

## Greater Manchester Combined Authority

Date: 24 September 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

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### 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 Economy portfolio including the implementation of the Greater Manchester Local Industrial Strategy.

### 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.

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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*

|  |    |
|--|----|
| <b>TRACKING/PROCESS</b>  |    |
| Does this report relate to a major strategic decision, as set out in the GMCA Constitution?  | No |
| <b>EXEMPTION FROM CALL IN</b>  |    |
| 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 |
| 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 six sections:

- Business Support and Lending provides information on coronavirus support measures and SME Lending.
- Business Outlook provides data gathered by GM based organisations on business sentiment and confidence.
- Labour Market and Household Finances provides leading indicators on employment, pay and personal finance.
- 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.

1.3 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](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 refocussed 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 unemployment benefits claimants decreased by 2.3% to 125,040 between June and July. The fall in GM was slightly lower than that nationally (2.4%). Oldham and Tameside experienced the smallest reductions in their numbers of claimants (1.5%). 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.
- 2.2 There were 68,200 GM residents on furlough on 31st July 2021. This is a decrease of 13,500 (-20%) since 30th June and remains below the 213,300 employments furloughed in July 2020, the earliest data available. 6% of GM residents eligible for the scheme were furloughed on 31st July, compared to 5% nationally. There were 32,600 claims to the fifth round of the Self-Employment Income Support Scheme (SEISS) up to 15th August 2021, 43,800 (57%) fewer than were made up to 30th June 2021. Take up rate for the fifth round so far is 27% in GM, compared to 24% for the UK. Applications to the fifth round close on 30th September 2021.
- 2.3 The 3-weekly average of online job postings increased slightly to 8,434 on 28th August. This is 85% above the equivalent week a year earlier. Feedback from the Growth Company suggests that the number of GM firms that are currently recruiting new staff has increased slightly from 30% to 34% in the 4 weeks to 3rd September. However, 44% (47% previous) of all respondents think that their workforce skills are only 'partly' at the correct level to meet their business plan objectives for the year ahead.
- 2.4 Overall passenger journeys recovered to around their pre-crisis levels in late May and have remained steady since, standing at 49.4 million total passenger journeys in week beginning 30th August. However, TfGM data shows that passengers are continuing to use public transport less frequently. Journeys by Bus, Metrolink and Rail are -62%, -66% and -25% below pre-crisis levels respectively. Cycling and Walking are both 22% above pre-crisis levels. Car journeys are -4% below pre-crisis levels. Google data on the number of journeys taking place across GM shows that the recovery in the number of people travelling to Grocery and Pharmacy locations has increased, on Thursday 2nd September only Rochdale remained below pre-Covid levels. Travel to workplaces across GM was -37% below its pre-crisis level on 2nd September.
- 2.5 The value of Unsecured Personal Loans across Greater Manchester decreased by 5% from £1.41 billion Q3 2020 to £1.34 billion in Q4 2020. The value of loans to

Small and Medium Sized Enterprises (SMEs) decreased by 4% from £4.06 billion in Q3 2020 to £3.88 billion in Q4 2020.

- 2.6 Data on credit risk from RedFlag, a provider of real-time business intelligence, shows that the number of GM businesses showing increased signs of financial distress remained largely unchanged between September 2020 and September 2021. The number of companies reporting 1, 2 or 3 of the signs of financial distress fell by 1.2%.
- 2.7 Macro-Economic Indicators suggest a continued recovery across the UK. The UK Consumer Confidence Index decreased one point to -8 in August 2021. Consumer confidence is now one points below its February 2020 level, following a low of -36 in May 2020. UK inflation as measured by the Consumer Price Index was 2.1% in the 12 months to July 2021. This was a decrease from the June figure of 2.4%.

### **3. RECENT ACTIVITY RELATED TO THE GREATER MANCHESTER ECONOMY PORTFOLIO**

- 3.1 The following items are included as examples of recent activity taking place under the implementation of the Local Industrial Strategy (LIS), and has been led by the Economy Directorate within GMCA, the Greater Manchester Local Enterprise Partnership and other teams across GMCA that contribute to delivering the LIS.

#### **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 – referred to as Innovation GM - to stimulate economic growth 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 There has been continued recent positive media coverage of the initiative, with Innovation GM featuring prominently in a 'Northern Agenda' newsletter published by Reach (publisher of the Manchester Evening News) which covers a tour of innovation zones across Greater Manchester made by senior Government Officials, and comment from Joanne Roney as GMCA lead CEO for the economy. The article is available on the [MEN website: https://www.manchestereveningnews.co.uk/news/greater-manchester-news/levelling-up-coach-trip-north-21524396](https://www.manchestereveningnews.co.uk/news/greater-manchester-news/levelling-up-coach-trip-north-21524396) We now await the levelling up whitepaper to see if innovation deals will be taken forward as a policy instrument to level up and realise the UK's ambitions to be a science superpower.
- 3.4 The Greater Manchester Graphene, Advanced Materials and Manufacturing Alliance is continuing to drive forward the vision and plan to create a manufacturing & materials "super-cluster" in the city-region, led by Juergen Maier (industrialist and former GM LEP member). The recent announcement of £22.6m Government funds for the Advanced Machinery and Productivity Institute (AMPI) being established in Rochdale is helping to build momentum around this initiative in the North-East of

