

# MANCHESTER CITY REGION

THEBUSINESSDESK.COM SUPPLEMENT | NORTH WEST | OCTOBER 2013

## FEATURING

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companies. 9

A city united  
by sport. 13

US graphene firm sets  
up European HQ. 19



**Setting its own  
agenda for growth**

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# MANCHESTER CITY REGION

North West Supplement  
October 2013

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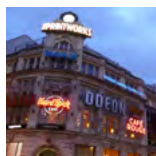
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# 2

EDITOR  
FOREWORD

# Confidence is key



**T**HERE is a real belief among businesses in the Manchester City Region that better times are around the corner. After five years of uncertainty confidence is returning, be it through increased M&A activity, investment, job creation or physical development.

The city region has a number of major strengths: its strong leadership; its business support ecosystem, with the biggest regional legal and financial services community outside London; its entrepreneurial culture; diverse business sectors and of course the airport.

Manchester Airports Group continues to drive economic growth and out-perform other regional airports. The multi-million pound Airport City Enterprise Zone development has the potential to be a real game-changer for the city and wider region in terms of wooing international investment.

In property, the Co-operative Group's new flagship headquarters at One Angel Square completed this year, while Number One St Peters Square and the Central Library and Town Hall redevelopments are to follow closely behind with completion next year.

In terms of sectors, knowledge-based industries are thriving as Manchester continues to build on its heritage of scientific innovation by becoming one of the most important city regions for research, development, innovation and academic excellence.

Where confidence leads, deals follow and although some lag is to be expected, I'm hopeful we'll start to see deals, that had perhaps stalled or been delayed in the downturn, start to flow much more readily from early next year.

But if the big headline grabbing deals are to keep coming, there must be a pipeline of businesses pushing up behind them. Those businesses need support and advice to help them grow and reach their potential - that's what our supplement sponsors are here to do.

The Manchester City Region supplement has been a fascinating and rewarding project for TheBusinessDesk.com and thanks are due to our sponsors Santander, Baker Tilly, Pannone and MIDAS, who all share our passion for business in Manchester and the wider region. ■

**Chris Barry**  
editor, *TheBusinessDesk.com*

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# 3

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FOREWORD

# Invest in Manchester



**Tim News**  
*chief executive,  
MIDAS*

AS the inward investment agency for Greater Manchester, MIDAS is charged with promoting the city region as a leading location for business relocation and expansion. Job creation and economic growth is at the heart of everything we do and we're proud to say that during the 2012-13 financial year 4,143 jobs in total were created, safeguarded and relocated with support from MIDAS.

Inward investment is about much more than job creation however; it's about improving the knowledge economy, encouraging innovative and inspiring companies to lay their roots here, and making sure that Manchester is always

at the forefront of pioneering business ideas – leading the way with that oft-quoted mantra about 'what Manchester does today...'

As the world emerges from the shadow of the past five years businesses are increasingly choosing Manchester, and with good reason. Our city region is at the heart of the north of England, with a workforce of 7.2 million people within one hour's commute from the city centre and one of the largest student populations in Europe capable of delivering an experienced and sustainable labour pool.

Organisations as varied and diverse as Aegis, Eon Reality, BNY Mellon and the BBC have already voted with their feet in choosing Manchester, and those are just a few of the recognisable names that have made headlines in recent years. When you drill down

into specific sectors you find excellent examples of innovative companies like Qiagen growing its research and development presence in the area of molecular diagnostics, or Bluestone Global Tech, the New York-based graphene manufacturer which last month announced exciting plans to open a European base at the University of Manchester.

We hope to welcome many more international investors over the coming years and we are committed to providing support and advice to companies looking to establish a presence in the region. MIDAS offers services including a free soft-landing scheme for overseas investors, research and business case support, property solutions and recruitment support. ■

To find out more log on to [www.investinmanchester.com](http://www.investinmanchester.com)

# Fuelling local business ambitions

SPONSOR  
FOREWORD



**Mike Rose**  
*regional  
director,  
North West,  
Santander  
Corporate &  
Commercial*

AT Santander Corporate & Commercial, we have a simple vision. We want to see banking through our customers' eyes. And it starts with the question: what do our customers want?

Our customers have told us they want a relationship with people who take time to fully understand their business – and then propose bespoke solutions. They want a bank that can really help them make a positive step change – whether this means expanding existing

operations or making acquisitions.

In short, our customers have ambitions. We want to act as a catalyst and fuel these ambitions.

We do this, for instance, by continuing to actively lend, even in a tough economic environment. In 2012, we increased funding to SMEs by 18%, supporting more than 5,000 SMEs with £3.4bn of new lending.

And to underpin this commitment to North West businesses, we have a growing team of relationship directors and product specialists. They are all based locally, so they understand local business dynamics. When they meet our customers, our credit partners come along too. It is all part

of understanding how we can give customers a solution that is tailored to their specific needs.

In addition, we have opened new centres across the region because we understand that easy access to our services is important to our customers.

We know that every business person out there has their own ambition. It's what drives you – and us. Let us fuel your business ambition, and together we can achieve your goals. ■



CORPORATE & COMMERCIAL

# 4

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FOREWORD

## A can-do and cohesive approach



**Stephen Chalcraft**  
*partner,*  
*Pannone*

OUR region is emerging as a centre of excellence on the international economic stage. And at the heart of that success is the governance arrangement in the form of the combined authority.

The combined authority is viewed by central government as 'class leading' for its ability to provide a joined-up approach to promoting growth.

We only have to look at how the 10 local authorities pool knowledge and resources to promote the transport agenda, particularly the Metrolink, which doesn't necessarily benefit every single one of them.

The proactive governance adopted by the combined authority has been very attractive to central government when funding infrastructure and development projects in the region. It has also been a big draw to companies looking to inward invest because they know that development activity happens here and infrastructure continually improves.

The combined authorities recognise the importance of the international environment and in order to compete on the world stage developments such as Airport City and Medipark are vitally important in attracting international companies to the region and in fostering international opportunities for local companies.

The city and wider region has been excellent in quickly adapting to change

and knows the importance of first class infrastructure - we successfully lobbied for and won High Speed 2.

We are also very aware of the need for good housing stock on the city fringe in order to attract an educated, skilled and mobile workforce to the city. While at the same time, the city has been good at fostering connections with universities and created the knowledge corridor for start-ups and SMEs.

The region is held up as a beacon of proactivity and excellence in central government and, increasingly, around the world and this is testament to the can-do and cohesive approach to investing in and promoting growth. ■

**PANNONE**  
Solicitors

## Strength in diversity

SPONSOR  
FOREWORD



**Gary Houghton**  
*partner,*  
*Baker Tilly*

THE Chancellor George Osborne announced in a speech last month that the UK economy is turning a corner, with tentative signs of a balanced, broad based and sustainable recovery.

The question is how do we continue to build on Manchester City Region's success?

The region's economy is widely acknowledged for its diversity across a variety of thriving sectors, in particular advanced manufacturing, creative industries and science and technology. Tourism and visitor numbers are on the increase and Corridor Manchester is set to generate economic growth as it works hard to connect those in

universities with businesses that can commercialise knowledge. Access to finance has improved over the past 12 to 18 months, though there is undoubtedly room for further improvement.

Manchester has many strengths. Its professional services, banking and advisory community is recognised throughout the UK and beyond for its excellence. It has a strong and increasingly active private equity community. Overall, I am confident that Manchester provides an environment in which entrepreneurship can flourish. The challenge we now face is how to galvanise the entrepreneurial sector, for it is entrepreneurs who will drive growth and create employment and wealth, not just in Manchester but in the North West and beyond.

At Baker Tilly, we focus on working with entrepreneurial, owner managed

and fast-growing businesses to help them achieve their ambitions. We understand that every business is different and so we take a consultative approach with our clients. We help businesses looking to maximise value by drilling down to the fundamentals of profit improvement, risk management and strategic development, all of which are prerequisites for sustained growth, but can easily get overlooked when entrepreneurs are focused on the day-to-day management.

We want to help the businesses that will play a major part in the future of Manchester City Region's success and are excited at the opportunity to do so. ■

 **BAKER TILLY**

# Giving wings to Manchester's business growth

**T**HE 2011 Census figure put the population at 503,100, making Manchester the country's fastest growing city, and mid-year estimates for 2012 suggested this figure had gone up to 510,800. By 2021 this is predicted to rise to 532,200.

Manchester, along with other southern parts of Greater Manchester with which it is measured, generated economic output worth £32.51bn in 2011 – a 1.5% increase on 2010, according to the State of the City report, published in August and now in its seventh year.



**Stephen Chalcraft**  
partner,  
Pannone

The number of people employed within the city has also gone up from 298,800 in 2010 to 309,400 in 2011, with the financial and professional services sector accounting for more than a fifth (22%) of the city's employees, compared to a national rate of 13%.

To continue this trend, Stephen Chalcraft, partner at law firm Pannone, sees one of the next big issue being the improvement of housing stock in the city to attract "the right people with the right skills".

"We are awash with flats but there is a gap for good family housing. I'm less convinced that younger families want to live 15 miles out in the suburbs – they want to take advantage of what the city centre and the new economy has to offer," he says.

**The fastest growing city in the country, Manchester continues to attract more people and jobs – both vital indicators of the overall health of businesses within the city region.**

**'Manchester is clearly a place where people want to live, work and invest - as well as visit.'**

Indeed, there continues to be a gap between the average weekly wage for people working in Manchester (£433.40) and the average weekly wage for Manchester residents (£362.60). Although this gap has closed slightly, it is the largest wage gap of any of the

Core Cities, the largest English cities outside London.

