

GM LOCAL ENTERPRISE PARTNERSHIP BOARD

SUBJECT: GC: Business Support, International and Marketing Update

DATE: 18th March 2021

FROM: Mark Hughes, Group Chief Executive, Growth Company

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:

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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 22nd February which was broadly welcomed by businesses with interest shifting to how the Budget on the 3rd 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 extend 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 (29th Jan – 1st 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 1st 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 15th 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 (≤ 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
Total	182	13,685,419	3,641,555	849	1,724	140,611,622

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
Grand Total	182	13,685,419	3,641,555	140,611,622

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
Grand Total	49	3,206,808	911,686	34,357,262

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 13th 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, Stephensons, 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 sustainable (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 known 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 23rd 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.