

Date: 26th June 2020

Subject: Greater Manchester Economic Dashboard

Report of: Councillor Elise Wilson, Portfolio Lead for Economy & Business

PURPOSE OF REPORT

To provide GMCA with the latest version of the Greater Manchester Economic Resilience Dashboard.

RECOMMENDATION:

The GMCA is requested to note and comment on the latest update of the Greater Manchester Economic Resilience Dashboard

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Equalities Implications:

There are no direct equalities impacts arising from this report.

Climate Change Impact Assessment and Mitigation Measures:

1. *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

TRACKING/PROCESS		[All sections to be completed]
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?		Please state the reason the report is exempt from call-in
GM Transport Committee	Overview & Scrutiny Committee	

1. BACKGROUND

- 1.1 The Economic Resilience Dashboard was created to monitor a suite of economic measures related to the impact on the Greater Manchester economy of the UK's exit from the European Union. Following the outbreak of Covid-19, the dashboard will be used to aid in the monitoring of the impact of the pandemic on the GM economy as well as continuing to provide an assessment of the impact of Brexit and other economic developments. The dashboard will be periodically reviewed to ensure the indicators provide timely and accurate information on the economic climate in Greater Manchester.
- 1.2 The indicators are grouped under three themes – Economic Resilience, Business and Sectors and Residents. The latest version of the dashboard can be viewed live at this link (and is attached at Annex A):

https://www.gmtableau.nhs.uk/t/GMCA/views/GMEconomicResilienceDashboard-June2020/FrontSheet?iframeSizedToWindow=true&:embed=y&:showAppBanner=false&:display_count=no&:showVizHome=no&:origin=viz_share_link

2. HEADLINE MESSAGES:

- 2.1 The economic situation remains incredibly fragile. This month the Organisation for Economic Cooperation and Development (OECD) forecast that the UK economy could slump by 11.5% in 2020 even if a second wave of the pandemic is avoided. They anticipate that this will be just above other European countries France (-11.4% in Gross Domestic Product (GDP)), Italy (-11.3%), Spain (-11.1%); countries that have also been hardest hit by the pandemic. It is substantially higher than the predictions for other countries Germany (-6.6%) and the US (-7.3%). A range of factors have culminated in this prediction, including the outward looking nature of the UK, its response to the health crisis and considerations around trade deals and Brexit. This forecast is a set of two scenarios. A second more negative scenario sees a second wave of infections hit before year-end and triggers a return to lock-downs which could see the UK economy potentially contract by 14%.
- 2.2 The June dashboard update shows:
- Consumer and business confidence remains very low and there has been a dramatic rise in those claiming benefits and unemployed.
 - Consumer confidence fell even further than April amid low expectations of the gradual reopening process of shops and business. It declined a further 2 points to -36 in May.
 - With the easing of lockdown restrictions, all regions have seen some minor improvements in business sentiment but it is far from positive. The NW Regional Purchasing Managers Index (PMI) recovered in May to 33.0 from 19.7 in April (a figure under 50 signals a perception that economic activity is falling).
 - Manufacturing was the most resilient sector; its PMI rose to 40.7 from 32.6 in April. Services reached 29.0 from 13.4 in April and Construction recovered to 28.9 from 8.2 in April

- A further sign of continued challenges was in the low level of exports again this month. The volume of export documents processed by the Greater Manchester Chamber of Commerce decreased by 16% month on month in May to 1,821 and declined 45% year on year.
- Data released on 16th June 2020 covers claimant count information and Universal Credit (UC) statistics (available by district) and reflects the initial impact of the coronavirus pandemic on the benefits system in Greater Manchester.
 - GM saw dramatic increases in its claimant count (referring to Job Seekers Allowance (JSA) plus the unemployment elements of Universal Credit). GM experienced a 90% rise in the volume of claims between March and May as the lockdown took effect; there were 141,740 unemployment benefit claimants in May 2020. However, this is lower than the increase in the claimant count seen in the UK as a whole, where the numbers have more than doubled (110% increase).
 - The total number of people on UC in GM in May 2020 was 285,211. Since the start of the lockdown in March 2020 there has been a 63% increase in total UC claimants (44,751 were added between April and May and 65,820 between March and April). GM's sharp rise in UC claims is nevertheless lower than that seen in the UK as a whole (75% comparing March and May 2020).

2.3 For a number of the indicators included in the dashboard, the data is not yet available to allow analysis of the impact of the Covid-19 pandemic. These measures are being continually reviewed to determine whether more timely indicators can be added to the dashboard to strengthen the insight into the current situation.

3. RECOMMENDATION

3.1 The GMCA is requested to note and comment on the latest update of the Greater Manchester Economic Resilience Dashboard