

**Manchester City Council  
Report for Resolution**

**Report to:** Economy Scrutiny Committee – 6 September 2017  
**Subject:** The refreshed Greater Manchester Strategy  
**Report of:** Strategic Director (Development)

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**Summary**

The report provides the refreshed Greater Manchester Strategy (GMS) for consideration by Members and summarises the priorities set out within that strategy.

**Recommendations**

That the Scrutiny Committee members note and comment on the content of this report.

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**Wards Affected:** All

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**Background documents (available for public inspection):**

The following documents disclose important facts on which the report is based and have been relied upon in preparing the report. Copies of the background documents are available up to 4 years after the date of the meeting. If you would like a copy please contact one of the contact officers above.

- Refreshing the GM Approach (GMCA, 30 June 2016)
- GM Strategy Refresh (GMCA, 24 February 2017)
- GM Strategy Refresh (GMCA, 28 July 2017)

## **1.0 Introduction**

- 1.1 A refreshed draft of the Greater Manchester Strategy (GMS) was approved by the GMCA at its meeting on 28 July. The strategy will be publically launched at an event to be scheduled in early autumn. This report provides an overview of that strategy (attached at Annex A) and the priorities within it.

## **2.0 Background**

- 2.1 The first Greater Manchester Strategy (GMS) was produced in 2009, in response to the Manchester Independent Economic Review, and subsequently refreshed and repositioned in 2013 to better reflect more challenging global economic conditions and the importance of the public service reform agenda to the achievement Greater Manchester's strategic ambitions.
- 2.2 The GMS, built on the twin pillars of Growth and Reform, has set the strategic framework for policy development across Greater Manchester and has helped to place Greater Manchester at the forefront of the national debate on devolution. However, the context in which Greater Manchester operates has changed significantly since the GMS was last refreshed in 2013, and the Greater Manchester agenda has moved on considerably. On that basis, the GMCA agreed at its meeting in June 2016 to revisit and once again refresh Greater Manchester's strategic approach, reassessing the issues and opportunities that the strategy needs to address, and re-examining the interventions required to drive growth and reform across the conurbation.
- 2.3 In refreshing the strategy this time it was agreed that a different approach to engagement was required. Mirroring the approach taken by the City Council in the development of the Our Manchester Strategy, a 'big conversation' was launched (managed by the Manchester City Council communications team, on behalf of the GMCA), running throughout December 2016 and early January 2017, encouraging all stakeholders to contribute to the development of the refreshed strategy.
- 2.4 Stakeholders were engaged in the conversation in a variety of different ways - digital, offline and face to face – with the aim of understanding people's ambition for Greater Manchester. Respondents were asked what they want the city region to be like by 2040, what the challenges are that we face and how we could collectively and individually overcome them.
- 2.5 518 people completed an online questionnaire, 141 postcards were returned, 800 on-street interviews were conducted and there were 6,276 social media 'interactions' (i.e. comments, likes or shares). The relatively low response rate is perhaps indicative that there is currently a lack of awareness amongst GM residents of the role of the GMCA: in comparison, over 2,300 people contributed their views through the Our Manchester consultation, including through the completion of 200 detailed online questionnaires, 800

contributions to the MyDreamMCR website and 400 offline responses. In addition, there were 7,800 social media interactions. This emphasises the importance of producing a GM Strategy that articulates the vision and objectives of the GMCA to all stakeholders, and clearly sets out what we are seeking to deliver at GM level by 2035.

- 2.6 Following the consultation a draft strategy was produced in February 2017 which built on GM's priorities around 'Growth and Reform' and 'People and Place' and reflected the things that, through an extensive public conversation, GM residents, businesses and partners said were important to them. However, at the February GMCA meeting it was agreed that the development of the GMS be deferred until after the May 2017 election to allow the GM Mayor to contribute to its drafting.
- 2.7 Following the election of the Mayor, the GMS refresh process was restarted and an updated strategy has now been developed which takes account of:
- the consultation that informed the draft produced in February;
  - Mayoral manifesto commitments, developed in response to the consultation conducted by Andy Burnham in the run up to the election;
  - the need to maintain a high level strategy that balances economic and social policy goals, focused around "living well in GM";
  - new portfolio responsibilities for Leaders and Chief Executives and the commitment to identify clear deliverables for 2017/18 (and beyond); and
  - the need to provide a foundation for a GM local industrial strategy.

### **3.0 The Refreshed Strategy**

- 3.1 The GM vision set out in the strategy is as follows:

"Our vision is to make Greater Manchester one of the best places in the world to grow up, get on and grow old.

A place where all children are given the best start in life and young people grow up inspired to exceed expectations.

A place where people are proud to live, with a decent home, a fulfilling job, and stress-free journeys the norm. But if you need a helping hand you'll get it.

A place of ideas and invention, with a modern and productive economy that draws in investment, visitors and talent.

A place where people live healthy lives and older people are valued.

