

# **NORTHWEST ECONOMY: A BRIEF OVERVIEW**

## 1. Introduction

With a £120 billion economy, bigger than 15 EU countries, a population of nearly seven million people and over 240,000 successful businesses, England's Northwest operates on a truly international scale.

It boasts Manchester, one of the best cities in Europe to locate a business; Liverpool, one of Europe's fastest-growing economies and European Capital of Culture 2008; Cheshire, home to AstraZeneca's largest global R&D centre; Lancashire, a world leader in advanced manufacturing and engineering; and Cumbria, at the international cutting-edge of nuclear technology.

With airports serving over 270 destinations worldwide, fast rail links across the UK, extensive motorway networks and a peerless technological infrastructure, it's easy to see why England's Northwest is a compelling choice for overseas business investment.

## 2. Liverpool



The Mersey Partnership's latest annual Merseyside Economic Review (MER) reveals a decade of business growth and increased signs of future prosperity for the Liverpool City Region. The sixth MER was published on Friday 3rd October providing an economic health-check for the region, and uses only official national data - allowing the performance of the Liverpool City Region to be benchmarked against that of both the North West and the rest of the UK. Latest figures reveal that:

- growth levels are above national averages and a decade of business growth;
- construction business levels grow by 25.1%; hotels and restaurants by 24.6% - eclipsing national performance;
- 10% more new businesses started in Merseyside than in rest of the North West and the UK;
- 25% increase in number of small businesses;
- Productivity per job up by 2.5%, ahead of UK average.

### 2.1 Industry sectors

#### 2.1.1 ICT (digital, software, multimedia, games development, film, advertising)



The creation of one of Europe's largest Science Parks plus innovations such as the International Centre for Digital Content and a new Art and Design Academy put the Liverpool City Region at the forefront of the creative and digital economy.

Broadband services are available from anywhere within the sub-region, and Liverpool is one of only nine cities within the UK that has blanket city-centre wireless internet access. The sub-region's telecommunications infrastructure is

modern and robust allowing businesses to operate in the global market place.

The most advanced trans-Atlantic fibre optic cable, Hibernia Atlantic, has a landing point in the sub-region (Southport Business Park, Southport). This is the only direct high capacity cable linking North West England with the North American continent, providing a low-latency, self-healing, secure link that allows businesses operating within the region to take advantage of emerging CTI technologies.

The breadth of creative industries - including design for technology, film, fashion using leading edge materials, and advertising - is reflected in Liverpool's status as European Capital of Culture 2008.

#### Key Industry Features and Benefits



- Liverpool Science Park is the fastest growing science park in the UK, with the 36,000 sq ft Innovation Centre launched in 2006. It envisaged 500,000 sq ft of accommodation will be provided in three phases, making it one of the largest Science Parks in Europe when complete.

- The continued development of a regional centre of excellence, Liverpool Digital focuses on the ICT, digital and creative industries as. Liverpool Digital will create upto 7,000 jobs by 2013 and will accommodate the proposed National

Microsystems Packaging Centre, a unique facility in the UK

- The ICDC (International Centre for Digital Content) is a world leader in creating innovative digital content solutions. The centre is involved in developing solutions for Interactive TV, mobile phone and wireless users, which can also include Bluetooth and GPS technologies, for markets as diverse as tourism, health, e-learning and games.

- AIMES (Advanced Internet Methods and Emergent Systems) is a focus for advanced internet technologies, particularly grid computing. This research and technology transfer centre is hosted by The University of Liverpool.

#### 2.1.2 Energy and environment

Environmental Technologies is set to be one of the fastest-growing sectors in the Liverpool City Region, developing sustainable solutions to major environmental challenges. The region contributes to a cluster which currently consists of 1,500 companies with a turnover of more than £2.7m across Northwest England.

With 135km of coastline, Mersey Waterfront's natural environment makes it ideal for developing renewable energy sources such as wind and tidal power.

There are also opportunities across a wide range of other sub-sectors including Waste Management and Recycling & Recovery, Marine Pollution, Air Pollution Control, Water & Wastewater Treatment and Noise & Vibration Control.

#### Key Industry Features and Benefits

- Merseyside Waste Disposal Authority operates a 37 hectare Integrated Waste Management Facility at Bidston Moss. It boasts state of the art technology in a Materials Recycling Facility (MRF), which can sort up to 30,000 tonnes of domestic waste a year.

- A £90million windfarm in Liverpool Bay will be complete by Autumn 2007. 25 wind turbines at the 2,400 acre Burbo Bank site will generate enough electricity to supply 80,000 homes every year.

- A recent study identifies the River Mersey as one of the top sites for tidal renewable energy in the UK. Experts say the Mersey estuary's large tidal range of 8-10 metres and unusual shape combine to create powerful tidal currents that could be harnessed to produce power.

Existing investors include: Pilkington, Rolls Royce, Veolia, Shanks, Biffa, Ineos Chlor, D1 Oils.

### 2.1.3 Financial and professional services

Financial Intermediation is the fastest growing sector (11.1%) in the Liverpool City Region, worth £1,377m to the economy - with Bank of New York, Unisys and JP Morgan Invest among the investors located here. We are home to the full range of Financial Services organisations with strong representation in Insurance, Life & Pensions, Stockbrokers & Financial Advisors and Collections. A strong maritime tradition combined with emerging technologies ensures continual development of professional expertise and services in Liverpool's thriving Commercial Quarter.

#### Key Industry Features & Benefits

- A wealth of experience and financial history. One of the world's biggest friendly societies, the Royal Liver, was established in Liverpool - while Investment Management companies such as Rathbones and Rensburg Sheppards have conducted business in Liverpool over hundreds of years.
- With three universities, Liverpool can offer a strong talent pool of young professionals. JP Morgan Chase cites Liverpool's strong talent pool as a key reason for its decision set up the headquarters of its business arm, JP Morgan Invest (UK) in the city.
- Northwest England is the second largest employer of legal professionals in the UK. Liverpool is home to law firms including Halliwells, DWF, Weightmans and Hill Dickinson.

