IMAB

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## **GM Business Rates Funded 3 Year International & Marketing Programme**

### **PURPOSE OF REPORT**

To provide GM LEP with a programme overview and outcomes for GMCA Business Rates 3-year funding the Growth Company's Place Promotion and Investment/Tourist attraction activity via MIDAS and Marketing Manchester (MM) services.

### **RECOMMENDATIONS**

GM LEP is asked to;

- Note and comment on the report
- Endorse the Programme and Outcomes

### **EQUALITIES IMPLICATIONS**

The programme of work to be undertaken will support GMCA and LEP in tackling inequalities and encouraging economic growth by championing diversity, inclusion and equal opportunities and new outcome measures to be added. The programme recommends the adoption of a broader set out outcomes aligned to equalities impacts.

### **CLIMATE CHANGE IMPACT ASSESSMENT AND MITIGATION MEASURES**

The Programme will:

- Increase awareness of GMCA and GM LEP's role in encouraging work to address, and mitigate against, the impact of climate change. It promotes GM's low carbon sector credentials and champions measures that will enable GM to achieve its ambition of carbon neutrality by 2038.
- Directly focuses on the attraction of companies that are specialists in low carbon technologies, or in the encouragement of companies to invest in net zero facilities in GM.
- Include the development and attraction of events and conferences that promote GM's ambitions and stimulate interest in and economic benefit to GM and its climate change agenda.

### **CONTACT OFFICERS**

Mark Hughes, Group Chief Executive, The Growth Company  
[Mark.Hughes@growthco.uk](mailto:Mark.Hughes@growthco.uk)

## Introduction

GM Local Authorities provide funding to promote and attract investment and visitors, delivered via Growth Company service areas of MIDAS (£1m p.a.) and MM (£377k p.a.). GMCA has agreed an additional 3-year funding allocation of £2.25million to strengthen this activity during a period of rapid market evolution, in part stemming from a post-Brexit and 'living with' Covid-19 world.

This paper sets out the:

1. Supporting Delivery of GM's Strategies
2. Value of Tourism and Foreign Investment to the GM economy
3. Existing Rate of Return on MIDAS and MM activity
4. Impacts of Covid-19 and changing operating environment; and
5. Programme Objectives and Outputs

### 1. Supporting Delivery of GM's Strategies

Place promotion, both domestic and international, and the attraction of inward investment, business events and tourism all contribute significantly to GM's economy, are directly align with the GMS, Covid-19 1 Year Recovery Plan, LIS and Economic Vision, and form critical elements of the GM International Strategy (see Annex 1 for summary).

These GM strategies are directly supported via this programme, as outlined in detail in the Programme Objectives and Outputs sections. An enhanced set of refocused success measures aligned to GM priorities with increased emphasis on quality, value-add and wider value (inclusivity and sustainability) reflecting GM's desire to "do things differently" are set out in Section 5.

These new success measures are highly progressive in their respective marketplaces of inward investment, promotion and tourism (e.g. against competitor agency KPIs) and will put GM at the forefront of a more inclusive and purpose led approach to economic growth. This also reflects that Covid-19 has stimulated a much deeper and wider debate around 'Purpose' of organisations and businesses (especially climate change and inclusivity) combining people-planet-prosperity agendas for which GM has a notable position. This approach therefore not only reflects doing the right thing but also has the potential to enhance GM's competitiveness in these markets.

A summary of the activity is below, and is provided in more detail at Annex 2:

- **Amplifying GM's narrative and Global Brand** amongst target audiences, media, influencers, and decision makers in a number of highly globally competitive marketplaces.
- **Building domestic and global influence** through international networks, city to city and cluster to cluster partnerships, that enhance GM's profile, whilst sharing best practice, innovation, investment, trade and talent.
- **Promote transformational sectors:** Heath Innovation and Care; Advanced Materials; Digital & Creative Industries and the Low Carbon sector to a wider domestic and international audience, raising GM's profile globally in these distinct specialisms, a critical part of cluster development.
- **Attracting inward investment** into these sectors, that enhances growth, creates good and high value jobs, transfers innovation and new technologies, stimulates productivity growth and ultimately, GVA.
- **Undertake Key account management** of large and foreign-owned firms in GM, that reduces flight/shrinkage risk through embedding them into the local economy, pro-actively identifying growth opportunities, increasing innovation take up with GM universities, increasing skills development, digital transformation, supply chain resilience and carbon reduction, as well as

encouraging better employment practices through initiatives such as the Mayor's Employment Charter.

- **Support international route development** alongside Manchester Airport (noting Covid-19 restrictions) that increases connectivity, business investment, international trade, visitors and international students.
- **Attract large-scale events and conferences** within the specific LIS sectors and wider cultural strengths such as sport, and purpose based themes, that help to enhance GM's place-offer and reputation in these areas, whilst bringing in high-value visitor spend into the city region.
- **Attract tourists** that bring direct visitor spend into the GM economy, stimulating demand in the visitor, cultural, retail and hospitality sector, a key inclusive employer in the foundation economy, allowing investment in skills and the digitalisation of the industry which increases productivity and value.
- **Create inclusive jobs**, with 70% of the jobs created through these activities taken by people residing outside of GM's central core.
- **Support Strategic Place development** through international benchmarking and market feedback, we can assess GM's global competitiveness through data and external perceptions, using this feedback to support "product" or place develop in GM as well as performance tracking over time.

## 2. Value of Inward Investment & Tourism to the GM Economy

### *Inward Investment*

- Foreign Direct Investment (FDI) company stock is currently worth £37 billion and 172,000 jobs to the GM economy.
- The average productivity of FDI companies is around three times that of non-FDI companies. FDI companies also invest more in R&D, tend to be larger, better paid, have a higher prevalence of structured management than non-FDI companies and also have positive spill-over effects on indigenous SME's (DIT 2018).
- Foreign capital investment also plays a key role in the GM economy, with over £8bn of capital investment coming into the city region between 2008 and 2018.
- The current GM share of UK FDI is approximately 5%

### *Tourism*

- Tourism contributes £9 billion p.a. visitor spend to the GM economy and supports 100,700 jobs - tourism activity within GM supports 69,861 FTEs within customer-facing businesses within the destination, and 30,852 within their supply chain (STEAM 2018 data).
- The Conference, Business Visits and Events sector is worth £904m p.a. alone (£862m from core activity and £42m from leisure extensions. Source Conference Value & Volume 2018 RJS Associates) to GM and is estimated to support 22,000 direct jobs, through its core activity, and 35,100 jobs when including the indirect jobs in the supply chain. Leisure extensions support a further 1,600 jobs (1,000 being direct jobs).
- UK's inbound tourism and hospitality is bigger than UK's Food & Beverage exports combined (UK Hospitality), pre-Covid-19 hospitality created 1 in 6 net new jobs, 3.5m jobs in total as well as 1.5m in the supply chain pa - it totals 11% of UK jobs, 7% of GDP, and £40bn of tax.
- Between 2017 and 2018, the value of tourism in GM grew by 7%, compared to national average growth of 4%
- GM is the third most visited UK destination by international visitors, behind London (1) and Edinburgh (2).

### 3. Existing Return on Investment (ROI)

Both services (MM and MIDAS) activities have been reviewed by external consultants and demonstrate a high return on investment (Hatchregeneris). Key attributes include:

#### ***Inward Investment***

- On average MIDAS has supported the creation of 3,900 new jobs and 900 safeguarded jobs from 75 projects per annum over the last 3 years (2017 – 2020).
- The net additional economic value of this investment (i.e. as a direct result of MIDAS' intervention) has been calculated as 3,200 jobs; £189m in GVA; £5m in additional business rates generated; and a further £71m of private sector capex investment facilitated (Hatch Regeneris 2020).
- This results in an ROI of £1:80 for MIDAS (noting that this does not include wider partner resources expended).
- 96% of the projects won by MIDAS fall into GM's transformational AND enabling sectors, i.e. Advanced Manufacturing & Materials (including logistics); Life Sciences & Healthcare; Digital, Creative & Tech; and Financial & Professional Services.
- The majority of MIDAS projects are "high-value", with 60% of the jobs created by MIDAS over the last 5 years having an average salary over £30,000. Likewise, 10% of projects have been R&D focussed and 10% HQs during the same period.
- Projects are concentrated in the regional core whilst employees are resident across GM with 70% of jobs created taken by residents living outside of Manchester and Salford.
- Account management of large domestic and foreign-owned firms (350 companies) identifying additional investment opportunities, facilitates interaction with stakeholders and universities for innovation and helps to safeguard against the loss of jobs and investment where possible.
- Embedded market specific forums (Manchester China Forum and Manchester India Partnership) are award-winning and deliver significant value across the economic and cultural spectrum: helping to secure air routes, transport international students and facilitate trade and investment.

#### ***Destination Promotion, Tourism and Conferences***

- Marketing Manchester generates £395m p.a. in visitor spend and net additional economic value of £80m, supporting 1,500 jobs for GM.
- Delivers ROI on GMCA funding of 20:1 for domestic and 10:1 for international campaigns.
- Leverages £6m from the private sector to promote GM, therefore creates a higher return to GM, resulting in £110 return per £1 of GMCA funding (Hatch Regeneris 2019).
- Incorporates the official Tourism Board and Manchester Convention Bureau for GM including product development (incl Discover England Programme) and coordination of GM's Tourism Strategy and businesses across the Tourism, Hospitality & Leisure sector
- Delivers a targeted programme of domestic and international B2B and B2C tourism leisure and business conference marketing campaigns focussed on GM priority sectors
- Key account manages a network of commercial marketing partners via The Manchester Partnership
- Supports MIDAS with marketing to attract inward investment in GMCA's priority sectors.
- Supports GMCA and the GMLEP to promote GM's LIS priority sectors and GM economic ambitions via content curation and communications.
- Represents GM nationally at national Tourism Boards and forums.

#### 4. Covid-19 Impacts on Inward Investment and Tourism

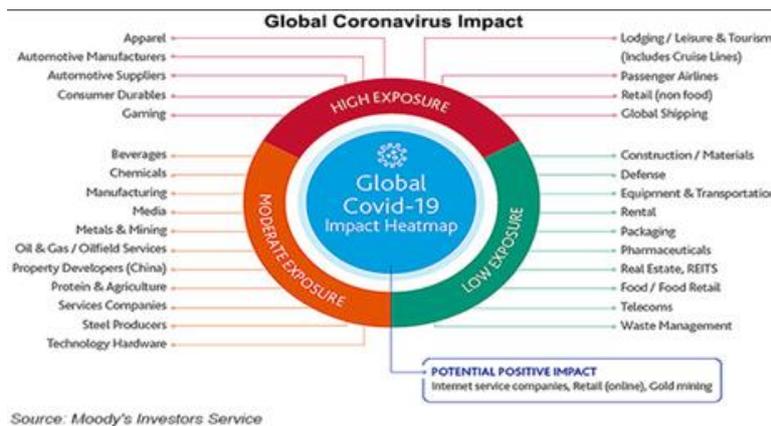
##### ***Inward Investment***

Covid-19 has had a dramatic impact on inward investment. According to UNCTAD’s World Investment Report 2020, global FDI flows are forecast to decrease by up to 40 per cent in 2020, from their 2019 value of \$1.54 trillion. This would bring FDI below \$1 trillion for the first time since 2005. A more recent analysis of the UK market predicts a steep drop off in FDI of 50% in the UK in 20/21.

