

**Manchester City Council
Report for Information**

Report to: Economy and Regeneration Scrutiny Committee - 5 March 2024

Subject: Support for Business

Report of: Director of Inclusive Economy

Summary

This report provides an update on the support offered by the Manchester Growth Company and the Manchester City Council to support businesses in Manchester to set up and grow.

Recommendations

The Committee is recommended to note and comment on the content of the report.

Wards Affected: All

Environmental Impact Assessment -the impact of the issues addressed in this report on achieving the zero-carbon target for the city	A liveable and zero carbon city is a theme in the Work and Skills strategy and The Growth Hub provides specific support for businesses in relation to net zero through their Bee Green programme.
Equality, Diversity and Inclusion - the impact of the issues addressed in this report in meeting our Public Sector Equality Duty and broader equality commitments	Business support services aim to provide support and engage will all groups to support some of our most disadvantaged residents. Both the Growth Company and Manchester Libraries through Build a Business have a track record of supporting women and Black and Minority Ethnic led businesses

Manchester Strategy outcomes	Summary of how this report aligns to the Our Manchester Strategy/Contribution to the Strategy
A thriving and sustainable city: supporting a diverse and distinctive economy that creates jobs and opportunities	The report aims to highlight how Businesses are helped to grow and survive, whilst providing new employment opportunities and new jobs for Manchester residents.
A highly skilled city: world class and home grown talent sustaining the city's economic success	Support for businesses includes in work training and upskilling to ensure residents in work have the skills and experience to meet business needs and progress in the labour market.
A progressive and equitable city: making a positive contribution by unlocking the potential of our communities	Supporting local businesses and entrepreneurs to start up and grow, supports our ambitions to be a more inclusive and prosperous city. The business support programmes have a focus on increasing diversity
A liveable and low carbon city: a destination of choice to live, visit, work	A liveable and zero carbon city is a theme in the Work and Skills strategy and The Growth Hub provides specific support for businesses in relation to net zero through their Bee Green programme.
A connected city: world class infrastructure and connectivity to drive growth	Support is available to support businesses adopt new technologies with support through both training, upskilling and financial support for ICT investment.

Full details are in the body of the report, along with any implications for:

- Equal Opportunities Policy
- Risk Management
- Legal Considerations

Contact Officers:

Name: Angela Harrington
Position: Director of Inclusive Growth
E-mail: angela.harrington@manchester.gov.uk

Name: Mike Cunliffe
Position: Work & Skills Lead
E-mail: mike.cunliffe@manchester.gov.uk

Name: Mark Hughes
Position: Chief Executive, Growth Company
E-mail: mark.hughes@growthco.org.uk

Background documents (available for public inspection):

The following documents disclose important facts on which the report is based and have been relied upon in preparing the report. Copies of the background documents are available up to 4 years after the date of the meeting. If you would like a copy, please contact one of the contact officers above.

- The Growth Company's Business Support Report to Economy Scrutiny Committee 10 October 2019
- Investing in Success: An Economic Strategy for Manchester reports to Economy and Regeneration Scrutiny Committee – 7 November 2023 and The Executive – 15 November 2022.
- Manchester's Work and Skills Strategy Refresh, Economy Scrutiny February 2022)
- Work and Skills Strategy, Economy Scrutiny June 2021
- Work and Skills Strategy - Executive 29 June 2022

1.0 Introduction

- 1.1. This report provides a review of the business support programmes that were previously funded under ERDF. The report also provides an update and summary of the newly funded business support services provided by GC Business Growth Hub and the Manchester Library Service's Business and Intellectual Property Centre - Build a Business Service, funded under the UK Shared Prosperity Fund.