A place where all voices are heard and where, working together, we can shape our future"

- 3.2 It should be noted that, at the request of the GMCA, the vision will be amended in the final, publication version of the strategy to include "A place at

the forefront of action on climate change, with clean air and a flourishing natural environment”, to reflect the GMCA’s commitment to addressing climate change.

- 3.3 The two themes of people and place run throughout the revised strategy, with a narrative based on “living well in GM” and the strategy structured around 10 strategic priorities, aligned to a GM Outcomes Framework that demonstrates what the strategy will deliver by 2035. The strategy has been developed to respond to issues that cut across multiple policy and organisational boundaries in an integrated way.
- 3.4 The ten strategic priorities are:
- Children starting school ready to learn;
  - Young people equipped for life;
  - Good jobs, with opportunities for people to progress and develop;
  - A thriving and productive economy in all parts of Greater Manchester;
  - World class connectivity that keeps Greater Manchester moving;
  - Safe, decent and affordable housing;
  - A green city region and a high quality culture and leisure offer for all;
  - Safe and strong communities;
  - Healthy lives, with quality care available for those that need it;
  - An age-friendly Greater Manchester.
- 3.5 Under each priority a high level statement of the issues, objectives and areas for action is provided, as well as identifying the relevant GM portfolios, strategies, desired outcomes and indicators of success. Cross cutting issues (for example the approach to the development of strategies for digital industries and town centres) appear in various places where relevant to that priority.

#### **4.0 A local Industrial Strategy for GM**

- 4.1 In line with GM’s response to the Government’s Industrial Strategy Green Paper (attached at Annex B), the refreshed GMS has also been designed to provide the framework for a local Industrial Strategy at GM level and is intended to demonstrate how national and local strategies can complement and reinforce each other, backed up with investment, and emphasise the importance of “place-based” settlements that will enable local leaders to drive inclusive growth in their areas.
- 4.2 The GMS sets out how the GMCA will build on core strengths to drive inclusive growth across the city region, including:
- our concentration of science, research and innovation assets. Our universities give us the largest concentration of excellence in health research nationally outside South East England and, in advanced materials, a unique opportunity to develop ‘Graphene City’, bringing together world-leading science with business to create jobs and growth;

- our globally-competitive manufacturing sector, with niche strengths in advanced materials; textiles; chemicals; and food & drink. Greater Manchester's small and medium sized manufacturers also play critical roles in national and global supply chains;
- our vibrant digital sector, which through assets such as MediaCityUK, the Farr Institute, the CityVerve project, Jodrell Bank, Hartree Centre, and the associated tech cluster, make Greater Manchester the UK's second digital hub;
- our cultural and sporting economy, underpinned by national assets such as theatre at the Lowry and The Royal Exchange, galleries at Manchester Art Gallery and the Whitworth, our world renowned music scene, new, original works at the Manchester International Festival and Factory, the Halle orchestra, globally leading football and rugby league clubs, and world-class sporting facilities for cycling, cricket, and swimming;
- our well-developed local and strategic transport networks, The region has excellent air, road, rail and water connectivity, with Metrolink being the UK's most successful light rail network. Manchester Airport now serves over 200 destinations, more than any other UK airport, with more than 3 million passengers passing through the airport in July 2017;
- our dynamic regional centre, which has fuelled jobs growth in public and private sector service industries in recent years, and our town and district centres which are increasingly important for jobs and homes across the conurbation; and
- our highly trained workforce which includes one of the largest graduate pools in Europe, a strong concentration of STEM graduates and postgraduates, and a long and successful history of entrepreneurship and enterprise.

## **5.0 Implementing the Strategy**

5.1 Work is now underway to develop a GMS Implementation Plan. The Implementation Plan will define the deliverables that will be achieved over the coming months and years and – given that GMS is currently a relatively high level strategy – will be crucial in setting out the specific actions required to deliver the strategy objectives. The Implementation Plan will be reviewed and updated on a 6 monthly basis.

5.2 Significant work has been undertaken to develop a GM Outcomes Framework (page 12 of the Strategy), which maps from the vision, through to the strategic priorities and then on to set out the outcomes that will be delivered and the impact that these will have on a range of performance measures, including (amongst others):

- meeting the national average for the proportion of children reaching a 'good level of development' by the end of reception;
- median resident earnings exceeding £23,000;
- 100,000 more residents earning above the National Minimum Wage;
- 5% per annum growth in attendance at cultural events and venues; and

- 33,600 more people per annum supported with evidence-based psychological therapies.

5.3 The scope of the refreshed GMS covers a wider range of policy areas than is under the remit of the LEP, the GMCA or GM districts and therefore the Implementation Plan will also cover activities of partner organisations and could include specific commitments from districts and partner organisations around implementation. Going forward, the Implementation Plan and Outcomes Framework will be central tools in monitoring progress and assessing progress against our ambitions. A first full draft of the Implementation Plan will be produced for consideration by the GMCA in September. Progress in relation to the Outcomes Framework will be reported on an annual basis.

