

**Manchester City Council
Report for Resolution**

Report to: Economy Scrutiny Committee – 1 March 2017
Subject: Overview Report
Report of: Governance and Scrutiny Support Unit

Summary

This report provides the following information:

- Recommendations Monitor
- Key Decisions
- Items for Information
- Work Programme (attached as an appendix)

Recommendation

The Committee is invited to discuss the information provided and agree any changes to the work programme that are necessary.

Contact Officers:

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Wards Affected: All

Background documents (available for public inspection): None

1. Monitoring Previous Recommendations

Date	Item	Recommendation	Response	Contact Officer
25 November 2015	ESC/15/67 Careers Education, Information, Advice and Guidance	To recommend to the Director of Education and Skills that further work be undertaken to integrate and co-locate the targeted youth support and the early help hubs and that the Committee review this in partnership with the Children and Young People Scrutiny Committee.	A response to this recommendation has been requested and will be reported back to the Committee via the Overview report.	John Edwards, Director of Education and Skills
27 January 2016	ESC/16/03 Science and Health Innovation	To note the importance of real life stories of the impact of this work being identified and communicated to residents and to request that Dr Burrows circulate examples of this impact to members.	A response to this recommendation has been circulated to members.	Dr Mike Burrows, Managing Director of Greater Manchester Academic Health Science Network (AHSN)
25 May 2016	ESC/16/21 Strategic update – The Manchester College	To welcome the recommendation that the further information regarding the number of students accessing Level 1 and 2 course is circulated to members.	A response to this recommendation has been requested and will be circulated to members when comparator data is available.	John Thornhill, Manchester College
25 May 2016	ESC/16/21 Strategic update – The Manchester College	To welcome the recommendation that the further information detailing alternative providers of Level 1 and 2 course across the city is circulated to members of the Committee.	A response to this recommendation has been requested and will be circulated to members when comparator data is available.	John Thornhill, Manchester College
20 July 2016	ESC/16/31 Cumulative Impact of Welfare Reforms	To request further information on the work taking place at a Greater Manchester level on data protection, particularly in relation to Reform.	A response to this recommendation has been requested and will be reported back to the Committee via the Overview report.	Angela Harrington, Head of Work and Skills

12 October 2016	ESC/16/44 Inward Investment	To request that an item for information, providing more detailed information on Inward Investment be circulated to members and for members to then consider whether they want to scrutinise this further at a future meeting.	A response to this recommendation has been requested.	Tim Newns, MIDAS
12 October 2016	ESC/16/46 The Impact of Procurement Policies on Small and Medium Businesses	To recommend that the Council ask MIDAS to consider how discussions with large investors could include consideration of their supply chain	A response to this recommendation has been requested.	Ian Brown, Head of Procurement
9 November 2016	ESC/16/52 Job creation through the City's large investments	To request the Committee Support Officer arrange a visit to the Amazon Fulfilment Centre. To request the Committee Support Officer circulate the Amazon presentation to all Manchester City Councillors.	A response to this recommendation will be reported back to the Committee via the Overview report. A response to this recommendation will be reported back to the Committee via the Overview report.	Deborah Dua, Scrutiny Support Officer Deborah Dua, Scrutiny Support Officer
7 December 2016	ESC/16/59 Housing Affordability	The Committee requested the Director of Housing consider further how fuel poverty and carbon reduction could be incorporated within the framework. The Committee requested that the framework adopt a stronger narrative regarding income inequality.	A response to this recommendation will be reported back to the Committee via the Overview report. A response to this recommendation will be reported back to the Committee via the Overview report.	Paul Beardmore, Director of Housing Paul Beardmore, Director of Housing

7 Decem ber 2016	ESC/16/60 Our Manchester Strategy	To request that the term 'domestic violence' be updated to 'domestic abuse' within the strategy To request that membership details of the 'Our Manchester Forum' be circulated to members of the Committee once confirmed.	A response to this recommendation will be reported back to the Committee via the Overview report. A response to this recommendation will be reported back to the Committee via the Overview report.	Richard Elliott, Head of Policy Partnerships and research Richard Elliott, Head of Policy Partnerships and research
4 January 2017	ESC/17/03 Manchester Adult Education Service (MAES)	To request that the MAES report be circulated to committee members once completed.	The report will be circulated once we are notified it is available.	Julie Rushton, MAES
4 January 2017	ESC/17/04 Manchester College, Curriculum Review	That the Curriculum Review report be circulated to committee members once completed.	The report will be circulated once we are notified it is available.	John Thornhill, Manchester College

2. Key Decisions

The Council is required to publish details of key decisions that will be taken at least 28 days before the decision is due to be taken. Details of key decisions that are due to be taken are published on a monthly basis in the Register of Key Decisions.