2.0 Background

- 2.1. Manchester is home to just under 51,000 registered businesses in the city, employing just under half a million people and has which is a rise of 70% of businesses since 2010
- 2.2. Small Medium Enterprises including Micro Businesses (employing under 250 employees) make up by far the largest proportion of business in the City. The number of Manchester SME and Micro businesses in 2023 stands at 50,480. When comparing figures with 2010 then there has been a substantial rise of 70.5% in SME businesses. When comparing 2023 with 2022 figures for the City Centre of SME businesses there has been a decline of 4.5%, but when comparing with figures from 2016 (the furthest back the data is available) there has been a rise of 15.0%. In 2023 the number of businesses in the City Centre was at 19,555.
- 2.3. Between 2010 and 2021 Manchester has seen a rise of 60.6% in its GVA (Gross Value Added). The largest sectors contributing to Manchester's GVA are Financial and insurance activities with 15.9%. The second largest sector is Professional, scientific and technical activities which accounted for 12.5% of Manchester's GVA in 2021.
- 2.4. In terms of employment the largest sector is Professional, scientific & technical which accounts for 59,000 employees in Manchester. This sector has increased by 51.3% since 2015. The second largest sector is the Health sector which accounts for 53,000 and has risen by 17.8%. The third largest sector is Business administration & support services which accounts 50,000 employees and has risen by 31.6% since 2015.
- 2.5. The city has a fantastic international profile, with £1.3 billion investment at Manchester Airport, new cultural assets including the Aviva Studios and Co-Op Live, and our global reputation for sport.
- 2.6. "Investing in Success: An Economic Strategy for Manchester" approved by Executive in October 2023 sets out the vision for Manchester's economy to function as a net-contributor to UK GDP and provide the best possible opportunities for our residents. This strategy aims to create an economy that:
 - Is thriving and performing as well as the best international comparators.
 - Creates great opportunities and increases social mobility for our residents.
 - Attracts the best of global business and talent.

- Is resilient to future shocks and a changing climate and capitalises on the opportunities created by the transition to zero-carbon.
- 2.7. The Work & Skills Strategy also sets out very clear priorities the Thriving and Sustainable City theme specifically to; “Develop and grow Manchester’s business support ecosystem and promote awareness of the city’s business support offer to our business community to enable it to innovate and grow; to Influence Manchester’s business support ecosystem to support sustainable self-employment and business start-up, as well as promoting sustainable models of ownership, including co-operatives and social enterprises; and to encourage and support employers to offer good-quality employment that includes secure contracts, predictable hours, and that pays at least the Real Living Wage.
- 2.8. Support for new business start-ups as well as existing business in the City is therefore pivotal to ensure Manchester continues its strong trajectory of growth and delivers its vision for the Manchester Economic Strategy for businesses and residents in the city.
- 2.9. Manchester is well placed and benefits from a wide range of support for business through numerous networks and membership-based organisations including;
 - Greater Manchester Chamber of Commerce
 - City Co
 - Pro Manchester
 - Federation of Small Business
 - Digital Manchester
 - Plus wider Business networking events and organisations including BW3, North Manchester Business Forum, Business Sounding Board and Our Manchester Business Forum.
- 2.10. Businesses at all stages access support from a variety of sources including banks, professional services, family and friends, For the purposes of this report, our focus will be on two publicly funded business support services offering help and support in Greater Manchester; The Growth Company Business Growth Hub and Midas Service; and the Manchester Library Service, Business and Intellectual Property Centre (BIPC) Build a Business Service.

3.0 What have the Business Support Programmes achieved

- 3.1. **Business Growth Hub** is one 38 Growth Hubs across England to support and improve business performance, enabling businesses to build their capacity and capability. Growth Hubs were originally supported and managed by Local Enterprise Partnerships (LEPs), with core funding from Government and the EU.
- 3.2. Initially funded by Local Growth Fund/LA (£26M) and EU funds (£18.8M), the **Business, Productivity and Inclusive Programme** (BPIG programme), which commenced in 2018, delivered sustainable and inclusive growth across

the Manchester business base, enabling local businesses to survive and thrive. Demonstrating its success, a further LA funding investment of £8.1M was agreed in November 2020, leveraging £8.2M European Regional Development Fund (ERDF) and a further £2.8M match funding; enabling programme delivery to be extended to June 2023. To reflect the increased focus on innovation and the Innovation GM initiative, the programme extension was named the **Business Productivity, Innovation, and Inclusive Growth Programme** (BPIIG).