## **6.0 Implications for Manchester City Council**

6.1 The refreshed Greater Manchester Strategy provides a helpful framework at Greater Manchester level to support the implementation of the Our Manchester Strategy. The two strategies are complementary and mutually reinforcing and although structured differently, the ten strategic priorities that depict “living well in GM” align well with the five themes of Our Manchester:

- A thriving and sustainable city;
- A highly skilled city;
- A progressive and equitable city;
- A liveable and low carbon city;
- A connected city.

6.2 For example, Priority 2 in the GMS – “Young People equipped for life” – sets out how work at a GM level will support:

- good primary education and a successful transition to secondary education, with children attending and attaining throughout;
- a successful transition out of school, equipped for work and life-long learning; and
- specialist support for those that need it.

6.3 These commitments align closely to a number of the “we wills” in the Our Manchester Strategy, including (amongst others):

- inspire the next generation to be the best they can be and provide them with the knowledge, skills and resilience they require to succeed;
- reform services for children and families, increasing the number of children arriving at school ready to learn and increasing their life chances, supporting their future independence;
- improve school results so that they are significantly better than the UK average;
- aim to be the UK’s youth capital.

6.4 Similarly, Priority 5 in the GMS – “World class connectivity that keeps Greater Manchester moving” – sets out how GM will:

- provide an integrated public transport system that is affordable and reliable;
  - reduce congestion and improve air quality;
  - provide connections to the world; and
  - provide world class digital infrastructure.
- 6.5 These commitments align closely to the “we wills” in the Our Manchester Strategy, including:
- develop an integrated, smart and clean transport network that reflects the changing shape of the city and the way people need to move around;
  - position the city at the centre of first-class networks – locally, nationally and internationally;
  - capitalise on the increased capacity at the airport and the connectivity and logistics benefits of Airport City to boost the economy;
  - create a framework for action as a Digital City.
- 6.6 The Our Manchester Strategy “we wills” have been developed to specifically address priorities within the city and are, in many cases, more detailed than those set out in the GMS. However, the refreshed GMS provides a strategic framework at city region level that will support delivery of the 64 “we wills” within the city.
- 6.7 Similarly, successful delivery of the vision set out in the GMS will be dependent on the delivery of our vision for Manchester, as set out in the Our Manchester Strategy. As the heart of the conurbation, many of the assets and opportunities that will drive the growth of the city region are located within the city. Equally, many of the challenges facing the city region are particularly acute here in Manchester: there are still areas of intense deprivation and issues of worklessness, low skills, poor mental health, and insecure employment affect too many residents of the city. The development of a broad housing offer that meets the needs of residents and supports the economic growth agenda is critical to both the city and to Greater Manchester.
- 6.8 It is suggested that, following publication, the GMS Implementation Plan should be reviewed to ensure that the role of the city in delivering the GM vision is adequately reflected, and that the work within the city to deliver the 64 commitments set out in the Our Manchester Strategy is aligned to the GM plan to maximise the city’s contribution to achieving our shared objectives at Greater Manchester level.

**Our people; our place:  
the Greater Manchester Strategy**



# Contents

1	Introduction.....	4
2	People and place: Greater Manchester's vision and approach.....	8
3	Priority 1: Children starting school ready to learn .....	13
4	Priority 2: Young people equipped for life.....	16
5	Priority 3: Good jobs, with opportunities for people to progress and develop .....	19
6	Priority 4: A thriving and productive economy in all parts of Greater Manchester .....	22
7	Priority 5: World class connectivity that keeps Greater Manchester moving.....	28
8	Priority 6: Safe, decent and affordable housing.....	31
9	Priority 7: A green city region and a high quality culture and leisure offer for all.....	34
10	Priority 8: Safe and strong communities.....	38
11	Priority 9: Healthy lives, with quality care available for those that need it .....	42
12	Priority 10: An age-friendly Greater Manchester .....	45
13	Implementation .....	47

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**“Our vision is to make Greater Manchester one of the best places in the world to grow up, get on and grow old.**

**A place where all children are given the best start in life and young people grow up inspired to exceed expectations.**

**A place where people are proud to live, with a decent home, a fulfilling job, and stress-free journeys the norm. But if you need a helping hand you’ll get it.**