A key decision, as defined in the Council's Constitution is an executive decision, which is likely:

- To result in the Council incurring expenditure which is, or the making of savings which are, significant having regard to the Council's budget for the service or function to which the decision relates, or
- To be significant in terms of its effects on communities living or working in an area comprising two or more wards in the area of the city.

The Council Constitution defines 'significant' as being expenditure or savings (including the loss of income or capital receipts) in excess of £500k, providing that is not more than 10% of the gross operating expenditure for any budget heading in the in the Council's Revenue Budget Book, and subject to other defined exceptions.

An extract of the most recent Register of Key Decisions, published on 8 February 2017, containing details of the decisions under the Committee's remit is included below. This is to keep members informed of what decisions are being taken and, where appropriate, include in the work programme of the Committee.

Decision title	What is the decision?	Decision maker	Planned date of decision	Documents to be considered	Contact officer details
Strategic Land Acquisition Ref: 15/003	The approval of capital expenditure.	City Treasurer	January 2017 or later	Gateway 5 (procurement document)	Steve Thorncroft Head of Development Tel: 0161 234 1202 s.thorncroft@manchester.gov.uk
Collyhurst Regeneration Ref: 15/005	The approval of capital expenditure.	City Treasurer	January 2017 or later	Gateway 5 (procurement document)	Sean McGonigle Assistant Chief Executive (Growth) Tel: 0161 234 4821 s.mcgonigle@manchester.gov.uk
Factory Project Ref: 15/012	The approval of capital expenditure.	City Treasurer	January 2017 or later	Gateway 5 (procurement document)	Dave Carty Development Manager Tel: 0161 219 6501 d.carty@manchester.gov.uk
Business Rates Base Ref: 2016/11/10D	To set the 2017/18 Business Rates Base.	City Treasurer, in consultation with the Executive Member for Finance and Human Resources	January 2017	Business Rates Base report	Sam Mcardle Finance Lead - Strategic Revenue Budget & Financial Accountancy Tel: 0161 234 3472 s.mcardle@manchester.gov.uk

Business Rates 15/16 Balance Ref: 2016/11/10F	Agree the estimated business rates surplus or deficit.	City Treasurer, in consultation with the Executive Member for Finance and Human Resources	January 2017	Business Rates balance report	Sam Mcardle Finance Lead - Strategic Revenue Budget & Financial Accountancy Tel: 0161 234 3472 s.mcardle@manchester.gov.uk
Data Sciences Framework Ref: 2016/09/01C	To seek approval to appoint a number of companies under a framework agreement to help in the Council's delivery of its research, intelligence and governance work, in support of its wider objectives. The agreement will be for a two year period with an option to extend for a further two years commencing October 2016.	Chief Executive in consultation with the City Treasurer	January 2017 or later	Confidential contract report with recommendation	Chris Johnson Procurement Officer Tel: 0161 234 33085 c.johnson1@manchester.gov.uk Paul Holme Research and Intelligence Manager Tel: 0161 234 4566 p.holme@manchester.gov.uk
Acquisition of land – Holt Town Ref: 15/044	Approval to acquire key strategic interests in East Manchester.	Strategic Director (Development)	January 2017 or later	Executive Report 16 August 2014	Steve Thorncroft Head of Development Tel: 0161 234 3030 s.thorncroft@manchester.gov.uk

