Public Document

GREATER MANCHESTER COMBINED AUTHORITY

DATE: **Friday, 29th July, 2022**

TIME: **10.30 am**

VENUE: **Hopwood Hall Middleton Campus, Rochdale Road, Middleton, Manchester, M24 6XH**

AGENDA

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.

Name	Organisation	Political Party
Councillor Mark Hunter	Stockport	Liberal Democrats
Councillor Gerald Cooney	Tameside Council	Labour
Councillor Neil Emmott	Rochdale	Labour
Councillor Eamonn O'Brien	Bury Council	Labour
GM Mayor Andy Burnham	GMCA	Labour
Deputy Mayor Beverley Hughes	GMCA	
City Mayor Paul Dennett	Salford City Council	Labour
Councillor Andrew Western	Trafford	Labour
Councillor David Molyneux	Wigan Council	Labour
Councillor Bev Craig	Manchester CC	Labour
Councillor Martyn Cox	Bolton	Conservative
Councillor Amanda Chadderton	Oldham Council	Labour

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 agenda was issued on 22 July 2022 on behalf of Julie Connor, Secretary to the Greater Manchester Combined Authority, Broadhurst House, 56 Oxford Street, Manchester M1 6EU

GMCA GREATER MANCHESTER COMBINED AUTHORITY

Greater Manchester Combined Authority

Date: 29th July 2022

Subject: Greater Manchester Economic Dashboard and Economy Portfolio Update

Report of: Tom Standard Portfolio Lead Chief Executive for Economy & Business

---

PURPOSE OF REPORT:

To provide GMCA with the latest version of the Greater Manchester Economic Resilience Dashboard. And an overview of activity related to the Greater Manchester Local Industrial Strategy and the Economy portfolio.

RECOMMENDATIONS:

That the GMCA note and comment on the latest update of the Greater Manchester Economic Resilience Dashboard and response, including delivery of the Local Industrial Strategy and Greater Manchester Economic Vision.

CONTACT OFFICERS:

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

Equalities Impact, Carbon and Sustainability Assessment:

Impact Indicator	Result	Justification/Mitigation
Equality and Inclusion		
Health	*N/A*	
Resilience and Adaptation	*N/A*	
Housing		
Economy		
Mobility and Connectivity		
Carbon, Nature and Environment		
Consumption and Production		

Contribution to achieving the Greater Manchester Carbon Neutral 2038 target.	

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:

1. BACKGROUND

1.1 This report sets out the latest indicators for the Greater Manchester economy, captured in the GM Economic Resilience Dashboard, to understand how the C-19 pandemic, EU-exit, rising cost-of-living and other factors are affecting the trajectory and resilience of the city-region's economy. It also summarises the latest responses to those insights, as the GMCA, Greater Manchester Local Enterprise Partnership (GM LEP) and other partners across the public, private and voluntary, community and social enterprise sectors continue to drive the recovery from C-19, as well as the longer term ambitions set out in the Greater Manchester Local Industrial Strategy and Greater Manchester Economic Vision.

1.2 The rising cost-of-living has emerged as a key issue for the GM economy and the economy research team is working to provide greater intelligence through the Economic Resilience Dashboard. In addition, the wider research team has begun production on a cost-of-living dashboard, designed to specifically track the cost-of-living in GM in comparison to England and the North West. This dashboard will support leaders and decision makers in GM in responding to the rising cost-of-living. Furthermore, the research team have been working closely with Greater Manchester Poverty Action (GMPA) on their poverty monitor. The poverty monitor has been created to highlight the scale and nature of poverty in GM and includes 60 indicators across child poverty, educational attainment, fuel poverty, food poverty and the poverty premium, health, housing, social security and the labour market.

1.3 The Economic Resilience Dashboard aims to provide up to date intelligence on the conditions in the Greater Manchester economy, recovery from the Covid-19 crisis and other emerging issues.

The data is divided into seven sections:

- Labour Market provides leading indicators on employment and economic activity.
- Household Finances and Cost of Living provides data on pay, debt and inflation.

- Business Outlook provides data gathered by GM based organisations on business sentiment and confidence.
- Business Lending and Credit Risk provides information on coronavirus support measures and SME Lending.
- Behavioural Insights provides information on the movement of people across GM.
- International Trade provides the most up to date information available on exports at different geographies.
- National Indicators provides leading indicators on the state of the economy nationally.

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

https://www.gmtableau.nhs.uk/t/GMCA/views/GMEconomicResilienceDashboard/About/jack.james@greatermanchester-ca.gov.uk/4f3be3e5-759e-47ee-85f9-6c1538fc265c?:display_count=n&:showVizHome=n&:origin=viz_share_link&:isGuestRedirectFromVizportal=y&:embed=y

2. HEADLINE DASHBOARD MEASURES

2.1 During the last month, the likely scale of the forthcoming rise in household energy bills in October has increased substantially. In May, both Ofgem and the Bank of England were forecasting a further 40% rise in bills – analysts are now forecasting this rise is likely to be around 65%, raising average annual bills to £3,244 a year. This level of rise in likely to place significant additional stress on household finances. The enhanced package of support previously announced by the Government (£400 for all bill payers + £650 for those in receipt of means tested benefits) will not cover the full costs of the rise for many households. Forecasts do not currently suggest the cap will fall back when next reviewed in January with current expectations for a further, more modest rise of around 4%.

2.2 Road fuel prices also continued to rise in the last month. Average petrol prices rose by 9.6% to £1.91 per litre in the month to 4 July. Diesel prices rose by 7.9% across the same period.

2.3 Inflation stabilised at a high rate in the most recent figures for June, reaching 9.4% on the widely used CPI measure of inflation, an increase of 0.3 percentage points on the previous month. Inflation is now at its highest level since 1982. Unsurprisingly, respondents to the Growth Company's survey of businesses reported the most prominent impact on trading came from continued rising costs.

2.4 Monthly data on wages in GM shows that, when adjusted for inflation, the median wage in the city region fell by 2.2% in the last 12 months demonstrating the impact wages failing to keep pace with the high inflation rate.

2.5 Reflecting the worsening state of household finances, UK Consumer Confidence has continued to fall, decreasing by a further point to -41 in June 2022. Consumer confidence is now lower than at any point during the pandemic.

3. RECENT ACTIVITY RELATED TO THE GREATER MANCHESTER ECONOMY PORTFOLIO

3.1 **Innovation GM.** The Levelling up White Paper trailed an Innovation accelerator for Greater Manchester with around £100m of funding attached. Following the running of an open call for 'ideas' officials are working on GM'S Innovation Plan as part of this process which will be submitted to government later in the year.

3.2 **GAMMA Manufacturing Innovation Network** was hosted at the Siemens Transform Event at Manchester Central this week. Luxfer Mel Technologies Ltd delivered the keynote on challenges they face attracting talent into their business.

GM Skills Bootcamps, more flexible employer-friendly skills provision, and examples of how employers are innovating to attract talent were also discussed.

3.3 **Good Employment Charter.** Over 850 employers are engaged with the Charter Unit, with c.400 Supporters and 8 employers recommended for full membership status at the last Charter Board meeting in May. A series of themes are being progressed, including the following: partnership working with Timewise to deliver a Flexible work masterclass; the Race Equality panel to help deliver an employment and ethnicity event at the People's History Museum; and engagement with Breakthrough UK / ACAS and CIPD on a joint campaign on disability in the workplace.