Professional Services companies include: JP Morgan Invest, Rathbones, Coutts, Bank of New York, Royal & Sun Alliance, Royal Liver Assurance, Norwich Union Direct, Phoenix, Tilney, Unisys, Abbey National, Alliance & Leicester, Barclays, Barclaycard, Direct Line, HBoS, HSBC, Intrum Justitia, Lloyds TSB, Royal Bank of Scotland, Swiss Life, Yorkshire Bank, Aegon, Co-operative Bank.

### 2.1.4 Manufacturing and supply chain



The Liverpool City Region has a strong tradition as an international automotive industry centre, with the presence of some of the world's leading car manufacturers and prestige marques - confirming the high

levels of skills, productivity and cost advantages. From this location they are able to serve global automotive markets.

The Liverpool City Region is at the cutting-edge of innovation. One of the world's most advanced rotogravure printing facilities recently opened in South Liverpool, while the General Engineering Research Institute at Liverpool John Moores University has achieved the UK government's highest research ratings. The Food and Drink Manufacturing Industry is also a major driver for the economy, with key strengths in Bakery, Cereals, Meats, Snacks & Drinks.

#### Key Industry Features and Benefits

- A strong automotive component supplier cluster - particularly within new business parks on the Liverpool/Knowsley boundary. The Northwest region itself is a major automotive component base in the UK with around 240 suppliers.
- An excellent infrastructure and supply chain capability within the Liverpool City Region, facilitating ease of movement between major distribution centres.
- Liverpool's universities combine significant industrial links with academic excellence.

Manufacturing companies include: Getrag Ford, Jaguar/LandRover, Pilkington NFG Europe Ltd, Knauf, Mackie Automotive Systems, Raybestos, Delphi Delco Automotive Systems, Lear Corporation, Visteon, Jacobs Biscuits, Premier International Foods, Halewood International, St Ivel, Cereal Partners, BakeMarkJohnson Controls, Coughlin Logistics, Stadco, Tulip International, Princes, Nichols, Allied Bakeries, Trigon foods, Dairy Crest

#### 2.1.5 Outsourcing: call centres, business support

Liverpool is the No.1 Contact Centre location in the UK (Source: Adecco/OMIS) and the only UK location to figure in the European Top Ten.

The Liverpool City Region has seen a surge of investment in the high-tech, high-skilled service centres, inbound and outbound, and is an increasingly attractive location for UK location for Business Services operations. This is a growing and evolving sector with around 100 centres employing 27,000 well trained and skilled staff.

The business services sector covers a broad range of activities - banking, insurance, telecommunications services, tele-sales, systems supports, public sector - in fact anything that involves telephone and on-line interaction between businesses or the public sector and customers.

#### Key Features and Benefits

- A low churn rate. The Liverpool City Region has one of the lowest levels of call centre staff turnover nationally, typically > 10%.
- Multi-lingual capability with language skills readily available and driven by the large student population and the increasingly diverse catchment population. Even typically difficult to source languages, such as those from Scandanvian countries, are readily available.
- Cost-effective location with the salaries for well-trained and skilled staff across the range of contact centre functions below the UK average.

Outsourcing companies include: IBM, Unisys, US Airways, Bank of New York, QVC, Bosch, Littlewoods, BT, Vertex, Abbey National, Barclays, Halifax Bank of Scotland, Swiss Life, Telewest, Enterprise plc and Liverpool Direct, Prinovis Liverpool, Communisis.

#### 2.1.6 Biotecnologies & pharmaceutical

It is estimated more people work in producing pharmaceuticals in Liverpool than in any other European city.

100 companies in the Liverpool City Region contribute more than £1billion to the region's economy, including multinational names such as Novartis, Eli Lilly, Astra Zeneca, Bristol Myers Squibb and Numico. A further 2,000 employees are working in biomedical and clinical research in universities, hospitals and research institutes. We are also home to the world leading Liverpool School of Tropical Medicine and the recently opened National Biomanufacturing Centre.

#### Key Industry Features and Benefits

- A significant cluster of life sciences research and clinical activity includes biomedical biotechnology, infectious diseases, bio/pharmaceutical manufacturing and diagnostic and medical technology.
- Novartis, Astra Zeneca and Eli Lilly are three of the global brands with bases in South Liverpool. Eli Lilly's manufacturing facility is the largest bulk-biotechnology facility in the UK, while Astra Zeneca produces up to 15 million doses of the FluMist flu vaccine each month. Liverpool's Novartis facility secured multi-million pound deals in 2005/6, worth around £50m, to supply the H5N1 bird flu vaccine to the US government.
- The Liverpool City Region boasts the UK's highest output of medical-related graduates. Its universities are at the forefront of research and innovation in life sciences:
- Liverpool Biomedical Research Centre is the UK's leading specialist research centre. It is allowing scientists to develop pioneering tests and treatments for a range of conditions such as Clostridium difficile, HIV, tuberculosis (TB), cystic fibrosis and drug safety.

Existing investors include:

Novartis, Eli Lilly, Astra Zeneca, Powder Systems, PI Biosciences, Bristol Myers Squibb, Contract Chemicals, Mast Diagnostics, Micap, Unilever, Manesty, Eden Biopharm, Protherics, Tessenderlo, Terumo, Sequence Biotechnologies, Proveris.

## 2.2 Infrastructures



The region offers easy access to all UK, European and international markets via rail, road, sea and air. Liverpool John Lennon Airport connects to more than 60 destinations. Liverpool Lime Street station offers regular, direct services to London and other major conurbations. An excellent transport infrastructure also includes an underground rail network, regular bus services, hackney cabs, commuter ferries across the River Mersey and relatively congestion-free motorways. The Port of Liverpool, Liverpool John Lennon Airport and the Manchester Ship Canal are all under common ownership, providing unique opportunities to integrate these three important assets.