<p>Integrated Transport Block (ITB) Minor Works Programme Ref: 15/047</p>	<p>Integrated Transport Block (ITB) grant funding has been made available by the Greater Manchester Combined Authority (GMCA) for minor works projects as part of the Growth and Reform Plan. £300k of this funding has been allocated for highway improvement work packages which may include pedestrian facilities, improvements that complement other investments or measures to support public transport. The package should also support key investments that will assist in delivering regeneration initiatives across the city. There is a particular emphasis on supporting the economic wellbeing of the district centres that provide the focus for many communities and this package aims to develop some focused transport interventions that support their overall competitiveness.</p>	<p>Citywide Highway Manager (in consultation with the Executive Member for the Environment)</p>	<p>January 2017 or later</p>	<p>Green Report</p>	<p>Emma White Programme Manager Tel: 0161 219 6521 e.white@manchester.gov.uk</p>
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<p>GM Growth Deal 2, Minor Works Programme</p> <p>Ref: 2016/12/19B</p>	<p>GM Growth Deal 2 grant funding has been made available by the Greater Manchester Combined Authority (GMCA) for a programme of minor works projects. The minor works will comprise highway improvement works which will include a range of measures from pedestrian crossing facilities, parking and footway improvements and traffic calming.</p>	<p>Director of Highways</p>	<p>January 2017 or later</p>	<p>Report and Recommendation</p>	<p>Emma White Highways CSM e.white@manchester.gov.uk Tel: 0161 219 6521</p> <p>Kevin Gillham Citywide Support Highways Manager k.gillham@manchester.gov.uk Tel: 0161 234 5148</p>
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3. Work Programme – March 2017

Wednesday 24 May 2017, 2.00 pm (Report deadline Friday 12 May 2017)				
Item	Purpose	Lead Executive Member	Strategic Director/ Lead Officer	Comments
<p>Delivering the Our Manchester Strategy</p>	<p>This report provides an overview of work undertaken and progress towards the delivery of the Council's priorities as set out in the Our Manchester Strategy for those areas within the portfolio of the Deputy Leader and the Executive Member for Culture and Leisure.</p>		<p>Councillor Leese Councillor B Priest</p>	
<p>Overview Report</p>			<p>Deborah Dua</p>	

Annual Work Programming Session	The meeting will close for the annual work programming session where members determine the work programme for the forthcoming year. To follow a presentation from the Director/Lead Officers on upcoming issues and challenges within the Committee's remit.	Councillor Leese / Councillor BPriest / Councillor S Murphy	Eddie Smith/ Angela Harrington	
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Wednesday 21 June 2017, 2.00 pm (Report deadline Friday 9 June May 2017)

Item	Purpose	Lead Executive Member	Strategic Director/ Lead Officer	Comments
Overview Report			Deborah Dua	
Training Session	The meeting will close for a members training session.			

Items To be Scheduled

Item	Purpose	Lead Executive Member	Lead Officer	Comments
Skills Development 16+	To hold a themed meeting on skills development for Manchester residents aged 16 and over. To include a report on the proposed 'Post 16 education and skills model for Manchester' consultation exercise. To invite members of Manchester Youth Council to join the Committee to scrutinise the work in this area.	Councillor Priest	Angela Harrington John Edwards	Invite Chair of Young People and Children Scrutiny Committee See May 2016 minutes

Growth of the Greater Manchester Economy	To receive an update on New Economy's research to identify how all parts of Greater Manchester can play a full role in meeting growth ambitions.	Councillor Leese	Simon Nokes/ John Holden, New Economy	See February 2016 minutes
Greater Manchester Strategies	To receive a report on Greater Manchester strategies which contribute to the city's economic growth	Councillor Leese	Eddie Smith	May 2017 - TBC
The Impact of Universal Credit in Manchester	To receive a report on the impact of Universal Credit in Manchester.	Councillor S Murphy	Angela Harrington/ Job Centre Plus	See July 2016 minutes
Work Programme	To receive a report on the Work Programme (a national welfare-to work programme), to include further information on the outcomes for Work Programme participants, and to invite Work Programme providers to this meeting.	Councillor Priest Councillor S Murphy	Angela Harrington	See July 2016 minutes
Economic Implications of Business Rates	To receive a report on the Economic Implications of Business Rates	Councillor Leese Councillor Flanagan	Carol Culley/ Richard Elliott	Invite Chair of Resources and Governance Scrutiny Committee See September 2016 minutes
Working Well Update	To receive an update report at an appropriate time, including case studies	Councillor Priest Councillor S Murphy	Angela Harrington/ Mat Ainsworth, GM Working Well Programme Mgr	Invite Chair of Health Scrutiny Committee
Manchester's Visitor Economy	To receive an update on the role of the Manchester Growth Company at a future meeting. To request a further report at an appropriate time to include New Economy's deep dive research on	Councillor Leese	Eddie Smith & the Director of Marketing Manchester	See minutes October 2016

