

Greater Manchester: Economic update

Manchester City Council – Economic Scrutiny

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New Economy

Today

- Greater Manchester strategic context
- Future growth potential of Greater Manchester
- Opportunities and challenges of growth

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BURY

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ROCHDALE
SALFORD

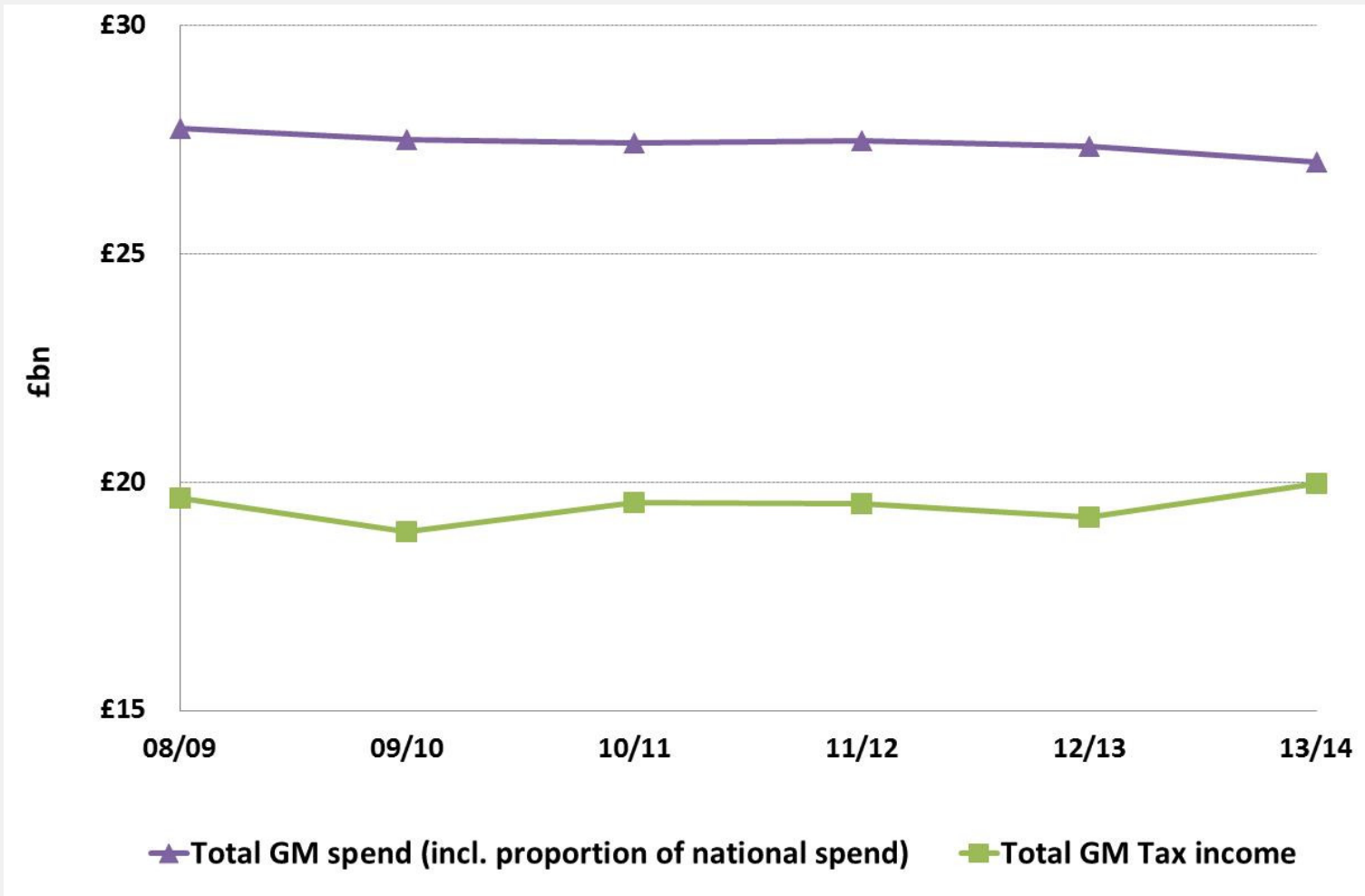
STOCKPORT
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Background: Greater Manchester

