Manchester City Council Report for Information

Report to: Economy Scrutiny Committee – 11 March 2021

Subject: Update on COVID-19 Activity

Report of: Strategic Director – Growth and Development

Summary

This report provides Committee Members with a further update summary of the current situation in the city in relation to COVID-19 and an update on the work progressing in Manchester in relation to areas within the remit of this Committee. Further detail on specific issues will be available as required.

Recommendations

The Committee is requested to note the update.

Wards Affected: All

Environmental Impact Assessment - the impact of the issues addressed in this report on achieving the zero-carbon target for the city

Manchester Strategy Outcomes	Summary of how this report aligns to the OMS
A thriving and sustainable city: supporting a diverse and distinctive economy that creates jobs and opportunities	This unprecedented national and international crisis impacts on all areas of our city. The 'Our Manchester' approach has underpinned the planning and delivery of our response, working in partnership and identifying innovative ways to continue to deliver services and to establish new
A highly skilled city: world class and home grown talent sustaining the city's economic success	services as quickly as possible to support the most vulnerable in our city.
	A reset of the Our Manchester Strategy is now underway following a meeting of the Our Manchester Forum on 16 June 2020. An extensive
A progressive and equitable city: making a positive contribution by unlocking the potential of our communities	engagement exercise will take place to inform a draft document in late 2020 and a final version in February 2021.

A liveable and low carbon city: a destination of choice to live, visit, work

A connected city: world class infrastructure and connectivity to drive growth

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Background documents (available for public inspection):

None

Economic Recovery Workstream- Sitrep Summary

As at 04/03/21 For Economy Scrutiny meeting on 11/03/21 Updated fortnightly. Latest updates shown in yellow.

Issue/theme/ activity area	Impact/ challenges experienced	Key planning and response activity being undertaken
General Overview	 Extension of the furlough scheme to September 2021, with employers to contribute 10% in July and 20% in August and September. Extension of Self Employment Income Support scheme to September 2021, with 600,000 more people able to claim for the first time. Extension to the temporary cut in Stamp Duty Land Tax until September & new mortgage guarantee scheme. £5 billion for new Restart Grants – one off cash grant of up to £6k for non-essential retail and up to £18,000 for hospitality, accommodation, leisure, personal care and gym businesses. New UK-wide Recovery Loan Scheme for loans between £25,001 and £10 million. Extension of the Film & TV Production 	Powering Recovery: Manchester's Recovery and Investment Plan' launched in Nov. Four investment priorities around: innovation; city centre and urban realm; residential retrofit programme; and North Manchester regeneration. Seeking govt funding for over 50 projects of £798.8 m. The plan can be accessed here. Spending Review Follow up: Work being undertaken jointly by City Centre Growth & Infrastructure and City Policy to gather intelligence and "map" potential sources of investment from the Spending Review to the projects within the Recovery & Investment Plan. Funding details announced in the Budget will be included. A timeline of when funding announcements and submissions are expected is being developed as part of this work. United City business-led campaign launched 22/11 and supported by MCC.
	Restart scheme in the UK and additional	

£300 million to support theatres, museums and other cultural organisations in England through the Culture Recovery Fund.

- £90 million funding to support government-sponsored national museums in England.
- £300 million for major spectator sports, supporting clubs and governing bodies in England.
- Six-month extension of the £20 per week Universal Credit uplift. One-off payment of £500 to eligible Working Tax Credit claimants.
- Minimum wage to increase to £8.91 an hour from April.
- Extension to the VAT cut to 5% for hospitality, accommodation and attractions until the end of September, followed by a 12.5% rate for a further six months until 31 March 2022.
- 750,000 eligible businesses in the retail, hospitality and leisure sectors in England will benefit from business rates relief.
- Extension of the apprenticeship hiring incentive in England to September 2021 and an increase of payment to £3,000.
- Additional £126 million for 40,000 more traineeships in England, funding high quality work placements and training for 16-24 year olds in 2021/22 academic year.

Business Sounding Board and **Real Estate subgroup** continue to meet regularly to share intel across sectors and to help support MCC lobbying.

Weekly MCC **newsletter** issued to over 9,000 businesses with updates.

MCC survey live to ascertain how we can improve methods of communications with businesses and residents and encourage use of online services. Link to survey here

https://surveys.manchester.gov.uk/s/OnlineServicesForBusinesses

Cultural Hardship Fund for Freelancers

Closed on the morning of 2 March (see culture section below for more information)

The Expanded Additional Restrictions Grant (EARG) -

We have expanded the discretionary Additional Restrictions Grant to help businesses whose trade has been significantly affected by the absence of workers, commuters and tourists in the city due to the lockdown restrictions.

Following Council approval, the following additional schemes are now being taken forward:

- Childcare and day care settings
- Support to hackney carriage and private hire trade

A further 3 schemes due to go live

- Strategically important businesses to the city
- Strategically important cultural, entertainment or convention facilities in the city.
- Additional support to charities

• Lifetime skills guarantee.

Strengthening the public finances

- Maintaining the income tax Personal Allowance and higher rate threshold from April 2022 until April 2026.
- Corporation tax on company profits to rise from 19% to 25% in April 2023. Rate to be kept at 19% for about 1.5 million smaller companies
- Cap on amount of SME payable R&D tax credit that a business can receive in any one year at £20,000.

An investment-led recovery

- From April 2021, cut in companies' tax bill by 25p for every pound invested in new equipment.
- £375 million UK-wide 'Future Fund: Breakthrough' will invest in highly innovative companies e.g. in life sciences, quantum computing, or clean tech, aiming to raise at least £20m.
- A new Help to Grow scheme to offer up to 130,000 companies across the UK a digital and management boost.
- Publication of the government's 'Build Back Better: our plan for growth'.
- New UK Infrastructure Bank to be set up in Leeds to invest in green public and private projects.

More detail on the ARG schemes given in the Employment & Skills section.

National Roadmap - Re-opening Planning

Multi-agency planning is going ahead to prepare for 12th April to support retail and hospitality.

- GMP, ShowSec Covid marshals and retail security coordination on roles.
- Licensing Compliance and Environmental Health officers visiting premises to support safe re-opening.
- Comms planning to provide positive welcome back and linking with Marketing Manchester and other campaigns.
- Graffiti clean up campaign and removal of eg abandoned cycles.
- Working with venues to provide outside space where possible.
- Briefings and webinars to provide information and support to hospitality venues.
- Planning with Highways and Public Realm to ensure any works are not detrimental to re opening.
- Co-ordinated GMP/MCC strategy to deal with predicted increase in street begging.