Merseyside also provides access to two-thirds of the UK population within a two hour drive, as well direct rail connections to London and other major UK cities. It all adds up to an average daily commute of 35 minutes in Merseyside - less than London and many other UK cities.

### 2.2.1 Liverpool John Lennon Airport (LJLA)

According to the Civil Aviation Authority, Liverpool John Lennon Airport is the fastest growing regional airport in the UK, with over 5.5 million passengers passing through the airport in 2007. This compares to annual passenger numbers of 1.9 million in 2000. The airport currently serves more than 60 destinations. Being only 45 minutes away from Manchester International Airport, both airports ensure that the North West is a great location for global business. Being only 45 minutes away from Manchester International Airport, both airports ensure that the North West is a great location for global business.

LJLA could treble in size by 2030, accommodating 12.3million passengers, according to airport officials. Owners, Peel Holdings, have revealed its 25 year masterplan, including a vision to create an additional 8,300 jobs. The plans include a runway extension for long-haul aircraft, a world cargo centre, and a new link road to the south of the airport.

Freight is a vital part of LJLA's business, with availability for night operations as well as through the day. Further development of cargo facilities is a key aspect of the airport's long-term masterplan.

### 2.2.2 The Port of Liverpool



The Port of Liverpool handles around 33.5 million tonnes annually - more than any other time in its history. It is also:

- the largest Freeport Zone in the UK;
- the top UK port for UK-USA and UK-Canada container trade, and the UK's third largest container port overall;
- the leading facility in the Irish Sea ro-ro and lo-lo sector;
- an increasingly important gateway to the expanding markets of the Far East, North America and Indian sub-continent.

Plans for the first post-Panamax container terminal on the UK's West Coast have been approved by the government. The £90million facility on the River Mersey will almost double container capacity at the Port of Liverpool, and has been described as the most significant development for the port for more than 30 years. The Liverpool City Region provides access to an established rail freight network. The Port of Liverpool offers a range of railheads - handling containers, conventional wagons, bulk cargoes and specialist traffic flows. The Port of Liverpool is being increasingly integrated with the Manchester Ship Canal. Both are now owned by the Peel Group, which operates them under the banner Mersey Ports.

### 2.2.3 Railways and public transport

Liverpool's main railway station, Liverpool Lime Station provides direct connections to London and other major UK conurbations via the West Coast Mainline.

The average journey time between Liverpool and London Euston is around 2½ hours, with a fastest time of 2 hours 9 minutes. All services are provided by Virgin's 125mph Pendolino tilting electric trains.

Liverpool's Virgin rail link to London is the most punctual on the West Coast Main Line.

The station is also served by Trans-Pennine services, offering a direct service to Birmingham, Preston and the North.

Merseyrail's internal network is one of the most intensively used in the UK, with 67 Merseyrail stations and 600 train services running daily (Mon-Fri). This includes 5 underground stations in Liverpool city-centre and 6.5miles in tunnels - unparalleled in comparison to other UK cities outside London.

## 2.3 Workforce

The Liverpool City Region offers investors in the UK access to an intelligent pool of labour at exceptional value. The catchment for Liverpool city is extremely large scale with more than 1.2million people living within a 35 minute area of the city centre's main employment locations. A total of 6.8million residents (4.3million working age population) live within a 60 minute catchment.

Companies based in the Liverpool City Region benefit from low staff turnover and a low strike rate, as well as boasting some of the most productive workers in Europe. The Liverpool City Region has a multi-skilled and flexible workforce, spearheading cutting-edge techniques and innovations.

The Liverpool City Region has dedicated training bodies to assist with staff selection and skills education, for example:

- Partnership for Learning (PfL) is a unique training and business facility established by Jaguar, GlaxoSmithKline, Eli Lilly & Company and Evans Vaccines (now Novartis). PfL's client base has now grown to more than 700 organisations;
- Greater Merseyside Learning & Skills Council provides high-quality work-based training and workforce development programmes;
- Jobcentreplus offers a fully integrated work and benefit service for employers seeking to fill vacancies.

### 2.3.2 Liverpool universities

Three top-class universities in Liverpool provide access to 50,000 students. Demand for undergraduate places is rocketing in the run-up to Capital of Culture Year 2008, while graduate retention is 60%. There are strong connections between our universities and the business community, with an emphasis on knowledge transfer, training and research.

### The University of Liverpool

The University has almost 19,000 full-time students on undergraduate and postgraduate courses. This includes 2,900 international students from more than 130 countries. The University has one of the largest Life Sciences communities in the country, with schools of medicine, dentistry, biological sciences, tropical medicine and veterinary science. The University of Liverpool's teaching standards are consistently rated among the best in the UK. For example, it is ranked the best Veterinary School in the UK (Times Good University Guide 2006) while its Physiology department is also the highest-rated in the UK (5\*\*). In September 2006, the University of Liverpool opened the first independent Anglo-Asian university in China in partnership with Xi'an Jiatong University in Suzhou.

### Liverpool John Moores University

Liverpool John Moores University has a total population of 24,000 students from more than 80 countries. The University has significant industrial links. Most courses are vocational and degree programmes have been developed with leading companies including Ford and IBM. The Business Development Centre can help unlock a wide spectrum of University facilities and professional expertise spanning engineering, computing and digital content, sports and biomedical sciences, social sciences and the creative arts.

### Liverpool Hope University

Liverpool Hope University has a tradition of more than 160 years providing a high-quality education. It has well over 7,000 full-time students. Around 10% are international students from 60 countries worldwide. Graduates are among the most employable in the UK (Career Development, 2005) with 92% of graduates securing jobs or going onto further study shortly after graduation. The University's popularity is growing, with applications increasing almost 12% in 2006 alone (UCAS).

