

APPENDIX 1

BUSINESS AND ECONOMIC CONTEXT

- **GC Business Survey.** The following sections relate to the 311 responses completed between the 30th July and 2nd September 2022. The survey has 9,000 responses since its launch in March 2020. Previous month's results are provided in brackets.
- **Responses.** The profile is broadly representative of the GM business base - but for an over-representation of manufacturing and engineering businesses, and under-representation of logistics and tourism businesses.

Growth, business confidence and investment

- **The GC Business Confidence Index (GC-BCI)**, a ranking of how confident businesses are on their growth prospects for the year ahead, currently stands at 7.2 out of 10, 0.1 index points lower than last month, and slightly lower than 7.3 recorded the same time last year. In-week figures show the index moved lower in the last week in August to 7.0.
- **Sales and profits.** 29% (vs 22% previously) of firms reported that they experienced an increase in sales in the last month, and 68% expect profits to increase (vs 67%, and similar to that seen in Jan/Feb 2022), whilst just 3% (vs 3% previously) expect profits to decrease. Construction and Life Sciences were the sectors most likely to expect profits to rise.
- **Investment.** 48% (vs 51%) of firms expect to increase Capex spend in the year ahead. 57% (vs 52%) of firms expect to increase their allocation towards investing in workforce development and skills, innovation (59% vs 53%), and just under half expect to increase their allocation to digital transformation (50% vs 46%).

Main impacts from the current situation and financial resilience

- **Impacts.** The main impacts facing firms are decreased sales (23% vs 27%), rising costs (23% vs 23% previously), minor supply chain issues (19% vs 20%), and business travel to visit clients (18% vs 21%).
- **Sales.** The proportion of firms reporting decreased sales shows variation by sector, and was most prevalent in Hospitality, Tourism, and Sport, Logistics, and Health and Social Care.

- **Cash reserves.** 66% (vs 72%) of firms report that they have cash reserves to last over 6 months. This still represents one of the strongest positions recorded in the last 2 years.
- **Cashflow.** 14% (vs 14%) of firms said they had cashflow problems (24% at the same time last year). Firms are still more likely to report cashflow risks in the Health and Social Care sector.
- **Cashflow and smaller firms.** Micro-size firms (<10 employees) were slightly more likely to report cashflow issues this month compared to SMEs (10-249 FTEs) – micro-sized firms were less likely to report cashflow problems in the previous month.

Employment and workforce development

- **Recruitment.** 25% (vs 26% previously) of firms are currently recruiting new staff, and 49% (vs 38%) said they had difficulties recruiting for specific occupations. The main occupational groups recruiting are technical support roles (44% vs 42%), customer facing / sales roles (35% vs 45%), and managerial positions (16% vs 9%).
- **Workforce skill gaps.** 56% (vs 55%) of firms said that their workforce skills are only 'partly' at the correct level to meet business plan objectives for the year ahead.
- **Workforce development.** 57% (vs 52%) of firms said they are looking to increase investment in workforce development in the next 12 months, 29% (vs 34%) said they thought investment levels would remain the same, and 13% (vs 13%) were unsure.
- **Redundancy risk.** 2% (vs 5%) of firms said they were in the process of considering making redundancies – mostly in back-office administrative / technical occupations, and customer facing roles.

Other challenges and future support needs

- **The main pressing challenges facing business.** Access to new domestic sales opportunities (55% vs 60% previously), recruitment, workforce and skills development (46% vs 47%), developing business model and plans (46% vs 43%), managing overall business finances (35% vs 36%), and innovation (36% vs 29%).
- **The main areas of future support.** Workforce development (44% vs 38%), business planning (45% vs 34%), sales & marketing (34% vs 33%), innovation (29% vs 31%), and financial advice (29% vs 29%). 9% (vs 13%) are looking for support on managing environmental impact.

- **Brexit.** 59% (52% previously) of firms said the impact of transition and exit from EU had a 'neutral' impact, whereas 14% (vs 20%) said 'negative', 23% (vs 27%) 'unsure', 4% (vs 1%) said 'positive' overall.
- **International trade.** 27% (vs 30%) of firms undertaking overseas trade said they were looking to expand in current markets. Just over 30% of SMEs (10-49) are looking to expand in new markets and mainly in the business, financial, and professional services sector.