3.4 On 27 June the first annual Good Employment Charter Rose Squire Lecture, this year delivered by Professor Sir Cary Cooper took place. Professor Cooper spoke on the topics of Health and Wellbeing, People Management and Flexible Work, as he provided insight into what organisations need to do to adapt moving forward.

3.5 The **Living Wage Foundation's Champion Awards** held on July 5 celebrated individuals and organisations that have made an outstanding contribution to the Living Wage movement. This year the GM City Region Living Wage Action Group won the Living Wage Places Award and the award was accepted on behalf of GM partners by Mayor Andy Burnham. The award commends Greater Manchester's leaders for helping to grow the number of real Living Wage Employers and pay rises for workers.

3.6 **GM Leadership Hive and OPEN SME.** The OPEN SME element of the Hive was launched on 5th May 2022 followed by the overarching GM leadership Hive launch on 11th May 2022. 5 Leadership cohort programmes commenced delivery in April 2022, with a further 8 starting in May and June 2022.

3.7 **EnterprisingYou** **(EY)** is an innovative pilot programme that supports Self-Employed people in Greater Manchester, including those who work in the gig economy and small business owners**.** To the end of April 2022, the programme has seen 5,770 enquiries and 2125 starts (61% female and 39% male). 82% of completers reported an increase in turnover at a value of £5.5m; 87% reported a profitability increase equating to £2.56m; and of the 616 completers that were claiming benefits at the start of the programme – 16% are no longer claiming any benefit. The overall reduction in benefit claim - either from ceasing claiming or reduction of claim - is £1.92m.

3.8 **Additional funding for the Made Smarter programme, which supports manufacturing SMEs to adopt and deploy Industrial Digital Technologies,** has been confirmed by BEIS, extending it to 2025 across the North West and other regions of England. GMCA is the Accountable Body for the North West programme, and Growth Company is the delivery organisation.

This page is intentionally left blank

Economic Resilience Dashboard

Tracking the Greater Manchester Economy

economy, recovery from the Covid-19 crisis and other emerging issues.

The data is divided into seven sections:
- **Labour Market** provides leading indicators on employment and economic activity.
- **Household Finances and Cost of Living** provides data on pay, debt and inflation.
- **Business Outlook** provides data gathered by GM based organisations on business sentiment and confidence.
- **Business Lending and Credit Risk** provides information on coronavirus support measures and SME Lending.
- **Behavioural Insights** provides information on the movement of people across GM.
- **National Indicators** provides leading indicators on the state of the economy nationally.
- **International Trade** provides the most up to date information available on exports at different geographies.

The economic data in response to Covid-19 and other events 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.

Last updated
20th July 2022

GMCA GREATER MANCHESTER COMBINED AUTHORITY

Analysis

92,410
GM residents were in receipt of unemployment benefits in June, a decrease of 0.7% since May.

10,392
4-week average of online job postings in week ending 25th June 2022. This is 2.4% lower than the 4 weeks to 28th May.

8.2%
UK Inflation as measured by the Consumer Price Index (including Housing costs) was 8.2% in the 12 months to June '22. This was a 0.3 percentage points increase on the April figure of 7.9%.

During the last month, the likely scale of the forthcoming rise in household energy bills in October has increased substantially. **In May, both Ofgem and the Bank of England were forecasting a further 40% rise in bills – analysts are now forecasting this rise is likely to be around 65%, raising average annual bills to £3,244 a year.** This level of rise in likely to place significant additional stress on household finances. The enhanced package of support previously announced by the Government (£400 for all bill payers + £650 for those in receipt of means tested benefits) will not cover the full costs of the rise for many households. Forecasts do not currently suggest the cap will fall back when next reviewed in January with current expectations for a further, more modest rise of around 4%.

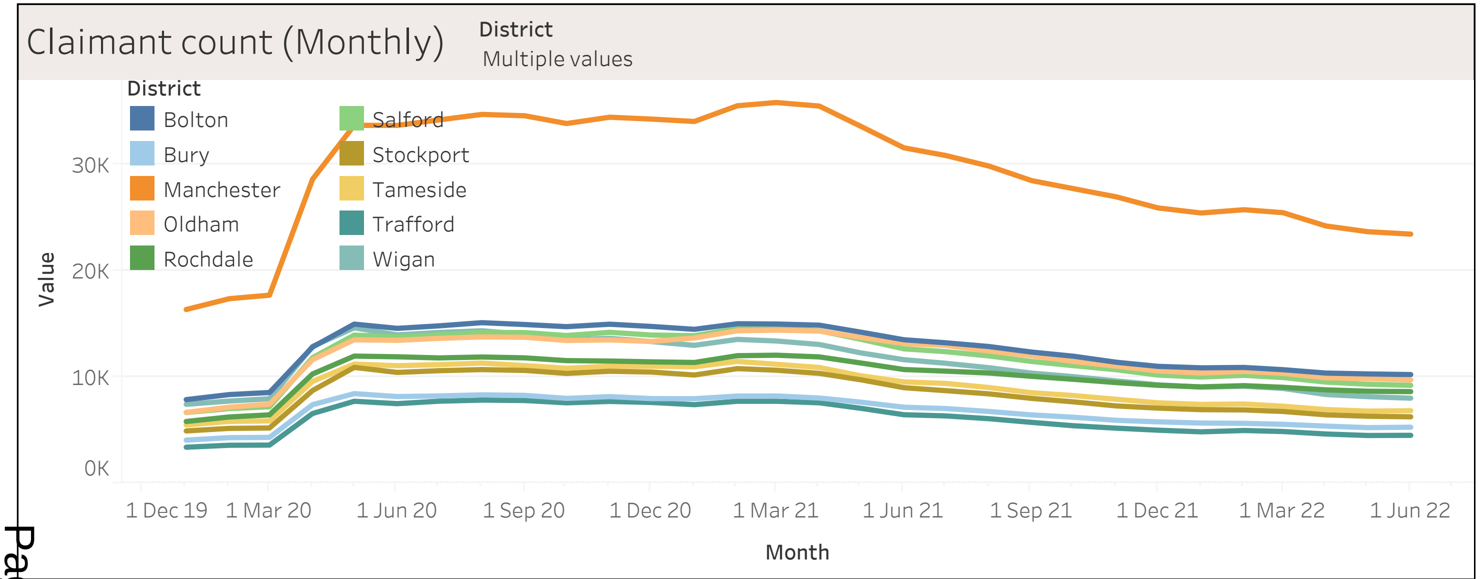
Road fuel prices also continued to rise in the last month. Average petrol prices rose by 9.6% to £1.91 per litre in the month to 4 July. Diesel prices rose by 7.9% across the same period.