### 3. Manchester



The geographical area of the Manchester city region covers the ten local authorities of Greater Manchester – Bury, Bolton, Manchester, Oldham, Rochdale, Salford, Stockport, Tameside, Trafford and Wigan – and stretches out to encompass areas such as Macclesfield and Warrington, comprising the expansive travel to work area for the conurbation core.

Generating over £50 billion of GVA (Gross Value Added), Manchester City Region contributes 51% of the Northwest's total economic output and 5% of the UK total. With economic growth outstripping that of the rest of the UK, Manchester is demonstrating its importance to the regional economy, the North of England and the UK as a whole.

Key drivers of this growth are undoubtedly the strength of a dynamic private sector and the increasing attractiveness of the city region as a business location. Manchester's incredibly competitive business costs continue to be instrumental in this and are a major facet of the city region's business offer. This, combined with the highly skilled labour pool and ample property offerings means that Manchester has the ideal business conditions in situ to attract and retain leading industry players. As a result, 65 of the FTSE100 companies now have a presence in the Manchester City Region and around 40% of the Northwest's Top 500 companies are based here.

As more businesses choose to set up operations in the city region and thriving indigenous firms expand, Manchester's robust economy is set to strengthen even further. Over the next decade, growth is forecast to continue at an annual average of 2.1%, positioning Manchester City Region as a leading European economy.

### 3.1 Industry sectors



The Manchester city region is recognised at national and international level as being particularly strong in a number of leading industry sectors. The rapid expansion of these sectors in Manchester has undoubtedly been instrumental in the growth of the city region.

As a regional and national centre of excellence for the service sector, the city region is home to a wealth of corporate services firms from major shared service centres and outsourcers to leaders in banking and financial services. Logistics-based activities also form a key part of the service sector in Manchester,

thanks to the city region's location at the heart of the UK's transport network and its reputation as a leading centre for financial intermediation.

Knowledge-based industries are thriving in the city region too, as Manchester is fast becoming one of the most important city regions in the UK for research, development, innovation and academic excellence..

### 3.1.1 Aviation and aerospace

Recognised as a major growth accelerator, the aviation industry underpins expansion in other sectors, such as financial and professional services and knowledge industries. Manchester, at the heart of the UK's road and rail network and ranked 1st in the country (outside London) for international and internal transport links\*, forms the core of the city region's aviation and aerospace sectors.

Ideally located, Manchester is only two hours from London and has access to deep sea ports, international rail and air freight hubs. The excellent connectivity means that companies located within the region have direct access to UK, Europe and worldwide markets.

The strength of the sector has resulted in the emergence of specialist programmes aiming to facilitate knowledge transfer between the industry and institutions, for example.

Northern Aerospace Technology Exploitation Centre (NATEC). Based at Manchester Science Park, NATEC is an alliance between northern universities and the aerospace industry. It aims to provide access to technology solutions by utilising research activities. Working with leading academics and the latest equipment, NATEC assists in building a highly skilled workforce and develops new products and technology. Manchester University Aerospace Research Institute. MUARI sustains applied research to maintain and enhance the UK's position in the global aerospace market. Bringing together more than 60 academics to tackle the multidisciplinary challenges faced by the industry, and 3rd largest Engineering and Physical Sciences (EPSRC) research income in the aerospace sector, it counts amongst its key strengths: advanced materials & structures, aerodynamics & flight Systems, advanced Electrical & Electronic, flight safety, Security & the Environment.

### 3.1.2 Energy & environment

Waste management, energy management and renewable energy are all growing sub-sectors in Manchester, the Northwest and the UK.

The nuclear industry forms one of Manchester's core strengths in this sector, and is one of the most important centres for nuclear research. With a strong and extensive skill base in the region and a world-class centre for research at the University of Manchester, Manchester has attracted numerous manufacturers, engineers and consultants including William Hare, PB Power and Day & Zimmerman.

Following the "Future of Nuclear Power" consultation process by the Department of Business, Enterprise and Regulatory Reform recent announcements to re-energise the nuclear power industry and build new reactors in the UK further strengthens the international focus by countries such as the US, France and China.

### 3.1.3 Outsourcing

With more than 250 operations employing over 62,000 people, the Manchester city region has established itself as a much sought after location for customer contact centres.

Key to Manchester's success in fostering the industry on such a large scale is the ability to support a multitude of centres in terms of size, scope and sector with a flexible and multilingual skilled labour force.

The city region's labour pool continues to live up to its reputation as one that delivers excellent service at a reasonable cost - factors critical to the success and sustainability of any customer contact centre. With a number of distinct labour pools – from experienced staff to students and university graduates- Manchester has the capacity to support both UK and international operations on a long term basis.

Instrumental to this is the ability to provide continued professional development for employees within the industry. The North West has worked to develop a career path for the industry with Skills Solutions, Call

North West and the University of Central Lancashire now providing sector-specific qualifications from basic customer service up to a masters degree in Call Centre Management.

The area is also home to a diverse range of operations, from leaders in financial services to specialists in transport and travel. Underpinned by the quality and flexibility of the workforce, this diversity allows increasingly sophisticated operations to take root and thrive in the city.

#### 3.1.4 Logistics



The location of a company's logistics hub is of critical importance in determining how best to serve an ever expanding European Market. Businesses must strive to find a location that provides ease of access to markets whilst allowing costs to be minimised.

The Manchester city region is ideally placed geographically at the heart of the UK's extensive motorway network, has an international airport serving over 200 destinations worldwide, and provides direct access via the Manchester Ship Canal to a major deep sea shipping port.

With over 77,000 people working within the logistics sector in the North West of England, the Manchester city region has a sizeable and accessible labour force, providing the capacity for companies to scale up operations within short time frames. The numerous academic institutions also aid the constant flow of newly qualified labour into the sector.

