



The
Growth
Company

GC SITUATION REPORT AND QUARTERLY BUSINESS SURVEY RESULTS

MAY 2025

WITH QUARTERLY DATA FOR 2ND MARCH 2025 TO 2ND JUNE 2025

www.growthco.uk

1. ECONOMIC CONTEXT AND SURVEY HEADLINES

The GC Situation Report contains leading economic data from both national (mostly ONS) and local business survey sources. This month's survey report findings are based on 659 survey responses completed between 2nd March 2025 and 2nd June 2025 by GC clients from the Business Growth Hub and MIDAS. Comparisons have been made with last quarter's 633 responses completed between February and April 2025. The survey response profile is broadly representative of the Greater Manchester business base, but for an over-representation of SMEs, Manufacturing, DCT firms, and under-representation of Retail and Hospitality businesses – reflecting the Business Growth Hub and MIDAS client profiles.

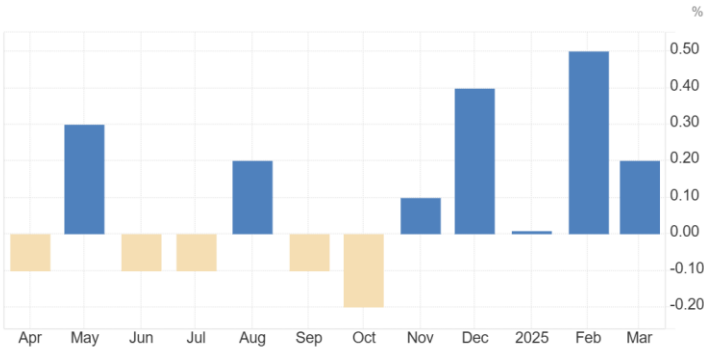
Economic context

- **Global economy.** Worldwide growth is now expected to slow to a "modest" 2.9% in 2025, down from a previous forecast of 3.1%. The OECD has revised UK 2025 growth rate to 1.3% down from 1.4% previously, (above the March OBR 1% forecast).
- **Confidence.** Business confidence remains fairly stable across a number of business surveys, and findings suggest that firms have yet to significantly pass on higher costs from minimum wage and national insurance increases.
- **Inflation** rose to 3.5% in April, largely due to one-off regulated price changes, but is expected to stabilise at this level throughout 2025, and return to the 2% target by end-2026.
- **Rising government spending** is expected to lift growth above 1% in 2025, with further improvement in 2026. However, risks persist, including global slowdown, trade uncertainty, higher taxes, and a softening labour market
- **Retail spending** has grown steadily since spring, with April's 1.2% month-on-month rise driven mainly by food with this marking the fastest growth since 2016.
- **UK Employment** increased by 112,000 quarter on quarter (up to March 2025). **UK Unemployment** increased to 4.5% (Jan-Mar 2025), the highest since August 2021. **Youth unemployment** decreased to 12.8% over the same period; and job vacancies decreased to 761,000 from 783,000 in February 2025 (the UK average was 696,000 from 2001 until 2025).

Organisation Growth Survey - business headlines, more detail in main report

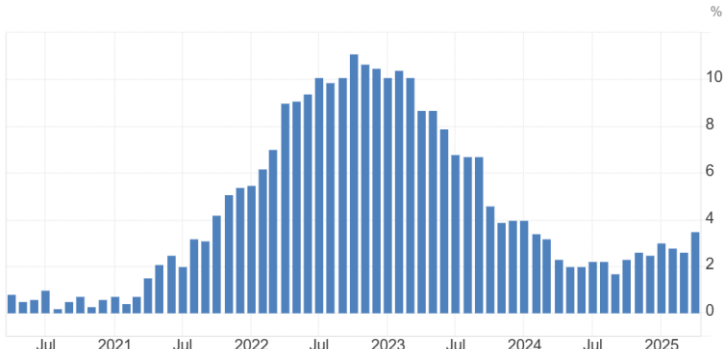
- **The GC Confidence Index** increased to 7.1 from 7.0 last quarter, showing slightly more optimistic outlook (10 high : 1 = low). Confidence levels are above average for Business Financial & Professional Services, Engineering, DCTs, Construction, Hospitality; and the lowest confidence Index scores was reported in Healthcare, Other Services, and Education.
- **Future profits.** The proportion of firms expecting future profits to rise increased to 54% from (vs 49%). Sectors expecting to increase their profits in future are BFPS, DCTs, Engineering, Hospitality and Retail.
- **Economic Impacts.** Rising costs were reported by 28% of firms, down from previous (30%), followed by cashflow issues at 11% (vs 12%), decreased sales at 11% (vs 12%), and minor supply chain issues at 6% (vs 8%).
- **Current - pressing challenges** facing business include access to domestic markets 49% (vs 52%), developing new products / services 31% (unchanged), developing business models 31% (vs 29%), finances 29% (vs 26%), and skills 20% (vs 18%).
- **The main areas of future support**, include business planning 32% (vs 30%), innovation 30% (vs 32%), sales & marketing 29% (vs 28%), workforce development & skills 25% (vs 23%) and financial advice 21% (vs 17%).
- **Recruitment:** 20% (vs 21%) of firms are currently recruiting new staff. higher amongst SMEs than other sizes of business. Recruitment is more active in Business, Finance & Professional Services, Retail, Education, Construction, and Hospitality.

UK GDP increase by 0.2% in March 2025 (Latest)



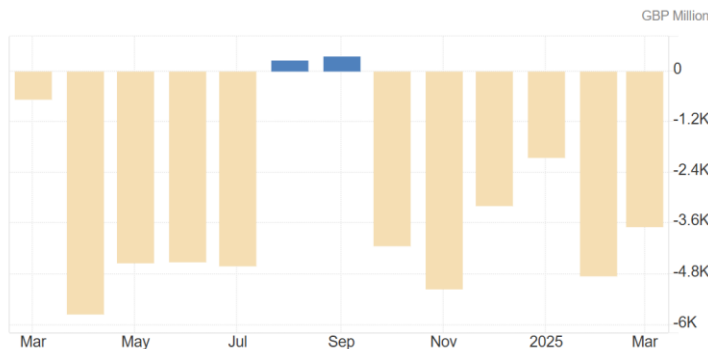
- UK GDP expanded by 0.2% in March 2025, exceeding market expectations, following a 0.5% increase in February.
- This was driven by a 0.4% rise in the services sector, considering the three months up to March, services grew by 0.7%.
- The construction sector also saw an increase of 0.5% but showed no growth in the three months leading to March 2025.
- Industrial production saw a decline of 0.7%, reversing the upwardly revised rise of 1.7% in February 2025.

UK CPI - Inflation rises to 3.5% in April 2025



- Annual UK inflation rate rose to 3.5% in April 2025 from 2.6% in March, the highest since January 2024.
- The largest upward contribution came from prices for houses and utilities (7.8% vs 1.8%), mostly from electricity and gas - in response to the rise in the Ofgem energy price cap which started in April 2025.
- The largest downward contributions came from falling prices of clothing and footwear (-0.4% vs 1.1%) as items went on sale during early summer.

UK trade deficit decreases in March 2025 (Latest)

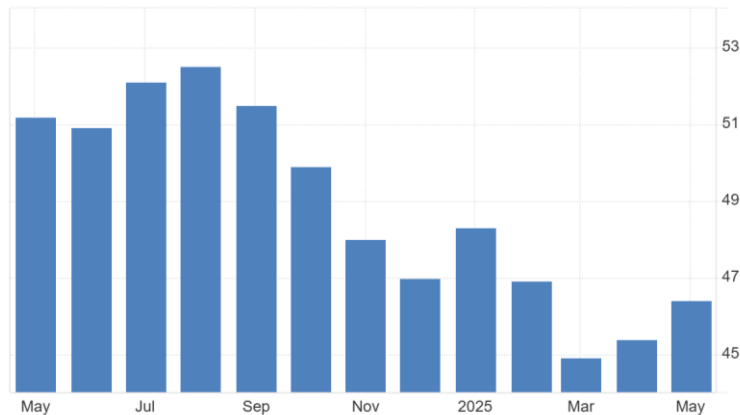


- The UK's trade deficit decreased to £3.7bn in March 2025, from revised £4.9bn in February. Exports rose by 0.6% to a two year high of £76bn, in comparison imports fell by 0.9% to £79.7bn.
- Goods exports increased by 0.8%, mostly driven by a 1.6% increase in shipments to the EU, due to higher fuel exports. Goods exports to the US increased for the fourth month, but overall Non-EU exports remained flat. ONS has said that tariffs have, so far, not directly influenced the latest data.
- Goods imports fell by 1.7%, non-EU imports fell by 2.5%, whereas EU imports increased by 0.9%. US goods imports decreased by £0.2bn.

2. SECTOR INSIGHT AND PURCHASING MANAGER INDICES (PMIs)

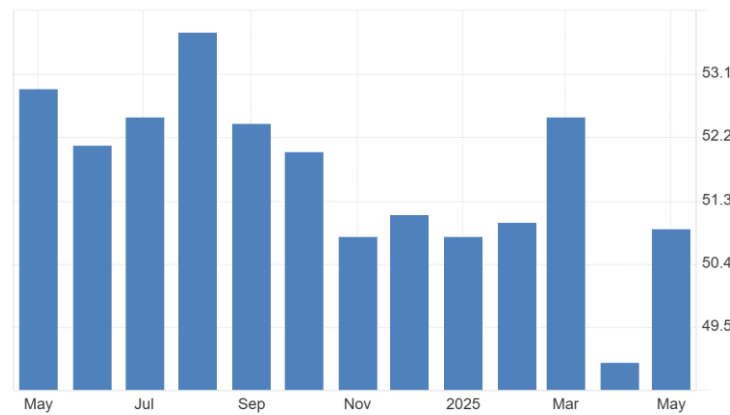
- **The S&P Global UK Composite Purchasing Manager's Index (PMI)** was revised up to 50.3 in May 2025 from a preliminary estimate of 49.4, and up from April's 48.5, indicating an expansion (i.e. values above 50). This signals an increase in growth in the private sector; however, it is still the second-lowest reading since October 2023. The expansion was driven by an increase in services output, which offset in manufacturing production. Total new business fell for the sixth straight month, leading to further reduction in employment. Business confidence rebounded to its highest level in six months.
- **Company Insolvencies.** There were 2,053 company insolvencies in England and Wales in April, 3% higher than in March 2025 (1,992) but 5% lower than in April 2024 (2,163). Company insolvencies in April 2025 consisted of 379 compulsory liquidations, 1,544 creditors' voluntary liquidations (CVLs), 105 administrations and 24 company voluntary arrangements (CVAs) and one receivership appointment.
- **Compulsory liquidations.** The number of liquidations in April were similar to both March 2025 and 2024 monthly average, CVAs were higher than in March and administrations were lower. One in 190 companies (52.5 per 10,000 companies) entered insolvency between 1 May 2024 and 30 April 2025. This was a decrease from 57 per 10,000 companies in the 12 months ending 30 April 2024.
- **Retail sales** in the UK rose by 1.2% in April 2025, beating forecasts of a 0.2% and up from revised 0.1% in March. This signals the sharpest monthly growth since January 2025, the increase was driven by a 3.9% rebound in food store sales after declines seen in both February and March. Non-food store sales volumes dropped by 0.7% due to decline in clothing stores and other non-food outlets. However, annually, sales have increased by 5%, the steepest increase since February 2022.
- **GfK Consumer Confidence Index.** The Index increased to -20 in May 2025, largely driven by tariff concerns. Despite the rise, the index is still well below its long-term average, reflecting continued concerns from consumers. The increase was led by improving optimistic views on personal finances and the economy also indicating a potential rise in consumer spending.
- **Lloyds Bank Regional Business Barometer.** Business confidence in the North-West held steady month-on-month during May at 52%, according to the latest Business Barometer from Lloyds. While companies in the North-West reported lower confidence in their own business prospects month-on-month, down ten points at 54%, their optimism in the economy climbed ten points to 49%. Taken together, this gives a headline confidence reading of 52%, unchanged from April (52%). However, a net balance of 46% of businesses in the region expect to increase staff levels over the next year, up three points on last month.

The S&P Global UK Manufacturing PMI 46.4 (<50 = contraction)



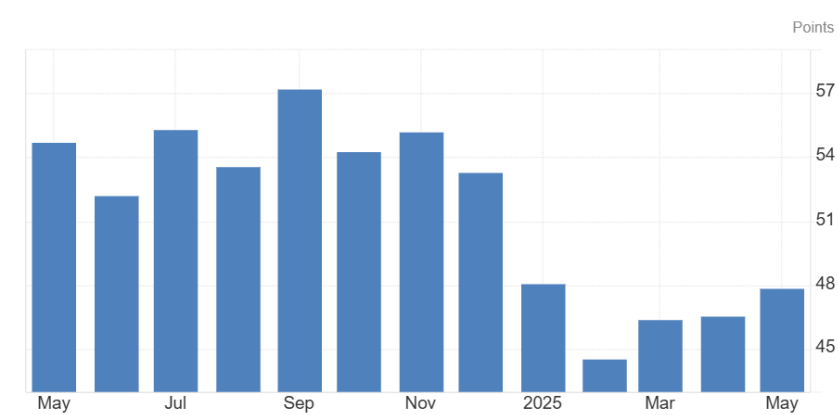
- S&P Global UK Manufacturing PMI was 46.4 in May 2025, compared to 45.4 in April 2025 but overall, the sector still contracted (Index <50).
- A combination of weak global demand, unstable trading conditions and increasing costs have led to a fall in output, new orders, new exports, and jobs.
- Businesses highlighted tariff uncertainty, global markets and government policy as underlying factors to decreases in new export orders in May.

The S&P Global UK Services PMI 50.2 (>50 = expansion)



- The S&P Global UK Services PMI was 50.2 in May 2025 and above 49.0 in April 2025. Total new work fell for the fourth time in five months, despite export sales remaining the same. Employment declined for the eighth consecutive month the latest reading was the slowest since November 2024.
- This is reflection of a negative impact on hiring plans from increasing payroll costs. However, output growth expectations rebounded in May, reaching their highest level since October 2024, driven by planned business investments, optimism for a sales turnaround and improvements in domestic prospects.

The S&P Global UK Construction PMI 47.9 (<50 = contraction)



- The S&P Global UK Construction PMI rose to 47.9 in May 2025, up from 46.6 in April. This reading indicates the slowest drop-in activity since January 2025.
- Output and new orders both declined, whilst business confidence peaked its highest since December 2024. Job losses increased at the fastest rate since August 2020, mainly due to subdued demand and pressure on margins.
- Firms remain cautiously optimistic about the future, with hopes of recovery in the housing market, infrastructure growth, and Bank rate cuts. However, they have continued to express concerns over the UK's overall economic outlook.