Manchester City Council leader Sir Richard Leese says that despite some deep-rooted, challenges and squeezed resources, "Manchester is clearly a





**Sir Richard Leese**  
Manchester City Council leader

place where people want to live, work and invest – as well as visit – there are undoubtedly still considerable challenges to confront together and we do not shirk from that"

Pannone's Chalcraft says that although – like any city – there are challenges to address, the city council has been very successful at driving Manchester and the region's economic growth and is "very astute" at spotting trends and being ahead of the curve.

"The creation of the Association of Greater Manchester Authorities (AGMA) back in 1986 is an example of that – pooling the expertise of the wider city region.

activity, as being one of the biggest boons to Manchester and its ability to fund its own transport initiatives.

"If you link High Speed 2 with the Northern Hub, the Metrolink extension and the airport offering it creates a very compelling, internationally attractive proposition."

By 2016, the new Metrolink line will link Manchester Airport to South Manchester and the city centre.

Andrew Cowan, chief operating officer at Manchester Airport Group (MAG), says: "Providing passengers with a range of ground transportation options is vital to bring in people from the region and beyond. We connect 24 hours a day with the rest of the UK through a range of road, train, bus and coach routes. Plus the proposed addition of the HS2 rail link will only open up our catchment area even further."



passenger milestone in May this year and has just enjoyed its busiest summer since 2008.

Yet it still lacks a direct route to China – something of a 'must have' for any city wanting to compete and do business internationally.



**Andrew Cowan**  
chief operating officer, Manchester Airport Group

Cowan says passenger demand is certainly there: "Last year 100,000 people began their journey in the North West and travelled to Hong Kong, while 60,000 went to Beijing, and these are the types of passenger numbers that would support a direct service. It's something we continue to work on and will be supported by our work in the Manchester-China Forum." →

**'The two words inextricably linked to Manchester's continued growth are 'speed' and 'connectivity'.**

"That approach has allowed the city region to attract inward investment and central and European funding. There is a feeling that if funding comes here it will be well spent – Manchester has a great record of outcomes.

"It is successful at seeing where Manchester is going and making sure it has the physical infrastructure in place for that. Over the last decade the city has been transformed – it is the second city now and that's all been about having a focused strategy for growth."

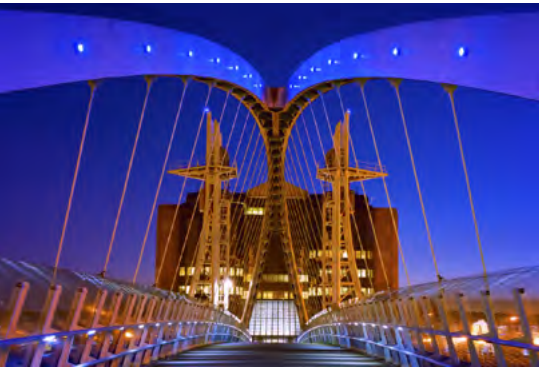
Chalcraft thinks the two words inextricably linked to Manchester's continued growth are 'speed' and 'connectivity'.

"Everything is changing so quickly that you have to be connected. Look at infrastructure provision such as the Metrolink's recent expansion and the way the city has ensured we have the office infrastructure to attract the right workforce."

Chalcraft points to Manchester's City Deal with the government, which allows the city region to keep a proportion of tax revenues created through expected increases in economic

Underlining its importance as an economic engine for the Manchester City Region and the North West, Manchester Airport hit the 20 million





Other routes he says the airport is keen to serve include Bangkok, Shanghai, San Francisco, Miami, Johannesburg and Brisbane.

"The importance of long haul connections cannot be underestimated and international routes have helped play a part in consistent passenger growth here at Manchester," he adds.

MAG works with a range of partners including inward investment agency MIDAS, as well as shareholders in the form of AGMA and Marketing Manchester - where several senior directors sit on the board - and also government agencies such as UKTI.

"One of the reasons we've been so involved in the Manchester-China Forum is to support the growth agenda," says Cowan. "As Airport City and a potential China route progress, we hope to see business traveller numbers increase further. Plus we'd like to hope that through our quality offering, we convert many leisure passengers to pick Manchester as their airport of choice for their business travel, and vice versa."

MAG says its plans to build and develop Airport City, a designated Enterprise Zone, will be a massive growth driver for Manchester Airport and the wider region - forecasts predict Airport City could create up to 16,000 jobs over the next 10 to 15 years.

For Chalcraft, it is the geographical location and physical assets surrounding airport city - rather than its Enterprise Zone status - that will attract business as the region's economy becomes more internationally focused.

"It's the geographical location of the Enterprise Zone that has been chosen wisely. Incentives in themselves are offered elsewhere and business rate relief is not a huge incentive. But there

are simplified planning zones and those are advantages, along with the fantastic location."

Sitting alongside growth in airport passenger forecasts, the project will capitalise on Manchester Airport's combination of location, infrastructure, connectivity and land assets. It draws on Manchester's academic, scientific, and technological credentials, and is supported by the region's communications and transport infrastructure.



**Karen Campbell**  
director,  
Manchester  
Airport Group

Karen Campbell, Airport City director for MAG, says: "Airport City will take Manchester Airport beyond its traditional use as a regional transport hub and transform it into an international business destination in its own right. It will provide a major regeneration opportunity for the surrounding Wythenshawe area and help to further boost Manchester's attractiveness as a major European Business City."

With planning applications approved by the council earlier this year, plans are developing quickly and MAG says it will soon be announcing joint venture partners and the first companies to sign up to space on site. ■

**'Airport City will take Manchester Airport beyond being a regional transport hub and transform it into an international business destination.'**

## Manchester Airport - fast facts

- The third largest airport in the UK and the busiest outside of London.
- It handles over 20 million passengers annually and has an on-site workforce of around 19,000.
- It is served by 65 airlines that fly to over 200 destinations.
- The top five destinations outside of the UK for business travel are: Amsterdam, Dublin, Paris, Frankfurt and Dubai.
- 35% of business travellers that come through Manchester Airport are from manufacturing corporations.
- Healthcare and life science industries make up 11% of visitors, while 8% of international business travellers are from telecommunications, media and technology firms.
- Most international business travellers stayed in the North West (67%), while 16% visited Yorkshire and 4% travelled to both the North East and East Midlands. ■



Source: MAG, 2013





# Business appetite for finance returning

**A**CCCESS to finance is vital for business growth and just how much the banks really are 'open for business', as they say, is an ongoing debate but lending levels and business' appetite for debt is an oft-used marker of broader business confidence.

Tim Allnatt, relationship director at Santander Corporate & Commercial, says that banks have not been operating in a "normal market" in recent years.

"There have been lending constraints across the banks and other lenders but equally there has been a reduction in demand – that is a big factor," he says. "This year, I have seen an increase in businesses that are looking to invest - we are finally starting to see an uplift in confidence."



**Tim Allnatt**  
relationship director,  
Santander Corporate & Commercial

He adds that as a challenger bank looking to double its market share from 5%, Santander has to be transparent about its lending book and proactive in its initiatives to capture new business clients.

The bank has invested in new local offices across the city region – in Stockport, Bolton, MediaCity, Rochdale and out to Preston – it is taking on more asset

finance and invoice finance specialists and, over the next six months plans to double the number of relationship directors it has on the ground in the North West to more than 20.

"We are interested in talking to all businesses – it's not as simple as looking at a balance sheet and profits. We as a bank look at businesses in the round," he says.

"As a challenger bank, we are the fastest growing bank in the commercial sector. Our Manchester lending book grew by 13.6% in the last 12 months – and that's all new lending," he says.



**Gary Houghton**  
partner,  
Baker Tilly

Allnatt also points to Santander's Breakthrough programme as an example of the bolt-on support the bank is providing to fast growth businesses with a turnover of less than £25m.

"The programme has everything from internships to trade missions – we have done New York, Boston and Brazil – and a fund of £200m over five years to support high growth businesses with an attractive product that works a little bit like mezzanine finance," he says.

Access to finance has improved substantially over the last 12 to 18 months, according to Gary Houghton of Baker Tilly, as public and private sector initiatives have come on stream.

"We have started to see people take advantage of that funding over the last nine months or so," he says. "You can create new types of finance through the private sector but there needs to be an awareness of that, which takes time. Some people still think they can't raise finance, so they don't try.

"If you go back five or six years we were doing lots in the IPO marketplace and all that just stopped. There is still a view that public markets are closed but that is not the case at all, there is an abundance of institutional funding

**'Acquisitive businesses need to act while they can still get targets at a good price.'**

available. In addition, Manchester has a superb private equity community."

Debt markets are freeing up and corporates are starting to look at acquisition targets, he adds.