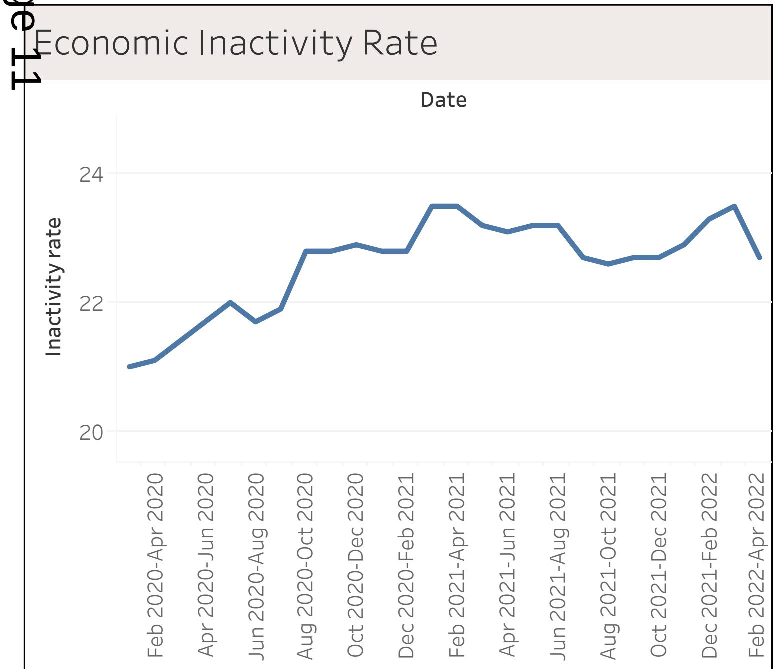
Inflation stabilised at a high rate in the most recent figures for May, reaching 9.4% on the widely used CPI measure of inflation, an increase of 0.3 percentage points on the previous month. Inflation is now at its highest level since 1982. Unsurprisingly, respondents to the Growth Company's survey of businesses reported the most prominent impact on trading came from continued rising costs.

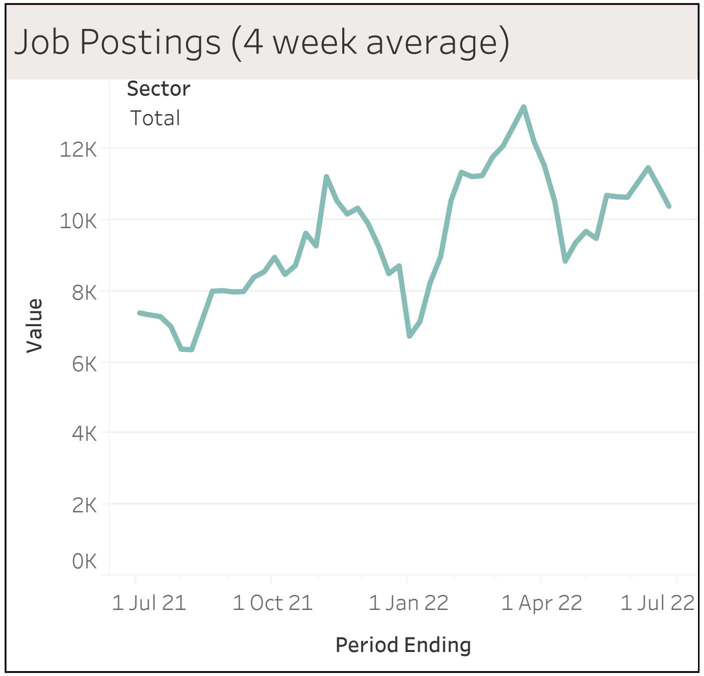
Monthly data on wages in GM shows that, when adjusted for inflation, the median wage in the city region fell by 2.2% in the last 12 months demonstrating the impact wages failing to keep pace with the high inflation rate.

Reflecting the worsening state of household finances, **UK Consumer Confidence has continued to fall, decreasing by a further point to -41 in June 2022.** Consumer confidence is now lower than at any point during the pandemic.

Labour Market







Key Facts

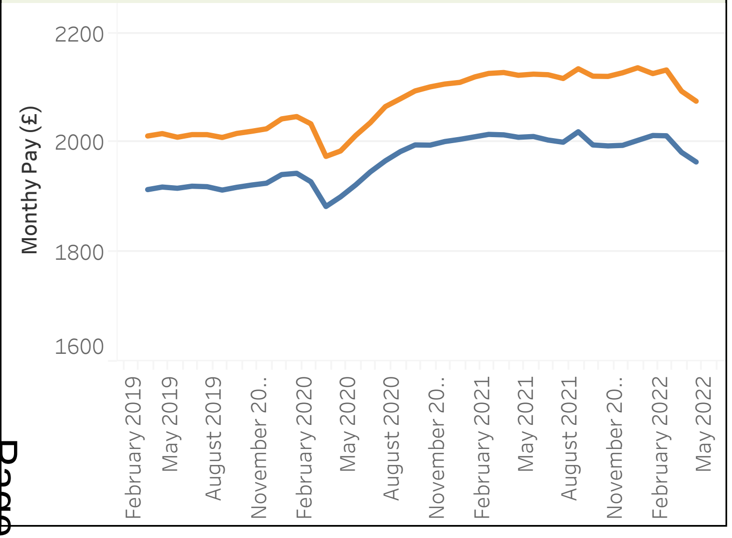
The number of claimants decreased by -0.7% to 92,410 between May June. The decline in GM was less than the UK average which declined by -1.2%. BetweenJune 2021 and June 2022, claimants have fallen by 26% in GM.

The number of people neither working nor seeking employment stood at 1,020,380 in the three months to April 2022 in the NW of England. This total was 30,850 lower than the three months to March 2022.

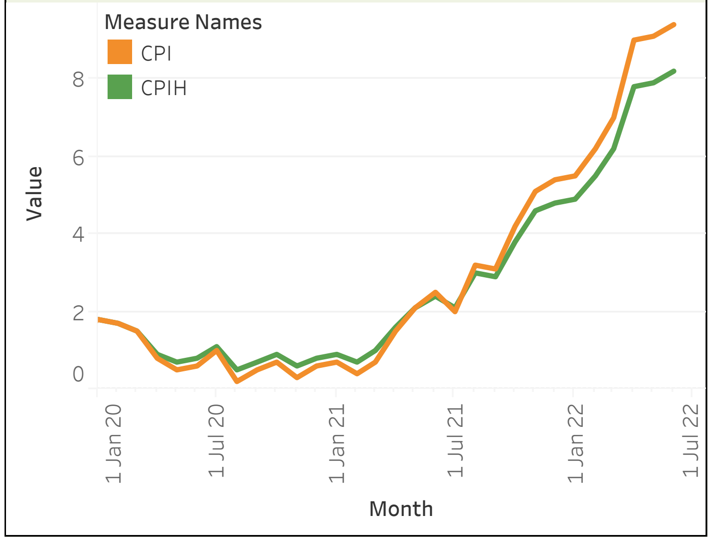
The 4-weekly average of online job postings decreased to 10,392 on 25th June 2022. This is -2.4% lower than the 4 weeks to 28th May 2022.

