

GREATER MANCHESTER COMBINED AUTHORITY

DATE: Friday, 25th September, 2020

TIME: 10.30 am

VENUE: This meeting will be held virtually via Microsoft Teams and will be live-streamed for public viewing. The link to watch the meeting is available on the meetings page of the GMCA website

2nd SUPPLEMENTAL AGENDA (issued 21.09.20)

5. Minutes of the Overview and Scrutiny Committees - September 2020 1 - 10

c) Economy, Business, Skills & Growth – 11 September 2020

16. Monthly Economic Recovery Update 11 - 20

Report of Councillor Elise Wilson, Portfolio Lead for Economy & Business.

20. GM Housing Investment Loans Fund - Investment Approval Recommendations 21 - 24

Report of Salford City Mayor Paul Dennett, Portfolio Lead for Housing, Homelessness and Infrastructure.

21. Exclusion of the Press and Public

That, under section 100 (A)(4) of the Local Government Act 1972 the press and public should be excluded from the meeting for the following items on business on the grounds that this involved the likely disclosure of exempt information, as set out in the relevant paragraphs of Part 1, Schedule 12A of the Local Government Act 1972 and that the public interest in maintaining the exemption outweighed the public interest in

BOLTON	MANCHESTER	ROCHDALE	STOCKPORT	TRAFFORD
BURY	OLDHAM	SALFORD	TAMESIDE	WIGAN

Please note that this meeting will be livestreamed via www.greatermanchester-ca.gov.uk, please speak to a Governance Officer before the meeting should you not wish to consent to being included in this recording.

disclosing the information.

**22. GM Housing Investment Loans Fund - Investment Approval 25 - 28
Recommendations**

Report of Salford City Mayor Paul Dennett, Portfolio Lead for Housing,
Homelessness and Infrastructure.

For copies of papers and further information on this meeting please refer to the website
www.greatermanchester-ca.gov.uk. Alternatively, contact the following

Governance & Scrutiny Officer: Governance and Scrutiny

✉ sylvia.welsh@greatermanchester-ca.gov.uk

This supplemental agenda was issued on 21.09.20 on behalf of Julie Connor, Secretary to the
Greater Manchester Combined Authority, Churchgate House, 56 Oxford Street,
Manchester M1 6EU

**MEETING OF THE GREATER MANCHESTER COMBINED AUTHORITY (GMCA)
ECONOMY, BUSINESS GROWTH AND
SKILLS OVERVIEW AND SCRUTINY COMMITTEE
FRIDAY 11 SEPTEMBER 2020 AT 10.30 AM VIA WEBCAST**

Present:	Councillor Michael Holly (in the Chair)
Bolton:	Councillor Samantha Connor Councillor Susan Haworth
Bury:	Councillor Mary Whitby
Manchester:	Councillor Basat Sheikh Councillor Greg Stanton
Oldham:	Councillor George Hulme
Rochdale	Councillor Daniel Meredith
Salford:	Councillor Jim King
Stockport:	Councillor Becky Senior Councillor Kerry Waters
Trafford:	Councillor Barry Brotherton
Wigan:	Councillor Charles Rigby Councillor Michael Winstanley

In attendance

	CLlr Sean Fielding, GMCA Portfolio Lead for Education, Skills and Digital.
GMCA	Joanne Heron, Statutory Scrutiny Officer
GMCA	Gemma Marsh, Director of Education, Skills & Work (Policy, Strategy & Delivery)
GMCA	Simon Nokes, Executive Director of Policy and Research
GMCA	John Wrathmell, Director of Strategy, GMCA
GMCA	Amy Fooks, Strategy, GMCA
GMCA	Maria Gonzales, Principal - International Strategy, GMCA
GMCA	Rebecca Drakeford, International Strategy, GMCA
GMCA	Paul Harris, Senior Governance & Scrutiny Officer

E22/20 APOLOGIES FOR ABSENCE

An apology for absence was received from Councillor Stephen Horner. Councillor Raymond Dutton was intending to attend as a substitute member but was unable to access the virtual meeting.

E23/20 CHAIR'S ANNOUNCEMENTS AND URGENT BUSINESS

There were no items of urgent business reported.

E24/20 DECLARATIONS OF INTEREST

There were no declarations of interest received.

E25/20 MINUTES OF THE MEETING HELD ON 10th JULY 2020

The minutes of the meeting held on 10th Jul 2020 were submitted for approval as a correct record.

The Chair suggested that an action log be created to support the minutes going forward.

RESOLVED:

That the minutes of meeting of the Economy, Business Growth and Skills Overview and Scrutiny Committee, held on 10th July 2020 be approved as a correct record, subject to the inclusion of Councillor Kerry Waters in the list of those members present and the correction of minor typographical errors.

E26/20 GREATER MANCHESTER LIVING WITH COVID RESILIENCE PLAN

The Chair introduced this item and highlighted that the Resilience Plan had been considered by the GM Combined Authority on 2nd September 2020.

Simon Nokes, Executive Director of Policy and Research, GMCA, provided an overview of the Living with Covid Plan, a one year plan that has been developed in response to the changing requirements of the coronavirus pandemic and sought comments from Overview and Scrutiny Committee Members to further shape and inform the development and delivery of the Plan as it evolves.

Members noted that the Plan seeks to capture early issues that have been made apparent because of Covid and identifies a response to build the resilience of the city region over the upcoming 12 months. The Plan also provides a link between the current Greater Manchester Strategy, which was due to finish this year, and the next version which will now be updated in June 2021.

Comments from Members were also sought in relation to the proposed mechanisms to drive system wide change to tackle inequalities highlighted and exacerbated by Covid. Members noted that the successful implementation of this Plan will build resilience to respond to any further outbreaks or emergencies and will provide a foundation for Greater Manchester to build back better.

The report highlighted how the Plan takes account of the Greater Manchester overarching principles which were determined within the early response to the pandemic. It was noted that these principles, namely: Inequalities / poverty, Safe GM / Standards, Co-design, civil society and social infrastructure, Building a confident city-region, Resilient city-region, Recovery in the context of GMS and Behaviour change, continue to shape and guide the development of the Living with Covid Resilience Plan.