Insolvency risk

- **The number of registered company insolvencies** in July 2022 was 1,827: 67% higher than in the same month in the previous year (1,096 in July 2021), and 27% higher than the number registered three years previously (pre-pandemic; 1,440 in July 2019).
- **Creditors' Voluntary Liquidations,** In July 2022 there were 1,609 CVLs nationally, 60% higher than in July 2021 and also 60% higher than July 2019. Numbers for other types of company insolvencies, such as compulsory liquidations, remained lower than before the coronavirus (COVID-19) pandemic, although there were 3 times as many compulsory liquidations in July 2022 as in July 2021, and the number of administrations was twice as high as a year ago.
- **Insolvency risk.** (Analysis of Greater Manchester based firms with 10 or more employees). Data for July shows that 11.6% (11.2% last month) of businesses that have a risk rating, compared with 10.9% nationally (10.6% last month). Insolvency risk in GM is higher in large businesses, 16.3% with 1-3 flags, compared to the national average of 12.3%. Levels of insolvency risk in Greater Manchester are up 1.5 percentage point vs the level pre-covid (April 2020), similar to the national trend.

Global Scaleup. Releasing a new 1-day bootcamp to help businesses to work on their Working Internationally and how to best prepare, intercultural awareness and how it translates into leadership when entering new markets as well as international communications including sales and marketing. The REACH mission is going ahead with 4 GM businesses and planning for SXSW, StartMeUp Hongkong as well as SVC2UK. Recruitment for the for the next cohort of International Growth Sprints to be run in late autumn has begun.

Recipe4Success. Cohort 7 of our popular Food & Beverage programme starts on 21st September and already has 14 businesses booked to attend. The core workshops will cover

business strategy, regulations and labelling in the food and drink sector, marketing and sales. There will be Masterclasses taking place in 2023 around Meet the Buyer and Food Photography.

Social Value Support. Two Social Value Business Advisors have been recruited within the Business Growth Hub. Our female-led business support programme (delivered by Flourish Together CiC) has now been completed and from October an ethnic-minority led business programme, and a procurement and tender readiness programme, will be delivered by Upturn Enterprise and Centre for Tendering, respectively. Bespoke Bids continue to deliver one-off workshops on this theme of tender readiness over the next 9 months. The two new Social Value Advisors will also be completing the Inspiring Impact Social Value Training delivered by Social Value UK and funded by GMCA. This train-the-trainer opportunity will allow further support to be provided to staff, customers and suppliers on understanding, embedding and reporting social value. GC will be hosting the next GM Modern Slavery Business Network in partnership with the Co-op on the 6th October. This will bring together network members to share best practice in eliminating labour exploitation from workplaces and wider supply chains.

Leadership and Management - GM Leadership Hive. GMCA, the Growth Hub, and the four GM business schools £2m Programme to deliver executive coaching, targeted programmes and mentoring to GC BGH participants. 6 new EDP providers have been procured and will be attending a new provider induction event on 7th September. These new providers will be bringing new delivery programmes which include resilience and leadership in challenging times.

139 GM individuals have engaged with OPEN SME since the launch. iMentor is scheduled to launch on 14th September to existing mentor/mentees on the BGH mentoring programme with a public launch in line with National Mentoring Day in October 22. Working in partnership with the social value team and GEC to work on some joint masterclasses and collaborating with the Innovation Team on an Innovation Leadership programme due to commence mid-October. Basic management cohort, People Matters, due to launch end of October in partnership with start-up programmes.

Journey to Net Zero. 7 cohort programmes delivered with over 100 businesses starting their Net Zero Journey. Cohort 8 launched on 7th September with a good sign up level and 15 businesses attending the first workshop. Currently recruiting attendees for cohort 9. Delegate feedback remains very positive, we are developing follow on bespoke events on the back of the successful July Alumni event. Discussions being led by LEP and involving a

wide range of partners are underway regarding the development of a more holistic and larger scale programme. The successful JTNZ Boost bid to GMCA business rates funding is being developed to integrate with the BeeNetZero offer. We have a limited amount of grant funding available, and we continue to process applications, alongside direct 121 support. We will shortly be publishing a suite of four sustainability guides targeting sectors of the micro business community (Retail, Hospitality, Office, Light Manufacturing & Repairs). These guides will provide tips and recommendations to reduce energy and material waste.