Household Finances and Cost of Living

Median Monthly pay (Inflation Adjusted)

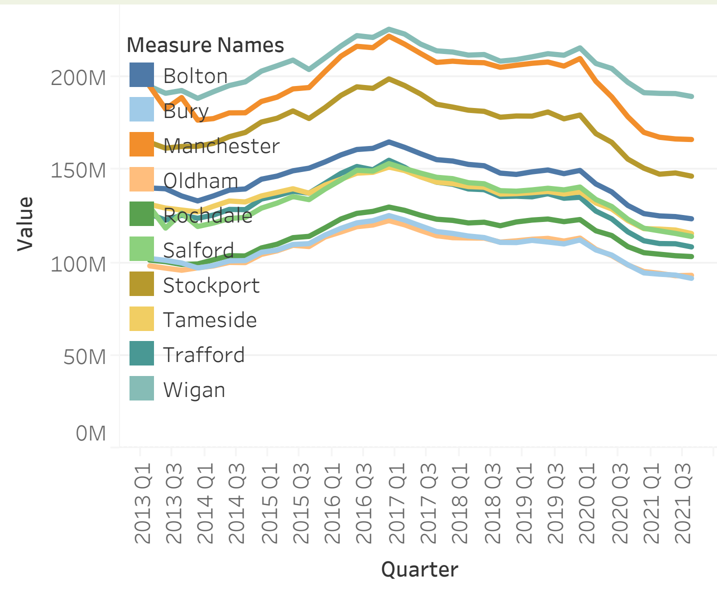


UK Inflation

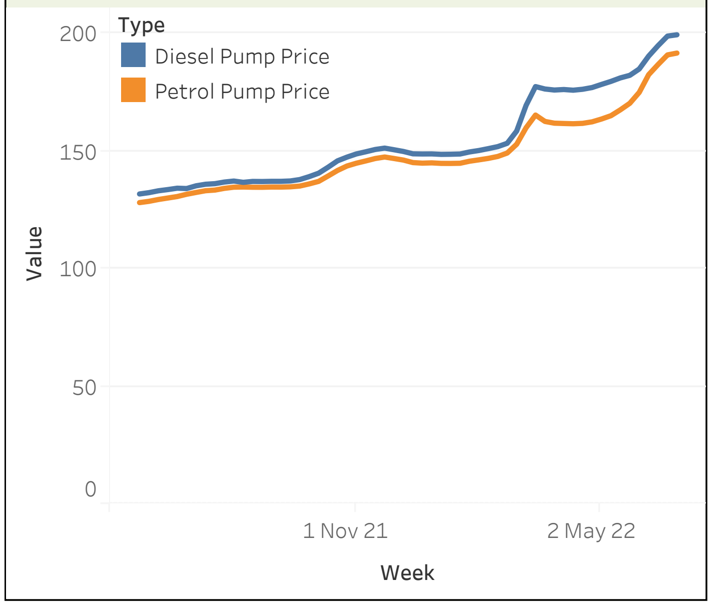


Unsecured Personal Loans

District
Multiple values



Weekly Fuel Prices



Key Facts

Median monthly pay adjusted for inflation in Greater Manchester was £1,965 in May, compared to £2,076 for the UK, according to PAYE RTI data. Median monthly pay in GM has decreased by -2.2% since May 2021, in line for with the -2.2% decrease for the UK as a whole.

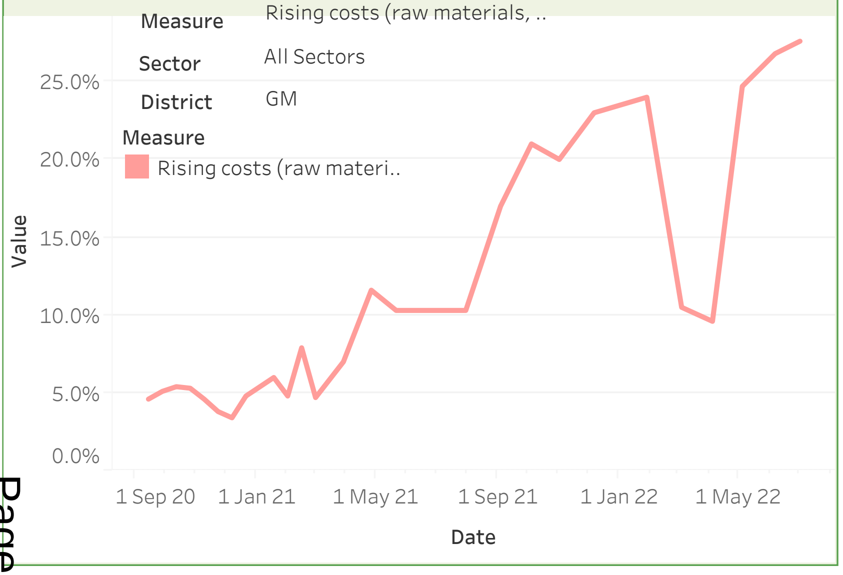
UK inflation as measured by the Consumer Price Index (Including Housing Costs) was 8.2% in the 12 months to June 2022. This was a 0.3 percentage points increase from the May figure of 7.9%. Inflation excluding housing costs was 9.4% in June.

The value of Unsecured Personal Loans across Greater Manchester decreased by 0.9% from £1.27 billion in Q3 2021 to £1.25 billion in Q4 2021.

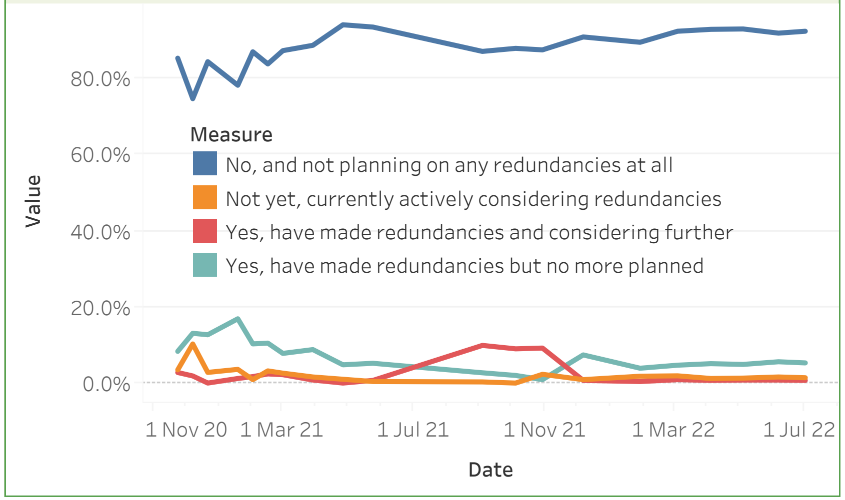
Petrol pump prices were 191.71p per litre in week commencing 4th July 2022, 9.6% higher than a month earlier. Diesel pump prices were 199.49p per litre, 7.9% higher than a month earlier.

Business Outlook

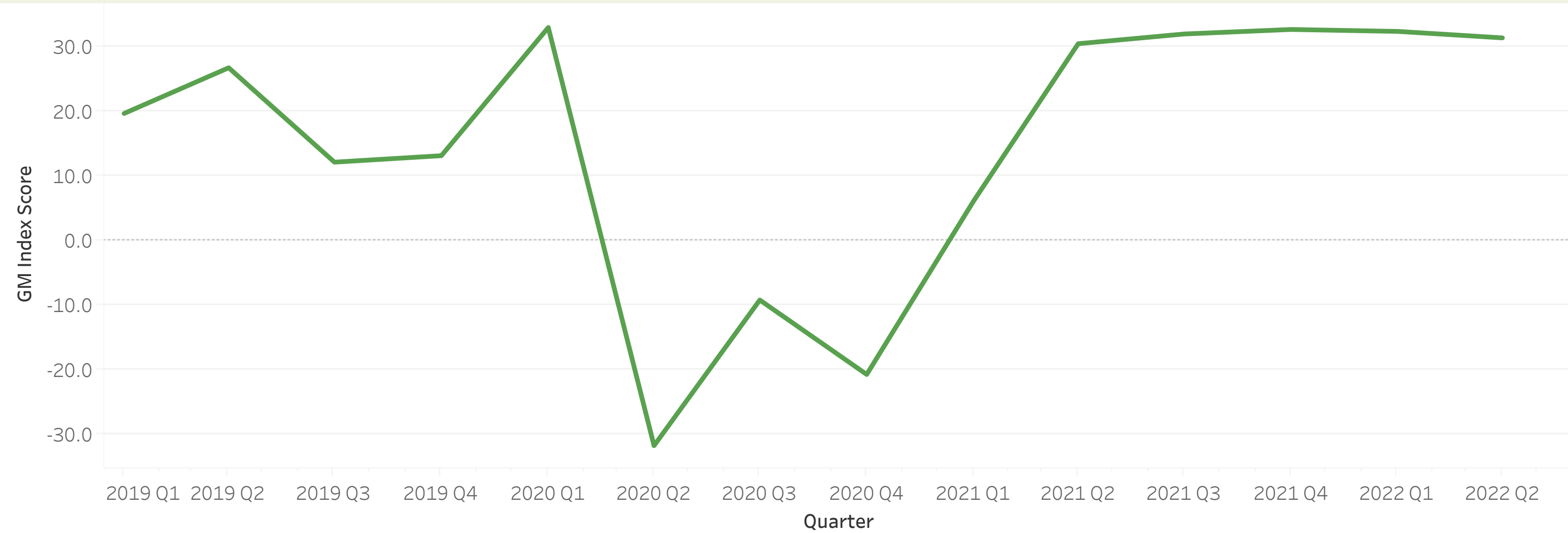
Business Growth Hub Survey on COVID Impacts