"As prices firm up and asset prices rise, acquisitive businesses need to act while they can still get targets at a good price." ■



**9**

# Top 25 high growth companies in Greater Manchester

Source: Experian Corpfm

	Company Name	Location	Date of Most Recent Accounts	Total Sales £M	Number of Employees	Growth in turnover (% increase)	Growth in employees (% increase)
1	Goldbeech Trading Limited	Cheadle	31/07/2012	£4.07	1	1493%	0%
2	Minstrell Recruitment Ltd	Manchester	31/08/2012	£14.58	17	1031%	n/a*
3	Mainstar Company Limited	Sale	20/07/2012	£2.37	n/a*	603%	n/a*
4	Seemed Healthcare Ltd	Oldham	31/05/2012	£1.66	n/a*	379%	n/a*
5	The Monastery Manchester Limited	Manchester	03/01/2012	£1.32	n/a*	267%	n/a*
6	Westwood Pharmacy Ltd	Oldham	31/03/2012	£1.13	n/a*	219%	n/a*
7	Great Fridays Limited	Manchester	31/12/2012	£3.49	n/a*	203%	n/a*
8	Taylor Engineering & Plastics Limited	Rochdale	30/09/2012	£25.38	205	162%	20%
9	Liberty Sipp Limited	Bury	31/03/2013	£1.56	19	145%	171%
10	Sartex Quilts & Textiles Limited	Rochdale	31/07/2012	£14.31	107	126%	73%
11	Tuscor Lloyds (UK) Limited	Trafford	31/12/2012	£14.89	24	111%	9%
12	AMR Textiles Limited	Bolton	31/03/2013	£18.51	109	100%	73%
13	P P OConnor Limited	Salford	31/10/2012	£16.49	118	97%	62%
14	Ardale International Limited	Manchester	30/11/2012	£18.86	10	91%	43%
15	Gary Fletcher (Surfacing) Limited	Manchester	31/10/2012	£9.37	39	89%	3%
16	CVS (Commercial Valuers & Surveyors) Limited	Trafford	31/12/2012	£14.60	245	83%	153%
17	Granada Material Handling Limited	Rochdale	30/09/2012	£11.18	85	82%	25%
18	Russells Limited	Trafford	30/09/2012	£31.35	68	79%	3%
19	Charmeldon Limited	Tameside	31/10/2012	£1.37	n/a*	78%	n/a*
20	Sanjeev 1979 Limited	Manchester	30/06/2012	£30.53	138	60%	171%
21	Excalon Limited	Salford	30/04/2012	£27.20	181	50%	115%
22	K2 IT Ltd	Stockport	30/04/2012	£40.50	20	44%	100%
23	Deekay Technical Recruitment Limited	Trafford	31/03/2012	£12.03	265	n/a*	1938%
24	Stepping Stone Project	Rochdale	31/03/2012	n/a*	72	n/a*	148%
25	Concierge Legal Services Ltd	Stockport	30/09/2012	£7.68	158	n/a*	84%

**Search Criteria:**

Businesses included in the ranking must be active, independent companies with the turnover more than £1m in the latest period and that have their registered address in one of the ten local authority Districts Bolton, Bury, Oldham, Manchester, Rochdale, Stockport, Salford, Tameside, Trafford and Wigan. Companies that filled their Latest Account Date From 1 January 2012 to 31 December 2013.

Ranked by turnover growth, then employee growth.

**High-Growth Definition:**

All enterprises with average annualised organic growth greater than 20% per annum, over a three year period should be considered as high-growth enterprises. Growth can be measured by the number of employees or by turnover. Source: (Eurostat - OECD Manual on Business Demography Statistics).

\*n/a - the figure was not disclosed or could not be derived

# "OUR BIG PLANS JUST GOT EVEN BIGGER."

Janet Martin, CEO, YourVets

When YourVets wanted to expand, we didn't just support their ambition – we actively encouraged it. They're now on track to double in size over the next 3 years – to see how our Breakthrough programme is helping them do it, go to [youtube.com/santanderukccb](https://www.youtube.com/santanderukccb) If you have big plans, get in touch on [businessenquiry@santander.co.uk](mailto:businessenquiry@santander.co.uk)

## FUELLING BUSINESS AMBITION

 **Santander**

CORPORATE & COMMERCIAL

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a bank for your ideas

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# Marketing the Manchester City Region to the world

**M**ARKETING the Manchester City Region as a tourist destination is clearly different to selling it to inward investors, but either way, there is a job to be done in both changing perceptions and tackling a lack of awareness of the city on the international stage.

When it comes to tourism marketing spend, Manchester gets the best return on investment from Germany, Ireland, the US, Spain and Scandinavian countries.

"But we alter the message for each of those markets," says Paul Simpson, managing director of Visit Manchester – the tourist board for Greater Manchester. "So the US message is about the cultural opportunities, whereas in Ireland and Scandinavia we focus on the shopping and sport. We have also done work in Japan and Australia in the past - and we did a lot around the Commonwealth Games."

China is an obviously large potential market, both in terms of its sheer size and because of Manchester's strong Chinese community, but direct flights to the country have yet to be secured.

"We are working with Manchester Airport and MIDAS on that and there is a genuine interest over there – particularly relating to sport. But there are visa issues to overcome with some of these countries," says Simpson.

"The other challenge for us is the first time a Chinese visitor comes to the UK they want to go to London.

"Business tourism is broadly the same and our competitors are Liverpool, Birmingham and Glasgow. Liverpool has emerged as a destination, now with a conference and exhibition centre, and it is attracting some big conferences."

As Lou Cordwell, founder and chief executive of digital agency magneticNorth and a member of the Greater Manchester LEP, points out: "There are a lot of cities vying for the same business and we have got to cut through that noise," she says.



**Lou Cordwell**  
founder and  
chief executive,  
magneticNorth

Cordwell believes that a top level logo and strapline makes no difference to people's perceptions of a city.

She says: "Marketing and tourism discussions are different to the perception of a place, which is built up through policy and how that affects a place when they visit. How do we →

**'China is an obviously large potential market but direct flights to the country have yet to be secured.'**

think like a broadcaster – live 24/7 – no one is doing that”

Happily, Manchester's marketers and civic leadership understand this difference and is working hard on both fronts.

“We have a lot of the pieces of the jigsaw you need for modern ways to market a city. We have the stories we just need to tell them. We just need to scratch the surface a little bit,” says Cordwell.

But once we've got an international visitor here – be it for business or pleasure – is there the potential for conversion from one to the other? That is, should a leisure visitor be considered a potential inward investor or a conference guest a future holidaymaker?

When it comes to converting tourism and leisure (mobile investment) into inward (fixed) investment, attending a conference or an event does allow that visitor to 'trial' a city, so that prospect could be considered a warm, rather than cold lead.

Admittedly there are several big steps between visiting somewhere and relocating there.

According to Cathy Parker, professor of retail and marketing enterprise at Manchester Metropolitan University, the type of investment that is more likely to come from business tourism is through the purchasing goods and services from local firms that have become networked to new national or international

## Tourism – fast facts

- The number of overnight visits to Greater Manchester rose by 8.4% in 2012 – with 10.3 million people spending a night in the city region.
- They contributed to a £325m+ rise in the value of the tourism industry to the local economy, from £6.2bn in 2011 to £6.6bn in 2012.
- 2,896 jobs were also created during the year – taking the number of jobs supported by the tourism industry from just over 81,000 to almost 84,000.
- Greater Manchester's hotel occupancy rates are 73% - with 20,474 rooms in total. ■



suppliers through conferences, trade shows or conventions.

“Supporting local organisations is a very powerful way to market the Manchester City Region to the world, as they act as powerful and credible ambassadors in the networks they are in,” she says.

From an inward investment point of view, the concern is how the city competes against the might of London and increasingly with other cities outside the UK, all of which are chasing the same international investment?

Stephen Chalcraft, partner at law firm Pannone says: “There will be a tendency in this climate for inward investment to migrate to London. How do we tackle some of the innate advantages that London has got?”

Investment in the UK is London-centric so the answer has to be to piggyback on that success and make Manchester the default place of choice outside London, if investors interested in the UK find London too expensive.

Manchester is known on the world stage, not just through the efforts of organisations such as inward investment agency MIDAS, Marketing Manchester, the Association of Greater Manchester Authorities (AGMA), Visit Manchester, the council and airport but mainly because of things like the city's industrial heritage, football clubs [see p13] and music.

Angie Robinson, chief executive of the Manchester Central convention complex, says: “We are what we have been. If we were not an industrial heartland I would not have this train shed to sell with the canal running along its side. One thing we have done so well is bring our ancient infrastructure and you see that alongside new, edgy architecture.”

Manchester's brand: Original Modern is, says Simpson, “a way of working and thinking, not a slogan or logo. We still use the phrase – it is a way of tackling the perception that it is just an industrial town.



**Paul Simpson**  
managing  
director, Visit  
Manchester

“It tackles both ends – we do have a strong industrial heritage but also we are a modern, contemporary city.”

The city has a hugely diverse cultural offering - something the acclaimed Manchester International Festival highlighted again this year, as well as a strong retail offering and one of the world's busiest music arenas.

Stephen Miles, general manager of the Radisson Blu Edwardian and chairman of the Manchester Hoteliers' Association, says: “I do a lot with the music business and these days artists make their money from tours. In Europe, Manchester as a venue is second on their list”

But it is football that seems most synonymous with the city these days though, thanks to the global reach of Manchester United and increased profile of Manchester City, since the Abu Dhabi takeover in 2008, which has brought in hundreds of millions of pounds of investment to the team and local infrastructure.

Simpson says: “Our challenge is to get people to understand that there is more to the city than Manchester United but having the name Manchester in one of the major global sporting brands is a big help – and we are seeing that replicated with the rise of Manchester City.” ■



**Professor Chris Brady, co-director of the Centre for Sports Business at University of Salford, on the value of having two of the world's biggest sporting brands in one city.**

# A City United by sport

**S**INCE the inception of the Premier League in the 1992/93 season, with its ever-increasing broadcasting revenues and genuinely global reach, Manchester has achieved a level of awareness on the back of Manchester United's success. With the more recent emergence of Manchester City the Manchester brand has grown even stronger.

Together the two Manchester clubs now have access to every market in the world and riding on the back of that access is the city of Manchester itself. Where Merseyside's tourist bait is the Beatles, Manchester's is football. As a consequence, Manchester is now Britain's most successful sporting city.

In a recent research report published by the Sport Industry Research Centre at Sheffield Hallam University and Cambridge Econometrics it was estimated that football contributes in the region of £330m in gross value added (GVA) to Greater Manchester's economy.



**Professor Chris Brady**  
co-director,  
Centre for Sports Business,  
University of Salford

According to the report, the global profile that Manchester receives from football is worth over £100m

a year on an advertising-equivalency basis. If everything continues as it is for the next 20 years this could be worth in excess of £2.5bn to Manchester's economy.

What is clear is that the profile of the Premier League and its two leading clubs provide large football-related revenue for the local economy. Hotel occupancy rates, and prices, for example, are up by an average of 10% to 15% on match days.