Members noted that a further update will be brought to a future meeting which will provide an update on the progress of implementing the above-mentioned deliverables and monitor the Greater Manchester Strategy matrix.

Questions and Comments

A Member enquired if there were any cooperative models of inward investment to support the region's farming economy and in particular, to reduce food waste. In response, Members were advised that the University of Manchester was working to develop a resilient food network. Officers undertook to reflect this work in future updates of the Plan.

A Member asked a question about the roll out of digital high speed broadband across the conurbation. He sought clarification on how connectivity white spots can be progressed. In response, it was noted that in terms of digital exclusions, accessibility and the means to access technology and the broadband network is important. Where there are specific examples of low connectivity this will be raised directly with the broadband provider.

A Member enquired what minimum standards and targets would look like. He requested that any targets be brought to the Committee as they evolve. In response, it was noted that the GM Combined Authority agreed the principle of developing standards and targets in the neighbourhoods of Greater Manchester and work is commencing on this matter in consultation with the respective districts. The Chair suggested that when the matrix has been drafted, this draft should be brought to an appropriate meeting of this Overview and Scrutiny Committee.

A Member suggested that the establishment of regionally based financial institutions will enable regions to retain wealth locally. In response, it was noted that Plan aims to address the creation of an economy that retains wealth through the good employment charter, social value and social value through procurement. Members also noted that there is also a large financial services base within Greater Manchester and the immediate surrounding area. In addition, officers advised Members that the work that has taken place relating to the Cooperative Commission, the recommendations of which will be presented to the next meeting of the GM Combined Authority.

The Chair noted that people now have greater opportunities for flexible and agile working. For this reason, they may choose relocate away from city centres and usual commuter hub towns. He added that GM has strength in digital areas and cyber security and can create wealth in this sector.

A Member sought clarification on the timeline for the quality impact assessment on the digital delivery plan, the deep dive arrangements and if the Committee can view this impact assessment once it has been completed. In response, officers undertook to check the timeline and report back to the Councillor directly.

The Chair highlighted the large amount of activities identified in the report. He suggested that future report should identify key priorities and timelines for such. Opportunities should also be included. In response, officers referenced the 30 deliverables outlined in the plan are the activities to deliver within the next 12 months in order to build resilience. On

all 30 activities, progress must be made in order to build resilience of the city region to respond should a further pandemic or emergency occur.

A Member highlighted that because of Covid, people may change the way people work, move and this needed to be captured in the Greater Manchester Strategy refresh. In addition, clarification was sought on economic assumption modelling in relation to the Greater Manchester Spatial Framework (GMSF) and how that will inform policy making. In response, officers noted that any certainty on the full impact of Covid may not be understood for a number of years. New forecasts would not provide clarity on how things may have changed. It was anticipated that some short-term changes will have been seen and longer term ambitions, such as digitalisation, will have been accelerated. In addition, it was noted that Greater Manchester is maintaining a flexible approach for recovery. It was also noted that the impact of Brexit will need to be understood also.

A Member welcomed the Good Employer Charter but noted that this Charter was only as good as its members. He sought information on the take up of businesses in this Charter on a district basis where possible. In response, officers undertook to provide a detailed update on progress. Members noted that in high level terms, 200 employers representing over 200,000 employees had signed up to the Charter as supporters. The details of memberships will be shared.

Following a comment from a Member regarding Greater Manchester's responses to Brexit, the upcoming end of the furlough scheme and the ceasing of no-fault evictions, officers noted that the resilience plan has been written at a time when the emergency was still ongoing and as part of the response mechanism, an economic resilience group has been established to look at key issues. A particular focus of this group is to explore what may happen to the labour market when the furlough scheme ends and when business loans will start to have to be paid to Government. Issues will continue to be monitored and adaptations made where necessary.

RESOLVED/-

1. That the Living with Covid Plan and subsequent comments from Members be noted and that the decision of GMCA on its implementation as a system wide driver for change and improvement be supported.
2. That building on the recommendation above, the proposed development of a mechanism to utilise the established and developing partnership governance for the Age-friendly and Equalities Portfolio to support system wide responses, be noted.
3. To note and support the decision of GMCA of adopting minimum targets or standards for each locality or neighbourhood would support the effective targeting of resources across all GMCA activity. This would ensure that there is an ongoing recognition that address inequalities in all communities is fundamental to the whole of Greater Manchester being able to achieve its collective ambitions.
4. To agree that further iterations of the Plan be brought to an appropriate meeting of the Committee, as the plan evolves.

John Wrathmell, Director of Strategy, Research & Economy, GMCA introduced a report which provided the Committee with a summary on the work undertaken to date on the GM International Strategy and the approach taken to refreshing the document in the context of COVID and our departure from the EU.

Members noted that a first draft of the full strategy was appended at Appendix.1 to the report.

Questions and Comments

A Member enquired about the absence of Rochdale Council as a strategic partner in the document. In addition, he also sought clarification on how much funding Rochdale was providing Manchester Investment Development Advice Service (MIDAS) and what the benefits to Rochdale are. In response, Members were advised that in relation to strategic partner engagement, all districts were approached for their input. In terms of the financing of MIDAS and Marketing Manchester, it was noted that private funding and GMCA grants also supported this work. Officers committed to respond to the Member and Chair on the issues specific to Rochdale.

A Member commented on the attractiveness of Greater Manchester as a destination to academics and overseas companies. It was suggested that a side effect of home working might be that people living in towns on the longer commuter routes around London see London becoming an attractive work base again. In response, officers noted the difficulties in assessing how working patterns will change in the longer term and the transitional aspects of this. Members also noted that Greater Manchester remains competitive in terms of property prices when compared to the south east of England.

A Member noted that the report identified particular challenges in quantifying results of the International Strategy and enquired if there was any modelling available in the UK that can be applied to do this assessment work. In response, officers advised that one of the challenges of assessing the impact of the Strategy is the diverse approach to its delivery and the priorities of partners. Overseas students and the airports business approaches were highlighted as particular examples.