Green Economy. The team has been working with large firms to broker new sales opportunities including running a [meet the buyer event for Ellard](#) to install new solar technology at their site. Web development (www.greeneconomy.co.uk) has continued, to automate the process of becoming a member. Currently 84 business profiles have been added to the website, once this element of the website has been completed, lead generation activity will ramp up. Next month the team will launch a campaign to onboard insulation firms to the Marketplace to support an increase in demand for insulation as part of retrofit projects. The Advisory Board will also meet for the first time in September.

Energy Innovation Agency. Agency successful with IGM (Innovation Greater Manchester) accelerator (stage one) and has been working on stage two bid with partners during August 2022. Agency has secured the hexagon room at the Green Summit on 17th October to showcase some of our innovators and their products, and exhibit. A press release from GMCA, the Mayor, and Agency is imminent for an MOU signed with one of our innovators in relation to local jobs and manufacturing, impact on the green economy, and on our carbon-neutral city target.

Growth Hub Innovation Service. So far, the service has generated in excess of 722 business assists, 94 collaborations, 103 new to firm products and 53 new to market with total 250 new jobs created. Elsewhere in the programme collaborations continue between SMEs and GM Universities across technology areas including rapid prototyping, eco/environmental, advanced materials/chemistry, manufacturing, digital and creative and AI/machine learning. The Large Company Programme in collaboration with MIDAS – Innovate Manchester – has its first challenge event scheduled for September. Development of new Eco Innovation themed proposition, to promote the benefits of adopting a more circular business model, has been designed and is being finalised for pilot delivery next quarter.

Innovate UK EDGE. The new Innovation Director with vast Innovate UK experience joined the team in September. Recruitment is nearing completion anticipating the delivery team to be fully staffed by October. The main contract is in place with delivery/KPIs agreed in August and first claim submitted at the same time. Innovate UK are in negotiations with EEN regarding a new cooperation agreement to be finalised next quarter. Contract novation from Trade and TUPE of staff is expected to take place in September.

Made Smarter. Delivery of the Made Smarter Adoption Programme for 2022/23 continues to be broadly in line with targets. New client registrations are behind profile however a significant increase in marketing activity in some new channels is currently underway to remedy this. It should be noted however that over half of the programme activity remains with legacy clients. The Delivery Plan and KPIs for the current year are still in the process of being agreed and signed off. Per the minister's wishes, the funded student placement activity was ended at the end of Q1, the target of 13 placements was hit. Outstanding demand is being monitored.

Manufacturing Sectors Service. Our Manufacturing Advisors continue to offer business support across the significant sector challenges of continually rising material costs, fractured supply chains, spiralling energy costs, and skills shortages. With a much needed focus on taking cost out of manufacturing businesses, the Lean Champion cohort programme continues to be in high demand with Cohort 3 completed in August and Cohort 4 already fully booked for October. The Production Leader cohort programme will commence again on 14th September followed by the Made for Manufacturing cohort programme on 3rd October. To help manufacturing clients address cost management issues and maintain profit margins we are collaborating with Access to Finance colleagues on a 'Finance for Non-Financial Manufacturing Managers' event.

Good Employment Charter. Over 1,300 employers are engaged with the Charter Unit, with c.400 Supporters and some 67 Full Members. In September, the Charter will host a leadership reference group on leadership for good employment, which will review and validate the work undertaken by Gillian Drakeford (Ex-CEO of IKEA UK). Also, in September the Charter will be partnering with ProManchester and Stribe to host a breakfast event on the City Mood and why employee engagement is critical to good work. Other activity is planned to deliver events including an Ageing in the Workplace Masterclass, events on disability, race as well as workshops on Human Trafficking and also the Early Years sector. Details of the Good Employment Awards for 2023 will be released in the Autumn.