The Manchester city region offers a cost effective solution, balancing high quality facilities with significant cost savings over other UK locations, for example a savings of potentially 30% over South East locations.

Manchester's strength in the sector can be justified by the existing presence of Regional and National Distribution Centres for the likes of Kellogg's, L'Oreal, Procter & Gamble and JJB Sports. For companies such as these, Manchester represents a low risk environment with a proven track record of successful logistics and distribution hubs.

#### 3.1.5 Food and drink

The North West is the largest Food & Drink producing region in England and Wales, yielding a Gross Value Added (GVA) totalling £9.5 billion and employing over 450,000 people. The Manchester City Region has established a strong tradition in the sector, with over 4000 businesses employing 26,000-plus people and producing an output/turnover in excess of £900 million.

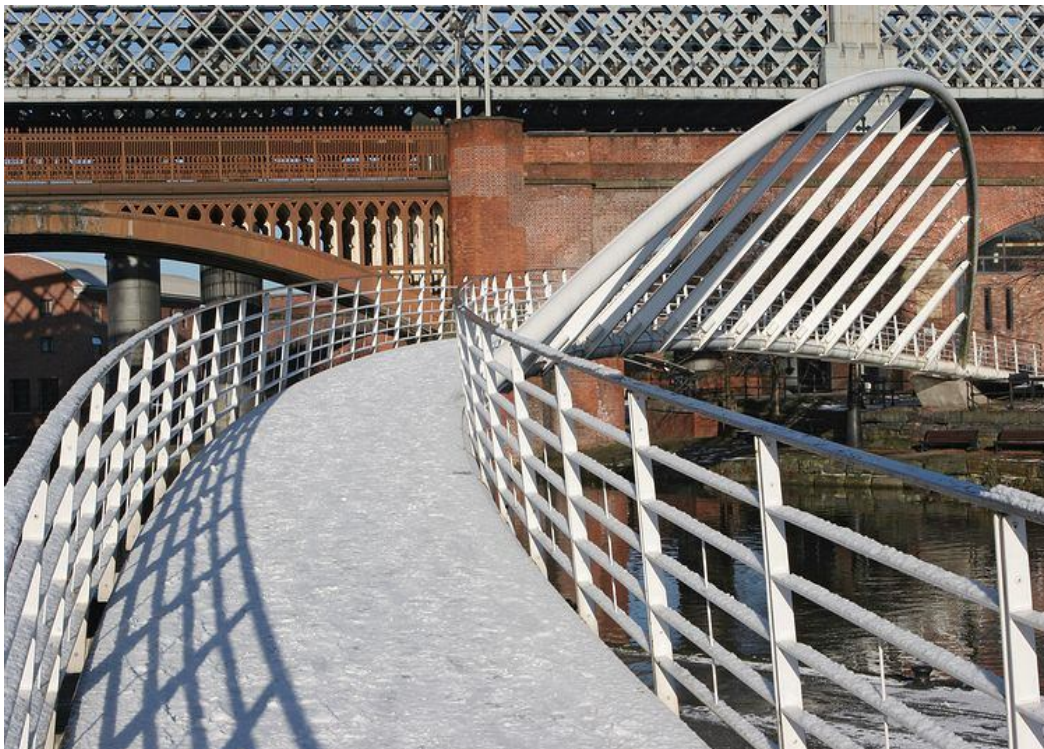
The area's long-standing tradition in the food & drink sector can be emphasized by the presence of companies such as Kellogg's, Heinz, Unilever, Con-Agra, Princes, Kerry Foods, Cargill, Pataks and Warburtons. Warburtons' Bolton base has been established since 1876 and other companies such as Kellogg's, Heinz, Pataks and Cargill have demonstrated their continuing commitment to the region by announcing that they will undertake further significant investment in their Greater Manchester facilities.

### 3.1.6 Life sciences and biomedical

Manchester represents 75% of the regional life science and biomedical sector within England's North West which, as one of the UK's top three biomedical clusters, has been described by the Financial Times in 2007 as a genuine rival to 'overheated London'. The city region is also recognised as a member of the 'European Super League' of biotech clusters by Strategem, and in the top 50 in the world by Boston Consulting.

Manchester's strength is based on a rapidly expanding biotechnology community and internationally renowned academic and clinical research strengths. The regional presence of major global pharmaceutical and healthcare companies, the academic, research and innovation opportunities and a well established support infrastructure has created an environment that has attracted over 230 biomedical companies to the city region. The capabilities of Manchester University's Faculties of Life Sciences, Medicine and EPS (Engineering and Physical Sciences) are considered to be of particular importance.

### 3.1.7 Creative, media and digital



Manchester, a city with a reputation for its creative flare, is a major centre for the creative, digital and media industries. The city region is the UK's key creative centre outside London and its importance will only increase with the relocation of five BBC departments and the 200-acre MediaCityUK development. From TV production to animation, website design to e-commerce, advertising to multimedia communications, Manchester's creative industries are thriving. Employing over 64,000 people across 5,800 businesses, the creative, digital and new media sector can be found in most districts and suburbs. Manchester certainly has the talent to support these growing businesses with a student population of 100,000; almost 300 media courses are on offer to students at the 23 universities within 60 minutes drive time of Manchester. There are also strong links between the audio-visual community and the four universities in the city region, where more than 6,000 graduates are studying for creative and media related courses at any one time and another 6,000 are studying computer related courses. Manchester benefits from all the main telecoms carriers and all of the UK's fibre networks converging at its heart. MaNAP (Manchester Network Access Point) is a major internet traffic hub that serves the UK's access to worldwide networks and provides the only internet exchange point in England outside London. With all of these key assets already in place, Manchester has never been so well placed to support the growth of creative businesses.