A Member highlighted the impact the directly appointed Mayor had made on business opportunities in Greater Manchester. He enquired to what digital opportunities can be taken to continue to develop trade relationships with these countries. In response, officers explained that this is being explored and that an update will be provided as and when a solution evolved.

A Member highlighted that the on-shoring approach taken by some countries and enquired if a similar approach should be explored as part of GMs strategy. The Member added that in terms of diplomacy, the use of the existing twin-town arrangements that are in place in most districts may be expanded. In response, officers noted that these matters will be explored further. The Chair recalled the amount of manufacturing business that has been lost in the UK over time and noted the opportunities, such as the potential manufacturing of PPE that can be explored to re-establish a manufacturing

industry. He highlighted in relation to re-shoring, that such measures would take time to establish.

A Member noted current tensions with China, both morally and economically and enquired if these issues are factored in GM plans. In response, it was noted that GM has a strong relationship with China and this will be something that Leaders will look at when they consider the report.

RESOLVED/-

1. That the update on the GM International Strategy and the comments and observation of Members above, be noted.
2. That a further update be presented at a meeting of the Committee in 12 months' time.

E28/20 WORK AND SKILLS UPDATE

Councillor Sean Fielding, GMCA Portfolio Lead for Education, Skills and Digital introduced a presentation which updated the Committee on the work and skills activities underway to support young people and the labour market. He highlighted that Covid has had an unprecedented impact on the economy, particularly in the service sector and has triggered and accelerated structural changes in the economy, such as remote working.

Councillor Fielding highlighted that, as the furlough scheme ends, there is a real risk that some jobs may no longer exist. It was noted that, as there is a greater proportion of young people employed in non-essential retail and hospitality, they have been disproportionately affected by the impact of Covid. He added that prior to Covid, work was taking place to address inequality and it was important that this focus is maintained in this challenging time.

Councillor Fielding explained that a plan has been developed to mitigate challenges in GM and provide the right tailored offer for young people. It was noted that the Employment and Skills Advisory Panel enables engagement with employers, training providers and the education sector. The Panel also helps to understand what is happening in the economy, identifies those challenges to young people, apprenticeships and furloughed staff who may or may not return to their jobs.

The Chair welcomed the report and took encouragement in the amount of activities being undertaken to support and address the challenges that the impact of Covid has created. The Chair also wished to record thanks to the Work and Skills Team for the breadth and quality of work within the report.

Gemma Marsh, Director of Education, Skills & Work (Policy, Strategy & Delivery), GMCA took members through the report and provided an overview of the GMCA Recovery Plan. In doing so, she highlighted the partnership approach of the Employment and Skills Advisory Panel and the expertise of its members to help to break down barriers and explore what the skills system and work system can do to support people, particularly those disproportionately disadvantaged. The approach to young people, apprentices, furloughed staff, newly unemployed, long-term unemployed and retraining and reskilling opportunities for these cohorts.

The presentation informed the Committee of details of the work with Government including activities such as Kick Start, Working Well Lite, the adult education budget and apprenticeship grants. The presentation also provided Members with an overview on sectoral growth in GM.

The work around the Young People's Guarantee was highlighted and Members noted that a further update on this Guarantee would be presented at a future meeting of this Committee.

Members noted that funding from Skills Capital Round 3 has resulted in all Greater Manchester colleges receiving funding. Grants have been provided to assist with adaptations in colleges and to provide digital kit and connectivity to students that may need it. Apprenticeships have been targeted to reduce barriers and work was continuing with local authorities to stimulate demand.

Members noted that the Government's Job Plan has been produced and work was taking place to apply this in local areas.

Question and Comments

A Member welcomed the report. He enquired on what can be done to ensure that people in existing roles won't be moved on to apprenticeship schemes and that firing and re-hiring activities do not take place. He sought clarification that with regard to the regional split of GM Sector jobs, if these roles were only for that particular area. He asked about preparedness and capacity in terms of to support job seeker claimants. In response, it was noted that the number job roles in the report refer to Greater Manchester jobs. The data provided a snapshot in time and the work with the good Employer Charter and Kick Start can help to support unintended consequences of some employers.

A Member highlighted the work Kick Start scheme and access to work programme for young people in Oldham and Manchester. The Member enquired if the Greater Manchester focus will now be on job opportunities as a priority and if some of the skills work will be less of a priority. In response, officer explained that the Kick Start programme cannot just be about jobs and that there longer term benefit and support for young person to grow and develop. The Kick Start Board and the intermediary bodies will provide an oversight of this approach in the absence of any devolved responsibilities from Government.

A Member noted that Kick Start programme was to target young people furthest away from employment. He also noted that locally, only 9 people were eligible for the scheme in Wigan. In response, officers highlighted that Job Centre Plus refer young people aged 16- 24 year olds that are on Universal Credit and would expect that the numbers would be higher than purported. Officers undertook to look into the matter and report back.

Councillor Brotherton referred to the scenarios forecasted in the report and sought details of any actual figures for September claimant rates and how do they align with the

forecast. In response, Gemma Marsh undertook to share the actual figures with the group.

In relation to the sectoral analysis in the report, the Chair asked if the information is forecasted or historic. In response, Members were informed that the analysis was based on actual recruitment data from the labour market.

RESOLVED:-

1. That Councillor Fielding and Gemma Marsh be thanked for the informative presentation.
2. That the Work and Skills update and comments from Members be noted.

E29/20 COMMITTEE WORK PROGRAMME 2020/2021

Members considered the draft Committee Work Programme for 2020/21 which set out those topics and items that would provide a focus of the Committee's work for the 2020/2021 municipal year.

The Chair noted that the report on the outcomes of the Fawcett Society review women's employability will be presented at the October 2020 meeting of the Committee.

A Member asked if the Good Employer Charter can be considered as part of the work programme of the committee. He also asked if an update on the work of MIDAS may also be provided. The Chair explained that he would explore if the work of MIDAS was within the remit of this Committee.

RESOLVED/-

That Committee Work Programme be noted.

E30/20 REGISTER OF KEY DECISIONS

Members considered the register of GMCA Key Decisions for the period 1 September 2020 to 31 October 2020 that was published on 26 August 2020.

RESOLVED/-

That the register of GMCA Key Decisions for the period 1 September 2020 to 31 October 2020 be noted.