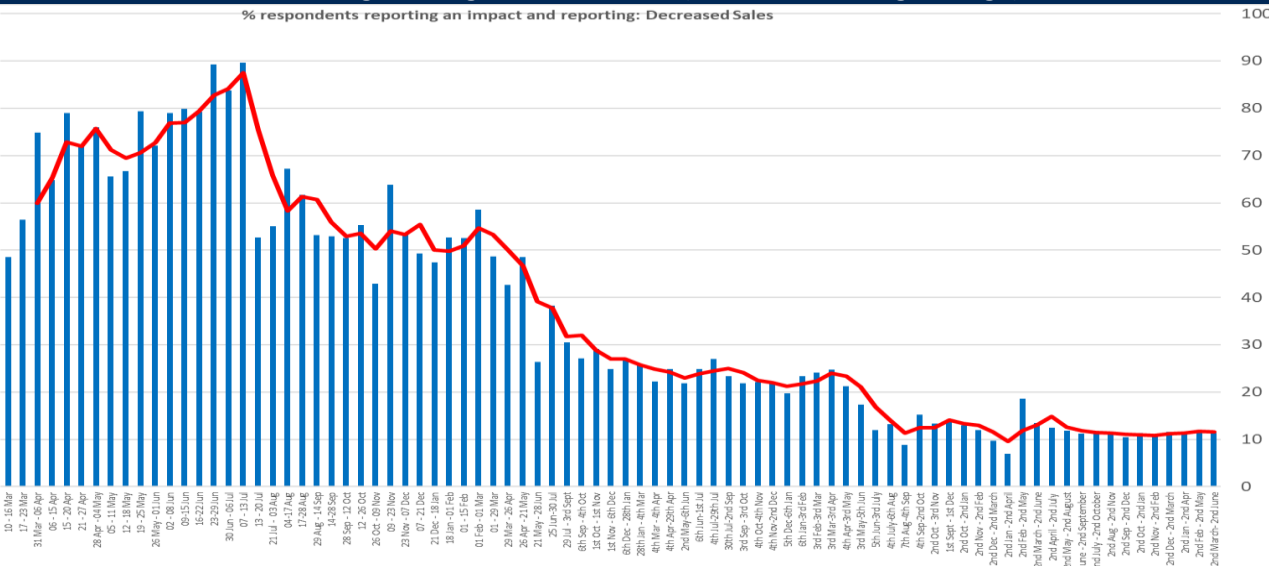
3. ORGANISATION GROWTH SURVEY RESULTS

Previous survey results shown in brackets

GROWTH, BUSINESS CONFIDENCE AND INVESTMENT	MAIN IMPACTS AND FINANCIAL RESILIENCE	FUTURE BUSINESS CHALLENGES AND SUPPORT NEEDS
<p>The GC Business Confidence Index (GC-BCI) is a ranking (1 low to 10 high) of how confident businesses are on their growth prospects for the year ahead.</p> <ul style="list-style-type: none">➤ GC Business Confidence Index (GC-BCI) for May 2025 stands at 7.1 out of 10, showing a slight increase from the previous quarter's figure of 7.0. Confidence levels are above average for Business Financial & Professional Services, Engineering, DCTs, Construction, Hospitality; and the lowest confidence was reported in Health & Social Care, Other Services, and Education➤ The latest confidence figures show an increasing levels uncertainty (proportion of lower scores rising) in: Green Tech, and Logistics.➤ Current sales. 13% (vs 12%) of firms reported an increase in sales.➤ Future profits. 53% (vs 49%) expect profits to increase in the year ahead. 3% (vs 4%) expect profits to decrease. The sectors most optimistic about future profitability are BFPS, DCTs, Engineering, Hospitality and Retail; and lower in Manufacturing (excl. Engineering), Hospitality, Education, and Construction.➤ Investment. 29% (vs 25%) of firms expect to increase capital expenditure in the year ahead. Construction, DCTs, Engineering, Hospitality are most optimistic, and investment expectations are lowest in Retail & wholesale, Life-Sciences, Business Financial & Professional Services and Other Service Activities.➤ Workforce Development. 24% of firms plan to increase investment (unchanged). The sectors most likely to increase investment are Finance & Professional Services, Construction, Hospitality, Healthcare, and Logistics.	<ul style="list-style-type: none">➤ Sales. 13% (vs 12%) reported increased sales, and 11% (vs 12%) reported decreased sales in the last 12 weeks – at its lowest level since May 2024.➤ Main impacts. 28% (vs 30%) reported rising costs as the main impact, followed by cashflow issues 11% (vs 12%), decreased sales 11% (vs 12%), and minor supply chain issues 6% (vs 8%).➤ Cash reserves. 58% of firms (vs 55%) report having cash reserves to last over 6 months, with 76% of SMEs (10–249 employees) reporting cash reserves for this duration. Reserves were highest in the BFPS, Construction, and Engineering, while Green Tech, Health Care, and DCTs had the lowest 6+mths reserves.➤ Cashflow. 11% (vs 12%) of firms reported cashflow problems. Micro-sized firms (<10 employees) were more likely to face cashflow challenges than larger SMEs (50–249+ FTEs), with higher cashflow risks reported in Hospitality, Education, Construction, Health & Social Care, Manufacturing, and Logistics. 4% (vs 3%) of firms reported late payments by suppliers and customers.➤ Analysis of insolvency risk for May 2025 shows increase in the total number of firms (10+ employees) in GM reporting a heightened level of risk. 828 (up from 700 last month) firms in have 1 flag - some risk; 55 (up from 35) have 2 flags - medium risk; 40 (up from 31) have 3 flags - insolvency imminent.➤ The proportion of firms in Greater Manchester with a red-flag, within the business population, increased 0.9% month-on-month (UK 0.1%), and is 1 percentage point lower in GM than 12 months ago (same as the UK).	<ul style="list-style-type: none">➤ The primary challenges for businesses in the near term are accessing new domestic sales opportunities, 49% (vs 52%). This challenge is more acute in Construction, DCTs, Engineering, Green-Tech and Retail.➤ The next most common challenges include developing new products and services 31% (unchanged), developing business models 31% (vs 29%), managing business finances 29% (vs 26%), and workforce development 20% (vs 18%).➤ International trade. 21% of firms (unchanged) export goods or services, with 13% (vs 16%) expanding into new markets, a trend particularly notable in the DCTs, Manufacturing and BFPS. Additionally, 10% (unchanged) of firms engaged in overseas trade are looking to expand in their current markets.➤ Key areas where businesses seek future support include business planning 32% (vs 30%), innovation 30% (vs 32%), sales & marketing 29% (vs 28%), workforce development & skills 25% (vs 23%) and financial advice 21% (vs 17%).➤ Micro-size were more likely to specify support requirements in planning, marketing, innovation, workforce development in (0-49) however, firms more than 50+ employees requested more support in skills, recruitment and environmental impacts followed by innovation and digital transformation.➤ 12% (vs 11%) require assistance with managing their environmental impact. This need is more pronounced in SMEs, and larger firms (250+ employees) and is more likely to be reported by Manufacturing, Retail, and Green-Tech.
RECRUITMENT, EMPLOYMENT AND SKILLS	RESEARCH, DEVELOPMENT AND INNOVATION	SOCIAL VALUE AND GOOD EMPLOYMENT PRACTICES
<ul style="list-style-type: none">➤ Recruitment: 20% (vs 21%) of firms are currently recruiting new staff. Recruitment rates are higher amongst SMEs than other sizes of business. By sector, recruitment is more active in Business Financial & Professional Services, Retail, Education, Construction, Hospitality. Life Sciences, DCTs and Engineering sectors were least likely to be currently recruiting.➤ Workforce skill gaps. 41% (vs 39%) reported that their existing workforce skills are fully aligned with their business plan objectives. 41% (vs 42%) indicated that skills are only partially at the required level, and 3% (vs 2%) stated that their workforce skills are not at the right level. Small SMEs, particularly with <49 employees, had gaps in specialist, sales and customer skills, whilst firms with 50+ employees had gaps in specialist, team working and management skills.➤ The main technical skill gaps. Specialist technical skills 26% (vs 27%), advanced IT skills 10% (vs 7%), solving complex problems 8% (vs 6%), and knowledge of products and services 7% (vs 8%).➤ The main people and practical / personal skill gaps. Sales and selling 20% (vs 19%), motivating staff 13% (vs 11%), customer handling skills 10% (vs 9%), and ability to time manage 8% (vs 9%).	<ul style="list-style-type: none">➤ Innovation activities in last year: 34% (vs 30%) have invested in new / significantly improved services, 27% (vs 24%) in R&D, 21% (vs 19%) new business practices, 17% (vs 15%) introduced new / significantly improved goods, and 14% (vs 12%) have invested in improved production methods.➤ Digital innovation. 11% (vs 8%) have invested in acquisition of digital products, and 5% (vs 4%) made investments in the acquisition of advanced machinery or equipment - specifically for Manufacturing, Engineering and Hospitality.➤ Future innovation. 28% (unchanged) of firms are most likely to look to increase investment and R&D in future, in particular within Life-Sciences, DCTs, Engineering, and Green-Tech. 27% (vs 24%) said they were likely to invest in skills in future, in particular within BFPS, Construction, Hospitality, Healthcare.➤ Digital Transformation. 19% (vs 16%) firms are looking to invest in digital transformation, in particular within BFPS, Construction, DCTs and Retail, and less likely in Life Sciences, Health Care, Hospitality and Education.➤ AI Adoption: 35% (vs 31%) have adopted AI into business. Firms were most likely to have implemented AI into data analytics, whilst replacing admin tasks, sales and marketing systems, and for automating production processes.	<p>Organisations were asked if they had/or intended to have the following:</p> <ul style="list-style-type: none">➤ Guaranteeing at least 16 hours of work per week. 87% (vs 91%) said this currently applies, and 12% (vs 9%) said that they are likely to consider in future.➤ Paying the Real Living Wage. 48% of firms (vs 45%) paid the RLW, while 24% (vs 25%) indicated they are likely to implement it in the future.➤ Offering flexible working options to employees. 42% (vs 38%) said this currently applies, and 27% (vs 29%) said likely to include in future.➤ Involving employees in the overall direction of the business. 30% (vs 26%) said this currently applies. 32% (unchanged) said likely to do so in future.➤ Looking to increase the diversity of the workforce. 34% (vs 32%) of firms said this currently applies, while 32% (vs 33%) indicated they are likely to include this in the future.➤ Promoting healthy work practices. 41% (vs 37%) said this currently applies, while 26% (unchanged) indicated likely to do so in future.➤ Investing in leadership. 37% (vs 33%) said that they are investing in leadership, while 38% (vs 37%) indicated likely to do so in future.

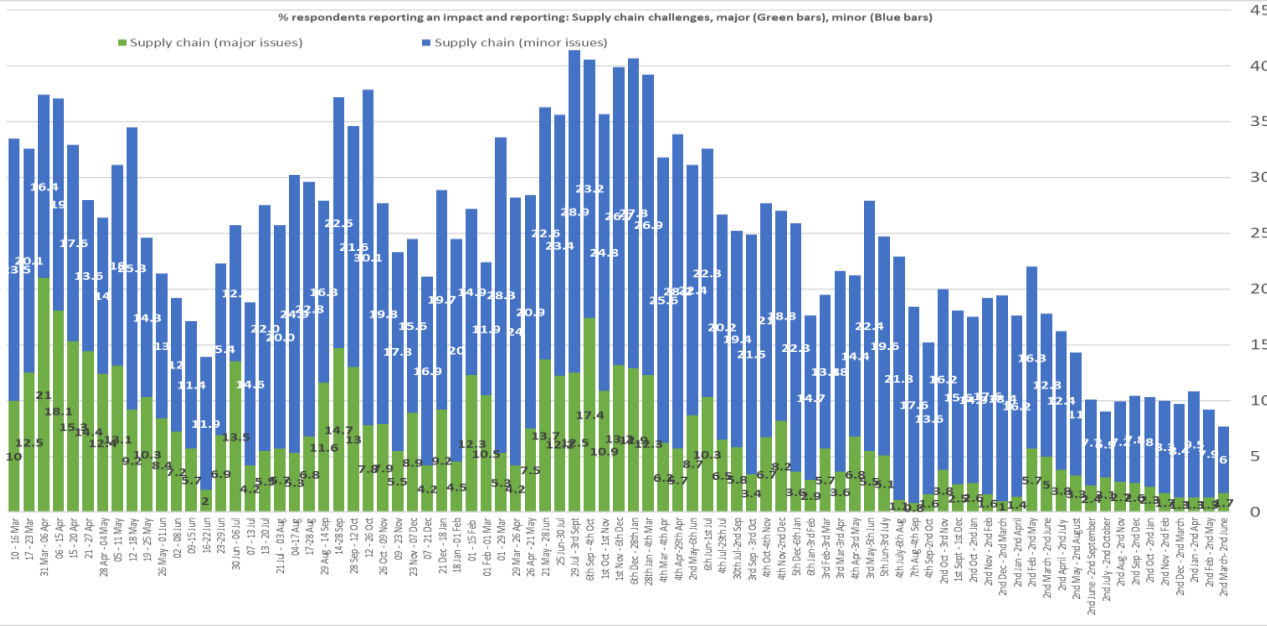
TIME SERIES OF THE MAIN IMPACTS OF ECONOMY ON BUSINESS

Percentage stating decreased sales (Red line = moving average)

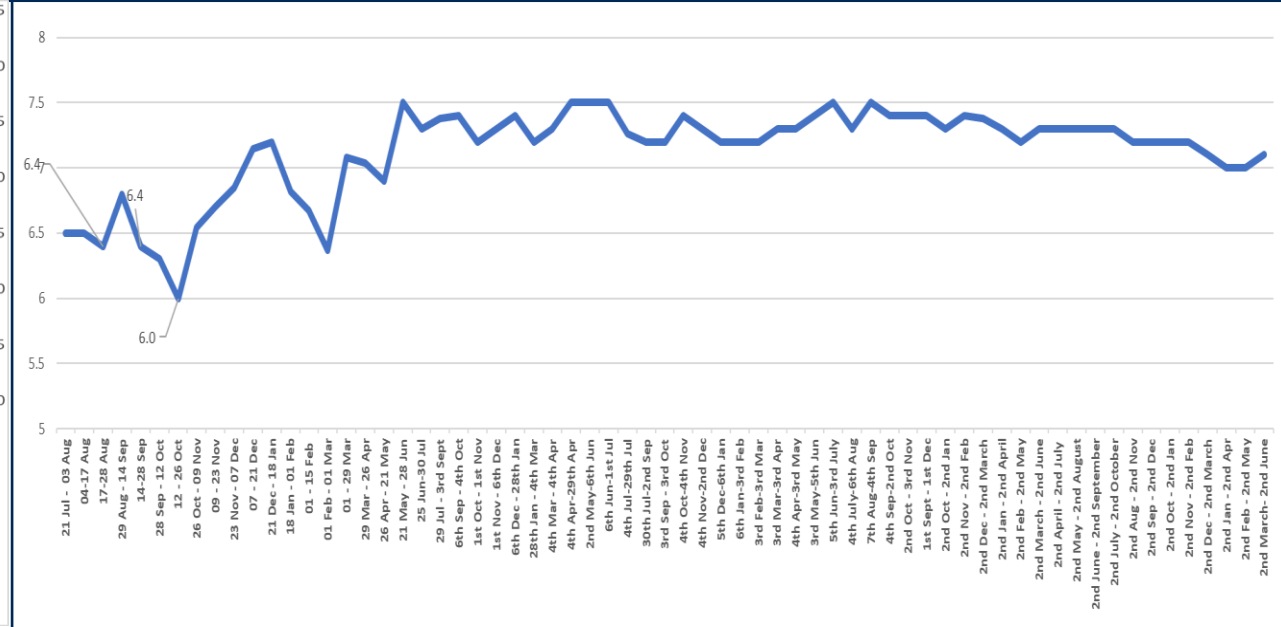


TIME SERIES OF THE MAIN IMPACTS OF ECONOMY ON BUSINESS

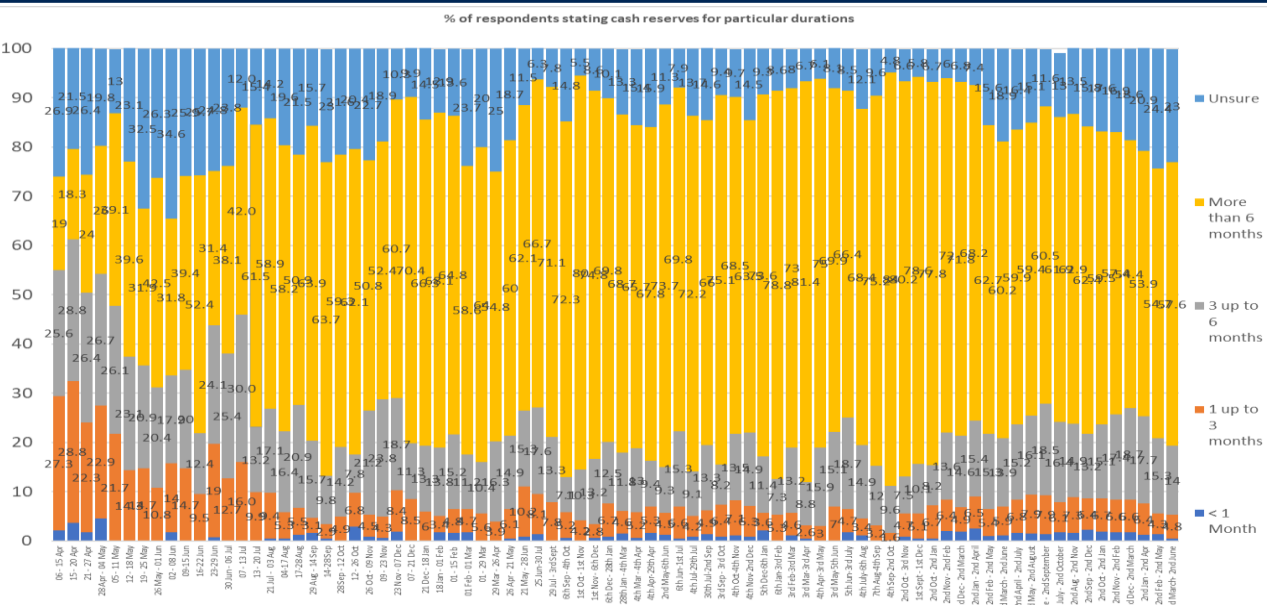
Percentage reporting minor supply chain issues (blue), major issues (green)



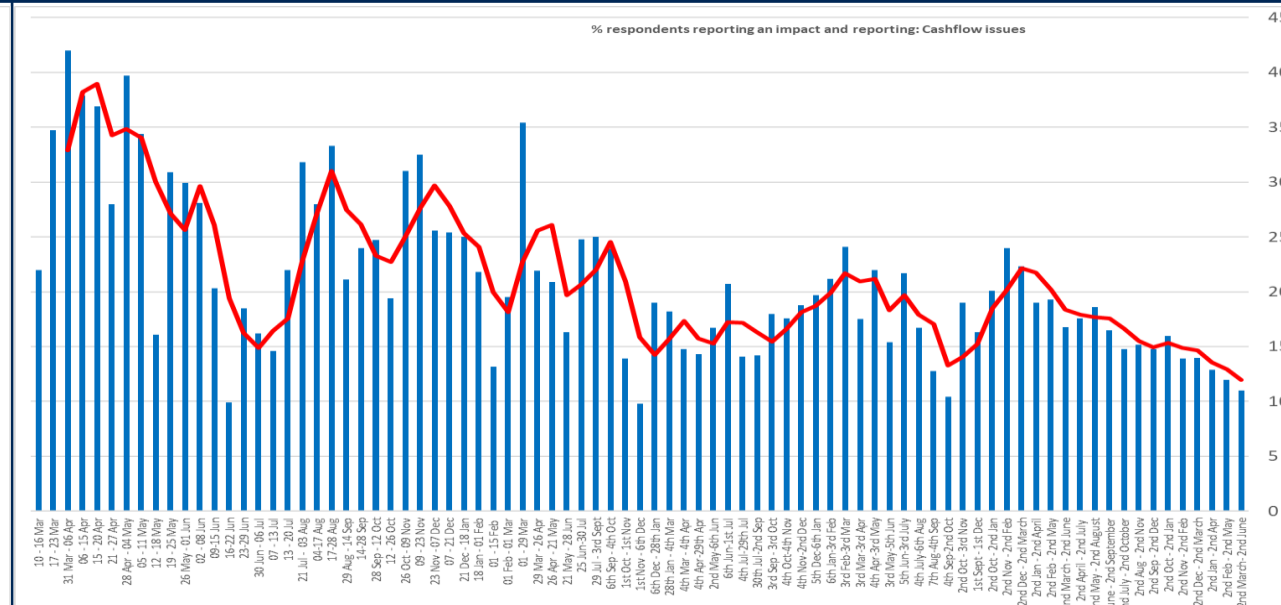
Aggregate confidence index – 1 low confidence, 10 high confidence



Percentage stating cash reserves can sustain certain periods of time

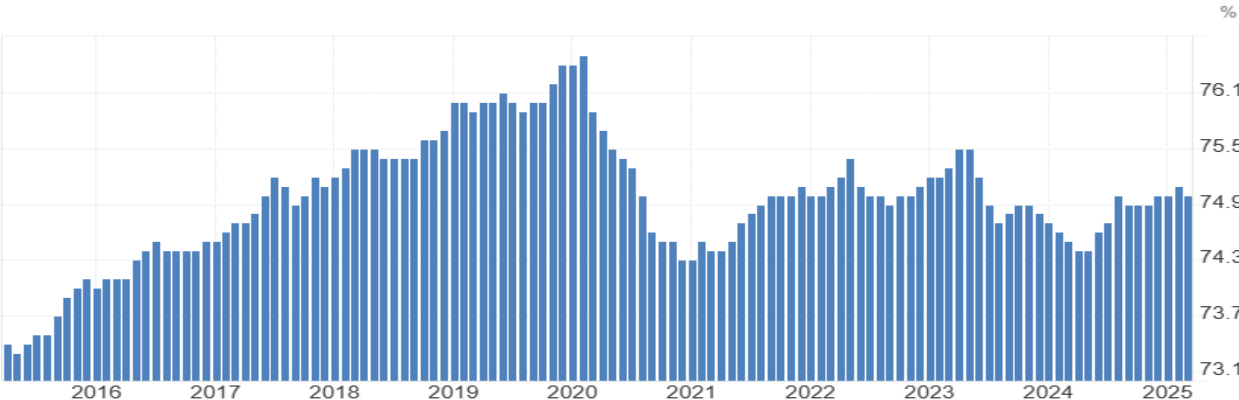


Percentage reporting cashflow problems



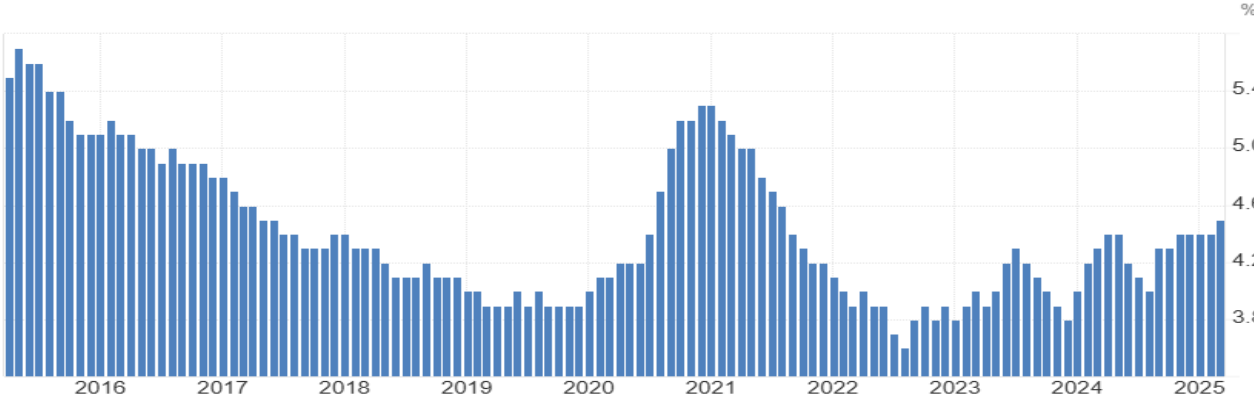
4. LABOUR MAKRET HEADLINES – ONS QUARTERLY LABOUR FORCE SURVEY

United Kingdom - Employment Rate 75%



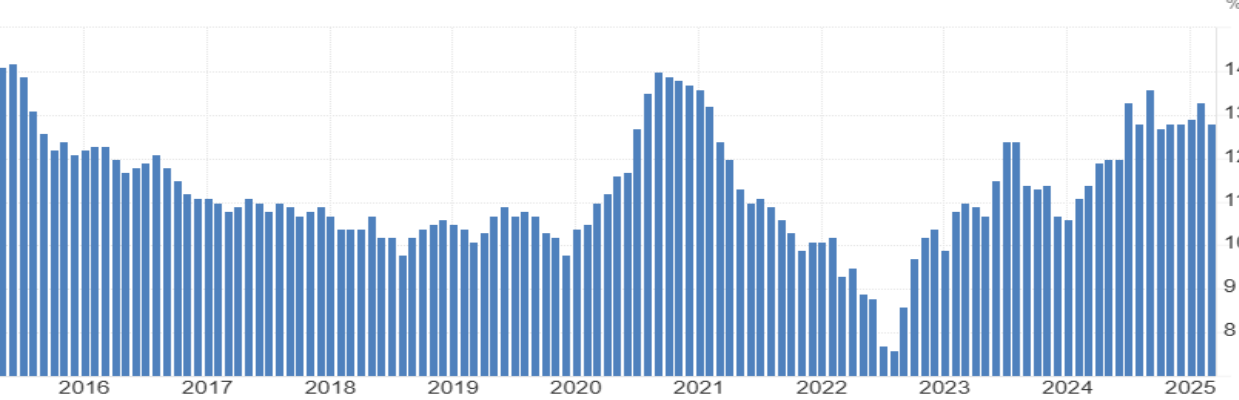
- **The Employment Rate in the United Kingdom** decreased to 75 percent in March from 75.1 percent in February of 2025.
- Levels averaged 71.7% from 1971 until 2025, reaching an all time high of 76.5% in February of 2020 and a record low of 65.6 % in April of 1983.

