



The
Growth
Company

GC SITUATION REPORT AND QUARTERLY BUSINESS SURVEY RESULTS

FEBRUARY 2025

WITH QUARTERLY DATA FOR 2ND DECEMBER 2024 TO 2ND MARCH 2025

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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 786 surveys completed between 2nd December 2024 and 2nd March 2025 by GC clients from the Business Growth Hub and MIDAS. Comparisons have been made with last quarter's 782 responses completed between November and January 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.

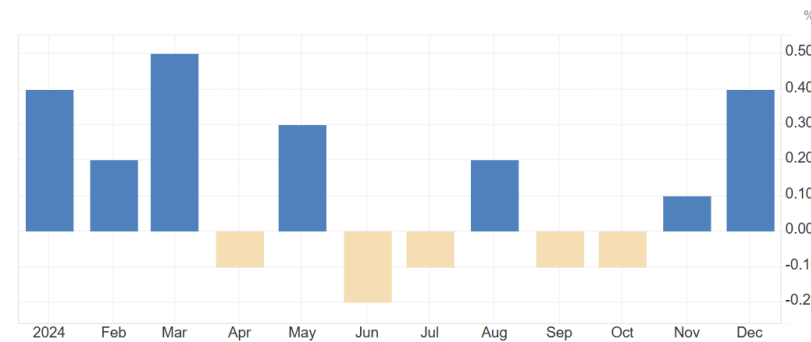
Economic context

- **Economic Growth** : The UK economy grew by 0.1% between October and December, surpassing forecasts of a 0.1% decline, due to seasonal effects. In December alone, GDP rose by 0.4%, driven by strong trading at pubs, bars, and machinery manufacturers. However, GDP per head fell by 0.1% in the final three months of 2024, and across the year as a whole.
- **Inflation Outlook**: Chancellor Rachel Reeves has warned that Donald Trump's tariffs will harm the UK economy, leading to higher inflation and slower economic growth, even if Britain is exempt. The UK is seeking exemptions from these tariffs, which have already imposed an extra 25% on goods from Canada and China entering the US.
- **Bank borrowing**: UK banks are borrowing the most from the Bank of England's Indexed Long-Term Repo facility since the Covid-19 pandemic, with outstanding usage surpassing £10 billion for the first time since 2020, following recent interest rate cuts. The reliance on the BoE's facility may reflect challenges in the economy, such as higher borrowing costs and tighter credit conditions.
- **Economic Outlook**: The UK economy is expected to grow modestly the year, with GDP projected to increase by around 1%. Inflation is anticipated to stabilise near the 2% target, and the Bank of England may start cutting interest rates. However, challenges such as limited growth in the working-age population and geopolitical tensions could impact long-term growth. The latest findings of the SITREP reflect slower growth ahead, but we are yet to see any significant signs of impacts from the Budget.

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

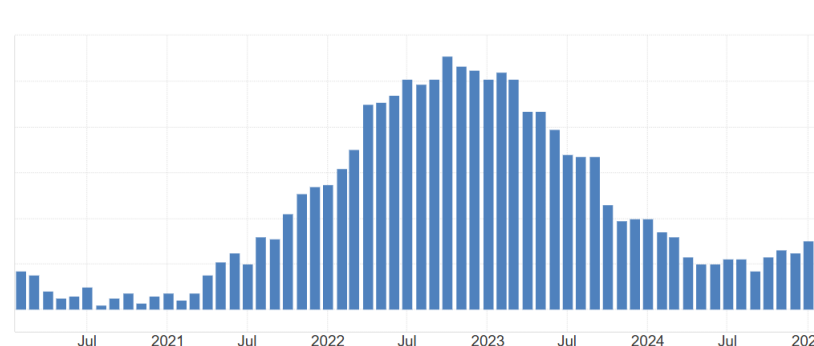
- **Business Confidence and performance**. The GC Confidence Index decreased to 7.1, from 7.2 the previous quarter. Sectors with highest confidence were Manufacturing & Engineering, DCTs, Hospitality Tourism and Sport and lowest in Construction, Life Sciences, Health & Social Care, Green Tech. The proportion of firms expecting future profits to rise, decreased to 54%, vs 58% last month. The main sectors in the survey expecting increased profits in future are DCTs, Manufacturing, and Business Financial & Professional Services.
- **Economic Impacts**. Key impacts of the current economy include rising costs 30% (vs 31%), cashflow issues 14% (unchanged), decreased sales 12% (vs 11%), and minor supply chain issues at 8% (unchanged).
- **The main current and pressing challenges** facing business include getting access to domestic market 52% (vs 51%), developing new products / services 34% (vs 36%), developing business models 27% (vs 28%), managing business finances 25% (vs 27%), and workforce development / skills 20% (unchanged).
- **The main areas of future support**. These remain largely unchanged from last month, and include innovation 35% (unchanged), business planning 31% (unchanged), sales & marketing 29% (vs 31%), workforce development and skills 24% (vs 25%), and financial advice & guidance 22% (vs 24%).

UK GDP grows in December 2024 (Latest)



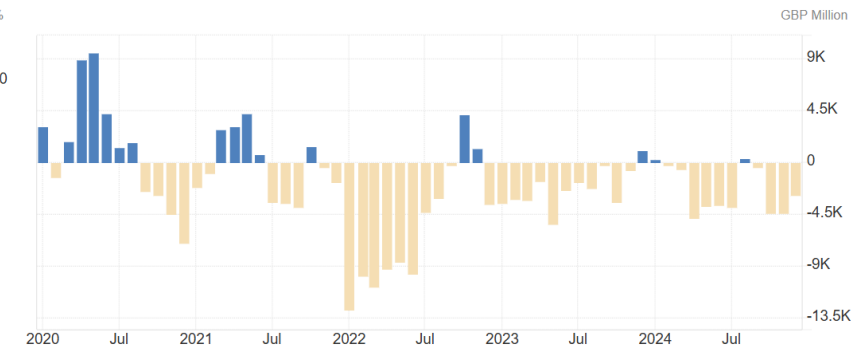
- UK GDP grew by 0.4% in December 2024, the largest growth in nine months, following a rise of 0.1% in November.
- The services sector was the largest contributor (0.4%) mostly due to professional, scientific and technical activities (1.2%).
- The production sector rose by 0.5%, due to growth of 0.7% in manufacturing, mostly pharmaceutical products and preparations (5.1%), and manufacture of machinery and equipment (5.9%).
- The construction sector declined by 0.2%.

UK CPI - Inflation increases in January 2025



- Annual UK inflation increased to 3% in January 2025, the highest since March 2024, from 2.5% in December 2024 and above BoE's expectations.
- Transport was the largest upward contribution (1.7% vs -0.6% previously), mostly from rising air fares and motor fuel costs. This was offset by a downward effect from second-hand cars, and food & drink (3.3% vs 2.5%).
- Prices increased at a faster rate for recreation and culture (3.8% vs 3.4%) and education (7.5% vs 5%), reflecting the inclusion of the 20% VAT on private school fees. Prices slowed down for restaurants and hotels (3.3% vs 3.4%) and housing and utilities (2.1% vs 3.1%).
- Compared to December, the CPI declined by 0.1%, below previous forecasts of a 0.3% decline. The annual core inflation rate increased to 3.7% up from 3.2%, in line with forecasts.

UK Balance of Trade declines to £2.82bn in December 2024



- The UK's trade deficit declined to £2.82bn in December 2024, down from a revised £4.35bn in November, making it the smallest trade gap since Sep 2024.
- Imports fell by 1.5%, to a three-month low of £71.9bn, while exports grew by 0.7% to a four-month high of £69.1bn.
- Goods imports dropped by 3%, with non-EU imports declining by 1.8%, due to a £0.4bn fall in material imports, mostly from reduced imports from China.
- EU imports fell by 3.3%, mainly from a decline in machinery and transport equipment imports, including cars from Germany. Service imports rose 1.5%.
- Goods exports remained stable at £28.8bn, exports to non-EU countries increased by 3.5%, whilst exports to EU countries declined by 3.6%, mostly due to a £0.4bn decline in machinery and transport equipment to Germany and France.

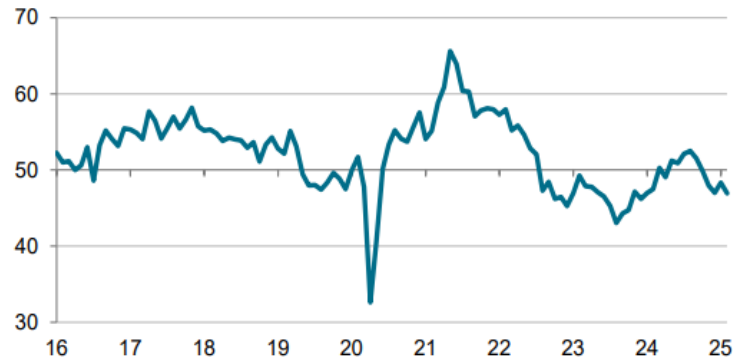
2. SECTOR INSIGHT AND PURCHASING MANAGER INDICES

- **Retail sales** in the UK rose by 1.7% in January 2025, up from a revised fall of 0.6% in December 2024. This is the strongest expansion since May 2024. Sales in food stores saw a sharp increase of 5.6%, the largest increase since March 2020, mostly due to higher sales in supermarkets, butchers and bakers, as well as alcohol and tobacco stores. In contrast sales fell for non-food stores (-0.6%), textile clothing and footwear stores (-2.7%), household goods stores (-1.7%) and automotive fuel (-1.2%). Year on year, sales volumes rose by 1%, lower than Decembers revised 2.8%.
- **The GfK Consumer Confidence Indicator** increased by 2 points to -20 in February 2025, reflecting the slight improvement in households' optimism about their personal finances and the broader economic outlook. The increase comes after consumers benefitting from lower borrowing costs amid ongoing economic uncertainty, which have been heightened by President Trumps tariff plans. Recent data showed that the UK economy grew at a near standstill in the last half of 2024, whilst inflation unexpectedly peaked to a ten-month high of 3% in January 2025.
- **The S&P Global UK Composite Purchasing Manager's Index (PMI)** fell to 50.5 in February 2025, slightly lower than 50.6 in January 2025, indicating an expansion (i.e. values above 50) and in line with market expectations. The latest survey showed the sharpest contraction in new business received by firms in one and a half years. Firms are citing client's budget cuts and muted business spending. This decreased demand for capacity has pushed companies to shed jobs at the sharpest pace since the global financial crisis (excluding the pandemic shock). Input costs increased at the sharpest rate since May 2023, leading to higher output charges, with firms citing pricing will offset the impending increase in staff costs.
- **Company Insolvencies:** In January 2025, there were 1,971 company insolvencies in England and Wales, 6% higher than in December 2024 (1,838) and 11% higher than in January 2024 (1,769). Company insolvencies in January 2025 consisted of 269 compulsory liquidations, 1,546 creditors' voluntary liquidations (CVLs), 142 administrations and 14 company voluntary arrangements (CVAs). CVL and administration numbers were higher than in December 2024, while compulsory liquidations and CVAs were lower. 1 in 190 companies (52.6 per 10,000 companies) entered into insolvency between 1 February 2024 and 31 January 2025. This was a decrease from 57.1 per 10,000 companies in the 12 months ending 31 January 2024.

The S&P Global – UK Manufacturing PMI falls to 46.9

S&P Global UK Manufacturing PMI

Index, sa, >50 = improvement m/m

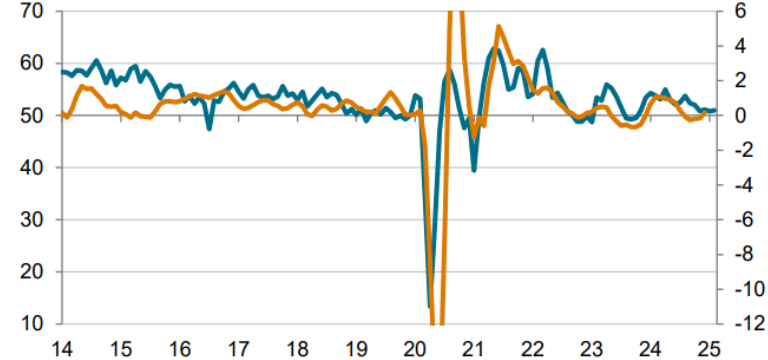


- **The S&P Global UK Manufacturing PMI** fell to 46.9 in February 2025, indicating a contraction (i.e. values below 50), below market expectations of 48.4 and less than 48.3 in December 2024.
- This marks the sectors sharpest contraction since December 2023, with output declining for a fourth consecutive month at a fast pace, with sales weakening in overseas and domestic markets.
- Significant declines were seen in both employment levels and unfinished business.
- Input cost inflation increased due to rising raw material and energy costs, while factory gate prices posted their steepest increase since April 2023.

The S&P Global – UK Services PMI increased to 51.0

Services PMI Business Activity

Index, sa, >50 = growth m/m

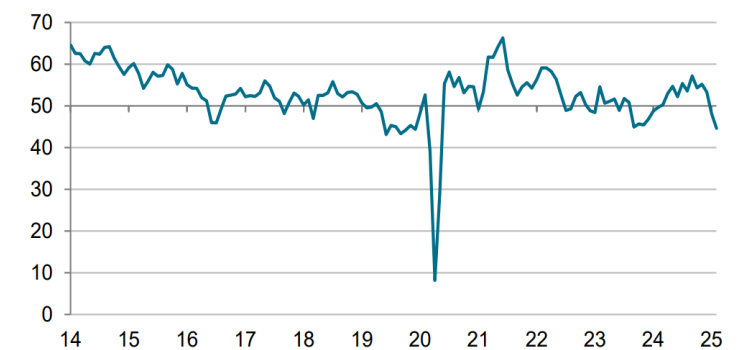


- **The S&P Global UK Services PMI** increased to 51.0 in February 2025, indicating an expansion (i.e. values above 50), up from January's 50.8 and exceeding market expectations.
- Recent data shows that sector growth has gained momentum in February, but overall rate of output expansion has been much softer.
- New work has seen the fastest decline since November 2022, with firms citing client budget cuts and weak business investment. Employment continued to also decline.
- Input costs and output charges both accelerated, mostly due to higher salary payments in employers' National Insurance.
- Business activity outlook for the year ahead edged up, amid firms stating significant headwinds from the wider macroeconomic climate and increasing geopolitical uncertainty.

The S&P Global – UK Construction PMI falls to 44.6

S&P Global UK Construction PMI Total Activity

Index, sa, >50 = growth m/m



- **The S&P Global UK Construction PMI** fell to 44.6 in February 2025, indicating a contraction (i.e. values below 50), down from 48.1 in January 2025 and missing market expectations of 49.5.
- This signal indicates a sharp decline in the overall construction industry, and is the steepest fall since May 2020, mainly due to weak demand, increased borrowing costs and shortage of new incoming projects.
- Household building fell for a fifth consecutive month, contracting at the steepest rate since early 2009 (excluding the pandemic period). Civil engineering activity saw a contraction at its fastest pace since October 2020. Commercial construction only marginally declined.
- The inflow of new orders declined the most in nearly five years and the rate of job shedding was the fastest since November 2020. Average costs increased the most in nearly 2 years. Business confidence worsened, but remained positive overall.

3. ORGANISATION GROWTH SURVEY RESULTS

Previous survey results shown in brackets

GROWTH, BUSINESS CONFIDENCE AND INVESTMENT

- **The GC Business Confidence Index (GC-BCI)** is a ranking of how confident businesses are on their growth prospects for the year ahead.
- Currently, the GC-BCI remains at 7.1 out of 10, lower than last quarter 7.2. Confidence levels are above average for organisations within Manufacturing & Engineering, DCTs, Hospitality Tourism and Sport. The lowest confidence was reported in Construction, Life Sciences, Health & Social Care, Green Tech; and the latest responses continue to show increasing uncertainty in BFPS.
- **Current sales.** 14% of firms reported an increase in sales, unchanged from last quarter (14%).
- **Future profits.** 54% expect profits to increase in the year ahead, down from the previous quarter (58%). 3% expect profits to decrease, which remains consistent with the previous report. The sectors most optimistic about future profitability are DCTs, Manufacturing, and Business Financial & Professional Services; and lower expectations in Engineering, Construction, and Logistics.
- **Investment.** 29% of firms expect to increase capital expenditure in the year ahead, down from last quarter (31%).
- DCTs, Manufacturing, Business Financial & Professional Services, Hospitality & Tourism are most likely to increase cap-ex spending and expectations are lowest in Engineering, Service Activities. 24% of firms plan to increase investment in workforce development, down from last quarter (vs 26%). The sectors most likely to increase WfD investment are BFPS, DCTs, Manufacturing.

MAIN IMPACTS AND FINANCIAL RESILIENCE

- **Main impacts.** Rising costs were reported by 30% of firms, down from last quarter (vs 31%), followed by cashflow issues at 14% (unchanged), decreased sales at 12% (vs 11%), and minor supply chain issues at 8% (unchanged).
- **Cash reserves.** 54% of firms (vs 57%) report having cash reserves to last over 6 months, with 81% of SMEs (0–49 employees) similarly reporting cash reserves for this duration. Reserves were highest in the Manufacturing, Business Financial & Professional Services and DCTs while lowest in Engineering.
- **Cashflow.** 14% (unchanged) 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 in Logistics, DCTs, Construction, Business Financial & Professional Services. Additionally, 4% of firms reported late payments from suppliers and customers, (unchanged).
- **Analysis of insolvency risk for February 2025** shows decrease in the total number of firms (10+ employees) in GM with 1-3 insolvency risk red flags. Data for GM shows:
 - 844 (down from 884 last month) firms in have 1 flag - some risk;
 - 62 (down from 89) have 2 flags - medium risk;
 - 44 (down from 47) have 3 flags - insolvency imminent.
- The proportion of firms with a flag, within the business population decreased 0.3% month-on-month, but is 4 percentage point lower than 12 months ago. In comparison, the UK rate decreased 0.3% month-on-month; and is 6 percentage points lower in December than a year ago.

FUTURE BUSINESS CHALLENGES AND SUPPORT NEEDS

- **The primary challenges for businesses** in the near term are access to new domestic sales opportunities, with 52% (vs 51%) citing this as a concern. This need is most pronounced in Manufacturing, DCTs, Business Financial & Professional Services, Education, and Green Tech Services.
- **The next most common challenges** include developing new products and services at 34% (vs 36%), developing business models at 27% (vs 28%), managing business finances at 25% (vs 27%), and workforce development and skills 20% (unchanged).
- **International trade.** 21% of firms (vs 19%) currently export goods or services, with 20% (vs 17%) expanding into new markets, a trend particularly notable in the DCTs and Manufacturing. Additionally, 10% of firms engaged in overseas trade are looking to expand in their current markets (unchanged).
- **Key areas where businesses seek support** include innovation 35% (unchanged), business planning 31% (unchanged), sales & marketing 29% (vs 31%), workforce development & skills 24% (vs 25%), and financial advice & guidance 22% (vs 24%).
- **11% (vs 13%) 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, Hospitality, and DCTs sectors.