- 3.3. An independent evaluation of the BPIIG programme found that return on investment had doubled (since BPIG) to £10.66 for every £1.00 invested, and that 75% of businesses had seen an increase in their productivity. The evaluation also testified to significant environment and inclusivity outcomes with over 9,000 tonnes of CO2 savings (over 90% of GM's ERDF targets for this outcome) and 20% of businesses saying they had improved their inclusivity practices as a result of the programme. A more detailed report of is attached in Appendix 1- "GM Growth Company – Support for Business Report".
- 3.4. Business Support figures from the BPIG/BPIIG programme for Manchester are in table 1

Table 1	Businesses Engaged	Businesses Assisted	Entrepreneurs Assisted	GHG Reduction	Jobs Created
Manchester Total	4289	1,540	344	5,194 tonnes	950
% of all GM Support	27%	30%	22%	46%	26%
	New Businesses Supported	New to Firm Products/ Services	New to Market Products/ Services	University Collaborations	
Manchester Total	296	124	50	33	
% of all GM Support	34%	27%	32%	27%	

- 3.5. **How Business Growth Hub support will be delivered under UK Shared Prosperity Funding**
- 3.6. GM Business Growth Hubs (GMBGH) seven core ERDF funded projects came to a close in September 2023, with UK Shared Prosperity Funding (UKSPF) secured under E23 to continue to deliver business support across Greater Manchester from October 2023 onwards. This has allowed for a more flexible approach to delivery and has enabled support to be delivered to a wider range of businesses across the city-region, both in terms of size and type, which was previously restricted under ERDF funding.
- 3.7. Aligned to the Greater Manchester Strategy, GMBGH's programme of delivery under UKSPF supports a greener, fairer, and more prosperous city-region,

strongly focused on the frontier sectors, and actively supporting foundational economy businesses/social enterprises wishing to develop and grow. A key priority of the UKSPF E23 contract is to strengthen local entrepreneurial ecosystems and with that, focus remains on supporting those businesses located within the deprived wards of the City, in addition to targeting underrepresented groups, such as businesses lead by women, ethnic minorities and business leaders over the age of 50.

- 3.8. In addition, delivery includes fully integrated place-based support, a targeted approach to key account management and targeted engagement with those businesses within the city that have not received any support from GMBGH within the last two years. GMBGH also continues to align with Manchester's priorities, ensuring that support is fully distributed across all neighbourhoods, in addition to supporting investment zones, such as ID Manchester and Corridor Manchester.
- 3.9. **Midas:** Is the Inward investment and promotion agency for Manchester that supports GMCA and the 10 local authorities to promote Manchester as an investment destination and attract new investment in the City. Midas operates independently of the Growth Company but does function as a subsidiary business and is part of the Growth company family.
- 3.10. The city works in very close collaboration with the Midas team across the Work and Skills and City Centre Growth and Infrastructure teams and some example include:
- sharing trends and intelligence around the types of roles that potential investors into the city will need to help shaping future initiatives via Work and Skills Board
 - sharing perspectives from employers with an ESG agenda who want to engage with schools and pupils from disadvantaged background, eg. MIDAS recently attended the Manchester City Council Work and Skills Team workshop discussion on 'How Employers link in with Schools'
 - engaging the team to support on bigger scale recruitment needs for existing and new large employers into Manchester, eg. MIDAS arranged roundtable discussions to discuss the skills and recruitment requirements for the Government department relocations into Manchester.
- 3.11. Midas has had a huge amount of year-on-year growth with last year being on of their most successful and over the last 3 years attracted 59 new businesses into the City of Manchester creating 8,297 new jobs with an estimated investment value (GVA) of £486.4M. See Table 2 below.