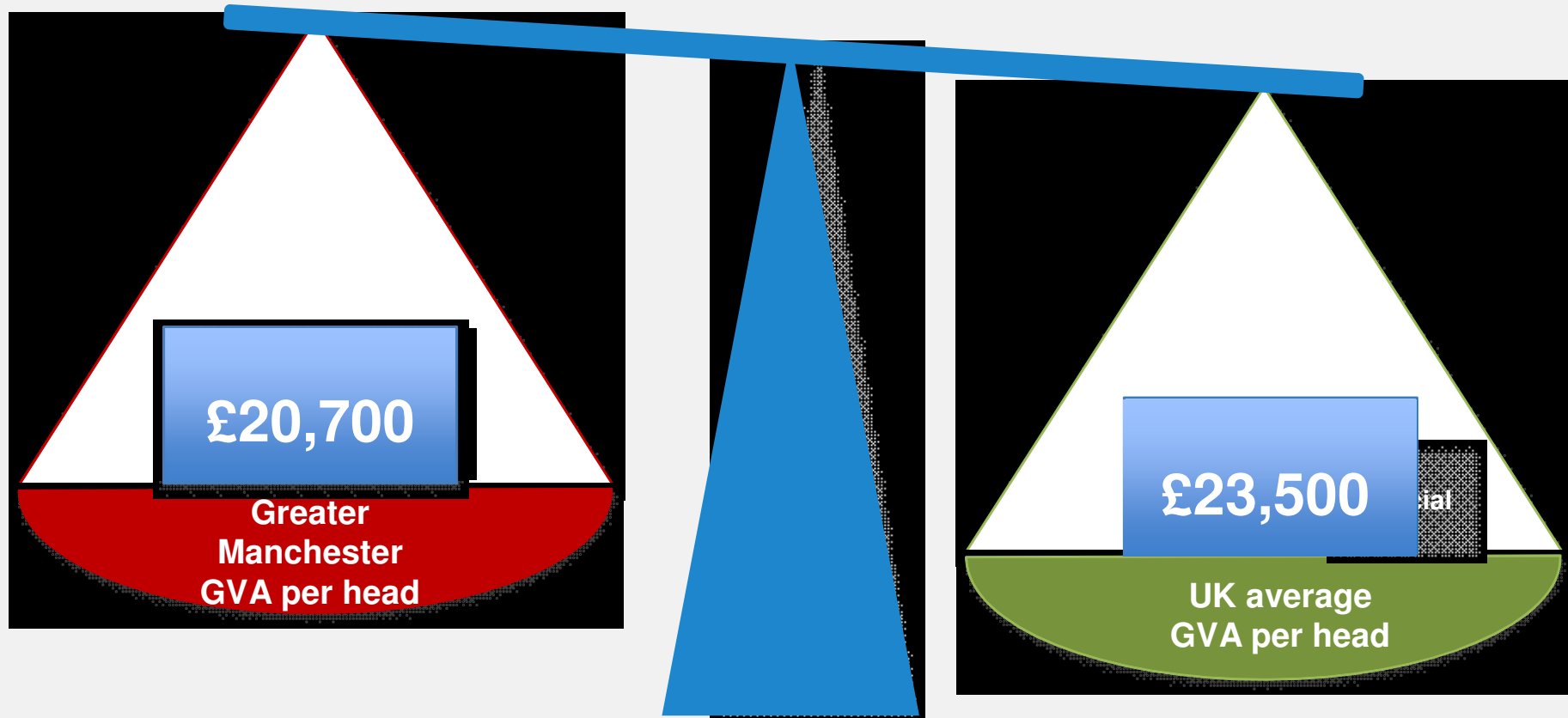


Challenge 1: gap between tax and spend



Estimated fiscal gap of £8.1bn in 2008/09, narrowing to £7.0bn in 2013/14 (a 13.2% reduction)