Not only are there direct benefits but also football raises the global recognition of the city, attracting not only visiting football fans, but also investors and skilled workers from sectors far wider than sport alone.

As Professor Simon Shibli, co-head of the Sports Industry Research Centre, explained, "[Football] contributes immensely to the city's financial, cultural and social capitals."

Other real beneficiaries of the football effect are the city's universities. The

number of students attracted to Manchester as a consequence of football has yet to be quantified but research carried out by the Welsh Economy Research Unit at Cardiff University in January 2013 states that: "Swansea University has seen a record 25% increase in applications for entry in September 2013 [when Swansea City joined the Premier League], 4% higher than the previous record high in 2010, at a time when there are concerns about numbers of applications nationally".

It is reasonable to assume that if a relative newcomer to the Premier League can show such results then the Manchester effect will be even more striking.

Manchester itself has also become a magnet for media and sports related industries a fact which, according to the report, made it obvious to relocate BBC Sport with the wider move of the BBC to MediaCityUK, even at a time when the Olympics were due to be hosted by London.

Sport and media, as sub-sets of the leisure industry, are the only ones that economists generally agree are guaranteed to grow over the next two decades and Manchester has got the biggest brands for awareness of that in one place with United and the BBC. ■



## Manchester Central - an eye on the rest of the world

**T**HE boss of Manchester Central says it is celebrating a record turnover for 2012/13, and is confident its strategy of targeting international conferences will further boost its success.



**Angie Robinson**  
chief executive,  
Manchester Central

Manchester Central's turnover hit £12.6m for the year ending March 31, 2012 and chief executive Angie Robinson says yet to be published figures for 2012/13 will show a record breaking year.

Chief executive  
Angie Robinson

says: "We have seen a resurgence in public exhibitions but we have a robust, mixed portfolio with trade exhibitions, corporate events, banquets and dinners. We have a strong national conferencing business and an increasingly strong international business, which is a key area of growth for us."

The conference and exhibitions venue, which recently underwent a £30m redevelopment programme, employs 118 full-time staff and held 140 events last year.

Robinson is aware that it's not just volumes that are important but profitability.

"We have made changes to improve customer service and brought in technology such as free wifi and channelled resource to the front end.

"I put some of our growth down to business confidence but also to the huge changes we have made here, aggressively pursuing business and improving our services - when I came in two years ago there was one person on marketing. Since then we've invested in marketing, sales and customer service."

Robinson has also instigated a strong environmental agenda: "I'm not doing it to hug trees, but because environmental improvements make a massive difference to our energy bills and that has an effect on the bottom line," she states.

Environmental changes equate to a £100,000-a-year energy saving and that will grow to £250,000 in the next couple of years.

Robinson adds: "If we can do all of that in a Victorian train shed then anyone can do it"

Wider economic impact is another performance indicator for the venue. Conferences and business events across the city region generate £822m for Greater Manchester's economy, attracting over five million visitors a year, supporting approximately 22,000 jobs.

"We communicate with local businesses, such as coffee shops, →

## Radisson Blu Edwardian plans direct walkway to Manchester Central

THE Radisson Blu Edwardian Hotel in Manchester city centre has revealed soon to be submitted plans to build a walkway that will directly connect the five star hotel to its near neighbour Manchester Central.

The development will form part of a multi-million pound expansion to create banqueting facilities at the hotel, with work due to commence in the first quarter of 2014.

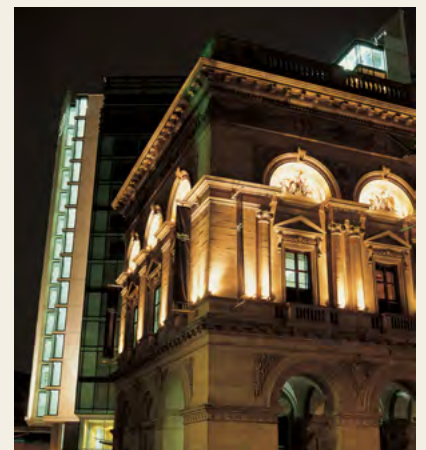
Edwardian Group bought the historic Theatre Royal building next door for an undisclosed sum last year.

General manager Stephen Miles says: "Crucially, it will provide something the city needs - an upmarket 800 seat ballroom facility.

"It will include 10 signature suites, a restaurant bar on the roof and will be pedestrianised between the two buildings for one entrance."

The Theatre Royal opened in 1845 and is thought to have been an inspiration for the exterior of the Royal Opera House in London's Covent Garden.

Its façade on Peter Street has remained largely unaltered. In the 1920s it was re-modelled as a cinema and since then has had various uses including a bingo hall and a latterly a nightclub, before being abandoned several years ago. ■







so they know about upcoming events and can plan to put on extra staff accordingly," says Robinson.

The city has been hosting political conferences since 2006 and getting the city seen on TV, which has been made easier with the BBC's move to MediaCity, all helps to change perceptions.

Visit Manchester's Paul Simpson says: "The Conservative Party conference in Manchester is important not just in terms of spend but in getting influencers and decision makers here to see the city.

"Each political conference is worth £15m to £20m – that is undoubtedly important but so too is establishing those closer links with government"

Currently, 8% of Manchester Central's business is international but the venue

plans to grow that figure to 15% in the next three or four years and then 20% by 2020.

"International business has a profound economic impact. It means people see Manchester and not just come for business but will bring back their families and stay longer," says Robinson.

Cathy Parker, professor of retail and marketing enterprise at Manchester Metropolitan University says that international conferences are seen as the 'holy grail' of business tourism.

"When people have to travel here from abroad they spend more money (on hotels, taxis, meals out, sightseeing and even souvenirs). However, at the moment international conferences and meetings only account for about 3% of all business events; local and regional conferences and meetings are the most common," she says.

According to the International Congress and Convention Association, Manchester is ranked 78th as an international conference venue in the world and 42nd in Europe, compared to Liverpool's ranking of 134th and 71st. However, Manchester does not fare so well against its comparison group of 'second tier' cities, with Amsterdam, Hamburg, Oslo and Zurich all attracting more international business events.

Parker adds:

"Many conferences rotate their venue which means it is a hard market to be in – as you are not necessarily going to get repeat custom from the various societies and associations that host conferences; so even though the spend per visitor may be lower the more local and regional events may be worth a lot more in terms of 'lifetime value' to the city."



**Cathy Parker**  
professor of retail and marketing enterprise, Manchester Metropolitan University

She thinks Manchester may be better concentrating on its loyal local and regional market – adding that a great way to do this and grow business tourism is to support local organisations hosting international events.

Simpson points to Manchester's Conference Ambassador Programme, which supports individuals based in the city-region who influence their own professional associations and groups.

He says: "It's linking in with university researchers and professors and leading minds to bring their associations into Manchester. We work with those professionals and their associations to bring their conferences to the city." ■

## HotelFuture

THE £30m HotelFuture scheme in Oldham will see the creation of a new 144-bed hotel with convention and spa facilities that will be used as a national hospitality training academy.

Courses on offer would range from around 100 apprenticeships a year to executive management courses provided by Oxford University and Cornell University, among others.

Stephen Miles, general manager of Manchester's Radisson Edwardian hotel is heavily involved with the scheme in his role as chairman of Manchester Hoteliers' Association.

He says: "It is one of the most revolutionary initiatives in vocational training that there is. It's

for apprentices, so people can learn and be paid at the same time, but also for the retention of team leaders and people who have been in the business four or five years, so will include management and executive programmes – it's not just for school leavers."

He also says the hotel is a commercial operation that will "succeed on its own merits". It has the backing of 40 hospitality brands such as Hilton, Malmaison, Marriott Carlson, Rocco Forte and Radisson Edwardian.

"This is a very serious undertaking with major backers and qualifications gained at Hotel Future will be respected not just in the UK but throughout the world," he adds.

In the longer term, Miles hopes the scheme will be rolled out to eight to 10



other locations in the next five years.

Paul Simpson, managing director of Visit Manchester, says the development will challenge the perceptions of the hospitality industry and show it's a sector that can offer a long-term career path.

He adds: "There is a perception of the sector that they are low value, entry-level jobs such as waiting on and porters. We need to address that through a perception shift – so people are entering the industry as a career choice." ■

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MMU's new £75m business school and student hub



# Knowledge transfer for growth

**B**E in no doubt: Manchester City Region's universities are a home to ground-breaking, world-beating research and development.

But to unlocking greater city region growth there is a continued need to better connect those universities with business and to commercialise that knowledge for the benefit of all.

At a macro level, that's what the universities and the city region as a whole is working hard to achieve, through the creation and development of Manchester's knowledge corridor, for example.



**Stephen Lintott**  
partner,  
Pannone

Corridor Manchester is a partnership between Manchester City Council, the University of Manchester, Manchester Metropolitan University, Buntwood and the Central Manchester

University Hospitals NHS Foundation Trust to build on their investments and generate economic growth in the 243 hectare area running south from St Peter's Square to Whitworth Park along Oxford Road in Manchester.

Stephen Lintott, partner at law firm Pannone, says: "Manchester did the right thing a long time ago. Manchester Science Parks has been up and running since the 1980s. The structure we have now put in place with Corridor Manchester, including the main science park campus, has laid a good foundation.

growth. The success of the science park comes in its ability to match companies with the offering, allowing them to grow from incubator space to bigger premises to meet the tenants' business needs."

He points to listed European data centre provider Telecity - founded at Manchester Science Park in 1998 - which today has a market value of around £1.6bn. Two years ago Telecity bought another science park success story, UK Grid, in a deal worth £11.7m.