United Kingdom - Unemployment Rate 4.4%



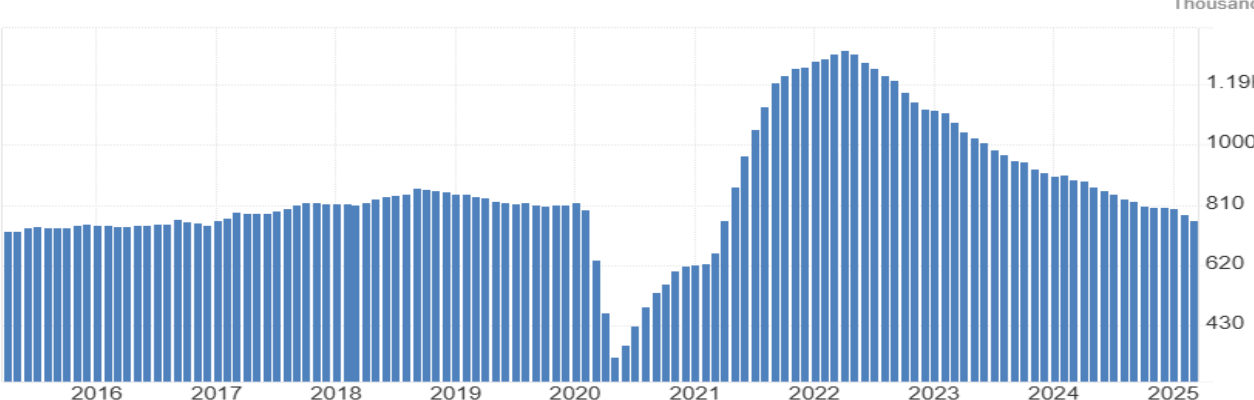
- **United Kingdom's unemployment rate** increased to 4.5% from January to March 2025, after remaining unchanged at 4.4% for four consecutive periods, aligning with market expectations. This marked the highest jobless rate since the 3 months ending in August 2021, as the number of unemployed increased for <6 months, 6 to 12 months, and over 12 months.
- **The number of employed individuals** rose over the quarter, by 112,000, marking the smallest increase since the three months ending December 2024, to reach 33.98 million, mainly driven by a fall in full-time employment.
- **The number of people holding second jobs** increased, now representing 3.9% of all employed individuals; and the economic inactivity rate decreased by 0.2 % points to 21.4%.

United Kingdom - Youth Unemployment Rate 13.3%



- **The Youth Unemployment Rate** in the United Kingdom decreased to 12.8% in March from 13.3% in February of 2025.
- Youth Unemployment Rate in the United Kingdom averaged 13.2% from 1992 until 2025, reaching an all time high of 20.3% in November of 2011, and a record low of 7.6% in August of 2022.

United Kingdom - Vacancy Notifications 781k



- **Job Vacancies** in the United Kingdom decreased to 761,000 in March from 783,000 in February of 2025.
- Job Vacancies in the United Kingdom averaged 696,000 from 2001 until 2025, reaching an all time high of 1,300,000 in April of 2022, and a record low of 328,000 in May of 2020.

5. HOSPITALITY, LEISURE, TOURISM - IMPACTS AND SUPPORT

VisitBritain - Domestic Consumer Sentiment Tracker Fieldwork 1st – 7th May 2025

- This tracker looks to understand the impact of major events such as the cost-of-living crisis on the UK public’s intent to take overnight trips within the UK and abroad. It addresses areas such as current attitude to travel, intention to travel for daytrips, short breaks and holidays, when they plan to book and take the trip, destination and accommodation chosen.

The key headlines are:

- Perception of the ‘worst still to come’ regarding cost-of-living crisis is at 52% which is down 8% from April 2025.
- Proportion intending a UK overnight trip in the next 12 months is 78% up by 1% since April 2025.
- Proportion intending on taking an overseas overnight trip in the next 12 months is 61%, down 4% since April 2025.
- The top 3 barriers to an overnight stay in the UK in April are:
 - rising cost of living
 - UK weather
 - rising costs of holidays/leisure (personal finances drops to 4th)
- The top 3 areas for an overnight stay May 2025 – June 2025 is South-West, London & North-West (up from 5th spot in April).
- The top 3 areas for overnight stays July 2025 – September 2025 is South-West, London and Scotland. North-West is 4th, consistent with April 2025.
- The top 3 destinations May 2025 – Jun 2025 are city or large town, countryside or village, coastal/seaside town consistent with April 2025.
- The top 3 destination Jul 2025 – September 2025 are city or large town, coastal/seaside town, countryside or village, consistent with April 2025.
- Hotels remain top accommodation choice for both May – June 2025 and July – September 2025 consistent with April 2025.
- <https://www.visitbritain.org/research-insights/domestic-sentiment-tracker>

Hotel Performance Monitor – April 2025 (Source MM)

- The occupancy rate in April for Greater Manchester (78%) was consistent with 2024 (78%) whilst Manchester city centre (77%) was above 2024 (76%).
- The average daily rates for Greater Manchester (£86) and Manchester city centre (£94), were both below 2024 rates (£87 and £97 respectively).
- The revenue per available room for Greater Manchester (£67) and Manchester city centre (£72) were both below 2024 levels (£68 and £73 respectively) due to the decrease in average daily rate.

Greater Manchester				Manchester		
	Room occupancy	Average rate	Revenue per room	Room occupancy	Average rate	Revenue per room
Value	%	£	£	%	£	£
2025	78%	£86	£67	77%	£94	£72
2024	78%	£87	£68	76%	£97	£73

Marketing Manchester Campaigns Impact Reach across all channels



127.5 million

6. GOVERNMENT MEASURES, OTHER DATA AND ANNOUNCEMENTS

THEME	ANNOUNCEMENT / ISSUE - (HOLD CTRL AND CLICK ON <LINKS> TO ACCESS THE FULL ITEM)
R&D Funding	<p>New plans have been released to support long-term, ten-year funding for certain R&D activities. Further details on the initial recipients of ten-year budgets will be set out in the second phase of the Spending Review, and in due course following the allocation of the R&D budget. The criteria will prioritise four areas:</p> <ul style="list-style-type: none">➤ Infrastructure and core capabilities. Ten-year funding will allow recipients to develop or maintain core national infrastructure or support more impactful use of infrastructure, which would not be possible under shorter funding cycles.➤ Talent attraction and retention. Where the skills development in a particular area is vital to UK growth and longer-term funding enables development of a pipeline of skilled researchers, scientists or engineers.➤ International collaboration. Where there are demonstrable, additional opportunities for international collaborations with wider strategic benefits.➤ Partnerships and business collaboration. Where there is demonstrable need for long term partnerships with industry – including charity and philanthropy – to tackle a significant challenges relevant to economic growth, and where shorter funding cycles would impede effective partnerships. <Link>
Skills England	<ul style="list-style-type: none">➤ The board members of Skills England have been published. A document has been published outlining the priorities for the organisation in 2025/26. These are: understanding the nation’s future skills needs and improving the skills offer, simplifying access to skills and mobilisation, and co-creation of solutions.➤ Skills England have published findings of analysis and engagement with priority sectors on the growth and skills offer. <Link>
Crown Estate and Lendlease	<ul style="list-style-type: none">➤ A major new partnership from the Crown Estate and Lendlease with a Gross Development Value (GDV) of £24 billion will develop housing and science and innovation hubs and help create 100,000 new jobs and 26,000 new homes.➤ The joint venture allows The Crown Estate to invest in Lendlease’s undeveloped UK land and land management portfolio, providing support on existing projects, helping to transform the UK’s science, tech and innovation sectors.➤ The projects have the potential to deliver around 10 million square feet of workspace and labs and deliver investment in digital and technologies and the Life-Sciences sectors. <Link>
Innovation Hubs	<p>4 innovative UK hubs across Merseyside, East Anglia, the Midlands, and Northeast England will get new backing to grow more ‘spin-outs’. Funding will support a taskforce of universities and industry experts across the 4 locations to support efforts to incubate and spin-out new companies. Government are also priming the public sector with first ever guidance to put groundbreaking ideas on the path to investment. The projects that have received funding are:</p> <ul style="list-style-type: none">➤ Strategic Commercialisation Ecosystem North-East (SCENE). £8 million over 5 years. To strengthen and expand the region’s innovation ecosystem, engaging businesses, sector bodies.➤ Forging ahead/Forging beyond – Midlands. £10 million over 5 years. To address the talent, expertise and skills gaps in the Midlands by creating a Talent Pool, inward investment champions and innovation networks.➤ Biologics Regional Innovation and Technology Ecosystem (BRITE) – Merseyside. £4 million over 3 years to establish a sustainable life sciences ecosystem in the Liverpool City Region focused on developing treatments like vaccines.➤ Agri-Tech Commercialisation Ecosystems (ACE) – Lincolnshire and East Anglia. £5 million over 3 years to establish a world-leading, self-sustaining Agri-Tech research commercialisation cluster. <Link>
Clean Industry Bonus	<p>The Clean Industry Bonus provides financial rewards for offshore wind developers, on the condition they prioritise investment in regions that need it most or in cleaner supply chains, including traditional oil and gas communities, ex-industrial areas and ports and coastal towns. In the most recent round hundreds of bids came from the UK’s offshore wind sector. Following this higher-than-expected demand, the Energy Secretary has increased the bonus from an initial £200 million to £544 million. <Link></p>
Home Office Immigration White Paper	<ul style="list-style-type: none">➤ Following the release of the Home Office’s Immigration White Paper, addressing skills shortages through Visa regulations has become a significant focus.➤ Key changes include raising eligible qualifications for a skilled worker visa from a RQF3 (A-Level equivalent) to RQF6- to degree level, as well as English Language requirements and reducing overseas social care recruitment.➤ The reforms seek to address reliance on foreign labour, and incentivising employers to invest in domestic workforce development. <Link>



APPENDIX 1: SURVEY RESPONSE RATES

MAY 2025

WITH QUARTERLY DATA FOR 2ND MARCH 2025 TO 2ND JUNE 2025

www.growthco.uk

SURVEY RESPONSE RATES FOR GM OVER TIME VS ONS ENTERPRISE UNIT PROFILE FOR GM (EXCLUDES OUT OF AREA)

Size / Sector (as identified by the business) C = Confidential, 5 or less responses Percentages rounded to nearest figure	GM ONS IDBR 2022	MAY 2025	APRIL 2025	MAR 2025	FEB 2025	JAN 2025	Dec 2024	NOV 2024	OCT 2024	SEP 2024	AUG 2024	JUL 2024	JUN 2024	MAY 2024	MAR 2024	FEB 2024	JAN 2024	DEC 2023	NOV 2023	OCT 2023	SEP 2023	AUG 2023
Size-band (employees)	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%
‘0’ employment to 9 (MICRO)	89%	55%	58%	55%	58%	56%	59%	54%	55%	56%	62%	60%	58%	59%	57%	46%	49%	53%	51%	59%	41%	58%
10 to 49 (SMALL)	9%	24%	24%	25%	24%	23%	20%	24%	25%	26%	24%	23%	24%	24%	26%	27%	22%	13%	20%	16%	24%	16%
50 to 249 (MEDIUM)	2%	15%	13%	13%	12%	14%	15%	15%	13%	12%	9%	11%	6%	7%	9%	9%	7%	14%	16%	13%	19%	13%
250+ (LARGE)	<1%	6%	6%	6%	7%	7%	7%	7%	7%	6%	C	7%	12%	10%	8%	10%	10%	11%	8%	7%	10%	6%
UNKNOWN	-	-	-	-	C	C	C	C	C	C	C	C	C	C	C	8%	12%	8%	C	C	6%	8%
AGRICULTURE, FORESTRY, FISHING	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C
BUSINESS FINANCIAL, PROFESSIONAL SERVICES	27%	13%	13%	14%	13%	13%	12%	12%	12%	12%	10%	8%	10%	10%	10%	13%	14%	14%	18%	11%	22%	15%
CONSTRUCTION	12%	5%	C	C	C	C	6%	6%	C	C	C	C	C	C	6%	C	C	C	C	C	C	C
DIGITAL, CREATIVE, TECHNOLOGY	6%	18%	19%	21%	23%	23%	24%	25%	24%	21%	21%	22%	18%	16%	13%	18%	19%	22%	23%	23%	24%	23%
EDUCATION	2%	6%	C	C	6%	C	8%	9%	8%	6%	C	C	C	C	C	C	C	C	C	C	C	C
ENGINEERING	2%	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C
UTILITIES, ENERGY, WATER, WASTE, GREEN TECH	C	C	C	C	C	C	C	C	C	6%	6%	6%	7%	8%	10%	6%	7%	C	C	C	C	8%
HEALTH & SOCIAL CARE	C	C	7%	7%	6%	C	C	6%	7%	9%	9%	8%	8%	7%	8%	C	C	C	6%	C	6%	C
HOSPITALITY, TOURISM, & SPORT	7%	C	C	C	C	C	C	C	C	C	6%	7%	6%	7%	C	C	5%	7%	6%	10%	C	8%
LOGISTICS	5%	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	6%	C
MANUFACTURING (excluding Engineering)	3%	18%	18%	18%	17%	15%	13%	12%	13%	13%	15%	17%	16%	16%	21%	26%	20%	19%	18%	19%	17%	22%
LIFE SCIENCES	N/A	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C
RETAIL & WHOLESALE	18%	C	C	C	C	C	C	C	C	C	6%	7%	9%	9%	9%	9%	11%	8%	7%	9%	C	6%
OTHER SERVICES (excluding SIC unknown)	4%	7%	7%	11%	7%	6%	6%	C	6%	6%	8%	6%	C	C	C	C	C	C	C	C	C	C

LOCAL AUTHORITY SURVEY RESPONSE (EXCLUDING RESPONSES OUTSIDE AREA): PROFILE BY SIZE, SECTOR, AND LOCATION

Size / Sector (as identified by the business) <u>C = Confidential, 5 or less responses</u> <i>Percentages rounded to nearest figure</i>	GM ONS IDBR Enterprise Count 2022	GM	Bolton	Bury	Manchester	Oldham	Rochdale	Salford	Stockport	Tameside	Trafford	Wigan
Size-band (employees)	%	%	%	%	%	%	%	%	%	%	%	%
‘0’ employment to 9 (MICRO)	89%	55%	51%	63%	53%	27%	51%	61%	58%	58%	59%	58%
10 to 49 (SMALL)	9%	24%	16%	33%	27%	42%	26%	22%	23%	21%	9%	26%
50 to 249 (MEDIUM)	2%	15%	31%	C	11%	15%	21%	14%	13%	17%	24%	12%
250+ (LARGE)	<1%	6%	2%	4%	9%	15%	2%	3%	6%	4%	8%	4%
UNKNOWN	-	C	C	C	C	C	C	C	C	C	C	C



APPENDIX 2:
GROWTH SURVEY DETAILED RESULTS, AND
LOCAL AUTHORITY, EQUALITY, DIVERSITY, INCLUSION DATA

MAY 2025

WITH QUARTERLY DATA FOR 2ND MARCH 2025 TO 2ND JUNE 2025

www.growthco.uk

OGS: BUSINESS CONFIDENCE INDEX (GC-BCI)

Local Authority

Sector

Size Band

Submitted Date

HOME

All

All

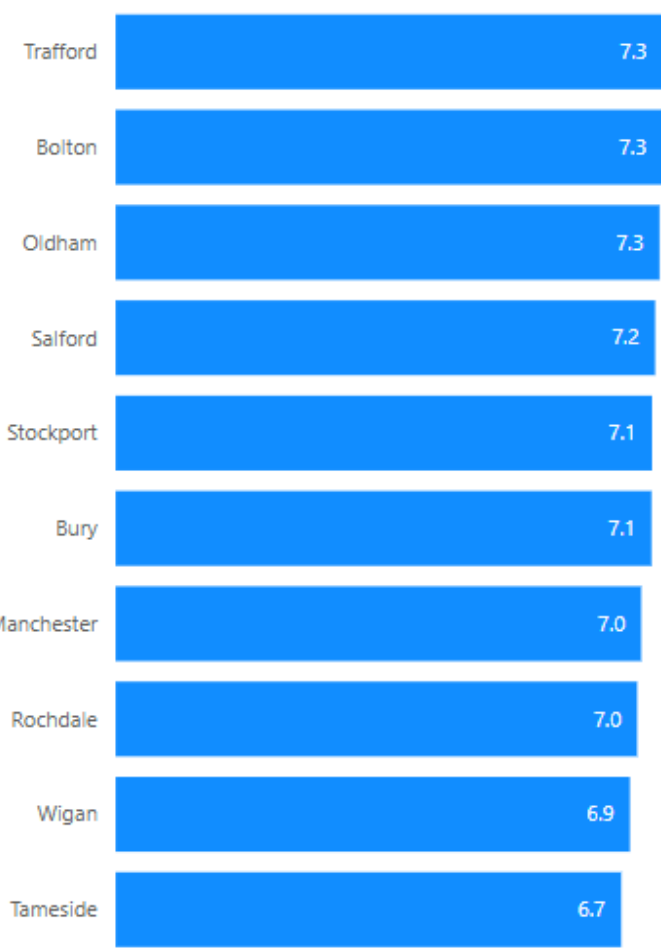
All

02/03/2025

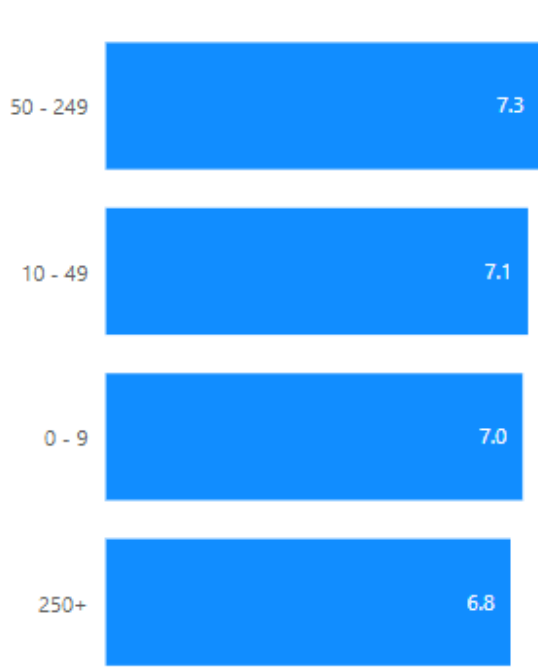
02/06/2025

Responses 659

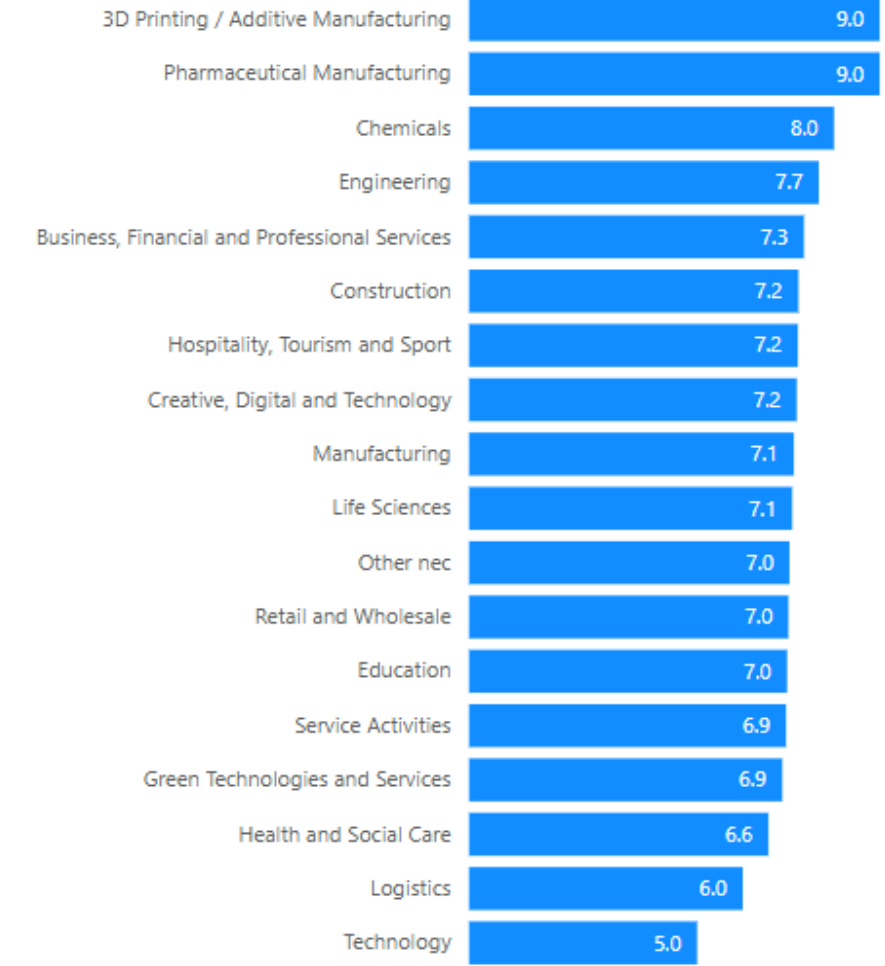
GC-BCI by LA# (1 low - 10 high)