Challenge 2: the £8bn productivity gap



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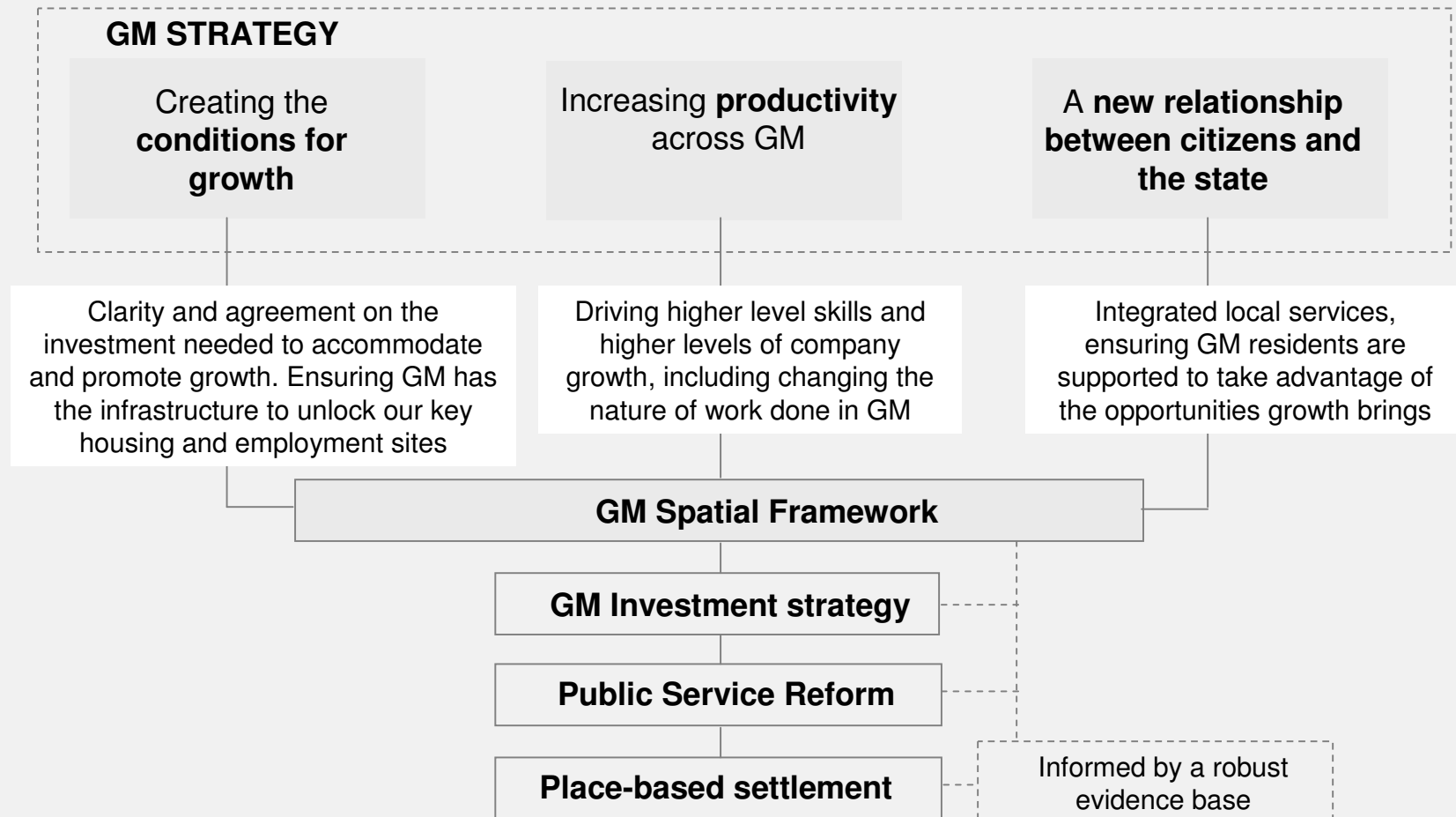
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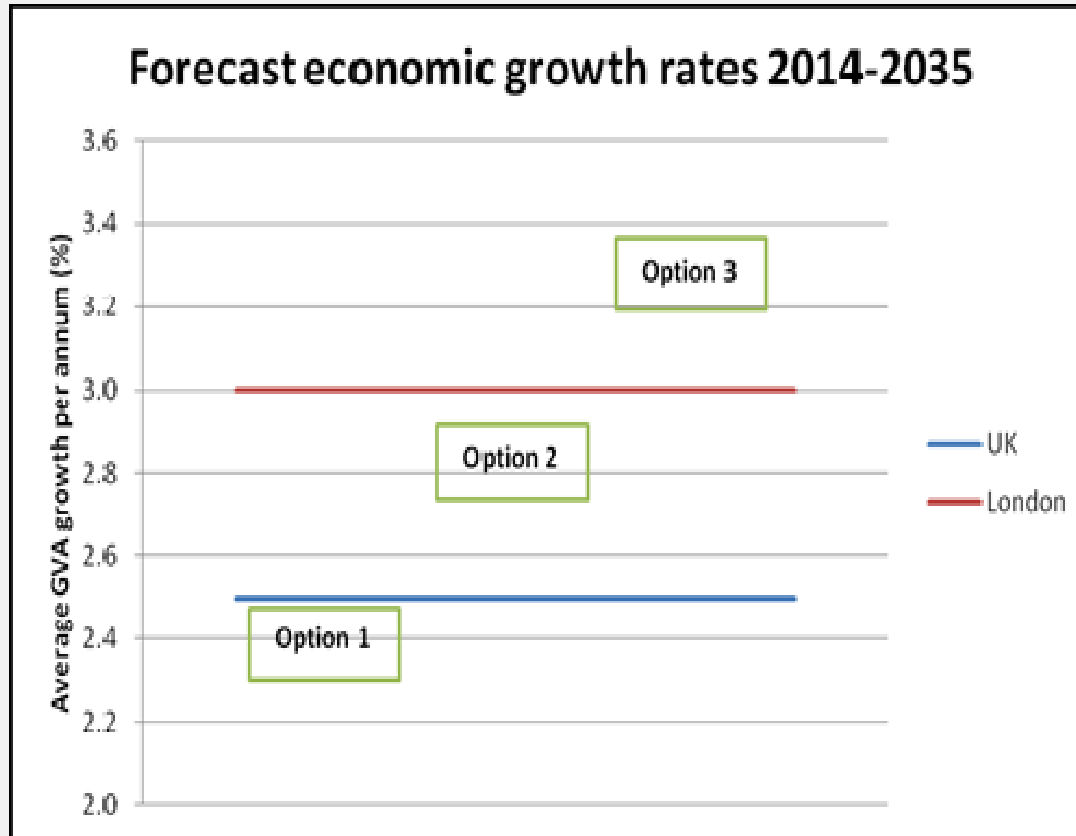
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Our priorities – quick summary