	jobs and skills in the visitor economy sector, an analysis of the skills gap within the city for this sector and apprenticeship schemes.			
The Impact of Procurement Policies on Small and Medium Businesses	To receive an update report at an appropriate time.	Councillor Flanagan	Ian Brown	See minutes October 2016 Invite Chair of Resources and Governance Scrutiny Committee
Employment Contracts and Labour Market Flexibility	To receive a report on changes in employment contracts and labour market flexibility and the implications for workers in Manchester.	Councillor Leese	Angela Harrington	See February 2016 minutes May 2017
Digital Strategy	To receive a report on the revised Digital Strategy	Councillor Leese Councillor Priest	Eddie Smith	See June 2016 minutes May 2017
Inclusive Growth	To request a future update and invite Professor Ruth Lupton to a future meeting at an appropriate time.	Councillor Leese	Angela Harrington/ Richard Elliott	See minutes November 2016
Greater Manchester Spatial Framework	To request that where documents within the Greater Manchester Spatial Framework are appropriate to items on the agenda of the Economy Scrutiny Committee they be provided.	Councillor Leese	Eddie Smith	See minutes November 2016
The Christmas Economy	To receive a report on the Christmas Economy over the 2016/17 period and the Council's role in maximising the potential for economic benefit in the city.	Councillor Leese Councillor S Murphy	Jennifer Green	See March 2015 minutes

Update from Greater Manchester Combined Authority (GMCA) Lead member for Fairness, Equalities and Cohesion	To receive an update from Councillor Jean Stretton on her priorities for ensuring Greater Manchester residents benefit from the areas economic growth. To also provide an update on the Inclusive Growth Conference and any outcomes.	-	-	Invitation to Councillor Stogia (Assistant GMCA Lead Member) Invitation to Councillor Rawlins, Chair of Communities and Equalities Scrutiny Committee
Family Poverty Strategy	To request a future update once the strategy is complete. To request that officers develop further the health aspects and give consideration to including performance indicators for smoking and life expectancy; to request that officers develop a broader narrative around the aspiration within the strategy, focusing on parents as well as young people.	Councillor Sue Murphy	Angela Harrington/ David Houlston	See minutes December 2016
Affordable Housing for Vulnerable Demographics	The Committee requested a future update on affordable housing for vulnerable demographic groups at an appropriate time.	Councillor Priest	Paul Beardmore/ Martin Oldfield	See minutes December 2016
Work and skills development for the Town Hall Project.	To request a future report on work and skills development for the Town Hall Project.	Councillor Priest	Sara Todd/ Angela Harrington	See minutes December 2016 (Delivering the Our Manchester Strategy)
Quarterly Economic Dashboard	To note that when next receiving the Quarterly Economic Dashboard the Committee would like this as a separate agenda item and to invite relevant officers when this is next considered.	Councillor Flanagan	Christy Sharples	See minutes December 2016 (Overview Report)

Manchester College	That a further update from Manchester College be scheduled early in the new year.	Councillor Priest	John Thornhill	See minutes January 2017
English for Speakers of Other Languages (ESOL)	To request a future update at an appropriate time	Councillor Priest	John Edwards/ Julie Rushton	See minutes January 2017 Invite Chair of Communities and Equalities Scrutiny Committee
The Factory Project and its Impact on the Development of the Creative and Media Sector	To receive a future update at an appropriate time. .	Councillor Leese	Eddie Smith/ Pat Bartoli/ Maria Balshaw	Invite city centre councillors and Lead Member for the City Centre See minutes January 2017

4. Manchester Business Survey 2016

Report to: Economy Scrutiny - 1 March 2017

Report of: Head of Work and Skills

Summary

The Manchester Growth Company and the City's Work and Skills team annually commission the (Greater) Manchester Business Survey.

The purpose is to build up a picture of our employer base, to understand how they are performing and what affects their performance, to inform policy and service delivery to promote growth and to maximise local benefit.

In 2016, the survey also asked employers about EU Membership and, for the first time, to rate access to Manchester City Council services. In addition, more analysis was done to profile growth businesses.

This report for Economy Scrutiny Committee summarises the main findings. In headline terms, performance during the past 12 months and the outlook for the next 12 months were positive. Most employers reported turnover increases with stable or growing employment. Access to workforce and skills was the single important driver for and barrier to growth. One in ten businesses in Manchester used City Council services and three-quarters found it easy to access these services.

There will be another business survey in 2017, which will be important, as the implications of Brexit and the impact of GM Devolution become clearer and as the skills system and business rates are being reformed.

Recommendations

Members are requested to note the findings of the 2016 GM Business Survey.