**A place of ideas and invention, with a modern and productive economy that draws in investment, visitors and talent.**

**A place where people live healthy lives and older people are valued.**

**A place where all voices are heard and where, working together, we can shape our future.”**

# 1 Introduction

- 1.1 This new strategy for Greater Manchester sets out our collective ambition to make Greater Manchester one of the best places in the world. It is a strategy for everyone in Greater Manchester – residents, the voluntary, community and social enterprise sector, businesses, and civic leaders. But the vision it sets out will only be achieved through new approaches which are shaped and driven by our communities themselves. By harnessing the strengths of Greater Manchester's people and places we can create a more inclusive and productive city region where everyone, and every place, can succeed.
- 1.2 This is the third Greater Manchester Strategy and it builds on the substantial progress we have made since the first was published in 2009 and the most recent refresh in 2013. Our previous strategies have delivered a strong drive for economic growth. This strategy builds on that experience and increases our focus on ensuring that the people of Greater Manchester can all benefit from economic growth and the opportunities it brings throughout their lives. It has been updated to ensure that the course we are steering is the right one, based around the key elements of living well in Greater Manchester (Figure 1).
- 1.3 Through digital and face-to-face engagement over the past 12 months, we have gathered a rich understanding of the ambitions our residents and businesses have for our city region and the actions we can individually, and collectively, take to achieve them. This engagement included our innovative 'big conversation' on social media and the Mayor's extensive engagement when he was drawing up his manifesto.
- 1.4 People told us that they are proud to live and work in Greater Manchester. Their efforts have been behind the economic, environmental, social and physical transformation seen in the city region over the past three decades. The incredible spirit of the people of Greater Manchester is known around the world and it is the key strength from which this strategy draws its inspiration. But we are well aware that much more needs to be done if we are to realise the full potential of Greater Manchester and all its people and communities. It is still the case that too many of our residents are left behind. Our strategy aims to tackle the underlying barriers to participation and productivity – around public services, education and skills, and infrastructure – engaging communities so that their ideas, energy and determination break down those barriers. Only then will everyone realise their potential and all parts of Greater Manchester become thriving places.
- 1.5 The decision to leave the European Union creates significant challenges and threats for Greater Manchester. Anticipating and mitigating these will be critical, while also ensuring we are prepared for new opportunities as they arise. For Greater Manchester, and the UK as a whole, the focus needs to be on raising growth and productivity, whilst improving social and economic inclusion. These are problems which have remained intractable for decades but now is the time to tackle them. A central reason why the UK's economy punches below its weight, and does not currently work for all people and places, is because the national approach to growth has not been place-focused. The Government's emerging modern Industrial Strategy needs to respond to these

challenges and provide the opportunity for a place-led, devolutionary approach to driving local economic growth.

