

Greater Manchester Combined Authority

Date: 30 July 2021

Subject: Greater Manchester Economic Dashboard and Economy Portfolio Update

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

BOLTON
BURY

MANCHESTER
OLDHAM

ROCHDALE
SALFORD

STOCKPORT
TAMESIDE

TRAFFORD
WIGAN

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

TRACKING/PROCESS	
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?	
GM Transport Committee	
Overview & Scrutiny Committee	

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 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 and the longer term ambitions as set out in the Greater Manchester Local Industrial Strategy and Greater Manchester Economic Vision.

1.2 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 four 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.
- Behavioural Insights provides information on the movement of people across GM.

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

https://www.ghtableau.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

1.4 Since the beginning of the pandemic, the aim of the GM Economic Resilience Dashboard has been to assess the impacts of the crisis on the GM economy and monitor the usage of the various Government support schemes that have been initiated (furlough, self-employment support, business loans). As these schemes begin to be drawn to a close, the metrics in the dashboard need to be refocused in order to better aid understanding of the nature and scale of the economic recovery in GM. This work is underway and will focus on data that is:

- Publicly available so the dashboard can be widely shared;
- Available at a local level, so the dashboard provides additional insight beyond that covered by reporting of the national economy;
- Up to date with a focus on data that is updated at least quarterly and ideally more often.

- 1.5 The revised set of measures will be developed, working with partners across sectors, over the coming weeks and the updated dashboard presented at a future meeting.

2. HEADLINE DASHBOARD MEASURES

- 2.1 The number of claimants decreased by 5.6% to 127,985 between May and June. The fall in GM was lower than that nationally (7.1%). Trafford and Stockport experienced the largest reductions in their numbers of claimants (both over 7%). After rising at an unprecedentedly rapid rate in the early months of the pandemic, the number of claimants has declined in each month since March 2021. The number of total claimants in June 2021 was 11% below March 2020.
- 2.2 Final data from the British Business Banks shows that £1.1bn in CBILS and £2bn in BBLs had been offered to businesses in GM at the close of the schemes on 31st March. An average of £264,000 per applicant from CBILS and £30,700 per applicant from BBLs has been paid to firms in GM, compared to £260,000 per applicant from CBILS and £30,300 per applicant from BBLs across the UK as a whole.
- 2.3 There were 98,900 GM residents on furlough on 31st May 2021. This is a decrease of 38,300 (-28%) since 30th April and remains below the 213,300 employments furloughed in July 2020, the earliest data available. 8% of GM residents eligible for the scheme were furloughed on 31st May, equal to the take-up rate nationally. There were 76,400 claims to the fourth round of the Self-Employment Income Support Scheme (SEISS) up to 6th June 2021, 7,600 (9%) fewer than were made up to 31st January 2021. The fourth round of the scheme has now closed, take up rate for the fourth round was 63% in GM, compared to 58% for the UK.
- 2.4 The number of online job postings increased to 6,859 on 10th July. This is 82% above the equivalent week a year earlier. Feedback from the Growth Company suggests that businesses are reporting labour shortages in the tourism, hospitality and leisure, manufacturing, construction and health and social care sectors. It is currently unclear whether these are short-term due to uncertainty related to changes in restrictions or a longer-term trend.
- 2.5 Since the easing of lockdown restrictions in early April, there has been a rapid increase in transport activity across Greater Manchester. All modes of transport have seen an increase in usage since 5th April, despite a slight decline in between week commencing 19th and 26th April. TfGM data shows that the number of passenger journeys remained steady in the week commencing 5th July. Google data on the number of journeys taking place across GM shows a continued recovery in the number of people travelling to Grocery and Pharmacy locations where only Rochdale remains below pre-Covid levels and retail/leisure locations which is close to pre-Covid levels in some districts (Bury, Salford, Rochdale). Travel to workplaces is not recovering in the same way – there are currently a third fewer journeys taking place to workplaces in GM than prior to the pandemic.
- 2.6 The Growth Hub Survey conducted between 29th March and 21st May showed a 5% decrease in the number of businesses reporting a ‘negative’ impact from EU

exit with 14.1% of firms reporting a negative impact, 44.3% of firms reported a 'neutral' impact, 39.3% are 'unsure' and 2.3% reported a 'positive' impact. This is a 2.5% decrease on the number of businesses reporting a positive impact. There remain a number of issues relating to duties, VAT, haulage costs, labelling and product regulations that are impeding export activity. The lifting of Covid restrictions is also starting to crystallise some of the impacts on export of services. Some businesses are reporting that they do not see the EU as a viable export market because of these issues.