Skills for Growth SME Support. The programme continues to be on track against profile and all 5 critical success factors (CSF) are at 100% or above. End of July - 5566 business engaged, 2148 SPPs (Business Plans), 2548 referrals to GM Bridge and GEC, 152 new apprenticeships created, 4625 individual skills plans, and 984 completions claimed. 100% quality verification at audit achieved for July 22. We have now been given 10% sampling due to the 2 x 100% compliance audits for June and July.

3.2 Business Finance

Business Lending. GCBF has approved £2.1m in GM businesses, under the Recovery Loan Scheme, the scheme closed June 2022. GCBF applied for Accreditation under the follow-on scheme RLS3 and await further action by the British Business Bank to achieve accreditation.

GM Bounce Back Loan Fund Loan book moved into repayment phase from January 2022. Across the national scheme lenders are seeing arrears of between 20% and 30% the GCBF book currently sits at 30%. Those companies with BBLs that attempt to liquidate the business are now captured by the Mass Objection scheme which defers the liquidation process for 6 months and allows further attempts to seek repayment. GCBF dedicated arrears team are working with the BBLs borrowers and we are now seeing an increase in uptake of Pay As You Grow options and repayment plans.

GM Coronavirus Business Interruption Loans – All loans are now in the repayment phase, with 1 of the 9 GM funded CBILS loans in arrears. The current provision against this loan is less than 2.60% of the total loan book. The arrears figure will reduce following the rescheduling of the missed repayment.

Angel & Innovation Finance. Demand continues to be high across GM. GC Angels has successfully invested £2.8m of LGF funding leveraging £18.5m of private co-investment, (£2.5m directly introduced by GC Angels) with a large and growing qualified pipeline of circa £15m. GC Angels urgently needs to secure immediate new capital whilst a longer-term bid to the BBB's Regional Angel Programme is underway.

Start Up Loans. Start Up Loan demand continues to be strong in FY '22/'23 with 191 GM Start Ups supported with £2.61m of investment to the end August 22 which is consistent with previous years impact. The re-procurement of the Delivery Partner contract for Start Up Loans has been initiated. GCBF's submission will be evaluated, BBB are expected to make

award decisions by late Q3, early Q4. Those awarded a contract under this procurement will commence delivery in April 2023.

3.3 International and Marketing: Marketing Manchester (MM)

Domestic Marketing

Escape the Everyday (ETE) Campaign. The ETE campaign finished on the 31st July, targeting London, the South-East, Glasgow and Edinburgh. The campaign delivered 30m+ impressions and 97K+ pageviews. 505 tourism experience bookings were made via the landing page, generating revenue of over £14K directly attributed to the campaign. In addition, in-kind OOH placements with JC Decaux across key digital sites throughout London, including London Euston and Waterloo, alongside sites in Birmingham and Dublin, delivered over 56m impressions with an in-kind value of £556K. We also partnered with Northern to deliver some in-kind marketing on digital on-board screens across their train network. The total in-kind value of this was £12K, with over 12m impressions delivered. Overall reach of the campaign was 98m.

International Marketing

JC Decaux Out-of-Home Campaign. Short break campaign adverts featured across 321 OOH sites throughout France, and in key locations in Milan and Rome. The campaign ran for two weeks and achieved 23m+ impressions and an in-kind value of £212k.

US B2B Roadshow. In mid-July we delivered a US B2B Roadshow partnering with Avanti Destinations, Manchester City Football Club & Visit County Durham. The series of face-to-face travel trade events in Fort Worth, Dallas, Houston, and San Antonio, engaged with over 140 travel agents, and key representatives from Singapore Airlines.

PR and Content. MM hosted and engaged with 22 travel media, resulting in 24 pieces of coverage. Visitor economy coverage highlights include: [The Independent](#) (13m), [The Telegraph](#) (10m), [The Week](#) (3.4m), and [Global Traveler USA](#) (1.7m). Total Opportunities to See for Coverage YTD is 677.5m. Corporate coverage highlights include: [China Daily](#) (5.3m) announcing the Beijing-Manchester direct route; Hits Radio with an interview on the Women's Euros, and [Metro](#) (44m) on the economic impact of Manchester Pride. Content highlights included: several films to promote GM attendance at London Real Estate Forum in September.