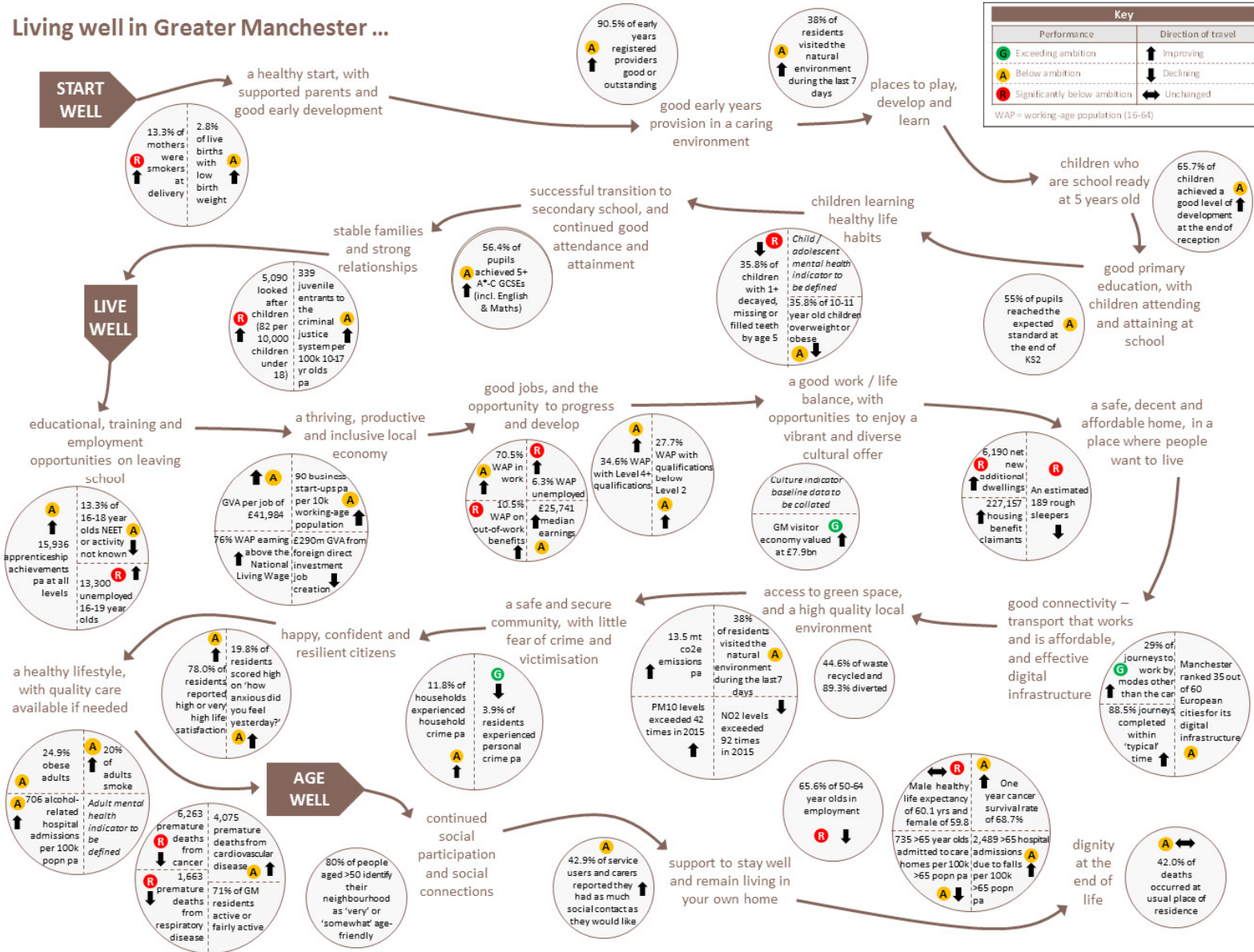
- 1.6** This Greater Manchester Strategy provides the framework for our local Industrial Strategy. It sets out how we will build on our core strengths, including:
- our concentration of science, research and innovation assets. Our universities give us the largest concentration of excellence in health research nationally outside South East England and, in advanced materials, a unique opportunity to develop 'Graphene City', bringing together world-leading science with business to create jobs and growth.
  - our globally-competitive manufacturing sector, with niche strengths in advanced materials; textiles; chemicals; and food & drink. Greater Manchester's small-medium sized manufacturers also play critical roles in national and global supply chains.
  - our vibrant digital sector, which through assets such as MediaCityUK, the Farr Institute, CityVerve, Jodrell Bank, Hartree Centre, and the associated tech cluster, make Greater Manchester the UK's second digital hub.
  - our cultural and sporting economy, underpinned by national assets such as theatre at the Lowry and The Royal Exchange, galleries at Manchester Art Gallery and the Whitworth, our world renowned music scene, new, original works at the Manchester International Festival and Factory, the Halle orchestra, globally leading football and rugby league clubs, and world-class sporting facilities for cycling, cricket, and swimming.
  - our well-developed local and strategic transport networks, The region has excellent air, road, rail and water connectivity, with Metrolink being the UK's most successful light rail network. Manchester Airport now serves over 200 destinations, more than any other UK airport.
  - our dynamic regional centre, which has fuelled jobs growth in public and private sector service industries in recent years, and our town and district centres which are increasingly important for jobs and homes across the conurbation.
  - our highly trained workforce which includes one of the largest graduate pools in Europe, a strong concentration of STEM graduates and postgraduates, and a long and successful history of entrepreneurship and enterprise.
- 1.7** The Strategy also responds to the significant challenges that remain, with some GM neighbourhoods not having shared in the benefits that economic growth brings. The deprivation that results damages the life chances of current and future generations and acts as a drag on the economic potential of the city region as a whole. That is why an approach which focuses on our people and places, based on a deep understanding of the local economy and communities, is so important. This strategy puts people at the heart of everything that Greater Manchester does and sets out our new people-centred GM-model for all our public services.
- 1.8** Greater Manchester has always been a pioneer – as the first modern metropolis we powered the industrial revolution; the co-operative movement has spread around the world; and the Manchester-led campaign to repeal the corn laws ushered in the start of

the modern global economy. The devolution journey we are on is our next pioneering moment in history. This document charts a new course for the next phase of devolution.

- 1.9** We will engage our communities in finding new approaches to achieve our goals, seeking out new voices so anyone with a stake in our city can help shape its future. We will take a confident approach to designing all services the way that we know works: around the person. We will strengthen existing, and create new, partnerships, working not just as partners within Greater Manchester but across the North and with other leading cities in the UK and internationally. We will clearly set out what we are going to deliver and be held to account for our performance. And we will continue to press for further devolution so that we have more control to deliver our ambitions for our people and our place.

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Figure 1: Living well in Greater Manchester



## 2 People and place: Greater Manchester's vision and approach

### The Greater Manchester vision

**2.1 “Our vision is to make Greater Manchester one of the best places in the world to grow up, get on and grow old.**

**A place where all children are given the best start in life and young people grow up inspired to exceed expectations.**

**A place where people are proud to live, with a decent home, a fulfilling job, and stress-free journeys the norm. But if you need a helping hand you’ll get it.**

**A place of ideas and invention, with a modern and productive economy that draws in investment, visitors and talent.**

**A place where people live healthy lives and older people are valued.**

**A place where all voices are heard and where, working together, we can shape our future.”**

**2.2 Our strategy for achieving this vision is structured around 10 priorities, reflecting the life journey:**

- Priority 1: Children starting school ready to learn
- Priority 2: Young people equipped for life
- Priority 3: Good jobs, with opportunities for people to progress and develop
- Priority 4: A thriving and productive economy in all parts of Greater Manchester
- Priority 5: World class connectivity that keeps Greater Manchester moving
- Priority 6: Safe, decent and affordable housing
- Priority 7: A green city region and a high quality culture and leisure offer for all
- Priority 8: Safe and strong communities
- Priority 9: Healthy lives, with quality care available for those that need it
- Priority 10: An age-friendly city region