GC-BCI by size - employees (1 low - 10 high)



GC-BCI by sector (1 low - 10 high)



GC-BCI average score (1 low - 10 high)

7.1

OGS: OPTIMISIM - PROFITABILITY / TURNOVER / CAP-EX SPENDING

Responses
659

Respondents
534

Local Authority

Sector

Size Band

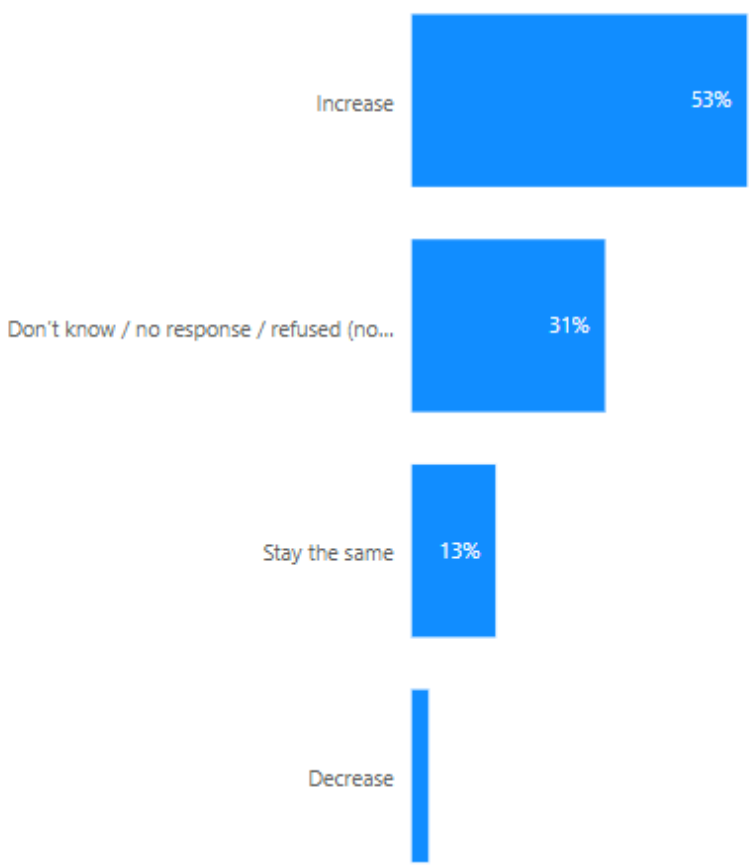
Submitted Date

02/03/2025

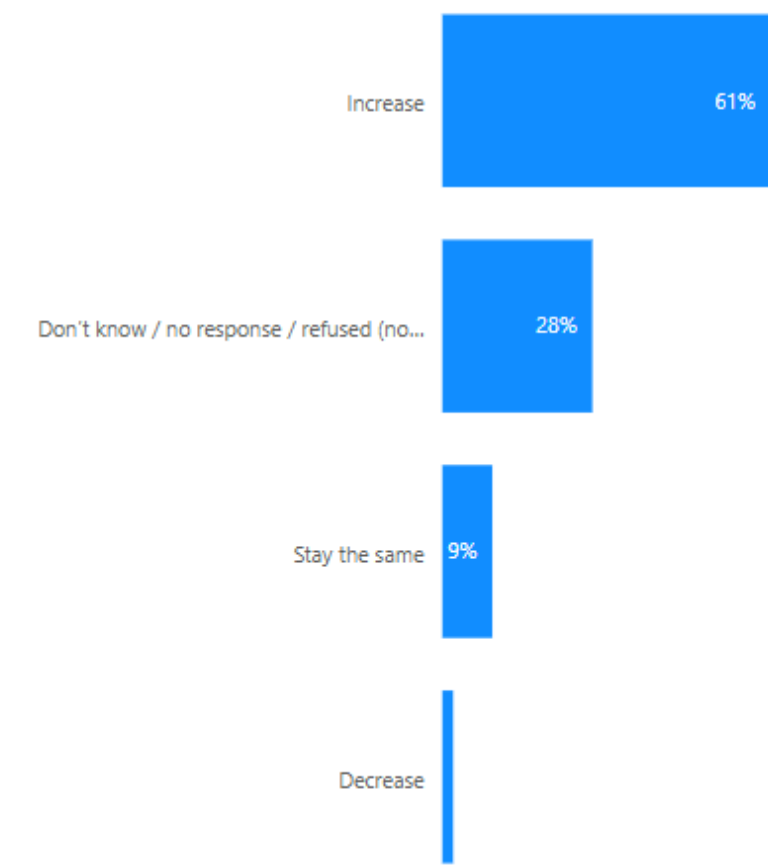
02/06/2025

HOME

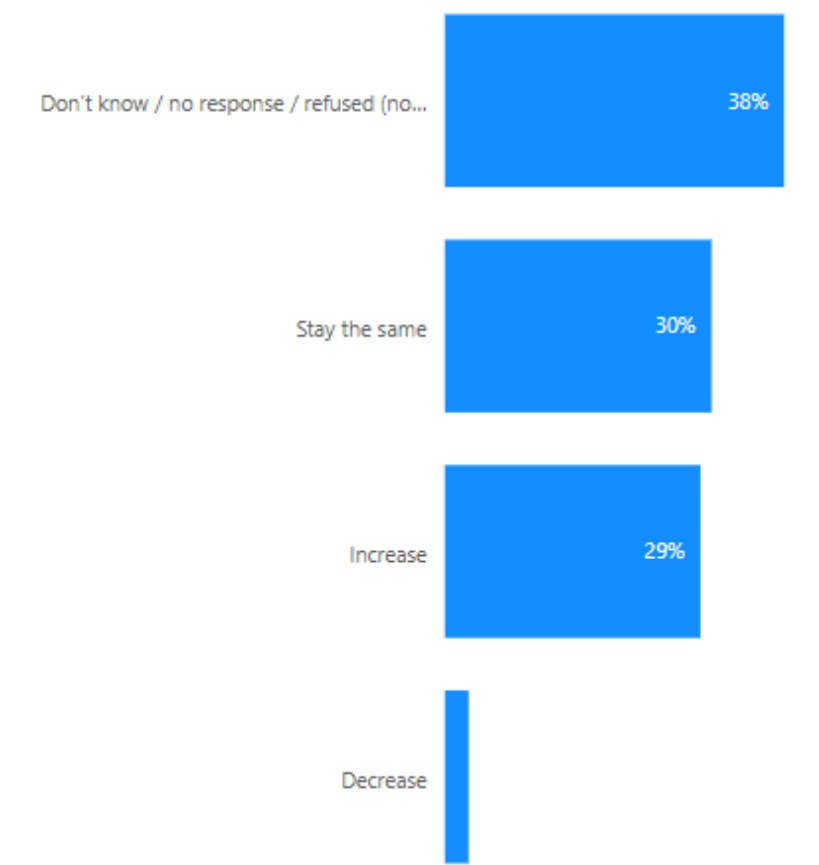
Expectations for profitability increase (%)



Expectations for turnover increase (%)



Expectations for cap-ex spending increase (%)



OGS: CHALLENGES AND FUTURE SUPPORT NEEDS

Responses

659

Respondents

534

Local Authority

All

▼

Sector

All

▼

Size Band

All

▼

Submitted Date

02/03/2025

📅

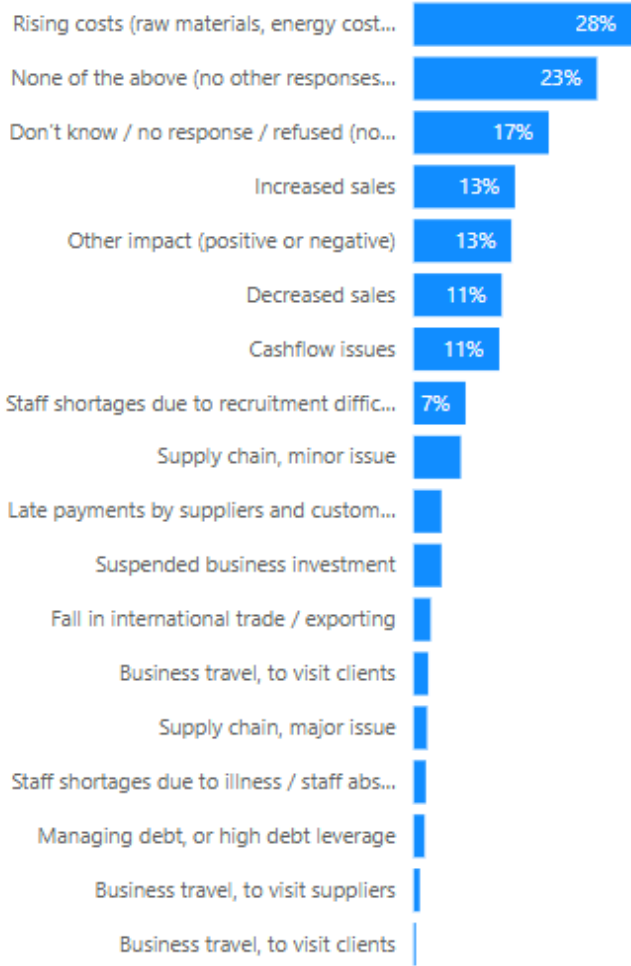
02/06/2025

📅

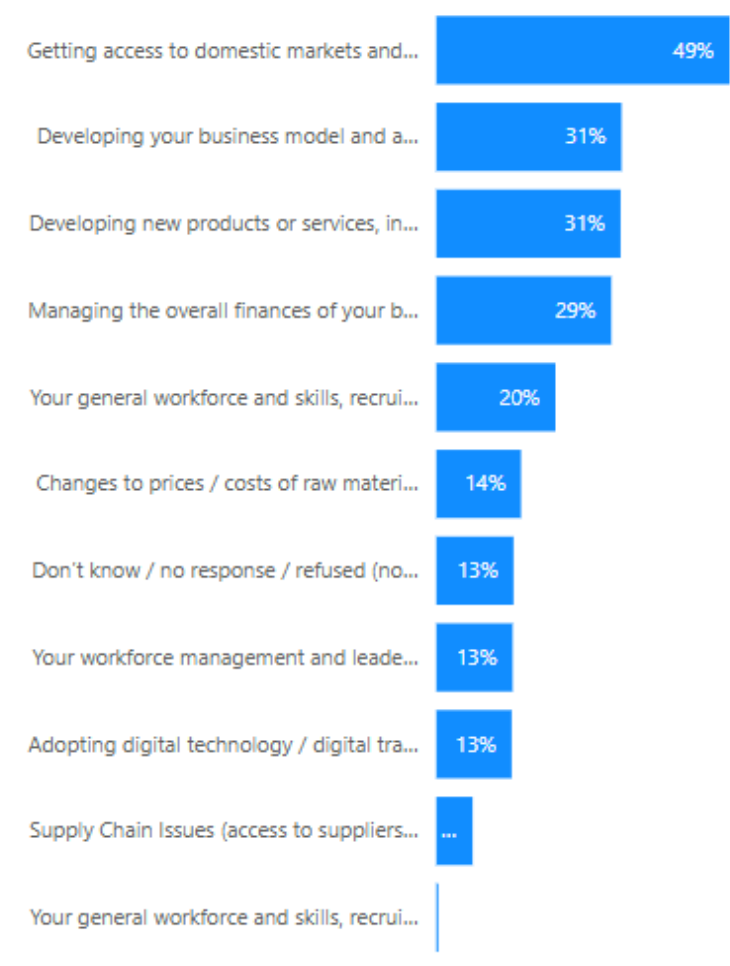
HOME



Main economic impacts faced in last 3 months (%)



Main current challenges facing the organisation (%)



Future support needs in year ahead (%)



OGS: INNOVATION AND INVESTMENT

Responses

659

Respondents

534

[HOME](#)

Local Authority

All

Sector

All

Size Band

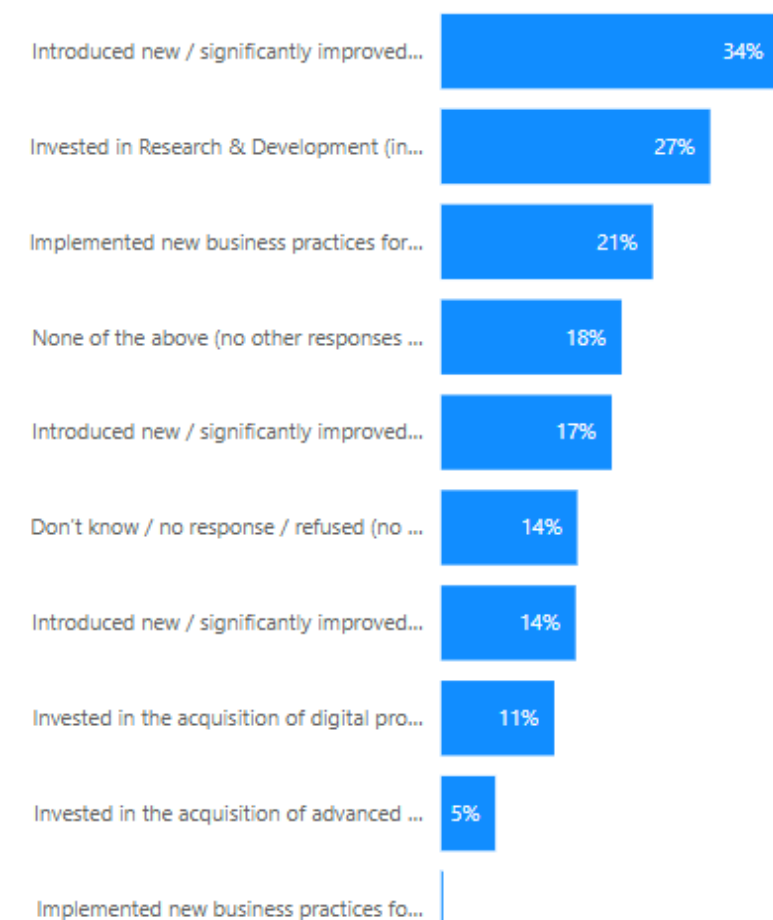
All

Submitted Date

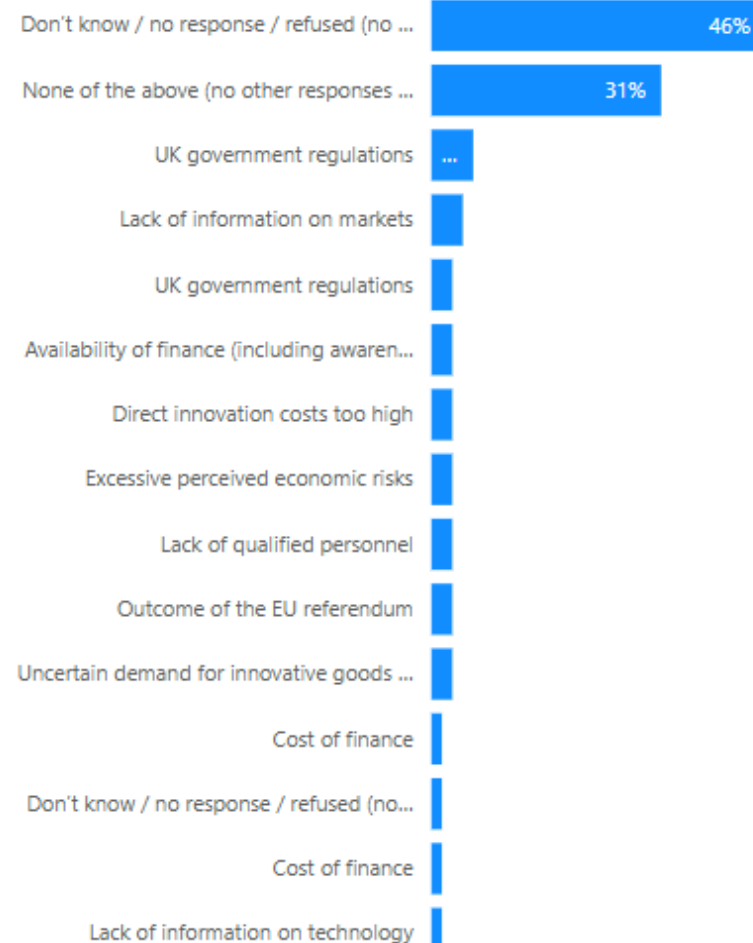
02/03/2025

02/06/2025

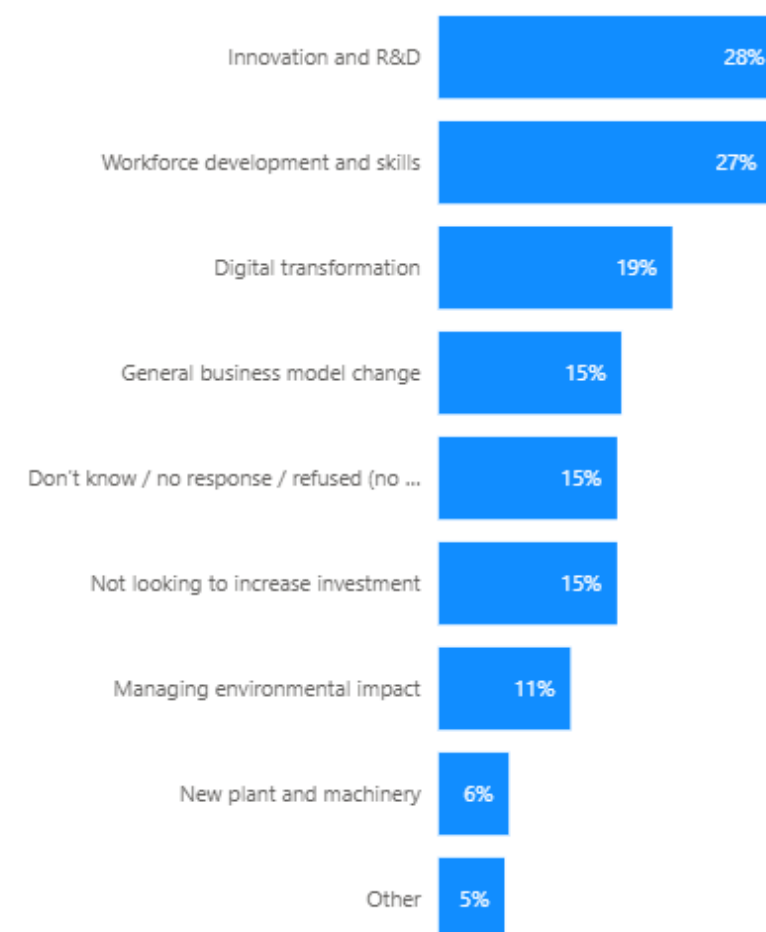
Innovation activities in last year (%)