### 3.1.8 Financial and professional services



Manchester is a dynamic international city with an energy that has seen it become the UK's largest commercial centre outside of London. Niche operations servicing international markets sit alongside regional offices of major global organisations, which are here to access and serve both the regional and UK markets.

The sheer scale of Manchester's financial and professional services community demonstrates the breadth of opportunities available to new investors. The sector employs over 240,000 people across a wide range of activities including insurance, retail finance, wealth management, corporate finance, law and accountancy, which together generate annual wealth of over £9 billion. As the largest regional corporate finance centre in the UK, Manchester and the North West recorded a total deal value of £18.8 billion in 2006, as well as the highest number of management buy-outs in Britain in 2005.

Voted Best City for Business, Manchester continues to grow in popularity, offering the skilled workforce, connectivity and business environment to support the ongoing growth of the sector. A number of companies have recognised the enormous potential that

Manchester has to offer, with recent investors in the city including the Bank of New York Mellon, Close Brothers Corporate Finance, Handelsbanken, SG Hambros and Hiscox.

### 3.1.9 Customer contact centers

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Key to Manchester's success in fostering the industry on such a large scale is the ability to support a multitude of centres in terms of size, scope and sector with a flexible and multilingual skilled labour force.

The city region's labour pool continues to live up to its reputation as one that delivers excellent service at a reasonable cost - factors critical to the success and sustainability of any customer contact centre. With a number of distinct labour pools – from experienced staff to students and university graduates- Manchester has the capacity to support both UK and international operations on a long term basis. Instrumental to this is the ability to provide continued professional development for employees within the industry. The North West has worked to develop a career path for the industry with Skills Solutions, Call North West and the University of Central Lancashire now providing sector-specific qualifications from basic customer service up to a masters degree in Call Centre Management. The area is also home to a diverse range of operations, from leaders in financial services to specialists in transport and travel. Underpinned by the quality and flexibility of the workforce, this diversity allows increasingly sophisticated operations to take root and thrive in the city.

### 3.1.10 ICT

For over half a century, the Manchester city region has been associated with the development and growth of Information and Communication Technologies (ICT). From the pioneering developments of Kilburn and Williams who created the world's first stored program computer to the recent development of one of the world's smallest and most powerful computers, Manchester is at the forefront of developments in the computing industry.

Today the region is home to a number of the world's leading ICT companies including the UK headquarters of companies such as Fujitsu, Brother International Europe and Siemens (Energy and Automation Division). Manchester city region's impressive track record in attracting and retaining leading players in the industry has led to the largest concentration of ICT industries outside of the South East. With over 100,000 people in IT professional employment, the North West represents 10% of the UK's IT workforce.

The availability of highly skilled and experienced software engineers, analyst/programmers and network specialists combined with a reputation for retaining IT staff more easily than other UK "hot spots" has encouraged world-renowned technology businesses such as Agilent Technologies, IBM, Cisco Systems, Oracle and Sun Microsystems to establish and grow important operations in the city region.

Manchester is also home to a range of innovative companies that lead the way in certain key areas of software, for example Transitive Technologies, a Manchester University spin-out and recipient of the European ICT prize for innovation, counts Apple, IBM, Intel and Sun amongst its key customers.

### 3.2 Workforce



The Manchester city region offers a high quality workforce of 5.2 million people within an hour's commute of the city centre. Recognised by the government as one of the UK's "Science Cities", Manchester has a distinctive geography of concentrated clusters containing a varied, qualified, skilled and sustainable labour pool.

While other cities can claim high levels of talent and skills in certain sectors, Manchester is unique in having a large quantity and quality of potential employees across a wide range of different industries, including ICT, bio-science, medical devices, creative, new media and digital, aviation, food, logistics and financial & professional services.

Outside London, Manchester provides the best ease of recruiting qualified staff – the most important factor in investment decisions as found by Cushman & Wakefield's UK Cities Monitor 2008. With five universities offering world-class higher education to over 100,000 students at any one time, recruitment and retention of high quality staff is guaranteed. A further 18 universities and HE institutions are within an hour's drive of the city, broadening the scope for recruitment.

Employers can be assured that one quarter of the labour pool is educated to degree level with many higher education institutions and colleges offering vast ranges of practical training and vocational courses to match recruitment needs.

With an influx of international students and foreign nationals, Manchester's diverse labour pool continues to grow, offering many multilingual capabilities that add global value to businesses at a realistic cost.

The city region's dynamic, international and cosmopolitan nature is testimony to what opportunities the city region can offer, coupled with a multi modal transport infrastructure, keeping the workforce flexible and mobile. The Manchester city region has a strong, well balanced workforce with multilingual speakers from a wide range of sources, including over 5,000 foreign language students within an hours drive of the city, some 26,000 international students and 50,000 foreign professionals in the North West region.

### 3.2.1 Recruitment and training

The largest and fastest growing employment area in the North West, Manchester is the best city outside London for ease of recruiting qualified staff.\* Voted as Britain's best city for Business 2006 by OMIS, availability of quality staff was found to be the most important factor.

With a working population of 1.7 million in the Greater Manchester area and a further 5.2million within an hour's drive, finding skilled staff couldn't be easier.

Manchester's booming economy generates 25% of the North West's wealth and employment prospects are excellent with the city region boasting a strong, well developed services sector.

There is a wealth of industry specialised recruitment agencies based both in core and outer areas of the city, employers can outsource their recruitment needs if necessary and gain from valuable support from local jobcentres, connexions agencies and many further education colleges based in the conurbation.

Skills Solutions, based in Manchester, is a dynamic training organisation specialising in the recruitment and training of young people through the Apprenticeship Programme, across a broad range of industries. Committed to providing an excellent experience for learners and providing competent and employer specific skills ready for use in the workplace.

There are a large number of training organisations based in the city region, offering professional qualifications such as CIMA, ACCA, CII and CIM.