E31/20 PROGRAMME OF FUTURE MEETINGS

Members considered a programme of future meeting date for the Committee for 2020/2021.

RESOLVED/-

1. That the following meeting dates for the Committee be noted:-

- Friday 9 October 2020;
- Friday 13 November 2020;
- Friday 4 December 2020;
- Friday 15 January 2021;
- Friday 5 February 2021;
- Friday 12 March 2021.

2. To note that meetings will commence at 10.30 am and will be held via video conference unless advised otherwise.

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Date: 18th September 2020

Subject: Greater Manchester Economic Dashboard

Report of: Councillor Elise Wilson, Portfolio Lead for Economy & Business

PURPOSE OF REPORT

To provide GMCA with the latest version of the Greater Manchester Economic Resilience Dashboard.

RECOMMENDATION:

The GMCA is requested to note and comment on the latest update of the Greater Manchester Economic Resilience Dashboard

CONTACT OFFICERS:

Simon Nokes, Executive Director Policy & Strategy, GMCA
Simon.nokes@greatermanchester-ca.gov.uk

Equalities Implications:

There are no direct equalities impacts arising from this report.

Climate Change Impact Assessment and Mitigation Measures:

1. *No direct impacts arising from this report.*

Risk Management:

None

Legal Considerations:

None

Financial Consequences – Revenue:

None

Financial Consequences – Capital:

None

Number of attachments to the report: 1

Comments/recommendations from Overview & Scrutiny Committee

None

BACKGROUND PAPERS:

The author of the report must include list of those documents on the subject matter which:

- Disclose any facts or matter on which the report or an important part of the report is based;
- Which have been relied on to a material extent in preparing the report

TRACKING/PROCESS		[All sections to be completed]
Does this report relate to a major strategic decision, as set out in the GMCA Constitution		No
EXEMPTION FROM CALL IN		
Are there any aspects in this report which means it should be considered to be exempt from call in by the relevant Scrutiny Committee on the grounds of urgency?		Please state the reason the report is exempt from call-in
GM Transport Committee	Overview & Scrutiny Committee	

1. BACKGROUND

1.1 The Economic Resilience Dashboard aims to provide up to date intelligence on the conditions in the Greater Manchester economy following the outbreak of Covid-19.

The data is divided into three sections:

- Current Economic Conditions provides leading indicators on the economy and labour market
- Business and Consumer Confidence provides measures of confidence in the economy as illustrated in retail spending and responses to national surveys
- Greater Manchester Business Indicators provides data gathered by GM based organisations on business sentiment and confidence.

1.2 The available economic data in response to Covid-19 is changing rapidly with frequent new datasets becoming available and others being withdrawn. The dashboard will be updated with the best available data each month.

1.3 The latest version of the dashboard can be viewed live at this link (and is attached at a PDF report):

https://www.gmtableau.nhs.uk/t/GMCA/views/GMEconomicResilienceDashboard-September2020v3/About?%3AshowAppBanner=false&%3Adisplay_count=n&%3AshowVizHome=n&%3Aorigin=viz_share_link&%3AisGuestRedirectFromVizportal=y&%3Aembed=y

2. HEADLINE MESSAGES:

2.1 The claimant count for August 2020 shows that after rapid increases in the number of residents seeking unemployment related benefits between April and May 2020, the total number of claimants in Greater Manchester (GM) stabilised in June and has remained steady through July and August. 144,480 GM residents claimed unemployment related benefits in August, an increase of 1.3% on the previous month and a 93% growth in the claimant count since March. However, this figure is lower than for the UK as a whole, which has seen a 114% rise in the number of claimants across the same period.

2.2 According to the Growth Company's fortnightly business survey, the number of GM firms planning to make redundancies increased to 9% between the 29th August and 14th September. This figure has risen steadily from 2% on 20th April. Further redundancies are anticipated over the next few months as the government's Coronavirus Job Retention Scheme (known as furlough) winds down.

2.3 Total online job postings in GM also remained steady at 4,416 in the week ending the 12th September 2020. In the first week of March, there were about 7,500 postings a week: in other words, vacancies have fallen by around 40%. However, vacancies appear to have hit a low in early May 2020 and since then there has been modest, somewhat faltering growth.

- 2.4 HMRC has stopped providing local authority level data on numbers of residents furloughed, making it more challenging to provide an accurate estimate of usage of the scheme at a Greater Manchester level. Nationally, usage of the scheme continued to fall in July from its peak in mid-May. Around 4 million fewer workers are now furloughed nationally than at the scheme's peak. The Accommodation & Food Services and Wholesale & Retail sectors continue to have the largest volumes of staff furloughed through the scheme (940,000 and 790,000 respectively). 61% of GM businesses responding to the most recent Growth Company survey reported that they had furloughed some of their staff.
- 2.5 Analysis by Centre for Cities shows a mixed picture in the recovery of footfall across GM's primary town centres. Whilst Wigan has recovered to pre-pandemic levels, other town centres have between 61% and 77% of the levels of footfall seen in March. The analysis shows the regional centre had around 49% of pre-pandemic levels of footfall in the final week of August. This contrasts with the data from footfall counters across ten Manchester neighbourhoods which shows footfall at around -12% of pre-crisis levels over the last four weeks. This suggests more localised footfall may have been more resilient and recovered more quickly during the pandemic.
- 2.6 Broader measures of business and consumer sentiment show some positive signs for the GM economy. All three sectoral Purchasing Manager's Indices are now above the 50.0 threshold score that indicates growth. Retail sales have also recovered to above their pre-crisis level. However, underlying consumer confidence has consistently remained 20 points below its pre-crisis level at -27 for each of the last three months, suggesting that there is still considerable uncertainty about the future.

3. RECOMMENDATION

- 3.1 The GMCA is requested to note and comment on the latest update of the Greater Manchester Economic Resilience Dashboard

Economic Resilience Dashboard



Tracking the Greater Manchester Economy

The Economic Resilience Dashboard aims to provide up to date intelligence on the conditions in the Greater Manchester (GM) economy following the outbreak of Covid-19.