Welcome Back Campaign: Planning work is underway to develop the next stage of the Welcome Back campaign, first used in June 2020 to mark the opening of retail and hospitality venues. The strategy will be guided by the steps outlined in the government recovery roadmap.

- £150 million Community Ownership
 Fund will allow communities across the
 UK to invest to protect assets such as
 pubs, theatres, shops, or local sports
 clubs.
- Publication of the prospectus for the £4.8 billion UK-wide Levelling Up Fund, providing guidance for the first round of funding starting in 21-22.

OBR March 2021 Economic and Fiscal Outlook (03/03/21):

- According to Bank of England data, the level of consumer spending during the second lockdown in November was just 14 % below pre-pandemic levels compared to 44 % during the first lockdown in April.
- Businesses have also adapted to lockdown conditions, meaning that only 11% of businesses had to close entirely during the November lockdown compared with 24% back in April.
- Brexit: There remains significant uncertainty about two aspects of our future trading relationship with the EU: –

 what will happen when the UK begins implementing full customs checks on EU imports this summer, and 2. the nature of our relationship on financial and other services.

The strategy will consider other campaign activity being developed by Marketing Manchester, CityCo, the Business Sounding Board and the United City initiative.

Welcome Back version 2 will again look to provide a reassuring voice to those returning to the city centre, whilst highlighting key public health advice.

The campaign will also highlight the steps businesses are taking to make operations covid secure, reassuring customers and to highlight to other businesses how they can operate in a compliant way.

- Near-term economic outlook: At the end of last year, output was only 8 percent below pre-pandemic levels compared to the 11 percent shortfall assumed in November's forecast.
- However, the third lockdown in January is expected to reduce output by 3.8 per cent in the first quarter of this year.
- Medium term outlook: Output predicted to return to its pre-pandemic level in the middle of next year, around six months earlier than predicted in November
- Longer term outlook: Predicted that the level of output will be reduced by 3% compared to where it would have been without the pandemic. This assessment will be revisited in the OBR's next forecast.
- Unemployment: unemployment to peak at 6.5% (or 2.2 million people) rather than the 7.5 % previously forecast
- Government Borrowing Borrowing expected to reach a post-war high this financial year (£355bn), with £60bn borrowing next year.
- Measures in budget cut £32 billion from the deficit in 2025-26.
- Rescue: Cost of the pandemic extension of the covid rescue package
 raises the total direct cost of the
 pandemic to the public purse to £344 bn.

 Tax burden - highest tax-to-GDP ratio in half a century.

National Roadmap to Recovery (22/2):

The Government outlined its plans for taking the country out of lockdown. There will be no tier system and England will be treated as a whole. There are four key steps, with five weeks between each.

Step one:

From 8 March:

 Schools and colleges open for all students

From 29 March:

- People can meet outside (inc. Private gardens) in groups of no more than six, or two households
- The stay at home order will be relaxed, but people should try not to travel and should work from home if they can

Step 2 - no earlier than 12 April

- Self-catering will open for single household groups or individuals
- Non-essential retail opens
- Libraries and community centres open
- Pubs and restaurants can commence outdoor only service

- Zoos, theme parks and drive-in cinemas open
- Wakes, weddings and receptions can take place for up to 15 people

Step 3 - no earlier than 17 May

- Indoor entertainment (inc. cinemas and theatres) can open, along with pubs and restaurants for indoor service.
- International travel can resume
- Hotels, guesthouses and B&Bs can open
- An increased limit of 30 people together for outdoor gatherings

Step 4 - no earlier than 21 June

- All limits on social contact will be lifted
- Nightclubs and remaining premises can reopen
- Large events, weddings and performances can go ahead

The four stages are subject to tests applied at each step: the success of the vaccination programme; proof of the vaccine reducing hospitalisations and deaths; the NHS is not under significant pressure; the risks posed by new variants is not significant.

OBI Manchester City Centre Market Report Feb 2020

- Commercial investment value of £304m in 2020.
- Record headline rent of £37.50psf in 2020, which has already been eclipsed in 2021 with £38.50 psf (at Landmark), showing rents remain resilient.
- Average headline rent in 2020 was £26psf, a 13.5% increase on 2019.
- 1001- 2500 sqft was the most active size band of all transactions.
- Technology, Media and Telecom sector had the greatest size of transactions at 39% of all total floor space, whilst financial and professional services continued to form the greatest number of transactions at 26%.
- Activity levels are fuelled by demand for both core (i.e. fully let) and value-add (i.e where investors can add value through e.g. through refurbishment or leasing void space) office opportunities.
- Reactivating ground floor spaces will be important post pandemic.
- Manchester recognised as the UK's Top Digital City and a fast growing £5bn digital ecosystem.
- Manchester has a core strength in innovation and advanced manufacturing.

- Outlook suggests that there may be a more flexible blended model to lease arrangements.
- Health and Wellbeing becoming increasingly important and will see an even greater emphasis in 2021.

GM NTE Office: a new service has been established to help night time economy businesses navigate the next few months until they can reopen. The Night Time Economy Office is intended to aid and advise on all issues relating to running a NTE business and can signpost employers and employees to other support.

Marketing Manchester are working with Natwest on a second series of a **North of England Tourism Business Barometer**, running FebJuly 2021 (previous studies were run July-Oct
20). It will be published every 4 weeks. The first wave's key points from the GM businesses surveyed (most of which are located within Manchester) include:

- 29% respondents said they expect to return to pre-Covid levels at sometime in 2023, with 27% sometime after 2023.
 44% anticipated it to be sometime in 2022
- 29% of businesses were running with a shortfall of £25,001-£50,000 and £75,001-£100,000.

- 64% said they would have to issue redundancy notices.
- In order to mitigate against business failure, 60% wanted to VAT reduction to continue, 60% wanted a continuation of the CJRS, 40% wanted continuation of business rates relief, 20% wanted further business grants, a reopening plan and positive messaging about when tourism can safely reopen.