### 3.2.2 Graduate recruitment and universities

A growing population of students from outside the UK adds value to employers' access to cultural and international markets. The rich presence of international students in Manchester's four universities is recognised as a skilful and flexible resource, with many choosing to remain in the city region after study – 48% of The University of Manchester graduates alone embark on their careers within the city region.

Universities, Further Education colleges and independent language schools in the city region offer unparalleled access to a number of professional language qualifications.

Manchester has the highest performing research and teaching institutions outside the golden triangle of Oxford, Cambridge and London. Hosting one of Europe's largest student populations, its no wonder

Manchester has one of the highest retention rates in Europe with a third of the 28,000 students graduating each year choosing to remain in the conurbation after graduation\*.

Amid a growing array of blue chip employers based in the city region offering top of the class graduate schemes, the retention of graduates is a key indicator of how the area is a great place to work and play.

Each of the five universities have their own careers service providing excellent quality recruitment solutions to businesses in the area and beyond, ensuring the link between prospective graduates and industry is upheld. The University of Manchester's career service is renowned nationally and has been voted the best in the UK for the past 5 years by employers.

Its vast student population no doubt reflects Manchester's popularity as a first-class student destination. With currently over 100,000 students across five universities; Manchester University, Manchester Metropolitan University, the University of Salford, the University of Bolton and University Centre Oldham, the city region has one of the largest student populations in the UK, not to mention in Europe.

#### Manchester University

Of the 35,000-plus students registered at the university, over 25,000 are undergraduates, and more than 9,000 are postgraduates. The university offers a highly skilled contribution to the city region's workforce through offering high quality teaching over a wide range of subjects. The university is able to compete with some of the best universities in the world, its reputation reinforced by the presence of around 7000 overseas students from 162 countries.

The latest DLHE (Destination of Leavers in Higher Education) survey found that over 91% of Manchester University graduates are either in employment or further study within six months of graduating.

Manchester Business School further contributes to the excellent pool of skilled graduates in the city region through top-rated teaching and research in all areas of business and management; it has over 2000 students making it the largest campus-based business school in the UK and also supports 3500 students through Manchester Business School Worldwide, the school's distance learning arm.

#### The University of Salford

The University of Salford is on the cutting-edge of research innovation, with three research institutes, including the Informatics Research Institute. Internationally recognised as an enterprising university, Salford continually seeks innovative ways of extending its capabilities.

Situated about a mile and a half away from Manchester city centre, the University of Salford has a student population of over 19,000. Of those studying at Salford over 15,000 are undergraduates and over 3,000 postgraduates. Over 2,500 of those are international students from more than 130 different countries.

Salford University is ranked a UK top ten university for teaching that helps to explain the high rate of graduate employment after-study; over 93% of postgraduate students are in employment or go on to further study within six months of graduating.

As well as being ranked in the top ten for Civil Engineering in the "Times Online Good University Guide 2007", Salford University has also been named "Best Aerospace University" by The North West Aerospace Alliance (NWAA).

#### University Centre Oldham

University Centre Oldham is a campus of the University of Huddersfield and was officially opened in May 2005 by world-famous actor Patrick Stewart, their Chancellor. The Centre was formed out of a successful partnership between Oldham College and Huddersfield University who recognised the quality and quantity of high calibre students within the Manchester city region.

#### Manchester Metropolitan University

Manchester Metropolitan University is one of the largest universities in the UK, with over 32,000 students based across seven campuses, five in Manchester and two in Cheshire. The central Manchester campuses form part of the largest higher education sites in the UK and one of the most extensive centres in Europe. The university offers one of the broadest choices of courses in the UK with over 400 courses and qualifications available. 32,000-plus students are registered at MMU, of them over 27,000 are undergraduates and more than 5,500 are postgraduates. The university is also home to over 2,800 international students.

For some subject areas students are given the opportunity to undertake a range of industry placements and exchange programmes with international universities, boosting their employability prior to leaving university – over 93% of MMU graduates go straight into work or further study within six months of graduation.

Manchester Metropolitan Business School (MMUBS) is the UK's second largest business school and offers a full range of undergraduate, postgraduate and higher research degrees in all major sub-disciplines of business and management to almost 5,000 students. MMUBS is the largest public sector provider of professional accounting training in the North West, with many courses accredited by ACCA and CIMA.

### Bolton University

The University of Bolton is within the regions' top five universities for the number of students who find graduate level jobs or carry on with their education six months after graduation (Times Good University Guide 2008), and offers a wide range of courses. The university is supplying the workforce with high quality graduates with skills rated as 'Excellent' in key subject areas including biology, education, health studies, nursing, philosophy, psychology and textiles.

### 3.3 Infrastructure



Manchester city region has a world class, multimodal, integrated transport infrastructure which provides connectivity across the conurbation and the wider North West region, and direct access to the rest of the UK and world. As the North's only major international gateway, Manchester is truly internationally connected, providing vital transport links to the rest of the globe via Manchester Airport. The Airport has been awarded best UK regional airport in both 2006 and 2008 by Travel Weekly Globe Awards.

Being a central node in the UK's rail network, Manchester city region is perfectly located to allow easy access from all parts of England, Scotland & Wales with 3 trains an hour to London taking just under 2 hours. The motorway and railway linkages underpin the North European trade-axis running from the Mersey to the Humber ports making freight transport very easily accessible.

### 3.3.1 Manchester Airport

The UK's largest regional airport, Manchester Airport handled over 22 million passengers in 2007/8. Passenger capacity is expected to reach 50 million per year by 2030 and heavy investment is planned for its future growth. The airport serves more destinations worldwide than any other UK airport, with currently over 100 airlines and 300 tour operators offering 225 destinations and direct flights to all of Europe's major cities. Long haul routes include daily flights to the Far East and 10 US cities, including four flights a day to New York.