Main barriers to Innovation (%)



Looking to increase investment in ... (%)



OGS: ARTIFICIAL INTELLIGENCE - BY TYPE AND BARRIERS TO ADOPTION

Responses
659

Respondents
534

Local Authority

Sector

Size Band

Submitted Date

All

All

All

02/03/2025

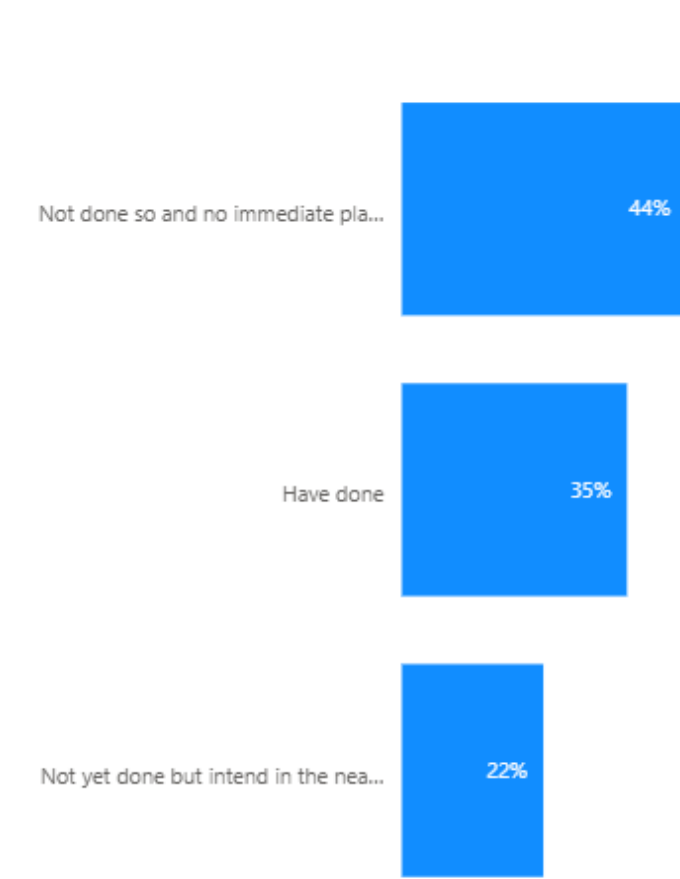
02/06/2025

HOME

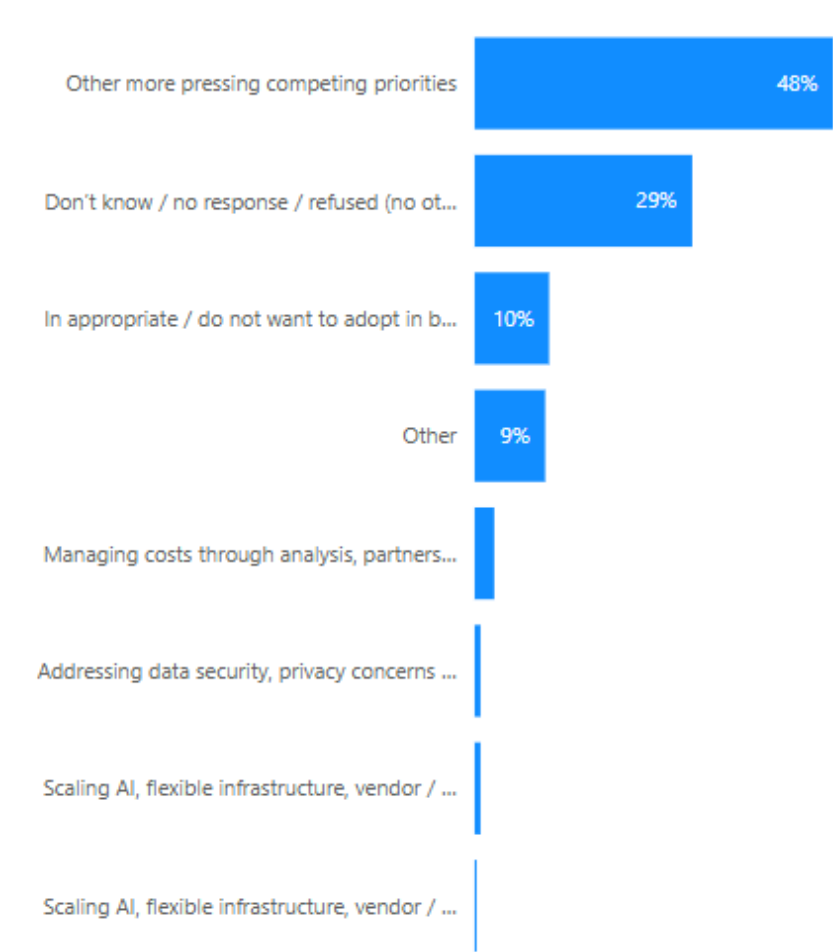
Which areas of AI implemented (%)



Adopted AI into business (%)



AI - What is holding up plans (%)



OGS: SKILLS GAPS

Responses

659

Respondents

534

Local Authority

All

▼

Sector

All

▼

Size Band

All

▼

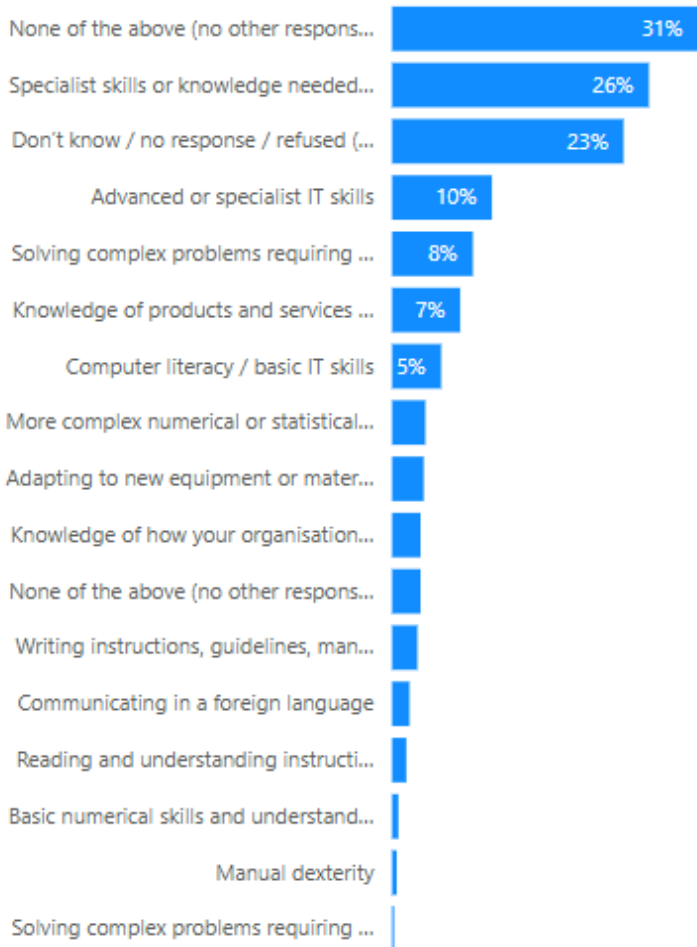
Submitted Date

02/03/2025

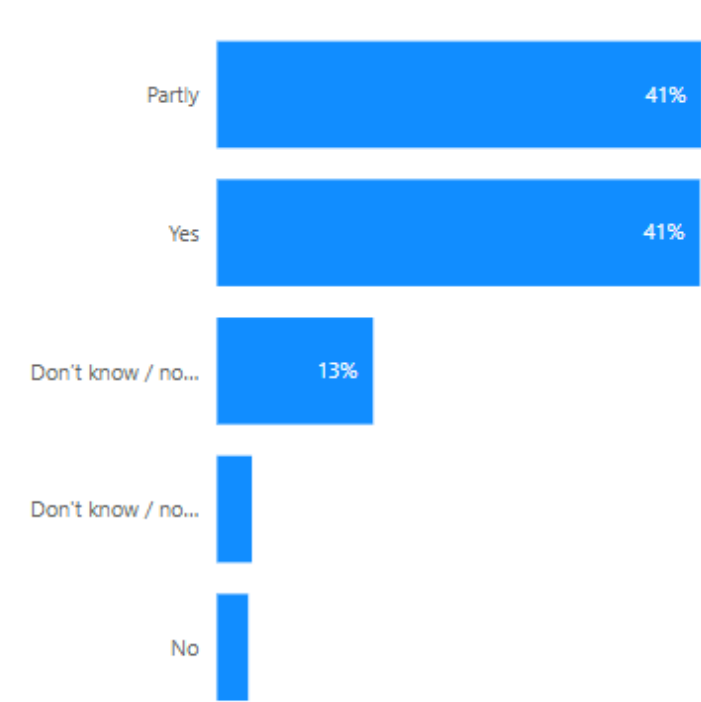
02/06/2025

HOME

Technical and practical skills gaps (%)



Current workforce skills at right level by size (%)



Current workforce skills at right level - average (%)

39.9

People and personal skills gaps (%)



Local Authority

Sector

Size Band

Submitted Date

All

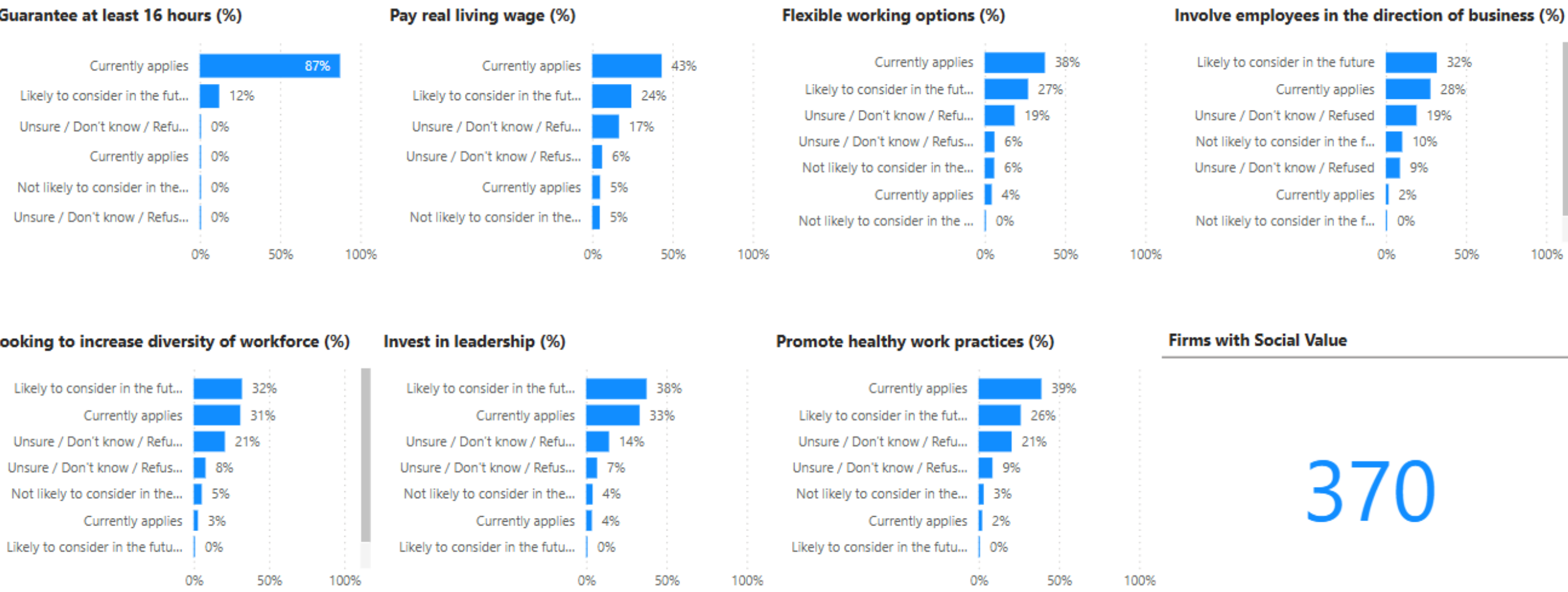
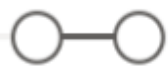
All

All

02/03/2025

02/06/2025

HOME



Local Authority

All

▼

Sector

All

▼

Size Band

All

▼

Submitted Date

02/03/2025

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02/06/2025

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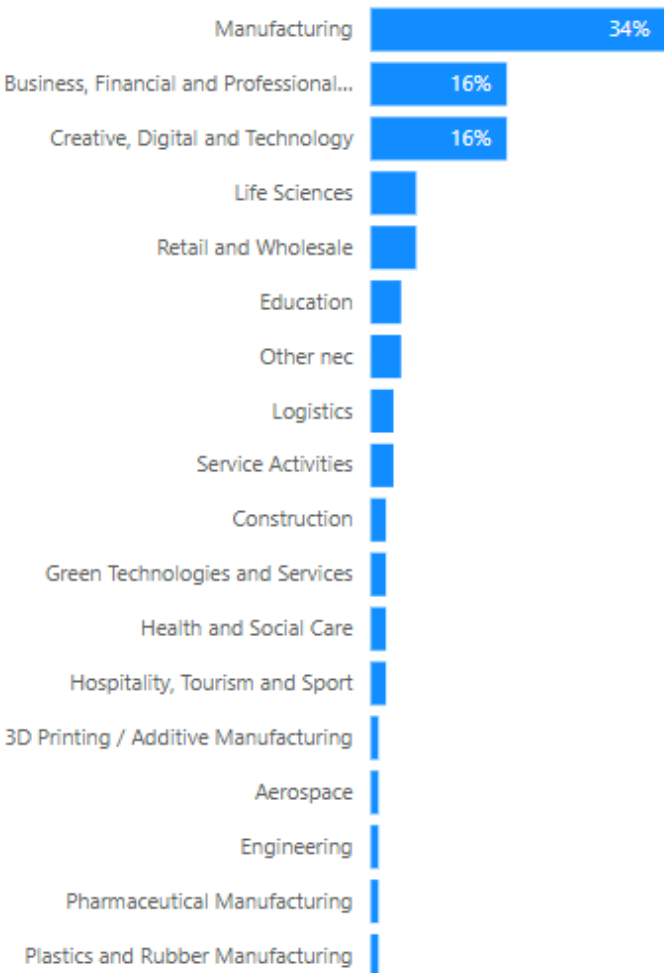
HOME



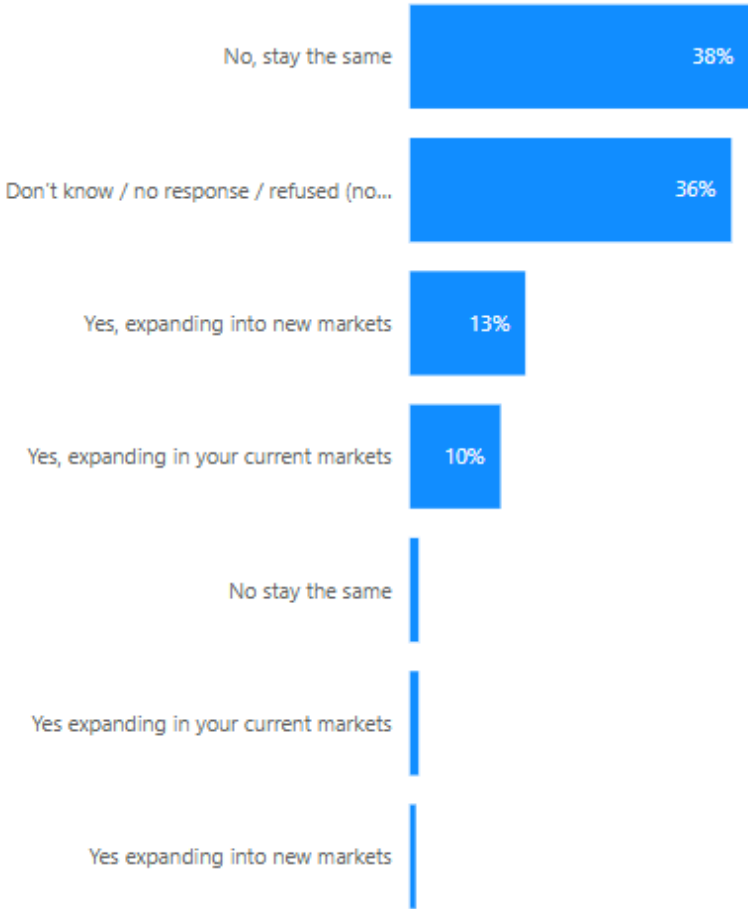
Currently export goods or services (%)



Currently export goods or services by sector (%)



Planning to increase levels of exports next year (%)