The company, which has four sites

**'Manchester did the right thing a long time ago. Manchester Science Park has been up and running since the 1980s.'**

"I've worked with the science park for 20 years and in that time it has grown tremendously. The council has now brought in Bruntwood as a key private sector provider able to bring further

around Greater Manchester, says it has expanded in Manchester more than any other city because of the activity it is seeing in the city region and at the science parks.



**Rowena Burns**  
chief executive,  
Manchester  
Science Parks

"Manchester Science Park's continued success will be a big part of the growth we see in the next 15 to 20 years and I think we have made a fantastic start," added Lintott.

Rowena Burns, who was appointed as chief executive of Manchester Science Parks in October 2012, says: "In the last four years, right through the recession, both life sciences and technology have continued to grow year-on-year and that continues.

"I'm one year in at the science park and that growth demonstrates the skill and also the habit of partnership we have and that is one of the single most important things to take us to the next level."

Graham Bond, northern head of media and technology for accountant and business advisory firm Baker Tilly, is involved with the annual BioCap conference, the only specialist life science investment and showcase conference in the north of England, run by the bioscience membership organisation Bionow.

Held mid-September, it brought together 160 delegates including international investors and companies both seeking finance and with a track record of raising finance, with presentations from companies including Blueberry Therapeutics, Glythera and Euprotec.

"People say time and again they 'didn't realise the wealth of talent and business in the north' and we are a hub for that in Manchester. There is still a job to be done in trying to get people from London to see the wealth of talent and business in the north," says Bond.



Burns adds: "In the UK, 90% plus of all medical research expenditure is in the South East – you don't have to turn that very far at all to make a huge difference."



**Graham Bond**  
northern head  
of media and  
technology,  
Baker Tilly

Strategic planning to create the right conditions for businesses of all sizes is undoubtedly crucial for growth but engagement and knowledge transfer starts with one conversation between a university and a business.

Mark Ratcliffe, head of knowledge exchange at Manchester →

**'People say they 'didn't realise the wealth of talent and business in the north' and Manchester is a hub for that talent.'**



## University of Manchester raises £300m in bond issue

THE University of Manchester has raised £300m in a bond issue that was four times oversubscribed.

The bonds, which are due to be paid back in 2053, were rated Aa1 by Moody's and sold on a yield of 4.25%.

The funds will be used towards the university's £1bn Campus Masterplan, which was announced last year.

Phase One of the masterplan, costing around £700m, is scheduled for delivery between 2012 and 2018.

It includes plans to build a new Manchester Engineering Campus Development, new centres for the School of Law and Manchester Business School, a major refurbishment of the university library and the Students' Union and a new Medical School.

Outline plans have been drawn up for a second phase which is expected to cost around £300m and would be delivered between 2018 and 2022. It will include a Biomedical Campus, a new health centre, and refurbishments of the Schools of Computer Science, Earth, Atmospheric and Environmental Sciences, Mathematics and Chemistry.

The university, which in 2011-12 had total income of £807.3m, has more than 40,000 students and around 9,000 staff.

Meanwhile, Manchester Metropolitan University (MMU) is close to completing its radical expansion and redevelopment.

Its has invested more than £350m to provide state-of-the-art, environmentally-sustainable buildings and facilities at MMU, with all work due to be completed in 2014.

Some of the investment includes the completed £75m business school and student hub (see picture p17) along with a £34m investment in MMU's Manchester School of Art buildings and equipment.

Work is still ongoing on the new £139m Birley Fields campus in Hulme, where the Faculty of Education and the Faculty of Health, Psychology & Social Care will be based from September 2014. ■



Metropolitan University (MMU), says it is committed to being open to business and responsive but that it constantly needs to market that message to businesses.

"Businesses are bombarded with messages everyday and it is easy to forget, so we have got to constantly refresh their minds and engage and reach out," he says.

The university does this through advertising, business focused events with partner organisations and has recently launched its Kick-Start voucher scheme, which offers a £5,000 discount.

"It's a scheme we devised ourselves where if the work we'd be doing is valued at more than £10,000 we will discount it by £5,000 – we hope it will



**Mark Ratcliffe**  
Manchester  
Metropolitan  
University

allow businesses to dip their toe in the water with the aim of working with them again in the future."

A Knowledge Transfer Partnership (KTP) is one of the most tried and tested schemes for businesses to work with a university. But Ratcliffe admits they can be big projects that are several months in development and so are expensive to run.

"Kick-start is much quicker, which is why we introduced it, and also the funding for KTPs has been impacted in the last two years," he adds.

"The breadth of what we do is so wide and that is part of the problem of getting the message across. With business, law, art, design, SME support, healthcare, aviation/transport – there is so much going on so we try to present it in a way that business can identify with – that's why KTPs and the Kickstart vouchers are an easy way to plug in."

The university also runs the prestigious and transformational Goldman Sachs 10,000 Small Businesses programme in the North West, which is free for those businesses that successfully apply.

Ratcliffe concludes: "We are aware that universities can seem daunting to engage with. If you go to our website we have one number to call and one enquiry form that comes to a central place and we will do all the hard work to find the right people for that business to work with." ■

## US graphene firm chooses Manchester for European HQ

BLUESTONE Global Tech, a New York-based graphene manufacturer, is to open a European base at the University of Manchester as part of a £5m collaborative research partnership.

The partnership will allow the university's academics to work closely on research projects with Bluestone, with the aim of producing the next generation of graphene applications.

As well as providing graphene for research projects, Bluestone will also open a pre-production facility and offices at the university to work with "leading consumer companies", before setting up larger European headquarters and a pilot production plant in Manchester.

Graphene was first isolated at the University of Manchester by Andre Geim and Kostya Novoselov in 2004, earning them the Nobel prize for Physics in 2010.

Work has now begun on the £61m National Graphene Institute (NGI), which will provide a centre for industry and academics to work on emerging graphene applications. The deal with Bluestone marks the first strategic partnership of the NGI.

Bluestone, which has labs in New York and Taiwan, is leading the emerging graphene market, providing mass production of high-quality 2D materials to enable the commercialisation of graphene-enhanced applications such as advanced displays, flexible electronics, energy storage materials, and cosmetics.

Bluestone joins Graphene Industries and 2D-Tech, the university spin-out companies supplying graphene and other 2D materials around the world.

Stephen Lintott, partner at law firm Pannone, says

activity around graphene will prove to be a great example of Manchester's ability to foster small R&D start-up businesses as they start to take advantage of its huge potential.

"It's about keeping the ideas here and making the most of them in the local environment – that's key to the growth strategy," he says.

Professor Colin Bailey, dean of the Faculty of Engineering and Physical Sciences, says: "It's clear that their decision is based on the wealth of knowledge we have at the university, with more than 100 scientists and engineers working on graphene and 2D materials. This partnership will help in the commercialisation of graphene creating further jobs in Manchester which will be of benefit to the UK economy."

Bluestone's chief executive Dr Chung Ping Lai says: "The increasing demand for our materials and expertise in Europe has prompted our decision to establish the Bluestone Global Tech brand in Europe with the setting up of its operation in the UK.

"The link with the University of Manchester and the National Graphene Institute is integral to our strategy of working with our customers to bring products and processes from the lab to the workplace. With our long-term commitment and cooperation with the University of Manchester, BGT will have access to a critical mass of world-class research talent, facilities and resources and we are very excited to be located at the home of graphene." ■



# Salford Uni to benefit from Santander partnership

THE University of Salford has signed a partnership agreement with banking group Santander, which will provide funding for overseas scholarships and support for student entrepreneurs.

The partnership is worth more than £50,000 a year for the next three years and will include 15 annual scholarships enabling students and researchers to study at partner institutions in the Santander Universities network in the UK and abroad.

Santander has donated an additional £28,000 for the first year to go towards a range of projects, including financing 10 Salford students to carry out UK and international internships with potential new business partners of local small businesses.

The scheme will also fund support for student and staff entrepreneurship and social business activities, such as incubator spaces for the development of new business ideas and pitching events and competitions.

Salford is the latest member of the

Santander Universities network, which now incorporates 67 UK universities and more than 1,000 academic institutions from Latin America, Asia and Europe. In addition to financial support, membership of Santander Universities provides collaboration opportunities and encourages interaction and partnerships between member institutions.

Luis Juste, director of Santander Universities UK, says: "We are looking forward to working together in promoting international mobility, supporting enterprise and entrepreneurship and to be able to contribute to the university's excellent work within social business and the local community."

University vice-chancellor, Professor Martin Hall, says: "The funding boost will enable a range of scholarships and initiatives to come to fruition to



Luis Juste, director of Santander Universities UK, (left) signs the partnership agreement with Professor Martin Hall, University of Salford vice-chancellor.

support our new strategy for the future, and we are proud to be joining this growing community of UK and international universities. This will facilitate important and exciting new international opportunities for our students and our academic staff."

The agreement also involved the opening of a Santander Bank branch on the university's Peel Park campus in September. ■

## Education providers boost serviced office take up

THERE has been a notable increase in the size of serviced office space being rented by businesses in central Manchester, supporting the notion that confidence is finally on the increase amongst businesses in the city region.

The average number of workstations rented per business increased from 6.9 in the first seven months of 2012 to 9 in the same period this year – a 30%

increase, according to research figures from officebroker.com.

This means that despite a 15% decrease in the number of individual

business moving to serviced office space compared to 2012, the amount of serviced office space rented in Manchester city centre has still increased 11% on last year.

The researchers say this is due to the increase in training and educational suppliers moving to the area, who require both office as well as training space.

Chris Meredith, chief executive of officebroker.com, says: "Manchester's serviced office has seen positive progress over the last 12 months, a lot of this has been due to the city's burgeoning knowledge economy - in particular it's educational and training suppliers.

"Educational suppliers require an above average space to deliver

training programs for businesses already operating in the city centre. Hence, the more space they procure, the greater the demand they are in.