Digital Activity. For the year to date, the destination websites have had over 900k unique visitors and social media reach has been over 7 million. Two digital campaigns have been

delivered; Proud (9k page views, 500k paid impressions and 38k organic impressions) and Escape The Everyday (97k page views, 20 million paid impressions and 500k organic impressions).

Business Tourism Promotion. Manchester Convention Bureau will be in market with VisitBritain in Paris and Brussels in September meeting association, conference and incentive buyers over two days.

Sector / Thematic Campaigns - Investinmanchester.com. The programme to update the website extended into September due to refinements of specifications and additional functionality requirements. The redesigned site will be live in September. As well as a refreshed look and feel, the site will include increased video streaming capability, embedded data studio functionality, a chatbot and a dedicated partner resource area.

- **Digital in our DNA.** Film and display advertising has been developed that will be rolled out in October and November to showcase our sector strengths in FinTech, Cyber and Content Creation in domestic, US, European markets.
- **Powering Innovation Campaign.** In preparation for the Autonomous Systems focus that the campaign will take for the Autumn, research has been undertaken to define the key experts and narrative for the A report and film featuring Jurgen Maier and other industry experts will spotlight key assets in Greater Manchester including Rochdale and Salford. The campaign will be launched via a media partnership with The NY Times and Manufacturing Global in October. In July, a reach of 649,885 was achieved when showcasing lightweighting campaign ads at JCDecaux in London Euston.
- **Greener Greater Manchester.** Content and news stories continued to be uploaded to greenergreatermanchester.com, including news of Greater Manchester installing 2,000 small wind turbines across the region, plans for a solar farm in Rochdale and retrofit training courses. The media partnership with Edie.net continues, providing an OTS of 2.2million.

Sector Content, PR & Media Highlights: The Innovate Manchester workshops were launched with a [press release](#), [blog](#) and social media content throughout July and August, in collaboration with BGH, Elevate GM and musicMagpie.

Quotes were supplied in [support of the launch](#) of Hainan Airlines new Beijing route. This was picked up by travel & business press nationwide and had specific MIDAS and MCF mentions in titles including [China Daily](#), [Manchester World](#), [Business Manchester](#)

The Manchester India Partnership's refreshed strategy was launched via MIDAS website, social channels and via regional press with coverage appearing in [Business Manchester](#), [The Business Desk](#) and [About Manchester](#).

International and Inward investment: MIDAS

Recent successes:

- **Centre for Process Innovation (CPI)** - A new office for the High Value Manufacturing Catapult (HVM Catapult) located in Circle Square. CPI will work with manufacturing companies and improve innovation activity in the region. 6 jobs created.
- **Project Hill** – US digital transformation consultancy - 100 jobs in a tech service centre to service northern clients.
- **Project Resin** – 2 jobs, UK based 3D printing company looking to open a small office to support manufacturing for GM hospitals. Company now working with Manchester Foundation Trust, Northern Care Alliance and PrintCity.
- **Project Big** – expansion of existing construction and engineering company in GM, 10 jobs.
- **Project Perceptuo** – UK based IT consultancy establishing an AI spin out in GM, 10 jobs created.

Examples of Current Project Pipeline:

- **Project Hill** – US consultancy firm specialising in digital transformation looking for an additional office in the UK. (100 jobs)
- **Project Dublin** – Irish AI company looking to expand into the UK (100 jobs)
- **Project Pip** – UK life science company looking to move to GM, will integrate into the GM ecosystem and possibly expand their R&D in the area (50 jobs).
- **Project Canopy** – A large UK Reinsurer is looking to open a 2nd HQ in the UK for their technology teams initially, possibly growing to encompass their underwriting teams once the site is established. The company provide insurance to other insurance companies against very high tech projects globally. The client is looking at either Manchester or Leeds to open a flexible office of 30 desks initially, possibly growing to 50 or even 100 people once we have demonstrated the region can support their aggressive growth plans. Many of these roles will be very high value technology and insurance roles.