The data is divided into three sections:

Page 15

Current Economic Conditions provides leading indicators on the economy and labour market

Business and Consumer Confidence provides measures of confidence in the economy as illustrated in retail spending and responses to national surveys

Greater Manchester Business Indicators provides data gathered by GM based organisations on business sentiment and confidence.

The economic data in response to Covid-19 is changing rapidly with new datasets becoming available and others being withdrawn on a regular basis. The dashboard will be updated with the best available data each month with the resultant analysis described in the Analysis tab.

We would welcome feedback on alternative measures to be included in the dashboard or insights on the data provided. If you have any feedback please email jack.james@greatermanchester-ca.gov.uk.

Analysis



4 million

Fewer people were furloughed nationally by the end of July than at the scheme's peak in May, a reduction of 46% in the use of the scheme.



144,480

GM residents were in receipt of unemployment benefits in August, a rise of 93% since March.



4,416

online job postings were recorded in the GM economy in w/e 12th September, around 40% fewer than w/e 7 March.

The claimant count for August 2020 shows that after rapid increases in the number of residents seeking unemployment related benefits between April and May 2020, the total number of claimants in Greater Manchester (GM) stabilised in June and has remained steady through July and August. **144,480 GM residents claimed unemployment related benefits in August**, an increase of 1.3% on the previous month and a **93% growth in the claimant count since March**. However, this figure is lower than for the UK as a whole, which has seen a 114% rise in the number of claimants across the same period.

According to the Growth Company's fortnightly business survey, the number of GM firms planning to make redundancies **increased to 9%** between the 29th August and 14th September. This figure has risen steadily from 2% on 20th April. Further redundancies are anticipated over the next few months as the government's Coronavirus Job Retention Scheme (known as furlough) winds down.

Total online job postings in GM also remained steady at **4,416** in the week ending the 12th September 2020. In the first week of March, there were about 7,500 postings a week: in other words, **vacancies have fallen by around 40%**. However, vacancies appear to have hit a low in early May 2020 and since then there has been modest, somewhat faltering growth.

HMRC has stopped providing local authority level data on numbers of residents furloughed, making it more challenging to provide an accurate estimate of usage of the scheme at a Greater Manchester level. Nationally, usage of the scheme continued to fall in July from its peak in mid-May. **Around 4 million fewer workers are now furloughed nationally than at the scheme's peak**. The Accommodation & Food Services and Wholesale & Retail sectors continue to have the largest volumes of staff furloughed through the scheme (940,000 and 790,000 respectively). 61% of GM businesses responding to the most recent Growth Company survey reported that they had furloughed some of their staff.

Analysis by Centre for Cities shows a mixed picture in the recovery of footfall across GM's primary town centres. Whilst Wigan has recovered to pre-pandemic levels, other town centres have between 61% and 77% of the levels of footfall seen in March. The analysis shows the regional centre had around 49% of pre-pandemic levels of footfall in the final week of August. This contrasts with the data from footfall counters across ten Manchester neighbourhoods which shows footfall at around -12% of pre-crisis levels over the last four weeks. This suggests more localised footfall may have been more resilient and recovered more quickly during the pandemic. Broader measures of business and consumer sentiment show some positive signs for the GM economy. All three sectoral Purchasing Manager's Indices are now above the 50.0 threshold score that indicates growth. Retail sales have also recovered to above their pre-crisis level. However, underlying **consumer confidence has consistently remained 20 points below its pre-crisis level at -27 for each of the last three months**, suggesting that there is still considerable uncertainty about the future.

Current Economic Conditions

Number of UK residents furloughed (Monthly)



Number of GM self-employed people accessing support (Monthly)



Key Facts

There were 4.8 million employees on furlough on 31st July, around 4 million less than at the scheme's peak in May. This data is currently only provided by ONS at a national level and isn't able to be replicated for GM.

The number of people in GM accessing the Self-Employment Income Support Scheme rose 23% to 121,900 between June and July.

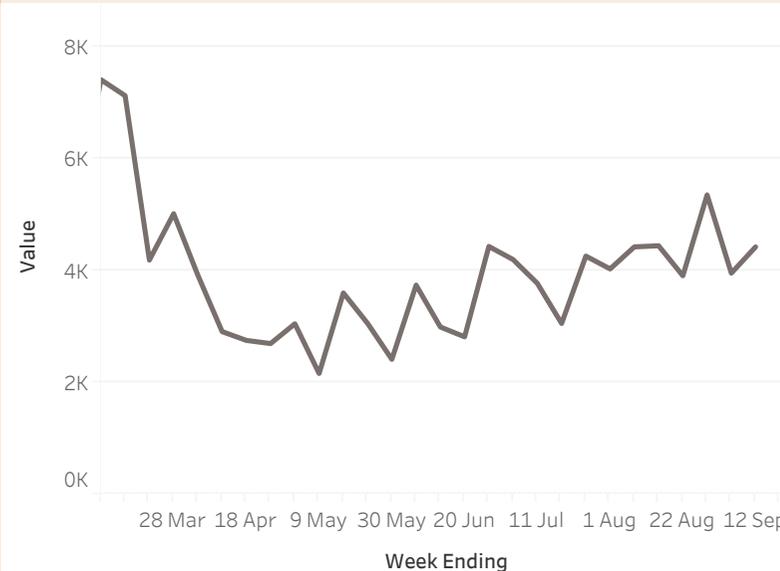
The number of claimants increased by 1.3% to 144,480 between July and August. GM has seen an 93% rise in the volume of claimants between March and August.

Total weekly job postings increased by 468 (12%) between 6th and 12th September. Weekly job postings have fallen 40% since week 1st - 7th March.