3. RESPONSE ACROSS THE ECONOMY & BUSINESS PORTFOLIO, INCLUDING DELIVERY OF THE GREATER MANCHESTER LOCAL INDUSTRIAL STRATEGY

- 3.1 A range of responses are being developed to the latest economic and business analysis, supporting Greater Manchester's economy and businesses, including the delivery of our ambitions in the Local Industrial Strategy (LIS) and Greater Manchester Economic Vision.

Innovation

- 3.2 GMCA and the GM LEP have been working with business, academia and civic leaders, to develop a blueprint for translational innovation between Greater Manchester and Government to stimulate economic growth across all parts of the city region and boost R&D investment. It forms a key part of the city-region's Economic Vision, the plan to deliver a fairer, greener and more productive Greater Manchester economy beyond the pandemic.
- 3.3 "Innovation Greater Manchester" includes proposals for the creation of an integrated local-national programme to unite all partners involved in Greater Manchester's innovation ecosystem, a £250m per annum Greater Manchester Innovation Transformation Fund (GM ITF) to help the city-region compete for national and international R&D funding, and a series of new and existing Innovation Zones across the region's towns and cities. The plan could generate a £7bn economic benefit and create up to 100,000 jobs, while supporting the Government in achieving its goals of levelling up the North, increasing global trade and reaching Net Zero targets. The Government has just published its Innovation Strategy, and announced £22.6m from the Strength in Places Fund for the Advanced Machinery & Productivity Initiative (AMPI), based in Rochdale, which is one of the key programmes making up Innovation Greater Manchester. This is a significant early success. AMPI has been developed by the National Physical Laboratory (NPL) working with Rochdale and wider GM partners.
- 3.4 The Secretary of State for Business, Energy and Industrial Strategy (BEIS), Kwasi Kwarteng, recently hailed Innovation Greater Manchester as an example of "*how an area can harness its strength to produce something really special*", and said the city-region would be front and centre as the Government devises its R&D Place Strategy, which is due to be published later this year as part of the Levelling Up White Paper. By focusing on innovation, he added, the city-region is travelling in exactly the same

direction as the Government, reflecting its plans to raise research and development (R&D) spending nationally to 2.4 per cent of GDP by 2027. The full message of support was recorded and is available to watch here: <https://gmlep.com/news/secretary-of-state-endorses-greater-manchesters-blueprint-for-jobs-growth-and-investment-driven-by-innovation>

BUSINESS SUPPORT – NEW TECHNOLOGY ADOPTION SERVICE

- 3.5 A new free Technology Adoption Service was launched on 22 July, as part of a joint venture between the GMCA, GM Growth Hub and the Greater London Authority and London Growth Hub. The service operates through a new online platform designed to make it easier for businesses to access free and impartial advice and support on adopting different digital and tech tools.
- 3.6 The platform hosts over 450 software solutions covering a variety of categories including sales, project management, accounting and finance, social media marketing, and resource management. These include technologies that will improve productivity, increase efficiencies, help business bring their operations online, and help increase sales and turnover. The platform helps users compare different technologies and different suppliers such as Microsoft, Zoho and SAP. The platform can be accessed here: <https://tas.businessgrowthhub.com/>
- 3.7 The initiative has been under development since the Local Industrial Strategy was launched (and has been developed using funding from the LIS budget), and it responds directly to the recommendations in the GM Independent Prosperity Review for improving business productivity. But the technology adoption encouraged via the platform will also be important tool for helping businesses recover from the challenges created by the COVID-19 pandemic, and to adapt to the ongoing changes in their trading environment.

