

# Covid-19 Sitrep Summary

## Economic Recovery Workstream

As at: 24/07/20 For Executive: 29/07/20 and Economic Recovery Workstream: 31/07/20 (updated fortnightly- please highlight changes in yellow)

Issue/theme/activity area	Impact/ challenges experienced	Key planning and response activity being undertaken
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<p><b>Sectoral Impact</b></p>	<p><b>Overall economic picture</b>  ONS Labour market- drop of 649,000 on UK payrolls between March-June. Full effect on employment not expected to be felt until furlough scheme ends in Oct. ONS reports increased numbers previously unemployed have moved to economic inactivity. (see latest Mcr claimant count in Labour Market section). (16/07)</p> <p>Following a contraction of -6.9% in March and a record -20.4% decline in April, monthly <b>GDP grew by +1.8% in May</b>, below market expectations of +5.5%. GDP for the three months to May 2020 declined by -19.1%. (ONS 14/07)</p> <p>From 1 August, the government will update the advice on going to work. More discretion for employers, will be asked to make decisions about how their staff can work safely.</p> <p>RBS Group UK wide announcement- vast majority of staff working from home will continue until next year. (20/07- The Guardian)</p> <p>Deloitte webinar 23/07- General sentiment across largest businesses- not assuming v shaped recovery due to revenue projections and very high levels of uncertainty. Weekly live survey on return to office- rise in proportion of respondents who expect to return in fourth qtr, compared to previous week. Strong bias remains towards returning 2-3 days a week- consistent view over last few weeks.(24/07).</p> <p>ONS statistics show early impacts on UK trade. In the three months ending April 2020, total trade saw <b>falls in both exports and imports</b> of £33.1 billion (19.3%) and £29.9 billion (17.6%) respectively. Largest three-monthly falls since comparable records began in 1997. (13/07)</p> <p>Growth Company report growing volume of enquiries around business planning rather than finance, e.g. break clauses in property leases, supply chain disruption. Anecdotal evidence of insolvency wave ahead. (15/07)</p> <p><b>EU Exit transition-</b> GM Chamber and others recognise greater work required for preparation. Economists advising businesses and</p>	<ul style="list-style-type: none"> <li>● Intelligence gathering from sector representatives continues, to understand impact, issues, opportunities and support needed. Used to inform workstream plans and lobbying.</li> <li>● Newsletter issued each week- over 7500 businesses with updated guidance and opportunities.</li> <li>● Ipsos Mori commissioned to carry out detailed survey work of key sector impact/business needs over next 3 months. Interim top line results end of July.</li> <li>● Economic analysis work on major impact and support measures commissioned, which will inform an iterative recovery plan process. It will also assist with business cases for initial priority shovel ready projects.</li> <li>● Business Sounding Board meeting fortnightly- 3 areas of focus: 1. Communications/building confidence in city centre 2. Back to work focus with occupiers and owners 3. Venues and events- exploring potential real/part virtual event to build business confidence. (14/07)</li> <li>● Involvement in GM Groups, e.g. Economic Resilience Group, GM Tourism Industry Emergency Response Group &amp; Place Directors.</li> <li>● Feed into national lobbying work, e.g. Core Cities evidence gathering, Chief Executive meetings with HMT, BEIS etc.</li> </ul> <p><b>Comprehensive Spending Review</b> launched 21/07. Review will be published in the autumn. Will set Govt dept resource budget for 21/22 to 23/24 and capital budgets for the years 21/22 and 24/25. Autumn will also see Budget, White Paper on Devolution and Local Recovery White Paper, National Infrastructure Strategy.</p>
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organisations to prepare for what is regarded as a second economic shock, particularly more exposed sectors ie through supply chains and regulations.

More than 50,000 businesses across NW operating under significant financial distress. ( Begbies Traynor) . Red Flag Alert data for Q2 2020 has recorded a 9 per cent year-on-year increase in the number of distressed companies. 24/07

Key issues raised by **Manchester Business Sounding Board** (14/07):

- city centre remains very quiet during weekdays
- concern re continued guidance to work at home- some employers now encouraging staff to return ie one day a week/ collaboration sessions- looking at working with larger employers to move towards more positive messaging
- smaller companies making decisions to return- concern larger companies not planning to return sooner ie Sept at earliest.
- more intel needed on city centre residential market and workplace link
- importance of stressing safety measures in place to provide reassurance and increase confidence

O2 Business study- Manchester named **Entrepreneur capital** between March-June. Over 4,000 companies launched (analysis of Companies House data). Driven by demand for tech expertise- (growth in construction, hairdressing and beauty) (Business Live 15/07)

**Retail/Leisure-** Major retail chains announcing redundancies include Boots (4,000) and John Lewis (1,300 at risk) 09/07. **M&S expected to announced job losses UK wide (20/07).**

Footfall in the city centre retail core has plateaued at around half of last year's levels. Week Sun 12<sup>th</sup> to Sat 18<sup>th</sup> July was -55% year on year, with Market Street again ahead of this, as the 'busiest' area at -37% year on year. Indications for this week are at similar levels.

Overall, Manchester's central footfall figures continue to be in line with other city centres, with London perhaps suffering the most with the lack of office workers, tourists, and public transport capacity. Last week, the UK average for High Streets was -48% year on year. 24/07

More businesses reopening: Paperchase 17/07, and Harvey Nichols 01/08. Retailers in administration: Bella Italia, Cath Kidston, Victoria Secret, Accessorize, Quiz and Oasis (all closed UK wide), Carphone Warehouse (standalone closed), TMLewin (online), Lunya (closed), Debenhams (open and trading).

Buzz Bingo hall closures announced Wythenshawe and Harpurhey.

From 1 August, the government will reopen most remaining leisure settings, namely bowling, skating rinks and casinos, and will enable all close contact services such as beauticians to resume.

Footfall in district centres (Springboard w/c 29/06). Overall drop by 16.2% compared to previous week. Still well down on previous year. Weather big impact. Chorlton only area to see increase (6.9%) (09/07) Monthly figures for June show big differences between district centres- overall monthly increase of 10.7% (Chorlton + 25.8%, Withington +22.7%, Levenshulme -5.7%, Gorton -22.4%) (13/07)

Beauty salons, nail bars, tattoo and massage studios, physical therapy businesses and spas able to open from 13/07.