Wards Affected: City Wide

Contact Officers:

Name: Angela Harrington
Position: Head of Work & Skills
Telephone: 234 1501
E-mail: a.harrington@manchester.gov.uk

Name: Teun van Rooij
Position: Work & Skills Officer, Work & Skills Team
Telephone: 234 31534
E-mail: t.van.rooij@manchester.gov.uk

Background documents (available for public inspection):

- Greater Manchester Business Survey 2015 Report
 - Greater Manchester Business Survey 2014 Report
 - Greater Manchester Business Survey 2013 Report
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1.0 Introduction

The 2016 Greater Manchester (GM) Business Survey is the fourth annual survey commissioned jointly by the Manchester Growth Company (MGC) and Manchester City Council (MCC). Other GM authorities can fund boosted samples for their area.

The survey covers a range of business performance areas and practices including:

- General performance and outlook
- Local area and community, re-locations, business continuity
- Drivers and barriers to growth
- Business support including access to MCC services
- International trade, innovation and digital
- Recruitment, apprenticeships and skills

It also measured pre-Referendum how business felt about EU membership. The Manchester Growth Company continues to monitor this following the Brexit decision and initial findings have been included in this report.

2.0 Methodology

Qa Research (York) and consultancy TBR (Newcastle upon Tyne) were appointed to deliver the survey. Interviewing was restricted to private sector businesses and voluntary / non-profit organisations that make income from trading. All had to have at least one employee.

From December 2015 to March 2016 1403 telephone interviews were completed of which 500 were with Manchester employers.

3.0 Manchester Findings

3.1 General business outlook

3.1.1 Turnover

The majority of respondents have had a positive trading year with 49% reporting an increase in turnover in the **past 12 months** whereas only 16% indicated a decrease. Businesses also appear to be positive about the outlook over the **next 12 months** with 57% forecasting an increase in turnover and just 7% a decrease.

3.1.2 Employment

Over half of respondents (58%) reported no change in the number of staff over the **last 12 months** whereas 30% said staff levels had increased. Of those that had experienced an increase, 34% had seen a growth of '20% or more' but equally half of those experiencing a decrease saw a fall of '20% or more'.

Similar to above, the majority (55%) said they expected employment to remain the same over the **next 12 months**, whereas 38% expected their headcount to increase, up from 31% in 2014. Most businesses expecting an increase predicted a change of 'up to 20%' (62%), although 13% ten expected an increase of 'more than 50%'. Significantly, 13% of firms had "**hard-to-fill**" **vacancies** which is in line with GM findings.

3.2 Workforce qualifications

Less than one in ten businesses reported having employees with entry level qualifications or who hold no qualifications at all (7% respectively), whilst eight out of ten businesses reported that they employ staff qualified up to degree level.

3.3 Drivers of and Barriers to Growth

The most mentioned drivers for growth are '*products and services the company provides*' (45%), '*workforce and skills*' (43%) and '*location and premises*' (32%).

The barriers to growth mentioned most often were '*lack of workforce or skills*' (26%), '*access to markets and sales opportunities*' (26%) and '*accessing finance*' (24%).