**2.3 We do things differently in Greater Manchester and through more than thirty years of cooperation and partnership working between the public, private and voluntary, community and social enterprise sectors we have developed a unique approach to identifying, and tackling, the issues that matter to our people and our businesses. But we know we need to go further if we are going to deliver the transformational change we want to achieve. There are five key enablers that underpin the Greater Manchester approach:**

### **Enabler 1: Communities in control**

- 2.4 We know that we will only be able to mobilise the resources we need to fully realise our ambition if our communities are drawn together to deliver our objectives. That means everyone with a stake in our city region – including residents, business, the voluntary, community and social enterprise (VCSE) sector, as well as civic leaders – pulling together. Our districts are already taking this approach, including the pioneering Wigan Deal and the Our Manchester strategy and we are collaborating to develop new strategies on Digital, working with the industry, and on homelessness, co-designing our response with the VCSE sector. We continue to work through our strong partnerships to ensure that public, private and VCSE resources are best aligned to help deliver our strategy for the benefit of all in Greater Manchester.
- 2.5 We will also take a proactive approach to creating new partnerships and encouraging more of the diverse voices across Greater Manchester to have an active role in shaping and challenging policy. We have already put in place a Memorandum of Understanding between GM Health and Social Care Partnership and GM voluntary, community and social enterprise (VCSE) organisations which transforms the relationship of the local VCSE sector with health and social care devolution; we will now look to extend this into a new relationship with the VCSE sector across a broad range of activities.

### **Enabler 2: People at the heart of everything we do**

- 2.6 Everything we do needs to respond to and benefit the people of Greater Manchester. All our investments – including in infrastructure, skills, health, business support, planning, housing and wider public services – all need to have people, and the impacts on people and communities, at their heart.
- 2.7 In recent years, Greater Manchester has pioneered an approach to public services that breaks down policy, organisational and spatial boundaries. This has shown us what works and we will build on our successes to drive a new GM-model for all our public services. This will be centred on the person, designed and delivered with the community and integrated across organisations and geographies – breaking down silos. We will take a strengths-based approach, recognising that our people are our biggest asset. We will invest ever more in early intervention and prevention, so that we deliver sustained improvement in outcomes and spend less on dealing with the costs of failure. We will reconfigure specialist services to drive consistency of standards and outcomes across Greater Manchester, as well as creating stronger standards and shared services to drive improvements and value for money. In commissioning and procurement, we will consistently expect additional social value to be delivered.
- 2.8 We will make full use of the opportunities that digitally enabled approaches can bring to improving public service delivery: tackling issues sooner and better together, speeding up responses and joining up support around individuals, as well as giving people access to the information relating to them so they can help us to help them.
- 2.9 The Greater Manchester ‘person centred’ approach to public services will be underpinned by a new single set of Greater Manchester outcomes which will inform the decisions all Greater Manchester partners take on investment and service commissioning. The Greater Manchester Outcomes Framework is shown in Figure 2.



- 2.10 Our partnerships and the powers offered through devolution give us a unique chance to do this and, to achieve the outcomes for our population and the sustainability of public finances, we need to make a success of it.

### **Enabler 3: An integrated approach to place-shaping**

- 2.11 We will take an integrated approach to investing in all places in Greater Manchester so that they are an attractive environment in which to live, work, visit and invest. This means creating additional jobs in all parts of the Greater Manchester and it means providing good quality affordable homes in safe and attractive neighbourhoods, well served by public transport, so that the people that live in them are connected to the jobs and opportunities that the growth of Greater Manchester will bring, and with access to excellent local amenities, green spaces and a high quality cultural and leisure offer.

### **Enabler 4: Leadership and accountability**

- 2.12 Greater Manchester's Mayoral Combined Authority working seamlessly with the Local Enterprise Partnership will ensure that the voice of residents and business is at the heart of our decision making. This provides the leadership and accountability needed to deliver on the ambition set out in this strategy.
- 2.13 Alongside the clear accountability and leadership brought by the election of a Mayor for Greater Manchester, to further strengthen this and delivery of the strategy, we have created a new set of Portfolio Lead responsibilities, each led by a Combined Authority leader supported by a district Chief Executive. These Portfolio Leads will own and lead the development of our response to the strategic priorities that fall within their remit. An Implementation Plan accompanies this strategy and sets out the work programmes of each leader. The Implementation Plan will be made public and regularly updated.