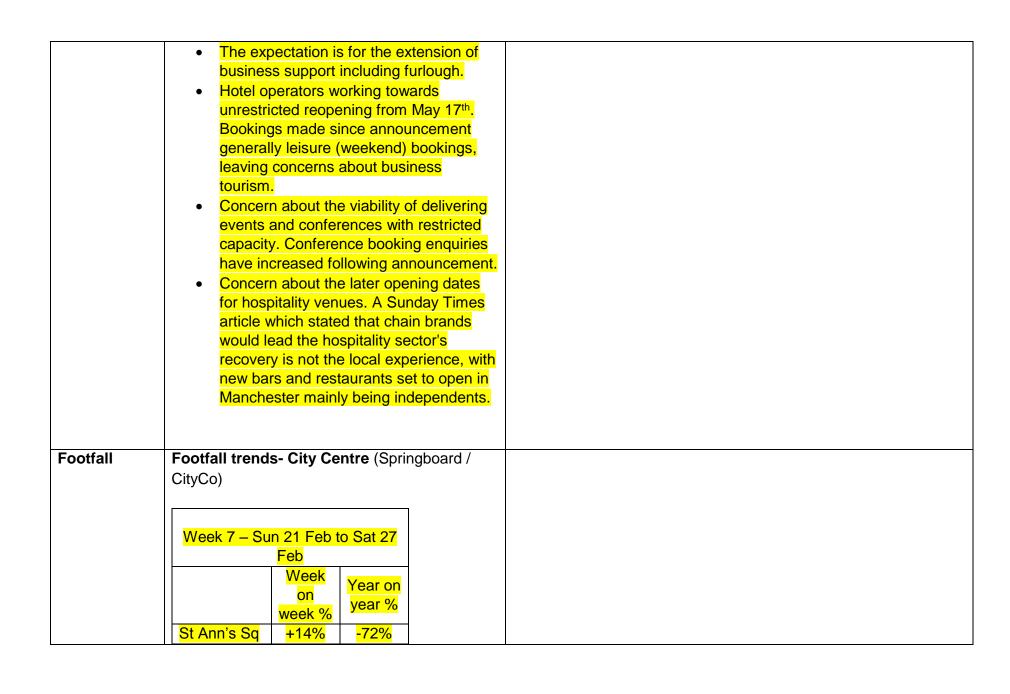
Core Cities - Impact of the First Wave of COVID-19 Report (Feb 21): Concludes that a large part of the economic damage appears to be temporary, and the pent-up demand after the end of restrictions will help recreate many jobs in city centres. For this reason, it would be a mistake to assume cities will enter a period of long-term contraction. The Core Cities and national government will need to work together to help ensure that their city centres recover. Key priorities include:

- Encouraging public transport usage once it is safe.
- Tackling air pollution.
- Focusing on commercial property.
- Improving local skills.

Centre for Cities: Levelling up the UK's economies report (02/03/21)

Recommendations from the report include:

	Giving Mayors of Combined Authorities	
	(MCAs) responsibility for spatial planning	
	and transport	
	 Allowing MCAs to be in charge of local 	
	skills plans so that further education	
	courses are aligned to business needs	
	 BEIS to be the lead department for the 	
	levelling up agenda	
	 More resources for R&D 	
BSB: Real	Meeting on 2.3.21	
Estate Focus	 Hospitality businesses are trying to plan 	
Group	for a safe but fun opening from 12 April	
-	(when hospitality can open for outdoor	
	only).	
	 The public realm will be most impacted 	
	at this point as people use it for queuing	
	and spending time outside venues.	
	 Public transport still a barrier for 	
	reopening;. Concerns around the ability	
	of the train network to accommodate the	
	increase in passengers when people	
	start coming back to the city centre.	
GM Tier	Meeting on 25.02.21:	Culture sector is producing a combined plan of activity
Group		which will set out individual venues' plans in one place.
J. 54p	 Reps welcomed the PM's plan, noting 	miles will out out marriadal vollado piano in one piace.
	that it provided a clear strategy to move	
	back to 'normality'. However, there were	
	some specific questions which	
	remained unanswered.	



Exchange	0%	-75 %
<mark>Sq</mark>	<mark>0 /0</mark>	-13/0
King Street	<mark>+9%</mark>	<mark>-75%</mark>
Market	+12%	-74%
Street	+1270	-7470
New		
Cathedral	+11%	<mark>-76%</mark>
St		

NB Given the low level of current footfall, small increase in numbers can lead to relatively high percentage increases. The reasons for the increase in the past week are not clear, but given low figures are not expected to be significant.

Manchester wide footfall (exc. city centre)

Week 7 - Mon 22 Feb to Sun 28 Feb

Week on week: +22.6%

Year on year: -20.7%

District Centres

	Week on	Year on
	week %	<mark>year %</mark>
Cheetham	+12.9%	<mark>-5%</mark>
Hill		
Chorlton	<mark>+49%</mark>	<mark>-27.5%</mark>
Fallowfield Fallowfield	+36.6%*	+8.2%*

Gorton	+22%	<mark>-32.9%</mark>
Harpurhey	+15.4%	-18.7%
Levenshulme	+20.4%	-36.7%
Northenden	+21.8%	-21.8%
Rushholme	+21.2%	-24.9%
Victoria Avenue	+18.2%	-34.4%
Withington	+14.5%	-21%
*It is the wabt the	-4 4b :- :	مد میام مطیرهمد

*It is thought that this increase may be due to the return of students and reported increased use of Platt Fields Park due to the good weather (which is clost to the footfall sensor)

Higher Education Institutions

The University of Manchester updated that the period of non essential students has been extended to 8 March and is likely to extend beyond that. Applications are up 5% (both home and international) for next year. There are now regular meetings between VC's and they have extended the discussion to FE sector to try to look at smoother pathways for schools to move between institutions.

Aviation	MMU – Health students on campus. Science, engineering, arts & fashion students back on campus from 8/3. MAG view it as positive that the Government has included international aviation in its roadmap and has committed to publishing how it will re-open international travel on 12 th April. However, the uncertainty facing the sector remains unique and no date has been put in place to re-open travel. Instead, the Government has said this will be "no earlier" than 17 th May. Until this time international travel remains effectively banned and support will be needed from Government, including an extension to the furlough scheme in the Budget.	MAG will work with Government through its Global Travel Taskforce on how the re-opening of international travel might happen.
Culture	Continued impact of Covid 19 on the Cultural Sector The sector was the first to lock-down down in March and many parts of it are likely to the last to be released from lockdown. Cultural venues in the performing arts have especially severely impacted as well as those that typically generate high levels of earned income from customers though events, festivals and catering and hospitality sales.	Culture Recovery Plan The Manchester Culture Recovery Plan was launched by Cllr Rahman in July 2020 and the needs of the sector and the role that the culture offer should play in the city's wider recovery, were reflected in the Manchester Economic Recovery and Investment Plan in Nov 2020. The Director of Culture has started the process to re-fresh the Plan to provide a vision and strategy for the sector in the face of the continued impact of COVID-19.