Face masks mandatory in shops from 24/07

**Hospitality-** The reopening on the 4th was positive overall. The majority of outdoor seating plans were granted with others being amended for reconsideration. Northern Quarter (Thomas St, Edge St, Stephenson Sq) and the Village worked particularly well. Around 60% of bars opened over weekend of 4th July. Second weekend saw more venues open doors and welcome back customers. Better weather helped the outside spaces- NQ and Village plus districts such as Didsbury and Chorlton popular. No issues re track and trace reporting. (13/07)

**Retail/Leisure-** Communications live on mandatory wearing of face masks in shops (as well as public transport)- part of *Welcome Back* campaign.

Plans for *Reopening High Street Safely Fund* being submitted for grant approval as part of ERDF requirements - focus on 1) pedestrianisation and changes to public realm and 2) communications across district centres.

Cllr Karney letter drafted to CEO to Buzz Bingo re closures, calling for action to review decision. 22/07  
Letter sent 28/07

**Hospitality-** Growing number of schemes being approved for outside space. Positive social media response overall.

This week saw the start of the new outdoor scheme on Tariff Street. By this weekend all venues will be using the space. Three more schemes will go live: Ridgefield for La Bandera and Arcane, Back Turner Street for Shack and High Street Tavern and Bloom Street for Bloom (road closures with nothing permitted on pavement). Other outside area schemes including NQ and Ancoats- positive results from sales and positive feedback from residents and on social media. encouraging comments from residents and on social media.(24/07)

Several more businesses are now planning to reopen from 1/08 incl comedy clubs and businesses along pedestrianised stretch of Deansgate. Areas outside space continue to be the busier areas.. However, Peter Street and Oxford Road continue to see a decline in sales. One venue has been operating at an 80% drop in takings year on year. The Northern Quarter, Village, Ancoats and Castlefield have however all seen considerable growth, with several venues now taking more year on year than the week before. (24/07)

*Eat out to help out* campaign very much welcomed. Concerns by NBRManchester that it misses too many operators (ie wet-led bars or pubs) Take up has been slow this week but most venues that sell food are looking into signing up.

Mixed reaction to **VAT cut**- The Guardian 15/07 *“With Manchester city centre still missing the usual throngs of office workers and many of its museums and other attractions still closed, few people were around to take advantage of reductions over Wednesday lunchtime.”*

Reduction does not apply to alcohol- Peveril on Peak quoted in The Guardian 15/07) unfeasible to offer discount as do not serve food. Others not in position to pass on reduction.

**Visitor economy**- The effects of the lockdown continue to be severe and far-reaching on both tourism operators, their employees and the wider supply chain. The sector is now starting to reopen: a key concern is how viable business operating models will be under the Government guidelines. Marketing Manchester estimate projected £4.2 bn (-47%) loss by end of next month to GM £9bn visitor economy. (15/07)

Plans for longer term use of outdoor space and design brief coming to fruition with support of external expertise to support hospitality and culture by increasing visitor footfall.

Marketing Manchester supporting #NOMORESHOWS campaign- launching this week to curtail devastating effects of customers not turning up to bookings. (15/07)

*Eat Out to Help Out Scheme*- Guidance issued. Registration open and promotional materials issued 13/07. Starts 1/8

Temporary reduced rate of VAT for hospitality, holiday accommodation and attractions- HMRC guidance on the temporary reduced rate of VAT for hospitality, holiday accommodation and attractions from 15/07.

**The Business and Planning Act** received Royal Assent 22/07 The Home Office published guidance on the temporary alcohol licensing provisions in the Business and Planning Act. 22/07 Includes guidance on:

- the purpose of the temporary off-sales extension
- the difference between pavement licences and alcohol licence
- the new summary off-sales review process
- general advice on conducting off-sales

Hoteliers Assn: Some hotels performing relatively well at weekends and attracting regional audience. (14/07) Operators looking at impact of lost revenue on staffing levels post furlough period. Next 9 months expected to be a tough trading environment. Concerns re scale of potential job losses.

Manchester Central- Awaiting guidance on events. Sept/Oct openings are unlikely. MC won't be open until next year with the Nightingale facility remaining in situ. (08/7)

'We're good to go kitemark' Visit England accreditation- 30 partners have signed up. Work ongoing to increase uptake and provide the public with reassurance. (09/07)

**Culture, Leisure and Sport-** Conflicting govt advice re opening of venues. 5 stage roadmap does not contain dates or conditions. Biggest issue is de-risking- due to fragile nature of organisations, many are not in a position to take risk on large events/productions.

Outdoor performances (with social distancing) can resume from 11/07).

New guidance for reopening performing arts published (17/7). It may not be until 2021 that venues can fully reopen with performances allowed indoors and outdoors.

- Stage Three: Performances outdoors with an audience plus pilots for indoor performances with a limited distance audience from 11/7. Musicians, dancers and actors, and the tech teams can resume training, rehearsals and recorded performances where organisations are able to & Dance studios can reopen (from 25/7).
- Stage Four: Performances allowed indoors / outdoors (but with a limited distanced audience indoors) (est 1 Aug)
- Stage Five: Performances allowed indoors / outdoors (with a fuller audience indoors) (est Oct)

From 1 August, indoor performances to a live audience, subject to the success of pilots and social distancing, can restart and the government will also pilot larger gatherings in venues like sports stadia, with a view to wider reopening in the Autumn.

**Visitor economy-** #FindYourSpaceMCR recovery and confidence consumer campaign launched 08/07 by Marketing Manchester- aims to restore confidence in tourism, hospitality, leisure and cultural sectors. Focused on local audiences to re-discover and explore local green spaces. Sub campaigns- Space to Meet and Space to Learn will launch in Autumn, encouraging confidence and safety in business meetings and conference industry and ability for students to live, study and have full student experience.