GM. AMPI will stimulate and support the rapid growth of the UK's machinery manufacturing sector as it transitions to highly integrated digital solutions with sophisticated automated and autonomous robotic systems. Further information about the funding award is available online: <https://www.npl.co.uk/news/ampi-receives-funding-for-innovation-initiative>

- 3.5 Another example of the potential for advanced materials to transform production was also provided this month when the Graphene Engineering and Innovation centre (GEIC) hosted the first exterior pour of graphene-enhanced Concretene for roads and pavements on the University of Manchester campus using materials developed by two of its partner businesses. Graphene-enhanced Concretene provides sustainability benefits by producing denser, stronger concrete, reducing the volume of material used by c.30% and removing the need for steel reinforcement. This enables reductions in carbon and cost for users. These tests will help develop standards and certification for Concretene to enable roll-out to the wider building industry supply chain. Further information is available on the University's website: [GEIC hosts first exterior pour of low-CO2 concrete \(manchester.ac.uk\)](http://manchester.ac.uk).

## **INTERNATIONAL TRADE**

- 3.6 GM-Germany relations were strengthened by a delegation to Germany led by Mayor Andy Burnham and Cllr Elise Wilson, to strengthen ties with the Ruhr Metropole, a region of the country comparable to Greater Manchester which contains the cities of Dortmund and Essen. During the visit, the Mayor and Cllr Wilson signed a new co-operation agreement with the region, with a view to collaborating on topics like climate change and innovation in the years to come. Former BASF UK MD Richard Carter (and member of the International Marketing Advisory Board that oversee GM's International Strategy) has been appointed in a voluntary ambassadorial role as GM's Special Advisor for Germany. Richard gave an interview to BusinessLive ahead of the visit which is available to read online: <https://www.business-live.co.uk/economic-development/greater-manchester-eyes-premier-status-21454222>

## **BUSINESS SUPPORT**

- 3.7 Work is continuing to encourage SMEs to create their own apprenticeship opportunities. The GMCA and Growth Company hosted a webinar and workshop session for SME employers to learn about apprenticeships, which included contribution from business owners in Greater Manchester who spoke of the positive impact of hiring an apprentice, as well as Andy Burnham. Further information is available on the GMCA website: [Business owners and Greater Manchester Leaders urge employers to hire apprentices as they help businesses thrive - Greater Manchester Combined Authority \(greatermanchester-ca.gov.uk\)](http://greatermanchester-ca.gov.uk)
- 3.8 A major business event PROGRESS21 (<https://progress21.co.uk/>) will be held on 23 September at Manchester Central. The event will be one of the first post Roadmap large-scale in-person business events of the year. The event has been supported by GMCA, GM LEP and business representative organisations

(Chartered Business Institute, Federation of Small Businesses, GM Chamber of Commerce, Institute of Directors, North West Business Leadership Team and Institute of Chartered Accountants in England and Wales), DIT, BEIS and DWP along with local partners such as Citizens Advice and numerous individual companies, and offers a wide-ranging programme of support to the residents and businesses across Greater Manchester under three strands:

- PROGRESS21 Careers: a jobs fair 'plus', thousands of available jobs, training opportunities and a wide range of careers advice and support.
- PROGRESS21 Business: offering on-day specialist insight and practical support for business recovery and future growth.
- PROGRESS21 Global: bringing Greater Manchester together to promote our city region on the global stage to attract investors and visitors.

### **GOOD EMPLOYMENT**

- 3.9 Joanne Roney, Manchester City Council Chief Executive and GMCA lead Chief Executive for Economy wrote about how collaboration is delivering decent working standards for people in Greater Manchester through the Good Employment Charter for the 2<sup>nd</sup> September issue of the Municipal Journal. The full article is available on page 22 of the edition, available online: <https://edition.pagesuite-professional.co.uk/html5/reader/production/default.aspx?pubname=&edid=622c89d2-742b-4bf9-83e7-04eeca670e7>
- 3.10 GM LEP Chair Lou Cordwell and Night Time Economy Advisor Sacha Lord have also urged employers in the hospitality sector to raise the standards of working conditions in the sector by signing up to the Good Employment Charter. The call comes amid a severe staffing shortage in the sector. Further information is available on the GMLEP website: <https://gmlep.com/news/greater-manchester-business-leaders-call-on-hospitality-sector-to-set-new-standards-to-attract-staff>

## **4. RECOMMENDATIONS**

- 4.1 That the GMCA note and comment on the latest update of the Greater Manchester Economic Resilience Dashboard and Economy portfolio update.