RECRUITMENT, EMPLOYMENT AND SKILLS

- **Recruitment:** 24% of firms (vs 22%) are currently recruiting new staff. Recruitment rates are higher amongst SMEs than other businesses. By sector, recruitment is more active in DCTs, Business Financial & Professional Services, and Manufacturing. Life Sciences and Engineering sectors are least active.
- **Workforce skill gaps.** 44% of firms (vs 41%) reported that their existing workforce skills are fully aligned with their business plan objectives. 43% (vs 45%) indicated that skills are only partially at the required level, and 2% (unchanged) stated that their workforce skills are not at the right level. Small SMEs, particularly with 0–9 employees, were most likely to identify skill gaps.
- **The main technical skill gaps.** Specialist technical skills 24% (unchanged), knowledge of products / services 11% (vs 10%), advanced specialist IT skills 7% (vs 9%) solving complex problems 8% (unchanged), and adapting to new equipment or materials 5% (vs 4%).
- **The main people and practical / personal skill gaps.** Sales and selling 17% (unchanged), motivating staff 12% (vs 10%), and customer handling skills 10% (unchanged).

RESEARCH, DEVELOPMENT AND INNOVATION

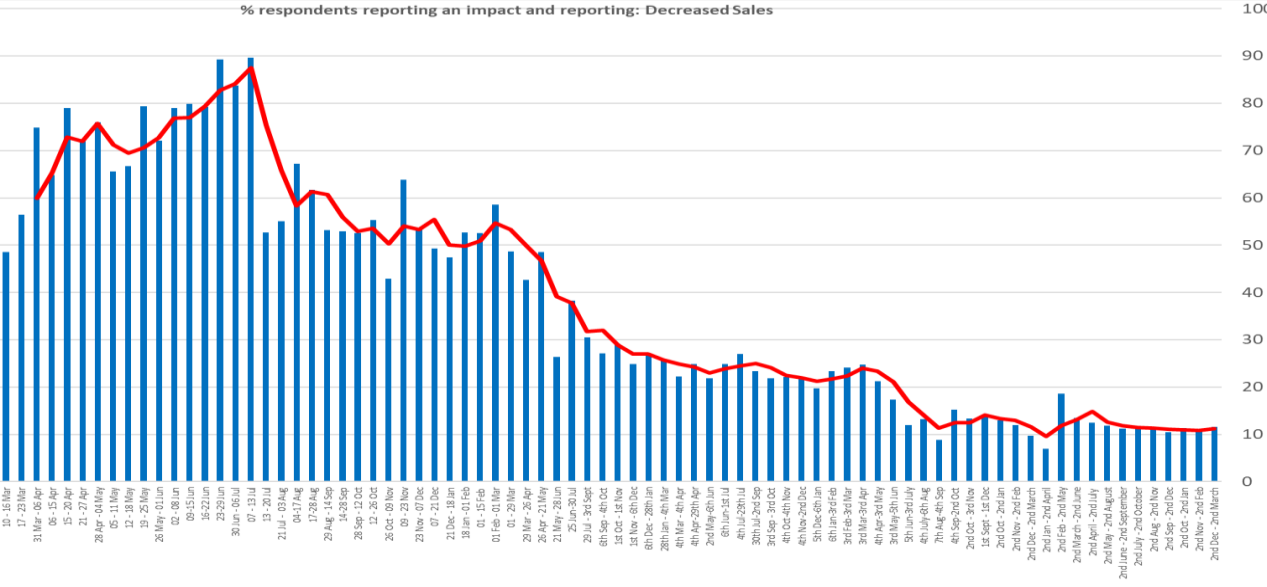
- **Innovation activity.** 34% (vs 38%) have invested in new / significantly improved services, 26% (vs 25%) in R&D, 19% (unchanged) introduced new / significantly improved goods, 19% (vs 18%) new business practices, and 12% (unchanged) have invested in significantly improved production methods.
- **Digital innovation.** 11% (unchanged) have invested in acquisition of digital products, and 4% (unchanged) made investments in the acquisition of advanced machinery or equipment - specifically for Manufacturing and DCTs.
- **Future innovation.** 36% (vs 39%) of firms are most likely to look to increase investment and R&D in future, in particular, DCTs, and Manufacturing. 24% (vs 26%) said they were likely to invest in workforce development and skills. Highest in Business Financial & Professional Services, DCTs and Manufacturing.
- **Digital Transformation.** 15% (vs 16%) firms are looking to invest in Digital Transformation. Highest in DCTs, BFPS, and Manufacturing.
- **AI Adoption:** 38% of companies have adopted AI into business (unchanged). Firms were most likely to have implemented AI into analytics, routine administrative tasks, and sales and marketing.

SOCIAL VALUE AND GOOD EMPLOYMENT PRACTICES

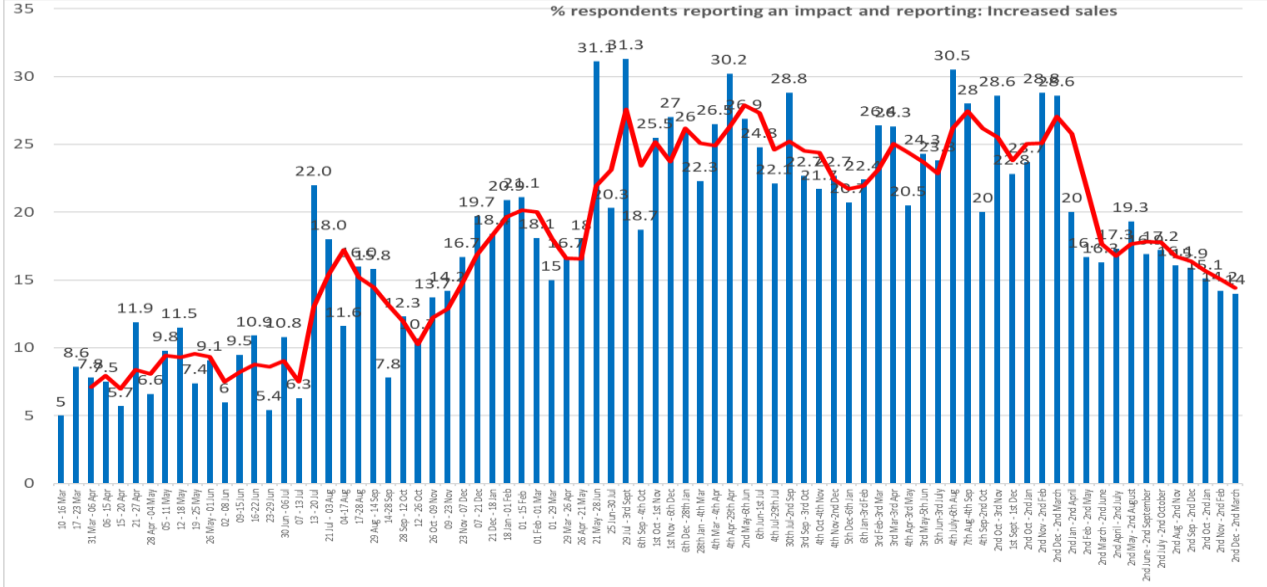
- **Guaranteeing at least 16 hours of work per week.** 94% (vs 93%) said this currently applies, and 6% (vs 5%) said that they are likely to consider in future.
- **Paying the Real Living Wage.** 49% of firms (vs 54%) paid the RLW, while 24% (vs 22%) indicated they are likely to implement it in the future.
- **Offering flexible working options to employees.** 43% (vs 47%) said this currently applies, and 29% (unchanged) said likely to include in future.
- **Involving employees in the overall direction of the business.** 31% (vs 36%) said this currently applies. 35% (unchanged) said likely to do so in future.
- **Looking to increase the diversity of the workforce.** 40% of firms said this currently applies (vs 42%), while 32% indicated they are likely to include this in the future (vs 33%).
- **Promoting healthy work practices.** 42% of firms (vs 46%) said this currently applies, while 28% (unchanged) indicated likely to do so in future.
- **Investing in leadership.** 40% of firms (vs 43%) said that they are investing in leadership, while 38% (vs 39%) indicated likely to do so in future.

SURVEY TIME SERIES OF THE MAIN IMPACTS OF THE ECONOMY ON BUSINESS

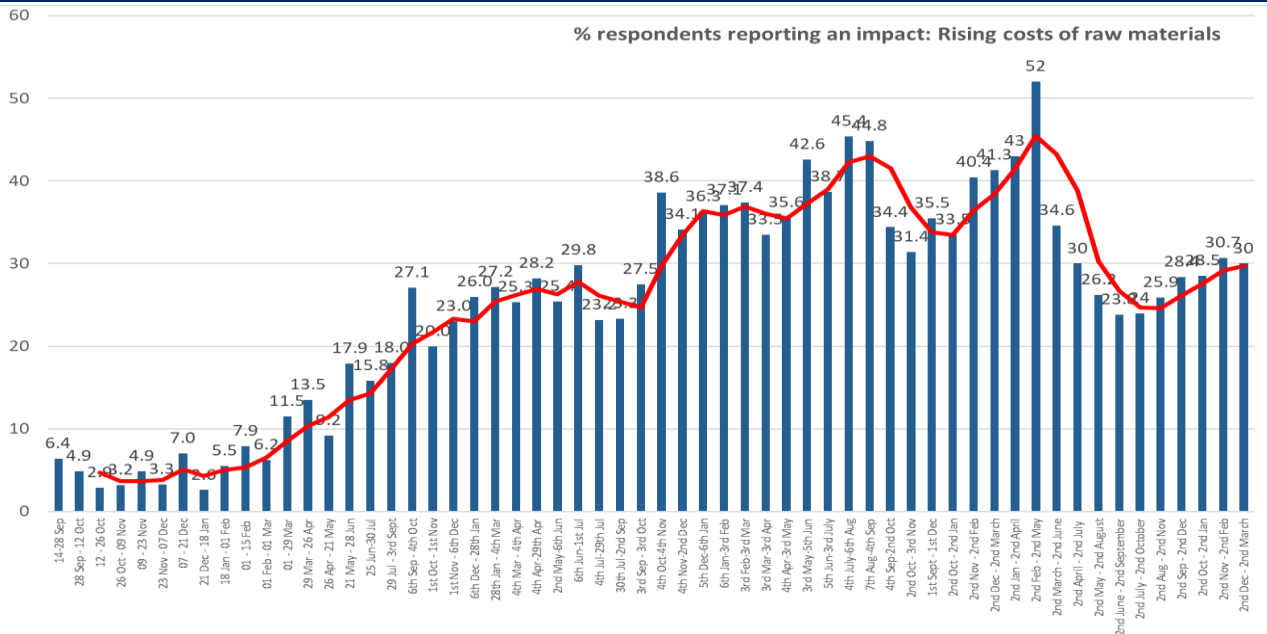
Percentage stating decreased sales (Red line = moving average)



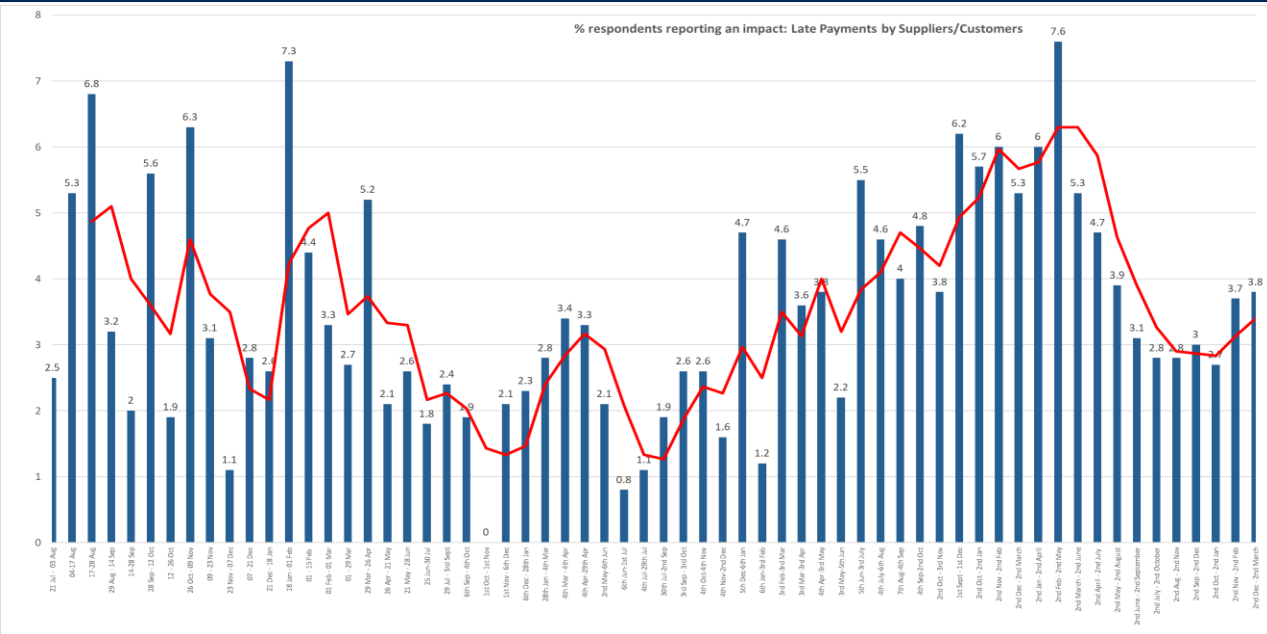
Percentage stating increased sales



Percentage stating rising costs

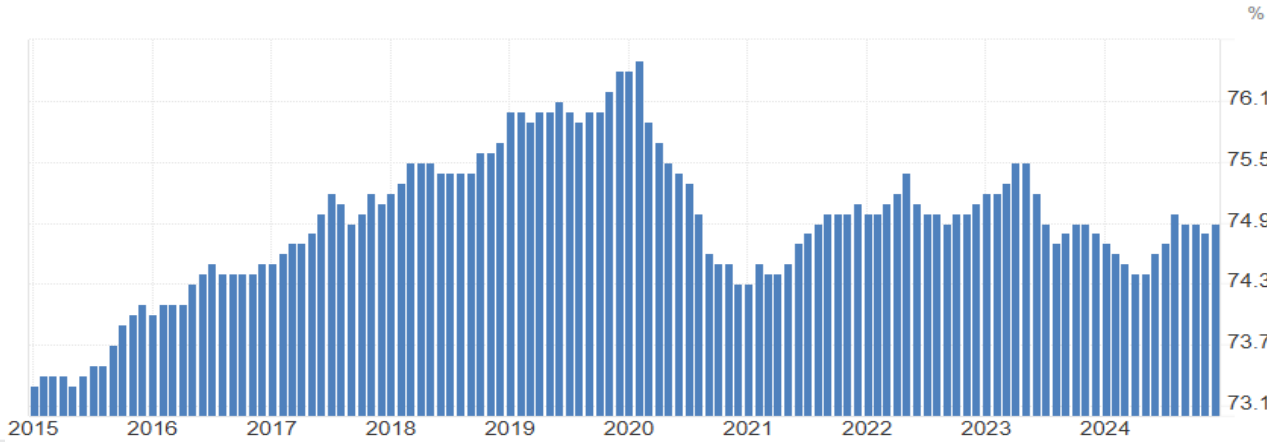


Percentage stating late payments



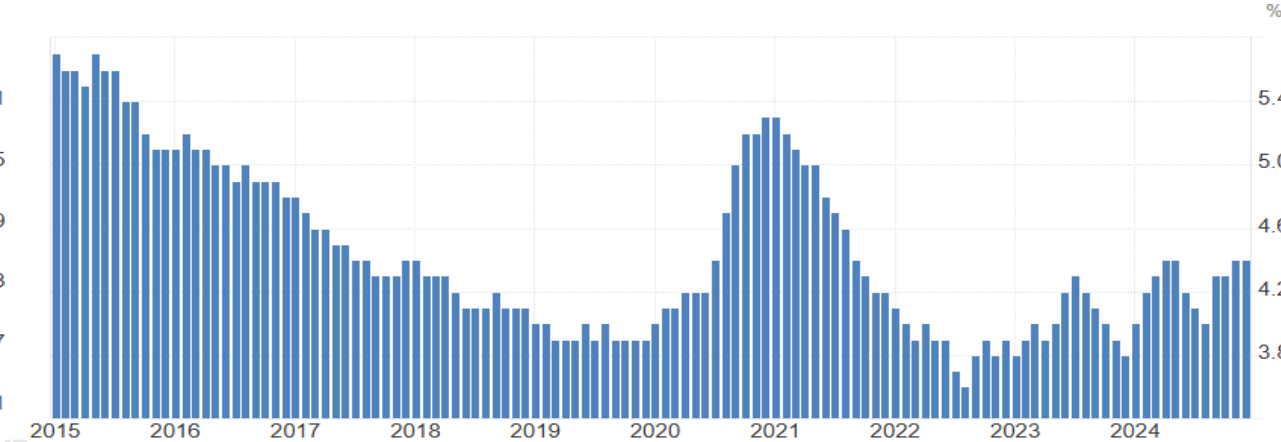
4. LABOUR MARKET HEADLINES – ONS QUARTERLY LABOUR FORCE SURVEY

United Kingdom - Employment Rate 74.9%



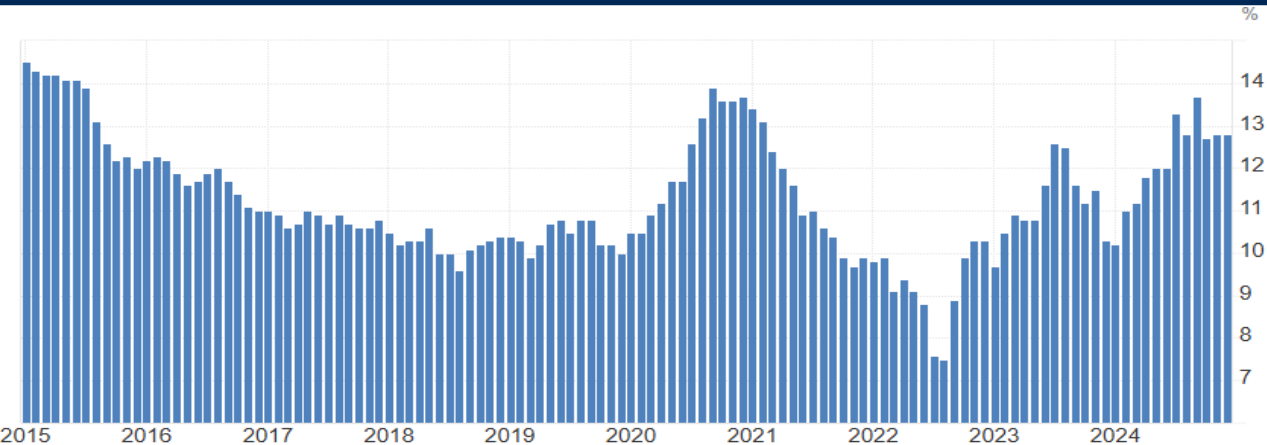
➤ **The Employment Rate** in the United Kingdom increased to 74.9 percent in December from 74.8 percent in November of 2024. Employment Rate in the United Kingdom averaged 71.7 percent from 1971 until 2024, reaching an all time high of 76.5 percent in February of 2020 and a record low of 65.6 percent in April of 1983.