Tourism and Hospitality Talent Hub- free webinar to businesses 5/08

**Culture Recovery Board 01/07- Proposing a recovery plan with outline costs (£71m) for interventions designed to:**

- a) stabilise the sector ensuring venues and cultural companies can survive, especially where extended closures are likely and
- b) stimulate recovery with targeted interventions for parts of the sector including employment programmes.

Consultation with sector task groups is underway and a consultation document is being designed by the comms team for circulation.

Following Cllr Rahman's open letter **the the Secretary of State for Culture** on 19 June, two further letters **have been sent:**

- 2 July urging urgent financial investment in the sector following news of redundancies at the the Royal Exchange
- 8 July with outline costs for Manchester's call for investment in the cultural sector of £71m.

**Govt announced £1.57 billion investment** to protect cultural, arts and heritage institutions. £1.15 billion support pot for orgs in England delivered through a mix of grants and loans. Made up of £270 million of repayable finance and £880 million grants. £100 million of targeted support for the national cultural institutions in England and the English Heritage Trust. £120 million capital investment to restart construction on cultural infrastructure and for

From October, the government intends to bring back audiences in stadia and to allow conferences and other business events to recommence in covid-secure way, subject to the successful outcome of pilots.

Clarity on guidance re cinemas needed- campaign required to build confidence. Issues with product availability, hence staggered re-openings. (14/07)

#### **Re-opening of galleries, museums & libraries**

Update on planned reopening dates:

- Museum of Science & Industry - 14th August
- Manchester Central Library (in addition to the City Library open 4th July) - 20th August
- Manchester Art Gallery - 20th August
- National Football Museum - 23th July
- People's History Museum - 1st September
- HOME - 4th September (cinemas, bars and restaurant)
- The Whitworth - September (date to be confirmed)

**Music venues-** New owners secured for Gorilla and The Deaf Institute

Band on the Wall- closing until Sept when building works will commence as part of their planned extension and redevelopment. 20/07

**Libraries** - Eight of the city's libraries were successfully opened 4th July. Total visits for the first 4 days of operation- 3,159 (with 20% of visitors accessing PC resources)

**Redundancies-** Six cultural organisations have begun redundancy procedures with staff. Those in the public domain include the Royal Exchange Theatre (up to 65% of staff), Stoller Hall and Band on the Wall (16).

**Phased return of sport and recreation-** Indoor gyms, swimming pools and sports facilities to reopen from 25/07.

**Aviation-** T2 reopened 15/07- all three terminals now open. Still 95% down on normal volumes, average 50% capacity on re-launched flights. MAG considering potential for recovery to be softer in FY22, particularly in Manchester, which has a higher proportion of full-

heritage construction projects in England which was paused due to the coronavirus pandemic.

**Arts Council England's Emergency funding** grant awards National Portfolio Companies\* has now been announced. Specifically targeted to support companies' survival until 09/20. Total of £1,060,317 awarded to Manchester companies. **Several unsuccessful applications.**

*\*NPO Companies are funded over a 4 year agreement and as part of the Covid response, ACE announced existing annual funding agreements will be extended to a 5th year*

**Discretionary Grant and other Business Grants for Small Businesses-** Companies continue to be supported to apply for business rate related grants. (15/07)

**Music venues-** meeting with venues and MCC being convened for 30/7

**Labour market-** Work to link employers to the local training and employment support offer ongoing. (15/07)

service and long-haul carriers, but still recovering to pre-crisis levels by FY24. This does not assume a resurgence of COVID-19 resulting extended restrictions on air travel. Over the last few weeks more flights have started to resume. This week sees the return of Jet2.com, Etihad, plus TUI, Ryanair and easyJet have all increased services. Latest airlines to re-launch: Etihad to Abu Dhabi 18/07 Air Transat to Toronto 23/07, Biman Bangladesh to Dhaka 31/07 Cathay to Hong Kong 01/08.

Removal of quarantine requirements on many routes positive but need to track confidence in weeks ahead.

Piece in MEN re potential redundancies misleading as referred to national numbers in the sector- no public announcements made yet and focus has been on MAG doing all they can to preserve employment. (03/07)

**Higher Education Institutions-** Concerns re potential deferrals, significant potential loss of income in relation to international students (account for half of tuition fee revenues), loss of income re conferencing and events. Uncertainty re student numbers next academic year. Volume of applications from home students appears to be in a good position. 60-70% booking of residencies compared to normal levels. Demand from Chinese students remains positive though depends on travel. Significant uncertainty re India and North America. No large lectures- will be blended learning with online and use of large space for small groups. (30/06)

No specific institutional announcements re rescue package. Universities expected to apply for the funding- appears to be a mix of grant/loan – linked to nature of research projects, and proportion of international students. (10/07)

R&D roadmap- start of a conversation- significant opportunity to rebalance R&D spend to the regions, and UoM particularly will be well placed to benefit from this. (10/07)

Institute of Sport at MMU- refurb to commence 13/07- due to open 2022

**Aviation-** Engagement with MAG to understand the impact on Manchester Airport. MAG working on recovery plans and tracking confidence to fly over the next few weeks. MA aim is to protect jobs wherever possible. MCC supporting lobbying by MAG to call for an aviation support strategy to aid recovery.

**Border Impact:** The Government is now starting to look at the customs border and has produced a new border operating model ([link](#)). It has recently produced documents outlining the first stages of how goods will enter and leave the UK and are due to produce similar plans for passengers in the coming weeks. MAG is already inputting into teams at the Home Office, DEFRA and HMRC to help plan for the UK's full departure from the EU and should have more detailed information in the coming weeks. **Environmental Health** (Sanitary and Phytosanitary Checkpoint - SPS) impact almost entirely depends on the volume of SPS goods that pass through a port, info held by logistics and freight businesses, but MAG will monitor the situation closely.24/07

**Higher Education Institutions-** Regular dialogue with universities to discuss potential loss of income and support required. Work and skills team in regular discussion. 10,000 expected to graduate- support needed to be in place to ensure city does not lose talent. China is the biggest student demographic for the UoM, so the university is focusing activity and dialogue. MCC working with UoM on support to welcome international students. (23/06)

ID Manchester- partners selection process to resume- final selection to be made Spring 2021. (15/07)

**Financial and professional services-** KPMG cutting 200 jobs from UK workforce/ 100 positions from business services functions. 23/07 (PNW)

**Real Estate Focus Group** (sub group of Sounding Board)- Key issues: major concerns re larger city centre employers not returning to office before Sept- concerns raised re impact on city centre in immediate term. Survey work underway to understand return plans. Reassurance to staff important. Other key issues (21/07) promanchester doing a survey of members re return plans.