Predicting a future, of living with Covid-19 and post Brexit, pattern of inward investment is difficult. UNCTAD’s current view is that FDI will decrease by a further 5 to 10 per cent in 2021 and gradually recover from 2022. A rebound, with global FDI reverting to the pre- Covid-19 underlying trend sometime in 2022, is possible, but only at the upper bound of expectations and UK’s position in that may differ.

As the average inward investment project pre- Covid-19 had a gestation period of 13 months, something that has been elongated by the Covid-19 pandemic, it is critical that sales and marketing activity is strong over the next 12 – 18 months, to put GM in the best possible position to take advantage of this anticipated recovery in global FDI in 2022 and beyond. There is the potential for domestic demand to be more sheltered than FDI, not least due to travel restrictions affecting foreign investment and therefore activity to attract UK investment would be an obvious short-term priority.

Over the last 3 years, MIDAS has on average supported the creation of 3,900 new jobs per annum in GM, from 75 projects per annum. The implications of the above is that over the next 12 months FDI is likely to be 50% of pre- Covid-19 levels, i.e. job creation levels could fall below 2,000 new jobs, with project numbers falling below 40. This is likely to impact certain sectors more than others, with general manufacturing and business services having been very severely hit, the latter impacted both by the acceleration of digital transformation, as well as a rapid change in the workplace model to working from home, which has significantly reduced office demand in the short-term. The impact on manufacturing is probably a double whammy, as this is one of the sectors most impacted by Brexit over the last 3 years, with companies reluctant to invest in the UK whilst there was uncertainty around currency valuation; regulatory environment and potential tariffs on goods (whilst noting positive trends below).



These changes in market dynamics and the fall in overall investment levels means even maintaining current market share will become even more competitive, domestically and internationally across peer city-regions. This increased competition could also potentially become exacerbated by the impacts of Brexit, with European cities intensely targeting sectors that have traditionally looked to the

UK, such as financial services and digital and tech, seeing this as an opportunity to win back market share from the UK.

International market dynamics will also fluctuate, as traditionally strong FDI markets such as the US - traditionally GM's largest FDI market by jobs created - that have been hit particularly hard by Covid-19, may take longer to recover, whereas other markets such as China – a relatively modest market for job creation in GM - return to more normalised growth more quickly e.g. China has already returned to a 6% growth rate. Therefore, we will also have to remain agile in where we focus energies from an international market as well as sectoral perspective.

#### *Reasons for Optimism*

Some sectors have however continued to grow over the last 12 months.

Areas of healthcare, particularly related to Covid-19 - including diagnostics, manufacturing and digital health; have seen significant growth in recent months, which could have a lasting impact in terms of demand that goes beyond the immediate pandemic, as some of the impacts of Covid-19 create long-term demand for certain products and services. Also, as with other industries, behavioural change enforced by the pandemic will not necessarily revert back to pre-pandemic trends – such a greater use of digital health products – as we have found that they are more effective. Therefore that demand will remain.

Digital industries – in particular: e-commerce; cyber security; and wider AI & Data/Software Development; have also seen a significant increase in demand driven by the pandemic and an acceleration of digital transformation across industries, which in turn consumes AI and data and creates further risks around security which increases demand in cyber security.

Food manufacturing has seen an increase in activity as companies look to build resilience in UK supply chains, reflecting a slightly broader reshoring opportunity as well based around Brexit and resilience.

Finally, in business services, business interruption is driving disruption and the industry is currently focussing on costs, technology and resilience. This is driving business strategy around wholesale review of office space (particularly in London) and generating interest in reshoring, North-shoring and shared service operations. In addition to this, as part of the 'levelling up' agenda, Government is also looking to move 22,000 civil servants out of London by 2030, which presents a large-scale opportunity for GM as well, with DCMS already confirming that the city region will be the location of its second HQ and other departments showing strong interest.

Due to GM's strengths in these areas, it does afford the city-region a chance of countering those sectors negatively impacted by the pandemic. However, this still does not take away the lack of demand for office space in the short-term, as the majority of these sectors will continue to deploy at least a partial home-working model even after we begin to return to a more open society.

#### Recovery & Building Back Better

The global pandemic has both shone a light on, but also exacerbated, the economic inequalities that exist in society and has led to reflection by both politicians and business leaders alike on what a fairer, more inclusive, more sustainable economy could look like post-pandemic, with the aim to "build back better".

This has led to heightened interest in concepts such as "conscious capitalism" where a wider set of priorities are considered, leading to the need to increase our focus on a more balanced set of objectives to reflect broader aspirations. This will have implications for where we focus our efforts,

which international markets and companies we seek to work with and ultimately what success looks like with these broader priorities in mind.

#### Proposed Change in Measurement to Reflect a Change in Priorities

These two principal drivers above (market and purpose), and the three-year budget envelope, provide a strong rationale for a more progressive set of success measures for inward investment, rather than an over focus on a 'narrow' job volume of the last decade. Whilst quality/value of projects has been an important factor for inward investment, a focus on quantity of jobs has predominated with many stakeholders.

The above drivers also lead to the need to have a wider set of more economically inclusive measures, i.e. seeking to attract businesses that embed elements of 'good' and purpose led employers that buy in to the GM Vision of inclusive and sustainable growth.

Additionally, MIDAS has and will increase its assessment of client viewed 'value add' – both in terms of service quality, and in terms of MIDAS' influence in the decision-making process of potential investors, whether that be the initial decision to invest in GM, or the decision to make additional investment in GM, and this will now receive increased importance and form part of its KPI reporting.

Currently, MIDAS asks for client feedback on influence and quality, including:

- How would you rate the quality of support provided by MIDAS? (answer on scale of 1-5)
- To what extent did MIDAS influence your decision to invest in GM? (answer on scale of 1-5)
- In your own words, please outline the specific ways in which MIDAS supported your business.
- How could MIDAS improve its service?

An average score is taken from the second question and applied to MIDAS' overall figures as a percentage to create a 'net' figure, i.e. jobs, projects, GVA etc that can be directly attributed to MIDAS' work and therefore impact. This is then fed into wider impact calculations.

It is also proposed that UK market share becomes a more important measure of performance, on the basis that if FDI figures potentially drop globally, this will give GM a measure of MIDAS performance in a UK context, at least against our UK peers. This will need to focus on specific market areas e.g. high-value, R&D etc and be applied with some segmentation to reflect how MIDAS is being tasked rather than necessarily an overall general market share position. Although overall GM market share may remain similar, if some of the wider investment continues with minimal MIDAS involvement. Therefore, this measure is advised to be kept under review.

Section 5 (Figure 1) therefore sets out the refreshed set of proposed programme outputs that are more strategically aligned, more value and inclusive focused with a better timeframe to drive change and performance improvement. This includes a reduction in absolute job numbers to reflect the above approach, and an increase in focus on market share, value (GVA and average salary), sustainability, inclusivity and added-value aspects of MIDAS activities.

GM is not alone at considering a more progressive approach in this area; however, it could be the first in its UK marketplace (and thereby gain advantage) to adopt this approach.

## ***Tourism, Conferences & Destination Promotion***

### Impact on The Tourism & Hospitality Sector

International and domestic leisure and business tourism were hit early and hard by Covid-19 and the outlook for recovery remains uncertain. OECD estimates UK international tourism fell by around 80% in 2020 and meaningful recovery will be directed by government Covid restrictions, with international probably lagging domestic, and overall likely to take some years.

City-Region destinations such as GM that rely heavily on international, business and events tourism which have particularly struggled, with many coastal and rural areas faring better than cities, demonstrated by drastically reduced hotel occupancy: in GM occupancy dropped to 15-20%, from an annual 80% occupancy rate. Whilst domestic tourism has provided a boost for some destinations and will be a key driver of recovery in the short to medium term, this has been hindered in GM due to continuous business closures across the majority of leisure and all business venues since March 2019. For GM, Covid-19 restrictions are estimated to result in a loss of £5.5 billion (61%) to the city-region's £9bn p.a. (STEAM 2018 data) tourism industry in 20/21.

The crisis has put millions of jobs in the tourism sector globally at risk. Tourism is labour intensive and provides a high volume of jobs for low skilled workers, together with higher skilled jobs (and entry points into the workforce). Across GM, many businesses have already made redundancies and many more are likely to face further cuts or closure when the Government's furlough scheme and other support measures end. 2020 data from the ONS reported that UK's Accommodation and Food sector was 64% down in terms of sector output and Arts & Entertainment down by 37% compared with pre-COVID levels of February 2020: a recent UK Hospitality survey showed that up to 560,000 redundancies across the sector in the UK were anticipated by the end of 2020.

### Impact on MM's Commercial Income

Pre Covid-19, MM generated 70% of its income from private sources including sponsorship, commission and campaign partnerships via The Manchester Partnership that currently includes around 300 private commercial partners. Due to Covid-19, MM experienced a severe cut in income of 68% due to private sector withdrawal and the loss of £800k income from MAG and £1.5 million from commercial income. With such loss of income, MM utilised furlough, undertook significant restructuring with a reduction of 40% of staff and took the opportunity to reposition the team to be fit for purpose to embrace promotion of the wider ambitions of GM. Commercial partner income is not expected to return to pre-COVID levels until international tourism recovers in 2023/24.

### MM's Role in Supporting GM's Recovery

As the vaccination programme continues, consumer confidence is expected to gradually return: it is vital that GM supports immediate action to mitigate the impacts outlined above to restore and re-activate the sector, while protecting jobs and businesses and developing measures to build a more resilient tourism economy post Covid-19.

Domestic tourism will restart first and will help mitigate the impact on jobs and businesses. Many of GM's high value markets (corporate business, conferences, city leisure breaks and international visitors) will be the slowest to return and may likely re-open in a stop-start fashion as restrictions are lifted. At the same time, GM's global competitor destinations (which were already better resourced to attract these markets) will be fighting for market share, compounded by impacts of anticipated visitor restrictions due to UK's transition out of the EU.

On a positive note leisure tourism business have reported pent-up demand from advance cultural bookings and accommodation enquiries and MM's business conference pipeline remains strong for future years.

