

## Greater Manchester Combined Authority

Date: 28 January 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 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.

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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:**

**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

<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?	
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:

- Labour Market and Household Finances provides leading indicators on employment, pay and personal finance.
- 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.

1.3 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)

## 2. HEADLINE DASHBOARD MEASURES

2.1 The number of claimants of unemployment benefits decreased by 1.9% to 103,735 between November and December. The fall in GM was slightly more than the UK average of 1.8%. Between December 2020 and December 2021, claimants have fallen by 25% in GM and 29% in the UK.

2.2 The 4-weekly average of online job postings decreased to 7,340 on 8th January. This is 14% lower than the 4 weeks to 11th December.

- 2.3 Median monthly pay in Greater Manchester was £1,888 in November 2021 compared to £2,007 for the UK, according to PAYE RTI data. Median monthly pay has increased 8% since November 2020 following a sharp decline at the beginning of the pandemic.
- 2.4 UK inflation as measured by the Consumer Price Index (including housing costs) was 4.8% in the 12 months to December 2021. This was a 0.2 percentage points increase from the November figure of 4.6%. In December, the Bank of England raised interest rates to 0.25% in response to the sharp rise in prices across the UK in recent months. The Bank of England expects inflation to reach around 6% by spring 2022 before starting to decline after that and continuing to decline into 2023.
- 2.5 Households are expected to see a squeeze on living standards as the cost of living rises. The Resolution Foundation's latest quarterly 'Labour Market Outlook' forecasts that there will be no real wage growth over the next year and the combined impact of rising energy bills, income tax threshold freezes and the increase in National Insurance contributions that come into effect in April could reduce average household income by £1,200 over the next year.
- 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 in the month to 1st January to 11.4%, down by 0.9 percentage points. This compared to 10.6% for the North West and UK as a whole. Previously, 12.3% of firms in GM had 1 more red flags in the month to 1st December.
- 2.7 Overall passenger journeys recovered to their pre-crisis levels in late May and have remained steady since, however, passenger journeys decreased substantially over the Christmas period. Journeys by Bus, Metrolink and Rail were -62%, -56% and -59% below pre-crisis levels respectively. Google data on the number of journeys taking place across GM showed the number of people travelling to Grocery and Pharmacy locations had decreased in the first week in January compared to a month earlier. On 7th January all 10 GM districts were below pre-crisis levels. Travel to workplaces across GM was -35% below its pre-crisis level on 7th January.
- 2.8 The UK Consumer Confidence Index decreased by one point to -15 in December 2021. Consumer confidence is eight points below its February 2020 level, following a low of -36 in May 2020.

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

#### **INTERNATIONAL STRATEGY**

- 3.1 A refreshed three-year Greater Manchester International Strategy (2022-2025) has been submitted to the GMCA in January 2022 for formal sign off. This strategy brings together the city-regions 8 international priorities (Trade, Investment, Visitor Economy).

- 3.2 An initial Delivery Plan has been produced alongside the International Strategy, capturing initial activity already underway which delivers on the strategy's priorities as well as outlines the key organisations or initiatives that deliver on each of the strategic objectives. The Delivery Plan introduces key performance indicators for monitoring performance against each of the priorities, including the value of GM exports and the economic impact of tourism in the city region.

## **GOOD EMPLOYMENT CHARTER AND THE REAL LIVING WAGE**

- 3.3. The Good Employment Charter unit continues to engage with Supporter employers ready to become full members of the Charter. Around 800 employers are engaged with the Charter, covering more than 230,000 employees. The need for support on the effective introduction and management of flexible work continues through the Charter's partnership work with Timewise, and they will continue to deliver a series of Masterclasses on various aspects of Flexible and Hybrid working and will provide a range of toolkits and guidance resources for the Charter. The workshops will take place as follows.
- 27th Jan 2022 – Frontline Roles and Flex
  - 24th Mar 2022 – Job Design and Flex recruitment
- 3.4 A Members social networking event, originally planned for before Christmas will now be held at the end of January when the eight new members approved in November 2021 will receive their membership plaques. Entries of the Charter's awards which were announced in November 2021 and will be held in March 2022 will now be open until 14th January 2022 across five categories that reflect the Charter's current priorities:
- Best for Diversity and Inclusion
  - Best for Flexible Work
  - Best for Supporting Line Management
  - Best for Supporting Mental Wellbeing
  - Best for Employee Engagement
- 3.3 Following the successful launch of the Living Wage City Region Campaign in November 2021, there are now 422 accredited employers in Greater Manchester, up from 384 at the start of the project. The initial target is to aim for at least 650 accredited employers in the city region by the end of 2024.

## **GM LEP ACTIVITY**

- 3.4 A multi-million-pound bid for a new technical education institute in Greater Manchester has been approved by the government. Led by the University of Salford with Wigan and Leigh College as the lead FE partner, the Greater Manchester Institute of Technology brings together a number of colleges and employers in the city region and will specialise in construction, engineering, health and digital skills.

## **GROWTH COMPANY BUSINESS SUPPORT UPDATE**

### **Business Productivity, Innovation and Inclusive Growth Programme (BPIIG).**

The contract extension of the BPIIG Programme commences in January 2022 until September 2023. £8.1m funding confirmed from retained business rates. The process of finalising the remaining ERDF funding available is currently taking place with Grant Funding Agreements expected from Department for Levelling Up, Housing and Communities by the end of January.

- 3.5 On March 2nd the Startup team are holding a key event for any Greater Manchester pre-start & early-stage businesses – **The Festival of Enterprise**. The event will invite stakeholders and influencers along with businesses supported by the Business Growth Hub and those interested in our support. This is being planned as a face-to-face event and will focus on supporting early-stage businesses to understand the support available to them including GC teams such as GC Business Finance, Community Renewal Fund, Enterprising You. It will also celebrate the successes of startup businesses supported by the Growth Hub over the last 3 years.
- 3.6 **Enterprising You (EY)**. To the end of December 2021, the programme has seen 5,012 enquiries, 1849 starts on programme, and is ahead of target on most outputs. EY has had the final sign off from GMCA and all the financial and output profiles for 2022/23 have been agreed. EY will be delivering its usual monthly events having a “Brew with Enterprising You” and the Business Networking targeted at existing and our EY after care clients.

### **MIDAS**

- 3.7 Recent successes for international and inward investment in Greater Manchester include the following:
- **Cloud Imperium Games** – A US independent video games developer are relocating their UK studio from Wilmslow to Enterprise City, Manchester in May 2022 creating over 1,000 jobs over the next five years (relocating 400 jobs and creating 600 new jobs)
  - **Landis+Gyr** – A Swiss smart-metering company are moving to a new UK HQ and R&D Centre of Excellence established near Manchester Airport, creating 65 new jobs and safeguarding 30.
  - **Hexcore (QR Corp)** – An Indian producer of sustainable cardboard pallets have opened their first UK manufacturing site, in Rochdale, planning to create 120 jobs in 3 years.
  - **Hilti** – A construction equipment company from Liechtenstein have opened new offices in Circle Square to attract future talent.