- Is there more that could be done re workplace safety and providing reassurance ie testing?
- over summer many companies told staff to take extra leave, some down to 3-4 day weeks
- trends being accelerated: agility of staff, lease lengths prepared to sign up to, focus on staff wellbeing.
- concerns raised re complexity of guidelines to tenants

**Office Market-** Manchester Office Agents Forum (Place NW- (22/07) Take up down 75% quarter on quarter in Q 2to 75,995 sq ft from 309,212 in the first quarter of the year, as market slowdown on the back of Covid-19 reduced demand. 20 transactions in city centre offices in second quarter of the year, down from 58 in previous 3 months. 'Still healthy level of larger requirements circulating in the market.'

South Manchester- total take-up of 59,972 sq ft, significantly down from the quarterly average of 154,000 sq ft. Notable transactions included the purchase of the Voyager office scheme (38,943 sq ft) by USDAW, and Marlowe Fire & Security's leasing of 25,568 sq ft at 5 Central Park.

MOAF report activity has picked up significantly over the last 8-10 weeks, with some businesses creating new jobs- MOAF retains a

Two universities planning for Sept opening and looking at strategies to manage first 2 weeks when students arrive.

Support announced for research universities-: new research funding scheme in Autumn to cover up to 80% of income losses from decline in international students. Around £280 million to enable universities to continue their cutting-edge work, such as research into antibiotics resistance and the effects of coronavirus on society. (27/06)

R&D Road Map announced- to 'cement the UK as a world-leading science superpower'. £300 m to upgrade scientific infrastructure across the UK. New Office for Talent set up to make it easier for leading global scientists, researchers and innovators to come to the UK. (01/07)

\*\*Joined-up response that is Mcr led needed with Corridor partners- Online survey- closes 12/08.

**Property Sector-** Real Estate Focus Group convened to support MCC understanding on commercial property market, guidance on issues and develop an action plan to support recovery. (07/07)

**Investment-** Leader written to Minister of Investment offering mtg to discuss how Mancr can help support national efforts re investment, FDI and exports. (03/07)

Ongoing contact with local account managed/large employers tp understand challenges and future plans. MIDAS exploring opportunities around: north shoring and re-shoring of business critical functions (esp food manufacturing & life sciences. Planning underway looking at target markets and sectors ie in ecommerce, cyber security, digital technologies, healthcare and biotech). From September onwards- digital campaigns will be deployed incl schedule of webinars across each sub-sector aimed

	<p>“positive outlook”. Expects to see significant bounceback by the more agile, smaller occupiers in the second half of the year.”</p> <p><b>Inward investment</b> update- MIDAS has a strong pipeline of enquiries forecast to close in FY20/21 though yet to fully understand full impact. Over 30% of companies have said that the ongoing situation will not affect investment plans. Mancr enquiries by sector: creative, digital and tech (39%), life sciences (27%), advanced manufacturing (18%), financial, prof bus services (12%). (13/07)</p>	<p>at key locales within target markets (eg medtech in Boston; ecommerce in Bangalore; advanced materials in Seattle).</p> <p>Investment Taskforce met 16/07- plan to develop an Innovation GM proposal to submit as part of Comprehensive Spending Review.</p>
<p><b>Development</b></p>	<p>Stimulating development &amp; investor confidence, including:</p> <ul style="list-style-type: none"> <li>● Understanding current impact through intelligence gathering.</li> <li>● Assessing sources and levels of investment, and any obstacles (access to debt).</li> <li>● Seeking financial and other support needed to enable early start of key projects</li> </ul>	<ul style="list-style-type: none"> <li>● Planning reform proposals- (13/07) MHCLG published draft guidance on extension of certain planning applications and the Additional Environmental Approval process introduced in the Business and Planning Bill. Planning policy paper due later this month. RTPi sent open letter (02/07) re <i>Plan the world we need</i> campaign- concerned recent rhetoric about reputation of planners. <i>“Planners need to be at centre of sustainable and</i></li> </ul>

- Understanding supply chain issues and identifying appropriate support measures. It is becoming increasingly apparent that the appetite of contractors to bid for apartment led residential schemes has been significantly impacted in the short term due to issues in the supply chain (i.e. loss of subcontractors and access to materials). This concern has also been raised by developers of commercial schemes.
- Developing guidance/share good practice for safe operation of sites
- Expediting design & planning phases of projects.
- Productivity increased across most major sites- 97% of infrastructure and construction sites now operating. Social distancing measures impacting on programmes. Issues re supply chain/access to materials. Infrastructure sites are now achieving 89% of pre-Covid productivity. Housing sites 93% of sites now open. Reports that contractors are planning to reduce workforce by 11 % within the next 3 months.

*resilient recovery. By-passing system for speed and to cut costs risks sub-standard homes and removes democratic rights of communities to input into local development.” (see separate note)*

- **Planning-** New laws to extend homes upward. From Sept full planning applications will not be required to demolish and rebuild unused buildings as homes. 21/07. The impact is being considered by Planning.
- Final list of ‘shovel ready’ schemes for the Get Building Fund (announced on 30/06, with £54m awarded to GM) submitted to Government for agreement on 17/07. BASE Manchester Innovation Activities Hub at MSP, and Mayfield were included.
- GMCA has set out currently known criteria for the £81m Brownfield Land Fund as follows: The homes supported via this fund will start on site in this Parliament (by a longstop date of 31 March 2025); all projects must represent good value for money and be Green Book compliant with a Benefit Cost Ratio at or above 1.0 (priority will be given to schemes achieving best VFM); schemes must be delivered within LAs where an up to date Local Plan or Spatial Framework is in place, or an agreed plan with MHCLG for getting a Local Plan or Spatial Framework is in place; there will be a maximum of £15,000 investment per residential unit delivered; and, where practicable, the funding should support local supply chains. GMCA expect full details before end of July and have asked LAs to identify potential Round 1 schemes that start on site before 31 March 2021 and will issue bidding templates when full details provided by MHCLG. Manchester is intending to put forward a number of schemes in Northern Gateway and New Cross for round 1.
- Shovel ready project list submitted to Core Cities, for an informal submission to the Economic Recovery Working Group (ERWG) on 24 June. The members of the group, which includes senior civil servants from MHCLG, BEIS and HMT, were asked to share the information widely within the Government. No feedback to date.
- Manchester prioritised shovel ready projects list submitted to key Ministers (including the Chancellor) and