Local Authority

Sector

Size Band

Submitted Date

All

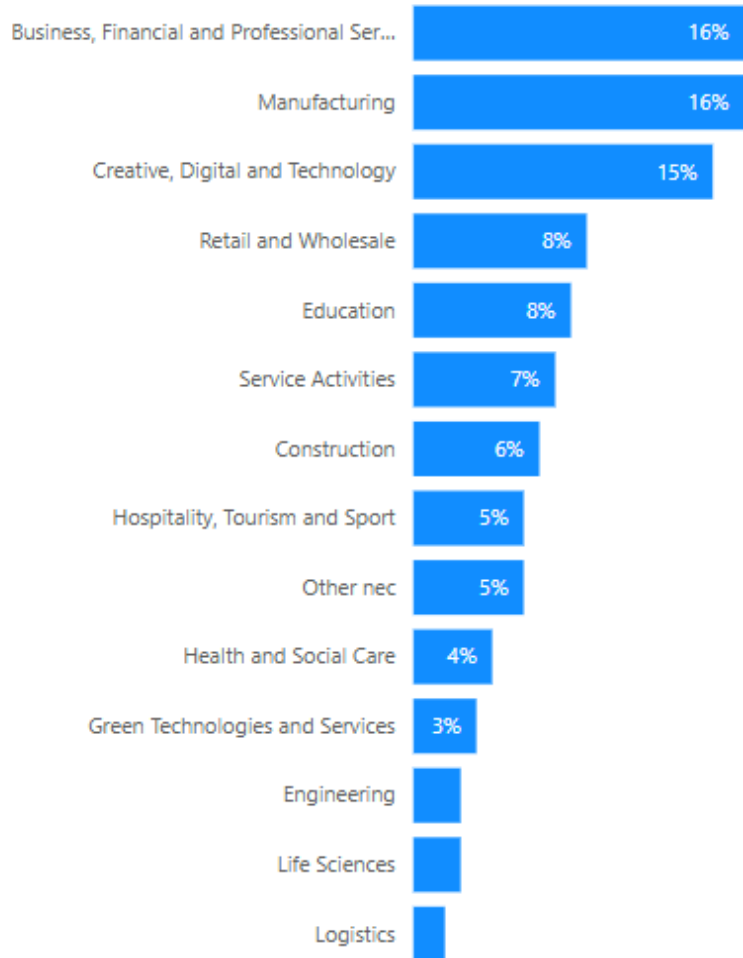
All

All

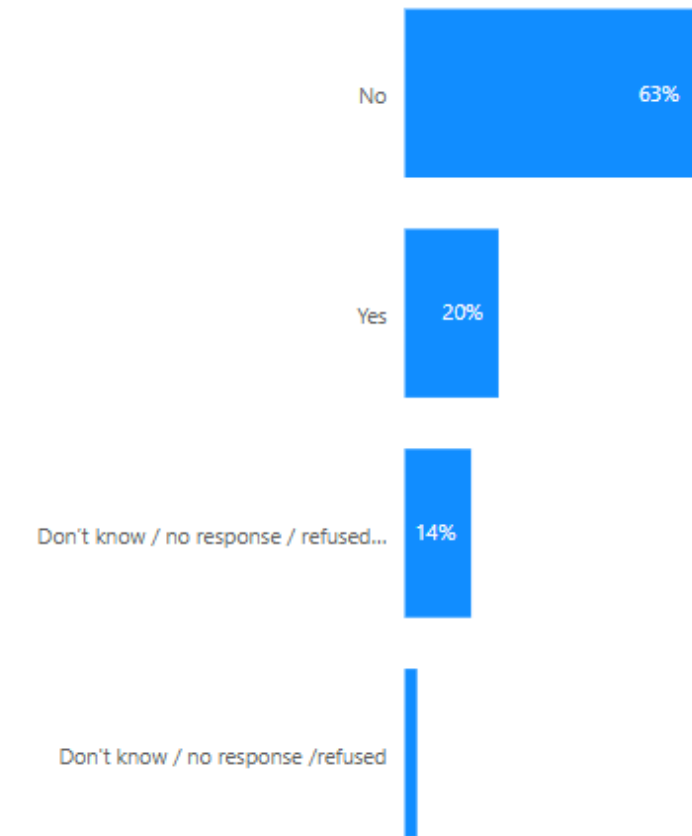
02/03/2025

02/06/2025

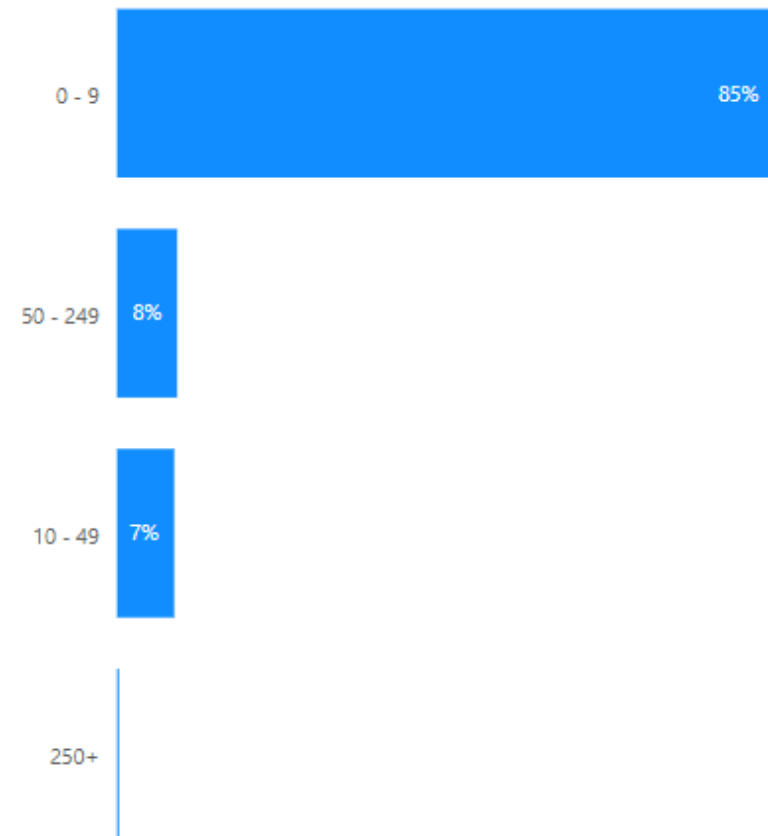
Currently recruiting new staff by Sector (%)



Currently recruiting new staff (%)



Currently recruiting new staff by size band



OGS LOCAL AUTHORITY DATA - FEMALE LED

Responses

237

Respondents

212

Local Authority

All

Sector

All

Size Band

All

Submitted Date

02/03/2025

02/06/2025

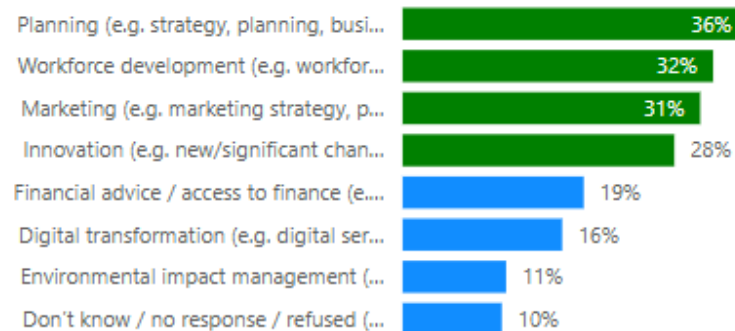
HOME

Note: BGH clients only for Female Led

Economic Impact



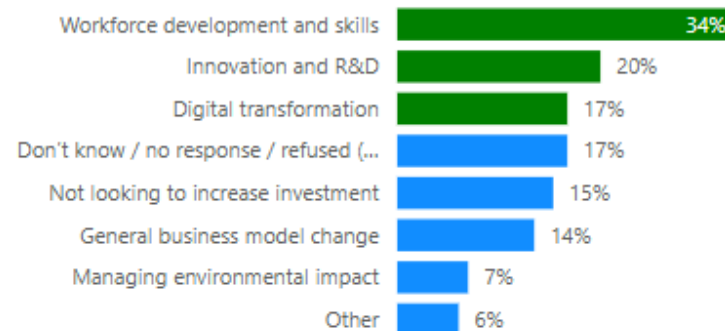
Current challenges facing firms (%)



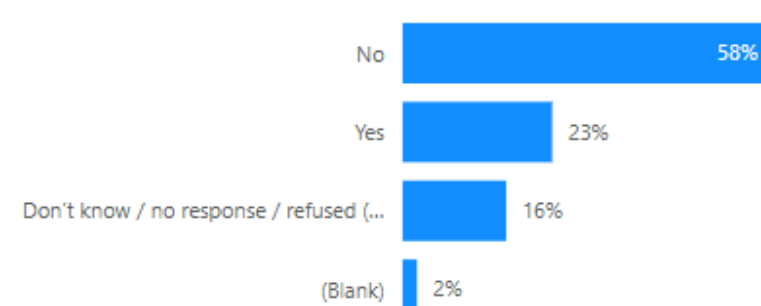
Future support needs (%)



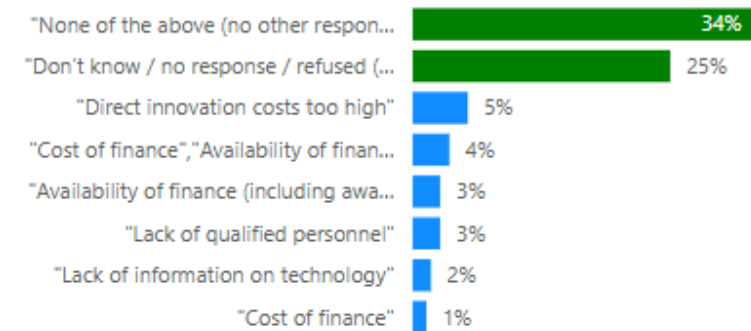
Main area for investment (%)



Innovation activity (%)



Barriers to innovation (%)



OGS LOCAL AUTHORITY DATA - ETHNIC MINORITY GROUP

Responses	Respondents
102	97

Local Authority

All

Sector

All

Size Band

All

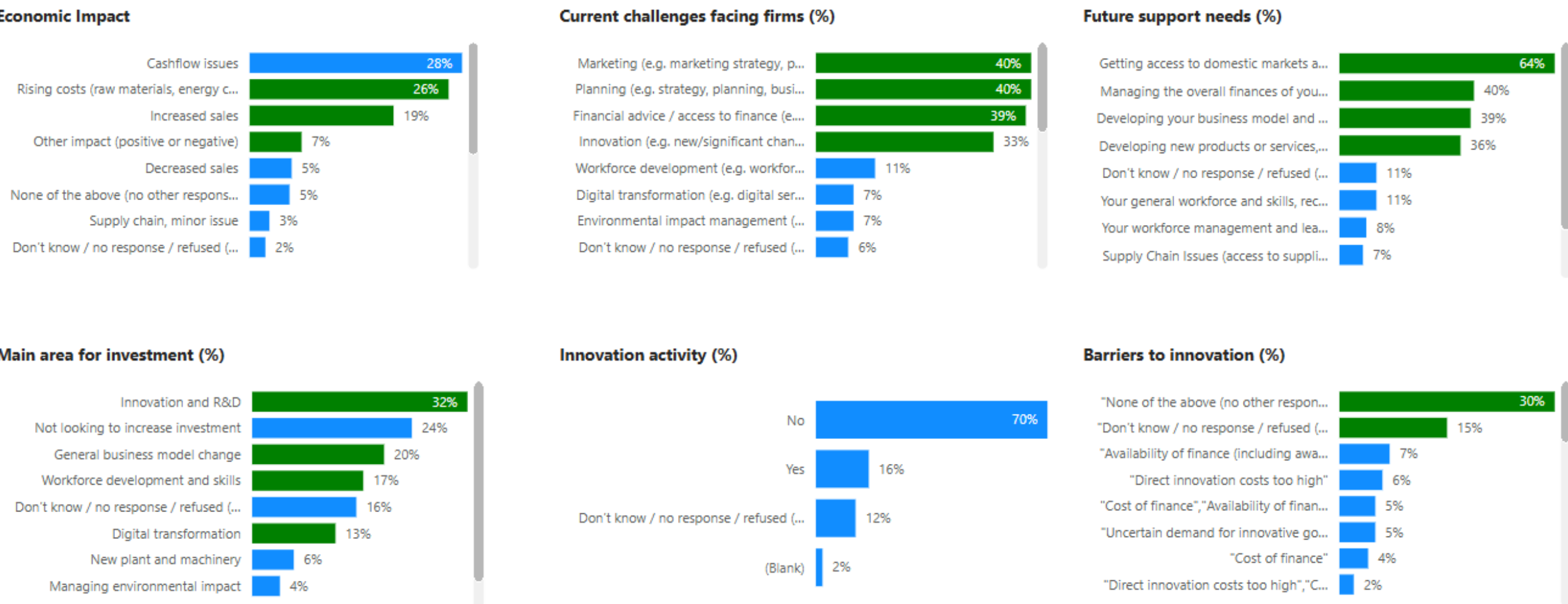
Submitted Date

02/03/2025

02/06/2025

HOME

Note: BGH clients only for Ethnic Minority Group



OGS LOCAL AUTHORITY DATA - OVER 50s LED INSIGHTS

Responses

179

Respondents

155

Local Authority

All

Sector

All

Size Band

All

Submitted Date

02/03/2025

30/05/2025

HOME

Note: BGH clients only for Over 50s



Economic Impact



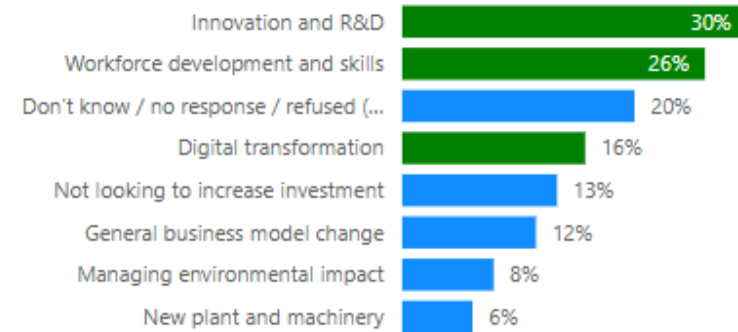
Current challenges facing firms (%)



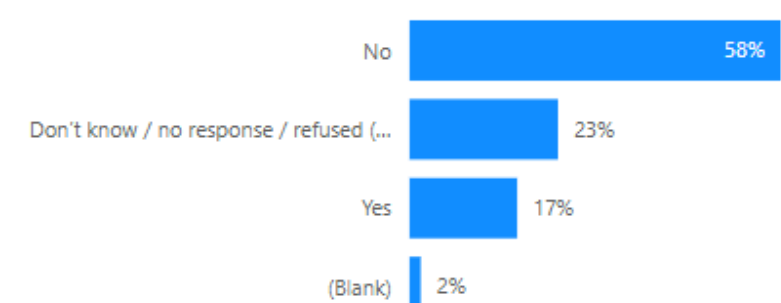
Future support needs (%)



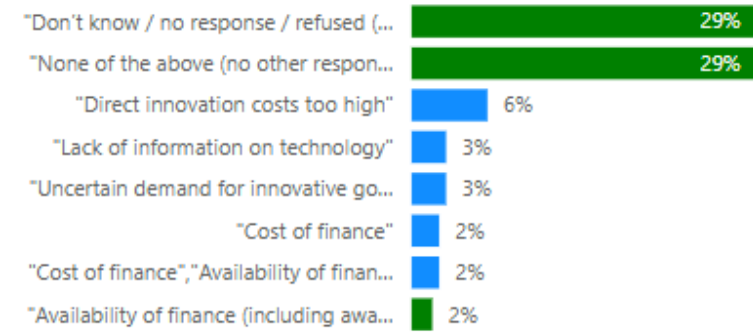
Main area for investment (%)



Innovation activity (%)



Barriers to innovation (%)



OGS LOCAL AUTHORITY DATA - DISABILITY LED INSIGHTS

Responses	Respondents
28	26

Local Authority

All

Sector

All

Size Band

All

Submitted Date

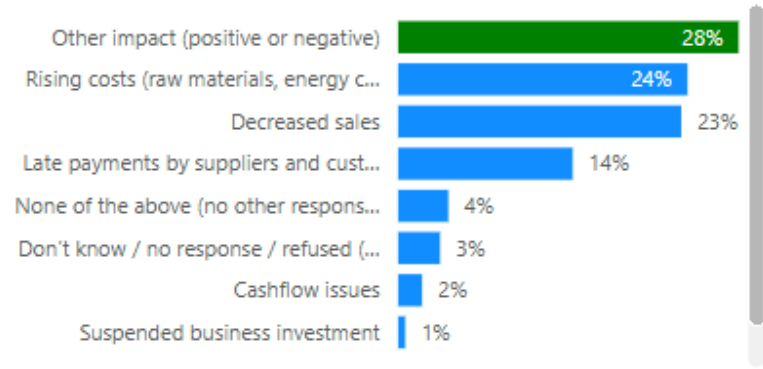
02/03/2025

02/06/2025

HOME

Note: BGH clients only for Disability Led

Economic Impact



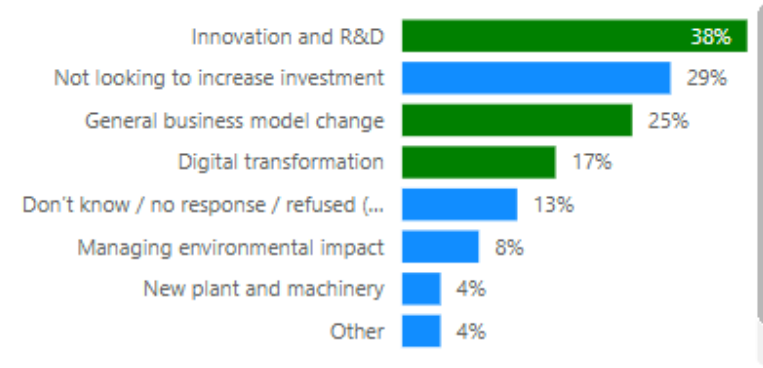
Current challenges facing firms (%)



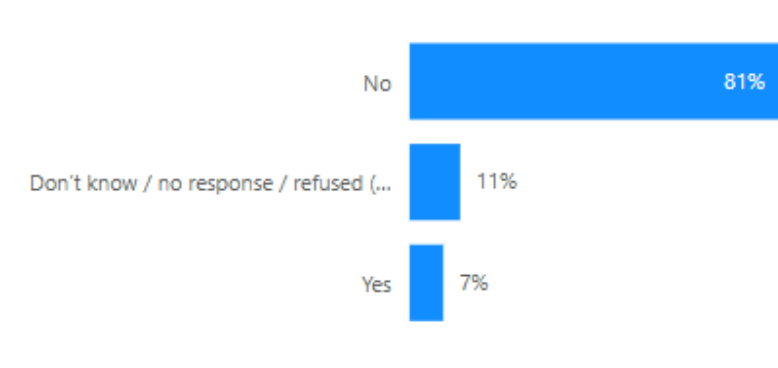
Future support needs (%)



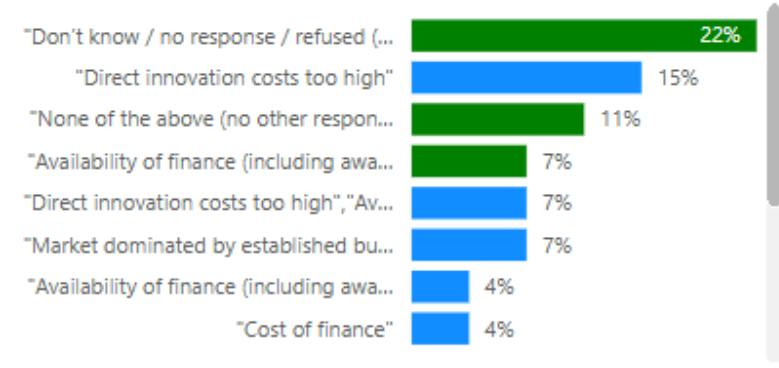
Main area for investment (%)



Innovation activity (%)



Barriers to innovation (%)



OGS LOCAL AUTHORITY DATA - GREATER MANCHESTER SUMMARY

Responses

659

Respondents

534

Local Authority

All

Sector

All

Size Band

All

Submitted Date

02/03/2025

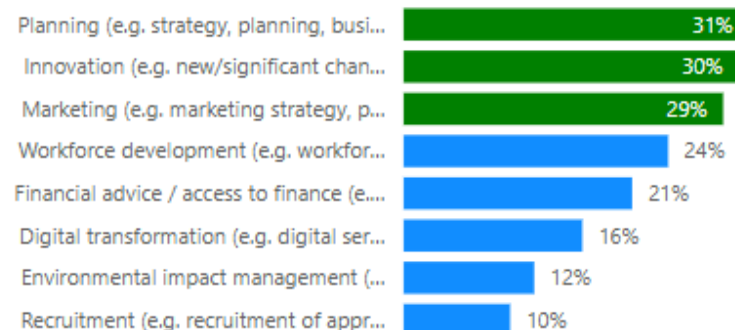
02/06/2025

HOME

Economic Impact



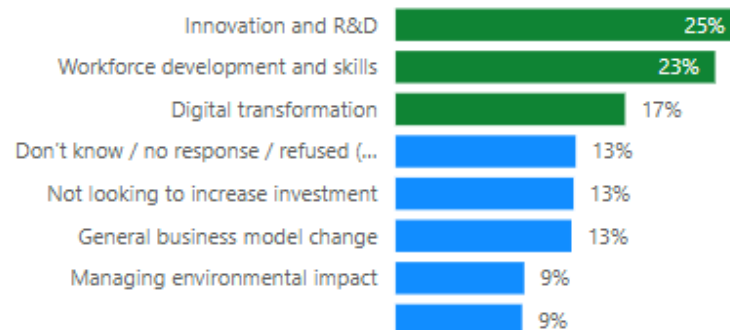
Current challenges facing firms (%)