It is vital that MM and GM support the recovery of the Tourism Hospitality & Leisure sector and the wider economy, and compete domestically and globally by delivering against the following key priorities and others identified in GM's Tourism & Hospitality Support & Recovery Plan and GM Internationalisation Strategy:

- **Confidence Building Campaigns** - MM has an important role to initially restore confidence, support businesses and coordinate partners via evidence-lead promotions targeted at the local GM audience, remaining flexible to continuously adapt and re-plan to respond to government restrictions before focussing on regional, national then international markets via B2B and B2C campaigns. Several campaigns have been developed and ready to roll out as restrictions lift through the year.
- **Supporting product development** - continue to deliver VisitBritain's Discover England Funded programme, working with suppliers and 3<sup>rd</sup> party tour operators (operating with a 9-12 month lead-in period) to include products in future promotions. As well as reinitiating existing product, this will include GM's new product that has continued to be improved: 7,000 new bedrooms are planned; and several major attractions are due to open in GM in 2021 including the new RHS Bridgewater, redeveloped Jewish Museum, Exhibition Hall at the Science & Industry Museum and new Asian Gallery at Manchester Museum. Followed by the major opening of the Factory in 2022/23 and the Coop Live Arena in 2023/4 (will be the largest arena in the UK).
- **Influencing National Tourism Policy** - raising the profile of GM and influencing national Tourism policy with DCMS and national tourism organisations including the development of the National Tourism Recovery Plan and the strategic review of DMOs for the benefit GM and the UK.
- **Conference pipeline development & bidding** - the business conference pipeline remains strong for the future with 18 bids pending decisions and more than 50 potential bids to submit for conferences up until 2027, as well as 17 conferences that are still confirmed for 2021 and require continuous account management to ensure they are not cancelled.
- **Align tourism and culture** to promote the vitality of the city region, creating a compelling narrative which makes GM attractive to investors and students as well as visitors.

The activity programme in Annex 2 outlines further details.

#### Building Back Better

The pandemic has exposed structural shortcomings in the tourism sector and vulnerability to external crises, whilst also presenting an opportunity to move towards a fairer, more sustainable and resilient model of tourism development. This aligns with GM's ambitions towards a fairer, greener more inclusive and prosperous society. This leads to proposed changes in MM's evaluation measures that include a wider set of more inclusive measures that support GM's Economic Vision and address these inclusion and sustainability issues.

#### Proposed Changes to MM Measurement to Reflect Change in Priorities

Based on the drivers outlined above including: Covid-19 impact on the Tourism & Hospitality sector and on MM's commercial income; MM's necessary widened role to support GM's recovery focussing on local confidence building as well as recovering domestically and nationally; increased global competition and Brexit challenges; and GM's ambition to be more inclusive, MM's activity and KPIs will evolve to:

- **Adapt to respond to the unlocking of restrictions** across different elements of the Tourism Hospitality & culture/leisure sector, from virtual digital content campaigns to launching hyper-local confidence building business and consumer campaigns, then widening campaigns to regional, national and then international as restrictions lift and air connectivity is reinstated – including skills and employment support to businesses.
- **Align more closely to and deliver against GM’s Recovery plans, Economic Vision, LIS, and 5 Year Environment Plan** by promoting, communicating and delivering events for GM’s wider themes including equality and inclusivity as well as green growth, digital and innovation. Strategy development and national engagements regarding the Tourism & Hospitality sector conducted by MM on behalf of GM will also be monitored.
- **Widen the scope of Convention Bureau** to target and bid for conferences & events in GM’s wider themes of equality, sustainability and good employment as well as continuing to target conferences in LIS priority sectors
- **Strengthen relationships, engage and encourage MM partners to be fairer, greener and prosperous** businesses - MM will now monitor businesses signed up to GM initiatives such as the Employment Charter as well as green and EDI initiatives workforce development and productivity improvements
- **Strengthen relationships and continue to input strategically into the national agenda including** development of the UK’s Tourism Recovery Strategy and DMO strategic review
- **Embrace Continuous improvement** - MM will measure customer and partner relationships in to support the strategic development of ‘place’ and improvement of MM activities.

Section 5 (Figure 1) sets out a refreshed set of programme outputs that are more strategically aligned, more value focused to drive the change necessary for recovery and also performance improvement, reflecting the aspirations of GM’s Economic Vision as well as MM’s currently reduced resource base.

## 5. Programme Outputs & Outcomes

The key benefits of the programme will be to significantly contribute to GM’s Vision, GM’s post- Covid-19 recovery plan and Internationalisation Strategy and in addition to regular performance reporting the 3-year programme will also be independently evaluated.

The programme is fully aligned to the GM ambitions and policy drivers set out above and focused on the following objectives:

- **Support GM’s ambitions towards a fairer, greener and prosperous society** by promoting and encouraging businesses to engage with GM’s equality, low carbon, employment and skills initiatives as encompassed in the GM Economic Vision, 5 Year Environment Plan and Employment Charter
- **Driving forward transformation and key LIS sector strengths** (health innovation, advanced materials, creative digital and tech and low carbon)
- **Implement the GM Tourism & Hospitality Covid-19 Support & recovery Plan** in line with government restrictions
- **Support recovery of the Business Conference sector**
- **Increase positioning, profile & positive perceptions** of GM to maintain market share via promotion, profile raising and benchmarking
- **Support districts to develop compelling propositions** - based on both existing local strengths but also incorporating future and leveraged strengths from across the wider region that elevate the overall proposition

- **Develop international market vehicles** such as the Manchester China Forum and Manchester India Partnership and look towards developing closer ties with other markets (particularly Europe post Brexit) that reflect GM's aspirations, through wider city-region diplomacy
- **Leverage partner investment in the Marketing of GM** including developing the Northern Gateway DMO Marketing Cluster, MIDAS and Manchester Partnership to leverage investment and increase marketing reach
- **Engage with and coordinate business networks** to support the development of GM's ecosystem and asset development within LIS foundation and frontier sectors
- **Conduct research and analytics to strengthen and differentiate/deepen value propositions** and provide market intelligence to GM stakeholders.

**Figure 1: 3-Year Inclusive Value Outputs**

Output	20/21	21/22 target yr 1	22/23 target yr 2	23/24 target yr 3	3-year total	Rationale / Comments
<b>MIDAS Core KPIs</b>						
Increased GVA	N/A	£125m	£142m	£158m	<b>£425m</b>	This is expected GVA based on 5-year average, pro-rata for job numbers
Jobs created	4,000	2,000	2,250	2,500	<b>6,750</b>	
Jobs Safeguarded	1,000	1,000	1,000	1,000	<b>3,000</b>	
Projects	90	50	55	60	<b>165</b>	
Additional Business Rates Generated	N/A	£2.6m	£2.9m	£3.2m	<b>£8.7m</b>	Based on GM averages
% of UK FDI	N/A	5%	5.25%	5.5%	<b>5.5%</b>	Currently 5%
<b>Value Added KPIs</b>						
<b>Strategic Alignment</b>						
%/No of R&D Projects (value)	N/A	5 (10%)	7 (12.5%)	9 (15%)	<b>21 (12.7%)</b>	10% successes in last 5 years
%/No of Low Carbon Projects	N/A	5	5	5	<b>15</b>	No previous metric to compare to
%/No of HQs	N/A	(10%)	(10%)	(10%)	<b>16 (10%)</b>	10% successes in last 5 years
<b>People/Inclusive Value</b>						
% of high value jobs (>£30k)	N/A	1,200 60%	1,463 65%	1,750 70%	<b>4,413</b>	Typically, 60% of jobs are above average salary Median wage is £29k, mean is £34k
% of jobs over living wage	N/A	90%	90%	90%	<b>90%</b>	
% of jobs in LIS sectors (incl FPBS)	N/A	90%	90%	90%	<b>90%</b>	Included FPBS in LIS as it is an enabling sector. 10% would include foundation jobs in logistics etc.
No of apprenticeships	N/A	65	75	80	<b>220</b>	We've averaged about 125 a year, so can expect around half of that next year
% of high-quality companies (e.g. signed up to	N/A	25%	27%	30%	<b>28%</b>	

UN/Mayoral Charter or similar)						
<b>Reach/Influence</b>						
Value Add - Ave client rating of MIDAS influence (New Projects)	N/A	4.0	4.1	4.2	<b>4.2</b>	
Companies Account Managed	N/A	250	250	250	<b>250</b>	
Strength of Acc Mgmt Relationships	N/A	65%	70%	75%	<b>75%</b>	% of accounts with good or above relationship (currently 56%)
Ecosystem Support (Referrals/value)	N/A	20	20	20	<b>60</b>	Referrals to stakeholders, universities, institutes, partners etc (ideally monetary value)
<b>Output</b>	<b>20/21 Pre Covid target</b>	<b>21/22 target yr 1</b>	<b>22/23 target yr 2</b>	<b>23/24 target yr 3</b>	<b>3-year total</b>	<b>Rationale / Comments</b>
<b>MM Core KPIs</b>						
No of conference bids						Yr 1 expects Q2/3 closures. Initial 3 year target 153 bids, annual target of 51 - revised 3 year target is 166, annual target of 55. Based on uncertainty of conference rotations and reduced staffing levels and current capacity. If staffing increases, then targets will be amends.
No of conferences won	85	40	50	76	<b>166</b>	
Economic impact for GM	30 won £30m	15 won £12m	17won £15m	20 won £25m	<b>52 won £52m</b>	
Media engagement, number of journalists and influencers with significant interaction	125	125	135	145	<b>405</b>	Hosting media visits, virtual interaction and online meet the media events.
Media coverage OTS (Opportunities to see)	900m	400m	600m	900m	<b>1.9b</b>	Y1 target set with what expect to achieve due to restrictions on hosting physical media visits to GM and coverage.
Of which, media coverage OTS of target sectors	9.5m	9.5m	12m	15m	<b>37m</b>	OTS, Opportunities to See is the measure for media coverage
Social media engagements	19m	14m	17m	19m	<b>50m</b>	
Of which, no. of social media engagements in target sectors	1.5m	1.5m	2m	2.5m	<b>6m</b>	
No. of unique visitors to destination websites	3m	2.05m	2.25m	2.45m	<b>6.75m</b>	Includes Visit, Meet, Invest, study and specific campaign sites
Of which, no. of visitors to investinmanchester.com	85,000	66,000	76,000	86,000	<b>228,000</b>	
Consumer engagements reach (marketing campaigns)	3m	2.5m	2.65m	2.8m	<b>7.95m</b>	Relies on campaign planned going ahead & ability to negotiate MIK from private partners. Lower than Pre COVID due to uncertainty of MAG funding
£m economic impact of promotional campaigns	£12m	£4m	£6m	£8m	<b>£18m</b>	Calculated annually once all booking data is received