		<p>local MP's on 2nd July. Included as an addendum to Executive report on 3 July.</p> <ul style="list-style-type: none"> <li>● Pre contract discussions have been held with Homes England on Northern Gateway, with a view to entering in a contract in September, securing £51.6m in Housing Investment Fund grant that must be fully expended by March 2024.</li> <li>● Pre-planning consultation on the first phases of Collyhurst redevelopment being planned with local Members, which will deliver 270 homes (including 130 new Council properties). Planning application anticipated in <b>autumn</b>, following consultation with Collyhurst residents (we have developed a virtual consultation methodology but this may delay submission of planning as we are at a 'hearts and minds stage' with the community whose confidence has been dented due to previous false dawns).</li> <li>● Prioritisation of land transactions or contractual arrangements that are close to completion to preserve delivery arrangements.</li> <li>● <b>New Victoria residential scheme expected to start on site with enabling works in August.</b></li> <li>● Reports to 3 July Executive on SRFs agreed: revisions to NOMA Strategic Regeneration Framework, detailing next phase of development, including additional commercial space; revised Framework for First St, with proposals on sites on Medlock Street; and a new Framework for St Mary's Parsonage, including new commercial, retail and public realm proposals.</li> </ul>
<p><b>Affordable Housing</b></p>	<p>Risk to developer and investor confidence.</p> <ul style="list-style-type: none"> <li>● Working with RP's and other developers to understand current impact and forward plans.</li> <li>● Assessing sources and levels of investment, and any obstacles</li> <li>● Investigating grant funding, financial and other support needed to enable early start of key projects</li> <li>● Understanding supply chain issues and identifying appropriate support measures.</li> </ul>	<ul style="list-style-type: none"> <li>● Regulator for Social Housing (RSH) has called for RP's to provide revisions of their business plans by September. This will identify any viability risks but should also identify progress on development programmes.</li> <li>● Managing existing onsite, pipeline and planned development with RP's. These were referenced in the June Executive report. <ul style="list-style-type: none"> <li>○ 398 homes under construction and anticipated in the 2020/21 year. Re-mobilization of sites now underway.</li> </ul> </li> </ul>

	<ul style="list-style-type: none"> <li>● Developing guidance/share good practice for safe operation of sites</li> <li>● Expediting design &amp; planning phases of projects.</li> <li>● Risk of registered providers slowing down or pausing programmes to consolidate finances/liquidity</li> <li>● Ensure Zero Carbon and Fire safety provision are part of the programmes.</li> <li>● Potential flooding of the PRS sector as the short term let market shrinks.</li> </ul>	<ul style="list-style-type: none"> <li>○ 252 homes currently in the programme for 2021/22.</li> <li>○ New projects emerging.</li> <li>● Silk Street tenders returned <ul style="list-style-type: none"> <li>○ Submissions now evaluated.</li> <li>○ Working on the affordability of the scheme with Homes England. Rents are significantly below LHA but will need additional grant or other investment to make viable.</li> </ul> </li> <li>● Progressing the establishment of a Local delivery vehicle. Looking to start on site with key projects and novate across. <ul style="list-style-type: none"> <li>○ Approval at Exec 3 June. Detailed work programme now underway to accelerate progress.</li> <li>○ £1.5m from Housing Investment Reserve secured</li> <li>○ External support being commissioned.</li> <li>○ 5-year supply of land to develop 2000-2500 rented homes through the delivery model. Land assembly workshop scheduled for 8 July.</li> <li>○ Professional support for site master planning and massing will be appointed by the end of July</li> </ul> </li> <li>● Project 500 progressing. Will deliver 500-600 homes. <ul style="list-style-type: none"> <li>○ Sites being reviewed by RP group and are due to report back week commencing 13th July</li> <li>○ Standard documentation being drafted by MCC legal and development to speed up disposal process</li> <li>○ Legal are putting together an internal team to deal with the increase in title searches relating to both the LDV and P500</li> </ul> </li> <li>● Entering into formal agreement with Homes England and signing an MOU to take a partnership approach to accelerated development. Complements similar arrangements with GMCA. (see development) <ul style="list-style-type: none"> <li>○ Action Plan in development following 3 workshops</li> <li>○ Working towards a September Executive for formal approval to enter into formal agreement with HE</li> </ul> </li> </ul>
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		<ul style="list-style-type: none"> <li>● Ongoing intelligence gathering with developers to understand status of projects and support needed. <ul style="list-style-type: none"> <li>○ MHPP Growth workstream capturing current position and plans.</li> </ul> </li> <li>● Prioritisation of land assembly and due diligence to allow acceleration of build programme.</li> <li>● Dialogue with RP's on Monday 22nd in regard to a mix of development. (Action point from 5 June meeting). Mix of tenures should reflect Housing Strategy.</li> <li>● Working with Your Housing Group to bring forward a 200+ newbuild scheme in East Manchester with 60% planned for affordable housing</li> </ul>
<p><b>Transport and Infrastructure</b></p>	<p>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.</p>	<ul style="list-style-type: none"> <li>● Transport consultant working with highways, city centre regeneration and TfGM to develop a strategic medium term plan to support city centre business re- opening, safe pedestrian movement and public transport connections. This will draw on national and international best practice. Initial outputs due to be discussed at the City Centre Infrastructure Working Group on 23/7/20.</li> <li>● Analysis of predicted transport requirements- TfGM undertaken a 'Future Travel' Survey" to gather the public's views on using public transport after lockdown. 14,000 responses received and initial findings have been shared with members of this group and the Business Reopening Analysis group (including MCC reps). A summary of the complete results from the survey is attached for members' information.</li> <li>● Data from this Tuesday (14/7) shows the following differences with the position on Monday 9th March and 29/6 showing a <b>gradual but slow increase in public transport usage across Greater Manchester with car travel still reduced but much closer to pre lockdown levels.</b> <ul style="list-style-type: none"> <li>○ Metrolink patronage 9/3/20 = 122,613  " 29/6/20=19,668  14/7/20 = 31,884</li> <li>○ Bus 9/3/20 515,309  " 29/6/20 143,795  14/7/20 191,093</li> <li>Rail 9/3/20 104,795</li> </ul> </li> </ul>