United Kingdom - Unemployment Rate 4.4%



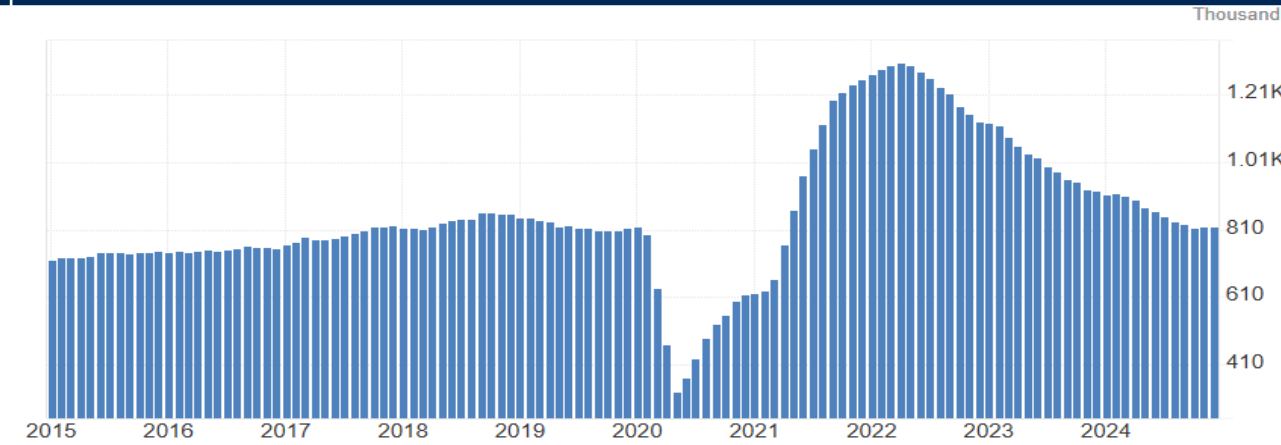
➤ **The unemployment rate** held steady at 4.4% from October to December 2024. This remains the highest level since the three months ending in May 2024, driven by an increase in individuals unemployed for up to 12 months. Compared to the same period last year, the number of people unemployed for both up to 12 months and over 12 months increased. Meanwhile, the number of employed individuals rose by 107 thousand to 33.86 million, with a year-on-year growth in full-time and part-time employees.

United Kingdom - Youth Unemployment Rate 12.8%



➤ **The Youth Unemployment Rate** in the United Kingdom remained unchanged at 12.8 percent in December. Youth Unemployment Rate in the United Kingdom averaged 13.2 percent from 1992 until 2024, reaching an all time high of 20.3 percent in November of 2011 and a record low of 7.5 percent in August of 2022.

United Kingdom - Vacancy Notifications 819k



➤ **Job Vacancies** in the United Kingdom increased to 819k in December, up from 818k in November of 2024. Job Vacancies in the United Kingdom averaged 696k from 2001 until 2024, reaching an all time high of 1304k in April of 2022 and a record low of 328k in May of 2020.

5. HOSPITALITY, LEISURE, TOURISM - IMPACTS AND SUPPORT

VisitBritain - Domestic Consumer Sentiment Tracker (Fieldwork 3rd – 9th February 2025)

VisitBritain published results of the sentiment tracker in August 2023. 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 51% which is down 1% from Jan 2025.
- Proportion intending a UK overnight trip in the next 12 months is 81% up 1% since Jan 2025.
- Proportion intending an overseas overnight trip in the next 12 months 66%, consistent with Jan 2025.
- The top 3 barriers to an overnight stay in the UK are UK weather, rising cost of living and rising cost of holidays/leisure this is a new entry for Feb 2025 and replaces personal finances.
- Top 3 areas for an overnight stay Feb 2025 – Mar 2025 is Southwest, London, Scotland. Northwest is in 4th spot., consistent with Jan 2025. Top 3 areas for overnight stays April 2025 – June 2025 is Southwest, London. Northwest which has jumped up to 3rd from 5th since Jan 2025.
- Top 3 destinations Feb 2025 – Mar 2025 are city or large town, countryside or village, coastal/seaside town consistent with Jan 2025. Top 3 destination April 2025 – Jun 2025 are city or large town, countryside or village, coastal/seaside town . City or large town is back at the top spot from Jan 2025.
- Hotels remain top accommodation choice for both Feb – Mar 2025 and Apr – Jun 2025 consistent with Jan 2025.

<https://www.visitbritain.org/research-insights/domestic-sentiment-tracker>

Marketing Manchester Campaigns Impact:

Reach: 116.9 million across all channels

Hotel Performance monitor – January 2025 (Source Marketing Manchester)

The occupancy rates in January for Greater Manchester (69%) and Manchester city centre (67%) were above 2024 (64% and 62% respectively) for both areas.

The average daily rates for Greater Manchester (£77) and Manchester city centre (£85), were both above 2024 levels for their respective areas (£74 and £79).

The revenue per available room for Greater Manchester (£53) and Manchester city centre (£57) was above the comparable 2024 levels (£47 and £49) due to the combined increase in occupancy and room rates.

However, it should be noted that the hotel performance in January 2024 was below the seasonal average and understood to have been due to the industrial rail action occurring at that time.

	GM Occupancy %	GM Average Rate (£)	GM REVPAR (£)	Mcr City Centre Occupancy %	Mcr City Centre Average Rate (£)	Mcr City Centre REVPAR (£)
2025	69%	£77	£53	67%	£85	£57
2024	64%	£74	£47	62%	£79	£49
Baseline (2019)	75%	£74	£56	78%	£86	£67

6. GOVERNMENT MEASURES, OTHER DATA AND ANNOUNCEMENTS

THEME	ANNOUNCEMENT / ISSUE - (HOLD CTRL AND CLICK ON <LINKS> TO ACCESS THE FULL ITEM)
National Procurement Policy Statement	The new National Procurement Policy Statement has been published. A new duty will be placed on firms that win contracts with government bodies to advertise jobs at job centres. The focus of the Procurement Policy is on SMEs and VCSEs being able to get a better chance of securing public sector contracts. There is also a heavier consideration to wider social value. The measures announced by the Government will speed up and simplify procurement processes in the public sector. <Link>
AI and Copyright Consultation	The UK has launched a consultation on plans to give certainty to the creative industries and AI developers on how copyright material can be used to train AI models . Key areas of the consultation include boosting trust and transparency between the sectors, so right holders have a better understanding of how AI developers are using their material and how it has been obtained. The consultation also explores how creators can license and be remunerated for the use of their material, and how wide access to high-quality data for AI developers can be strengthened to enable innovation across the UK AI sector. <Link>
Interim CEO of Great British Energy	Dan McGrail has been appointed as the Interim Chief Executive Officer of Great British Energy . He is currently the Chief Executive of RenewableUK, the trade association for businesses developing wind, wave, tidal, storage and green hydrogen projects in the UK, and their supply chain companies. He currently sits on the board for WindEurope and was also previously CEO of Siemens Engines and Managing Director of Siemens Power Generation. <Link>
Sector Based Work Academies (SWAPs)	Sector Based Work Academy Programmes (SWAPs) delivered through the Job Centre will provide 100,000 more places over the next financial year, a boost of over 25% from this financial year . As part of this expansion, Minister for Employment Alison McGovern announced that a hospitality SWAPs pilot, launched in partnership with UK Hospitality, will be rolled out to 26 new areas in need of jobs and opportunity, including 13 coastal towns such as Scarborough and Blackpool. <Link>
National Wealth Fund (NWF)	John Flint is stepping down as CEO of the National Wealth Fund (NWF) in the summer, after four years of public service. A recruitment process to identify Flint’s replacement will be launched. Flint will remain as CEO until the summer to support an orderly transition to a new CEO and to ensure that momentum is maintained. <Link>
AI Security Institute	The Department for Science, Innovation and Technology, has signed a Memorandum of Understanding with Anthropic to develop and deepen collaboration in regard to AI technologies . The Secretary of State has also renamed the AI Safety Institute to the AI Security Institute, reorienting the focus of the Institute onto Cyber Security for AI technologies as well as the security risks AI technologies could produce. <Link>
Trade Deal Negotiations	The UK and India have restarted their trade negotiations. Recent Indian investments in the UK cover a range of sectors including AI, professional services and textiles and are expected to create hundreds of new jobs over the next three years. <Link>



APPENDIX 1: SURVEY RESPONSE RATES

FEBRUARY 2025

WITH QUARTERLY DATA FOR 2ND DECEMBER 2024 TO 2ND MARCH 2025

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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 Enterpris e Count 2022	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	JUL 2023	
Size-band (employees)	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	
'0' employment to 9 (MICRO)	89%	58%	56%	59%	54%	55%	56%	62%	60%	58%	59%	57%	46%	49%	53%	51%	59%	41%	58%	52%	
10 to 49 (SMALL)	9%	24%	23%	20%	24%	25%	26%	24%	23%	24%	24%	26%	27%	22%	13%	20%	16%	24%	16%	21%	
50 to 249 (MEDIUM)	2%	12%	14%	15%	15%	13%	12%	9%	11%	6%	7%	9%	9%	7%	14%	16%	13%	19%	13%	15%	
250+ (LARGE)	<1%	7%	7%	7%	7%	7%	6%	C	7%	12%	10%	8%	10%	10%	11%	8%	7%	10%	6%	C	
UNKNOWN	-	C	C	C	C	C	C	C	C	C	C	C	C	8%	12%	8%	C	C	6%	8%	7%
AGRICULTURE, FORESTRY, FISHING	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%	12%	12%	12%	12%	10%	8%	10%	10%	10%	13%	14%	14%	18%	11%	22%	15%	14%	
CONSTRUCTION	12%	C	C	6%	6%	C	C	C	C	C	C	6%	C	C	C	C	C	C	C	C	
DIGITAL, CREATIVE, TECHNOLOGY	6%	23%	23%	24%	25%	24%	21%	21%	22%	18%	16%	13%	18%	19%	22%	23%	23%	24%	23%	21%	
EDUCATION	2%	6%	C	8%	9%	8%	6%	C	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	
UTILITIES, ENERGY, WATER, WASTE, GREEN TECH	C	C	C	C	C	C	6%	6%	6%	7%	8%	10%	6%	7%	C	C	C	C	8%	9%	
HEALTH & SOCIAL CARE	C	6%	C	C	6%	7%	9%	9%	8%	8%	7%	8%	C	C	C	6%	C	6%	C	C	
HOSPITALITY, TOURISM, & SPORT	7%	C	C	C	C	C	C	6%	7%	6%	7%	C	C	5%	7%	6%	10%	C	8%	6%	
LOGISTICS	5%	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	6%	C	C	
MANUFACTURING (excluding Engineering)	3%	17%	15%	13%	12%	13%	13%	15%	17%	16%	16%	21%	26%	20%	19%	18%	19%	17%	22%	16%	
LIFE SCIENCES	N/A	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	6%	7%	9%	9%	9%	9%	11%	8%	7%	9%	C	6%	7%	
OTHER SERVICES (excluding SIC unknown)	4%	7%	6%	6%	C	6%	6%	8%	6%	C	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) <i>C = Confidential, 5 or less responses</i> <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%	56%	53%	57%	61%	48%	42%	65%	55%	57%	73%	42%
10 to 49 (SMALL)	9%	23%	23%	30%	19%	32%	35%	20%	27%	21%	17%	37%
50 to 249 (MEDIUM)	2%	14%	15%	5%	14%	14%	19%	6%	12%	15%	C	14%
250+ (LARGE)	<1%	7%	9%	8%	6%	7%	C	9%	6%	8%	6%	7%
UNKNOWN	-	C	C	C	C	C	C	C	C	C	C	C



**APPENDIX 2:
GROWTH SURVEY DETAILED RESULTS,
LOCAL AUTHORITY AND EDI DATA**

FEBRUARY 2025

WITH QUARTERLY DATA FOR 2ND DECEMBER 2024 TO 2ND MARCH 2025

www.growthco.uk

OGS: BUSINESS CONFIDENCE INDEX (GC-BCI)

Local Authority

Sector

Size Band

Submitted Date

HOME

Responses

786

All

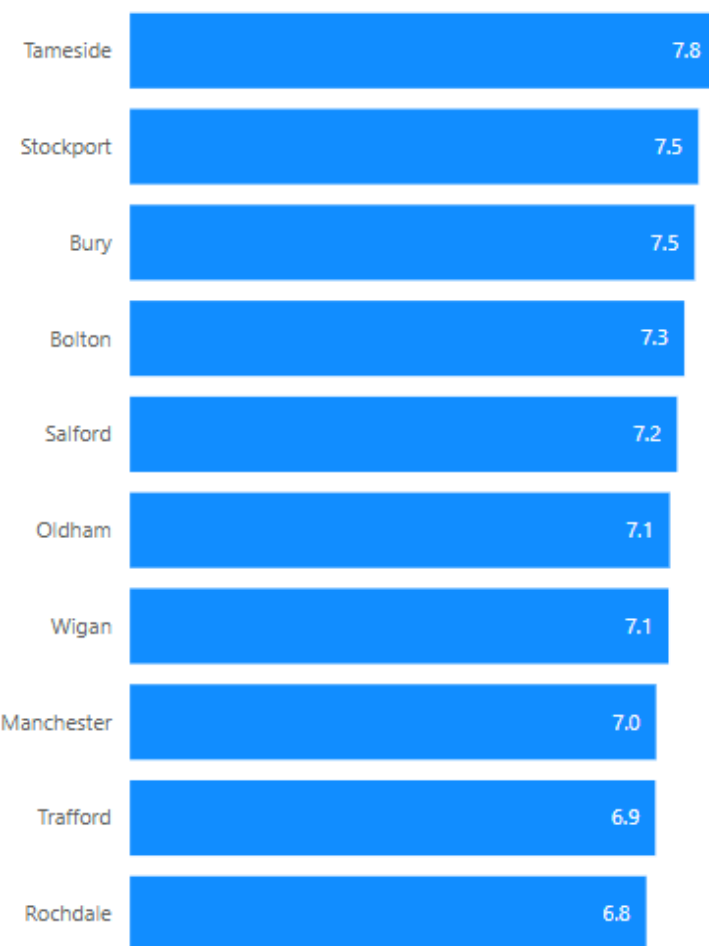
All

All

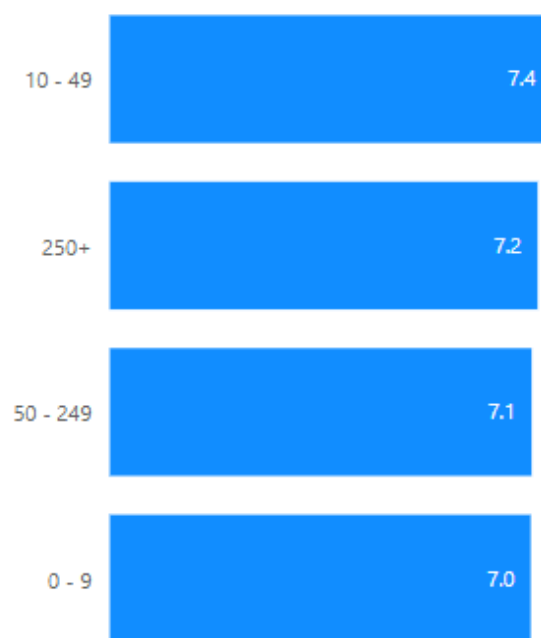
02/12/2024

02/03/2025

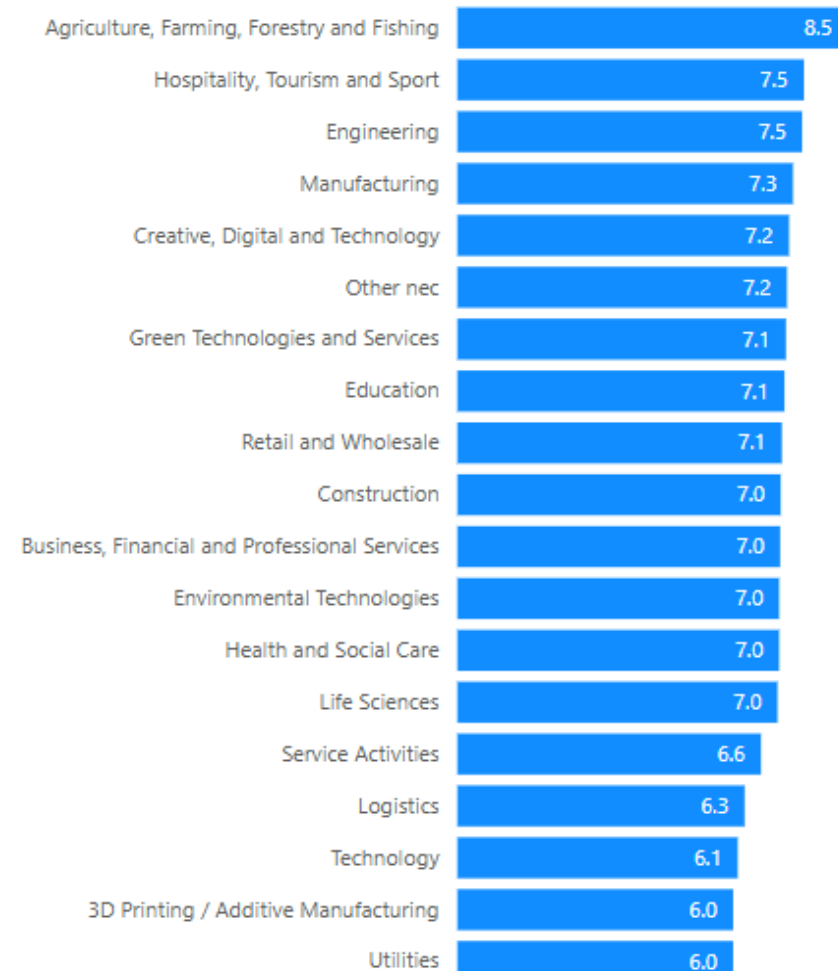
GC-BCI by LA# (1 low - 10 high)



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
786

Respondents
675

Local Authority

All

Sector

All

Size Band

All

Submitted Date

02/12/2024

02/03/2025

HOME

Expectations for profitability increase (%)

Expectations for turnover increase (%)

Expectations for cap-ex spending increase (%)

Increase

54%

Increase

64%

Don't know / no response / refused (no...

35%

Don't know / no response / refused (no...

29%

Don't know / no response / refused (no...

25%

Stay the same

33%

Stay the same

14%

Stay the same

1...