Business Growth Hub Survey: Business planning to make redundancies



GM Index (Quarterly)



Key Facts

The most widely reported impact from the COVID crisis amongst businesses in the 12 weeks to the 1st July was rising costs. 27.6% of businesses reported rising costs of raw materials and other inputs. Previously, 27.0% of firms reported rising costs in the 12 weeks to 6th June.

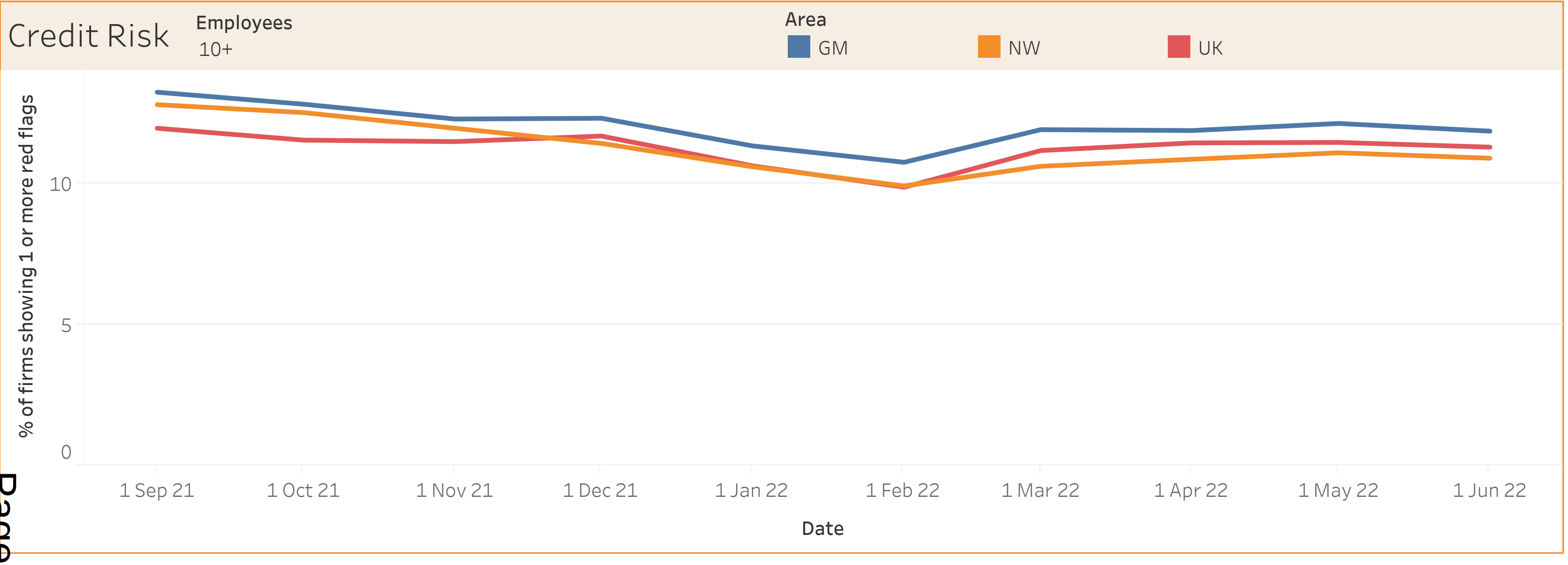
The number of firms that said they were considering making redundancies was 2.1% in the 12 weeks up to 1st July. 6.0% of firms said they had already made redundancies.

GM Chamber's GM Index decreased from 32.3 in Q1 2022 to 31.3 in Q2 2022. This is the sixth consecutive positive score since Q1 2021.

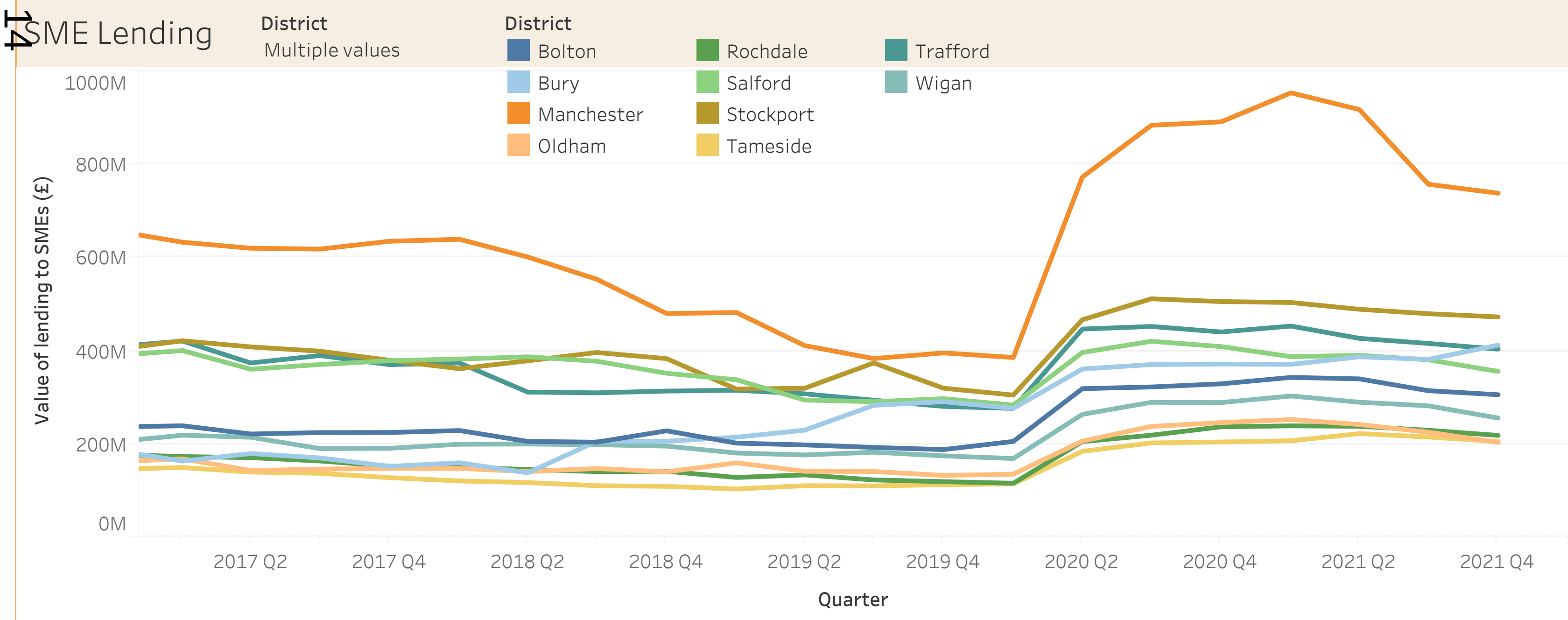
GMCA GREATER MANCHESTER COMBINED AUTHORITY