Whilst social distancing requirements continue to be in place, for many businesses, the restrictions will make the re-opening of cultural venues unviable and severely impact the opportunity to generate income from customers well into 2021, if not beyond.

Cultural Freelancers -impact of the pandemic on those more vulnerable in the supply chain includes artists and cultural producers has been particularly severe with lots of practitioners missing out on support from the Governments Self Employment Income Support Scheme (SEISS)

Roadmap for easing COVID restrictions announced 22 Feb Most venues not able to open until stage 3. Some large events can restart with reduced capacity limits:

Indoor events: 1,000 or 50%

Cultural Sector Hardship Fund for Freelancers

£485k fund being supported by MCC in partnership with HOME on behalf of the Savanah Wisdom Foundation with funding from B&M Retail PLC. Awards of £1,500 for individual freelancers that are either Manchester residents or GM residents who can evidence that they work in the sector in Manchester. On the opening day 1/2, 170 applications were received and over 540 people had engaged with the application portal in the first week, giving a stark indication of need. The fund closed on 02/03 with 330 applications having been received and grants have been awarded to 182 Manchester and Greater Manchester based freelancers. The assessment of applications is ongoing, meaning that the number of people who will benefit will continue to grow. The application process has been supported by the City Council by a cross departmental team with colleagues at HOME who have provided a dedicated phoneline and support for applicants.

Roadmap for easing COVID restrictions - Widespread disappointment that museums & galleries are not able to open at the same time as non-essential retail in stage 2. Cultural partners reviewing the guidance as available.

- Outdoor other events: 4,000 or 50%
- Outdoor seated events: 10,000 or 25%

Event pilots will be run with social distancing as part of the Events Research Programme, incl pilots testing approaches and other measures to run events with larger crowds & reduced social distancing. It will examine how events can take place without the need for social distancing, using other mitigations such as testing.

Budget announcements 3 March

See above for culture related announcements.

Kickstart Scheme - provides funding to create new job placements for 16 to 24 yr olds on UC at risk of long term unemployment. Good appetite amongst employers to provide job roles in the cultural and creative industries sector. Roll out of relies on vacancies created by employers and min 30 job-roles to be applied for by each employer. Given scale of business in the creative & cultural sector -

Budget announcements 3 March

Awaiting further details. Further Culture Recovery Fund investment will be welcomed but performing venues very unlikely to be opening viably for 17/5 even if the Covid Roadmap for easing restrictions stays on track because social distancing will be in place at least until 21/6.

Factory Academy Responding to Kickstart Scheme

The Factory Academy (Factory/MIF) & cultural education company Curious Minds co-ordinated GM & NW arts orgs to propose initial kickstart job numbers for a joint application. Application fronted by sector skills council - Cultural and Creative Skills to DWP submitted in Oct.

In Feb 58 roles have been approved for GM, with a further 20 for other NW employers. Total request for 140 roles were submitted for the NW but not all were confirmed – partners are in discussions with those in GM that were not successful in the first round to get them back in the process.

mainly SME's or micro enterprises so a consortium approach is being deployed.

Kickstart roles allocated to: 10 x MIF; 8 x HOME; 6 x Royal Exchange, 12 x Contact and 3 x The Lowry. The next stage- job roles go live with DWP when employers are ready. MIF is the first to submit immediate roles for recruitment. Launch event planned in Apr.

Factory Acadamy has developed 'Kickstart Creative' training programme for recruits to the Kickstart roles for GM employers & includes training for line managers. DWP approved preemployment training is preparing people for Kickstart jobs and create a pipeline of talent. As of 23/2 - 29 people have completed, 15 on programme & 45 planned starts between now and July – DWP will be able to refer these people into roles that come available within the creative sector.

UKRI Covid-19 Research

National study shows evidence of the negative impact of the pandemic on the employment of three groups of creative workers: disabled people; those who are younger; and those who haven't engaged in higher education.

(Corroborated by TUC research demonstrating the severe drop in arts and entertainment employment for women of colour.)

The data suggests we should be especially worried about younger workers. 27% of creative workers under the age of 25 left creative occupations after lockdown, compared with 14% of workers aged 25 and over.

MCC is a participating partner in UKRI Covid-19 Research by The Centre for Cultural Value's in collaboration with the <u>Creative Industries Policy and Evidence Centre</u> (PEC) & <u>The Audience Agency</u>. A number of officers have been interviewed and information about city intel and support measures provided.

	https://www.culturehive.co.uk/CVIresources/the-impact-of-covid-19-on-jobs-in-the-cultural-sector-part-2/	
Development	 Manchester saw an improvement in quarter 4 in terms of real estate deals from the previous two quarters, according to Avison Young's Big Nine report. Headline rent for the city hit a high with space at 1 Spinningfields and Landmark being let at £37.50 & £38.50 per square foot respectively. Whilst there is more availability, the consultants believe there is a healthy level of pent up demand. 1.3million sqft of office space was let during 2020. JLL have released their office report and have similar findings. They report that grade A vacancies are at 3.3% for quarter 4 of 2020 and that £244million was transacted in the office investment market in the same period. Continued development interest in the city for both commercial and residential 	 Following assessment by GMCA, 3 of the Manchester 2nd round Brownfield Housing being recommended for funding - Collyhurst Village, Back of Ancoats Public Realm and Silk Street. Other schemes remain on reserve list. Formal decision expected on both Round 2 schemes and Additional 10% schemes (Ancoats Dispensary & Gould Street) at GMCA meeting on March 21, following presentation to Chief Executives and Leaders. Community consultation on the first phase of the delivery of Collyhurst has been concluded in advance of planning applications for the delivery of approximately 270 homes (including up to 130 new Council properties) in Collyhurst Village and Collyhurst South and the first phase of a new park. The planning application for Collyhurst Village has been submitted and was presented at February Executive seeking budget approval for MCC element and recommendations were agreed. The scheme could commence in Spring 2021 subject to the outcome of the Brownfield Land Fund application referenced in the bullet point above which is for enabling works.

scheme.

programmes.