Increase

29%

Decrease

Decrease

Decrease

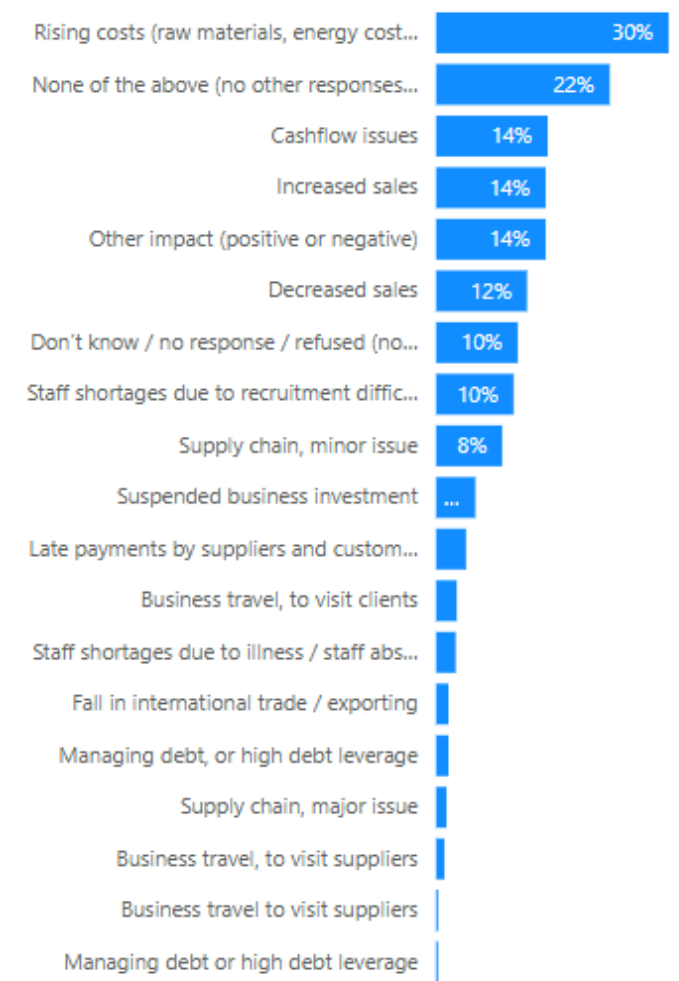
OGS: CHALLENGES AND FUTURE SUPPORT NEEDS

Responses **786**
Respondents **675**

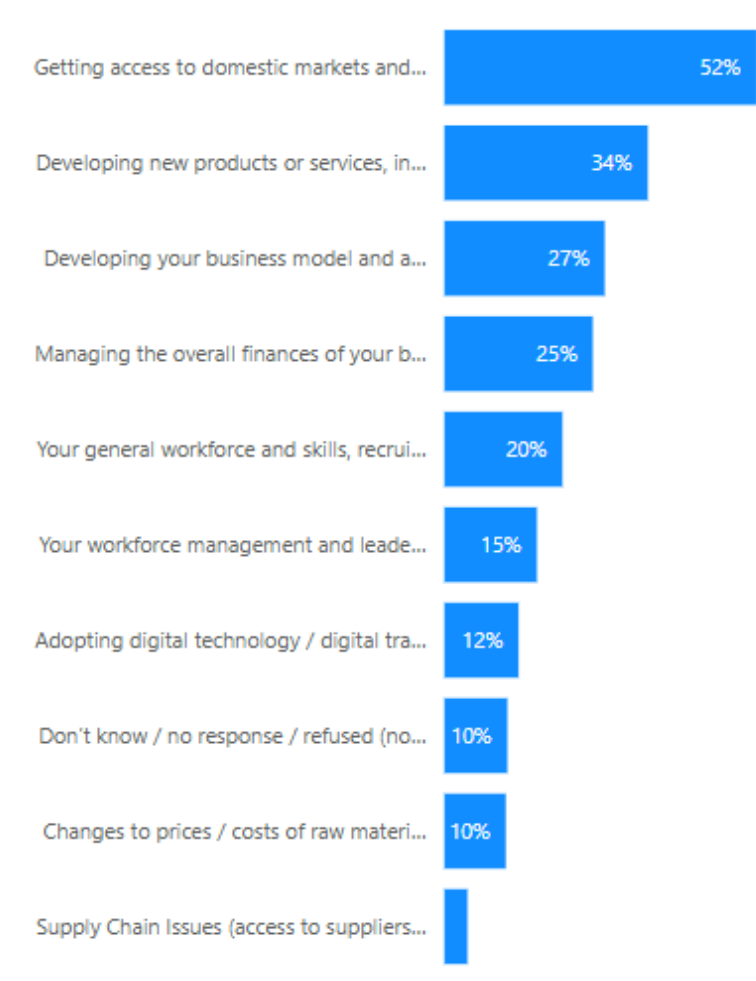
[HOME](#)

Local Authority **Sector** **Size Band** **Submitted Date**

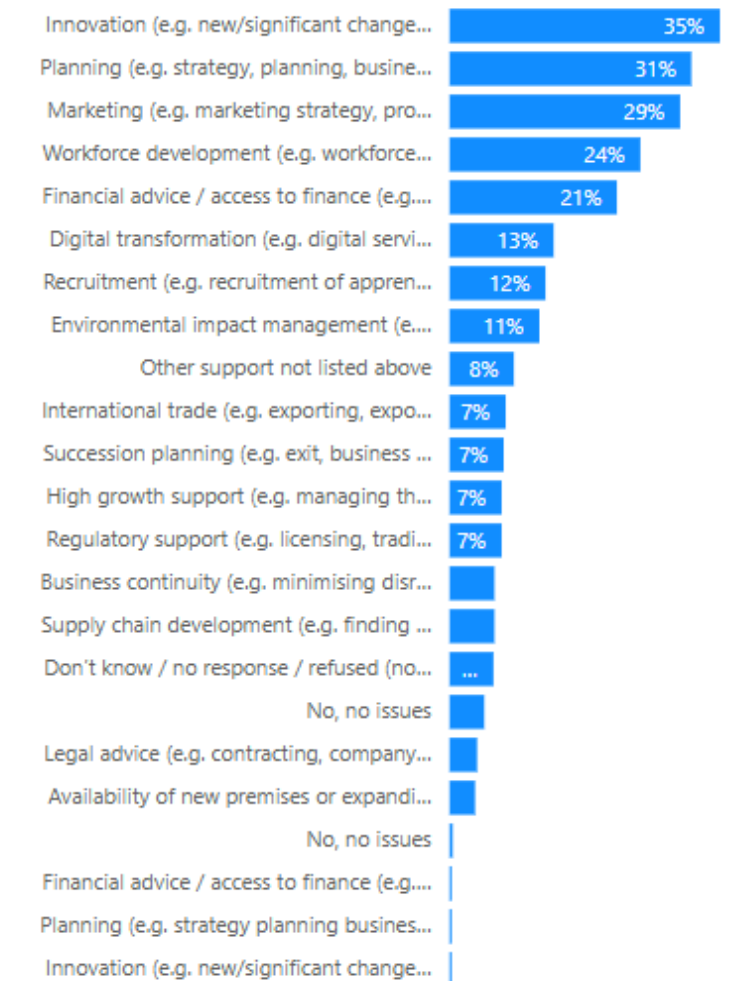
Main economic impacts faced in last 3 months (%)



Main current challenges facing the organisation (%)



Future support needs in year ahead (%)



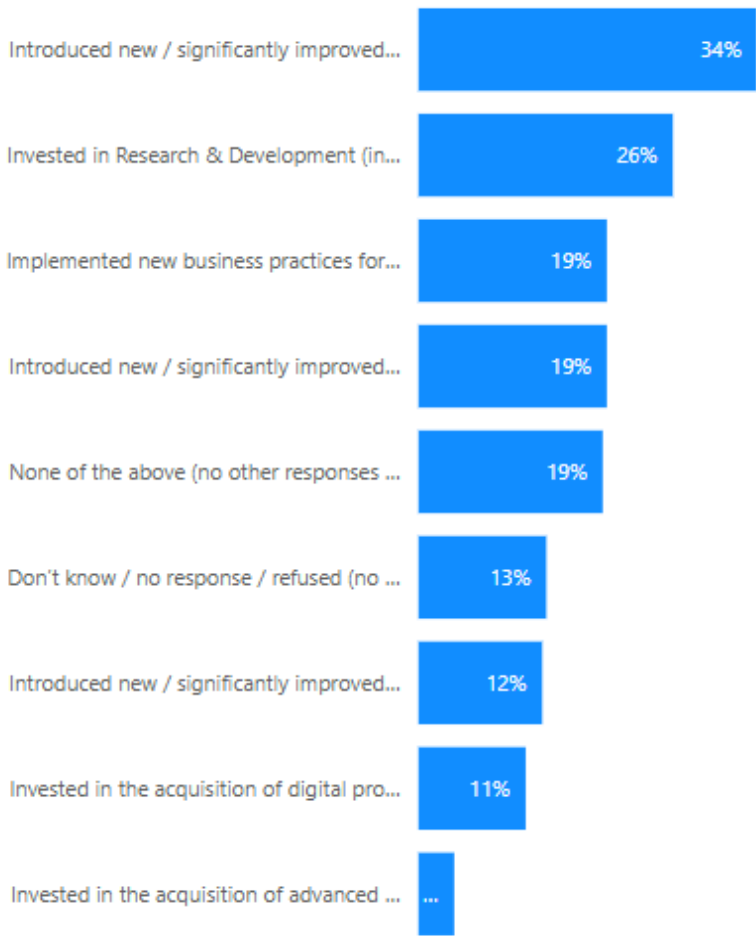
OGS: INNOVATION AND INVESTMENT

Responses **786**
 Respondents **675**

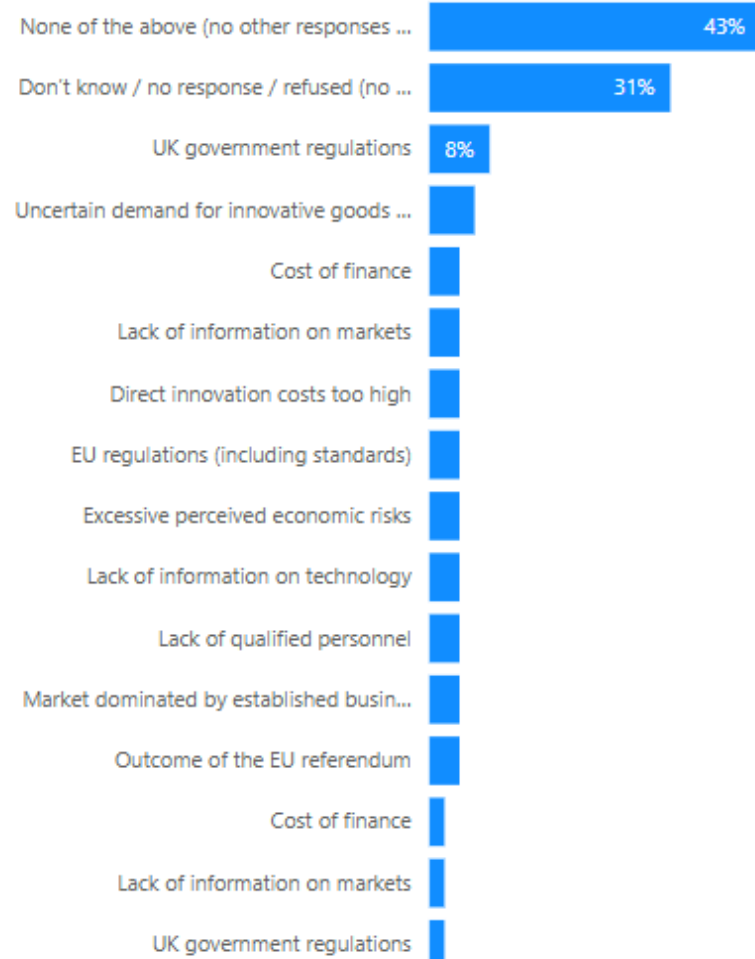
Local Authority **Sector** **Size Band** **Submitted Date**

HOME

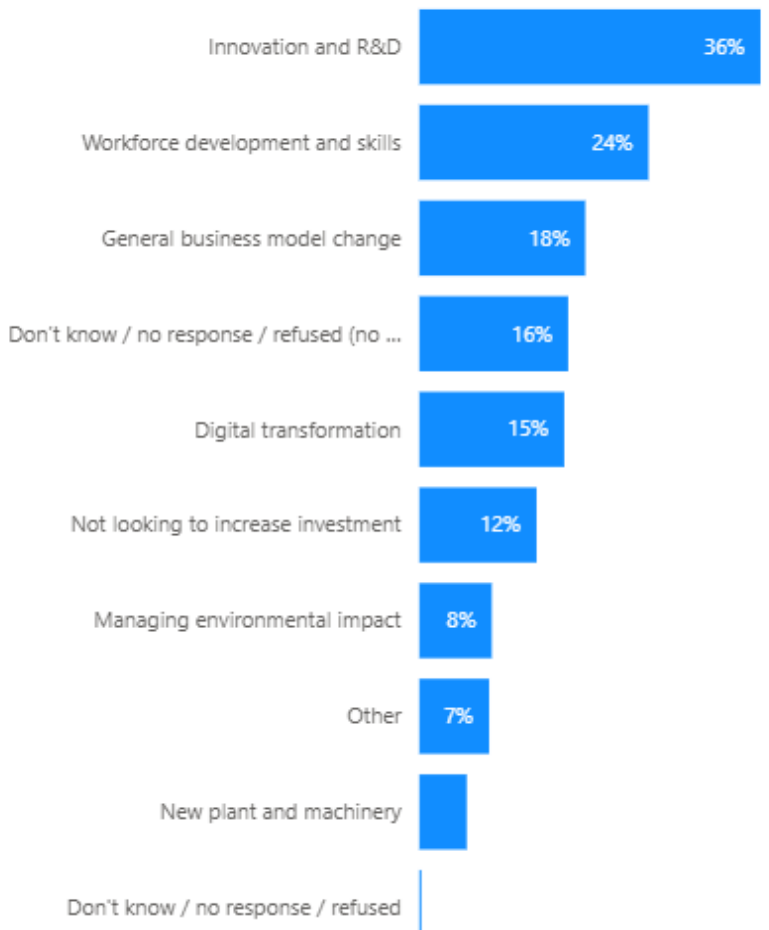
Innovation activities in last year (%)



Main barriers to Innovation (%)



Looking to increase investment in ... (%)



OGS: ARTIFICIAL INTELLIGENCE - BY TYPE AND BARRIERS TO ADOPTION

Responses **786**
 Respondents **675**

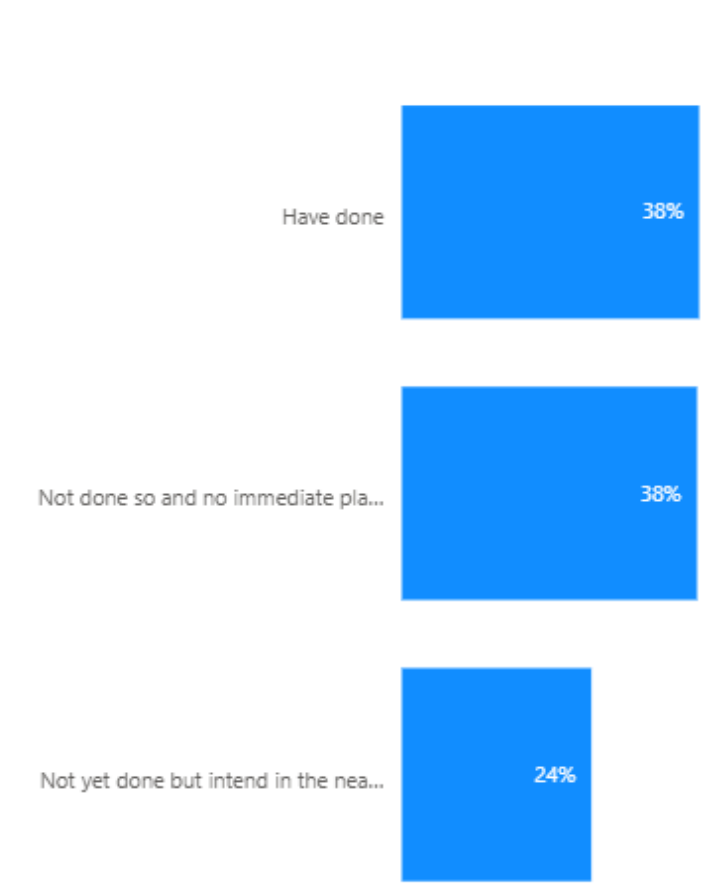
[HOME](#)

Local Authority **Sector** **Size Band** **Submitted Date**

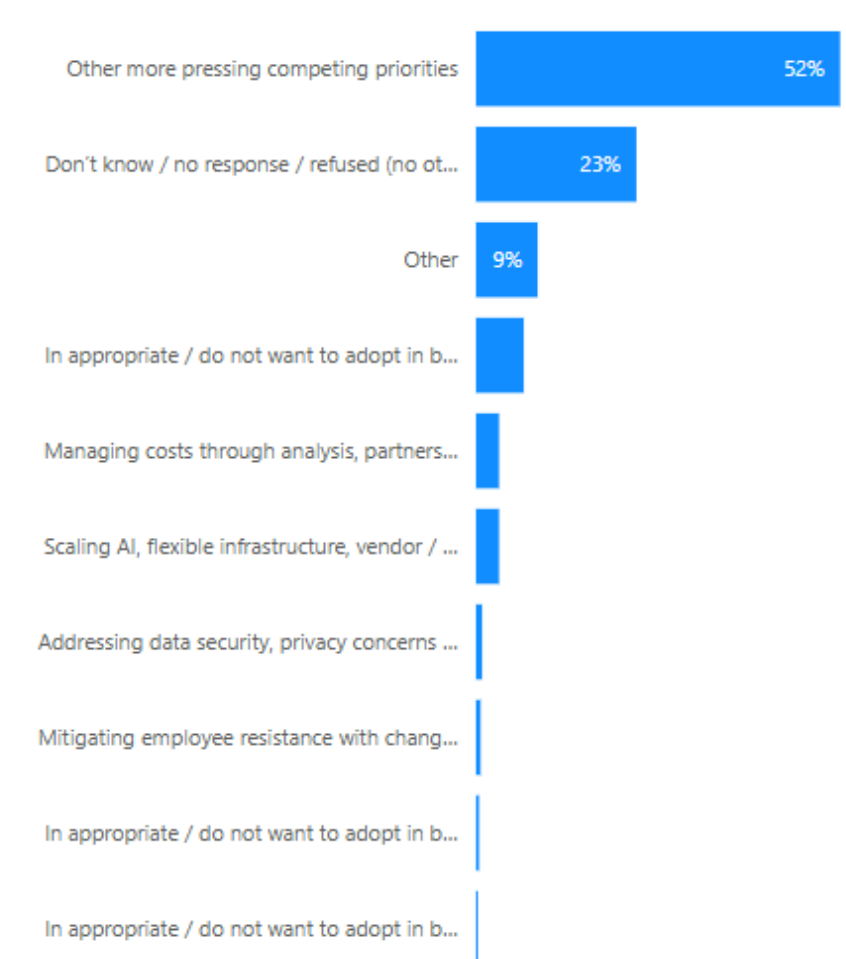
Which areas of AI implemented (%)



Adopted AI into business (%)



AI - What is holding up plans (%)