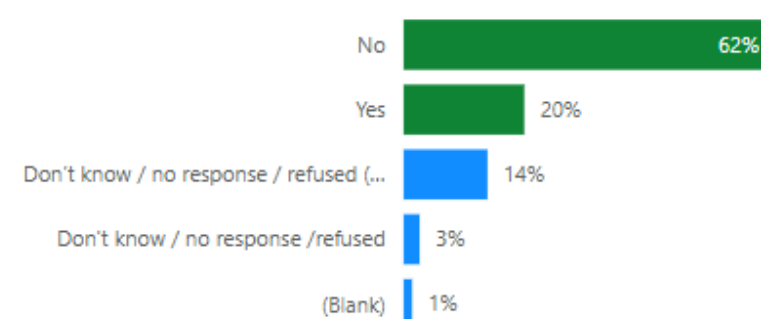
Future support needs (%)



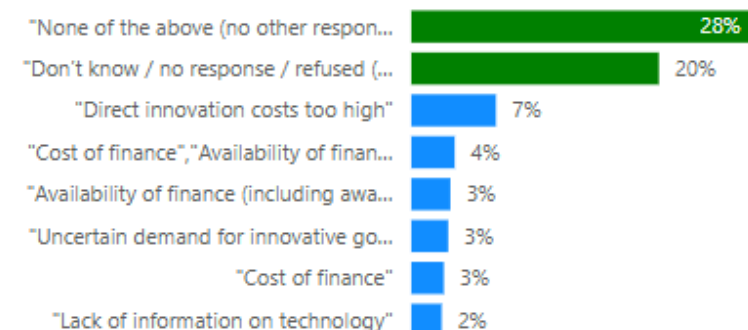
Main area for investment (%)



Innovation activity (%)



Barriers to innovation (%)



OGS LOCAL AUTHORITY DATA - BOLTON

Responses

56

Respondents

48

Local Authority

Bolton

Sector

All

Size Band

All

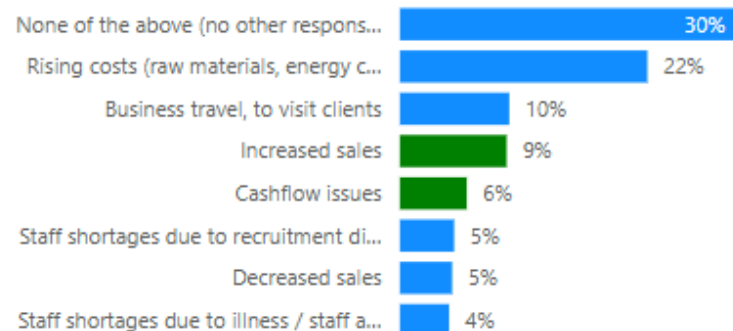
Submitted Date

02/03/2025

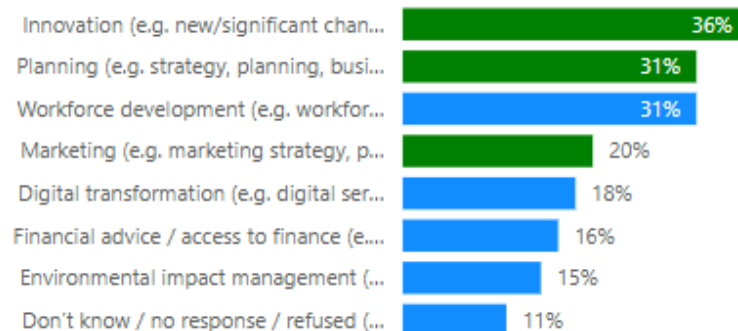
02/06/2025

HOME

Economic Impact



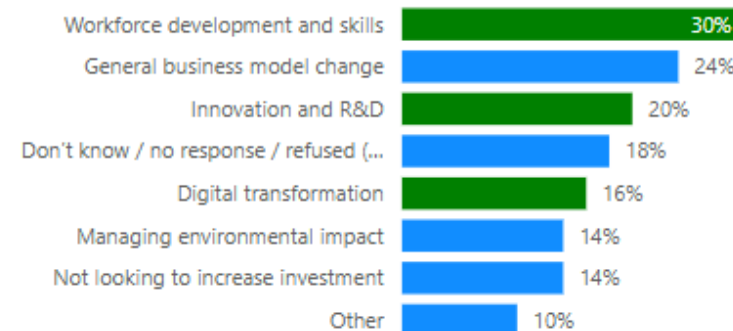
Current challenges facing firms (%)



Future support needs (%)



Main area for investment (%)



Innovation activity (%)



Barriers to innovation (%)



OGS LOCAL AUTHORITY DATA - BURY

Responses

30

Respondents

27

Local Authority

Bury

Sector

All

Size Band

All

Submitted Date

02/03/2025

02/06/2025

HOME

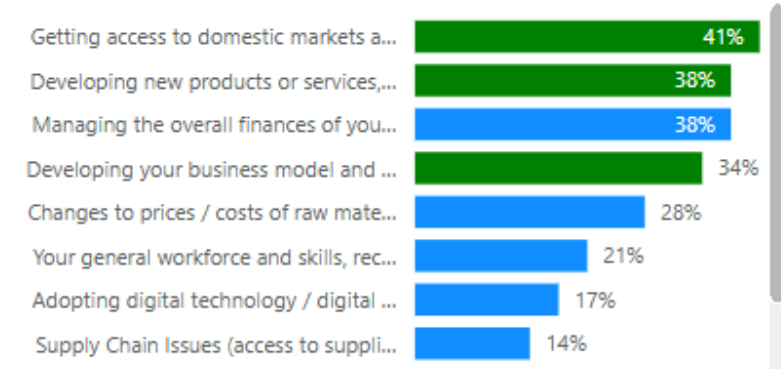
Economic Impact



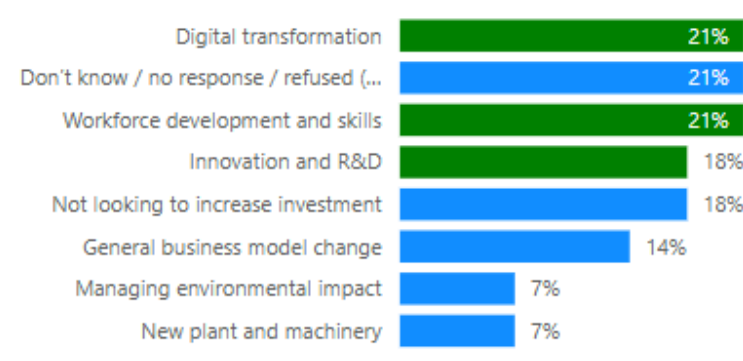
Current challenges facing firms (%)



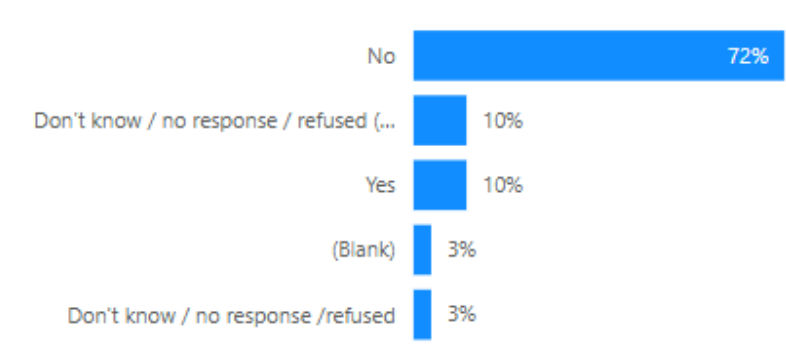
Future support needs (%)



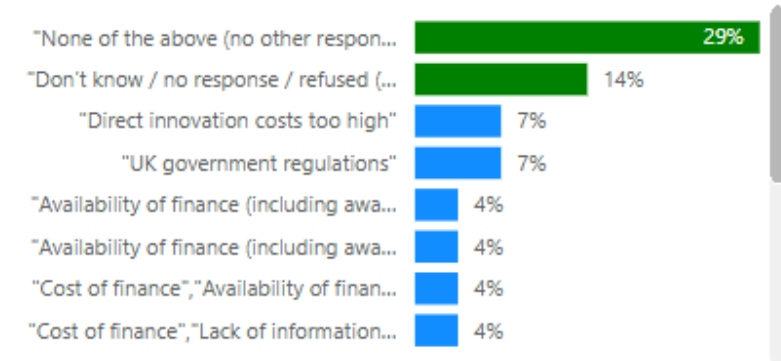
Main area for investment (%)



Innovation activity (%)



Barriers to innovation (%)



OGS LOCAL AUTHORITY DATA - MANCHESTER

Responses

210

Respondents

159

Local Authority

Manchester

Sector

All

Size Band

All

Submitted Date

02/03/2025

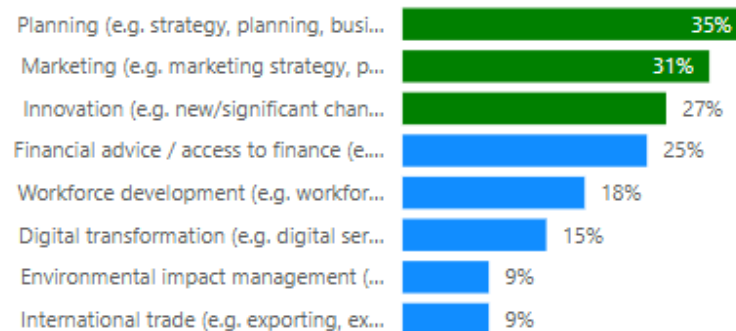
02/06/2025

[HOME](#)

Economic Impact



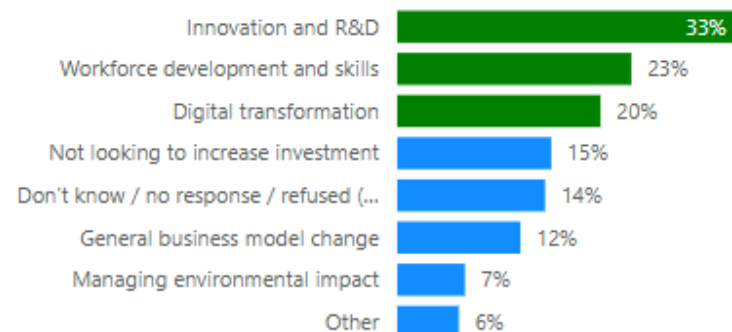
Current challenges facing firms (%)



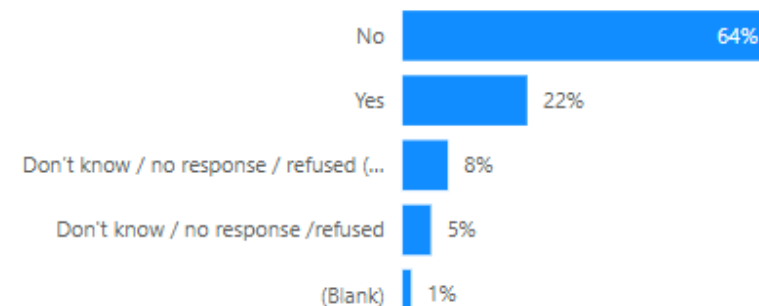
Future support needs (%)



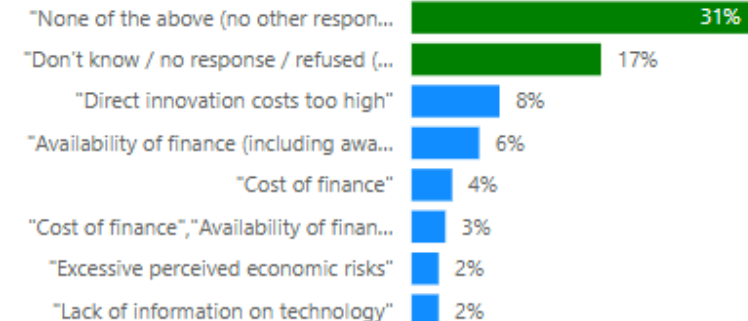
Main area for investment (%)



Innovation activity (%)



Barriers to innovation (%)



OGS LOCAL AUTHORITY DATA - OLDHAM

Responses

33

Respondents

29

Local Authority

Oldham

Sector

All

Size Band

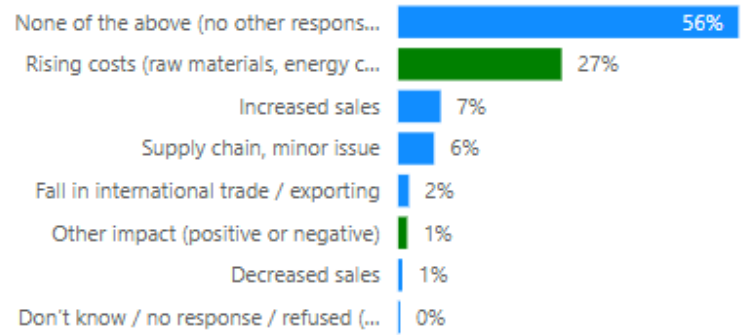
All

Submitted Date

02/03/2025 30/05/2025

HOME

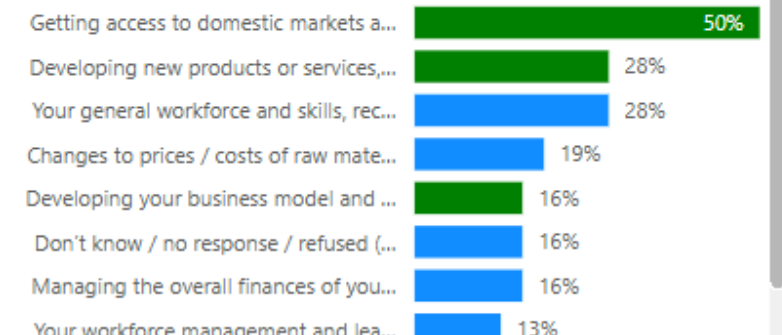
Economic Impact



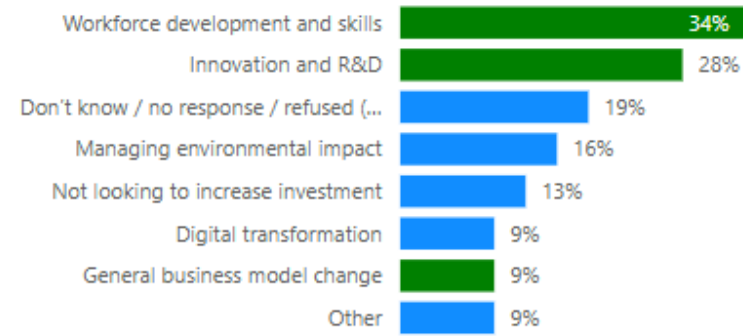
Current challenges facing firms (%)



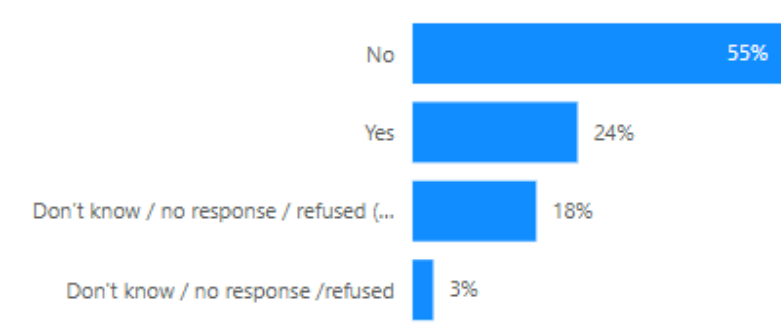
Future support needs (%)



Main area for investment (%)



Innovation activity (%)



Barriers to innovation (%)



OGS LOCAL AUTHORITY DATA - ROCHDALE

Responses
43

Respondents
36

Local Authority

Sector

Size Band

Submitted Date

Rochdale

All

All

02/03/2025

02/06/2025

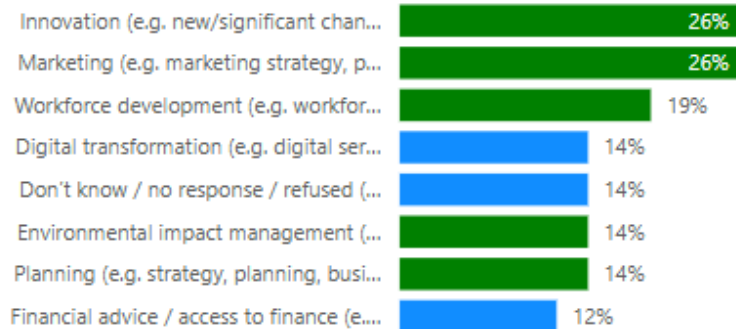
HOME



Economic Impact



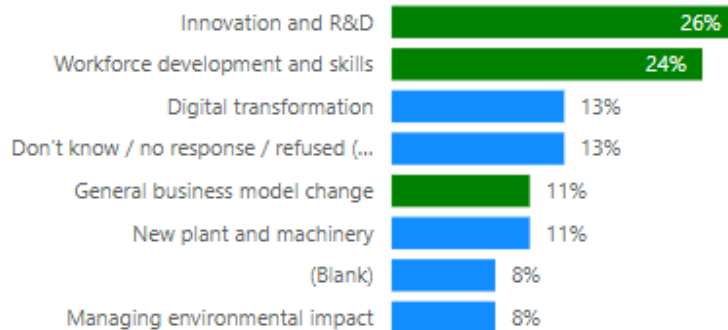
Current challenges facing firms (%)



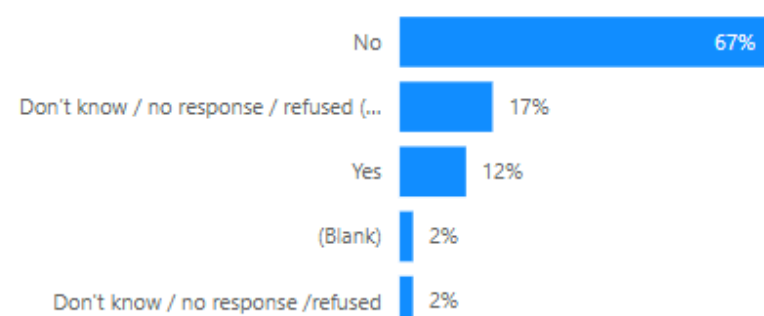
Future support needs (%)



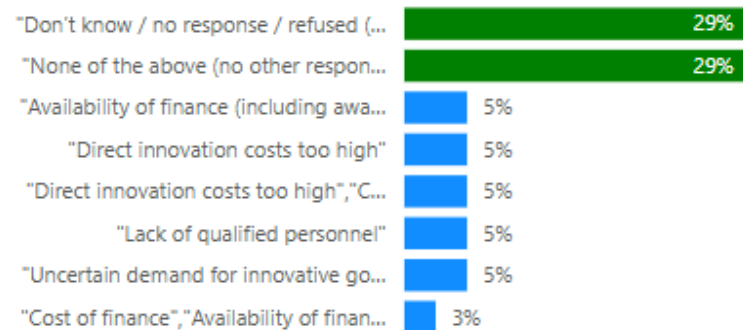
Main area for investment (%)



Innovation activity (%)



Barriers to innovation (%)