Strategic growth options



Option 3 – ‘Higher’ growth scenario
16,000 homes pa

Option 2 – Objectively Assessed Need
10,350 homes pa

Option 1 – current ‘policy on’ option – utilise existing land supply
7,300 homes pa

Deep dive research: background

- Aims to identify how all parts of GM can play full role in meeting growth ambitions, as set out in the GMSF consultation document paras 3.11-3.13:
 - *“A relatively small number of locations will make a disproportionate contribution to sub-regional economic growth, and their success will be fundamental to Greater Manchester’s prospects. Nevertheless, it will be essential that all parts of Greater Manchester are able to find a strong and positive economic function to support future growth and to maximise their ability to share in its benefits.*
 - *The need to enhance the economic role of parts of Greater Manchester will be a priority for the GMSF, building on the potential opportunities afforded by the wider Northern Powerhouse proposals. The Deep Dive work will contribute to the demand and supply side evidence about the strengths of the local economy. This must be focused on securing net additional investment to Greater Manchester if long-term sub-regional growth prospects are to be enhanced.*
 - *Major interventions may be required to exploit this potential and transform the growth prospects, both in terms of employment and housing (as well as labour market and skills) of these areas, so that they are better able to attract investment targeted at more than just the local market.”*

Realising the Northern Powerhouse ambition – indication of the scale of growth required up to 2035