3.4 Training, placements and apprenticeships

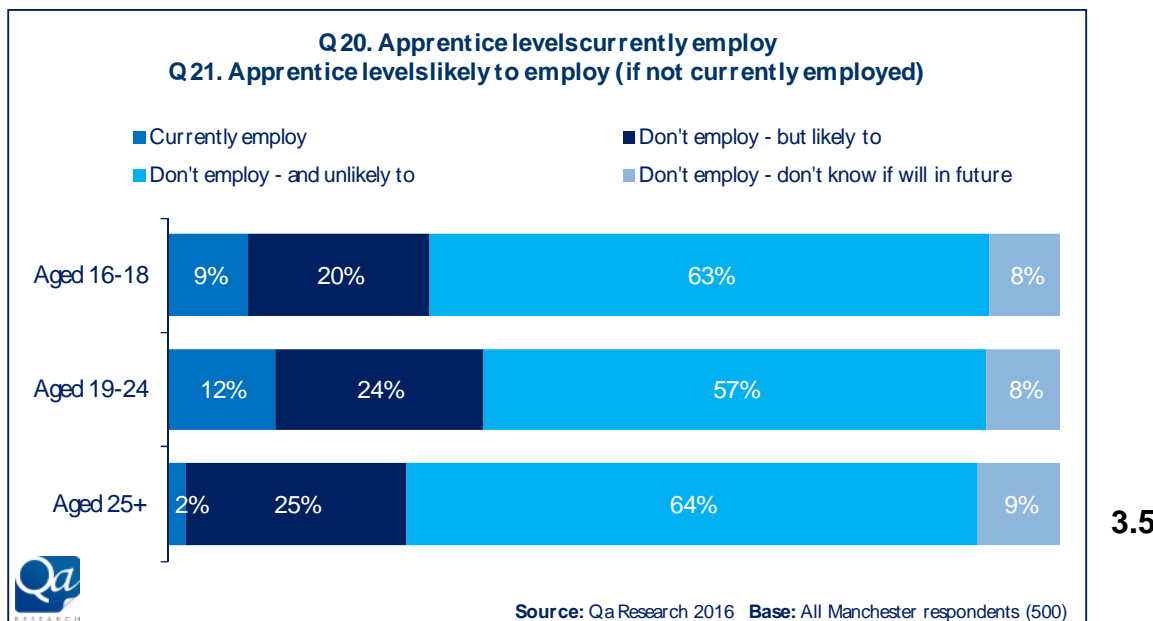
3.4.1 Training and placements

Most businesses provide training (74%) and this is slightly more likely to be '*...provided internally...*' than '*...by an external training provider...*' (60% vs. 49%). Most Manchester businesses (62%) do not offer '*work experience placements or internships*'. Of the businesses which do, 20% do so on a '*paid*' and 27% on an '*unpaid*' basis. Just over one-in-ten (13%) said their business has **Investors in People** status.

3.4.2 Apprenticeships

Only 19% of businesses employ apprentices which is lower than the GM average of 22%. Whilst 9% employ apprentices aged 16-18 and 12% 19-24 year olds, only 2% employed apprentices aged 25+. For all three age groups, most said they do not employ apprentices, and are unlikely to do so in future.

Figure - Current and future employment of apprenticeships by age group



3.5

Local Area and Community

3.5.1 Satisfaction with the local area

Employers were most satisfied with 'access to public transport.' (80%); 'quality of premises' (66%); and 'road transport access' (57%). Lower levels of satisfaction were recorded for 'image of area' (51%), 'ability to recruit the right staff' (49%), 'broadband speed' (49%), 'availability of parking' (41%), 'affordability of premises' (41%) and 'crime and anti-social behaviour' (38%). The only aspect which recorded a higher proportion expressing dissatisfaction than satisfaction was '**business rate costs**' (25% dissatisfaction vs 20% satisfaction).

3.5.2 Business disruption and continuity

In the last 12 months, 25% of businesses had experienced a major business disruption. 'Transport & congestion' were mentioned by 11% of respondents, almost twice as often as any of the other causes of disruption. A significant proportion (38%) indicated that they do not have business continuity plan in place. Of the 62% that do have a plan, 32% said they had not tested it.

3.5.3 Business relocations

In total, 17% of Manchester businesses said they were considering relocating their business which is the same as in 2014. Around half of these (48%) said they expected to do so 'within the current local authority area' (53% in 2014) and 40% 'elsewhere in GM' (29% in 2014).

3.5.4 Corporate Social Responsibility

When asked how they support local communities, 66% of businesses said they promoted local trading, 54% support local community groups, 29% local schools and 20% help unemployed residents back into work.

3.6 Costs and Finance

Around three-quarters (73%) of business felt their business was experiencing rising costs and this was most frequently *'staff costs'* (52%). Under a fifth (17%) of businesses reported having sought finance in the last 12 months and the most frequent reason was for *'cash flow, to support growth'* (27%). Half experienced difficulty arranging finance but no single problem dominated responses.

3.7 Business Support

Around two-fifths had accessed support in the last 12 months (38%), significantly lower than in 2014 (53%). Of those that had not, 65% said they *'had no need of support or advice'*; only 6% *'had difficulty finding out where to get the right support'*.

A growing number of businesses have used the Business Growth Hub (10% in 2016 vs 6% in 2014) but fewer used the Local authority (9% in 2016 vs 14% in 2014). Of those that used Manchester City Council services 73% said they were easy to access although most felt this to be *'quite easy'* rather than *'very easy'*.