GM claimant count (Monthly)

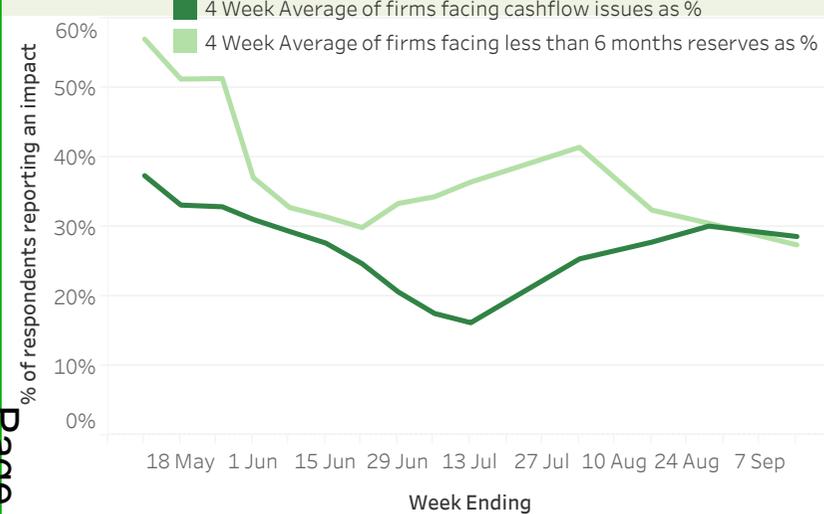


GM job postings by industry (Weekly)



Greater Manchester Business Indicators

GC Survey: Firms reporting cashflow and reserves issues (Bi-weekly)



GC Survey: Firms planning to make redundancies (Bi-Weekly)

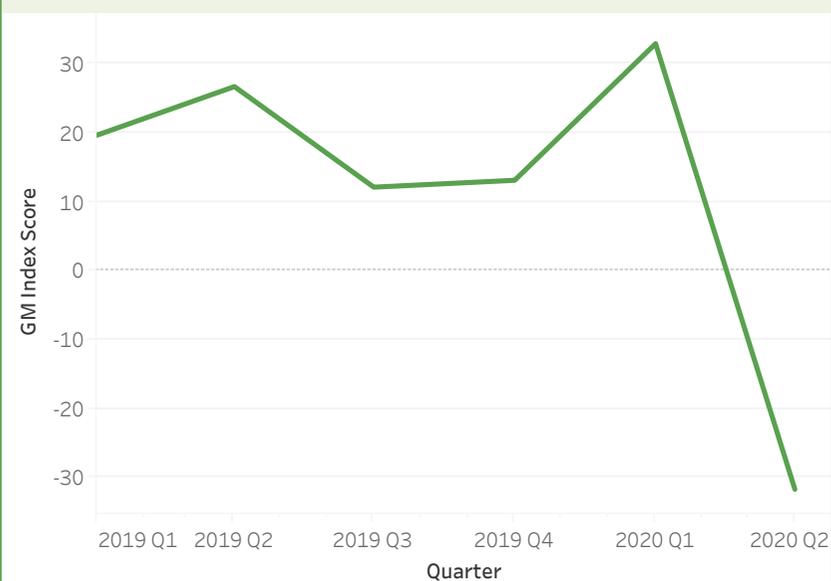


The number of GM businesses reporting cashflow issues decreased by 1% to 29% in the four weeks 17th August - 14th September. This is down 8% since week 5th - 11th May.

The number of GM business reporting less than 6 months reserves decreased 5% to 27% in the four weeks 17th August - 14th September. This is down 30% since week 5th - 11th May.

The number of GM businesses planning to make redundancies increased to 9% in the two weeks 29th August - 14th September.

GM Index (Quarterly)



Export Documents (Monthly)

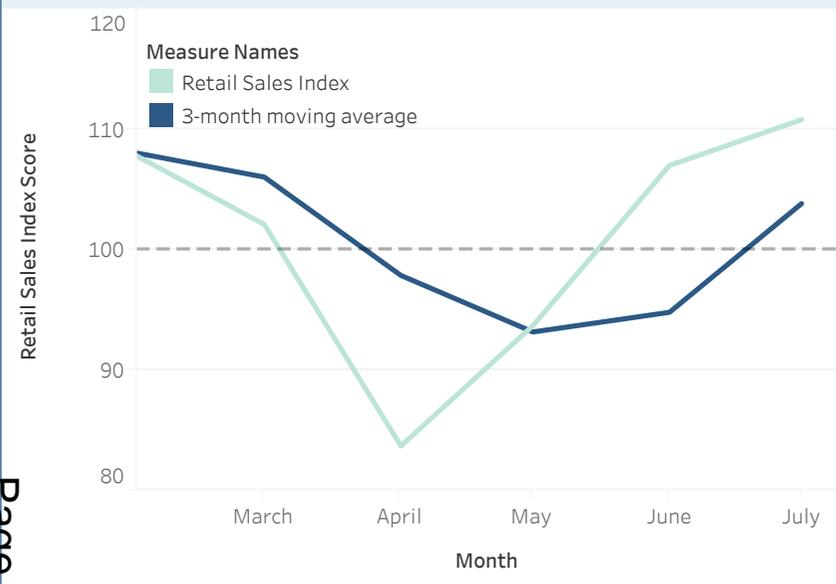


GM Chamber's GM Index decreased from 32.9 in Q1 2020 to -31.7 in Q2 2020. It should be noted that the Q1 2020 figure only includes a short period at the end of March during lockdown.

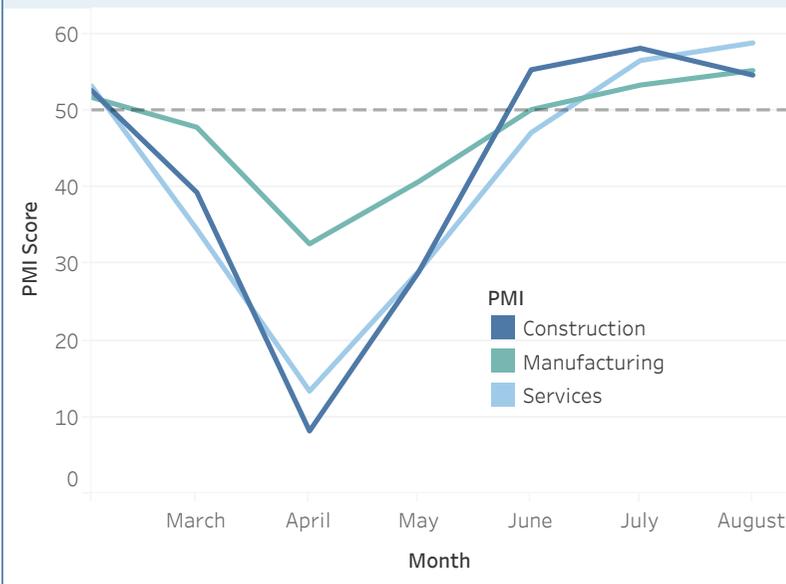
Export documents decreased by 11% in August, from 2,546 to 2,278. The total number of export documents is down 20% since February.