OGS: SKILLS GAPS

Responses
786

Respondents
675

Local Authority

Sector

Size Band

Submitted Date

All

All

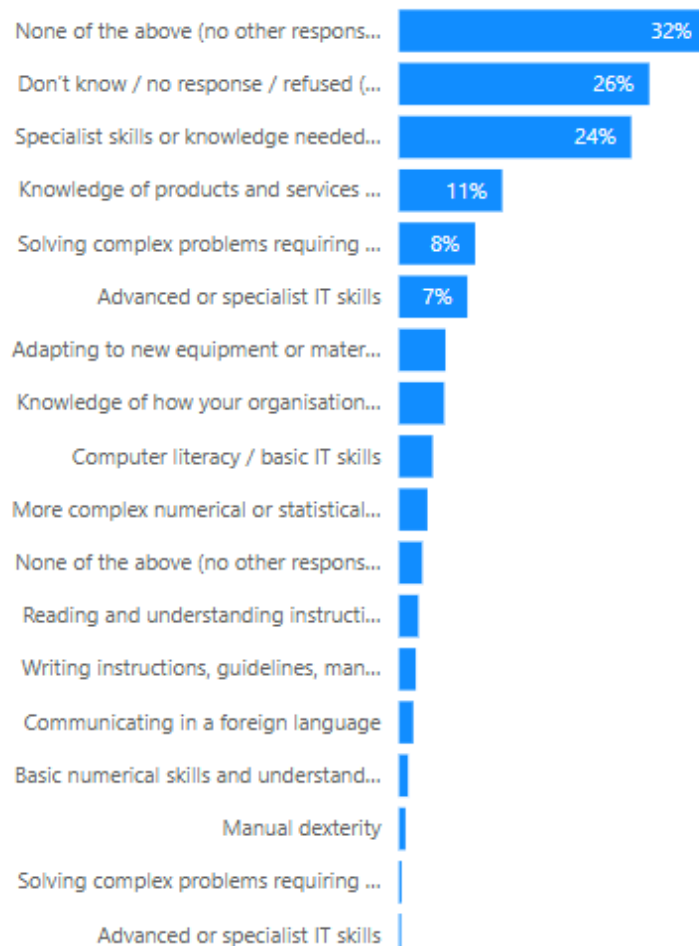
All

02/12/2024

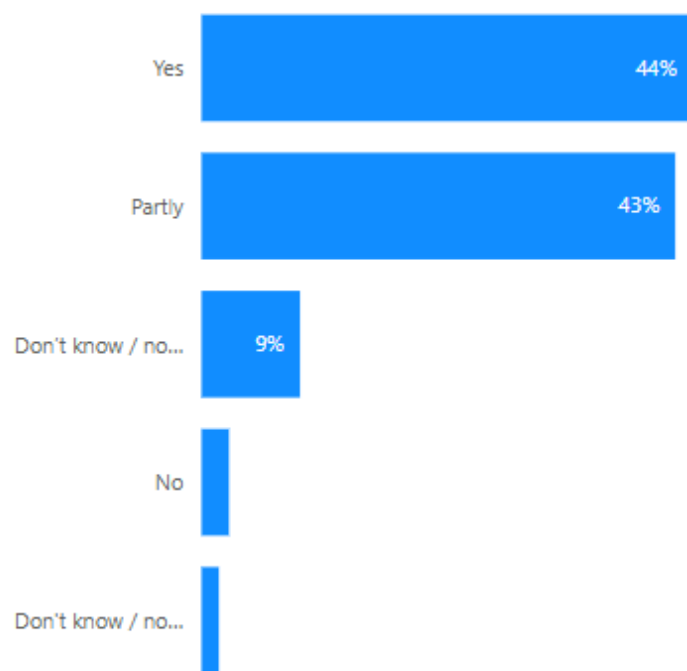
02/03/2025

HOME

Technical and practical skills gaps (%)



Current workforce skills at right level by size (%)



Current workforce skills at right level - average (%)

43.1

People and personal skills gaps (%)



OGS: SOCIAL VALUE

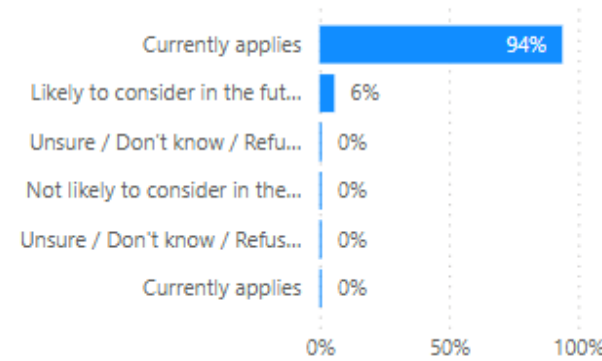
Responses **786**
Respondents **675**

Local Authority: Sector: Size Band: Submitted Date:

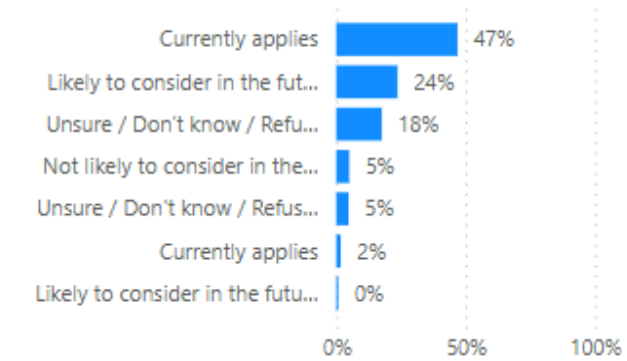
[HOME](#)



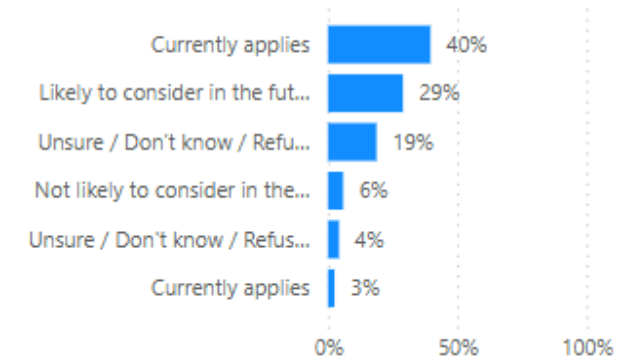
Guarantee at least 16 hours (%)



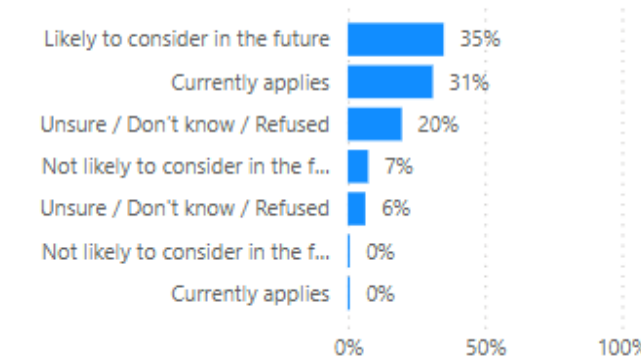
Pay real living wage (%)



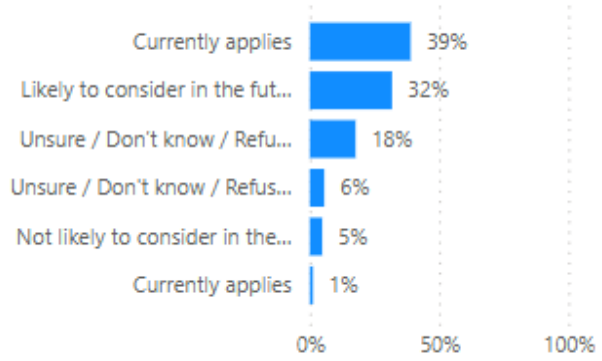
Flexible working options (%)



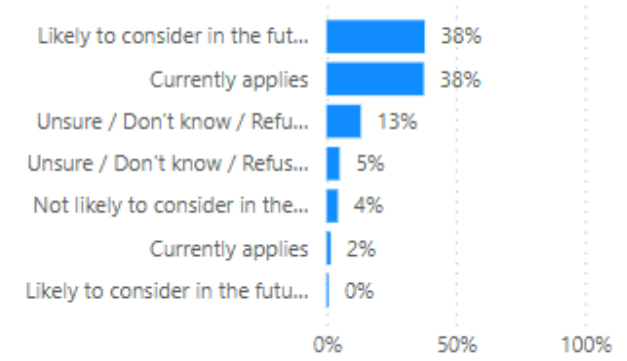
Involve employees in the direction of business (%)



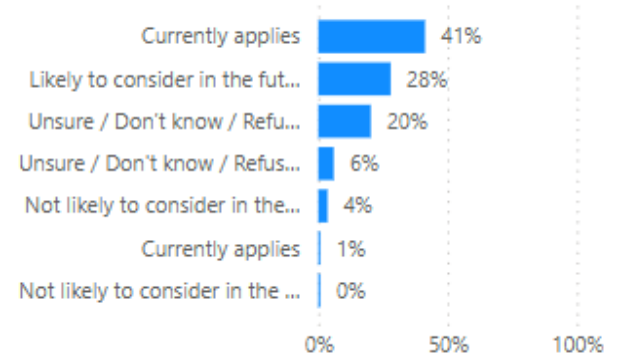
Looking to increase diversity of workforce (%)



Invest in leadership (%)



Promote healthy work practices (%)



Firms with Social Value

478

OGS: INTERNATIONAL TRADE

Responses **786** Respondents **675**

Local Authority
All

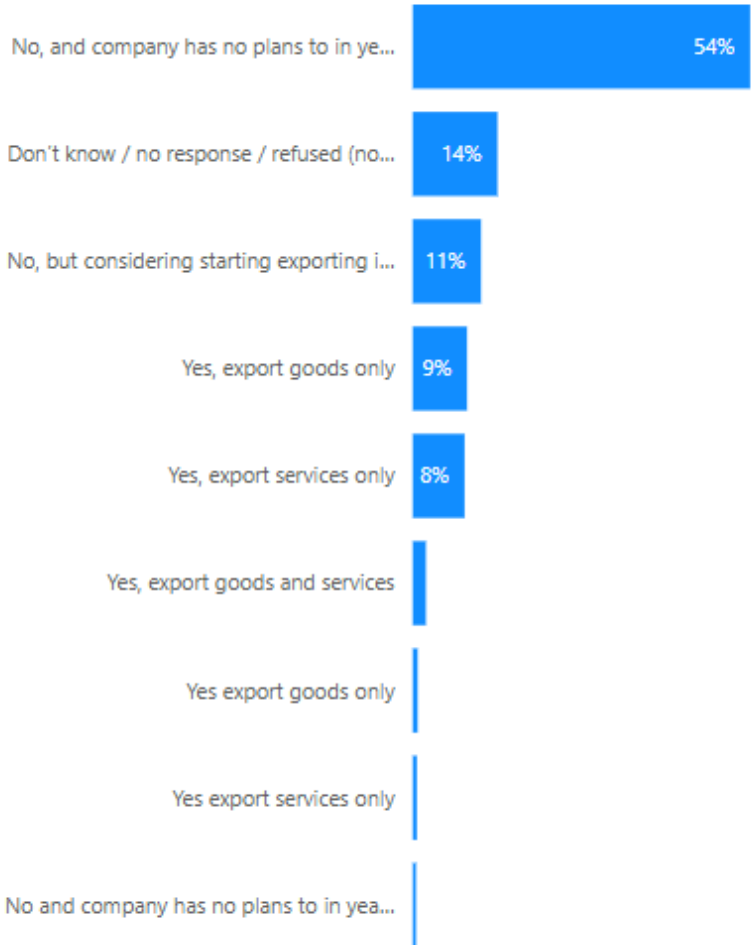
Sector
All

Size Band
All

Submitted Date
02/12/2024 02/03/2025

HOME

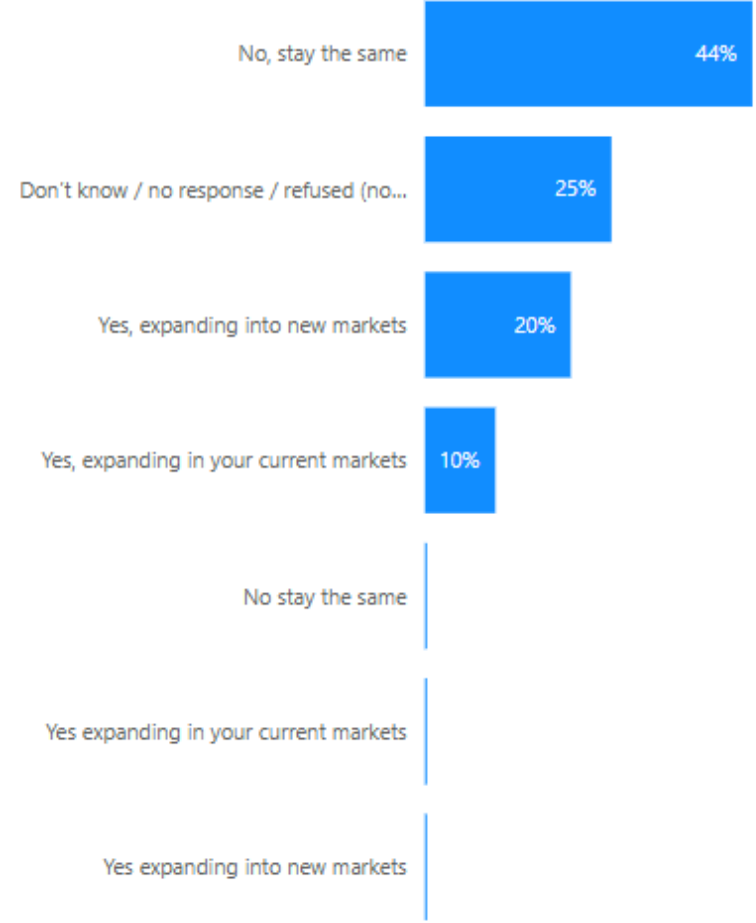
Currently export goods or services (%)



Currently export goods or services by sector (%)



Planning to increase levels of exports next year (%)



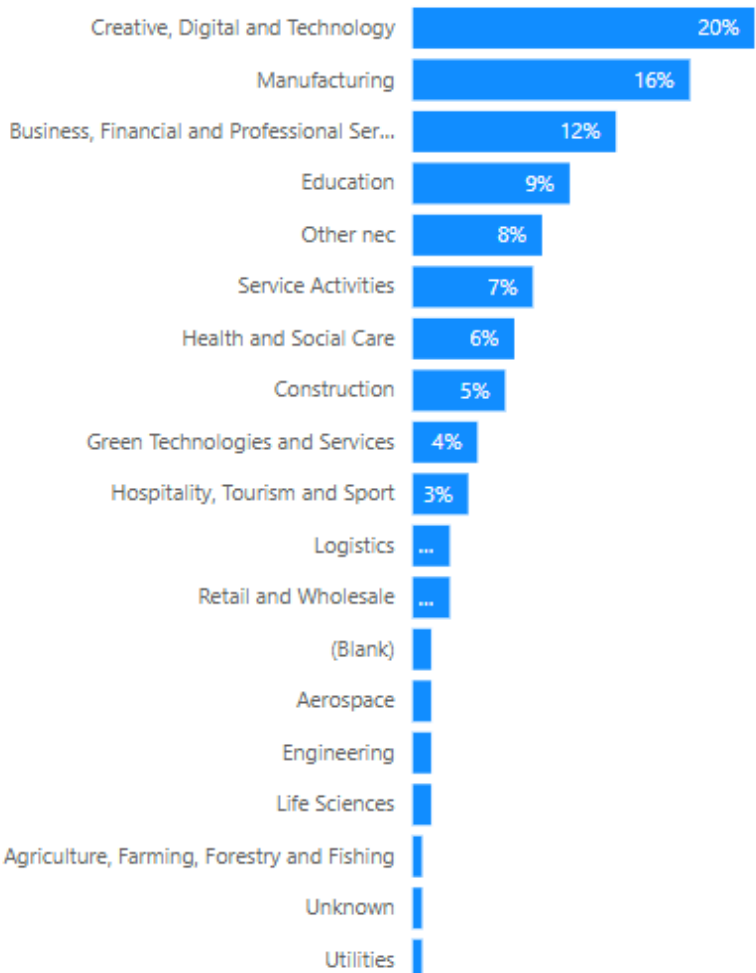
OGS: RECRUITMENT

Responses **786**
Respondents **675**

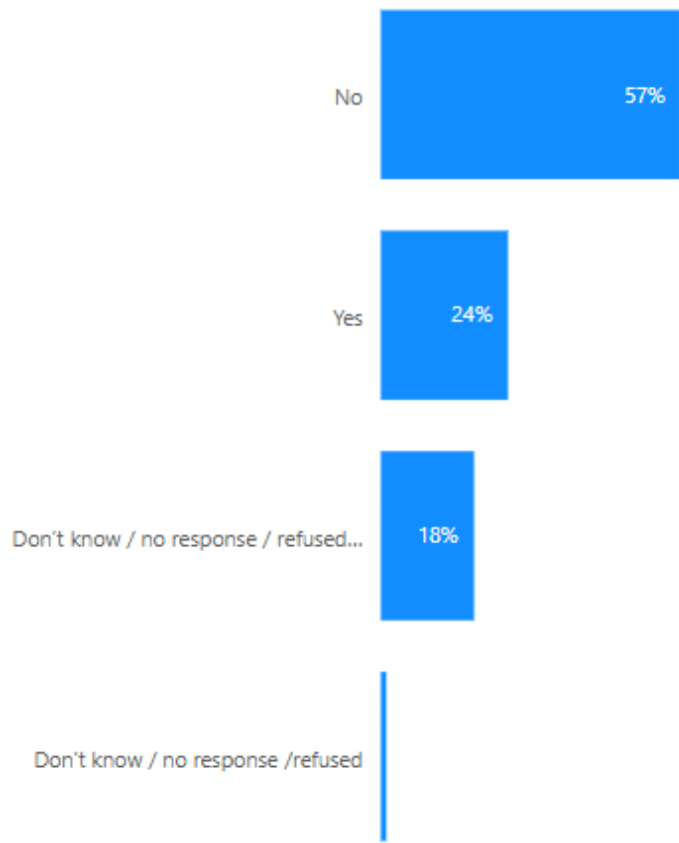
Local Authority **Sector** **Size Band** **Submitted Date**

HOME

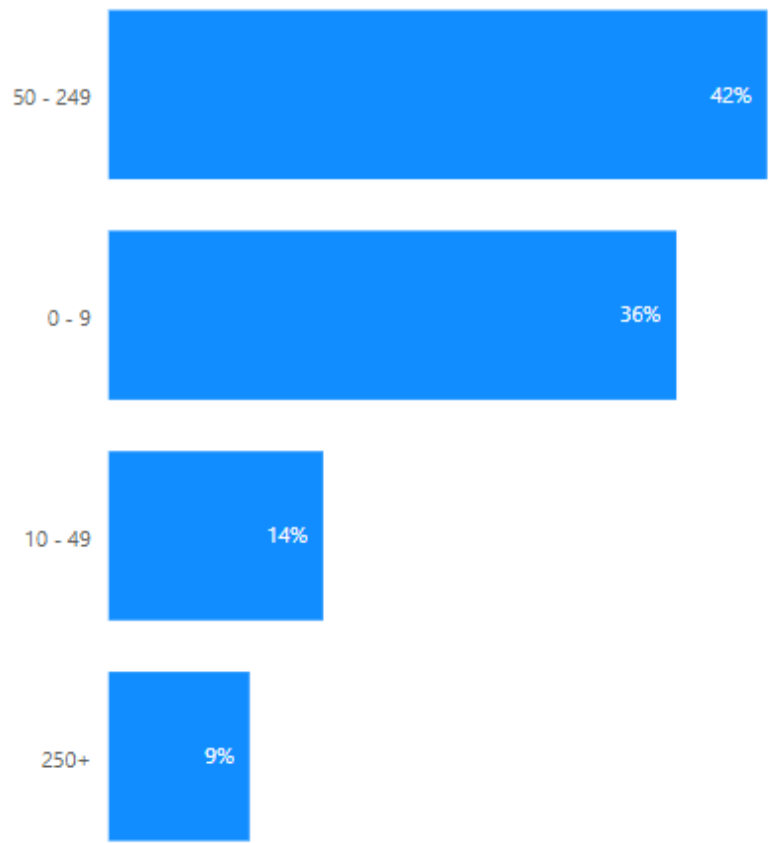
Currently recruiting new staff by Sector (%)



Currently recruiting new staff (%)



