

**Manchester City Council
Report for Information**

Report to: Economy Scrutiny Committee – 10 October 2019

Subject: The Growth Company's Business Support

Report of: Group Chief Executive, The Growth Company

Summary

This report provides an update on the GC Business Growth Hub's delivery to support businesses across Manchester and provides detailed information on Start-up provision, as well as information on Manchester's business demography, particularly in terms of business survival rates.

Recommendations

That the report be noted.

Wards Affected: All Wards

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1. Introduction

This report provides an update on the GC Business Growth Hub's business start-up and support offer together with information on start-up and survival rates of businesses in Manchester.

2. Background

Established in 2011 the GC Business Growth Hub's vision is to create a thriving and productive economy by unlocking and accelerating the growth potential of businesses across the whole of Greater Manchester.

Since that time, across Greater Manchester the GC Business Growth Hub has engaged with over 48,000 businesses, provided intensive support to 11,000 helping to create c.10,000 jobs. Since 2012 the Hub has supported over 1,000 individuals to start a business, facilitated over £200m in funding offers, had an GVA impact of £55m and reduced carbon by 1.6m tonnes. Since January 2018 the GC Business Growth Hub has been collecting Inclusive Growth data regarding job creation and employment standards (see Appendix 1).

From the outset, the GC Business Growth Hub has enjoyed a strong relationship with Manchester City Council and has delivered business support services extensively across the local authority area. Through the last European Regional Development Fund (ERDF) funded programme (2015-2018), GC BGH supported c.870 SME businesses (with a minimum of 12 hours of support), with those companies going on to create 370 new jobs, £17m in increased sales and adding over £2m in GVA to the Manchester economy.

Over a third of the businesses supported through the last programme were operating in the digital, creative and technology sectors, with another significant proportion in the business, financial and professional sectors. This reflects the scale and sectoral activity across Manchester.

In total Manchester accounts for almost 23% of the Greater Manchester ERDF eligible business base and in the previous programme some 24% of intensive business assists delivered by the GC Business Growth Hub were for Manchester businesses.

3. Business Support Offer

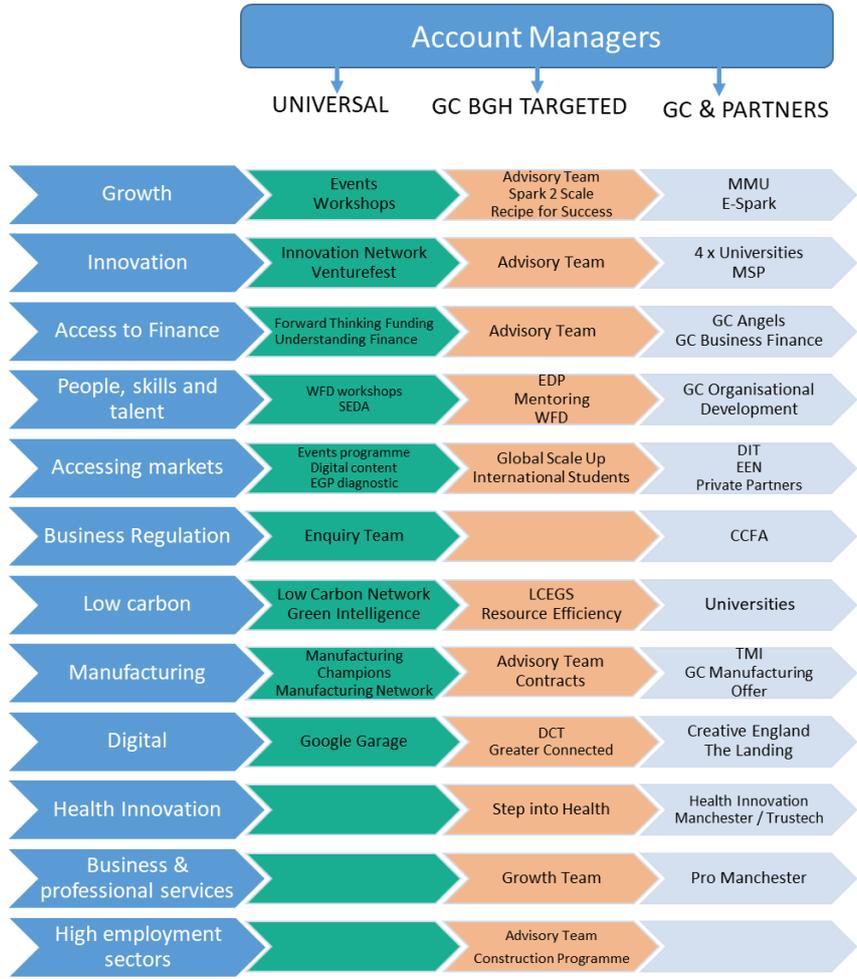
Since its creation the GC Business Growth Hub has aimed to act as a true 'hub' to bring together the best of public and private business support - working collaboratively with c.180 external partners, combining both in-house services, with the best of public and private business support services. The GC Business Growth Hub makes it simpler for businesses with growth potential to find the support they need working with its partner base, which one of its key assets. Owners and senior managers in SMEs are faced with offerings from a wide range of deliverers in both the private and public sector. These include Manchester Growth Company subsidiaries, Innovate UK, Knowledge Transfer Network, Dept International Trade and Universities in the public sector. Private sector sources of support include banks

and business finance providers, universities, innovation specialists, lawyers, marketing agencies, chambers of commerce, mentors, coaches and sector specific networks etc.

The GC Business Growth Hub offers a wide range of universal and specialist support services.