Of which, £m economic impact of international campaigns	£8m	£1m	£3m	£5m	<b>£9m</b>	Calculated annually once all booking data is received. Lower due to uncertainty of MAG funding
Business engagements	4000	1500	2000	2500	6,000	e.g. THL presentations, info, meetings, newsletters, product updates, travel trade & operators
Business Assists (incl key commercial Partner accounts managed)	400	400	440	480	<b>1320</b>	e.g. marketing support, insights, sponsorship, routes to market for commercial partners & skills/ WFD services
<b>MM Value Added / Strategic Alignment KPIs</b>						
Funding Leverage	1:1	1:1	1:1	1:1	<b>1:1</b>	Leverage of partner investment and support in GM promotions
Strength of Commercial Partner Relationships	N/A	55%	65%	75%	<b>75%</b>	% of partners with good or above relationship
% of commercial partners signed up to GM Initiatives	N/A	15%	20%	35%	<b>25%</b>	Eg Mayoral Charter Green/ Zero Carbon & Skills/Workforce
No of conference bids in other non-priority sector topics	N/A	3	4	5	<b>12</b>	Eg wider GM Vision social and EDI conferences
No of events/seminars delivered focussed on GM's priority sectors/themes	N/A	24	26	28	<b>78</b>	E.g. social inclusion, EDI, employment - engaging and educating to influence, raise awareness & change perceptions.
No of businesses registered for events/seminars focussed on GM's priority sectors/themes	N/A	1200	1300	1400	<b>3900</b>	Engaging and educating to influence, raise awareness, change perceptions and strengthen the Manchester Partnership
No of National representations on behalf of GM	N/A	24	24	24	<b>72</b>	E.g. Visit Britain/ VisitEngland, DCMS, BVE Partnership, Tourism Alliance, Core Cities, UKH, ACE
Strategy development	N/A	2	2	2	<b>6</b>	E.g. GM TH&L Recovery Strategy, Tourism Strategy, BVE Strategy, Destination Management Plan, ABID

## 6. Governance, Measuring Performance & Evaluation

The programme will be monitored through the Growth Company's established procedures:

- Quarterly reports to the International Marketing Advisory Board & GC Board
- Quarterly reports to GMCA Growth Board and LEP if required
- Annual reports GMCA & Scrutiny Committee

## **Annex 1. High-level Summary of GM Strategies**

### **Supporting / Delivering Against GM's Strategic Ambitions:**

#### GM Economic Vision

Describes GM as a vibrant, confident network of interconnected towns and cities, at the heart of the Northern economy with assets vital to driving UK Growth that will:

- Build again on our heritage of innovation to drive economic and social advance
- Drive an economic recovery that puts people first, embraces the benefits of diversity, rebalances inequalities, creates lasting resilience, supports the move to net zero carbon and rethinks productivity
- Recognised around the world for our global strengths and progressive thinking in advanced materials and manufacturing, health innovation, digital and creative, clean growth and social advance

#### GM Local Industrial Strategy

The LIS sets out specific actions and long-term aspirations, aiming to:

- Set GM up to be a global leader on health and care innovation - creating new industries and jobs, improving population health and extending healthy life expectancy
- Position GM as a world-leading city-region for innovative firms to experiment with, develop and adopt advanced materials in manufacturing
- Build on GM's position as a leading European digital city region enable the digitalisation of all sectors; and capitalise on the links between digital and creative industries that feed internationally significant clusters in broadcasting, content creation and media, and maximise
- Growing assets in cyber security
- Achieve carbon neutral living in GM by 2038, by launching the UK's first city-region Clean Growth mission.

#### The GM Living with Covid-19 Resilience Plan

GM's overarching principles, which were determined early on in our response to the pandemic, and continue to shape and guide the development of our Living with Covid-19 Resilience Plan:

- Inequalities / poverty
- Safe GM / Standards
- Co-design, civil society and social infrastructure
- Building a confident city-region
- Resilient city-region
- Recovery in the context of GMS (opportunities to achieve our aims faster; risks to achieve aims)
- Behaviour change

## Annex 2. Outline Programme Activity

This programme seeks to balance ambition with realism to enable GM to grow back and support economic recovery, protect its hard-won reputational gains to date, achieve recognition as a global city region, and deliver on its key strategic ambitions set out in GM’s Economic Vision, LIS, Internationalisation Strategy, 5 Year Environment Plan and Digital Blueprint.

An outline of activity that will be delivered against the objectives above is provided in Annex 2. Activity plans will be reviewed regularly to respond to the changing environment.

Objective	Activity
<p><b>Driving forward transformation and key LIS sector strengths</b> (health innovation, advanced materials, creative digital and tech and low carbon), via sales and marketing activity supporting GM’s Economic Vision themes and delivering against Internationalisation Strategy</p>	<ul style="list-style-type: none"> <li>• Develop in-depth sector plans to promote the LIS priority sectors, including identifying and developing focussed sub-sector propositions in areas such as Cyber security, Healthy Ageing and Advanced Materials.</li> <li>• Deliver a substantial Key Account Management (KAM) programme, encompassing 300 of GM’s most strategic businesses, both UK and foreign-owned, maintaining strong networks that gather market intelligence that can be fed back to stakeholders.</li> <li>• Develop and deliver analytics-led sales and marketing activity, led through a commercially competitive business development approach (T20, NextGen etc).</li> <li>• Continue to deliver an innovation programme that connects large businesses in GM with the universities and SME community (via the Business Growth Hub) with the LIS sectors</li> <li>• Support the development of place-based sector propositions that enhance GM’s attractiveness for inward investment – i.e. AMPI, Rochdale</li> <li>• Build relationships with other cities/clusters with strong supply chain/innovation specialisms similar to GM’s LIS specialisms in order to increase trade investment and R&amp;D opportunities.</li> <li>• Work with DIT (both UK &amp; NPH) to elevate GM’s strengths and propositions to national level, through initiatives such as the HPO programme.</li> <li>• Development and delivery of integrated marketing and comms plans including inward investment, focussing on 3 overarching sector campaigns: Green, Digital and Innovation:</li> <li>• Deliver a targeted marketing and events programme (incl virtual)</li> <li>• Deliver a coordinated social, digital, comms &amp; media programme incl input from GMCA, business partners and stakeholders targeting priority audiences &amp; media</li> <li>• Leverage commercial investment and wider support for campaigns from private partners to maximise campaign reach, aiming to achieved 1:1 match</li> </ul>
<p><b>Implement the GM Tourism &amp; Hospitality Covid-19 Support &amp; Recovery Plan</b> in line with gvt restrictions. Continue to influence the national tourism agenda including development of UK’s Tourism Recovery Strategy and DMO Strategic Review</p>	<p>Business Support</p> <ul style="list-style-type: none"> <li>• Provide regular programme of business advice, support and support GC’s Tourism Talent Hub to promote recruitment, skills and workforce development services</li> <li>• Lobby Government for tourism support</li> <li>• Continue to coordinate TIER Group, and wider industry forums to develop shared initiatives and raise profile of GM’s tourism, hospitality &amp; leisure sector at a national level to ensure voice is heard</li> </ul> <p>Recovery (when the time is right)</p> <ul style="list-style-type: none"> <li>• Rebuild consumer confidence in, and the profile of GM by development and delivery of 5 comms &amp; marketing campaigns: Have a Night on Us (overnight stay), This One is on Us (food, drink &amp; attractions), Back to Office and a cultural campaign in partnership with cultural leaders</li> <li>• Rebuild the region’s international profile and connectivity via international campaigns with partners including other DMOs, VB and transport/travel orgs</li> <li>• Input into UK’s Tourism Recovery Strategy</li> <li>• Seek a more sustainable UK structure for DMOs via strategic review</li> <li>• Reignite and continue to development of a tourist accommodation levy</li> </ul>
<p><b>Support recovery of the Business Conference</b> sector through marketing, researching, bidding for and securing national and international conferences,</p>	<ul style="list-style-type: none"> <li>• Create a partner tool kit, digital content including Welcome Back &amp; virtual fam/education film, social media assets targeted at conference organisers</li> <li>• Restart research, re-engage and reignite the conference pipeline (live enquiries, bids needed and pending decisions), focus on retaining postponed events and continue to target priority sectors events and new GM themes including equality and employment</li> <li>• Promote good practice via trade media and meetinmanchester.com and encourage venues to sign up to All Secure Standard and Good to Go kitemark</li> </ul>

<p>widening scope to include GM Vision themes as well as LIS sectors. Influence the national agenda via the UK BVE Partnership.</p>	<ul style="list-style-type: none"> <li>• Continue development and coordination of convention network including: Conference Organisers Newsletter (to 1500 recipients), re-engage with existing 1000+ GM Conference Ambassadors and communicate messaging around confidence to 70 GM Convention Bureau partners</li> <li>• Improve the Offer by promoting venues, highlighting green credentials, CSR and sustainability messages and those equipped to hold hybrid events. Develop delegate welcome and</li> <li>• Participate in VisitBritain’s ‘Virtual Roadshows’ to meet conference buyers from the primary markets of Europe and the US and participate in IMEX Frankfurt virtual in May 2021. Continue regular e-newsletter to Conference Organisers</li> <li>• Continue to work with Government to maintain profile with VisitBritain and DCMS as a key UK conference destination via regular contact and attendance at National Business Visits and Events Partnership.</li> </ul>
<p><b>Conduct research and analytics</b> to strengthen and differentiate/deepen value propositions and provide market intelligence to GM stakeholders</p>	<p>Tourism &amp; Hospitality Research and Intelligence:</p> <ul style="list-style-type: none"> <li>• North West Business Barometer survey (Covid-19 related)</li> <li>• STEAM annual tourism value and volume report for GM, broken down by LA</li> <li>• GM Tourism Fast Facts Data Update</li> <li>• Hotel Performance Monitors (monthly)</li> <li>• Events database covering large capacity for hotel planning and occupancy monitoring (monthly)</li> <li>• Hotel Market Outlook – pipeline of new hotels and bed</li> <li>• Most Visited Attractions</li> <li>• International Passenger Survey 2019</li> <li>• International Markets Annual Snapshot &amp; regular reviews re market recovery</li> <li>• Visitor Surveys</li> </ul> <p>Sector Research:</p> <ul style="list-style-type: none"> <li>• Undertake research to support the development of the Healthy Ageing proposition</li> <li>• Undertake research jointly with the GMCA on the Low Carbon sector to support a refreshed GM proposition</li> <li>• Support GAMMA in its research into priority areas for advanced materials</li> <li>• Build upon the Datacity research undertaken jointly by MIDAS/GMCA in 2020 to continue to assess GM’s strengths and progress in emerging digital technologies.</li> <li>• Collate and feedback intelligence from Key Account Management activity and related surveys such as the recent Covid-19 surveys.</li> <li>• Collate feedback from recent investors, both expansions and new investors, to assess MIDAS’ service quality, impact/influence and GM’s attractiveness. Likewise, collate feedback from unsuccessful projects where possible, to provide feedback on similar areas.</li> <li>• Run biannual post code data research on origin of employees in jobs attracted by MIDAS to understand geographic inclusivity</li> </ul>
<p><b>Increase positioning, profile &amp; +ve perceptions</b> of GM to maintain market share via promotion, profile raising and benchmarking</p>	<ul style="list-style-type: none"> <li>• Continue to refresh GM’s brand framework and narratives for national and international promotion for priority sectors and themes working with GMCA</li> <li>• Develop set of UK and global benchmarking indices to measure against and promote the priorities of the Internationalisation Strategy and LIS</li> <li>• Maintain a shareable content bank of images and film to promote GM</li> <li>• Deliver comms to promote relevant indices and accolades integrated in wider comms plan</li> <li>• Review global benchmarks and indices to assess GM’s global perceptions/performance, marketing where GM has achieved success and feeding areas for improvement back to stakeholders.</li> </ul>
<p><b>Support GM’s ambitions towards a fairer, greener and prosperous society</b> by encouraging businesses to engage with GM’s equality, low carbon, employment and skills initiatives</p>	<ul style="list-style-type: none"> <li>• Continue to encourage partners and businesses to sign up to GM Strategic initiatives e.g. Employment, Green, EDI, Skills/Workforce</li> <li>• Refer investors, both new and existing companies into the GM skills and workforce system, to ensure that opportunities to work with employers and connect into the inclusive skills agenda are maximised</li> <li>• Where possible, refer companies in to the BGH carbon reduction programme.</li> <li>• Encourage new and existing investors to sign up to the Mayor’s Employment Charter.</li> </ul>
<p><b>Support districts to develop their individual propositions,</b> differentiators and offers, and coordinate complimentary</p>	<ul style="list-style-type: none"> <li>• Support development of local place making strategies and town centre initiatives</li> <li>• Amplify LA comms working with LA comms contacts via the GM comms cell</li> <li>• Work with districts to support place-based sector propositions to support major employment sites – e.g. Light-weighting HPO - Northern Gateway, Rochdale.</li> </ul>