		<p style="text-align: right;">         “ 29/6/20 21,859          14/7/20 28,759          GM Highway 9/3/20 5,082,000          29/6/20 3,700,000          14/7/20 4,032,000       </p> <p>Data has also been made available from NCP on year on year changes in car park usage for the period until the end of June which is attached. More up to date data for the last week has been requested.</p> <p><b>Facemasks- Week of action TFGM comms campaign</b> from 16/07- a step-up in operational response and a more visible and proactive manner to enforcement. 60-80% current usage.</p>
	<p>Analysis of businesses' plans for reopening, working with TfGM, CA, Chamber, Growth Company</p>	<ul style="list-style-type: none"> <li>○ TfGM linked into Day Time Economy recovery group work especially re Social Distancing</li> </ul>
	<p>Identify and implement interventions that support social distancing and procure necessary equipment to facilitate this.</p>	<ul style="list-style-type: none"> <li>● Deansgate temporary closure to motor vehicles implemented on 16th May.</li> <li>● Thomas Street temporary closure was implemented on 31st May.</li> <li>● Temporary closure of Ducie Street and Stevenson Square and one way system on Withy Grove were introduced from Friday 3rd July to create safer conditions for pedestrians and support business reopening.</li> <li>● Temporarily widening pavements in a number of locations across the city to support safe pedestrian movement and social distancing. Measures and have already been introduced on London Road and Princess Street learning lessons as we progress. Other schemes delivered: Cheetham Hill Road, Chorlton- Manchester Road- Claridge Road and Warwick Road, Wilmslow Road in Rusholme, Withington Village (Wilmslow Road), Openshaw- Ashton Old Road. Sites being discussed at Hulme High Street and Ashton New Road Phase 2 in Openshaw.</li> <li>● Tasked our CCTV monitoring staff to monitor how the public act on returning to work to support reacting to events and that is supported by the TfGM control room.</li> </ul>

		<ul style="list-style-type: none"> <li>• Decluttering pavements where we can using a new find and fix team to carry out audits, bearing in mind need to support businesses reopening who may need to use pavements (eg for tables and chairs)</li> <li>• Welcome Back Manchester campaign launched on 12 June, to provide confidence to encourage people back into the city centre and district centres.</li> <li>• Emergency Active Travel Fund - GM awarded £3.1 million as part of the first phase of funding. It supports pedestrian and cycling measures and which take pressure off the public transport network. Work underway with GM to determine which schemes are to be delivered.</li> <li>• Guidance has just been received regarding bidding for resources for phase 2. A bid needs to be submitted by the combined authority by 7/8/20.</li> </ul>
	Continue with highway works that can be undertaken during lockdown	<ul style="list-style-type: none"> <li>• Continuing with all our major projects that are on site and continuously monitoring government guidance about construction</li> <li>• Finding ways to accelerate all our programme of walking and cycling schemes aiming to have early starts on all our programmed projects</li> <li>• Maintaining our roads at business as usual levels by inspecting them and making repairs</li> <li>• Resurfacing and treating many more main roads than originally planned to take advantage of lower traffic levels</li> <li>• Working with TfGM to review bus stops and increase pedestrian phasing at signalised crossings.</li> </ul>
<b>Skills, Labour Market and Business Support</b>	<p>Significant growth in the number of Manchester residents claiming Universal Credit. Evidence base for THINK work shows:</p> <ul style="list-style-type: none"> <li>• 89% rise in claimant count in Manchester during April &amp; May - 33,825 claimants;</li> <li>• affects every LSOA in the City &amp; all age ranges;</li> <li>• particular impact on young people which has seen an increase of 98% (national fig 109%) &amp; over 50s (73%);</li> <li>• concentrations in areas with large Black, Asian and ethnic minority communities e.g. Longsight, Moss Side, Cheetham</li> </ul>	<ul style="list-style-type: none"> <li>• THINK have produced their report on skills &amp; labour market recommendations with 6 key priorities: <ol style="list-style-type: none"> <li>(1) minimise the number of Manchester residents moving from furlough to redundancy as the job retention scheme winds down;</li> <li>(2) support unemployed Manchester residents to re-enter work as quickly as possible especially young people, those aged over 50 and BAME;</li> <li>(3) maximise new job creation, increasing overall labour demand in the City;</li> </ol> </li> </ul>

- 32% of Manchester residents are either furloughed (62,200) or receiving self-employment support (15,900);
- Job losses compounded by significant drop in levels of vacancies;
- 800 16-18 year olds who would normally pursue apprenticeships or move into employment at risk;
- 74% national decline in apprenticeships
- circa 10,000 graduates who would normally stay in the City will struggle to get graduate level work.

ONS release 16 July - June figs for Manchester:

- Claimant count : 34,140 overall; 6,695 - aged 18-24; 21,145 - aged 25 to 49 and 6,220 aged over 50.
- There are 42,490 Manchester residents claiming out of work benefits: ESA claimants -30,750; Jobseekers - 5320, Disabled 2610 and Lone Parents 5420.