### **Enabler 5: Taking control of our future**

- 2.14 Devolution is critical to the success of this strategy. It is only by Government devolving powers and resources that we will be able to properly join up services and implement the distinctive GM person-centred approach to drive productivity and realise the potential of everyone across the city region.
- 2.15 The devolution deals we have signed with Government mean that we now have much greater control of our own future and have more say over the decisions that can improve the lives of all our residents. The region's new powers include:
- control over long-term health and social care spending, a budget of around £6 billion in 2016/17;
  - more control of local transport, with a long-term government budget to help us plan a more modern, better-connected network;
  - new planning powers to encourage regeneration and development;
  - a new £300m fund for housing: enough for at least 10,000 new homes over ten years;
  - extra funding to support up to 50,000 people back into work;
  - incentives to skills-providers to develop more work-related training;

- extra budget to support and develop local businesses;
- the role of the Police and Crime Commissioner and responsibility for the fire service being merged with the elected mayor;
- control of investment through a new 'earn back' funding arrangement which gives us extra money for the region's infrastructure if we reach certain levels of economic growth, as part of a single pot for investment in economic growth projects; and
- a new reform investment fund to allow us to invest in better services for our residents.

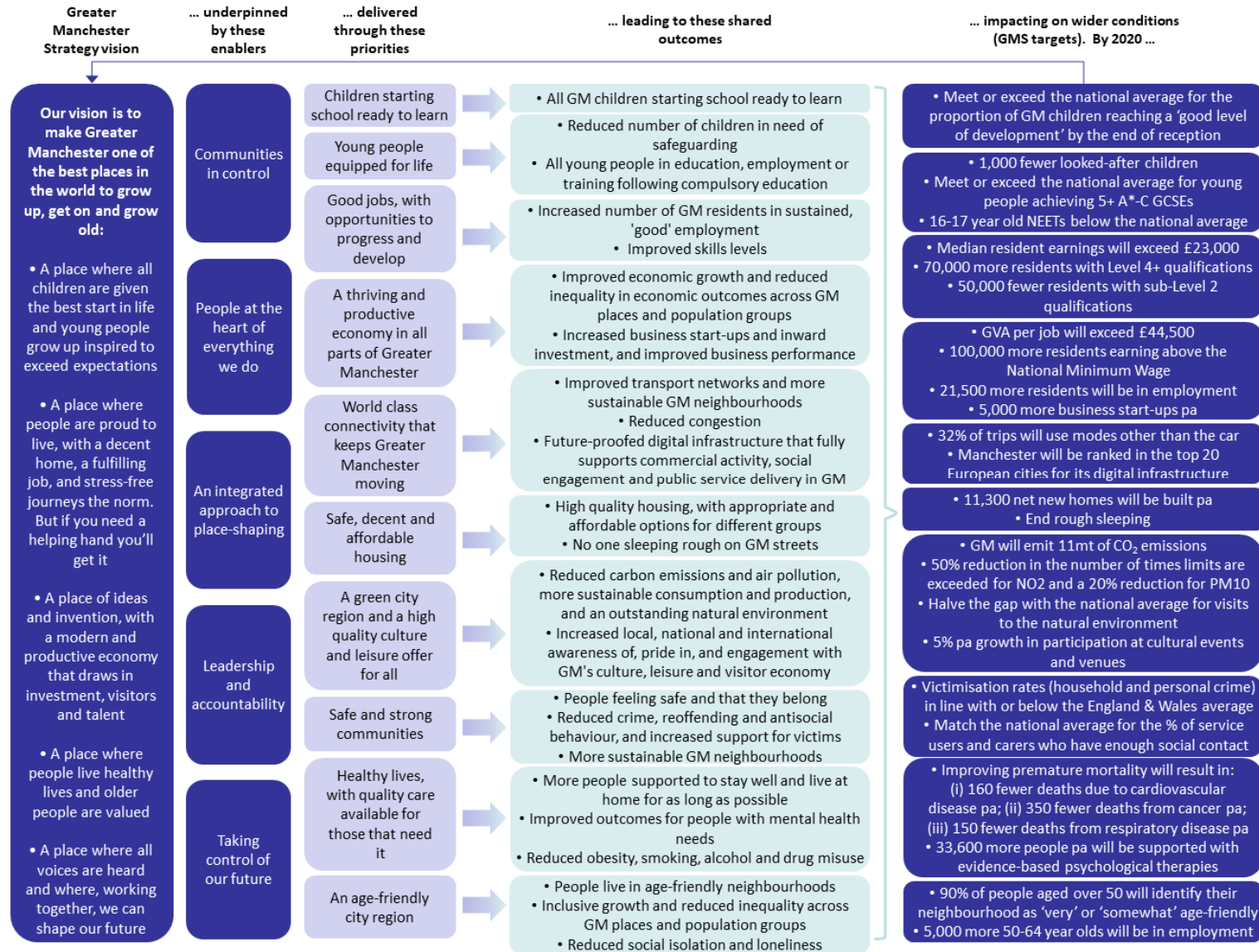
**2.16** However, there are still significant areas of policy and spending where there is no devolution to Greater Manchester which restricts our ability to integrate, invest and reform to deliver our ambition. And the current devolution settlement still falls a long way short of giving us the influence or control over all public spending in Greater Manchester that we need to truly drive productivity growth and address social and economic inequalities. A significant acceleration and deepening of the devolution process is required.