Business Lending and Credit Risk

Credit Risk



SME Lending



Key Facts

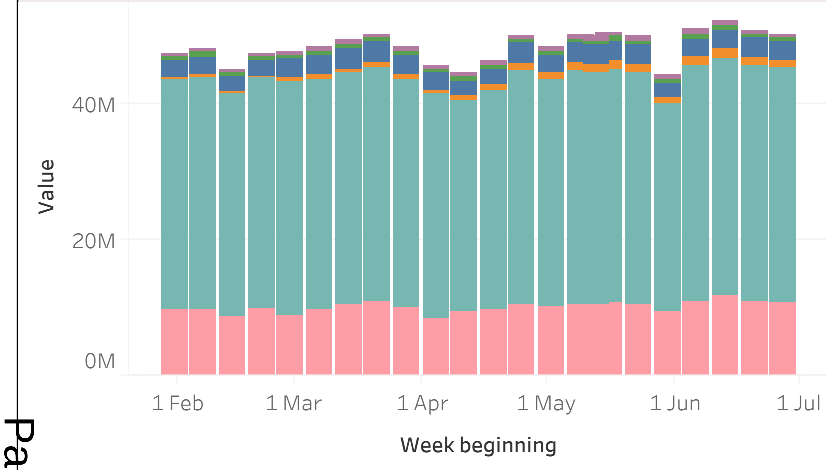
11.9% of all firms with 10 or more employees in GM had 1 or more red flags in the month to 1st June 2022, compared to 10.9% for the North West and 11.3% for the UK as a whole. Previously, 12.1% of firms in GM had 1 more red flags in the month to 1st May.

The value of loans to Small and Medium Sized Enterprises (SMEs) decreased by -3.0% from £3.68 billion in Q3 2021 to £3.57 billion in Q4 2021. This data includes loans issued under the CBILS and BBLS schemes.

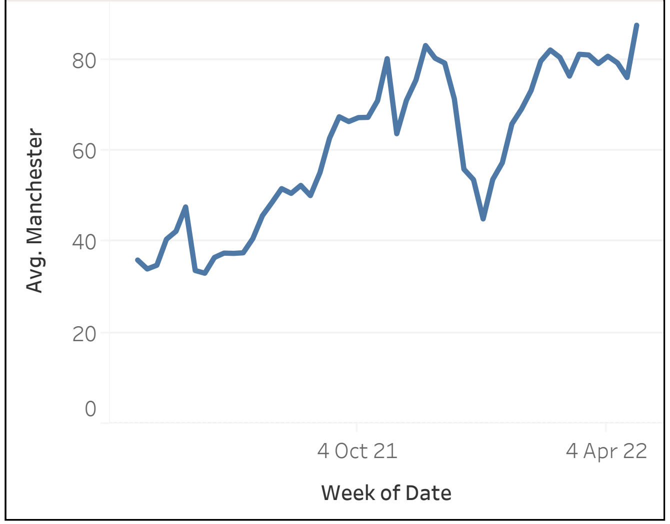
GMCA GREATER MANCHESTER COMBINED AUTHORITY

Behavioural Insights

Greater Manchester Transport Usage by Mode (Weekly)



Workers Index



Key Facts

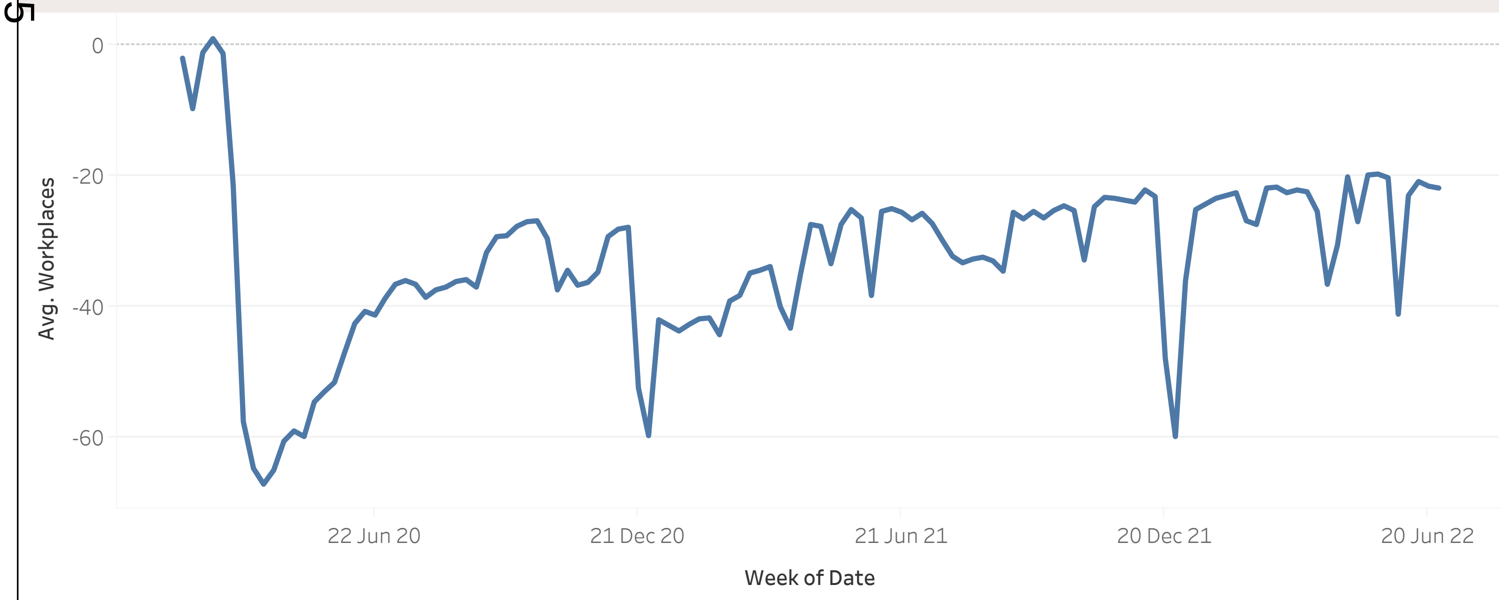
There were **50.4 million passenger journeys across all modes of transport in Greater Manchester in week commencing 27th June 2022.** Total passenger journeys are now roughly equal to pre-crisis levels.

The Centre for Cities Workers index which looks at workers in the city centre in the daytime on weekdays averaged 87.55 in the week commencing 25th April 2022. The pre-lockdown baseline is 100.

Google Mobility data for GM shows that the weekly average number of people moving through workplaces was -21.9% below the baseline in week commencing 27 June.