TABLE 2		Manchester		Greater Manchester		
Year	Projects	Jobs	GVA	Projects	Jobs	GVA
2023/24 so far	24	651	£37,228,229	40	1,938	£85,827,099
2022/23	38	3,926	£237,244,813	61	4,723	£287,555,792
2021/22	27	3,720	£211,919,125	56	5,092	£290,636,557

- 3.12. **Marketing Manchester (MM)** promotes Greater Manchester nationally and internationally as a place to visit, invest, meet, and study and support MIDAS in promotional delivery, focusing on priority sectors and campaigns including digital, innovation and green.
- 3.13. Hatch consulting evaluated Marketing Manchester's activities in 2022/23, based on the economic impact of conferences/events and trackable campaigns. These activities attracted visitor expenditure to GM, supporting 360 net additional jobs, 54% of which were based in Manchester. £20m in net additional GVA was supported, representing a return on investment of £11 for every £1 of public investment.
- 3.14. The conference and business events sector in Manchester attracts 4.4m delegates per year, supports 35,100 FTE workers and generates a total spend of £904m, of which, £862m is generated from core conference and business event activity and a further £42m from leisure extenders.
- 3.15. Since April 2023, 75 bids have been submitted by MM for conferences and 5 bids submitted for sporting events to be held in Manchester. In the same period, 26 conferences have been confirmed, worth £35.3m and bringing 17,600 delegates to the city; 4 major sporting events have also been secured, including UEFA Men's Championships 2028 and the Women's Rugby Union World Cup 2025.
- 3.16. **Marketing Manchester's Campaigns and Promotion** - MM also promotes GM as a vibrant leisure destination, targeted at the priority markets of the UK, USA, Germany, Spain and the UAE, with China and India as secondary markets. Often campaigns are run in collaboration with partners in the travel industry, with activities such as paid multi-channel digital campaigns and influencer programs. In 2022/23, campaign activity achieved a reach of over 18 million, economic impact of £8.9m and ROI of 34.1.
- 3.17. **Marketing Manchester Digital Portfolio** - MM's digital portfolio sites have over 4 million visitors annually, and social media channels generate 17 million impressions per year.
- **visitmanchester.com** - The official tourism site for Greater Manchester and the most visited regional DMO site outside of London. Traffic is driven to the site through content-lead activity and ongoing domestic and international digital campaigns with international visitors currently accounting for 15% of traffic.
 - **meetinmanchester.com** - Promotes the destination as a place to hold major meetings, conferences and events.
 - **investinmanchester.com** - Promotes GM to increase foreign direct investment.
- 3.18. **Greater Manchester Good employment Charter Service** is delivered by the Growth Company on behalf of the GMCA. The Charter is a voluntary membership and assessment scheme that aims to raise employment standards across GM, for all organisations of any size, sector, or geography.

- 3.19. The Charter has two tiers of membership:
- **Supporters** – Employers that support the aim of the Charter and have made a commitment to improving practice in all characteristics of good employment.
 - **Members** – Employers that have made the Supporter Commitment and meet the membership criteria in all characteristics of the Charter.
- 3.20. Within Manchester, currently the Charter has 214 Supporters and 46 Members.
- 3.21. The Charter sets out seven ‘Characteristics of Good Employment’ relating to Pay, Secure Work, Flexible Work, Employee Voice and Engagement, Recruitment, Management, and Health and Wellbeing. The Charter works with Supporters to assess their employment practices against defined membership criteria, bring evidence to an independent technical panel and make recommendations to the Charter Board every quarter.
- 3.22. The Work and skills team work in close collaboration with the GM Good Employment Charter team to promote good employment to businesses. As part of GM Good Employment week in June 2023, Manchester City Council provided digital advertising assets including our advertising screens across the City, where members of the public were invited to take a short quiz to establish how good their job was, gaining over 200,000 engagements.
- 3.23. **Appendix 1** - A further detailed report on Growth Company services including the Business Growth Hub, Midas, Marketing Manchester and GM Good Employment Charter can be found in Appendix 1 “GM Growth Company – Support for Business Report”.
- 3.24. **Build a Business in GM Libraries:** Build A Business is a GM project delivered by the Manchester’s Business and Intellectual Property Centre Network (BIPC) and is part of Manchester City Council's Library service, in collaboration with Libraries across the other nine GM boroughs.
- 3.25. Build a Business secured Build a Business secured £1.3M ERDF funding in November 2020 and was matched with staff time to deliver a comprehensive programme of enterprise support for local businesses in a community setting. This funding ended in June 2023 and replaced by further funding of £1.4M UK Shared Prosperity Funding from July 2023.
- 3.26. Build a Business is aimed at small businesses, entrepreneurs and anyone thinking of starting their own business. Each local authority library provides a dedicated enterprise champion, offering tailored help to support new businesses including;
- one to one helping support from an enterprise officer
 - modular workshop programme for new businesses
 - intellectual property support
 - local workshops networking events
 - free access to industry standard business information