OGS LOCAL AUTHORITY DATA - SALFORD

Responses

74

Respondents

62

Local Authority

Salford

Sector

All

Size Band

All

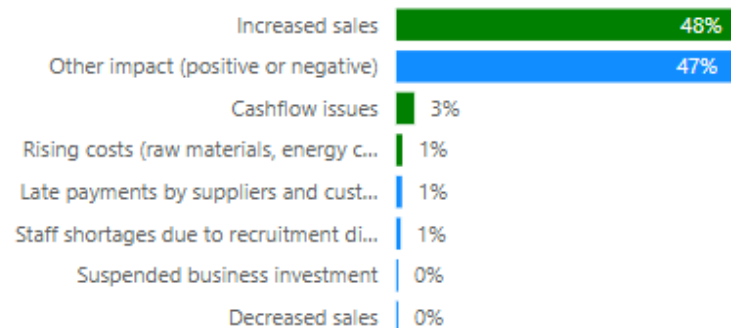
Submitted Date

02/03/2025

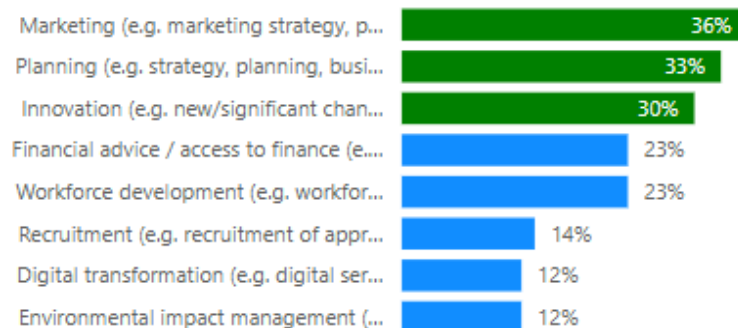
02/06/2025

HOME

Economic Impact



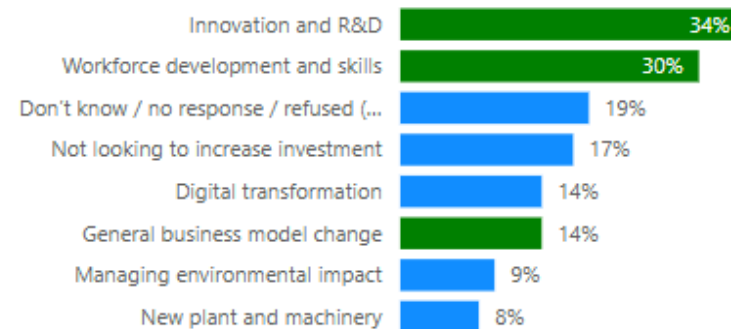
Current challenges facing firms (%)



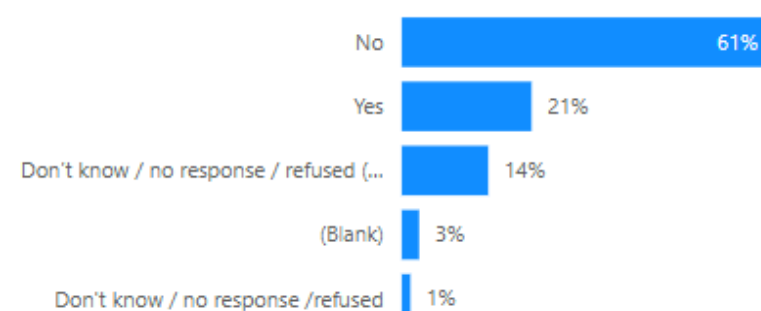
Future support needs (%)



Main area for investment (%)



Innovation activity (%)



Barriers to innovation (%)



OGS LOCAL AUTHORITY DATA - STOCKPORT

Responses**73****Respondents****66****Local Authority**

Stockport

**Sector**

All

**Size Band**

All

**Submitted Date**

02/03/2025



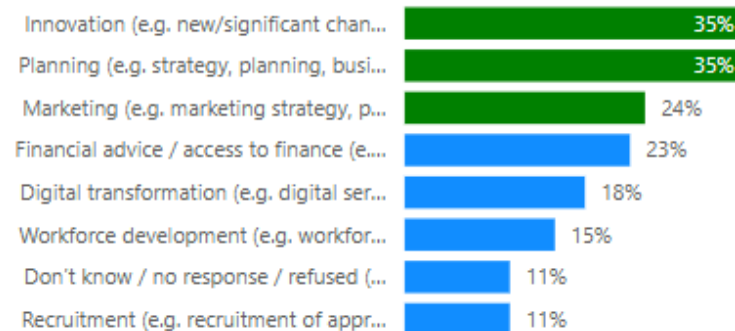
02/06/2025

**HOME**

Economic Impact



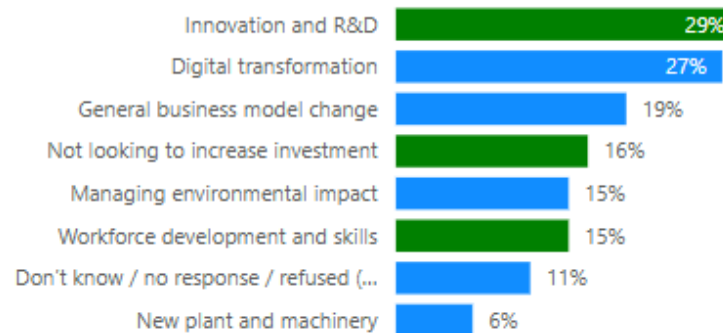
Current challenges facing firms (%)



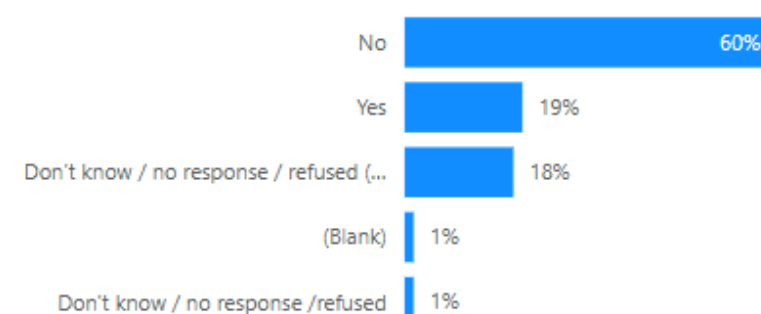
Future support needs (%)



Main area for investment (%)



Innovation activity (%)



Barriers to innovation (%)



OGS LOCAL AUTHORITY DATA - TAMESIDE

Responses
25

Respondents
24

Local Authority

Sector

Size Band

Submitted Date

Tameside

All

All

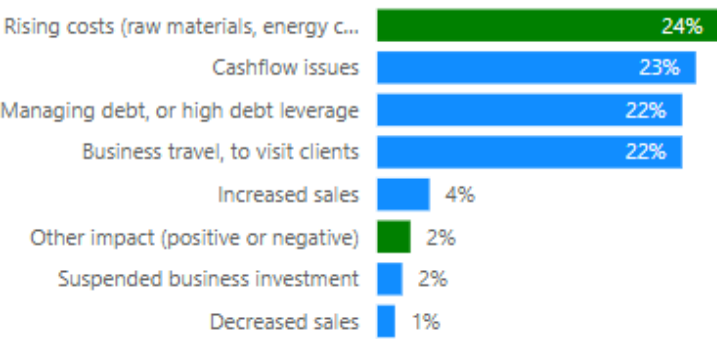
02/03/2025

02/06/2025

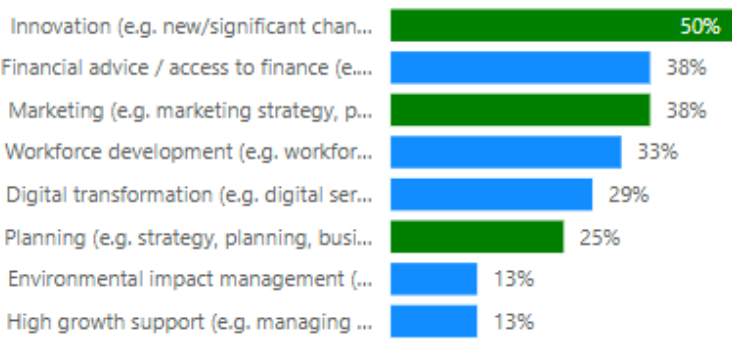
HOME



Economic Impact



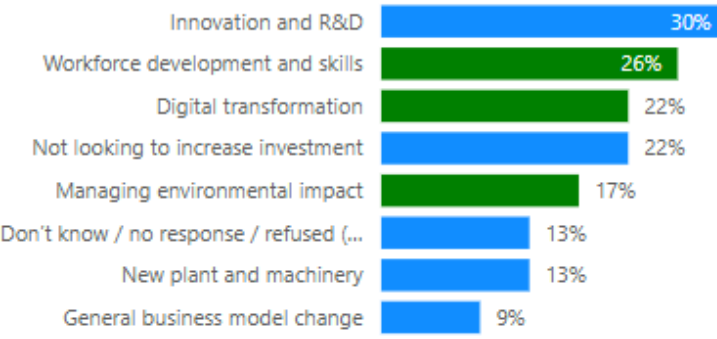
Current challenges facing firms (%)



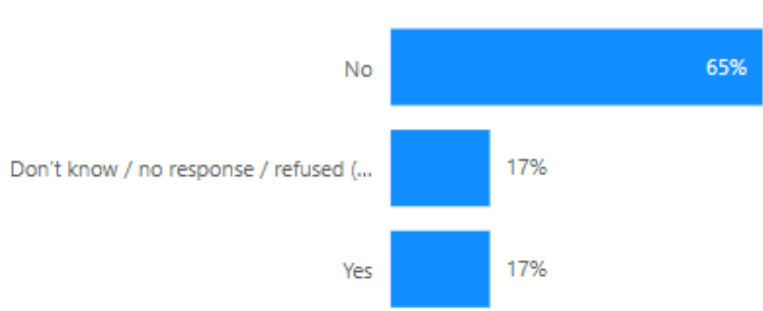
Future support needs (%)



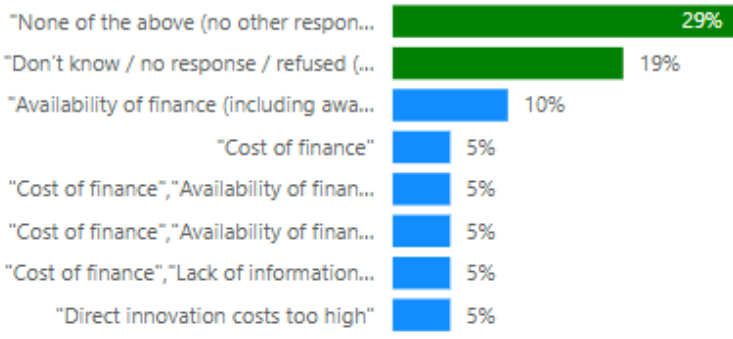
Main area for investment (%)



Innovation activity (%)



Barriers to innovation (%)



OGS LOCAL AUTHORITY DATA - TRAFFORD

Responses

58

Respondents

45

Local Authority

Trafford

Sector

All

Size Band

All

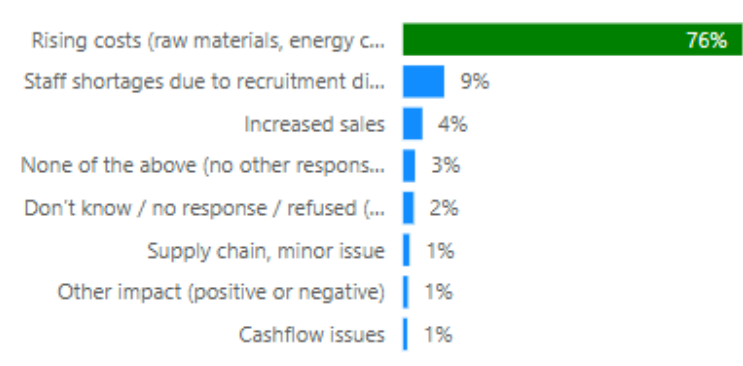
Submitted Date

02/03/2025

02/06/2025

HOME

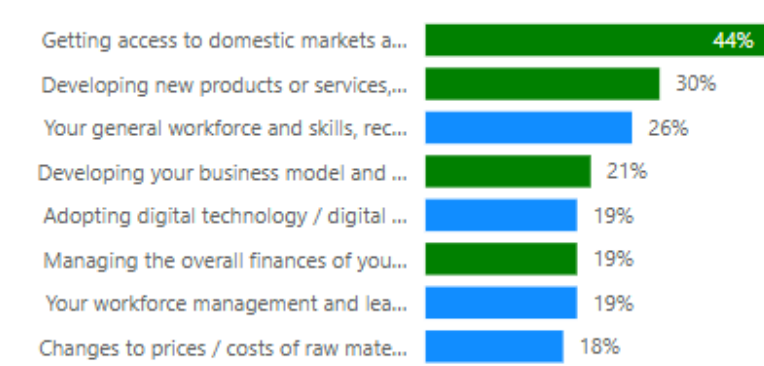
Economic Impact



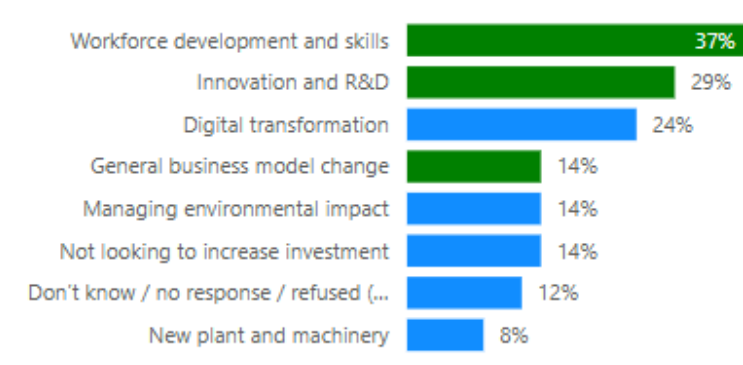
Current challenges facing firms (%)



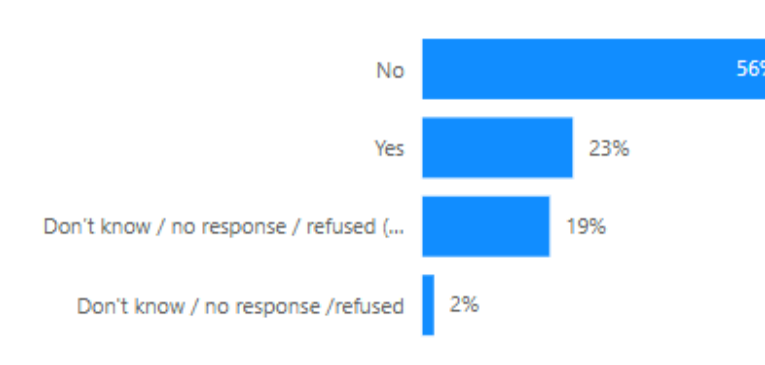
Future support needs (%)



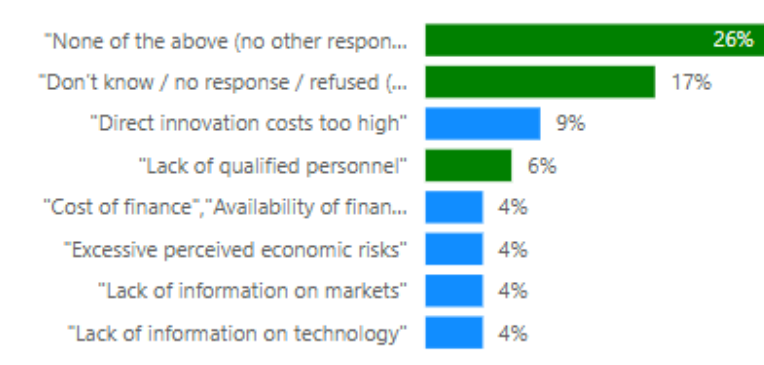
Main area for investment (%)



Innovation activity (%)



Barriers to innovation (%)



OGS LOCAL AUTHORITY DATA - WIGAN

Responses

76

Respondents

62

[HOME](#)

Local Authority

Wigan

Sector

All

Size Band

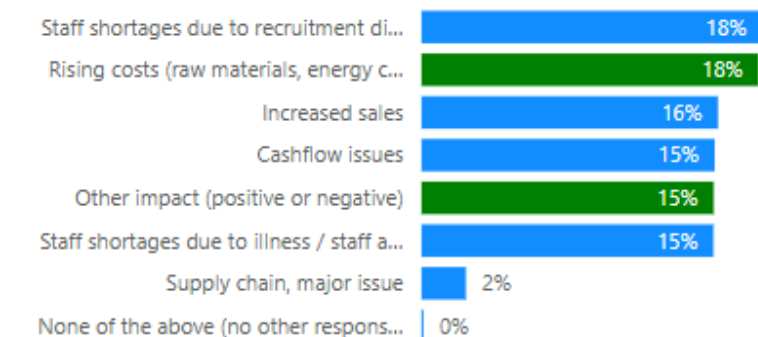
All

Submitted Date

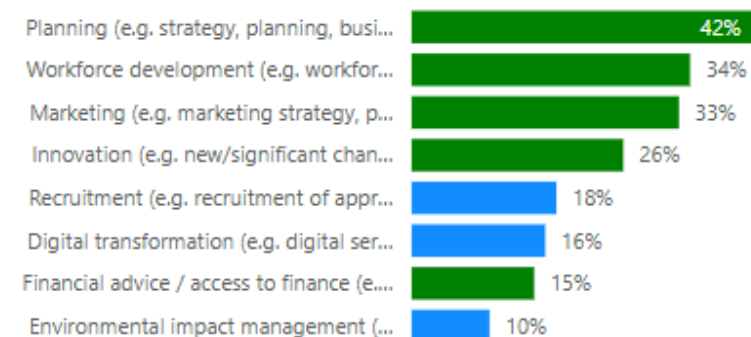
02/02/2025

02/06/2025

Economic Impact



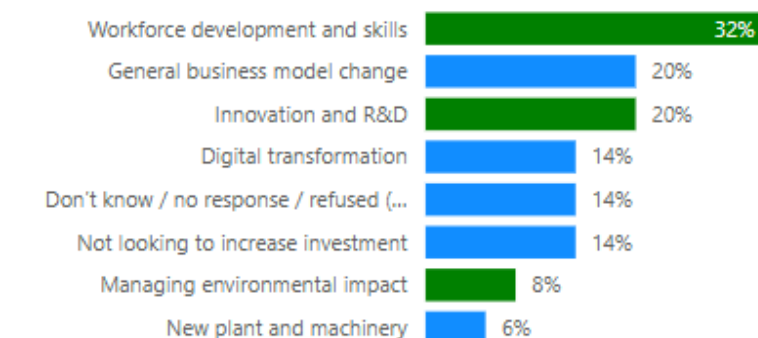
Current challenges facing firms (%)



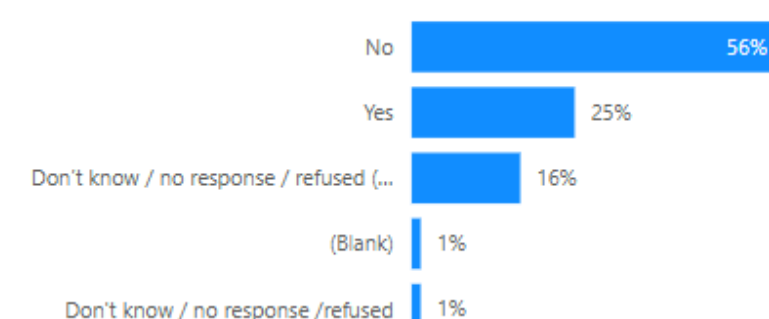
Future support needs (%)



Main area for investment (%)



Innovation activity (%)



Barriers to innovation (%)

