

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.

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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:

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 is 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.