Currently recruiting new staff by size band



OGS LOCAL AUTHORITY DATA - FEMALE LED

Responses
290

Respondents
266

HOME

Local Authority

Sector

Size Band

Submitted Date

All

All

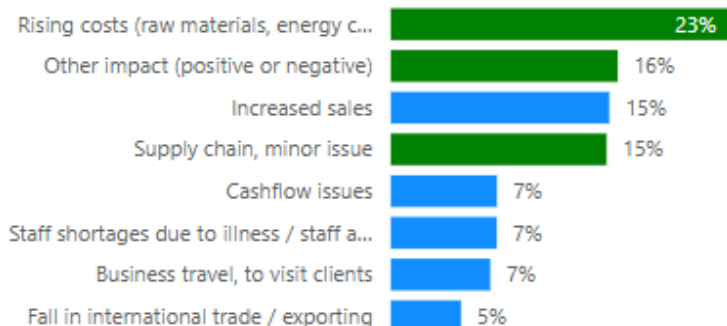
All

02/12/2024

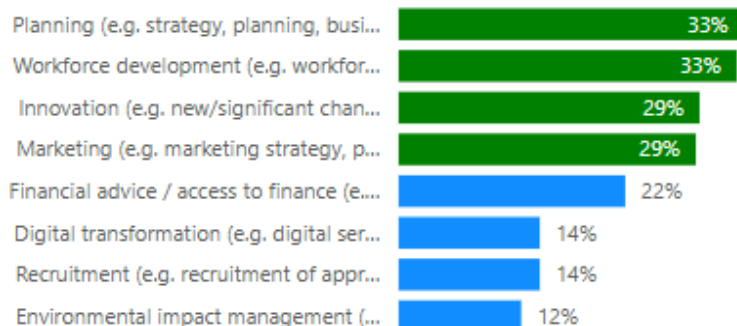
02/03/2025

Note: BGH clients only for Female Led

Economic Impact



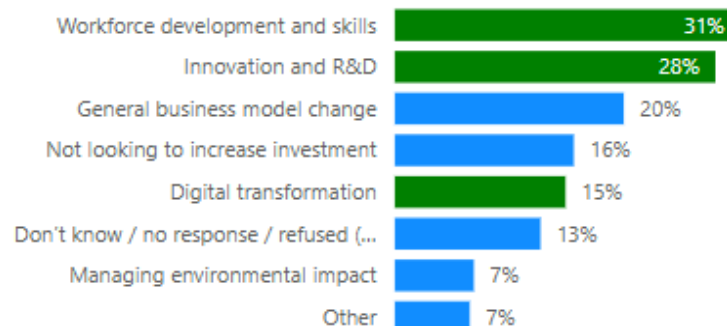
Current challenges facing firms (%)



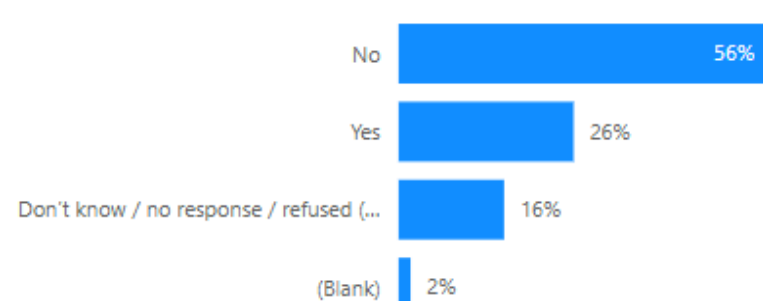
Future support needs (%)



Main area for investment (%)



Innovation activity (%)



Barriers to innovation (%)



OGS LOCAL AUTHORITY DATA - ETHNIC MINORITY GROUP

Responses
129

Respondents
116

Local Authority

All

Sector

All

Size Band

All

Submitted Date

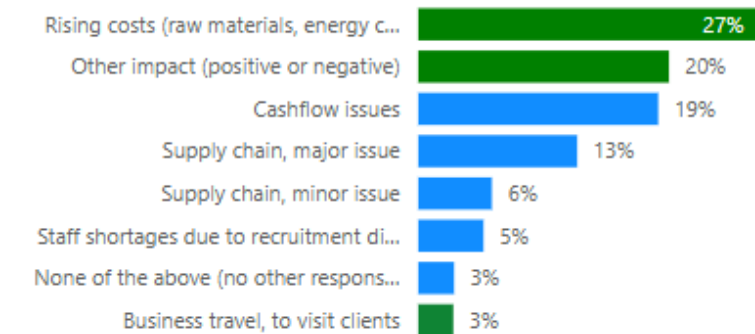
02/12/2024

02/03/2025

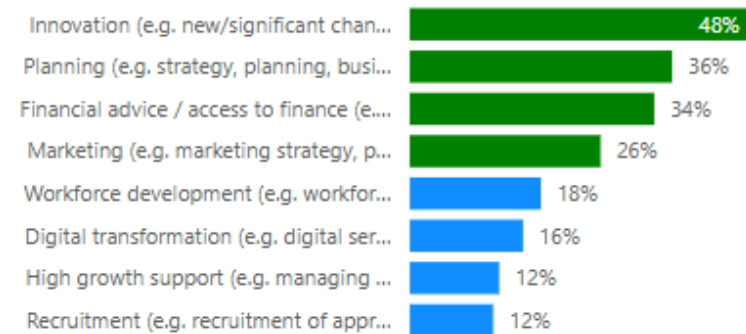
HOME

Note: BGH clients only for Ethnic Minority Group

Economic Impact



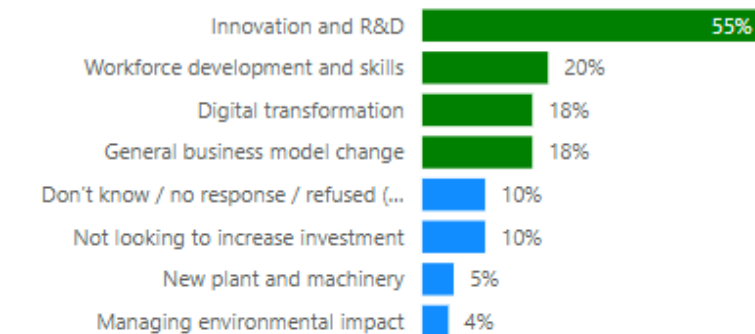
Current challenges facing firms (%)



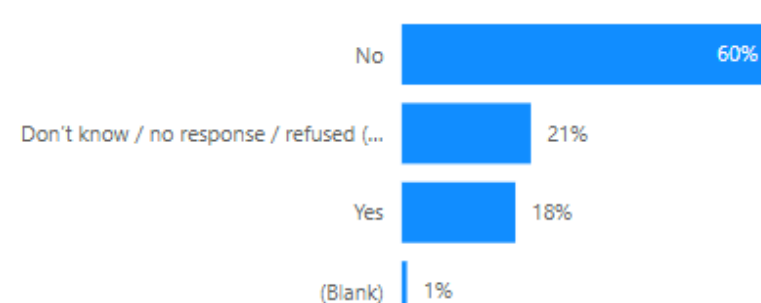
Future support needs (%)



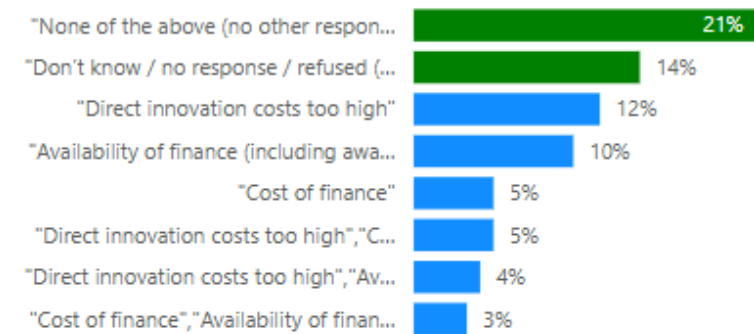
Main area for investment (%)



Innovation activity (%)



Barriers to innovation (%)



OGS LOCAL AUTHORITY DATA - OVER 50s LED INSIGHTS

Responses

200

Respondents

181

Local Authority

Sector

Size Band

Submitted Date

All

All

All

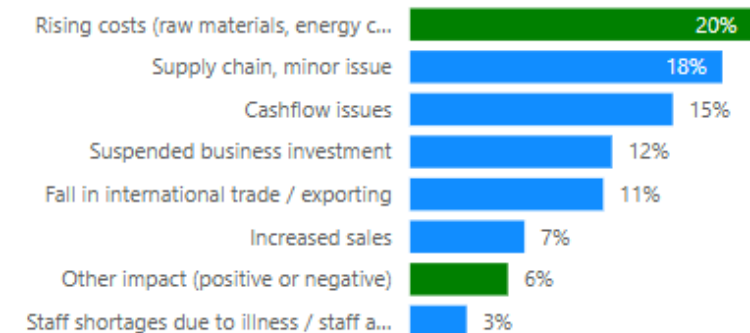
02/12/2024

02/03/2025

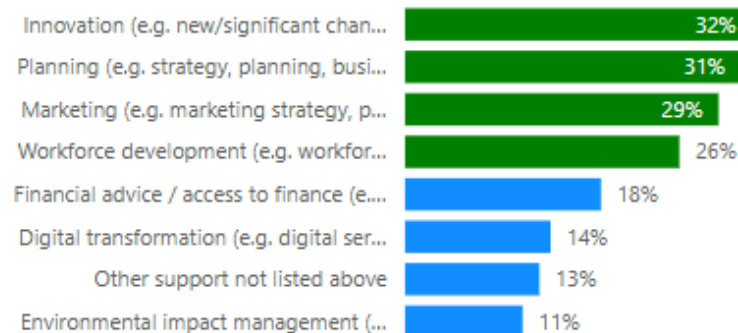
HOME

Note: BGH clients only for Over 50s

Economic Impact



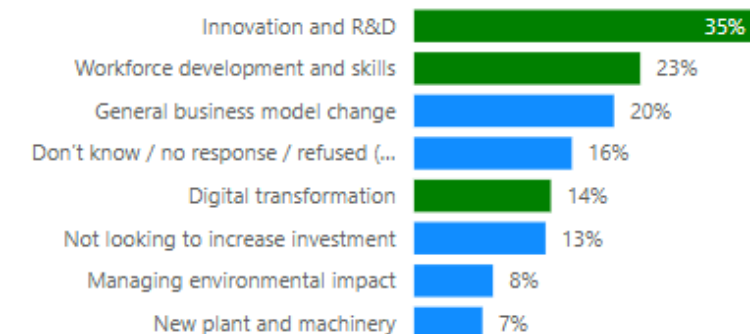
Current challenges facing firms (%)



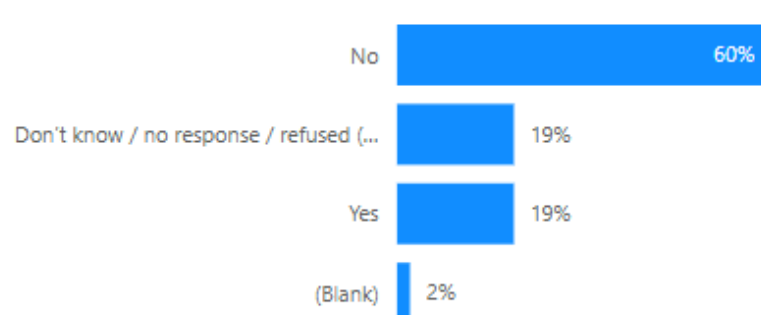
Future support needs (%)



Main area for investment (%)



Innovation activity (%)



Barriers to innovation (%)



OGS LOCAL AUTHORITY DATA - DISABILITY LED INSIGHTS

Responses

36

Respondents

34

Local Authority

All

Sector

All

Size Band

All

Submitted Date

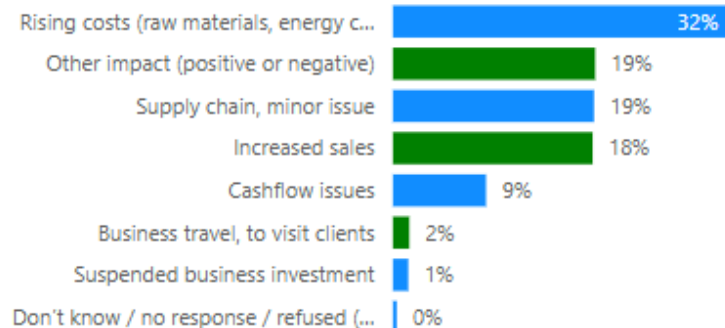
02/12/2024

28/02/2025

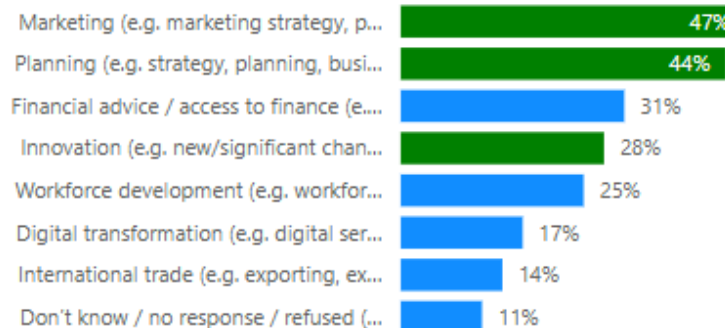
HOME

Note: BGH clients only for Disability Led

Economic Impact



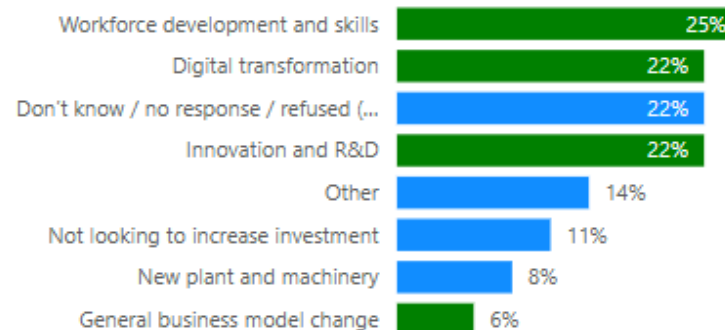
Current challenges facing firms (%)



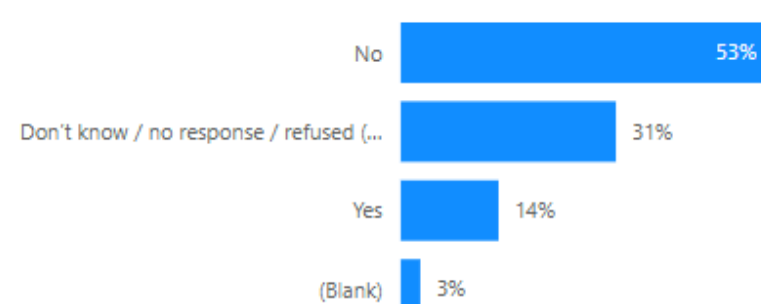
Future support needs (%)



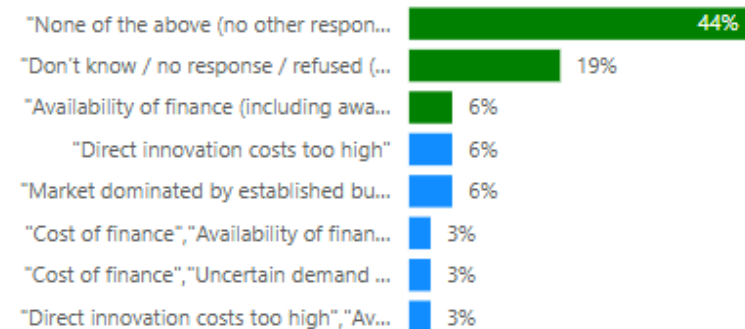
Main area for investment (%)



Innovation activity (%)



Barriers to innovation (%)



OGS LOCAL AUTHORITY DATA - GREATER MANCHESTER SUMMARY

Responses

786

Respondents

675

Local Authority

All

Sector

All

Size Band

All

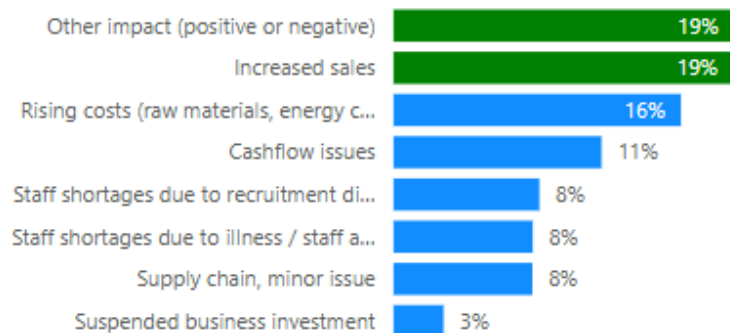
Submitted Date

02/12/2024

02/03/2025

HOME

Economic Impact



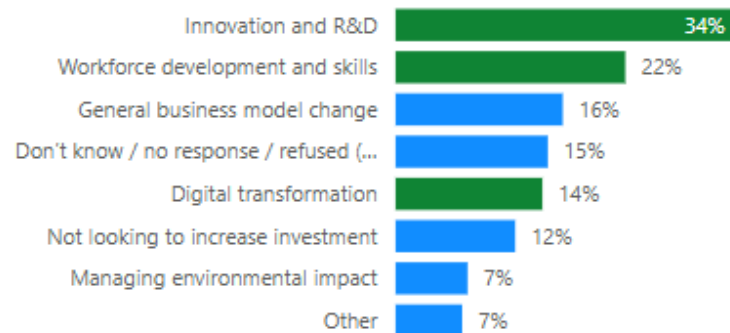
Current challenges facing firms (%)



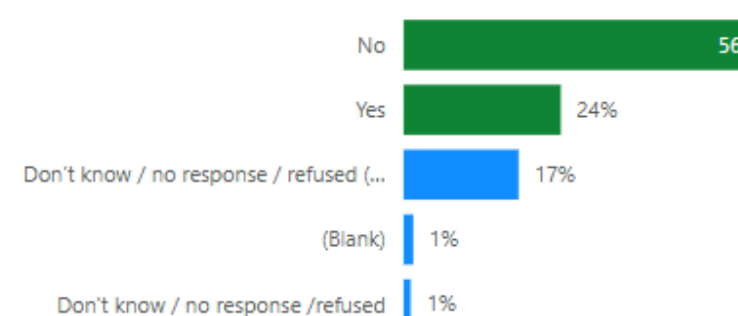
Future support needs (%)



Main area for investment (%)



Innovation activity (%)



Barriers to innovation (%)