• All schemes are back on site, and

with some overall delays to

construction levels increased since the

beginning of the pandemic, although

Plans have been submitted for House of Fraser (Kendal

Milne) building, which will become majority office space. A

rooftop extension will be built to accommodate more offices

and the ground and lower ground floors will be retained for

retail and/or leisure. Subject to planning permission, the

scheme could start in 2022.

- Risks around supply chains/access to materials, with associated increases in costs.
- Access to finance for hotel and retail schemes likely to be more challenging.
- Economic Recovery & Investment Plan identifies key schemes which can drive recovery and create new jobs. Ongoing work to identify funding opportunities for schemes.
- Long term impact on office demand being monitored on an ongoing basis, but positive indications from office agents and the Business Sounding Board.
- Government increased housing target by 35% in UK's 20 largest cities, including Manchester, in December 2020. The implications of this are currently being assessed.

- Heyrod Street approved: the latest scheme in the Piccadilly East area (part of the Piccadilly SRF) has been approved. The scheme, being developed by a JV between Fiera Real Estate and Packaged Living, is for 350 build to rent apartments, as well as retail space, a public square and a car park.
- Brewdog have announced that they will open its second UK hotel on Fountain Street, creating an <u>18-bed hotel and</u> <u>a roof terrace</u>. The planning application for the scheme was approved on 9/02.
- Residential above McDonald's, 1 Chepstow Street: the new owner of the building, Shenton Homes, is <u>seeking</u> <u>permission to convert</u> the upper floors above the McDonald's on the corner of Oxford Street and Chepstow Street into apartments.
- New city centre tenants: the Rugby League World Cup
 has taken space at the <u>Bonded Warehouse</u>, and two new
 tenants have been <u>confirmed at Windmill Green</u>
 (recruitment company Oscar Technology and fintech
 specialist OneStream Software).

Affordable Housing

- Risk to developer and investor confidence.
- Working with RP's and other developers to understand current impact and forward plans.

A total of 437 new affordable homes are expected to be built across the city in 2020-21 – 306 of which are already complete. Of the 443 homes there are 173 for social rent, 94 for affordable rent, 160 shared ownership and homes and 16 for Rent-to-Buy. This includes 162 new Extra Care units across 2 sites (Brunswick PFI & Elmswood Park)

- Assessing sources and levels of investment, and any obstacles
- Investigating grant funding, financial and other support needed to enable early start of key projects
- Understanding supply chain issues and identifying appropriate support measures.
- Developing guidance/share good practice for safe operation of sites
- Expediting design & planning phases of projects.
- Risk of registered providers slowing down or pausing programmes to consolidate finances/liquidity
- Ensure Zero Carbon and Fire safety provision are part of the programmes.
- Potential flooding of the PRS sector as the short term let market shrinks.

In addition, there are currently 802 new affordable homes currently under construction across the city and expected to complete over the next 3 years. This includes a number of large-scale developments which have begun construction this year including

- Grey Mare Lane Estate One Manchester have started construction on the first two phases of the Estate Regeneration programme (Blackrock Street & Windermere Close) which are expected completed in 2021-22. The redevelopment is set to deliver c.290 new affordable homes (incl. 124 of reprovision) and the retrofit of 169 homes over the next 5 years
- Gorton Lane One Manchester have also begun construction on the scheme delivering 109 homes (18 for shared ownership & 91 for rent-to-buy) – expected to complete in 2022-23

Alongside this, planning permission has been approved for 16 schemes delivering over 680 new affordable homes since the start of 2020 including:

- Edge Lane Business Centre (Your Housing Group) 144 affordable homes (72 shared ownership / 72 affordable rent)
- Dulverston Street (One Manchester) 139 affordable homes (100 social rent / 39 affordable rent)
- Former Manox Works (ENGIE Services Ltd) 114 affordable homes (36 shared ownership/34 affordable rent/44 rent to buy)
- Store Street (Clarion) 66 shared ownership homes

Updates on further key schemes:

- Funding has been approved by Capital Strategy Board for the development at Silk Street and work on the detailed designs and AHP grant application – including discussions with Homes England - is planned for the first half of 2021
- Discussions are ongoing with an identified Registered Provider partner to bring forward the Russell Road LGBT Extra Care scheme
- Countryside / Great Places have agreed an increase in the provision of affordable homes on the Former Belle Vue Stadium Site from 35 to 130 (89 social rent, 29 shared ownership & 12 affordable rent)

There is also a large programme of work underway looking to significantly upscale the delivery of new affordable homes across the city:

- Project 500 Work continues with RPs to deliver c.600 new affordable homes as part of the Project 500 programme. A series of workshops with RPs, Planning, Neighbourhoods are Planning are currently underway alongside feasibility exercises and work to agree legal terms incl. disposal arrangements. A detailed list of potential sites will be put to the Executive later in the year.
- This City Work continues to develop the detail of the first phase of housing development through This City – the Housing Delivery Vehicle. Initial focus is currently on bringing forward two city centre sites delivering a mix of tenures including one site at the Back of Ancoats working with Manchester Life Development Company.
- Northern Gateway Planning has been submitted for the first 244 homes in Collyhurst Village (incl. 100 homes for social rent) with a plans for a further 30 social rent homes

		in Collyhurst South expected later in the year. Planning has also been approved for Victoria Riverside (634 homes incl. 32 affordable). The Guiness Partnership & L&Q/Trafford Housing Trust as their RP Framework Partners for schemes within Redbank neighbourhood. • Miles Platting & Newton Heath – Working with members to understand the context for delivery of c.1,000 new affordable homes across the ward over the next 10 years including on a number of large-scale mixed tenure schemes at the Former Manox Works (410 homes including 114 affordable), Jacksons Brickworks (c.1,100 homes incl. 550 affordable homes) and across the Newton Heath District Centre (c.300 affordable homes across 4 sites) • Hulme & Moss Side – Work continues with Neighbourhoods to look at redevelopment in the area from a community perspective – including at The Reno Site (Barnhill St) which has the potential to deliver up to 200 new homes in a scheme recognizing the heritage and community value of the site
		MCC continues to work with RP partners to establish a portfolio of sites which will form the basis of the city's bid to the latest round of Affordable Homes Programme funding (2021-26) which will sit alongside the delivery through Project 500.
Transport and Infrastructure	Work with TfGM to agree a broad overall transport plan to support gradual opening up of the city with a focus on pedestrian movement and safe use of public transport linked to an agreed package of measures to support safe pedestrian access.	A feasibility study is currently being commissioned to consider the longer- term options for the 20 plus city centre road closures introduced in the summer to support hospitality sector and increase traffic - free space

Travel demand continues to be low, with 1/3 fewer journeys than to be expected at this time of year taking place across GM. Highest impact is on rail and Metrolink travel.