GM **vacancy data** (to the week ending 4 July 2020) shows a slight dip in the numbers of vacancies from the week before to approx 4000. Vacancies are about 1000 postings a week below the level in the equivalent period in 2019. The data reflects drop in the numbers of jobs vacancies as the pandemic has unfolded. Education and professional jobs both appear to have grown recently (albeit with some more recent plateauing in the trend). (08/07) Within digital skills- shortages of software developers/programmers and in cyber security. Work on going to develop talent pipeline through various digital initiatives.

Data on estimated percentage of **residents furloughed** through Job Retention Scheme: 24 % in Mancr (same rate at GM) June figures. (08/07)

Businesses in the City significantly affected by Covid-19 with access to markets & cash flow the most significant issues

- (4) minimise the number of young people who become unemployed after leaving education and training in Manchester;
- (5) support apprenticeships & other training opportunities to better equip employers with the skills to survive & grow, while helping more residents to progress & upskill in their careers;
- (6) improve the support available to unemployed, long-term inactive residents to reduce the risk that they are “crowded out” of the jobs market with the influx of new claimants

- Chancellor announcements on Kickstart, traineeships and apprenticeship grants will provide support for young people in particular although we are still awaiting the details. The announcement was light on skills but some modest additional investment in FE level 2 & 3 for 18 to 19 year olds. The Work & Health programme has been expanded with an additional £5.5m investment in Working Well in GM. In terms of the priorities listed above, there was nothing in the announcements to specifically provide support for BAME residents & those over 50s or skills investment for adults with low skills who have become unemployed or at risk of doing so.
- 4185 young people which is 73.8% of the Year 11 cohort have a September guarantee, as compared with 2643 (48%) in 2019. Post-16 education and training providers in the City are working hard and have summer programmes to engage young people e.g. TMC’s from Couch to College.
- Working with GMCA to influence and take advantage of opportunities, e.g. Skills for Growth, and develop responses for different labour market sector
- Working with the Cultural Team to pull together support for cultural organisations and employees & identifying existing provision that can be adapted to suit their needs;
- More broadly working with AEB providers to identify education & training provision currently on offer or being planned to meet the needs of residents who become unemployed or under-employed as a result of Covid

		<ul style="list-style-type: none"> <li>• The discretionary business grants scheme to support small &amp; micro businesses received 1261 applications by 10 June closing date. 925 businesses have been awarded grants with £4.6m of the £5.4m, paid out to date. 232 businesses have been rejected, Working through the more complex applications.</li> <li>• Future Fund- Criteria changes- more start-ups and innovative firms will be able to apply for investment from the Government's Future Fund (30/06). Loan of between £125,000 and £5 million. Officers to promote this via networks.</li> </ul>
<p><b>Funding</b></p>	<p>No specific known impacts on current external funding bids caused by C19 as yet. Known bids progressing through funding approval processes as expected.</p> <p>Team in City Policy developing a funding action plan based on C19 recovery and Corporate priorities</p>	<p><b>Shared Prosperity Fund-</b> Consultation still awaited. Institute of Fiscal Studies report calling on govt to consult on Shared Prosperity Fund (replaces EU structural funds next year)- calling on flexibility and tailored to local priorities. Needs to also take into account long term effects of C19.(13/07)</p> <p><b>Chancellor's Summer Statement</b></p> <p><b>£1bn for Public Sector Decarbonisation Scheme</b>, offering grants to public sector bodies for energy efficiency and low carbon heat upgrades. - will include schools. Being picked up by the Buildings and Energy Workstream in Zero Carbon Coordination Group.</p> <p>Other announcements of interest to our partners are:</p> <ul style="list-style-type: none"> <li>• <b>£100m of new funding for researching and developing Direct Air Capture</b>, a new clean technology which captures carbon dioxide from the air.</li> <li>• <b>Electric Vehicles</b> As part of £1bn announced last year for automotive technologies, £10m is available immediately to scale up manufacturing of the latest technology in batteries, motors, electronics and fuel cells.</li> <li>• <b>Social Housing Decarbonisation fund</b>, starting with a £50m project in 2020-21 to decarbonise social housing.</li> </ul> <p><b><u>Reactivating High Streets Fund</u></b></p>

MCC have been allocated £488,668. Strict ERDF eligibility criteria (e.g. temporary nature, exclusion of certain types of activity) mean we need to identify where best to spend this without risk of grant clawback.

Proposal to be submitted to govt by 17/07.

£50,000 in place communications for district centres. (Supporting on street signage, one way routing etc. as well as supporting retail and hospitality in those areas).

**North** - Ancoats, Harpurhey, Openshaw, Cheetham, Newton Heath, Moston Lane

**Central** - Rusholme, Longsight, Levenshulme, Gorton, Plus commercial patches in Moss Side and Ardwick.

**South** - Didsbury, Chorlton, Withington Northenden, Burton Road.

Work with Highways to build on the successful reopening of the city through public realm changes. (£438,000)

- vehicle mitigation to maintain social distancing including traffic management and pedestrianisation.
- widening of footpaths
- temporary barriers
- Hand sanitiser stations

#### **Digital Innovation Fund**

MHCLG have launched a new **Digital Innovation Fund** for Covid-19.

Fund opens 1st July and closes 15th July. We can apply for £80,000. MCC are looking to put in a bid from Neighbourhoods and PRI on data sharing around people shielding / in need which has been piloted in Old Moat and Withington, taking best practice from this local data sharing and developing an emergency response toolkit. PRI working on proposal for submission.

Application submitted on 15th July for £80,000. This application focuses on how we get intelligence into the hands of our 'Team Around a Neighbourhood (TANs)' functions, taking data from processes developed during Covid (i.e. data on vulnerable and those in need of support) and providing this as actionable intelligence for TANs to resource plan and deliver direct support..

#### **EU Funding for Climate Action**

£340k bid supported by MCC being submitted by Corridor partners this week to produce an energy systems model and map of the Corridor area which will support wider planning around delivery of CCAPs within the 2020-25 Manchester Climate Change Framework. This model will be used by partners along the Corridor to explore how to deliver the change in carbon performance required within the Oxford Road Corridor estate to meet Corridor partners' 2025 Zero carbon targets.