<p>promotion across the city region</p>	<ul style="list-style-type: none"> <li>• Seek opportunities stemming from the Key Account Programme to identify industry initiatives that could have catalytic impacts on localities – e.g. logistics and low carbon</li> <li>• Work with districts to understand the inward investment opportunities around town centres and key industrial employment sites.</li> </ul>
<p><b>Continue development of market vehicles</b> such as the Manchester China Forum and Manchester India Partnership and wider city-region diplomacy</p>	<ul style="list-style-type: none"> <li>• Support the continuing development of the Manchester China Forum and Manchester India Partnership, seeking to increase income from public and private sources, in order that sufficient resource exists to build deeper partnerships in these markets.</li> <li>• Continue to build the networks of these market vehicles to increase their reach, enabling them to further support the local diaspora, international trade, connectivity, inward investment, culture and the visitor economy.</li> <li>• Reinstate existing city to city strategic partnerships, including Barcelona and New York City</li> <li>• Support GMCA in development of new relationships including Ireland, Japan and Germany</li> </ul>
<p><b>Continue to Leverage Partner Investment in GM Marketing</b> including developing the Northern Gateway DMO Marketing Cluster and Manchester Partnership to leverage investment and increase marketing reach</p>	<ul style="list-style-type: none"> <li>• Develop The Manchester Partnership, maintaining and building on existing partnerships, and developing new partnerships with priority sectors and thematic marketing campaigns to leverage wider support and investment to promote GM</li> <li>• Deliver new partnership engagement programme including events and promote partner offer digitally</li> <li>• Continue to seek partnership activity with other DMOs to collectively promote the North and specific markets (e.g. London &amp; WMids)</li> <li>• Maintain and grow the MIDAS Partnership, to channel further income into marketing and sales budgets.</li> <li>• Seek sponsorship for major event activity wherever possible, to elevate the scale of activity.</li> </ul>
<p><b>Continue to engage with and coordinate business networks</b> to support the development of GM’s ecosystem and asset development within LIS foundation and frontier sectors</p>	<ul style="list-style-type: none"> <li>• Support development of local place making strategies and town centre initiatives</li> <li>• Continue to coordinate collaborative groups and networks incl: TIER, Universities Promotion Group, Cycle City Development group, Tourism Partners, Property/MIPIM Partners Museums Promotion Group, Influencers &amp; Publicists Group, Quays Tourism Sector group</li> <li>• Maintain sector network groups that support the Key Account Management programme, such as the Advanced Manufacturing Forum (AMF), creative &amp; digital forum etc, utilising them as feedback loops for stakeholders such as the GMCA, local authorities and the universities.</li> </ul>

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**GM LOCAL ENTERPRISE PARTNERSHIP BOARD**

SUBJECT: GC: Business Support, International and Marketing Update

DATE: 18<sup>th</sup> March 2021

FROM: Mark Hughes, Group Chief Executive, Growth Company

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**PURPOSE OF REPORT**

To provide an update on the business situation in Greater Manchester and how, in response, The Growth Company (GC) is providing support to GM's economy. The report focuses on GC's Growth Hub, Business Finance, Marketing Manchester and MIDAS services and on new initiatives or significant changes, rather than reporting on all components of GC's support since Covid-19 impacts commenced.

**RECOMMENDATIONS:**

Members are asked to note the contents of the report.

**EQUALITIES IMPLICATIONS**

GC is 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.

The BGH captures and monitors EDI data of businesses and individual employee beneficiaries to understand the impacts of delivery. Over the last 12 months 16.5% of businesses supported have been BAME led (6.3% of UK businesses are BAME led) and 22.5% of businesses have been female led. 25% of business start-ups have been BAME led and 56.5% being female led and of jobs created as a result of our support, 25% have gone to BAME candidates and 54% to females.

GC is committed to delivering 10 EDI pledges published on its website and will shortly appoint an Equality & Diversity Specialist who will review GC's service design and delivery, with recommendations made to the GC Board.

**CLIMATE CHANGE IMPACT ASSESSMENT AND MITIGATION MEASURES**

Whilst not covered under the details of this report, GC supports and delivers 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.

The Growth Company has achieved net Carbon zero for 2019/20 and 2020/21 (Gold standard verified to our Scope 1 and 2 activities) and continues to work to further reduce its remaining carbon footprint.

**CONTACT OFFICERS:**

Mark Hughes – Group Chief Executive, The Growth Company

## 1. BUSINESS AND ECONOMIC CONTEXT

1.1 GC Business Intelligence team continually monitors a range of data, information sources and indicators to understand the continued impact of Covid-19 on the economy and business to inform and direct its activities. GC also uses insight gained from its advisors working with thousands of GM businesses. Since the onset of Covid-19, GC has undertaken a continuous survey of businesses with 7,000 responses.

### 1.2 Economic Context

Official figures now show some optimism for the economy – growing by 1% in Q4-2020, exceeding most economist's expectations. UK monthly growth stood at just over 1% in December, despite the local tiered system keeping much of the country in lockdown (evidencing greater adaption to working in a Covid restricted environment). January's GDP figure was still 9.0% below the levels seen in February 2020, compared with 4.0% below October 2020 (the initial recovery peak).

By sector, services grew by 0.6% in Q4-2020, compared to industrial production which grew by 1.8%; and construction sector output rose by 4.8%. Despite a stronger end to last year, the growth seen at the turn of the year is set to be followed by a substantial fall in output in the first quarter of 2021 as the current lockdown, the unwinding of Brexit inventories, and disruption to UK-EU trade flows combine to act as a brake on activity.

Business investment is still well below pre-crisis levels: it increased by 1.3% in Q4-2020, however it is still 10.3% below its pre-pandemic level, and larger than the equivalent gap for overall economic output (vs pre pandemic levels). Business investment fell by 10.3% for 2020 as a whole, the largest decline since the global financial crisis in 2009.

The latest trade data for goods in January showed a 40% decline in exports and 29% decline in imports from the EU (not repeated with other trading partners). Clearly, temporary disruption and previous stockpiling were contributory factors, and it will take time to assess the longer-term impacts which will be influenced by new trading relationships and businesses adaptation.

UK inflation has risen somewhat with CPI inflation at 0.7% in January 2021, up slightly from 0.6% in December, and business surveys indicate rising costs towards the end of 2020 into 2021. The expected rally in consumer demand – as coronavirus restrictions ease and post-Brexit border disruption – are likely to push UK inflation higher over the coming months. However, some of these drivers of inflation are typically transitory and given the amount of spare capacity in the economy, a price spike could be temporary in some areas but potentially more sustained in others.

Companies House data on company incorporations and dissolutions shows that growth in the register is slowing. However, business register growth remains higher than pre-COVID-19 levels, increasing by around 40,000 companies during Q4-2020, with just under 202,000 new incorporations and 162,000 dissolutions in the UK. These results reflect the set of easements that were announced by Companies House on 16 April 2020 in response to the coronavirus outbreak, and a period of strong company registration growth starting at the beginning of 2020.

The Office for Budget Responsibility (OBR) expects UK GDP growth of 4.0% for 2021, lower than their previous forecast of 5.5% published in November 2020. However, the OBR's 2022 growth forecast has been upgraded from 6.6% to 7.3%. The OBR expects UK economic output to return to pre-pandemic levels by mid-2022, six months earlier than previously forecast; and unemployment forecasts are lower, peaking at 6.5% compared to 7.5% indicated previously. The OBR's upbeat outlook for the recovery has been driven by the pace of the vaccine rollout and the fiscal stimulus announced in the Budget, particularly the super deduction investment incentive.

### 1.3 Roadmap and Budget

The Government announced its Roadmap out of 'lockdown' on the 22<sup>nd</sup> February which was broadly welcomed by businesses with interest shifting to how the Budget on the 3<sup>rd</sup> March would align with this approach and support immediate recovery, longer term growth and address public finances. Much commentary on the Budget is available and LEP members will have seen the GMCA's Budget summary.

Discussions with GM Business Representative Organisations group (Chamber, CBI, ICAEW, IOD, FSB, MakeUK, NWBLT, and ProManchester) confirm a similar broadly positive overall view on the Budget noting the continued omission of support for over 2 million self-employed/company directors. However, there was also recognition that the detail and longer deep-seated challenges remain to be addressed. Attention will now focus on the Autumn Comprehensive Spending Review.

Focusing on direct and immediate business support measures:

- Most of the temporary business support measures have been extended to align with the current known Roadmap timeline enabling businesses impacted to plan for, although not diminish, the significant challenges for the most severely impacted sectors.
- Sector specific initiatives especially £700m package for arts, culture and sport.
- The super deduction capital allowance, extension of loss carry-back timeframe and future rise in corporation tax has produced a host of business and financial planning needs.
- £520m Help to Grow Scheme (Leadership 30k businesses and Digital Voucher 100k businesses) could have significant impacts once the detail (especially for voucher scheme) is clear.
- Small increases in incentivisation of apprenticeships and traineeships are welcome although the net uplift will be difficult to calculate and sign-ups will immediately reduce ahead of the eligibility time window. Also noting the increase in National Minimum Wage.

In addition to these, other themes warrant mention:

- The announcement of the demise of the Industrial Strategy and Industrial Strategy Council alongside the 'promise' of 20 growth related strategies including importantly for GM Innovation an Innovation Strategy and a R&D Places Strategy later this year.
- Place Funds: Towns Fund, Levelling-Up Fund and Community Renewal Fund (CRF) will all assist improvements to business environment and the CRF can be used for direct business support schemes. Issues around design of scheme are not addressed here.
- Broader financial instruments including the Infrastructure Bank (£22bn in equity, debt and guarantees); Future Fund Breakthrough (£375m) for co investment in R&D intensive businesses and to lesser extent the new UK-wide Recovery Loan Scheme will be supportive.
- The confirmation of government department relocations to Wolverhampton (MHCLG), Leeds (Infrastructure Bank) and Darlington (Treasury along with elements of BEIS, MHCLG and DIT).