- 3.27. Between April 2020 and March 2023, the Business & IP Centre Greater Manchester:
- Helped to create 2,170 new businesses and 357 additional jobs
 - Generated £17,944,181 Gross Value Added (GVA)
 - Supported a range of entrepreneurs, of whom 62% were women, 42% identified themselves as from a minority ethnic community, 15% were disabled, 24% were aged 35 and under and 36% were from the most deprived areas.
- 3.28. The Business and IP Centre Network commissioned a national impact report over a three-year period, which highlighted that the BIPC Greater Manchester based in Manchester Central Library to supported entrepreneurship and economic recovery at a local level and contributing to a payback of £6.63 for every £1 of public money spent across the BIPC Network. 96% of existing businesses supported are still trading.
- 3.29. **How BIPC and Build a Business will be delivered under UK Shared Prosperity Funding**
- 3.30. BIPC has secured £1.4M of funding via the UK Shared Prosperity Fund until 31 March 2025 to continue to deliver place based local enterprise services and events for business. A priority of the UKSPF E23 contract is to strengthen local entrepreneurialism by supporting residents and businesses in deprived wards of the City. There is a specific focus on supporting underrepresented groups, such as businesses lead by women, minority ethnic and business leaders over the age of 50. Build a Business has been successful in support underrepresented groups to date, as their service is locality based in a well trusted library setting.
- 3.31. **Enterprise Incubation and Managed Workspace**
- The City alongside BIPC received £1.8M UK Shared Prosperity Capital and Revenue funding to support the delivery of a Manchester Enterprise Space Project. The Generator Project will deliver enterprise and incubation start up space in the Town Hall Extension, Royal Mills, delivered by the BIPC. This is complemented with additional space at 422 Space in Longsight and the Yard in Cheetham Hill. This will aim to create 1,800 square metres of new start up space created or improved in the city and will support over 430 business creating 20 new jobs and 40 new businesses by March 2025.
- 3.32. More detailed summary about Build a Business can be found in:
Appendix 2 – Democratising Entrepreneurship 2.0 report and;
Appendix 3 “A Summative Assessment of the Build a Business in Greater Manchester Libraries Project”.

4.0 Conclusions and key points to highlight in relation to UKSPF funding

- 4.1. Manchester is very well placed and benefits from a very mature and well-functioning Business Support eco system that provides a range of services

that generally meet the needs of local businesses, whilst also ensuring Manchester as a destination is fully promoted. This report provides an overview of the outcomes and successes of the previous programme and it is pleasing to note that these can be built on and further developed with GM SPF funding.

- 4.2. However, it is worth highlighting that funding under UKSPF will come to an end on 31 March 2025 and at the time of writing we are unclear as to what future programmes will look like or how they will be funded. The need to continue to grow and scale businesses continues to be a priority at Manchester and GM level and the city council will continue to work closely with the GMCA to understand the forward plan. We would expect business support to be a high priority for the single settlement and deepening devolution discussions with Government.

5.0 Recommendations

The Committee is recommended to note the progress and comment on the content of the report.

6.0 Appendices

Appendix 1 “GM Growth Company – Support for Business Report”.

Appendix 2 “Democratising Entrepreneurship 2.0 report”

Appendix 3 “A Summative Assessment of the Build a Business in Greater Manchester Libraries Project”