#### **Potential Smart Cities Bidding Opportunity**

Dave Carter who has been leading on digital strategy and City Policy have put together an early stage proposal looking to leverage existing digital assets across the city to develop a proposal to support digital ecology, to increase digital inclusion, to pump-prime digital innovation, and improve digital connectivity. With a focus on using digital capacity in the city centre as a "hub" to support districts and local area needs. The programme would use existing staff seconded from different organisations, be led by MCC, and have a recovery focused work programme that could quickly commission digital pilots, and support new ideas.

Looking at a potential bid of £4-£6 million, with 15% on set up and programme management costs. Chief Exec and Angela Harrington supportive of this approach. Bid and potential consortium to be developed over the summer ready for potential bid into forthcoming DCMS / UKRI Smart City programme expected to launch in August 2020.

#### **Electric Vehicle Funding for New Smithfield / Hamerstone**

MCC actively seeking to develop a consortium bid for this funding with MMU, Cadent, GMP and ENW. MCC support from City

Policy (Mark Duncan) and Neighbourhoods (Matt Bennett). Focus is on solar PV generation with hydrogen production and storage for vehicle fueling (MCC fleet and possible GMP fleet also).

Application to be made to European City Facility (EUCF) (Horizon 2020) - deadline 02/10

#### **Innovate UK Sustainable Innovation Fund**

New fund from **Innovate UK** announced this week for £200m in 3 strands to support sustainable recovery. SME led fund. First strand open now.

- decarbonisation, circular economy and/or biodiversity
- climate change, environmental sustainability
- geographic or regionally-targeted innovation
- innovation aimed at commercial, residential users
- innovations working across 1+ sector
- follow-on international opportunities that help the UK lead the world

Main focus will be on supporting the green and environmental business sectors.(See sector support above).

#### **Green Recovery Challenge Fund**

The **£40 million Green Recovery Challenge Fund** has been launched this week. The fund will bring forward funding to help charities and environmental organisations start work on projects across England to restore nature and tackle climate change.

The fund will help conservation organisations and their suppliers create up to 3,000 jobs and safeguard up to 2,000 others in areas such as protecting species, finding nature-based solutions to tackling climate change, conservation rangers and connecting people with the outdoors.

This funding could support wider partners in the City (Groundwork, City of Trees, Lancashire Wildlife Trust) and could potentially support delivery of our **Manchester Tree Action Plan** objectives within our Climate Change Action Plan. **Officers in**

		<b>City Policy looking at options and will speak with relevant city partners.</b>
<b>Strategy &amp; Economic Narrative Review</b>	C19 has necessitated a review of existing strategies to understand whether they are fit for 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.	<p>Kick off meetings on economic analysis work have taken place. Initial report to be completed by the end of July with the final report available by mid September to submit to Government.</p> <p>Our Manchester Strategy Reset engagement underway with consultation taking place in July, August and September. Economic narrative will be shaped by the Our Manchester Industrial Strategy, Ekosgen/Metrodynamics report, Ipsos Mori survey, Business Sounding Board, specific business engagement session and a themed 'Thriving &amp; Sustainable' session of the Our Manchester Forum..</p>
<b>External Influencing &amp; Lobbying</b>	The Government's economic response to C19 has been fast moving and feeding in Manchester's priorities has required a coordinated approach.	<p>Three letters have been sent to the Secretary of State for Digital, Culture, Media and Sport by the Executive Member for Skills, Culture and Leisure lobbying for representation from Manchester or the North of England and more diversity on the Cultural Renewal Taskforce and financial support for city's cultural sector. Government has now announced a £1.57bn financial package for the arts and culture sector.</p> <p>The Executive Member for Environment, Planning and Transport participated in the first meeting of the Resilient Recovery Taskforce on 3 July (a coalition of 24 Mayors and Leaders convened by UK100) and a letter has now been sent to the Prime Minister and Chancellor requesting a meeting.</p> <p>The Chancellor's Summer Statement including some announcements on areas Manchester has lobbied on to Government directly and via the Local Economic Recovery Group and UK Core Cities. This includes the kickstart scheme for 16-24 year olds, further support for apprenticeships, housing retrofit and investments in 'shovel ready' and other job creation projects.</p> <p>The next major opportunity for influencing Government is the Spending Review in autumn. Manchester's submission needs to be submitted by mid September at the latest. The submission will be developed with the economic analysis work as per the update above.</p>

<p><b>Economic Intelligence</b></p>	<ol style="list-style-type: none"> <li>1. Need to engage with Manchester Businesses and Key sectors to understand current status re Covid related impacts</li> <li>2. Understanding of businesses in rented spaces and analysis to support the Business Rates Discretionary Grants</li> <li>3. Need to understand status of development pipeline across the city</li> <li>4. Need to update population modelling (MCCFM), reflecting both the impacts on and from the economy</li> <li>5. Demand appraisal for residential lettings market in Manchester post pandemic</li> <li>6. Challenge re the scale of analytical capacity required to support this, other Covid-19 workstreams and Business as Usual activities</li> </ol>	<ol style="list-style-type: none"> <li>1. Market research company appointed to undertake business survey work - looking at cross sector economic impact and sector specific issues - progress to date: Final script with Ipsos surveying team for telephone testing / launch - 16.07.20 Online launch 17.07.20. Comms plan agreed and underway - website text in draft - MEN publicity start of next week</li> <li>2. Working with Leeds Council and Data City to commission / create a dataset to support allocation work in Manchester - dataset arrived informing initial Business Rates Grants work, further analysis of the dataset taking place currently to draw out wider insights.</li> <li>3. Tracking underway - pipeline used to support Financial Resilience work - including forecasting potential council tax &amp; business rates revenues - drafts for forecast CT / BR revenues from new development with Finance colleagues for comment</li> <li>4. Update of the MCCFM is in progress, more difficult and time consuming than normal due to macro uncertainties. ONS Mid Year Estimates released recently to support this work.</li> <li>5. Data sweep complete - work now underway to collate trends across sub-sectors (mainstream, students, short term lets) to contribute to overall appraisal</li> <li>6. Ongoing discussions to re-prioritise work areas and understand where the gaps may be. Risk we could run out of internal capacity.</li> </ol>