Financial & Professional Services (FPS):

- Deloitte Pennine Cluster Fintech Launch: The joint prospectus outlining the strengths and opportunities of the 'Pennine Cluster' following the Government's Kalifa Review is in the final stages of completion. A launch event with the report's stakeholders including MIDAS, GMCA, Deloitte, WYCA, City of London and DIT is scheduled once the report is complete in Q3 2022 to mark the cluster's strengths and showcase the increasing strength of the region.
- TheCityUK Financial Services Event: MIDAS are working with TheCityUK, the UK's foremost membership body promoting the FPS industry in the UK, on a Mayoral event in London along with TheCityUK's Board of Directors consisting of some high level UK FPS execs in Q3 to highlight the Mayor's ambitions for the region.
- GM Green Summit: Returning in October at The Lowry in Salford, the event highlights the initiatives and innovation taking place in the city-region to take on climate action and what the region still needs to achieve to meet our 2038 climate goal. MIDAS will be planning a Green Finance event in coordination with the summit.

Creative, Digital and Tech (CDT):

- 13 September NASSCOM delegation: MIDAS along with the Manchester India Partnership is hosting a delegation of around 60 high growth tech SMEs from India in partnership with Deloitte, Bruntwood and The Growth Company to showcase Manchester.
- September: Hosting a Mayoral Tech Dinner targeting senior representatives from large tech companies.
- September: Exhibiting at the International Cyber Security Expo London and targeting relevant companies for 1-1 meetings. Invited to attend alongside the Manchester Cyber Advisory Board and other partners.

Life Sciences and Healthcare (LS):

- Thursday 15th September, Swedish Chamber of Commerce, MedTech Masterclass. Delegation of 5 Swedish Medtech companies. MIDAS have recommended speakers and will be pitching GM as an investment region against Leeds, West Midlands and London. Virtual event
- Thursday 22nd Sep. Accenture Digital Health Event, in person, MIDAS have recommended speakers and will be attending in person.
- 24-26th The MedTech Conference by Advamed in Boston, USA. MIDAS attending and working with DIT to book meetings with clients and partners around it.
- 29th November– DIT HPO Investor Facing Webinar. MIDAS arranging the speakers and overall format of the event with DIT and Cheshire East.

Advanced Manufacturing and Materials (AM):

- Oct 19-20 - Hydrogen Technology Expo, Bremen, Germany. MIDAS will attend the event to explore the latest technologies and solutions for Europe's rapidly emerging hydrogen economy. Meet with companies and showcase Manchester capabilities in the sector.
- Oct 24 - London Metal week, during the event AM team will attend to present Manchester opportunities in advanced materials to 5 companies travelling from Latin America.
- 2-3 November - Advanced Engineering Show – NEC, Birmingham – one of the key UK shows for the sector. The event attracts a large international presence to build bespoke engagement activity around, the team will attend to network.

Manchester India Partnership Upcoming Activity:

- 4 October: The second networking night of the Manchester India Business Group, the networking club of the MIP where Chair Simon Arora will give a TED style talk on 'Building a Business'.
- 17 October: MIP Diwali dinner hosted by MIP Chair at his residence. This will feature a speaking slot for Esme Ward, Director, Manchester Museum about the forthcoming launch of the South Asia gallery.
- 14-18 November: MIP to be part of the DIT Tech delegation to India.

Manchester China Forum – Upcoming Activity:

- In mid-October, the 2022-2023 Manchester-China Friendship Programme will launch this year with a city walk tour followed by a social event. Launched in October 2021, the programme was co-initiated by Manchester China Forum and the University of Manchester amid the rising xenophobic behaviours towards the Asian community and the recognition that positive interventions were needed. This year's programme is expected to have over 100 student participants from more than 15 countries.
- MCF will attend the annual Trade and Economic Forum in Manchester late October/November organized by the China Chamber of Commerce in the UK (CCCUK/Bank of China). The forum has been previously held as an annual fixture in London, so this would be the first time for the event to be hosted outside of the capital. Topics of discussion and exact date/time are yet to be confirmed. Around 200 invites ranging from senior government officials to business partners in the UK-China context would be expected to attend.
- MCF will also attend initial activities organized by WICCO (World Innovative Cities Collaboration Organization) in November on behalf of Greater Manchester. This

Shenzhen-based organization focuses on linking global cities together on innovation cooperation.