The most used type of **support in the last 12 months** were *'sales and marketing'* (41%); *'accessing finance, grants and subsidies'* (36%); and *'developing your workforce through training, improved efficiency & communications'* (33%). Likely **future areas of support** were *'sales and marketing'* (45%), *'developing your workforce....'* (41%) and *'exploiting digital services and e-commerce'* (36%).

3.8 International Trade

Almost a third of businesses reported trading internationally (31%); most exporting (27%). In addition, 8% of Manchester businesses that currently do not export said that they *'have any plans to develop export trade links in the next 1-2 years'*.

3.9 Innovation

Overall, 84% of businesses in Manchester they'd taken part in at least one innovation activity in the past 3 years. This was most often related to *'investing in new machinery/plant, additional ICT equipment, software'* (66%) and to *'develop new knowledge, improved goods, services or processes'* (63%).

4. High Performing Businesses

4.1 General Profile

Of all GM businesses interviewed 20% were classed as 'Recent high performing', defined as 20% growth in turnover and/or employment over the last 12 months.

Key characteristics Recent High Performers (RHPs)

- Employ less than 10 staff (87% of RHPs compared to 70% for non-RHPs).
- Relatively young (17% of RHPs are 3-5 years old vs 10% of non-RHPs)
- More likely to be in Business Financial & Professional Services (27% vs 18% of non-RHPs) or Creative & Digital (20% vs 10%).
- More likely to be engaged in training (84% compared with 70% of non-RHPs)
- Higher international trade activity (30% against 22% for non-RHPs).

- More likely to acquire leadership and management skills (45% vs 29% of non-RHPs), use mentors (30% vs 18%) and act as a mentor to others (20% vs 12%).
- Higher innovation levels (90% innovated in the last 3 years vs 78% non-RHPs).
- Higher use of business support (53% vs 38% non-RHPs).

Four themes were identified as critical to high performance and the profiles explored:

- Skills Active Businesses
- International Traders
- Innovation Active Businesses
- Business Support Users.

This report covers Skills Active Businesses only.

4.2 High Growth Component: Skills Active

Skills are a key business driver: 45% of companies of all sectors and sizes identified workforce skills as a key driver of business growth.

Skills Active businesses were defined as having provided staff training, either internally or externally within the past twelve months; having a staff training plan/budget and currently offering work placements or internships (either paid or unpaid). They comprise 30% of the businesses interviewed.

Key characteristics: Skills Active businesses

- Less likely to be found in Retail and Wholesale in particular.
- No specific age of business.
- More likely to employ 50+ and less likely to employ less than 10 staff.
- More likely to hold IIP status (21% vs 9% non-skills active businesses)
- More likely to offer apprenticeships (38% vs 10%).
- More likely to report hard-to-fill vacancies (19% vs 7%) and to see lack of staff/skills as a key barrier to growth (34% vs. 24%).
- More innovation in the last three years (88% vs 70% for non-skills active)
- More international trade activity (6% vs. 2%).
- Higher use of business support (46% vs 34% non-skills active businesses)
- Higher use of mentors (22% vs 18%) or planned use in future (84% vs 69%).

5. EU Membership

5.1 Importance of continued EU Membership

21% of GM businesses reported that continued EU membership was critical to their business; 64% said it was not; 15% of businesses replied that they didn't know.

Statistically, significant variations were observed in local authority areas:

- **Manchester** (32% saw continued EU membership as critical; 55% did not)
- **Bury** (77% saw continued membership of the EU as not critical)

Statistically significant variations were also observed in:

- Manufacturing and Advanced Manufacturing (30% and 38% respectively saw continued EU membership as critical)
- Logistics (39% said continued EU membership was critical)
- Construction (78% sees continued membership of the EU as not critical)
- Hospitality, Tourism & Sport (24% responded “don’t know”)

5.2 Reasons why continued EU membership is important

Businesses that said that continued EU membership was business critical also said it was important (rated 4 – 5 on a scale of 1 – 5) in terms of:

- Accessing supply chains (50% of businesses)
- Access to new export markets (39%)
- Accessing grants and funding (36%)
- Staff recruitment and retention (25% but 35% in Manchester)

6 Conclusion

The annual business survey is important to provide a snapshot of the key factors affecting businesses across Greater Manchester. The involvement of the City Council and our funding to boost the sample survey size in Manchester enables us to have statistically robust information on businesses in the City. The annual business survey will be commissioned in 2017, as there are some important changes that will affect businesses. However, as some indicators don’t change greatly from year to year, there will be a review once that has been completed to ensure that we are getting the best most relevant information.