

GMCA Overview & Scrutiny Committee

Date: 28 September 2022

Subject: Cost of Living and Economic Resilience in Greater Manchester

Report of: Report of GM Mayor, Andy Burnham

Purpose of Report

To provide GMCA Scrutiny committee with an update on the cost of living pressures on residents and businesses in Greater Manchester, and some of the measures being put in place by the GMCA and partners to respond.

Recommendations:

That the GMCA scrutiny committee note the latest assessment and emerging response, and give views on the next steps in that response.

Contact Officers

Andrew Lightfoot, Deputy Chief Executive, GMCA

Andrew.Lightfoot@greatermanchester-ca.gov.uk

Simon Nokes, Executive Director Policy & Strategy, GMCA

Simon.nokes@greatermanchester-ca.gov.uk

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.		

Risk Management

None

Legal Considerations

None

Financial Consequences – Revenue

None

Financial Consequences – Capital

None

Number of attachments to the report: 2

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?

None

GM Transport Committee

N/A

Overview and Scrutiny Committee

N/A

1. Background

- 1.1 The rapidly rising cost of living is having significant impacts on residents and businesses in Greater Manchester. Prices are now rising at 9.9% per cent, which is a slight fall in the rate of growth from the previous month but still at historic highs. This is mainly being driven by rapid increases in energy prices.
- 1.2 The impacts of this crisis include increasing food poverty, increasing housing insecurity and increasing costs of doing business. The impacts are particularly significant for people with protected characteristics. The Greater Manchester Residents' Survey found that younger respondents and those from a racially minoritised background are significantly more likely to be affected financially, while among those without children in their household, respondents from low income households (47%), minority ethnic groups (44%), those aged 16-44 (43%), and those with a disability (38%) are more likely to be food insecure.
- 1.3 Some Voluntary, Community and Social Enterprise organisations are facing significant increases in demand due to the crisis, but are also themselves being hit directly by rising costs. For example, the Social Investment Forum have carried out a survey of organisations in the sector and found that 45 per cent of respondents had seen their turnover decrease compared with the same period last year, while 93 per cent had experienced an increase in the prices of the goods and services they had bought.
- 1.4 At a national level, the Prime Minister has announced a new package of measures in response to rising energy costs. The 'energy price guarantee' will place a cap on the unit cost of electricity and gas so that average household bills do not exceed £2,500 over the next two years. The equivalent scheme for businesses, charities and public sector employers, will be limited to an initial six months of support during which the

Government will make up the difference between the new cap and what energy retailers would otherwise charge businesses. After six months, the government plans to switch to a more focused plan for vulnerable industries although more detail on the nature of this support is not available at the time of writing.

- 1.5 Locally, GMCA and partners have taken steps to better monitor the impact of rising costs on residents and businesses and have begun to put measures in place in response.
- 1.6 The attached report sets out the latest indicators and analysis on the Cost of Living and Economic Resilience. They include inflation and its direct impacts, but also some of the remaining impacts of the Covid-19 pandemic and changes due to the UK's exit from the European Union. It also summarises some of the emerging responses to those insights.

2. Recommendations

- 2.1 The GMCA Scrutiny Committee is asked to note the latest assessment and emerging response, and give views on the next steps in that response.