

Greater Manchester Combined Authority

Date: 24 June 2021

Subject: Greater Manchester Economic Dashboard and Economy Portfolio Update

Report of: GM Mayor, Andy Burnham

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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Equalities Impact, Carbon and Sustainability Assessment:

<u>BOLTON</u>	<u>MANCHESTER</u>	<u>ROCHDALE</u>	<u>STOCKPORT</u>	<u>TRAFFORD</u>
<u>BURY</u>	<u>OLDHAM</u>	<u>SALFORD</u>	<u>TAMESIDE</u>	<u>WIGAN</u>

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

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?	
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, 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.
- International Trade provides the most up to date information available on exports at different geographies.

- 1.4 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->

2. HEADLINE DASHBOARD MEASURES

- 2.1 Inflation rose again in the most recent figures for April, reaching 9% on the widely used CPI measure of inflation, an increase of two percentage points on the previous month increasing pressure on household finances. April was the first month of data to include the impact of the rise in energy prices which accounted for a large part of the rise in rates. Additionally, the ONS identified that increased costs for motor fuel, food and drink, second hand cars, and hotels and restaurants was placing particular upward pressure on prices.
- 2.2 The Bank of England now expects CPI inflation to peak at 10% in Q4 of 2022 – this would be the highest rate of inflation since 1982. There is also increasing certainty of a further rise in energy prices in October which both Ofgem and the Bank of England agree will be around 40%. In response to this, the Chancellor has announced a further package of support to households including upgrading the £200 of proposed loans to help with energy bills to a £400 grant to be paid from October. There will also be a further payment of £650 in two instalments to be paid to those in receipt of means tested benefits and a separate further £300 to pensioners and £150 to individuals currently receiving disability benefits.
- 2.3 Monthly data on wages in GM shows that, when adjusted for inflation, the median wage in the city region fell by 1.8% between February and April demonstrating the impact of the high inflation rate. This also points out the severity of the impact if rates remain high and wages do not adjust to accommodate this.
- 2.4 The latest wave of the GM Residents Survey shows the extent to which concerns about finances are growing amongst residents. More than two thirds of survey respondents (68%) stated finances are a concern, and three in ten (30%) of those said it is a big concern. These concerns were particularly pronounced amongst residents with disabilities, carers, parents with children under five or in college, residents aged 25-34 and with respondents who identified in the Asian category. The percentage of residents saying they have needed to borrow money (+3%), have lost their job (+1%) or got support from a community hub (+2%) all rose between February and April.
- 2.5 Reflecting the worsening state of household finances, UK Consumer Confidence has continued to fall, decreasing by a further two points to -40 in May 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.** A call for ideas went live in the week commencing 6 June with an emphasis on advanced ideas that align to local and national strategic priorities, offer

value-for-money, have clear plans for sustainability, encourage collaboration across businesses and partner organisations, and can complete by 2025. This is an ongoing and open invitation with the aim of shaping Innovation Greater Manchester's approach over the long-term. However, aligned to the timescales set by Government, ideas received by 30 June 2022 will be reviewed and fed into the Innovation Accelerator pilot planning and project development process. A local innovation plan is in development and for submission to Government by end of June 2022.

- 3.2 **Good Employment Charter.** Over 850 employers are engaged with the Charter Unit, with c.400 Supporters and 8 more 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.
- 3.3 **Leadership Hive.** The Greater Manchester Leadership Hive is a support resource for small business leaders who want to grow and increase the productivity, profitability, resilience, and sustainability of their business. The Leadership Hive delivers fully funded programmes of support at a senior leadership and organisation-wide level, including executive and workforce development, mentoring programmes, and support with sustainability and inclusivity. 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 due to start in May and June 2022.
- 3.4 **EnterprisingYou (EY).** The Enterprising You programme offers free advice to those running their own business in areas including personal skills, career development, business finance, and mentoring. To the end of April 2022, the programme has seen 5,770 enquiries and 2125 starts (61% female and 39% male). 82% of completers reporting an increase of turnover at a value of £5.5m; 87% reported a profitability increase equating to £2.56m; and of the 616 completers that were claiming benefit 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.