Business and Consumer Confidence

UK retail sales (Monthly)



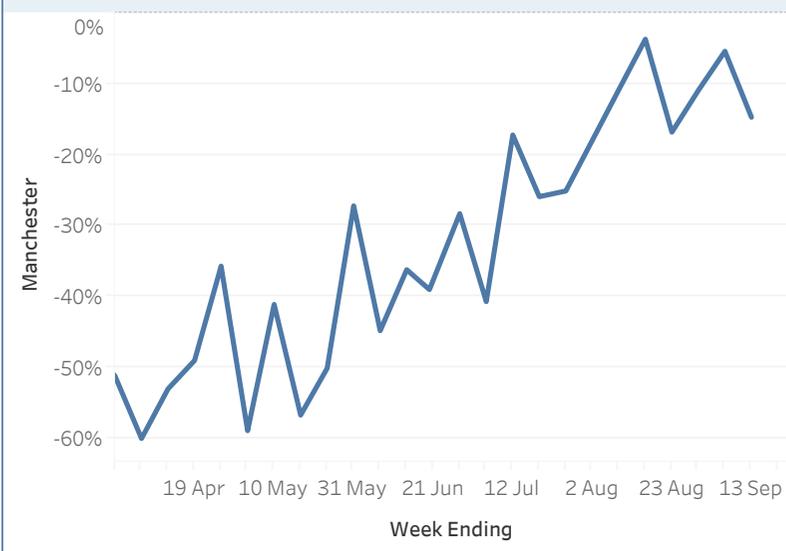
UK purchasing managers index (Monthly)



UK consumer confidence (Monthly)



Footfall in Manchester area (Weekly)



Key Facts

The retail sales index increased in July from 107.0 to 110.8. The index is now 3 points higher than it was in February 2020.

Two out of three PMI measures increased in August. Manufacturing PMI increased from 53.3 to 55.2, Services PMI increased from 56.5 to 58.8 and Construction PMI decreased from 58.1 to 54.6.

The UK Consumer Confidence Index remained at -27 in August 2020. Consumer confidence has fallen 20 points since February 2020.

Footfall throughout the Manchester City Council area was down -14.7% year-on-year between 7th - 13th September. However, this is significantly improved since the -60% year on year low between 30th March and 5th April.

Definitions

Current Economic Conditions

Employees on Furlough in GM - This data is taken from the **monthly statistical release from HMRC** and provides figures for the number of employees who are currently on the government's Coronavirus Job Retention Scheme throughout the UK. Currently the HMRC release only provides cumulative figures for the GM area. The release is classed as experimental statistics because the methodologies used to produce the statistics are still in their development phase. As a result, the figures are subject to revision.

People on Self-Employment Income Support Scheme - This indicator measures the number of claims made to the Self-Employment Income Support Scheme (SEISS) administered by HM Revenue and Customs'. **The data is released on a monthly basis by HMRC.** As this is an experimental dataset, methodologies are still being refined and improved. Therefore, there may be revisions to these statistics.

Claimant Count - This data is taken from a **monthly statistical release by the Office for National Statistics.** Alternative Claimant Count experimental statistics measure the number of people claiming unemployment related benefits by modelling what the count would have been if Universal Credit had been fully rolled out since 2013 (when Universal Credit began) with the broader span of people this covers.

Job Postings - Job postings data is **taken from Burning Glass and updated on a weekly basis.** This measure indicates job vacancies for GM as a whole.

Greater Manchester Business Indicators

GM Index - The Greater Manchester Index is a **quarterly composite indicator taken from seven measures in the Greater Manchester Chamber of Commerce's Quarterly Economic Survey.** Those seven indicators are Domestic Sales, Advance UK Orders, Export Sales, Advance Overseas Orders, Capacity Utilisation, Turnover Confidence, Profitability Confidence.

Export Documents - This is a **monthly count of the number of export documents processed for GM businesses,** as reported to GMCA by the **GM Chamber of Commerce.** It gives an indication of the level of international trade happening in GM in the month.

Growth Company Business Survey - Figures relating to the impact of COVID-19 on business are **taken from the Growth Company's weekly business survey.** The survey covers all businesses that are Growth Company Clients, this means that some businesses outside of GM that access Growth Company services may be included in the dataset.

Business and Consumer Confidence

Retail Sales - The Retail Sales Index provides retail sales data for Great Britain in value and volume terms, seasonally and non-seasonally adjusted. **Taken from a monthly statistical release by the Office for National Statistics.** The specific measure we use from the index is shows the volume of retail sales, seasonally adjusted, as a percentage change on the same month a year earlier.

Purchasing Manager's Index - The Purchasing Managers' Index (PMI) is an index of the prevailing direction of economic trends in the manufacturing, service and construction sectors. It consists of a diffusion index that summarizes whether market conditions, as viewed by purchasing managers, are expanding, staying the same, or contracting. **The Index is published on a monthly basis by IHS Markit Economics.** The purpose of the PMI is to provide information about current and future business conditions to company decision makers, analysts, and investors.

Consumer Confidence - In the United Kingdom, the consumer confidence survey measures the level of optimism that consumers have about the performance of the economy in the next 12 months. **Published on a monthly basis by GfK.** The GfK Consumer Confidence is derived from the survey of about 2,000 consumers which are ask to rate the relative level of past and future economic conditions including personal financial situation, climate for major purchases, overall economic situation and savings level.

Footfall in Manchester - This data is provided to **Manchester City Council by Springboard on a weekly basis.** The data is for the Manchester City Council area only and refers to the year-on-year change in footfall. Year on Year % Change is the % change in footfall for this week compared to the same week in the previous year.