**301,000 more people,
population over 3m**



Employment



**221,000 net new jobs,
but need to replace
170,000 each year to
2035**



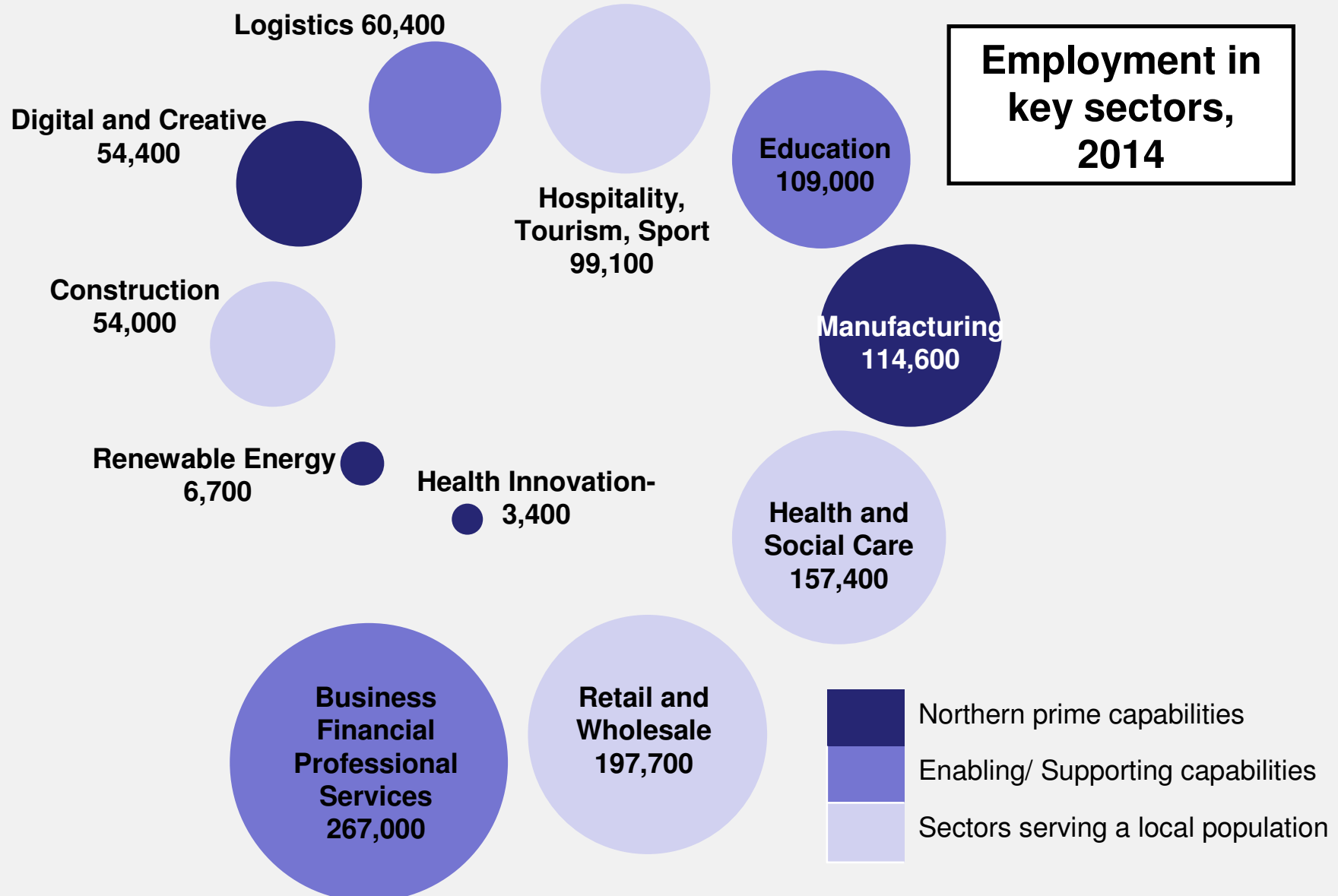
**81% resident
employment, up from
74% in 2014**