GOOD EMPLOYMENT

- 3.8 The Greater Manchester Good Employment Charter celebrated its two-year anniversary in July, following the creation of the Supporters' Network on 22nd of July 2019. This was used as an opportunity to promote the work of the Charter to reach new audiences, including a release led by Joanne Roney, GMCA Chief Executive Lead for Economy and Business showing how the Charter is fast becoming a beacon of good employment for the whole country. Over the past twelve months the Charter has grown by 125%, reaching over 450 employers. Including 180+ Charter Supporters', covering more than 230,000 employees and now 29 full Members.
- 3.9 The COVID-19 pandemic forced the Charter to look for different ways to engage with businesses, and the Charter Unit has held over c.30 events attracting over 7,000 attendees, published over 70 blog posts and thought-provoking content pieces and developed a new podcast called '[Good Employment Chatter](#)' - a new initiative for any Charter across the UK - with eight episodes including notable business leaders and other figureheads. The podcast now sits comfortably in the top 35% of SME podcasts.

- 3.10 The Charter's work has also been welcomed through the GM Independent Inequalities Commission and the recent Marmot Review as a key tool for tackling wealth inequality and 'building back fairer'. Additionally, an interim evaluation of the Charter has been recently conducted by Manchester Metropolitan University, which concludes that Greater Manchester has succeeded in developing a functioning Good Employment Charter, which has been successful in engaging a good number of organisations and that there are emerging signs of positive impacts on employment practice and wider organisational benefits. The evaluation report is available on the University's website:
<https://www.mmu.ac.uk/media/mmuacuk/content/documents/business-school/decent-work-and-productivity/GM-Charter-Evaluation-Interim-Report-June-2021.pdf>

CLEAN GROWTH AND INVESTING FOR NET ZERO

- 3.11 A new investment prospectus has been published setting out a £200 billion investment pipeline for the North West of England that would decarbonise industry and make the North West the UK's first net zero region by 2040.
- 3.12 The research behind the report was part-funded by the Greater Manchester LEP in collaboration with the Liverpool City Region, Net Zero North West and Siemens UK. The report estimates that making the North West Net Zero by 2040 would potentially save over 38 mega-tonnes of carbon dioxide emissions, generate £285 billion GVA and safeguard or create over 660,000 jobs.
- 3.13 Net Zero North West was established in 2018 to raise the profile of the North West's offer, and increase joint working across the region to increase investment. The full prospectus includes sets out 18 investment cases within a pipeline of long-term and shovel ready green investment projects that position the North West and the UK's leading region for green investment. The full report is available online here:
<https://nwblt.com/wp-content/uploads/2021/07/Net-Zero-North-West-Economic-Investment-Prospectus-July-21.pdf>

GREATER MANCHESTER'S GROWING SUCCESS AS A THRIVING DIGITAL CITY-REGION

- 3.14 A new report published by the GM LEP chronicles Greater Manchester's journey to become a world-leading hub for tech and eCommerce businesses, including the rise of The Hut Group (THG) from eCommerce start-up to its multibillion-pound float on the London Stock Exchange last year, and the company's plans for a landmark new business campus near Manchester Airport. Other success stories to feature in the report include AO, AutoTrader and On the Beach. Other notable points from the report include:
- The city-region is at the forefront of the UK eCommerce industry with the greatest concentration of eCommerce start-ups of anywhere in the UK, and more eCommerce unicorns - start-up companies to be valued at more than \$1bn - than any city in Europe, with five homegrown eCommerce unicorns and 6 Unicorns in total.

- The city-region is the largest creative, digital and technology hub outside of London, and is home to more than 19,000 businesses active in the sector, from start-ups and SMEs to global brands including Amazon, Google and Booking.com. Last year, Manchester was named the fastest-growing tech city in Europe by Tech Nation.
- The Greater Manchester region is home to six unicorns, and 43% of the UK's FinTech unicorns. Manchester has been ranked the 34th city globally for starting and scaling a FinTech Business according to the Global Fintech Index. For comparison, Birmingham entered the rankings at 123, Cardiff came close after at 127.

3.15 A thriving digital and creative sector is cited in the GM LIS and Economic Vision as a key part of the city-region's future prosperity. The report looks ahead to consider how Greater Manchester's strength in digital could stimulate economic growth and support efforts to level up. The full report can be downloaded here: [Unicorns-Whitepaper-compressed.final_-1.pdf \(gmlep.com\)](#)

4. RECOMMENDATIONS

4.1 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.