**1.4 Labour Market.** In the three months to December 2020, UK employment fell by 114,000. The ONS Labour Force Survey shows that the number of people out of work increased by 121,000 over the same period. UK unemployment rate rose to 5.1%, the highest rate since early 2016. The latest official statistics also show that economic inactivity is a rising risk, in particular within the North West of England which is worse in this regard than the UK average. 18 to 24 year olds are bearing the brunt of unemployment, mainly due to the sectors badly affected in the pandemic, for example in retail, hospitality & catering, which are normally large employers of young workers.

Despite the rising risk to economic inactivity, there are some signs of resilience from HMRC data for January 2021, with the number of employees on UK payrolls rising by 0.3% (83,000). While unemployment is likely to rise further in the near term, extending the Job retention scheme to 30 September 2021 should mean that the peak for unemployment will be markedly lower than previously expected. The critical issue as the UK economy recovers will be the pace of hiring. The number of live job vacancies on UK job boards has risen to 756,000 (33,000 in Greater Manchester),

up from the 360,000 achieved in May 2020 (13,000 in GM), although still roughly 80% of the 928,000 live vacancies (37,000 in GM) advertised in March 2020.

Official data highlight the main areas of recruitment in the UK since the start of 2021 (compared to levels recorded in 2019/2020) are in facilities maintenance, ICT/software, construction trades, health and social care, transport/logistics/warehousing, and parts of professional services. These trends are similar in Greater Manchester where the most current live job-ads are for IT roles, sales and marketing, and accounting and finance jobs. Further evidence, collated through 256 Productivity Plans with GM firms participating in the Skills for Growth Programme, shows that firms are highlighting greater attention to the skills shortages arising when recruiting for digital roles (marketing, e-commerce, brand managers); technical business and data analysts; and recruitment difficulties arising when hiring skilled manufacturing and construction workers – as well as warehouse (semi-skilled) roles; and experienced retail and hospitality managers.

- 1.5 **GC's Business Survey (29<sup>th</sup> Jan – 1<sup>st</sup> March).** Covid related business survey in March 2020 and has 7,000 responses to date. The main findings over the last 2 weeks are summarised below and from April the data will be analysed monthly.

#### **Main impacts and challenges:**

- The three main impacts facing businesses remain **decreased sales** (59% vs 53% previous month) **business travel to visit clients** (29% vs 39%), and **cashflow** (20% vs 24%). By sector, the impact of decreased sales is most prevalent in **retail, and creative & cultural industries**.
- 59% of firms report that they have **cash reserves to last over 6 months** (down from 68% previously). Whilst the position on cash reserves has deteriorated since the start of lockdown, the range of Government support continues to make a difference to business resilience.
- Redundancy risk is declining. 87% of firms reported that they were **not planning to make redundancies** at all, similar to the previous reporting period of 86%. These findings corroborate data on jobs at risk reported by the Insolvency Office (HR1 forms). Levels in February 2021 were 83% lower than those reported in June 2020 - when jobs at risk were highest on record.
- The main challenges are currently seen as **getting access to new domestic sales opportunities** (44% vs 49%), **managing the overall finances of the business** (25% vs 27%), **developing new products and services** (20% vs 23%), **workforce and skills** (18% vs 21%) and **impact of EU transition** (15% vs 22%).
- The impact of transition and **exit from the EU** was '**neutral**' for 41% of businesses, whereas 20% said '**negative**' (down from 23%), 39% are '**unsure**' and 1% said '**positive**'. Further anecdotal evidence suggests the main risks and negative impacts are from changes in transportation costs, customs duties or levies, documentation and disruption at UK borders.
- The main "other" future challenges highlighted by firms include long-term economic uncertainty (particularly in the tourism sector), regulatory issues and minor supply chain disruption caused by the UK's new trading regime with the EU, issues with loss of income, staff safety and general concerns over the Covid-19 government restrictions; and maintaining business confidence.

#### **Growth and Business Prospects:**

- 37% of firms (down from 49%) expect **profits to increase**, while 12% (down from 14%) expect profits to decrease. The manufacturing and business, financial & professional sectors are most likely to report an increase in profit and retail wholesale is most likely to report a decrease.
- **Recovery expectations** improved with 30% of businesses expecting the UK to take over 1 year (but less than 3 years) to recover back to its previous/pre-COVID performance (47% in the previous month) and 17% of firms expect it will take over 3 years to recover (down from 23%).
- 18% of firms in the last month reported that they experienced an increase in sales (18% previously), and the sectors most likely to report an increase in sales over the last 8 weeks are logistics, education and manufacturing.
- In terms of business optimism, **the average optimism score for Greater Manchester businesses was 6.4** (0 = no optimism and 10 = very optimistic), slightly down from that reported in February (a score of 6.7).

## **Business Support: Growth Hub**

- 1.6 Website traffic and enquiries. The Business Growth Hub has received 489,892 unique website visits to date. Between 1st January 2020 and 31st December 2020 there were 147,374 users on the website and 220,427 sessions. In the previous comparative period (1st January 2019 to the 31st December 2019), there were 86,269 users and 133,719 sessions, an increase of 70.8% and 64.8% respectively.

Since 1<sup>st</sup> March 2020, GC Business Growth Hub has received more than 18,620 enquiries, including 9,160 calls, with over 4,069 Covid-19 related issues logged. More recently enquiry levels have experienced a slight increase week on week, with 465 enquiries received in the week up to 15<sup>th</sup> February, compared with 442 from the previous week and 428 from two weeks ago. Access to local funding schemes has been a significant interest point.

- 1.7 **EU Exit.** BGH continues to support the delivery of the Government's campaign to enable businesses to adjust to the UK's new trading relationship with the EU. Whilst incoming specific enquiries have remained low ( $\leq 25$  since 1 Jan) specialist advisors have engaged with more than 200 businesses on a 121 basis, offering bespoke advice and access to specialist information. Partnerships with GMCC and Marketing Manchester have been developed in response to sector-based or topical demand. National intelligence gathered across the network continues to inform BEIS policy response and to demonstrate our individual and collective impact. GC also delivers the DIT NW Trade Service through which many of the new trading arrangement issues are channelled.
- 1.8 **Enabling access to grant funding to deal with the effects of Covid.** BGH are delivering the ERDF Small Business Grants (£1.2m) to provide 100% grants of up to £5k to businesses impacted by Covid. The target is to award 426 grants. £1m of the total fund is now apportioned with a further 99 grant applications to process. The most pressing needs of SMEs include 60% specifically requesting the purchase of essential IT/Digital Equipment to enable the shift to home working and remote service delivery. Whilst revenue projects include Marketing (9%), Process Improvement (14%), and Professional Fees (10%) such as accountancy and HR advice. By sector, support is going to Visitor Economy (23%), Creative Industries (14%), and Professional Services (17%).
- 1.9 **Made Smarter.** We have been notified that the 12-month extension for the NW activity has now been approved by the Secretary of State and we are in discussion with BEIS to review the budget and associated activity. This has been possible due to the performance of the pilot and the evidence that has been developed over the last 2 years. There will also be a roll out into other regions, but not on the scale that was hoped for, due to the limited budget. It is hoped that the next CSR will provide for an England-wide extension of activity.

To date the programme has created over 180 jobs across the five northwest LEP areas and upskilled over 400 individuals. Projects remain predominantly focused on use of data and systems integration, robotics and automation and data analytics are in high demand.

The breakdown of grant funded projects is shown in the table below:

Funded Projects by LEP area	No. projects	Project value (£)	Grant awarded (£)	Forecast new jobs	Upskilled jobs	GVA increase (£)
Cheshire & Warrington	21	932,192	397,783	71	150	11,930,612
Cumbria	20	1,586,736	419,639	52	115	12,328,341
Greater Manchester	49	3,206,808	911,686	205	472	34,357,262
Lancashire	58	5,046,025	1,151,283	357	796	56,773,062
Liverpool City Region	34	2,913,658	761,164	164	191	25,222,345
<b>Total</b>	<b>182</b>	<b>13,685,419</b>	<b>3,641,555</b>	<b>849</b>	<b>1,724</b>	<b>140,611,622</b>

The projects reflect investment in a variety of Industrial Digital Technologies as illustrated below:

Industrial Digital Technology area	No. projects	Total project values	Grant Awarded	Forecast gross GVA increase
Additive Manufacturing (3D printing)	8	277,892	138,955	2,479,610
Augmented & Virtual Reality / Simulation	12	552,567	211,610	5,208,594
Big Data & Analytics	3	231,200	80,500	1,524,141
Cognitive Computing & Artificial Intelligence	4	526,089	97,587	9,128,853
Data & Systems Integration	98	6,161,331	1,804,937	76,767,284
Industrial Cyber Security	2	109,052	40,000	2,669,352
Industrial Internet of Things (sensors)	11	1,160,573	247,679	6,393,301
Other	3	97,134	41,067	1,004,817
Robotics and Process Control Automation	38	4,467,748	928,304	34,038,207
Enabling Technology	3	101,833	50,916	1,397,463
<b>Grand Total</b>	<b>182</b>	<b>13,685,419</b>	<b>3,641,555</b>	<b>140,611,622</b>

The breakdown for the Greater Manchester LEP area is:

Technology area	No. projects	Total project values	Grant Awarded	Forecast gross GVA increase
Additive Manufacturing (3D printing)	4	153,656	76,828	1,338,092
Augmented & Virtual Reality / Simulation	3	97,026	48,515	859,079
Cognitive Computing & Artificial Intelligence	2	91,381	40,000	4,221,530
Data & Systems Integration	24	1,805,282	445,810	15,396,195
Industrial Internet of Things (sensors)	3	170,900	52,600	1,343,199
Other	2	78,784	31,892	754,817
Robotics and Process Control Automation	10	786,596	204,450	9,665,940
Enabling Technology	1	23,183	11,591	778,410
<b>Grand Total</b>	<b>49</b>	<b>3,206,808</b>	<b>911,686</b>	<b>34,357,262</b>

1.10 **Tourism and Hospitality Business Support & Talent Hubs.** The Tourism Support Hub has continued to signpost and connect the sector to advice, grants, research and reopening guidance. To date the website has received 20,583 visitors. Working with the Manchester Hoteliers Association, the Tourism Talent Hub continues to offer a range of recruitment and skill support for hospitality employers and employees. To date, the Talent Hub has:

- Placed 31 unemployed clients into employment within the sector.
- Assisted 59 businesses with redundancy enquiries, recruitment or staff training (generating circa £38k staff training with a further £6k - £10k in the pipeline).
- Supported 188 unemployed clients to access services for pre-employment training, CV writing, interview skills, and support with job applications (generating circa £173k in revenue).

With the Roadmap for businesses to reopen we anticipate seeing a further upturn in enquiries for support linking to the campaigns planned within Marketing Manchester.