- Universal services are open to all business and include:
- Drop in clinics on a range of topics at Central Library for all to access
- Networking events
- Telephone and Live chat advice
- Online networks
- Information, Video and Factsheets
- Workshop programme – all events can be found on the GC Business Growth Hub website for more detail on topics covered.
<https://www.businessgrowthhub.com/events>

The range of specialist services delivered by the GC Growth Hub are set out below:



The above suite of business support services is delivered through an account managed process ensuring that businesses receive the right specialist service at the right time to ensure a co-ordinated and successful growth journey. This account

management process works in close co-ordination with existing local authority account management approaches and that of MIDAS (in relation to large companies) to ensure that businesses do not have to go through multiple contacts to access effective business support.

Account managed businesses will be targeted towards those businesses that have the greatest potential to improve Greater Manchester's productivity, i.e. companies that show growth potential and ambition. Using established business data sets, HM Revenue & Customs and web-scraping data, business intelligence produces lists of companies that can be targeted for engagement with the GC Business Growth Hub.

The account managers take the whole Growth Company offer (including business support, workforce development, export advice, loan finance, recruitment and accreditation) to a select list of target companies (large and SMEs) that have high growth potential and play a significant role in the Manchester economy.

Working with larger 'growth' companies, the Growth Hub account managers will help signpost and support the businesses toward the best service available in both the public and private sectors. This process will be done in a closely co-ordinated fashion with the City Council to ensure that a co-ordinated approach is developed.

4. Growth Start-up & Livelihood Start-up

For start-ups the GC Business Growth Hub's fully funded support helps plan, launch and develop a business covering both long- and short-term objectives.

Livelihood pre start and early stage support is delivered by People Plus and the GC Business Growth Hub throughout Manchester City area.

'Start Smart' focuses on raising the awareness of self-employment and business start up to people who may not traditionally consider this as an economic option as well as supporting businesses in the 0 to 3-year trading window. The focus is to support businesses that are not looking at high growth to start and sustain their trading activity. Community based engagement figures highly in the programme with the majority of delivery being community based in venues such as libraries and community access points.

Delivery includes:

- Drop In sessions - promoted sessions where pre-trading and trading businesses can speak to a business advisor about their support needs
- Pre booked 1 to 1 Sessions - focussed support where pre-trading and trading businesses can speak to a business advisor about topics
- Workshops - delivering a range of topics to include how to start your business and how to grow your business in Manchester, book keeping, marketing, social media, business planning, etc.

Summary of Manchester Outputs – ‘Start Smart’ Contact end to March 2019

START SMART STAKEHOLDER REPORT MANCHESTER		Performance to contract end	Total contract Target	
			Total contract Target	Final Position
Pre Start	Engagements	630	227	+403
	No of Assists completed	345	159	+186
	No of Starts	65	45	+20
Post Start	Engagements	89	57	+32
	No of Assists completed	81	24	+57

Results show that engagement was excellent with 630 pre-trading clients engaged and 89 post trading clients equating to 435 clients over profile. Pre-trading individuals receiving support to explore the viability of starting a business / becoming self-employed was 345, 186 over profile and of those 65 went on to start a business, 20 over the profiled target.

Post trading support for businesses focussed on business sustainability and growth of which 81 accessed support, 57 over profile. Detailed and granular analysis of this activity can be made available on request.

Appendix 2 sets out a range of Start-up Case Studies.

5. Manchester Start-up and Business Survival Rates

The Office for National Statistics has produced information on the Business Demography for 2017¹.

The number of active businesses in the City of Manchester has grown since 2015.

Year	2015	2016	2017
Active Businesses	21,815	25,780	31,005

Business births in the city has shown a similar pattern of growth:

Year	2012	2013	2014	2015	2016	2017
Business Births	2,545	3,385	3,525	4,190	6,445	8,460

¹

<https://www.ons.gov.uk/businessindustryandtrade/business/activitysizeandlocation/bulletins/businessdemography/2017>

This is offset by the number of business deaths:

Year	2012	2013	2014	2015	2016	2017
Business Deaths	2,275	2,285	2,605	2,995	3,235	4,165

The Office for National Statistics Business Demography Report also provides a breakdown of business survival rates of newly born businesses. The table below provides details of survival rates of new businesses from 2012 onwards for Manchester, with data for Greater Manchester and England provided as comparators.

Born in 2012 and their survival rates					
	2013	2014	2015	2016	2017
England	91.2%	73.8%	59.2%	50.3%	43.1%
Greater Manchester	91.9%	72.4%	57.1%	48.0%	41.0%
Manchester	91.0%	69.9%	53.2%	44.6%	37.5%
Born in 2013 and their survival rates					
	2014	2015	2016	2017	
England		93.6%	75.1%	60.9%	51.2%
Greater Manchester		93.6%	73.4%	58.2%	49.3%
Manchester		93.4%	69.9%	54.7%	45.2%
Born in 2014 and their survival rates					
	2015	2016	2017		
England		92.3%	75.5%	59.6%	
Greater Manchester		92.1%	74.1%	59.4%	
Manchester		92.1%	73.6%	57.9%	
Born in 2015 and their survival rates					
	2016	2017			
England		89.7%	71.4%		
Greater Manchester		89.5%	69.0%		
Manchester		88.5%	66.9%		
Born in 2016 and their survival rates					
	2017				
England		91.6%			
Greater Manchester		91.3%			
Manchester		91.4%			

Whilst Manchester has survival rates slightly below the average for England and Greater Manchester, it should be noted that Manchester has been consistently one of highest performing local authority areas for business births. In 2017 it had the highest number of business births (8,460) of any local authority in England.