"Training suppliers have also been establishing centres for businesses located outside central Manchester, taking advantage of the city's good transport connections to provide an easily accessible training hub."

Manchester city centre has a large supply of serviced office space with 46 business centres, and this capacity has meant that rental rates have remained stable.

In fact, the average rental rate was £207 per workstation in 2013, a slight reduction from the 2012 price of £213.

What's more, the average tenancy agreement increased from eight months in 2012 to 10 months this year – yet more evidence of the increase in business confidence. ■



**Chris Meredith**  
chief executive,  
officebroker.com



# Investing in the Manchester City Region

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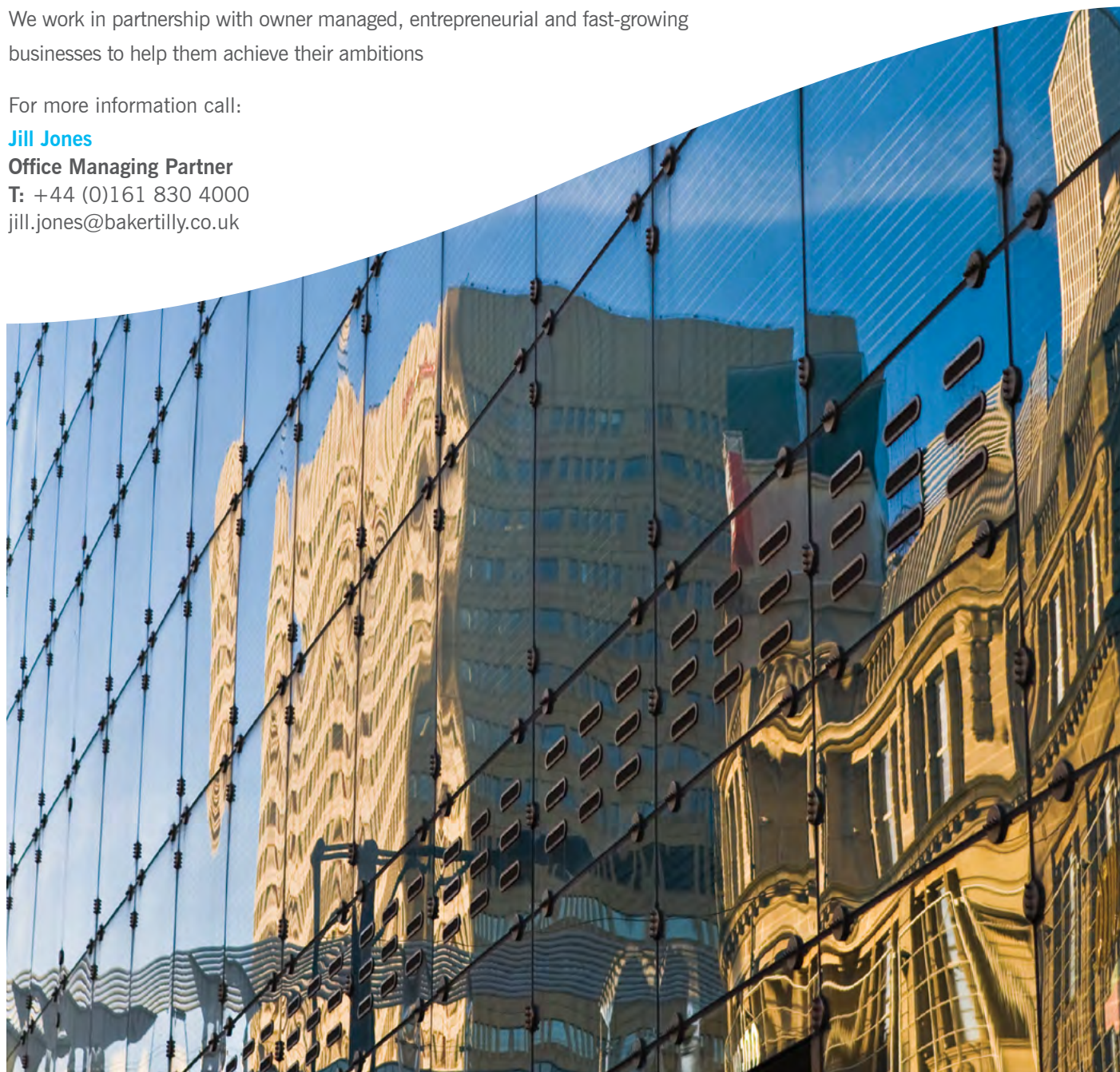
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# The creative and digital opportunity

**MediaCity and The Sharp Project, together with other digital hubs in Greater Manchester, have had a game changing, catalytic effect on the growth of creative and digital industries across the city region.**

**T**HE impressive looking MediaCity, owned by North West property giant Peel, is home to the University of Salford's digital learning, teaching and research space; 2,500 BBC staff across 26 departments including Children's, Learning, Radio 5 live, Sport, Radio Manchester and Breakfast departments; and now ITV, which has moved 500 staff and rebuilt its Coronation Street set on site.

More than 130 companies are located at MediaCity, employing 6,000 people, and it still has the capacity to expand several times over.

But it's not just for big businesses - MediaCity has become home to a vibrant SME community, many of which are housed within The Pie Factory, the Greenhouse and in The Landing, with access to technology platforms, usability test facilities and edit suites that would ordinarily be out of reach for small and micro businesses.

Meanwhile, the £16.5m Sharp Project, launched in Newton Heath two years ago, is home to more than 50 digital entrepreneurs and production companies. It is based in a 200,000 sq ft refurbished warehouse previously occupied by electronics company Sharp. Occupancy stands at 79.5% and by its

first full year it had created 375 full-time equivalent jobs.

Earlier this year, Manchester City Council set up a holding company for The Sharp Project and two other related schemes. It said the venture will act as a "mother brand" for Sharp, One Central Park - bought by the council to accommodate 3D specialist Eon Reality [see p26] - and the former Fujitsu base in Gorton, with the aim of creating new employment and businesses opportunities.

The Fujitsu building is undergoing an £8m makeover to turn it into a drama production base. Work has begun and although the official handover date for the building is May 2014, the first businesses will be in by February.

The three sites will have more than 450,000 sq ft of floor space dedicated

to creative digital businesses that could create up to 1,300 jobs over the next three years, according to the council.

The new, as yet unnamed, holding company will provide strategic direction to the digital sector, harness the activities of a range of agencies involved in this sector, identify gaps in provision and bring forward new strategies to fill them. It will also be responsible for managing the three sites.







**Sue Woodward**  
director, The Sharp Project

Sue Woodward, director of The Sharp Project, is clear that although distinctly different, Sharp and MediaCity complement each other well, collaborate effectively and adds that together, they are better than the sum of the parts.

"MediaCity is a giant corporate entity. If you are a big corporate then MediaCity is a no-brainer but if you want to be in a closer community then we are the natural choice.

"We are not anti-corporate but are counter corporate. The businesses at Sharp have looked at MediaCity and decided it is not for them. We are an entirely different offer and a counter balance."

MIDAS, Manchester's inward investment agency, says its aim is to attract new investment from overseas and outside of Greater Manchester and to support existing investors to build capacity and become increasingly competitive on an international platform.

"That means being able to offer a choice of locations to suit all needs and budgets, to expose opportunities within the supply chain and support the development of skills in a sector that

is rapidly changing," says Sarah Kemp, executive director at MIDAS.

She gives Chicago-based ThoughtWorks as an example of a strategic win that initially only created 15 jobs when it based its data analytics and web-design function in the city in 2011, but has seen a steady growth in job numbers ever since and today employs around 30 staff in the city.

Graham Bond, northern head of media and technology at Baker Tilly, says that supply services need to be part of the ecosystem around a cluster like that at MediaCity.

"We have big power houses like the BBC and ITV but we need to ensure supply services are based there too - they need to be real offices, not virtual ones. But we are starting to see that happen," he says.

He adds that advisory firms have an important role to play when it comes to nurturing growth within the sector.

"We can help to take the mindset of a creative business and make it commercial and business-focused, with an eye on rapid growth. Creative individuals who have real talent often need structure around them - that's where we come in.

"We can help them think strategically, with a focus on the long term and an understanding how you create value:"

A study carried out for the Northwest Regional Development Agency in 2010, showed there to be 31,000 creative and digital businesses in the North West, employing 320,000 people - with the Manchester City Region having an estimated 60% share. However, these figures have grown significantly since and don't reflect the sectors expansion into areas such as digital health, financial technology and sports technology.

MIDAS' Kemp says: "A significant crossover into the ICT sector has meant that digital and creative industries have enjoyed a double digit growth rate."

She points to success stories in the region such as DRL, the owner of ao.com, The Hut Group and Entertainment Magpie, all of which are showing very strong growth, which may not be considered digital or technology businesses by some.



**Sarah Kemp**  
executive director, MIDAS

Many industries are seeing a blurring of the lines between traditional SIC industry codes, with technology creeping in and impacting on so much of what we all do.

Paul Bason, director of Creative Manchester and leading digital



## Salford Uni launches digital centre

SALFORD Business School has set up a research centre dedicated to working with companies to ensure they are making the most of opportunities available through digital technologies.

The Centre for Digital Business, based at MediaCity, brings together a team of academics who are internationally-recognised for research into the impact of the digital world on business, society and culture.

It aims to be a point of contact for local organisations looking to maximise the use of digital strategies, information management, information security, privacy, digital marketing and much more to remain competitive.

Dr Marie Griffiths, centre director, says: "Whether it's social media, electronic product tracking or internet retail, digital technologies and applications are no longer something which businesses can 'bolt on' as an afterthought - they are absolutely crucial in ensuring they can operate efficiently and thrive in the current economic climate.