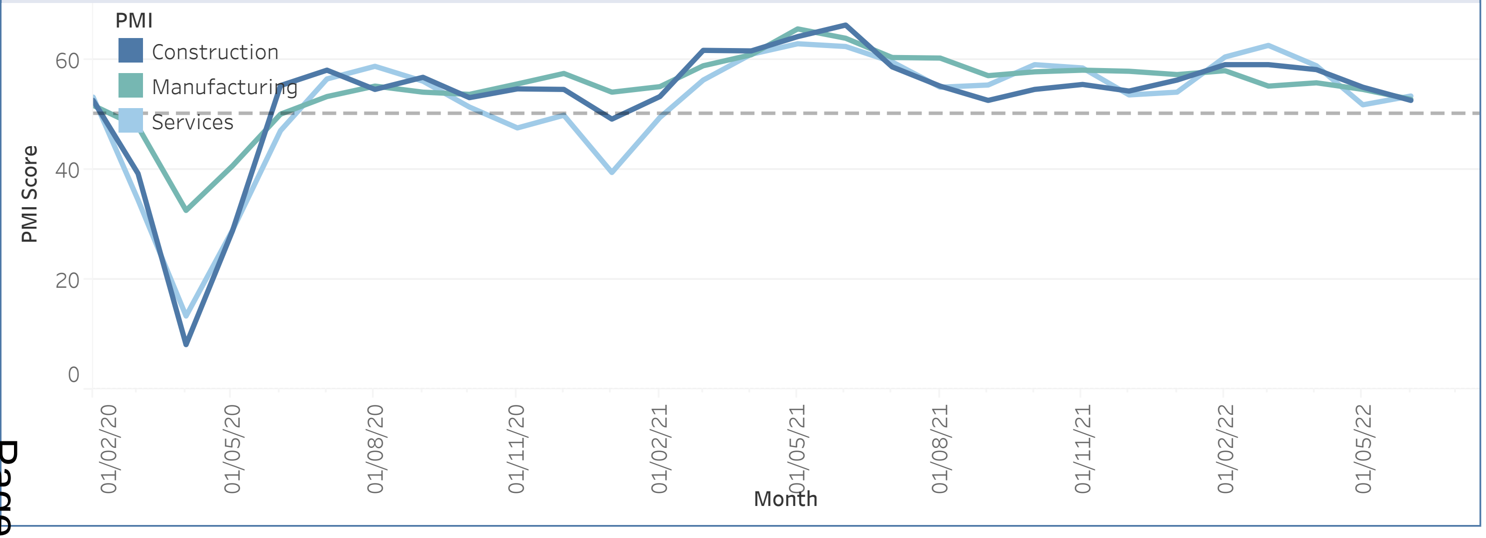
Google Mobility Data - Travel through Workplaces

District Greater Man..

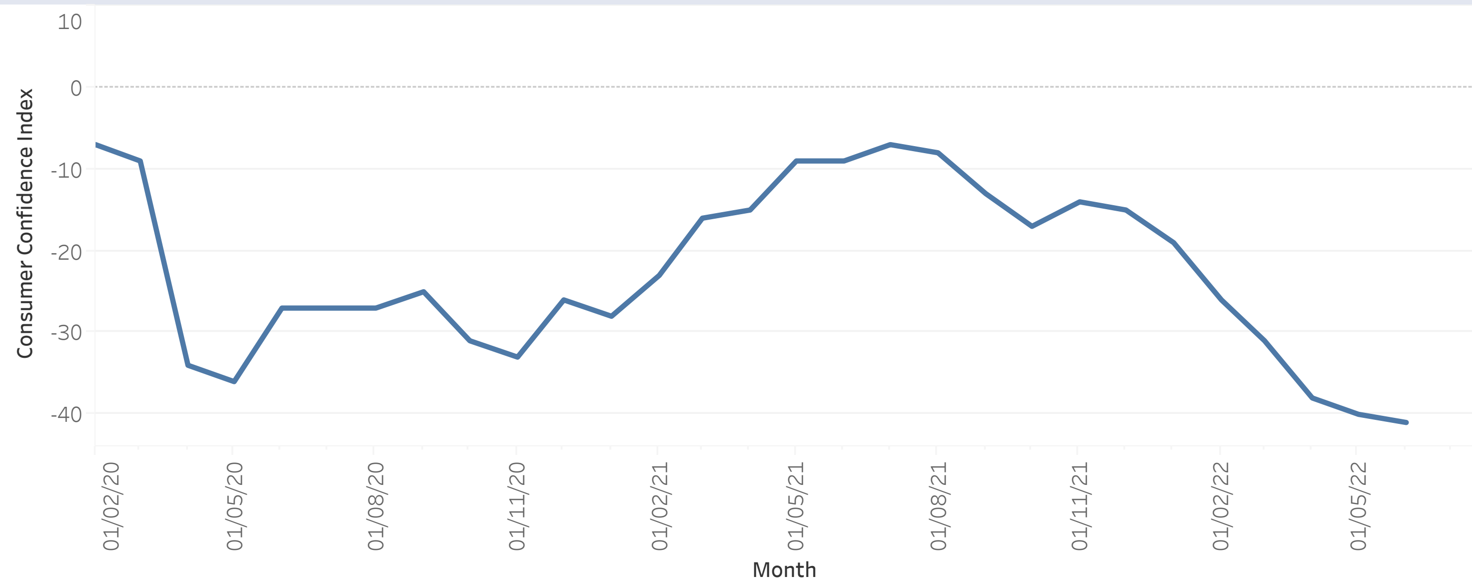


National Indicators

UK purchasing managers index (Monthly)



UK consumer confidence (Monthly)