Date: 25 September 2020

Subject: GM Housing Investment Loans Fund – Investment Approval Recommendations

Report of: Salford City Mayor Paul Dennett, Portfolio Lead Leader for Housing, Homelessness and Infrastructure and Steve Rumbelow, Portfolio Lead Chief Executive for Housing, Homelessness and Infrastructure

PURPOSE OF REPORT

This report seeks the Greater Manchester Combined Authority’s (“Combined Authority”) approval to GM Housing Investment Loans Fund loans detailed in the recommendation below.

RECOMMENDATIONS:

The Combined Authority is requested to:

1. Approve the GM Housing Investment Loans Fund loans detailed in the table below, as detailed further in this and the accompanying Part B report;

BORROWER	SCHEME	DISTRICT	LOAN
Bricks & Soul Trading Ltd	Various	GM wide	£0.750m
Newco SPV (an MCR Property Group Company)	Wharf Road, Altrincham	Trafford	£6.397m
Jubilee Way Estates Ltd	Bury Magistrates Court	Bury	£3.948m

2. Delegate authority to the GMCA Treasurer acting in conjunction with the GMCA Monitoring Officer to prepare and effect the necessary legal agreements.

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BACKGROUND PAPERS:

- Housing Investment Fund (report to GMCA, 27 February 2015)
- GM Housing Investment Loans Fund – Revised Investment Strategy (report to GMCA, 25 October 2019)

TRACKING/PROCESS		
Does this report relate to a major strategic decision, as set out in the GMCA Constitution		YES
EXEMPTION FROM CALL IN		
Are there any aspects in this report which means it should be considered to be exempt from call in by the relevant Scrutiny Committee on the grounds of urgency?		NO
TfGMC	Overview & Scrutiny Committee	

Equalities Implications – not applicable

Climate Change Impact Assessment and Mitigation Measures – not applicable

Risk Management – see paragraph 3

Legal Considerations – see paragraph 4

Financial Consequences – Revenue – see paragraph 5

Financial Consequences – Capital – see paragraph 6

1. INTRODUCTION & OVERVIEW

- 1.1 In line with the agreed governance process for the GM Housing Investment Loans Fund (“the Fund”), the Combined Authority is asked to approve the loans detailed in section 2, which have been recommended for approval by the Fund’s Credit Committee.
- 1.2 The total value of offers of loans from the Fund approved by the Combined Authority to date is £444.4m and the total value of equity investments made by the Fund is £17m¹. If the recommendations set out in this report are agreed, the value of loan offers will increase to £455.5m.
- 1.3 Affordable housing and section 106 agreements are dealt with at a local level in line with local policies, national planning legislation and the government’s National Planning Policy Framework. As agreed at the December 2018 meeting of the GMCA, the majority of the surpluses generated from the Fund will be ring fenced to support provision of additional housing affordable to GM residents, supporting the Mayor’s Town Centre Challenge and tackling issues such as rogue landlords, empty homes and improving standards within the Private Rented Sector.
- 1.4 The GM Housing Vision was approved via the GMCA in January 2019. This sets the context for housing delivery within GM and paved the way for the GM Housing Strategy and revised GM Housing Investment Loans Fund Investment Strategy that were approved by GMCA in

¹ These figures exclude loan offers that have not been taken up and are therefore withdrawn.

October 2019. Alongside the launch of the GM Spatial Framework, the agreement to these strategic documents will be a pivotal point in shaping the way housing is brought forward across Greater Manchester and setting the objectives and focus of future investments made from the Fund.

2. LOAN APPROVAL SOUGHT

- 2.1 Bricks & Soul Trading Ltd is seeking a loan of £0.750m from the GM Housing Investment Loans Fund, in the form of a revolving credit facility, for the purchase and refurbishment of various properties across Greater Manchester. The properties will then be sold to Registered Providers and other organisations working with vulnerable people, which will charge local authorities the standard Local Housing Allowance rate, or retained by the borrower to provide affordable rent accommodation. The loan will support a SME which is focussed on bringing empty properties back into use to provide good quality affordable housing within Greater Manchester, and it expected that around 25 properties would be delivered with the loan
- 2.2 MCR Property Group is seeking a loan of £6.397m from the GM Housing Investment Loans Fund for the development of 44 apartments and 5 houses at Wharf Rd, Trafford. Planning permission was granted in July 2019. The loan will support a Manchester based developer. There is a 25% affordable housing provision and a £230k Community Infrastructure Levy payment.
- 2.3 Jubilee Way Estates Ltd is seeking a loan of £3.948m from the GM Housing Investment Loans Fund for the development of 39 apartments and 10 houses at Bury Magistrates Court. Planning permission was granted in December 2019. The loan will support a Bury based SME developer. There is a maximum £556k Section 106 payment, subject to the outcome of a viability assessment.
- 2.4 Further details of the scheme and proposed terms of the loans are included in the accompanying Part B report, to be treated as confidential on account of the commercially sensitive nature of the information.

3. RISK MANAGEMENT

- 3.1 The structure and security package proposed for the loans in order to mitigate risk are given in the accompanying Part B report.
- 3.2 The loans will be conditional upon a satisfactory outcome of detailed due diligence and ongoing confirmation from Monitoring Surveyors acting on the Fund's behalf that the schemes are being delivered satisfactorily.

4. LEGAL CONSIDERATIONS

- 4.1 A detailed loan facility and other associated legal documentation will be completed ahead of the first loan payment for each scheme.

5. FINANCIAL CONSEQUENCES – REVENUE

- 5.1 The borrowers will be required to meet the Fund’s legal, due diligence and monitoring costs and there is no requirement for additional revenue expenditure by GMCA in addition to the approved Core Investment Team budget.

6. FINANCIAL CONSEQUENCES – CAPITAL

- 6.1 The loans will be sourced from the £300m GM Housing Investment Loans Fund, including the recycling of loans repaid to the Fund.

7. RECOMMENDATION

- 7.1 The Combined Authority is recommended to approve the loans in line with the terms set out in the accompanying report, and delegate authority to the GMCA Treasurer acting in conjunction with the GMCA Monitoring Officer to prepare and effect the necessary legal agreements.

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

Document is Restricted

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