Manchester (LA) Transport Usage Data (w/c 22 Feb 2021)

<u>Bus</u> Patronage, +10.4% on the previous week and -63.8% on pre-COVID levels

<u>Metrolink</u> - Network patronage, **+10.8%** on the previous week and **-81.4%** on pre-COVID levels

Rail - Passenger numbers, +5.4% on the previous week and -80.2% on the same period last year.

<u>Highway</u> - Private vehicle trips, +4.2% on the previous week and -23.7% on pre-COVID levels

Cycling - Cycle journeys, **-8.4%** on the previous week and **+6.2%** on pre-COVID levels

Walking - Pedestrian traffic, +3.2% on the previous week

GM Wide Data (based on busiest day of the week)

Metrolink

09/03/20	119,298
13/04/20	4,915
18/05/20	8,718
15/06/20	18,723
13/07/20	29,055
17/08/20	40,187
14/09/20	51,668
12/10/20	44,621

16/11/20	31,843
14/12/20	43,119
18/01/21	20,512
15/02/21	22,476
26/2/21	<mark>27,333</mark>

<u>Bus</u>

09/03/20	513,338
13/04/20	20,742
18/05/20	81,993
15/06/20	130,476
13/07/20	182,189
17/08/20	219,301
14/09/20	319,763
12/10/20	315,678
16/11/20	266,561
14/12/20	326,423
18/01/21	173,422
15/02/21	179,139
<mark>26/2/21</mark>	<mark>191,698</mark>

<u>Rail</u>

09/03/20	104,715
13/04/20	6,536
18/05/20	11,685
15/06/20	18,272
13/07/20	28,759

41,075
44,339
37,322
27,426
35,820
19,459
21,987
<mark>26,415</mark>

GM Highway

09/03/20	5,081,793
13/04/20	1,463,018
18/05/20	2,948,446
15/06/20	3,735,121
13/07/20	4,078,168
17/08/20	4,326,263
14/09/20	4,444,335
12/10/20	4,366,366
16/11/20	3,913,010
14/12/20	4,535,304
18/01/21	3,507,891
15/02/21	3,812,700
<mark>26/2/21</mark>	<mark>4,376,619</mark>

Cycling

09/03/20	107,738
13/04/20	151,196

18/05/20	151,084
15/06/20	159,250
13/07/20	121,252
17/08/20	125,014
14/09/20	169,331
12/10/20	88,868
16/11/20	87,694
14/12/20	87,898
18/01/21	54,249
15/02/21	164,555*
28/2/21	177,426*

^{*}NB this period covers half term

<u>Walking</u>

09/03/20	1,491,508
13/04/20	511,033
18/05/20	691,620
15/06/20	789,318
13/07/20	1,046,436
17/08/20	1,208,022
14/09/20	1,492,523
12/10/20	1,215,760
16/11/20	881,551
14/12/20	985,692
18/01/21	699,527
15/02/21	855,548
22/2/21	<mark>913,976</mark>

Manchester Recovery Task Force Public Consultation	
The government have released a consultation for modifying the train services around Manchester. The options proposed have a significant impact on the train service to Manchester Airport, which could reduce trips by up to 31% and impact the Airports ability to recover from COVID-19. The consultation explains that the delays around the Castlefield corridor are impacting the railways reliability that needs fixing immediately (by 2022).	MCC will submit a response to the consultation, which is due on 10 th March, and is liaising with TfGM.
Analysis of businesses' plans for reopening, working with TfGM, CA, Chamber, Growth Company	TfGM linked into Day Time Economy recovery group work See overview section
Identify and implement interventions that support social distancing and support business reopening and procure necessary equipment to facilitate this.	See overview section
Continue with highway works that can be undertaken during lockdown	Continuing with all our major projects that are on site and continuously monitoring government guidance about construction

 programmed projects Maintaining our roads at business as usual levels by inspecting them and making repairs Resurfacing and treating many more main roads than originally planned to take advantage of lower traffic levels Working with TfGM to review bus stops and increase pedestrian phasing at signalised crossings.

Skills, Labour Market and Business Support

Furlough and newly unemployed

Headlines include

- The official unemployment rate (in the three months up to October) rose nationally and in the North West of England (to 4.9% and 4.7% respectively). In Manchester the rate of unemployment decreased from 6.2% to 5.6% in the last three months up to September suggesting methodological problems with the Labour Force Survey modelling at Manchester level.
- In January 2021 there were 34,305 claimants of unemployment benefits in Manchester down slightly from 34,335 in December.
- Since the autumn increasing numbers of claims from people in their 50s and 60s have become apparent while there has been some decline in the numbers of younger people (under 25s) receiving unemployment support.
- Claims for Universal Credit (UC) had continued to increase and as of December 2020 there were 77,878 people on UC in Manchester. Whilst still growing, the rate of growth has levelled off following a sharp increase between April and May.
- Although Manchester has the most UC claimants Stockport has experienced the

Furlough and newly unemployed

Newly Unemployed Support

Take up on the Help to get work scheme has had 92 residents requested support since offer went live.

Offers of support include Careers advice, welfare advice and support with training.

Following proactive efforts from officers across the partnership (DWP/GC and W&S) contact has now been made with the manager of Debenhams Manchester and a session for staff is booked in w/c 1st March.

Arcadia: position not changed since last meeting report – continued efforts being made to contact.

Princes Soft Drinks Factory in Newton Heath is moving to Cardiff, factory closes 31 July. Many long-term local employees due to be made redundant without the skills to re-enter job market.

Developing a bespoke offer with DWP and MAES/ Mcr College.

Plans are in place to deliver a re-launch of the comms campaign

#HelpToGetWork – using LinkedIn, Twitter and Facebook end March

A short article has been included in the C Tax booklet promoting support for any resident who might be recently unemployed and affected or for businesses who might be considering letting staff go.

largest rise in proportional terms where claimants rose by 128% between Jan	
 2019 and Jan 2020 (provisional) Redundancy levels were much lower in January 2021 in GM – just 385 in total. 	
This compares with 680 in December.	
	claimants rose by 128% between Jan 2019 and Jan 2020 (provisional) - Redundancy levels were much lower in

Offer for 16-19 year olds

The January submission to the DfE reported a combined NEET / Unknown of 7.6% (881 YP). This is a 0.9% decrease on the November submission.

