

Greater Manchester Combined Authority

Date: 29 October 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 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

BACKGROUND PAPERS:

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?

No

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

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 benefit claimants decreased by 4.1% to 116,260 between August and September. The fall in GM was slightly lower than that nationally (4.9%). Tameside experienced the largest fall among GM districts (5.4%). 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 57,400 GM residents on furlough on 31st August 2021. This is a decrease of 11,300 (-16%) since 31st July. 5% of GM residents eligible for the scheme were furloughed on 31st August, equal to the take-up rate nationally. There were 44,700 claims to the fifth round of the Self-Employment Income Support Scheme (SEISS) up to 15th September 2021, 31,700 (-41%) fewer than were made to the fourth round. Take up rate for the fifth round up to 15th September was 37% in GM, compared to 33% for the UK. Applications to the fifth round closed on 30th September.
- 2.3 The 3-weekly average of online job postings increased slightly to 9,025 on 2nd October. This is 50% 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 34% to 41.3% in the 4 weeks to 5th October. 45.2% (44% 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 50.5 million total passenger journeys in week beginning 27th September. However, TfGM data shows that passengers are continuing to use public transport less frequently. Journeys by Bus, Metrolink and Rail are -11%, -35% and -10% below pre-crisis levels respectively. Walking is 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 stalled, on 30th September Bury, Manchester, Rochdale and Salford remained below pre-Covid levels. Travel to workplaces across GM was -33% below its pre-crisis level on 30th 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 percentage of GM businesses showing signs of financial distress fell slightly between September and October to 12.8%, down by 0.5 percentage points.

The UK Consumer Confidence Index decreased five points to -13 in September 2021. Consumer confidence is six points below its February 2020 level, following a low of -36 in May 2020. UK inflation as measured by the Consumer Price Index was 3.0% in the 12 months to August 2021. This was an increase from the July figure of 2.1%.

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. A proposal for an innovation deal was a key pillar of GM's levelling up deal CSR submission.

- 3.3 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/ampireceives-funding-for-innovation-initiative>

BUSINESS SUPPORT

- 3.4 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 contributions 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: <https://www.greatermanchester-ca.gov.uk/news/business-owners-and-greater-manchester-leaders-urge-employers-to-hire-apprentices-as-they-help-businesses-thrive/>
- 3.5 PROGRESS21 (<https://progress21.co.uk/>) was held on 23 September at Manchester Central, supported by the 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. The event, the biggest of its kind in the city for the last 18 months, saw 4,000 people attend including business leaders and about 2,000 job seekers with a total of 24 separate events, including a panel discussion on the Greater Manchester economy, and the country as a whole.

- 3.6 A Greater Manchester Local Enterprise Partnership reception provided an opportunity for attendees to learn more about Greater Manchester's Levelling Up Deal with Government and the spirit of innovation and collaboration which supports the city-region's Economic Vision. Chaired by GM LEP chair Lou Cordwell OBE, the Conservative Party Conference fringe event heard from speakers representing business, the scientific and innovation community, and cross-party political leaders.

GOOD EMPLOYMENT

- 3.7 The Good Employment Charter has 243 supporters and 34 members, with another tranche of members being assessed for approval in early November. On 4th October, The Charter Unit released the second series of their podcast 'Good Employment Chatter', analysing industry news with a focus on the seven characteristics of the Charter.
- 3.8 The GMCA are working with the Living Wage Foundation on Greater Manchester becoming a 'Living Wage City-Region' in which as many employees as possible are paying at least the independently calculated real Living Wage. Greater Manchester would be the first city region to be recognised for its work to advocate for the real Living Wage, with the public announcement of this campaign expected on the 15th November at a launch event hosted by the People's History Museum.

NET ZERO

- 3.9 Greater Manchester's fourth green summit outlines the region's approach to climate action with individual, community, educational and industry action at its heart. The key areas of focus include transport, waste, and smart energy.

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.