OGS LOCAL AUTHORITY DATA - BOLTON

Responses **47** Respondents **39**

Local Authority

Sector

Size Band

Submitted Date

Bolton

All

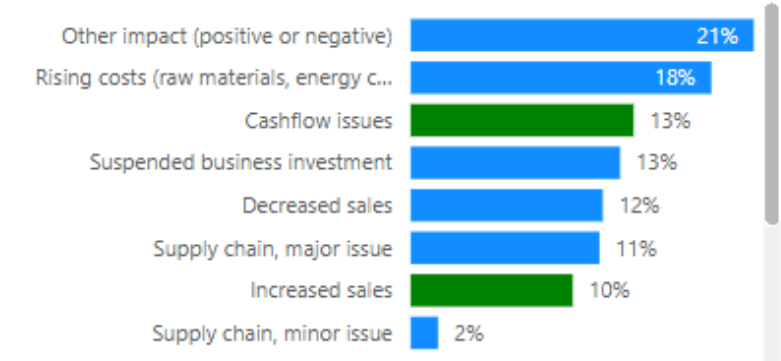
All

02/12/2024

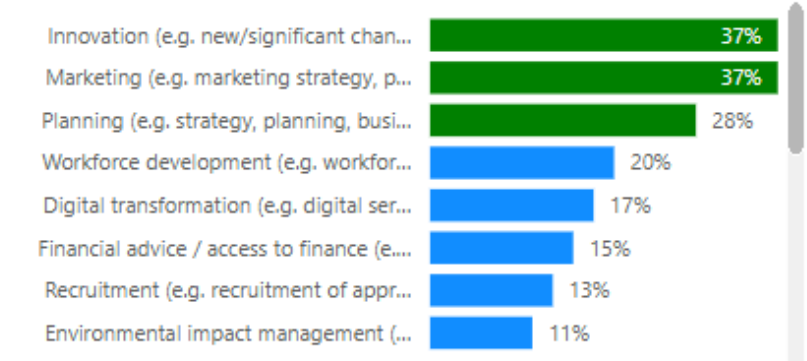
28/02/2025

HOME

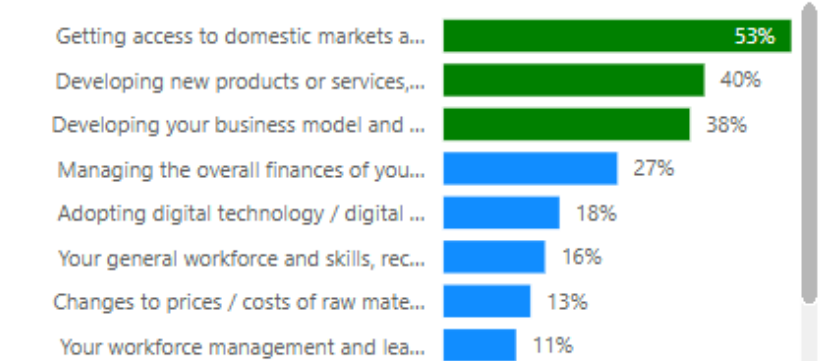
Economic Impact



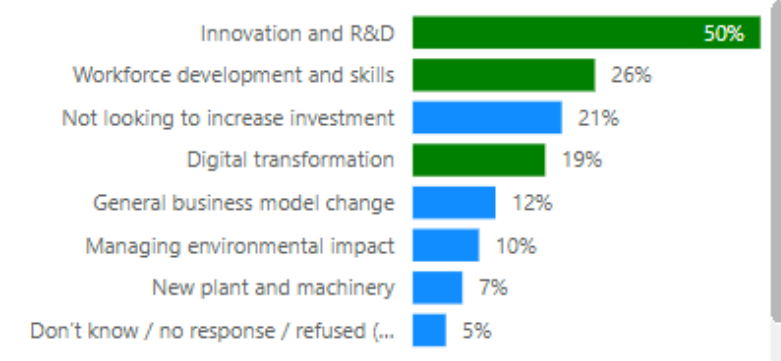
Current challenges facing firms (%)



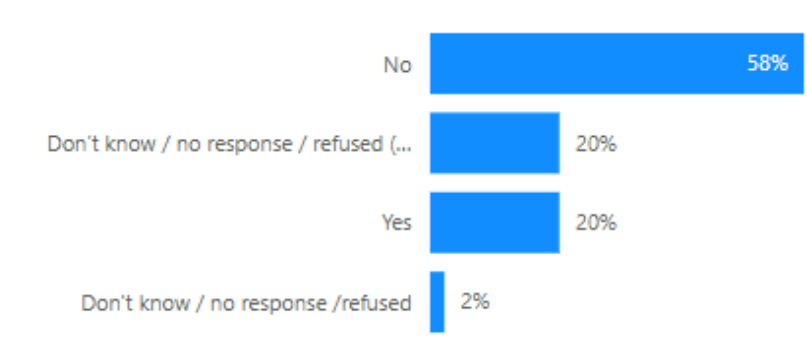
Future support needs (%)



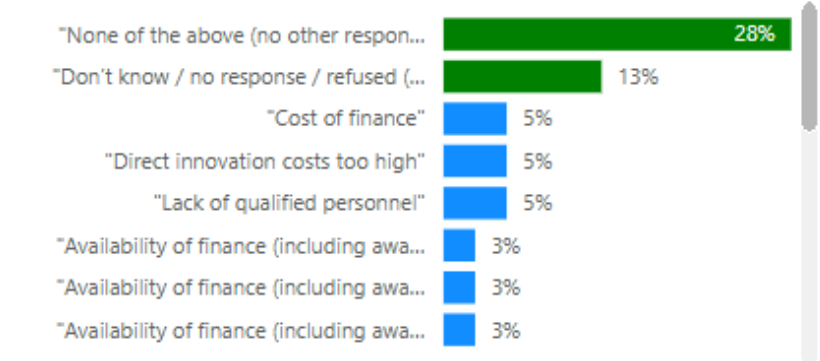
Main area for investment (%)



Innovation activity (%)



Barriers to innovation (%)



Local Authority

Sector

Size Band

Submitted Date

Bury

All

All

02/12/2024

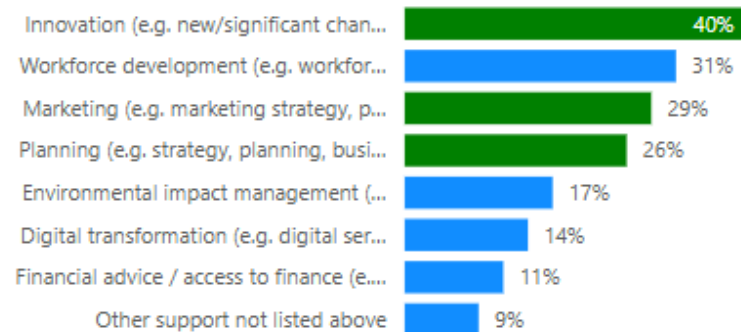
02/03/2025

HOME

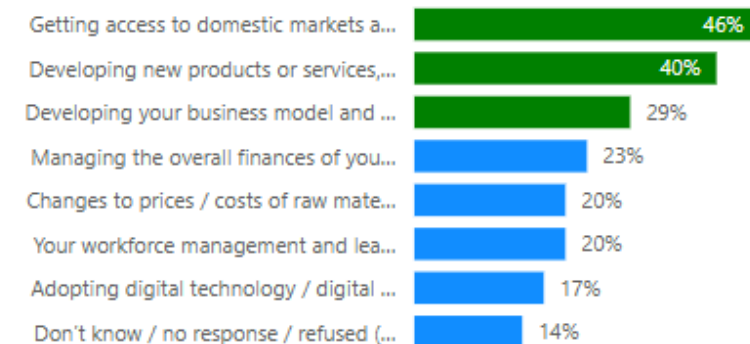
Economic Impact



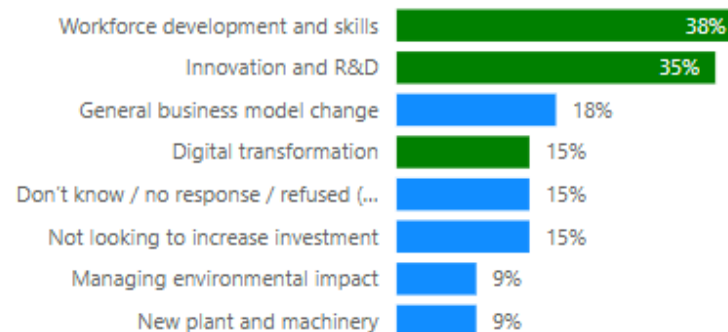
Current challenges facing firms (%)



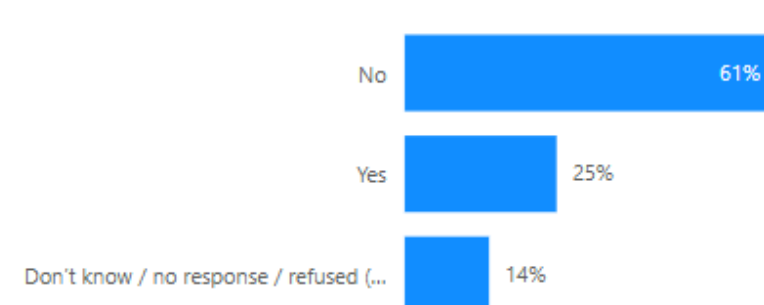
Future support needs (%)



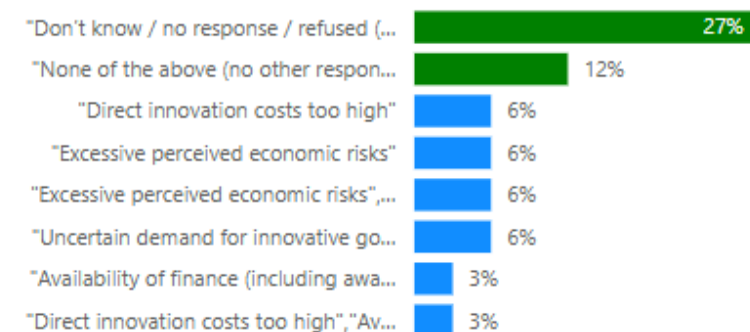
Main area for investment (%)



Innovation activity (%)



Barriers to innovation (%)



OGS LOCAL AUTHORITY DATA - MANCHESTER

Responses
283

Respondents
228

HOME

Local Authority



Manchester

Sector

All

Size Band

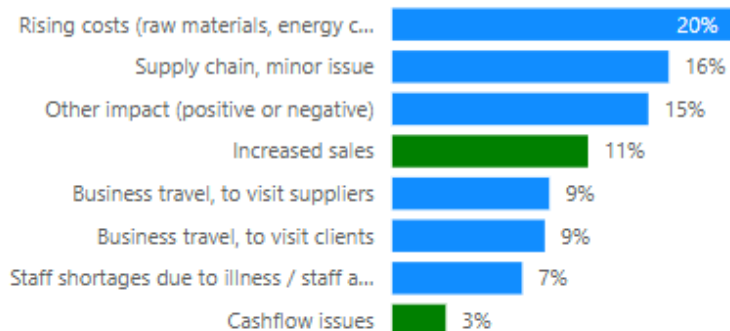
All

Submitted Date

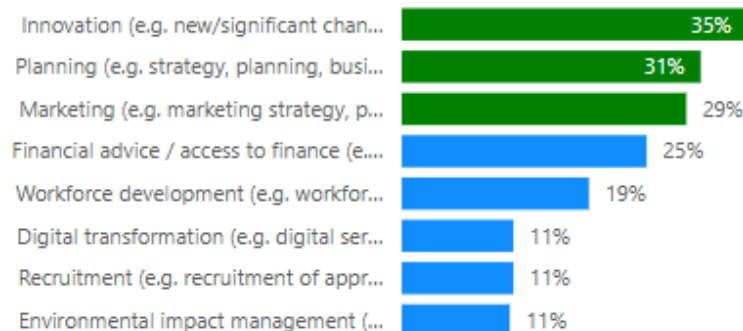
02/12/2024

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Economic Impact



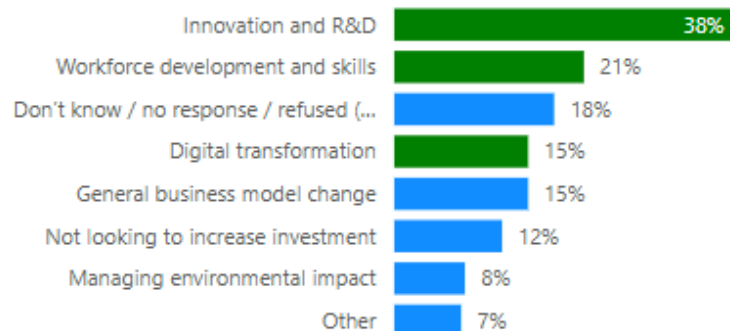
Current challenges facing firms (%)



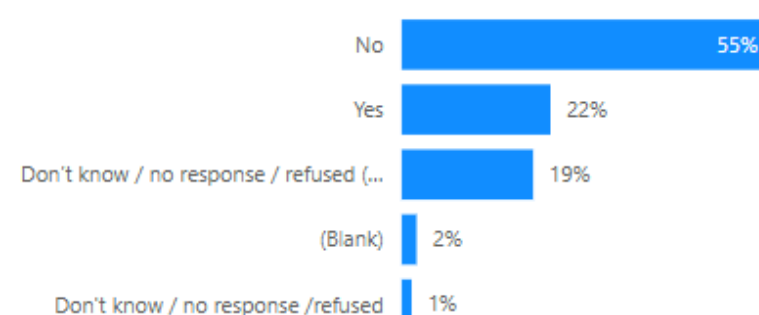
Future support needs (%)



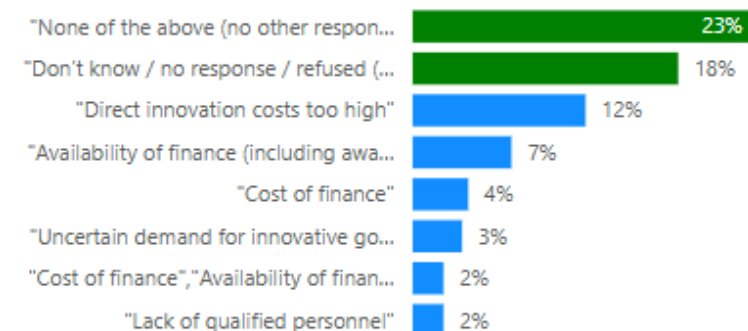
Main area for investment (%)



Innovation activity (%)



Barriers to innovation (%)



OGS LOCAL AUTHORITY DATA - OLDHAM

Responses **44** Respondents **40**

Local Authority

Sector

Size Band

Submitted Date

Oldham

All

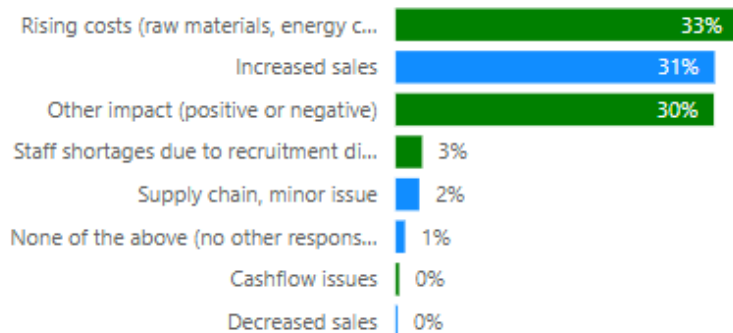
All

02/12/2024

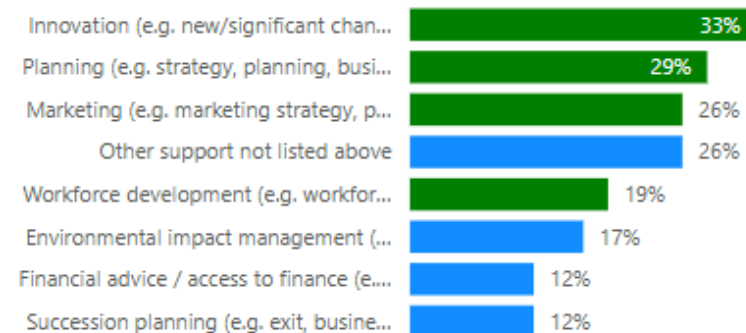
28/02/2025

HOME

Economic Impact



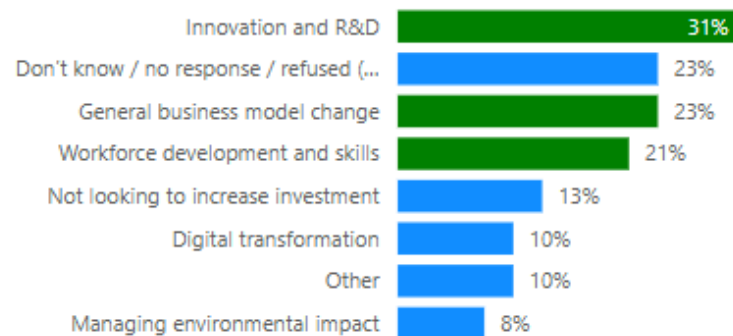
Current challenges facing firms (%)



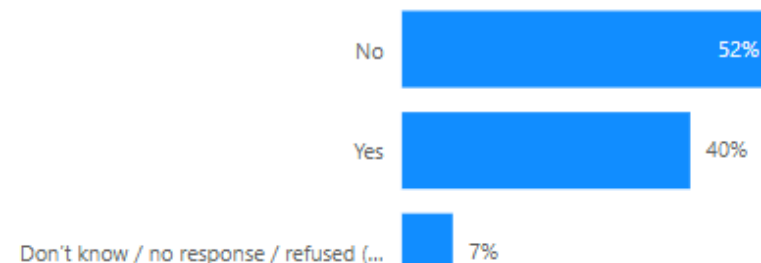
Future support needs (%)



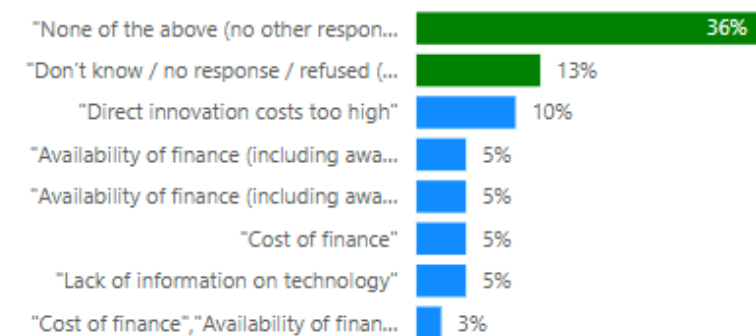
Main area for investment (%)



Innovation activity (%)



Barriers to innovation (%)



OGS LOCAL AUTHORITY DATA - ROCHDALE

Responses **52** Respondents **45**

Local Authority Rochdale |
 Sector All |
 Size Band All |
 Submitted Date 02/12/2024 - 28/02/2025

[HOME](#)

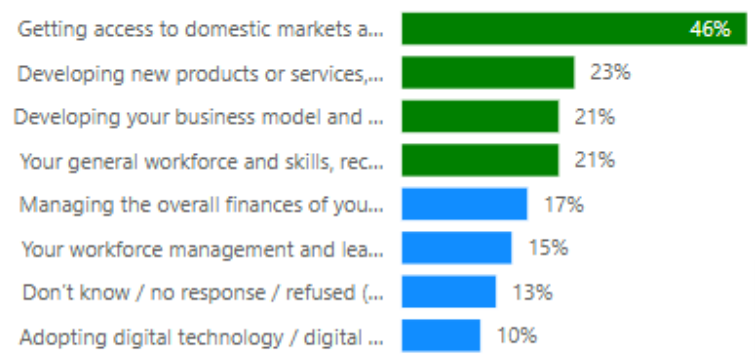
Economic Impact



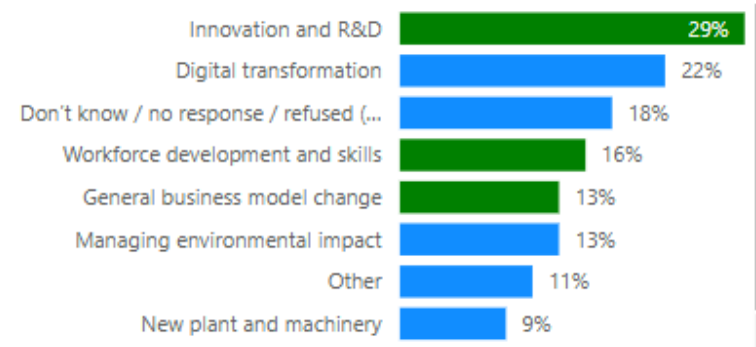
Current challenges facing firms (%)