The 7.6% divides into NEET 3.8% (428) and Unknown 3.8% (453). The unknown continues to decrease although Lockdown 3 has changed some of the ways we are able to track YP.

Schools and Colleges have increasing concerns about the current year 11, 12 and 13 who have experienced two years of disrupted education and how this will impact on their transition and progression.

Offer for 16-19 year olds

Comms campaign for young people and parents highlighting key messages in relation to opportunities and high-level guidance particularly to support transition from School into an EET destination.

We have activated the Risk of NEET Indicator (RONI) tool and are liaising with high schools. To support this, Post 16 Transition Guides will be sent to schools next week to coincide with reopening.

The MEET your Match website, commissioned by MCC and delivered by GMCVO is now live with over 60 pre- employment opportunities listed, including study programmes, employability courses, traineeships, entry level 1 / 2 apprenticeships and volunteering opportunities.

MCC is working with GM Commissioned services (Princes Trust and ESF NEET) to ensure the additional resources are complimenting current offer.

Skills for Life project is being piloted with Sale Sharks NEET Programme with a plan to roll out to other providers.

MCC is working with schools and Colleges to identify other ways we can support this year's school and college leavers and mitigate against a rise in NEET numbers. This includes looking at more bespoke post 16 provision for our most at-risk students, working with NEET providers to improve progression routes that lead to employment.

Youth unemployment

Youth unemployment

Maximise the opportunities from and work with partners to roll out the Kickstart Scheme.

Issues to note:

- I. delays with DWP nationally approving Kickstart opportunities
- II. businesses are reluctant to take young people on due to working from home arrangements and therefore many larger businesses are pushing back opportunities until the Spring/Summer

Develop a Youth Hub offer for the city

Promotion of Apprenticeships for the transition of young people from school into work.

Continue to support employers and gateway organisations to benefit from Kickstart opportunities. Currently working with Manchester Climate Change Agency to plan Kickstart placements.

Work continues with DWP to access funding for youth hub provision in the city. The initial plan is to create physical youth hubs in the city centre at The Prince's Trust and in Wythenshawe at the Forum. An online Youth Hub offer would be available to all young people across the city.

National Apprenticeship Week. Work & Skills led the Manchester campaign for National Apprenticeship week, 8-14 Feb. Headline stats for the campaign:

- Focused on 'Build the Future' featured Ask the Employer, Ask the apprentice, routes into apprenticeships, support for SME's
- 30+ total posts across Facebook, Twitter and LinkedIn
- 40k views 100+ link clicks, 160+ likes, 50+ retweets/shares
- 1.63% engagement rate (which is high compared to industry standard)

Skills and employment support for adults

Updates generally quite due to half term.

Further restrictions widening the digital skills divide.

Skills and employment support for adults

MCC Telephone Digital Skills Support Service and MCC Device Scheme

 Scheme still being delivered. The Work and Skills team have been focusing on raising additional funds to help to extend device scheme and recruit resource to sustain the skills support. Majority of providers continuing full remote/ online learning – need to identify providers who are struggling to meet the need of access via existing and potential new learners. MAES have been working with the Digital Inclusion team to plan the development of the Digital Champions Volunteer Network.

Mcr Adult Education & Skills Plan coordinator recruited and in post from 26 March.

MHCC Digital Inclusion and Engagement Manager recruited.

An additional £233k contribution from MHCC and the Community Champions programme, to deliver projects linked to the Digital Inclusion Action plan around health equity and access.

Social Value and Local Benefit

Challenge: Many residents are not connecting to opportunities created in the city – how can we use social value internally to maximise creation of employment/skills/training opportunities targeted at our residents and use our influence to do the same with organisations externally?

Ensure that MCC's approach to SV reflects current economic circumstances and *Think* recommendations.

Coordinate employment and skills related social value "offers" from across MCC's largest suppliers and capital projects into a pipeline of opportunities that can be promoted to residents and employment/skills/training organisations.

Social value and local benefit

Refresh SV policy to reflect Think recommendations and recovery plan -

Report due to Executive in March following Resources and Governance Scrutiny.

Refresh SV policy documentation - Documentation refresh in progress via Contract and Commissioning Leads Group.

Refresh planning and local labour process and toolkit - Complete.

New process and documentation rolled out. It will take six to twelve months before we start to see results from this piece of work in terms of opportunities. In the meantime we will look back a historic agreements and make contact with contractors/developers to identify any live opportunities.

Develop pipeline of opportunities through large suppliers and capital projects where MCC is the client – Resource allocated and work underway with Corporate Procurement to identify 20 suppliers with greatest opportunity. Work with Capital Programmes has begun to identify employment/skills/training opportunities from

major works, though it is anticipated that most of these will already have been delivered.

Reach a decision on supporting a bid of lottery funding to aid with co-ordination of social value commitments across contracts.

Currently working with colleagues in procurement and commissioning to identify appropriate pilot projects for this work.

Maximise Social Value opportunities arising from Northern Gateway and North Manchester General Hospital developments – Agreed and submitted funding bid to the Health Foundation to pilot an approach to connecting residents to opportunities on these projects and the wider economy. Currently finalising a social value framework with MMC's Residential Growth team & FEC. Social Value groups established for both NMGH and Northern Gateway. Agreed social value ask on Collyhurst procurement with FEC. In process of appointing consultant to examine the evidence base for potentially creating a construction skills hub anchored on Northern Gateway Projects.

Business Support, Sustainability & Growth

Business Grants

In the week 22 - 28 February 2021 the Council has provided £1.137m of support to businesses:

£1.127m in LRSG / ARG

£10k in Closed Business Lockdown Grants.

The total to date is £51.0170m,

Business support, sustainability and growth

Business Grants

Priority work continues, alongside Revs and Bens to ensure that grants, for the new Expanded Additional Restrictions Grant (EARG) are processes since going live on 10 February. Officers continue to close out enquiries on the current ARG scheme.

Additional information about the Business grants scheme and offer of support has been added into a Business Rates Booklet with dedicated contact details at the Business Growth Hub.