1.11 **GM Peer Networks Programme.** The Growth Hub national network is currently delivering a Peer Networks programme to businesses across England through grant funding from BEIS. GC BGH is overseeing this programme across GM; managing the delivery of 30 cohorts of 11 businesses per cohort by March 2021. The facilitation of the sessions is being done through 15 delivery partners including the Greater Manchester Chamber of Commerce, Bruntwood, Manchester Metropolitan University, pro-Manchester and Salford University. GC Business Growth Hub continues to manage the national co-ordination of the programme on behalf of BEIS and is currently in discussions to agree the potential extension of this programme beyond March 2021.

1.12 **Skills for Growth SME Support.** Project commenced at end of October 2020, to support businesses that need to better understand and develop their staff skill sets and business models to enable growth. To the end of February 2021, 983 businesses have been engaged by the brokerage service, with 256 Skills Productivity Plans and 267 individual Skills Development Plans produced. The GM

Skills Map was launched on 13<sup>th</sup> January with just over 100 providers attending the launch. Following the launch 61 providers have registered on this platform and 410 learning activities uploaded to date.

- 1.13 **EnterprisingYou (EY).** Provides support for GM residents who are self-employed or Gig workers with earnings of less than £27,000, 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 2,426 enquiries, 939 starts on programme, 288 clients have accessed the Finance Specialist, 193 the Health & Wellbeing specialist & 158 accessed and aligned with a Mentor. 402 clients have accessed the Training & Development provision (TPD) and attended 842 courses. 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.

Since January 2021 the EY programme has seen:

- 14% increase in referrals to EY TPD Jan – Feb
- 82% increase in referrals to EY H&W services Jan - Feb
- 45% increase in referrals to EY Personal Finance Specialist Jan – Feb
- 13% increase in referrals to EY Mentoring Jan - Feb

- 1.14 **GC Kickstart.** GC has 277 approved placements and vacancies have finally started to go live on the JCP vacancy system. An additional 31 placements, which were submitted to DWP via our Gateway Plus/Aspire model are still being considered by the DWP policy team. We are about to submit an application to DWP for an additional 422 placements and have a further 488 potential placements working through Expression of Interest and Application completion stage. It should be noted that there have been national delays in considering applications submitted which has slowed progress in submitting applications (we were asked to stop submitting for a period whilst DWP caught up with a national backlog) and in placing young people into role. Across GM there are currently around 2,000 vacancies uploaded and live with DWP/JCP and 294 actual starts with employers.
- 1.15 **Employment Legal Advice Service.** We have continued to deliver the service in partnership with both Manchester Citizen's Advice and Bury & Bolton Citizen's Advice to provide 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: Glaisyers, Linder Myers, Peach Law, Stephenson's, Wrigley Claydon, Hattons Solicitors, DBF Law, Keoghs Nicholls Lindsell & Harris, MSB Law and JMR Solicitors. Aaron & Partners have also recently signed up to offer pro-bono advice.

### **Business Support: Business Finance**

- 1.16 **Bounce Back Loan Scheme (BBLs).** The GM BBL Fund opened on 16th November 2020 to support businesses whose own bank was not administering BBL. To 8th March lending £4.24m to 177 GM SMEs and protecting 571 GM jobs. The BBLs scheme will close on 31st March 2021, at which time GCBF having originally targeted to have lent £10m to 360 GM based businesses. Given the challenging high percentage of ineligible applicants from outside GM, false reporting of trading figures and attempted frauds, expectations have been downgraded to £5m by end March. Quality control has been fundamental whilst the 177 GM SMEs supported are clear that their business prospects would have been severely curtailed, if not closed, without this intervention.
- 1.17 **Coronavirus Business Interruption Loan Scheme (CBILS).** GCBF have invested £4.1m, and approved loans not drawn of £250k prior to the scheme closing. £2.88m 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. The CBILS scheme will close for applications on 31 March 2021.

- 1.18 **Innovation & Angel Finance.** For the last 2 years, GC Angels has been the most active investor in sub £2m seed stage deals in GM. Demand continues to be high across GM with a reduced supply of private capital in the early stage market continuing, particularly focussed on first time raises and seed rounds (these fell by 19% nationally from 2019). GC Angels has now invested £2.2m of LGF funding which has generated £10m of co-investment, with a further pipeline worth >£20m. A recent investment saw GC Angels contributing £150k to unlock £675,000 of funding from HNWI overseas and in the UK into Skin and Tonic, an ethical beauty brand setting up an office in Manchester.
- 1.19 **Start-up Loans.** After a slow start as a result of the immediate impact of Covid-19, Start Up Loan activity continues to increase and has invested £5.9m, up 52% on lending for the same period last year. Funding has supported 498 new GM start-ups year to date.

### **International & Marketing: MIDAS and Marketing Manchester (MM)**

- 1.20 **Recovery Campaigns.** MM with partners is developing a number of recovery campaigns ready to launch when restrictions lift including:
- **Manchester Misses You** campaign from the original lockdown 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 partners is welcome (continue till end March)
  - **Find Your Space** – promoting local outdoor experiences, aligned to Local Authority timings
  - **Have A Night on Us Short-break** – in partnership with MHA (Manchester Hoteliers Association) to promote offers from hotels which include a free night (17 May)
  - **This One is on Us** – a tactical offer-lead campaign to drive footfall into hospitality, leisure and tourism businesses. This could tie in with government East out to Help out (17 May)
  - **Space to Meet** – focused on business tourism and events (17 May)
  - **Culture recovery campaign** – working in partnership with +14 venues / cultural organisations and GMCA, MM are supporting the development of strategy for cultural recovery, which includes audience engagement work, creative and content development, and delivery of a tactical marketing campaign (17 May)
  - **Back to Office campaign** – aimed at encouraging commuters and workers back to their workplaces, MM has developed a campaign which to raise confidence in returning to the city and town centres and to remind people of the social, health and well-being benefits of travelling to work and re-engaging in previously pleasurable leisure activities (21 June).
- 1.21 **Re-igniting International Markets.** Work began in February to re-engage with international media and travel trade to promote GM as the gateway to the North. Activity has included taking part in travel trade and media engagement events International Media Marketplace (IMM) Explore GM and International Travel Berlin (ITB). These virtual platforms are used to engage with existing and new contacts to stimulate demand from global operators in preparation for the lifting of international travel restrictions travel. Part of this work includes the development and promotion of educational collateral to build awareness of the range of experiences, access, COVID compliance and reassurance.
- 1.22 **Tourism and Hospitality Business Support & Talent Hubs.** MM is a key enabler to this activity outlined under 2.5 above in Business Support.
- 1.23 **Destination Marketing Organisation (DMO) Review.** DCMS has launched a review of DMOs, which will be led by Nick de Bois (VisitEngland Chairman) who will oversee the review in an independent capacity with administrative support from DCMS and reporting directly to the Secretary of State. This review is extremely welcome and is something that Marketing Manchester has been lobbying on for a number of years. The Coronavirus outbreak has highlighted that England needs a much more sustainable approach to sub-national tourism development and support going forward.

The review will examine the extent to which the current DMO landscape:

- is economically efficient, effective and **Page 82** (funding, structure and performance)

- best enables the government to meet its leisure and business tourism policy objectives at a national, regional and local level
- engages within the wider local and regional economic landscape, and the current focus on English devolution and Levelling Up

The review will make recommendations on:

- whether DMOs might be structured or funded differently, and if so, how any proposals might maximise post-COVID-19 recovery and long-term success
- what the role of DMOs should be, bearing in mind existing other local structures such as Local Enterprise Partnerships, Mayoral Combined Authorities, local authorities and other similar local/regional bodies, and where these might intersect
- how DMOs should best engage with, and be engaged by, VisitEngland, VisitBritain and DCMS, as well as wider government/public bodies where relevant (e.g. Arts Council England; UK Sport)

DCMS will shortly be launching a written consultation process, to enable people to feed into the review. MM as the DMO for GM will be taking a proactive role and will be engaging local support to ensure that the outcomes strengthen MM position and sustainability.

### **Inward investment: MIDAS**

1.24 **Performance.** Year to date MIDAS have closed 44 projects, creating 1,497 new jobs and safeguarding a further 485. Forecasts suggest a year end position of approximately 2,000 jobs created across 50-55 project successes. This would signify a fall of at least a third on the previous year for project successes and almost half for jobs created.

MIDAS have held 690 meetings across 294 key accounts year-to-date as part of an accelerated response to COVID-19. A total of 295 enquiries have been sourced, with monthly intake falling by around 40% compared to pre-COVID. This fall has been sustained since April with the monthly average remaining at a similar level throughout and has yet to indicate an increase towards pre-COVID levels. Recent successes have included:

- **Berkshire Hathaway** – This new entrant insurance business is part of Warren Buffet’s empire and is only three years old in the UK. Focusing on specialist property, financial, corporate and marine insurance the Manchester office will house their UK underwriting expertise and service the whole of the UK market outside the M25. Working in tandem with DIT colleagues, we are providing support whilst they recruit specialist team members (currently at **11 FTE** in a space of weeks) with introductions to partners, marketing and property.
- **Roke Manor Research** – Technology company opening a cyber office at The Landing at MediaCityUK. **16 jobs** initially.
- **Randstad** - A large international recruitment business already incumbent within GM, we have been working with the then UK MD/now CEO to build a business case to **retain current 140 people** and relocate the central delivery team of a further **100 FTE**. Defended competition against Birmingham, Luton, Southampton and Leeds and assisted with comparable location data, property, recruitment and working on PR.
- **JC Decaux – Creating 5 jobs** JC Decaux seeking to deliver digital advertising on 86 Community Information Panels (CIPs) & to deliver 172 digital screens in Manchester city centre, following a competitive tender process. JCDecaux will also support a range of important environmental and community initiatives in Manchester.
- **Saica Natur** - A new UK depot is operational now in Partington with an investment of approx. £10M. This depot is mainly for the sorting of mixed papers from segregated household collections, with the main source of material Greater Manchester Combined Authority. The plant is currently working two 8 hours shifts Monday to Friday and has created a total of **40 new jobs**. The plan is to add an **additional shift with 20 jobs** as more material becomes available.