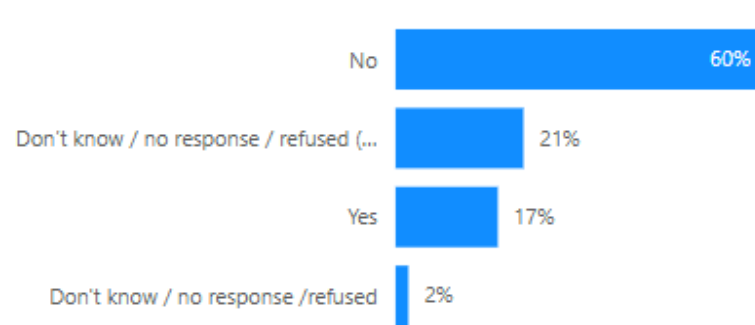
Future support needs (%)



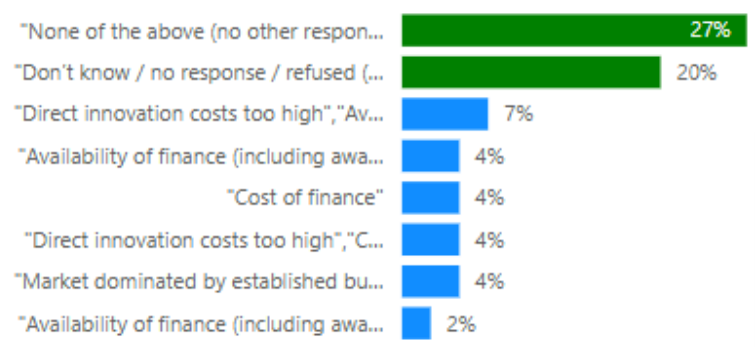
Main area for investment (%)



Innovation activity (%)



Barriers to innovation (%)



Local Authority

Sector

Size Band

Submitted Date

Salford

All

All

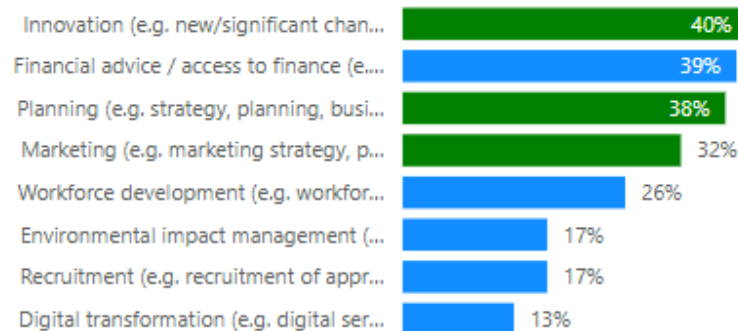
02/12/2024

02/03/2025

Economic Impact



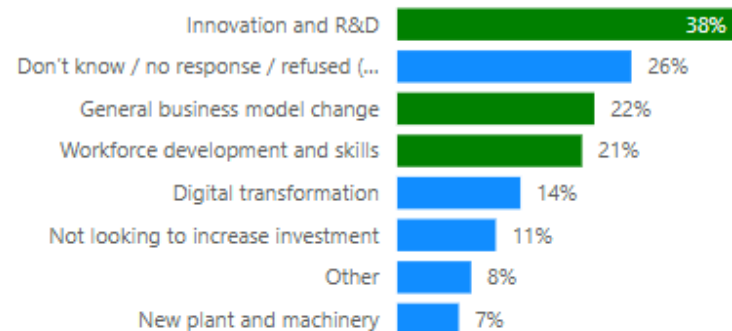
Current challenges facing firms (%)



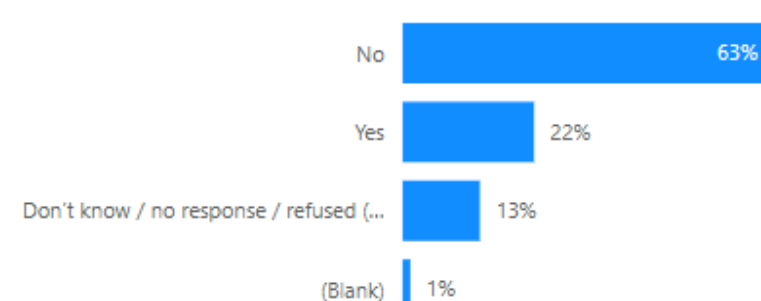
Future support needs (%)



Main area for investment (%)



Innovation activity (%)



Barriers to innovation (%)



OGS LOCAL AUTHORITY DATA - STOCKPORT

Responses

84

Respondents

78

Local Authority

Stockport

Sector

All

Size Band

All

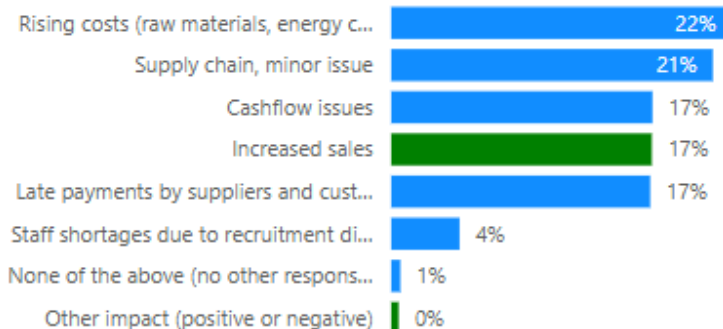
Submitted Date

02/12/2024

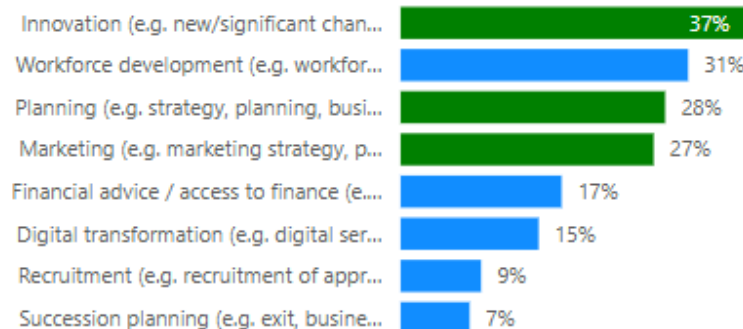
02/03/2025

HOME

Economic Impact



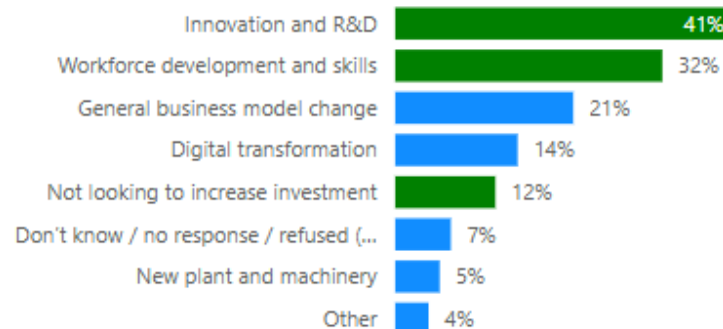
Current challenges facing firms (%)



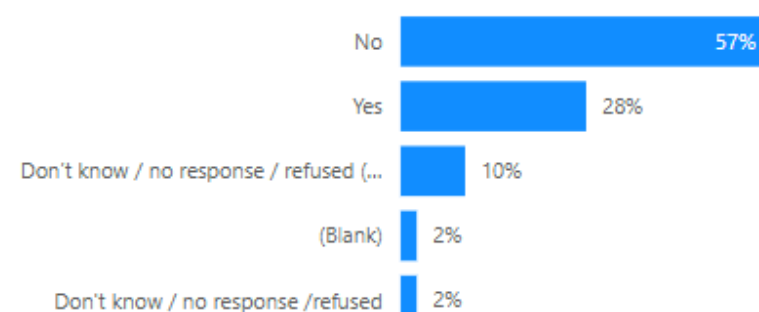
Future support needs (%)



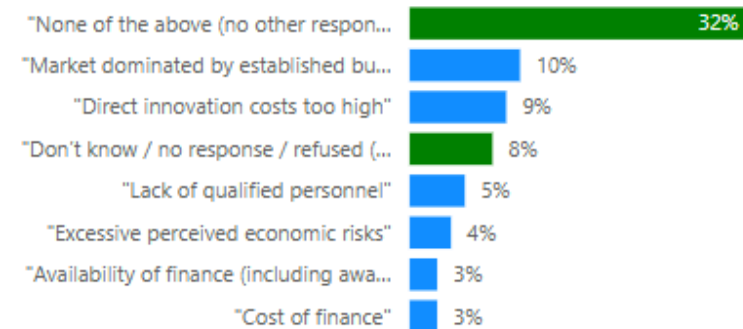
Main area for investment (%)



Innovation activity (%)



Barriers to innovation (%)



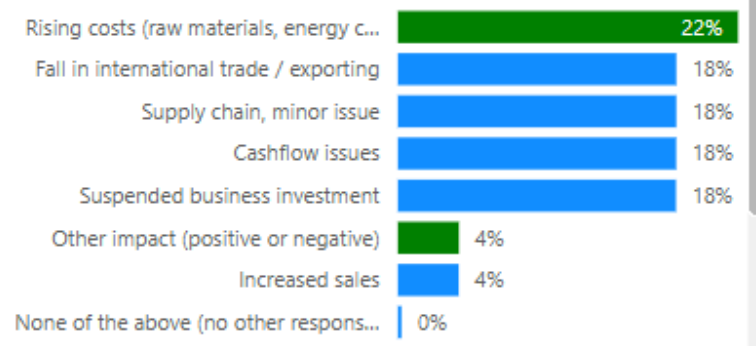
OGS LOCAL AUTHORITY DATA - TAMESIDE

Responses: 39
Respondents: 36

Local Authority: Tameside
Sector: All
Size Band: All
Submitted Date: 02/12/2024 to 02/03/2025

HOME

Economic Impact



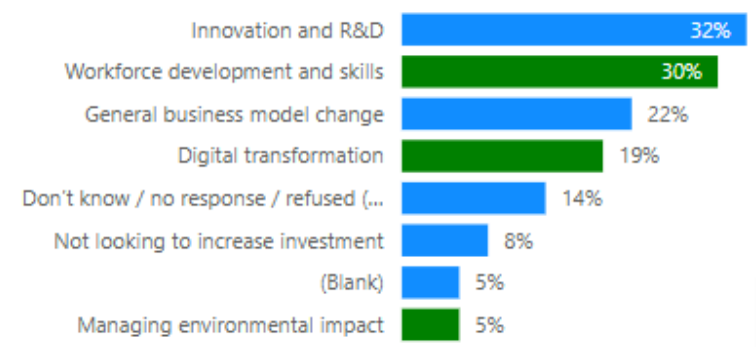
Current challenges facing firms (%)



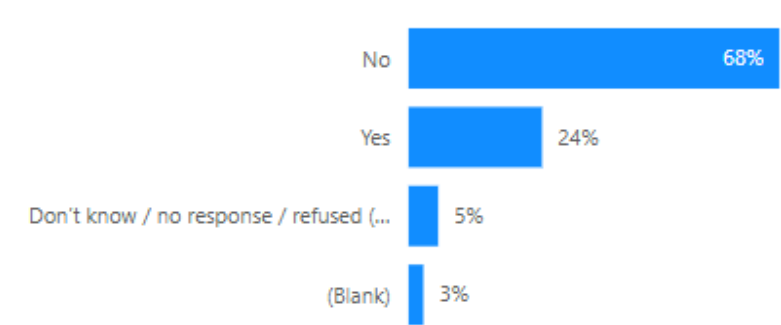
Future support needs (%)



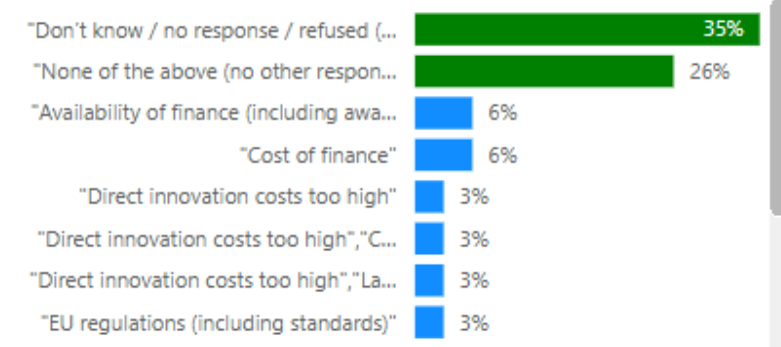
Main area for investment (%)



Innovation activity (%)



Barriers to innovation (%)



OGS LOCAL AUTHORITY DATA - TRAFFORD

Responses

63

Respondents

59

Local Authority

Trafford

Sector

All

Size Band

All

Submitted Date

02/12/2024

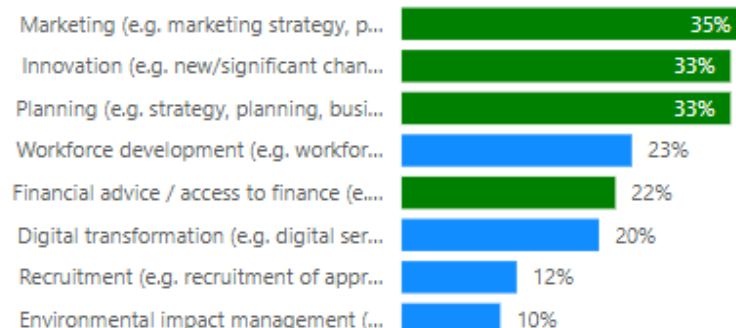
28/02/2025

HOME

Economic Impact



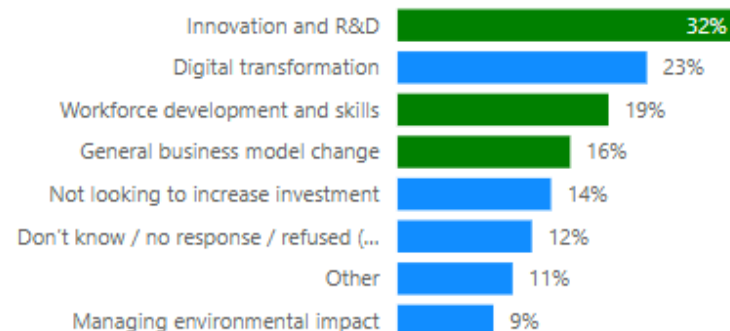
Current challenges facing firms (%)



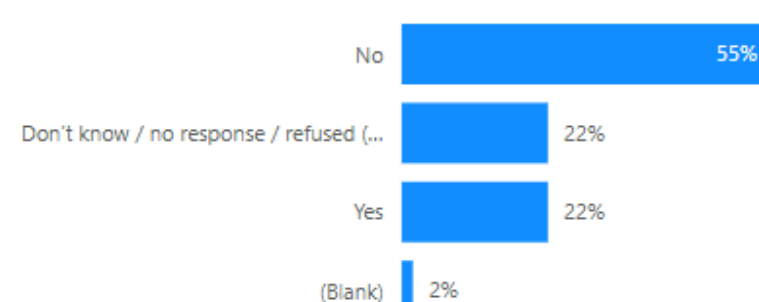
Future support needs (%)



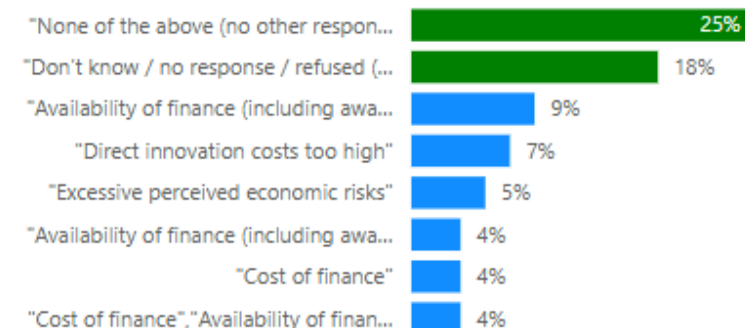
Main area for investment (%)



Innovation activity (%)



Barriers to innovation (%)



OGS LOCAL AUTHORITY DATA - WIGAN

Responses

57

Respondents

53

Local Authority

Sector

Size Band

Submitted Date

Wigan

All

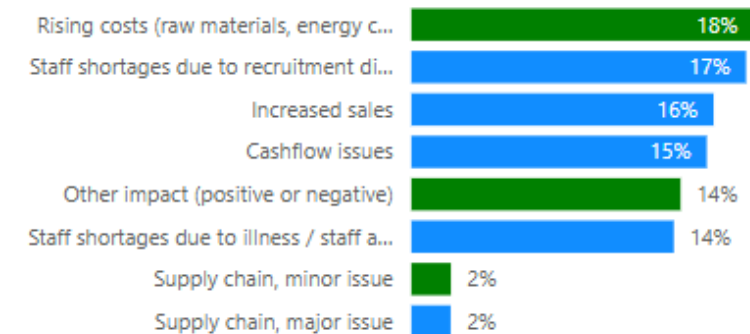
All

02/12/2024

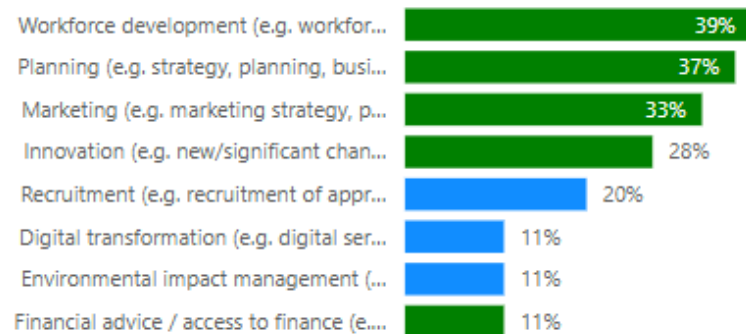
02/03/2025

HOME

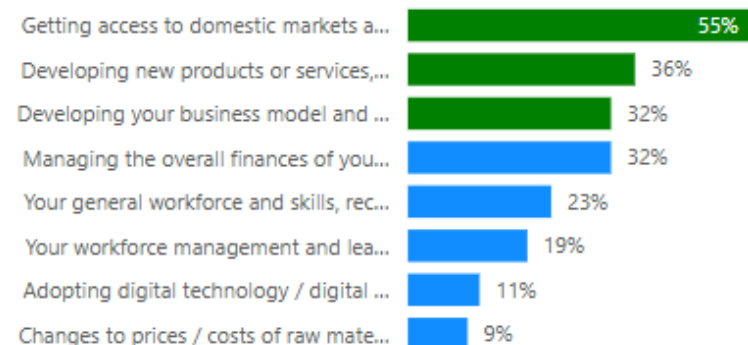
Economic Impact



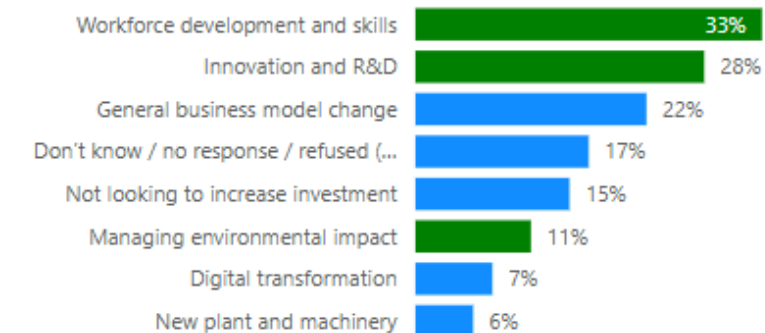
Current challenges facing firms (%)



Future support needs (%)



Main area for investment (%)



Innovation activity (%)



Barriers to innovation (%)