LRSG / ARG = £33.210m (15,644 payments) Closed Business Lockdown Grant at £17.806m (3,360 payments). Outline scheme for Strategically Important Businesses, codesigned with GC - Business Growth Hub, Greater Manchester Chamber of Commerce, Pro Manchester and City Centre Regeneration. Hoping to go live early week beginning 08/03/11.

Brexit Impacts

GM Chamber continue to report an increase in the number of enquiries relating to Brexit, specifically in relation to advice around export documentation.

Anecdotally the key issues remain similar to the last update

- Ongoing issues relating to import/export documentation
- Some businesses are highlighting that Businesses remain confused about additional charges levied on imports/exports of goods

Nationally

Delays at the UK/EU border increase as new customs paperwork continues to cause problems (cips.org) Survey of 350 members from the Chartered Institute of Procurement & Supply (CIPS) reported that 63% have experienced delays of at least 2-3 days getting goods into the UK, up from 38% in a similar survey in January this year.

Brexit Response

Business Growth Hub and GM Chamber alongside Work and Skills Team continue to promote comms such as webinars for businesses.

This continues to be a challenge as a result of this current lock down.

Gov.uk updated information on

- Webinars for importers of food and drink products from the EU to Great Britain
- Cabinet Office tailored support through its Field Force Support Programme for businesses that trade over £250,000 of goods with the EU offering specialist 1-21 support.

The Business Growth Hub is also providing a range of resources for business, including:

- A Brexit tookit for businesses (GC)
- Monthly podcasts on the business support and any changes in the info that may have an impact in SMEs
- Monthly blogs on key topics such as EU Settlement Status, retaining EU talent and supply chain issues.
- Weekly Brexit news updates.
- Updates via social media.

Covid Testing for Businesses

Requiring messaging to businesses in connection with support for onsite testing particularly important as the economy opens.

<u>Greater Manchester Chamber of Commerce</u> has also produced information for its members about Brexit, including a Brexit information guide and checklist. <u>Read the Chamber's Brexit information guide</u>

Targeted Testing at Scale for Business

Working with Public Health team to ensure businesses are directed to support available for the testing of staff using either local testing centres on to set up testing on their premises.

Ongoing work will take place in conjunction with GC Business Growth Hub, Midas, FSB, Pro Mcr and other key partners, alongside other local networks supported the targeting for business.

Work will take place with comms to ensure there are clear messages for businesses and the right information can be provided.

Equalities/

Disadvantaged

Ensure that disadvantaged and underrepresented groups are supported by activity included in Workstreams 1-6. This would include Black, Asian and Minority Ethnic groups, young people, over 50's, homeless, veterans, survivors of DV&A, ESA claimants, and those experiencing family poverty.

Covid has worsened the situation for many already experiencing inequality – the challenge

Equalities/

Disadvantaged

Specific 'all age' /over 50's apprenticeship comms messages promoted during National Apprenticeship week

Work & Skills actions being developed to form the work plan for the 50+ Employment & Skills Support group in partnership with the Age Friendly Manchester Team.

Supporting Humanly who have been commissioned by GMCA to explore supporting older jobseekers into work – focusing on Cheetham and Moss Side

	is to ensure support is targeted to reach the communities in most need	W&S Race Equity Group working to support contractors with inclusivity through social value commitments
		Manchester Employment Support Partnership promoted to specialist providers supporting ex-armed forces personnel seeking employment
Funding	No specific known impacts on current external funding bids caused by C19 as yet. Known bids progressing through funding approval processes as expected. Team in City Policy developing a funding action plan based on C19 recovery and Corporate priorities Working with City Centre Growth to map funding opportunities through the 2020 Spending Review	1) Public Sector Decarbonisation Scheme (PSDS) - £22.9m bid submitted by MCC into a combined GM bid of £80m Confirmation has been received this week that MCC has been successful and will receive £19.1 million of funding for its programme. We continue to work with GMCA on the grant processes. 2. Recovery Plan Hydrogen Fueling / Fleet Opportunity - officers from Neighborhoods and City Policy are further developing this proposal and have confirmed that GMP fleet managers are interested in looking at options to join any future project at their site near New Smithfield Market. We are discussing the opportunities with Cadent and a private sector consortium of vehicle manufactures and associated Hydrogen industries - UKH2Mobility. We also in contact with MAG as a potential partner in a future project. The UK Government is planning to launch its Hydrogen Strategy in 2021 and we expect potential funding could be available as part of the Green Industrial Revolution announced in the Spending Review (details still to emerge). 3. Levelling Up Fund and Shared Prosperity Fund Further details on these were released with the budget on Thursday 3 rd March and are being reviewed.
Strategy Update	C19 has necessitated a review of existing strategies to understand whether they are fit for	Our Manchester Strategy Reset approved by the Our Manchester Forum and Executive. Launch event webinar is

	purpose given the predicted exacerbation of existing inequalities. This will inform the Economic Recovery Plan & Our Manchester Strategy reset. Formal refreshes would not take place until 2021 when the Our Manchester Strategy has been reset and the full impact of C19 is known.	 18 March with contributions from members of the Forum and final adoption will be at Council on 31 March. Social Value Strategy Policy developed to respond to C19 priority cohorts and other issues such as the Climate Emergency and will be considered at Resources & Governance Scrutiny 9 March and for approval at Executive 17 March. The annual CLES event takes place 11 March titled 'Powering Social Value Through Recovery'. Manchester Climate Change Agency/Partnership are planning a 'Framework 2.0' to provide the detailed actions and policies required to deliver the city's action on climate change between 2022 and 2025 and respond to the pandemic.
External Influencing & Lobbying	The Government's economic response to C19 has been fast moving and feeding in Manchester's priorities has required a coordinated approach.	 Further meetings with Civil Servants in Department for Education and MHCLG have now taken place. Remaining meeting is with DWP. Manchester Plan for Exiting Lockdown slides shared with Civil Servants, Secretary of State for Housing, Communities and Local Government, GM and with NW Chief Execs. Lobbying has continued through the Local Economic Recovery Group, Core Cities and other networks including a meeting with Director of Covid-19 Taskforce at the GM Resilience Forum. Core Cities have secured £75k of funding from the Connected Places Catapult for a Green Recovery Trade Expo as part of COP26 in Glasgow in November 2021. This will fund a piece of research to gather information from

	Core Cities & London on key projects and will engage
	Manchester businesses and universities.