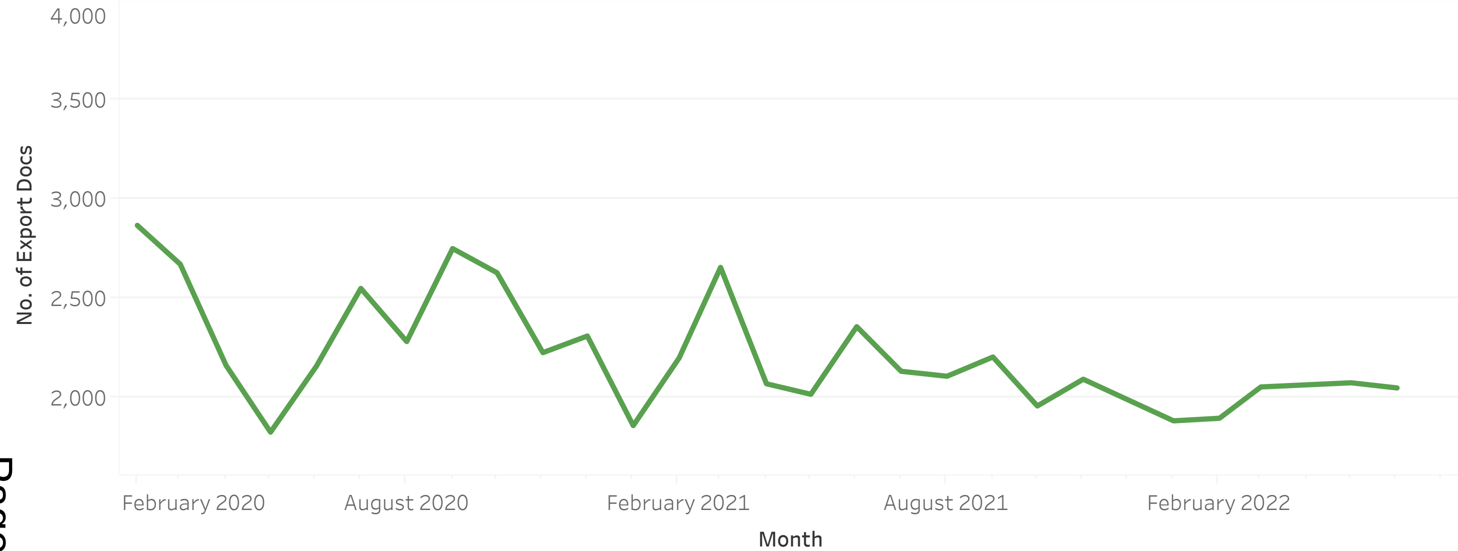
Key Facts

Two out of three sectoral PMI's decreased in June 2022, Manufacturing PMI decreased from 54.6 to 52.8, Construction PMI decreased from 55.0 to 52.6 and Services PMI increased from 51.8 to 53.4.

The UK Consumer Confidence Index decreased one point to -41 in June 2022. Consumer confidence is lower than at any point during the pandemic.

International Trade

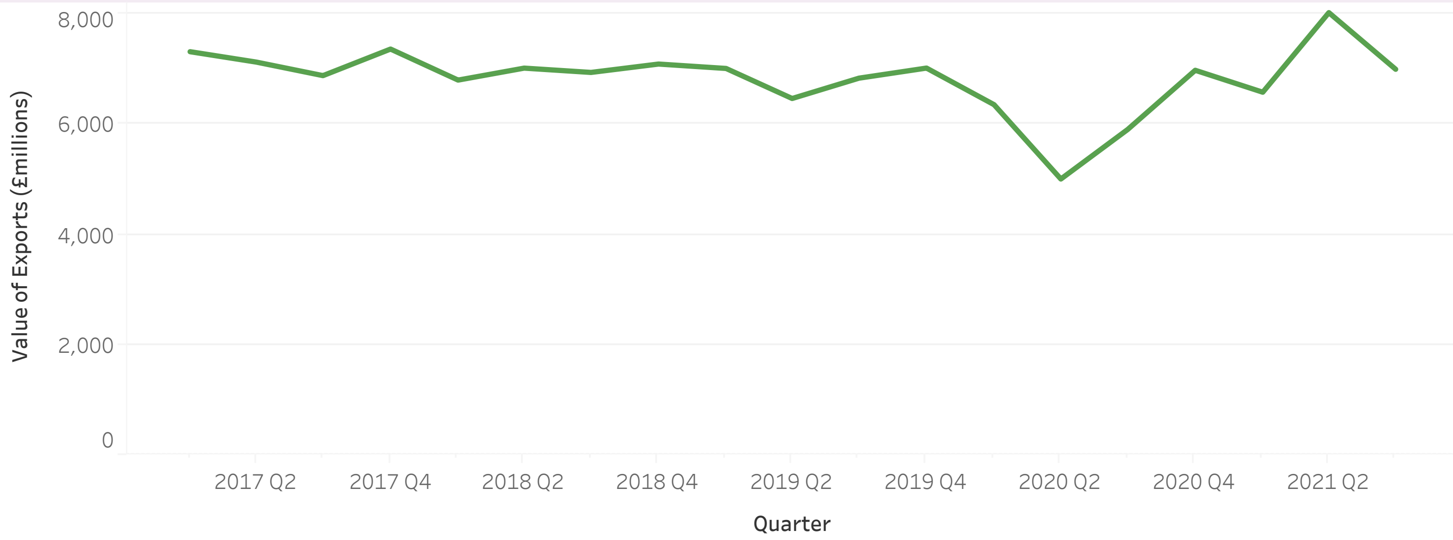
Export Documents (Monthly)



Regional Goods Exports (Quarterly)

Region
North West

Partner Region
Total



Key Facts

Export documents processed by the GM Chamber of Commerce decreased by -1.3% between May and June, from 2,070 to 2,044. The total number of export documents is down -13.1% since June 2021.

The total value of goods exports from the North West was £7.0 billion in Q3 2021, 18% more than Q3 2020. The total value of UK exports was £75.7 billion in Q3 2021, 5% less than Q3 2020.

Definitions

Labour Market

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.

Economic Inactivity - This data is taken from a quarterly release by the ONS. Economic inactivity refers to people who are not participating in the labour market: they are neither worhing nor seeking employment.

Job Postings - Job postings data is **taken from Burning Glass and updated on a weekly basis**. This measure indicates new job vacancies posted in that week for GM as a whole. New job postings are averaged over 3 weeks.

Household Finances and Cost of Living

Median Monthly Pay - Taken from the ONS's monthly experimental release using PAYE data. Median monthly pay shows what a person in **the middle of all employees would earn each month**. The median pay is generally considered to be a more accurate reflection of the "average wage" because it discounts the extremes at either end of the scale.

Unsecured Personal Loans - This is taken from UK Finance's quarterly statistical release and shows statistics on the geographic distribution of personal loans by certain UK lenders (Barclays, CYBG, Lloyds Banking Group, HSBC, Nationwide Building Society, Royal Bank of Scotland and Santander UK in Great Britain; Bank of Ireland, Danske Bank, First Trust Bank, Nationwide Building Society and Ulster Bank in Northern Ireland).

Inflation - This data is taken from a monthly release by the Office for National Statistics. The Consumer Prices Index including owner occupiers' housing costs (CPIH) is the most comprehensive measure of inflation. It extends the Consumer Prices Index (CPI) to include a measure of the costs associated with owning, maintaining and living in one's own home, known as owner occupiers' housing costs (OOH), along with council tax.

Weekly Fuel Prices - This data is taken from a **weekly release by the Department for Business, Energy and Industrial Strategy. It provides average UK retail pump prices.**

Business Outlook

Growth Company Business Survey - Figures relating to the impact of COVID-19 on business are **taken from the Growth Company's monthly 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.

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.

Business Support and Lending

Credit Risk - This data is provided on a monthly basis by RedFlag, a provider of real-time business intelligence. The data shows businesses that have 1 or more 'red flags', this means that they are at risk of potential insolvency.

SME Lending - This is taken from UK Finance's quarterly statistical release. Trends covering member lending to UK small and medium sized enterprises (SMEs). Data is shown for loans and overdrafts across postcode sectors. This data includes loans made under CBILS and BBLS.

Behavioural Insights

Google Mobility Data - This data is **from Community Mobility Reports published by Google.** The reports chart movement trends over time by geography, across different categories of places such as retail and recreation, groceries and pharmacies, parks, transit stations, workplaces, and residential.

Greater Manchester Transport Usage by Mode - This data is provided by Transport for Greater Manchester and measures the number of passenger journeys on each mode of transport (Car, Bus, Rail, Cycling, Metrolink).

Workers Index - This data is taken from the Centre for Cities Workers Index released on a monthly basis. The index looks at city-centre workers in the city centre in the daytime on weekdays, compared to a pre-lockdown baseline of 100. The index uses anonymised mobile phone data from Locomizer.

National Indicators

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.

International Trade

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.

Regional International Trade - This data is published by HMRC on a quarterly basis. The data combines EU and Non - EU trade for all regions of the UK.