"Our current research projects cover a wide range of real business and society issues. For example, we work on a number of consultancies such as with Tameside Council, where we are helping to bring empty housing back into use by employing social media to engage with absentee homeowners:"

Other organisations the centre is working with include The Big Issue In the North and the Frost Foundation, a charity that helps local disadvantaged children.

Griffiths says: "The vast majority of businesses out there are smaller businesses. They don't have social media resources - many don't have any idea how to tweet - that's our target audience and we are working with a few companies to embed a social media strategy."

The centre also has a growing reputation in its delivery of commercial course that are derived from its degree courses. ■

innovation at Manchester Metropolitan University, says it is no longer the case that digital technology just happens in computing departments.

"There's really a lot of interest across MMU for disciplines to work together and the unifying factor is often the digital technology.

"Technologists often find that they need people with creative ideas to collaborate with. Similarly, people working in art and design find they need expertise in web design or other aspects of technology. Bringing together all these different elements and adding creative business thinking begins to reflect how real digital businesses work."

The university's [Digital Innovation website](#)  was set up to reflect this.

"It's about cross-disciplinary work and Digital Innovation is a catalyst for this cross disciplinary work. It's about education, research and business," he adds.

This technological revolution continues to manifest itself across the broad

"Never before have we needed to be preparing young people for jobs and skills that may not exist yet and for a university, that raises some unique challenges," he says.

"This means that students need to be good at some of the softer skills like people management and being able to cope with change."

The skills agenda is clearly a worry to Sue Woodward: "Since the start of Sharp I've been saying we need to raise the skill base for these areas - we are still in the race with the Far East and the rest of Europe, but only just.

"The cities that invest the most in their skills base will accommodate that growth. We can bring big companies in to Manchester but [in terms of skills] we are at bursting point - we are soaking up the skill base already and there is a gap in the market.

"We are still not retaining enough talent and are not acting fast enough to get a 12-year-old today skilled up by 18. We have to have an acceleration or parallel



## Creative and digital – fast facts

- Manchester's ambition is to be a top 20 digital city by 2020.
- There are 10,000 students in digital and broadcasting studies across five universities in the region.
- Manchester is the second largest hub for digital and creative in Europe, after London, with twice the growth rate of anywhere else. ■

**'Where we get strong sector convergence, such as with digital and healthcare, new industries can be created and provide significant growth for the city.'**

based Greater Manchester economy, with areas such as healthcare a huge opportunity for the city, both in terms of e-health and m-health.

Tim Newns, chief executive of MIDAS, says: "Where we can get strong convergence between sectors such as digital industries and healthcare, new industries can be created which can provide significant growth for the city.

"We are already seeing this with investments from Allscripts, an e-health solutions specialist; and GSK with regard to the groundbreaking Salford Lung Study project, the largest clinical real-world trial it has undertaken globally."

Being able to meet the needs of employers from a workforce skills perspective is crucial to fulfilling the potential this sector has to boost Manchester's growth, but MMU's Bason says matching the sector's pace of change does bring new challenges for educators.

track. But how do we fill that gap in the meantime for the six-year growth strategy?"

The problem is not one just Manchester faces but one for UK Plc, she adds.

"In Estonia they teach code to kids of seven or eight while Korea and Singapore are able to churn people out with the requisite skills. We need a change at national government level – not just a tinkering around the edges."

Scott Fletcher, chairman and founder of £50m turnover UK cloud infrastructure specialist ANS Group, shares the sentiment.

"As an employer I find that time and time again young people aren't leaving school with the basic social skills they need to begin a career in a tech sector and I know other employers think the same"

ANS employs 12 apprentices and plans to employ a further 32 over the course

of 2013. Later this year, the company will launch the ANS Academy, which Fletcher says will provide opportunities for young people in Manchester to begin a career in the IT industry.

Announced earlier this year, the government has said that its re-designed curriculum for five to 14-year-olds, is designed to make the UK compete with the best education systems.

Fletcher identifies the introduction of coding into the school syllabus as the strength of the new curriculum.

"This is something we have campaigned for over a long period of time," he says.

Children as young as five will be taught algorithms and the ability to design simple programs. By the age of 11 they will be expected to 'design, use and evaluate computational abstractions that model the state and behaviour of real-world problems and physical systems'.

"We should also focus on typing skills from an early age. It is astonishing how many high-grade programmers continue to ply their trade with a ham-fisted, two finger technique," says Fletcher. ■



**Scott Fletcher**  
chairman and founder, ANS Group





in Manchester, with individuals who are real thinkers in all sectors who combine to create an amazing talent core.

"This is particularly the case within the digital sector and in areas like The Northern Quarter and The Sharp Project, these are some of the jewels in Manchester's crown, which all come together to create this melting pot of raw talent and digitally aware individuals who will have an important part to play in 'Tomorrow'.

"Manchester is also home to fantastic companies such as Hyper Island who help to evolve these talented individuals, who come to Manchester from all over the world, and challenge the usual approach to find innovative and pioneering solutions for real and global companies across all sectors.

"The technology that Tomorrow brings will provide people with capabilities to do what is currently deemed as impossible, changing the way

# Top secret 'Tomorrow Project' moves closer

**A** COLLABORATION of global companies is to base its European headquarters in Manchester, bringing a groundbreaking technology to the city.



**Atul Bansal**  
co-founder,  
Sheila Bird  
Group

The consortium behind the high-tech, top secret Tomorrow project has signed 10-year leases on 180,000 sq ft at more than 20 locations.

Its technology is described as being able to "facilitate collaborative

problem solving, new product/service development and commercial innovation".

Andrew Timms, director at Edwards & Co, was appointed to acquire and advise on the Manchester portfolio, as well as handle a future roll out in London.

He says his clients had looked at all parts of the world, including South East

Asia, but it came down to Europe and an English-speaking country. Capital cities were considered but in the end Manchester "ticked all the boxes".

He says: "The clients have chosen Manchester because it's got MediaCity, the science parks, and the universities. The talent here is one of the major drags.

"They're not just opening a business but delivering a concept that will go to other cities and they knew Manchester was a key city where they could start it off"

Atul Bansal, co-founder of interior design practice the Sheila Bird Group, has worked on the project for the past two years as the design director.

He says: "It's been an amazing and unusual project to work on, which has been really challenging. It is incredible to work with a client who is as brave and pioneering as this with the end result creating a shift in what we know and how technology is currently used.

"It is important to understand and appreciate the level of vibrant, commercial and digital talent that exists

businesses use technology and taking them to the next level"

Thirteen of the buildings involved are: The Hive, 47 Lever Street; 1 New York Street; Chancery Place; Orange, MediaCityUK; One First Street; The Peninsula Manchester; Riverside, New Bailey Street; 304 Bridgewater Place; Towers, Manchester; Booths Park, Knutsford; Citylabs; 196 Deansgate; Manchester Science Park.

Timms says: "We have approached location-mapping the Tomorrow acquisitions the same way you would a coffee franchise. Each of the buildings has been carefully selected in areas where there is a strong, critical mass of occupiers and businesses. Having one of the offerings only a short walk from the workplace will maximise accessibility and localism, enabling far more companies to benefit from this technology."

Those involved were unable to give an indication of timescales for the project's official launch. ■



# Eon Reality sets up coding school for 3D future

**E**ON Reality opened its Manchester base in March, promising to make the city the European centre for 3D content production.

The US company has set up its European headquarters at One Central Park, next to The Sharp Project in Newton Heath, where it plans to take on 240 staff over the next three years.



**Ken Swain**  
managing director, EON Reality

It has also established a free coding school which will train 100 young people a year for the next five years.

Managing director Ken Swain says the coding school is required because the area in which it operates is "so new and different".

"We will grow the training school with 100 students a year and recruit at least half year-on-year to get to that number. The trainees we produce but don't

employ will contribute to the footprint that Manchester as a city wants to grow," he adds.

The coding school opened with a pilot of 12 students that ran from February to July and Eon Reality hired six of them to start in September.

The company, which including the latest coding school recruits has 16 staff, develops 3D visuals to be used as educational aids. It also works with industry using its technology to train staff for work in dangerous

15% from "edutainment", such as the 3D aquarium [pictured].

Swain says: "We have a focus on subjects that are difficult, such as the laws of physics, human anatomy and molecular structures in chemistry.

"All these things are very difficult to convey for the first time but if you can turn it into interactive learning the concepts become much easier to understand because you're there and seeing it. It's about hands on immersive engagement"

**'The centre is Eon Reality's jewel in the crown - there are only two places in the world we can show this technology in action.'**

environments, such as off-shore oil rigs, and bring complex engineering concepts to life.

Around 50% of revenues come from the education sector, 35% from industry and

The firm has taken a 10-year lease on its premises at One Central Park.

"Here we have open space, parking, we are on public transport links with the new tram stop and have easy →





airport connections. We also have ultra high speed connectivity with 1GB connectivity on The Loop. All these little things mean a lot when you put them together," says Swain.

The centre has now been open for six months and so far attracted 350 international visitors from 30 countries.

"The centre is Eon Reality's jewel in the crown - there are only two places in the world we can show this technology in action and demonstrate the art of what is possible."

Eon Reality' headquarters are in California with a regional office in Singapore for Asia. It started to look for a European headquarters in late 2011.

"We decided that an English speaking country was an advantage and when

we looked at the official policy of Manchester to be a top global digital city, that hooked our attention," says Swain.

"When we looked at Sharp and MediaCity - its not just the companies that are there but the talent - that's why it became an attractive place.

"The city was very helpful. We had contact with Sue Woodward at Sharp initially and then MIDAS came in as a facilitator for the city. It was instrumental in the logistics and introductions with companies that could potentially be customers for us. There was a synergy from all the key players.