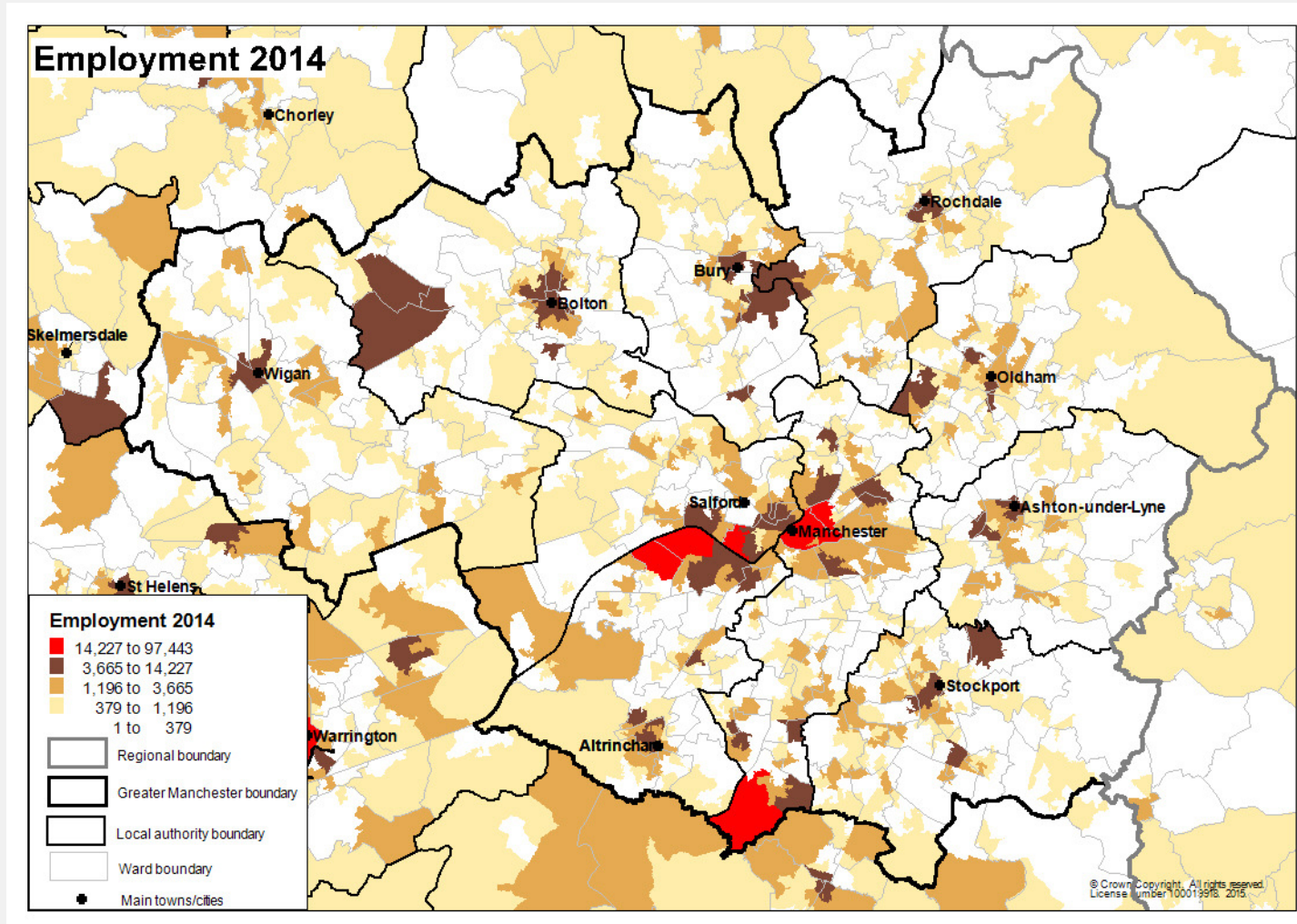
**Productivity growth of
2.1% per annum**