1.25 Current Projects in MIDAS pipeline include:

- **Project Tartan** (up to **100 jobs**). US healthcare – healthtech consultancy looking for international growth hub. GM considered alongside other UK locations. Contingent on uptake of consultancy services by MFT.
- **Project Robo-Op** (up to **500 jobs**). UK surgical robotics manufacturer looking to establish a new manufacturing facility in addition to current site. DIT referral - closing 2022.
- **Project Nelson** – Liverpool ecommerce firm looking to set up **300-person** tech centre in Manchester city centre over the next few months. Property already chosen and now going through legals. MIDAS have been working with MCC on this.
- **Project Kracken** – Expansion of energy software company who has recently been acquired by a well know energy company. Greater Manchester will become their tech hub with **300 people** located in the city centre.
- **Project Horizon** – Cyber company looking at opening a technical sales contact centre in the UK. Manchester is on the short-list of locations. **125 jobs**
- **Confidential Mobility Project** – potential manufacturing site, in latter stages of decision making, competing with two other locations. **500+ jobs**.
- **Confidential Auto Project** – non-UK automotive company looking to set up a manufacturing facility in the United Kingdom, GM shortlisted. Within GM, sites in Wigan and Salford preferred. At final stages of decision making. **660 jobs** in 3 years, 1600 in 5 years.
- **European Paper manufacturer** - Tissue manufacturer looking for circa 50 acres. Client already has existing office in Bolton and manufacturing in Wales. Favours GM as a location for new plant, suitability of the site is a key driver. **500 jobs** within 3 years.
- **Project Boxley** – Public leisure centre management company looking to relocate a contact centre in Greater Manchester. Client looking for customer service and operations roles. **50 jobs**.
- **Project Mars** – large multinational client looking to open Shared Service Centre. Client is exploring 10 potential options to undertake a transformation programme, incorporating Finance, HR, IT and Procurement. Manchester only UK city in contention. **400 jobs** with potential for 800 in 3-5 years.

1.26 Several key initiatives are also being progressed including:

Advanced Manufacturing: team continues to work on the GM Low Carbon Innovation Park (Ashton Moss) concept (particularly focused on urban mobility R&D), the proposed Advanced Machinery & Productivity Institute (Rochdale/National Physical Laboratory), and the wider Northern Gateway opportunities around 'gigafactories' (as the only GM site able to accommodate these projects).

Innovate Manchester: The "Innovate Manchester" events programme, created by GC/MIDAS and Business Growth Hub, is designed to bring together large organisations, GM SMEs, public sector & academia to collaborate on innovative new ideas. Events cover 4 cross-cutting themes with a webinar & Innovation Lab each (8 events in total).

On the 23<sup>rd</sup> February 2021 as a part of Innovate Manchester, and produced by FutureEverything, a webinar - "**The Future of Human Experiences & Human Centred Design**" - took place which looked at how humans interact with technology, the future of user experience plus the acceleration and importance of Human Centred Design (HCD). The webinar had 248 registrations with 138 attendees on the day.

### 3 RECOMMENDATIONS

Recommendations appear at the front of this report.

## GM LOCAL ENTERPRISE PARTNERSHIP BOARD – PART A

SUBJECT: GC Business Plan 2021/22

DATE: 18<sup>th</sup> March 2021

FROM: Mark Hughes, Group Chief Executive, The Growth Company

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### PURPOSE OF REPORT

The purpose of the report is to present the Growth Company Business Plan for the 2021/22 financial year, which has been approved by the GC Board.

Included in the plan is an agreed performance reporting framework to allow oversight on core GC deliverables throughout the year, reported to GMCA and the LEP.

### RECOMMENDATIONS

GM LEP is asked to:

- Comment on the report and the priorities for 2021/22 and endorse the attached plan (Part B).

### EQUALITIES IMPLICATIONS

The Growth Company's (GC) 2021/22 Business Plan acknowledges the many issues of economic, social and health inequality that the Covid-19 pandemic has laid bare and seeks to address these themes in what GC does and how the organisation operates. GC has elevated 11 Priority Outcomes (section 5) in the Business Plan, this includes:

- A focus on supporting the Black Lives Matter movement, via the delivery of 10 EDI pledges that GC has committed to and published on its website. In addition, GC has appointed an Equality & Diversity Specialist who will review GC's service design and delivery, with recommendations made to the GC Board.
- Establishing a social value framework which will support the comprehensive data capture and reporting of GC's social value impacts.

The Business Plan also features a number of Actions which contribute toward delivering inclusive growth and tackling inequality across GM, including (but not limited to) the delivery of the Good Employment Charter and the tailoring and targeting of activities to maximise outcomes for GM residents and businesses across our employment, skills and youth contracts. GC captures and monitors EDI data to understand the impact of delivery.

### CLIMATE CHANGE IMPACT ASSESSMENT AND MITIGATION MEASURES

GC's 3-Year Strategy includes the ambition:

*GC is net Carbon zero and through its' activity influences individuals and other businesses to adopt more environmentally sustainable business practices.*

In section 5 of the Business Plan, Theme 5 – Social Value & Environmental Sustainability – sets out detailed Actions and Milestones towards achieving this ambition.

In addition, GC has elevated its ambition to become NET-Zero Carbon as one of its 11 Priority Outcomes in the 21/22 Business Plan, via offsetting residual carbon. GC will also capture and reduce carbon produced by all areas of business operations, to reduce the Carbon levels, prior to offsetting any residual carbon from 2021/22 operations.

GC supports and delivers 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.

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## Introduction

The Growth Company (GC) is a purpose-driven Social Enterprise who exists to *Enable Growth, Create Jobs and Improve Lives*. Our purpose, governance and accountability is uniquely aligned to the LEP and GMCA, and the design of each service we deliver ensures we work collaboratively with stakeholders, partners, colleagues, supply chain and our customers to deliver services which help them to grow and achieve their full potential.

In December 2019, the GC Board approved GC's first 3-Year Corporate Strategy, Vision and Ambition (see **section 3 and 5 – part B** in the Business Plan in Part B), which was shortly followed by the onset of the biggest global pandemic in our lifetimes, transforming how we work, access services, interact with each other and our priorities (as a business and individuals). Given the substantive impact of Covid-19, GC undertook a review of its 3-Year Corporate Strategy in December 2020 to reflect on its Strategic Priorities and 3 Year Actions, which were confirmed to still be valid.

GC's Business Plan for 2021/22 represents the second year of delivery against its 3-Year Corporate Strategy. Whilst several planned activities/milestones for 2020/21 were understandably delayed as resources had to be redeployed as part of GC's extensive response to Covid-19, it is still possible to achieve the 3-Year Actions identified under our Strategic Priorities.

The volatility seen since early 2020 still proves to be diversionary and will require a level of reactivity within the year which will force an ongoing re-prioritisation of activity and resources within GC. In this context, and notwithstanding the perennial need to achieve strong individual contract performance, we have proposed a shorter list of 11 Group-level prioritised outcomes which we need to take within any economic, political, or public funding environment to ensure that we achieve demonstrable momentum towards our 3-Year Corporate Strategy (see **section 5** of the Business Plan).

## 3-Year Strategy Vision & Ambition

### ***Vision***

Our Vision is for a society where economic growth and prosperity is inclusive, sustainable and leaves no person or community behind.

The future we will help to create, will be founded on this principle of Good Growth – with thriving businesses, creating well-paid jobs for talented and empowered individuals across our diverse communities.

### ***Ambition***

Our Ambition is for the Growth Company to be the UK's most successful provider of development services to people, places and businesses.

We are a market leader with unrivalled reach, attracting the brightest and best talent. We are financially robust and deliver positive social and environmental impacts.

### ***Delivering GC's Vision & Ambition***

The Strategy is divided into 6 key themes – 1. Market Leader; 2. Increased Reach; 3. Brightest and Best; 4. Financially Strong; 5. Social Value & Environmental Sustainability; and 6. Delivering for Greater Manchester

The Business Plan is structured by these themes to align to the 3-Year Strategy, with each theme including a series of Actions and Milestones to realise our Ambition, and supported by a set of KPIs.

## **Delivering for Greater Manchester**

GC's Business Plan ensures that it is a significant contributor to GM's LEP & CA objectives of driving growth, productivity, inclusiveness, environmental sustainability, and particularly supporting GM to build back better from Covid-19. GM represents the largest share of our delivery, staffing and social impact, therefore the delivery of GC's whole Business Plan is shaped accordingly.

GC service provision is directly aligned to GM priorities, as set out in the GM Living with Covid Resilience Plan, GM Local Industrial Strategy (LIS), GM LEP Economic Vision, and GM One Year International Strategy. GC has three Strategic Priorities focussed on delivering for GM which are inherently interlocking:

1. Support and enable GM's ambition to increase GVA and Productivity; raising productivity and pay across sectors, driven by innovative well-managed businesses trading and investing globally.
2. Contribute to inclusive growth across GM to ensure that all GC programmes deliver economic benefits across GM and enable business and place to maximise their economic potential.
3. Lead the delivery of the GM Internationalisation Strategy.

Priority GC deliverables on behalf of Greater Manchester which sit under these Strategic Priorities in 2021/22 include:

- Mobilise and implement Skills for Growth – SME Support Programme to improve productivity by encouraging businesses to develop employees, through identifying training needs and wider workforce development initiatives.
- Within the context of the LIS, ensure that the Business Productivity and Inclusive Growth Programme (BPIG) delivers on all outcomes in this over-arching, cross sector programme of activity. Specific actions within the overall programme are also separately detailed below:
  - Strengthen the leadership and management of businesses in GM to recover from the impacts of Covid-19, to build resilience and increase productivity.
  - Support businesses to adopt innovations and create new products, services and business models.
  - Improve productivity by encouraging the development, design, adoption and creative application of digital technologies and provide support for emerging and growing DCT businesses.
  - Developing a programme to accelerate businesses' implementation of energy and material efficiency measures in the design and production of products and services.
  - Improve access to finance across Greater Manchester through the deployment of investment funds and facilitation of equity investment through the Co-Angel service.
- Implement the GM Good Employment Charter to deliver good jobs with opportunities for people to progress and develop, along with a thriving and productive economy, ensuring

strong links back into BGH through two-way referrals (in particular, via the Skills or Growth programme).

- Work with GMCA and partners to deliver the new GM Internationalisation Strategy, the GM LEP's Economic Vision, and ambitions of the LIS and GMS by promoting GM's key sector strengths (health innovation, advanced materials, creative, digital and tech, and low carbon).
- Delivery of LIS aligned targeted inward investment activity, underpinned by strong analytics, to increase the volume and value of foreign direct investment and high value jobs for GM residents and reflecting Covid-19 related restrictions.
- Provide leadership, insight, marketing and communications to the GM Tourism, Hospitality & Leisure sector to support and recover the value and volume of the sector and economic impact and jobs for GM, recognising the potential ongoing Covid-19 restrictions.
- Manage the GM Convention Bureau, aiming to recover and support the Business Conferences & Sporting events sector and deliver the GM Business Tourism Strategy through marketing, researching and bidding for national and international conferences, noting the continuation of Covid-19 restrictions.
- Utilising the Apprenticeship Levy to mobilise the private and public sectors to consider apprenticeships as part of their workforce development and growth plans.
- As a prime contractor of employment, skills and youth contracts across GM ensure we are achieving contract excellence in all programmes and maximising the outcomes for Greater Manchester.
- Contribute to inclusive growth across GM to ensure that our business support, skills and employment programmes provide opportunity for all GM residents, through the tailoring and targeting of service delivery.

Further detail regarding the activities and milestones to be delivered are provided in section 5 – Part A of the full Business Plan (Delivering for Greater Manchester).

## **Performance Oversight**

Quarterly performance reports will be provided to the GM LEP.

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