Manchester is one of the leading airports in Europe and is ranked among the world's largest 20 airports. Frequently recognised for the quality of its services and facilities, Manchester Airport has been awarded the UK's Best Airport in both 2006 & 2008.

Located just 20 minutes from the city centre, the airport is superbly interconnected to the region by the UK's first ground transport interchange, including its very own train, bus and coach stations which run regular 24 hour services to the city centre and beyond. Plans to introduce a third platform at the airport's train station is just one of the many redevelopments happening at present.

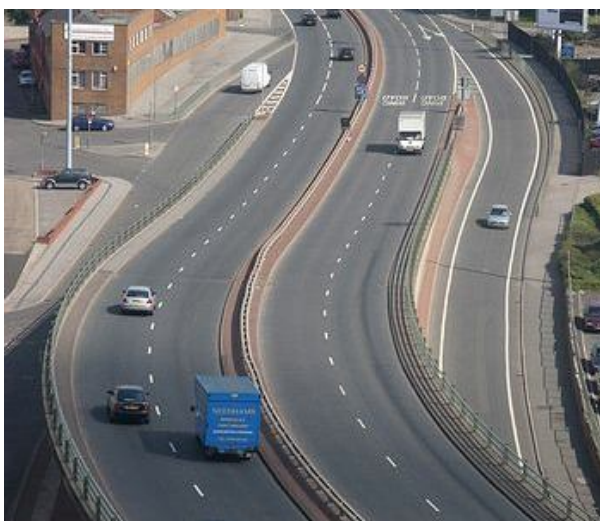
The largest freight terminal outside of London is based at Manchester Airport. The airport currently handles around 170,000 tonnes of import and export freight and mail annually. By 2015 it is expected the airport will be handling around 250,000 tonnes of cargo per year, with many freight services operating across key US and Far East markets.

### 3.3.2 Railways

Greater Manchester, at the heart of the North West, is a fundamental hub to the rest of the region's train network. The city region has a rail network covering 142 route miles and 98 stations all offering regular passenger connections to other parts of the city and country including all major UK cities. Over 20 million passengers used rail in Greater Manchester in 2007 and there are three services every hour to London. (GMPTE, 2007)

Every urban centre in the city region is connected to the city centre by rail or metrolink. Manchester's Piccadilly is at the heart of Manchester's rail network. All journeys from the West Coast of England to London take an average of 2 hours. Virgin train's half hourly service from Manchester to London Euston use tilting Pendolino trains which achieve a top speed of 140m.p.h. thus help to cut the journey time and increase freight capacity on the West Coast by 70%.

### 3.3.3 Roads



The Manchester city region lies at the heart of an expansive motorway network, ensuring easy access to the UK's major cities and centres of commerce. The road infrastructure in and around greater Manchester means that 60% of all businesses and a consumer market of 20 million are within 2 hours drive time of the city centre. With 25% of the nation's motorway miles, the city region boasts one of the best road networks in the UK with both linear and orbital motorways.

The M62 (East) links Manchester with Leeds, the Humber ports the M1 and the A1. The M62 West means access to Liverpool and Warrington is made remarkably easy, taking less than an hour

to travel from Manchester to Liverpool. The M6 Northbound links Manchester to the Lake District, Carlisle and Scotland.

The M6 Southbound links the city region to Birmingham, Bristol, Wales and London. The M60 ring road, completed in 2001, makes access in and around the city centre much easier and has also helped to make the traffic flow less congested. As the M60 is circular running through the conurbation of Greater Manchester, it has greatly improved the city region's inter-suburban links, a major accessibility factor when deciding to locate. The A57/M1 South connects Manchester with Sheffield, Nottingham and London and providing access to the East of England.

#### 4. Cheshire

Cheshire is home to some of the world's most successful multinational companies and it has a growing reputation for its financial and service sectors - just two of the reasons why it is attracting an ever larger share of business investment in the UK.

The automotive sector in Cheshire is one of the strongest in Europe. It is worth around £9 billion and employs over 43,000 people. It includes Bentley's state-of-the-art production facility in Crewe; and Vauxhall's car plant at Ellesmere Port, the largest in the Northwest, which has produced more than four million vehicles since 1962.

At Alderley Park, AstraZeneca's R&D facility is the largest of its type in the world, home to pioneering scientists at the cutting-edge of medicine. A booming financial and business services industry in Chester includes major names like M BNA, Marks & Spencer Financial Services and Halifax/Bank of Scotland. There are over 8,000 people employed at these three companies alone.

The crucible of the UK's chemical industry, Cheshire boasts a dynamic manufacturing base, too. In particular, for petrochemicals, pharmaceuticals, food and drink and construction.

#### 5. Cumbria

The rugged splendour of Cumbria is legendary. It attracts visitors from the length and breadth of Britain and beyond. Half of this spectacular county, England's second largest, is designated National Park or an Area of Outstanding Beauty - including the famous Lake District.

Nevertheless, this distinctive region is about much more than scenic landscapes. With contrasts of industry and agriculture, coastline and market towns, and urban and rural potential, diversity is the key to Cutting-edge nuclear technology at Sellafield has played a significant part in the Cumbrian economy. Today, the Nuclear Decommissioning Authority has made its national headquarters in West Cumbria and is handling contracts worth £2billion per year over the next two decades.

Meanwhile, the core of Cumbria's life sciences capability lies within the world-class facilities of the Westlakes Science and Technology Park. This offers an excellent location for new businesses and fantastic potential as a business investment opportunity.

For the past 25 years, innovative companies have been successfully translating Cumbria's marine expertise into offshore oil and gas technologies and the county is at the forefront of deepwater subsea engineering.

#### 6. Sources

- Invest in England's Northwest, <http://www.englishnorthwest.com>;
- Invest in Liverpool and Merseyside, <http://www.investmerseyside.com>;
- MIDAS, Manchester Investment Development Agency Service, <http://www.investinmanchester.com>.