Greater Manchester's economic strengths

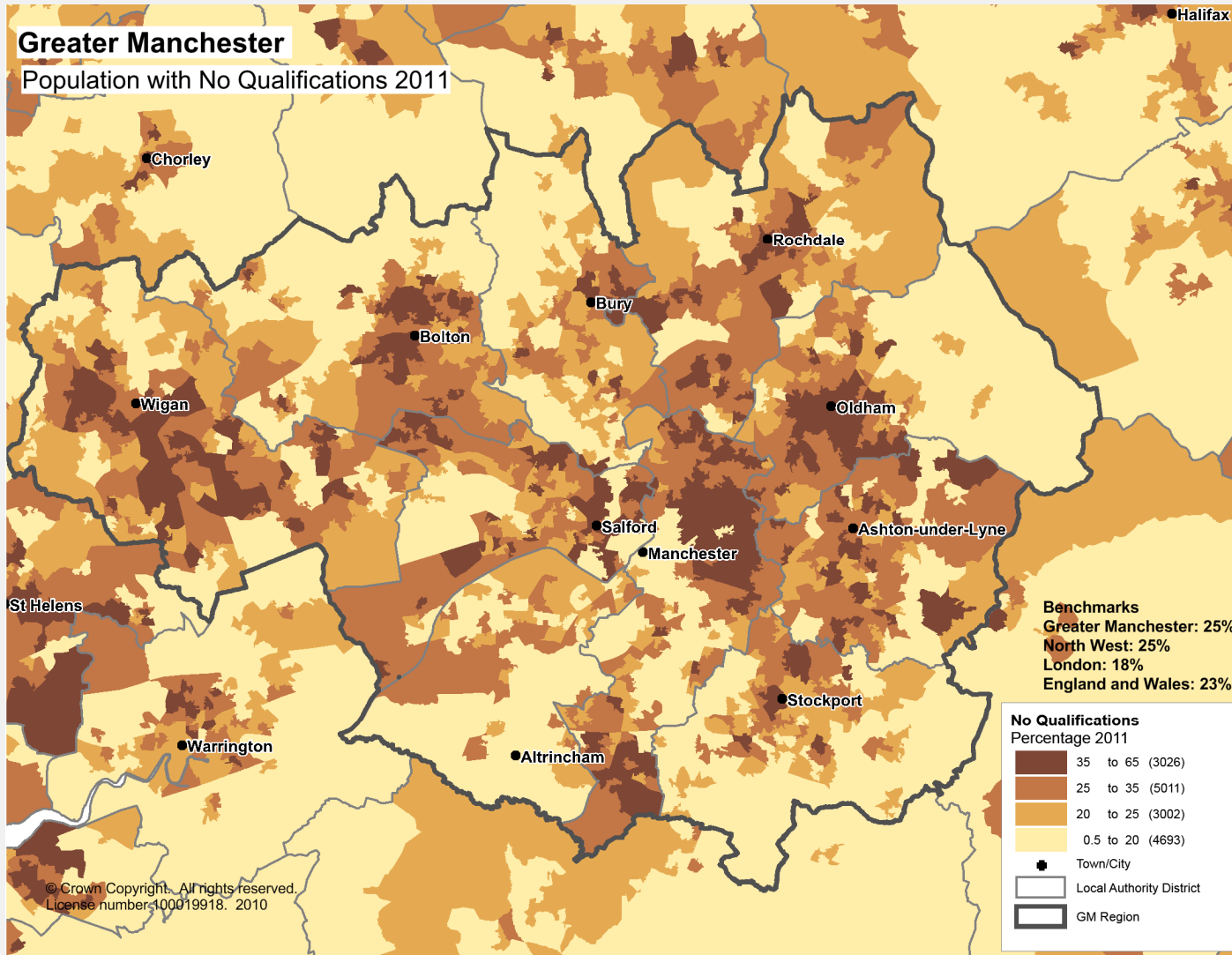


Greater Manchester's economic geography



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Raising skills performance is critical



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Implications of accelerated growth

- Significant potential, but growth should not be taken for granted – we need to invest to ensure that potential is achieved
- Major infrastructure impacts – transport, employment, land, housing & energy
- Significant local service pressures – education, health & social care, and leisure
- Addressing the skills challenge is key to ensure we have a healthy population able to contribute to, and benefit from, economic growth
- For all parts of GM find a strong and positive economic function will require a long-term and multifaceted approach aligning planning, economic growth, transport, investment, and reform activity