"Other cities we looked at did not have that same level of positive cooperation and effort that is here. Everyone seemed to understand what we needed and our technology and the benefits of what we do" ■

**"The city was instrumental in the logistics and with introductions to potential customer companies. There was a synergy from all the key players!"**

## Reborn Cosgrove Hall returns to Manchester

THE resurrected Cosgrove Hall animation business has taken office space in Didsbury and is recruiting more than 40 creative staff.



**Simon Hall**  
managing  
director,  
Cosgrove Hall

Cosgrove Hall Fitzpatrick will be based from 5,000 sq ft at Quorum Estates' The Towers, the converted mansion at The Towers Business Park in Didsbury.

Its team will be working on a new

cartoon commissioned by Channel 5 called Pip! but managing director Simon Hall expects to take on a further 100 over the next 18 months as the business starts work on two more cartoons, HeroGliffix and Powwow Pando, for ITV.

"Our traditional heart is in Manchester and the creative talent is still here

and there's new talent because of MediaCity" says Hall.

The original Cosgrove Hall, founded by Brian Cosgrove and Simon's father Mark, produced shows such as Wind in the Willows, Danger Mouse and Count Duckula from studios in Chorlton.

They left in 2004 and it was shut down by its owner ITV in 2009, but two years later Irish entrepreneur Francis Fitzpatrick teamed up with Cosgrove and Hall to launch the new business.

Mark Hall died in December 2011 but Simon is now running the venture with chief executive Adrian Wilkins and Mr Cosgrove is the creative director. Sir David Jason, who voiced characters such as Danger Mouse, is also involved. He lends his voice to several new characters and sits on the board.

"We'll be putting £10m into the economy just from the production, let alone licensing," says Hall who has a joint venture with Macclesfield-based toy developer Carterbench.

He adds: "Tax reliefs are 20% of the budget and that means we can make shows in the UK. Without that support we would have gone to Ireland, India or Canada and that would have been sad considering we've got such great talent" ■





## MANCHESTER - BUILT FOR SUCCESSFUL BUSINESS

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# Power to the people

## The Attendees



**Sir Howard Bernstein**  
chief executive,  
Manchester City Council



**Mike Blackburn**  
regional director of BT  
and chair of the Greater  
Manchester Local  
Enterprise Partnership



**Rowena Burns**  
chief executive,  
Manchester Science  
Parks



**Stephen Chalcraft**  
head of regeneration  
and infrastructure,  
Pannone



**Lou Cordwell**  
founder and  
chief executive,  
magneticNorth



**Phil Cusack**  
regional director  
AECOM and president,  
Greater Manchester  
Chamber of Commerce



**Chris Barry**  
editor,  
TheBusinessDesk.com  
(chairman)



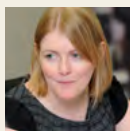
**Baron Frankal**  
director of economic  
strategy, New Economy



**Gary Houghton**  
partner,  
Baker Tilly



**Mike Rose**  
regional director  
North West,  
Santander Corporate &  
Commercial



**Jo Phipson**  
deputy regional  
director North West,  
Santander Corporate &  
Commercial



**Paul Simpson**  
managing director, Visit  
Manchester



**Simon Swan**  
co-founder and director,  
Hiring-Hub.com

**T**HE Manchester City Region is well placed to capitalise on the unrelenting globalisation of markets – something key to its future growth and development.

But there is a risk that the full potential of that opportunity might not be realised - due to a lack of local decision-making power and resource.

That was the resounding view of the business and civic leaders, economists and advisers who attended TheBusinessDesk.com's roundtable discussion, hosted at MediaCity.

Sir Howard Bernstein, chief executive, Manchester City Council, said the rate of Manchester's growth over the last five to 10 years has been in part down to the increasing globalisation of markets.

"To find your way in that world you have to be smarter and that plays to Manchester's inherent strengths, such as how we place universities at the heart of that internationalisation agenda - what it means for bio/life sciences, graphene and digital. These are unique opportunities for Manchester that other places can probably identify as strengths but they don't have the leadership - sectorally and wider leadership and innovation - that we have here."



Rowena Burns, chief executive of Manchester Science Parks, pointed to what she called Manchester's "special ops" - what Manchester does best.

"That's bringing key players, nationally and regionally, together as we did post bomb and at the Commonwealth Games," she said.

Whilst an international strategy for growth is vital, grass roots entrepreneurs - those who create a city's pipeline of growth businesses for the future - should not be forgotten.

Gary Houghton, partner, Baker Tilly, said: "We also need a strategy to encourage the region's entrepreneurs and I think they have been relatively quiet over the last few years."

Sir Howard admitted that recently perhaps there had been less public sector support for entrepreneurs but added that "there are good programmes and loan schemes" - pointing to work the council has done with Santander, for example.

Entrepreneur Simon Swan, who co-founded online recruitment marketplace Hiring-Hub.com, said both cash and support are available.

"We have had reasonably good support from banks and networking groups

around my sector are healthy. But look where entrepreneurs come from - they often come from bigger firms to learn their trade, so if you bring more larger companies here the entrepreneurs will follow," he said.

Mike Rose, regional director North West, Santander Corporate & Commercial, said: "As a banking sector group, lending should be the straightforward part; it's the day-to-day support that many businesses I speak to say is missing from their banking teams - how can we rebuild trust and respect if we can't talk to our customers? We also need to be providing much more support to our local entrepreneurs by using our networks to support connectivity that will ultimately lead to business solutions."

Phil Cusack, regional director AECOM and president, Greater Manchester Chamber of Commerce, agreed, adding: "There is definitely potential for the Chamber to work with the banks to help that happen. The people helping to fund start-ups should be working hand in hand with the people who support these businesses."

Burns said much of it comes down to linking the many networks that already exist.



"Certainly [there is a need] for institutions like Manchester College to get involved and joining up secondary education with businesses in the city is very important to ensure students in the city benefit from those high value jobs," she continued.

Baron Frankal, director of economic strategy for New Economy, said all these interventions are "relatively marginal", with skills the most critical factor.

"A huge and fundamental barrier - in common with most other cities - are the skills of the resident population, which are poor... And they are certainly not skills we will need for 20/25 years time.

"All this is regulated from the centre. But if we wanted to connect things up at a place level there is nowhere better than with skills," he said. →

**'If we want to connect things up at a place level there is nowhere better than with skills.'**



→ The round table attendees



"In Germany 18% of all spending in locality is determined from the centre. In France, which is much more centralised, its 32%. In the UK 72% of all decisions are made in Whitehall. We don't really have the tools at our disposal to follow through."

Sir Howard added: "Four years ago, before we all jumped off a cliff, £21bn of public sector money was being spent in Greater Manchester. Local government spend has been reduced dramatically but how much was spend in total last year? You've got it - £21bn. Except we've moved from investing in growth and infrastructure but now are spending on dependency and failure as levels of benefits have increased significantly... As dependency



increases then the underlying cause to spend more equally increases"

In November 2012 there were 60,980 residents in Manchester claiming out of work benefits compared, compared to 58,140 in May 2008 at the beginning of the economic downturn, according to this year's State of the City report. Reductions in the number of residents claiming Employment Support Allowance and Income Support have been offset by an increase in the number of residents claiming Jobseeker's Allowance. Long term unemployment has risen since 2009.

Sir Howard quickly added that despite successive governments' narrative around devolution and localism, the UK "remains one of the most centralised systems of government to be found anywhere in the world".

The need for growth has never been greater, he said, and the UK should be moving towards a more consistent place based approach.

"The government shows signs at times of getting there but there is no consistency to deliver it," he said, adding there is a fundamental belief in Whitehall that you manage economic growth and change from the centre.



He added that AGMA had pushed this agenda about as far as it could with the current government, adding that "too many still don't get local government" and it therefore it needs to be a debate driven around places and led or articulated by business.

Mike Blackburn, regional director of BT and chair of the Greater Manchester Local Enterprise Partnership, said a lot of the proposals in the Heseltine review into economic growth are transformational.

"Rather than risk it, in a business you'd take an island and try it there and then roll it out. I think Manchester is that experiment without it being called that," he said. ■

## The great HS2 debate: it's capacity, stupid

DESPITE the £40bn+ cost and the fact that the proposed link won't reach the North West until the 2030s, 'yes' campaigners argue that the investment is essential for the future prosperity of the region as it will ease capacity constraints on the West Coast mainline, while the slash to London journey times to 80 minutes is "the icing on the cake".

The proposed route of HS2 Phase Two will see a Y-shaped link to Manchester in the West and Leeds in the East.

Phil Cusack, president of Greater Manchester Chamber of Commerce, who admitted to being "astounded" by the Institute of Director's negative position on the matter, hit the nail on the head when he said: "It should never have been called High Speed 2 - it should have been High Capacity 2.... If we are planning a decade ahead

then this is not important or desirable but critical."

Sir Howard Bernstein, chief executive of Manchester City Council, added: "If you stand at the railway station at Milton Keynes or Watford you get an idea about how constrained capacity is now. Fundamentally it's about how we need another railway line."

Yet the ongoing debate that surrounds it says a lot about how we debate things in this country and demonstrates how appallingly badly we organise things at a national level, according to Sir Howard.

Stephen Chalcraft, head of regeneration and infrastructure at law firm Pannone, echoed the sentiment that the UK as a country is not good at delivering key infrastructure projects.

"Like it or not we are dependent on central government and it has got to get better at delivering this stuff," he said.

But perhaps more disturbing is the bias often suffered when it comes to getting the green light for infrastructure investment in the north.

"When people talked about Crossrail, was there a major debate in the country about expenditure and investment?" asked Sir Howard, while Frankal added that we all have to wait for Crossrail to be completed before work on HS2 will commence.

"Why is it being built from London up and not at both ends? If it is the right thing to do - and for us it is an economic no brainer - why delay? The longer the delay the more chance it won't happen," added Frankal. ■