**2.17** Crucially, we need to ensure that our long-term planning for development, housing and service reform can be backed up by long-term funding models that provide the confidence and motivation for public and private investment in Greater Manchester. This must go beyond the limited fiscal devolution seen with Business Rates and Council Tax so far. With our strengthened governance and the Mayor now in post, we are ready for further devolution to support the long term delivery of Greater Manchester's vision.

### **The Greater Manchester Strategy**

**2.18** In the following pages we provide a high level statement of the issues, objectives and priorities for action for each priority area and identify relevant Greater Manchester portfolios, strategies, outcomes and indicators which will enable the effective delivery of the priority. This strategy is supported by an implementation plan setting out the specific things we will do in the coming months and years to support delivery of the outcomes that we have identified.

Figure 2: People and Place: the Greater Manchester Outcomes Framework



### 3 Priority 1: Children starting school ready to learn

- **A healthy start, with supported parents and good early development**
- **Stable families and strong relationships**
- **Good early years provision in a caring environment**
- **Places to play, develop and learn**

<p><b>Outcomes:</b></p> <ul style="list-style-type: none"> <li>○ All children starting school ready to learn</li> </ul>
<p><b>Targets:</b></p> <ul style="list-style-type: none"> <li>○ By 2020, we will meet or exceed the national average for the proportion of children reaching a 'good level of development' by the end of reception</li> <li>○ By 2020, 70 fewer very small babies will be born every year, narrowing the gap with the projected national average for the number of low birth weight, at-term births</li> <li>○ By 2020, all early years settings will be 'good' or 'outstanding', an increase from 90% in 2016</li> </ul>
<p><b>GMCA Portfolios:</b></p> <ul style="list-style-type: none"> <li>○ Young People &amp; Social Cohesion</li> <li>○ Health &amp; Social Care</li> <li>○ Skills, Employment and Apprenticeships</li> <li>○ Digital City Region</li> </ul>
<p><b>GM Strategies:</b></p> <ul style="list-style-type: none"> <li>○ GM Population Health Plan</li> <li>○ Start Well Early Years Strategy</li> <li>○ Taking Charge</li> <li>○ Digital Strategy</li> </ul>

3.1 Children starting school ready to learn is fundamental to supporting good outcomes later in life. The MIER<sup>1</sup> highlighted early years performance as key to closing Greater Manchester's skills and productivity gap and many health and social issues can be traced back to what happens in a child's first years.

3.2 It remains a significant challenge for Greater Manchester that, despite our efforts, a third of our children entering primary education are not 'school ready'. Whilst our performance has improved over recent years, the almost four percentage point gap in early years outcomes with the national average has not been eliminated and performance across Greater Manchester continues to vary considerably, being highly correlated with deprivation. Our consultation reinforced this with respondents telling us "*we need equal life chances and better services for children and young people whose families are disadvantaged*".

3.3 We will only achieve our vision if we radically improve the outcomes for our youngest children. This is the responsibility of all of us – parents; teachers; mid-wives, GPs and hospital doctors, health visitors, councils, health-care organisations, voluntary and community groups, politicians and officials – and our approach has to be shaped by all of us too. Getting all our children school ready is the pre-eminent priority of this strategy. We will collectively commit to this priority with all the relevant public bodies in Greater Manchester and encourage the voluntary, community and social enterprise (VCSE) sector and private sector bodies in Greater Manchester to join us in this pledge.

<sup>1</sup> Manchester Independent Economic Review (2009), available here: <http://manchester-review.co.uk/>

### **A healthy start, with supported parents and good early development**

- 3.4** Greater Manchester developed an Early Years Delivery Model in 2012 for integrated early years services. The model comprised of an 8-stage assessment pathway, a range of multiagency support pathways, and a suite of highly evidenced tools and targeted interventions. However, while implementation is taking place and outcomes are improving, it has progressed at different rates in different parts of the conurbation. Overall, relative performance against the national average has remained largely static and a long way from our ultimate aim. And provision is under threat from continued pressures on early years budgets, particularly non-statutory provision, frustrating the opportunity for earlier intervention. We therefore need a forward investment plan which focuses on implementing the key elements of the early years model across Greater Manchester.
- 3.5** We need a genuinely integrated early help offer in our communities incorporating maternity, health visiting, antenatal and parenting support services, all working to identify issues early and respond to those needing support. To ensure we can meet our ambitions, we need to continue to drive quality improvement across maternity services, make the most effective use of our health visiting resources in communities and ensure effective take-up, targeting and retention in antenatal and parenting support across Greater Manchester.

### **Stable families and strong relationships**

- 3.6** Fundamental to achieving the best start in life is family and the supporting relationships around the family. We need a system of early years provision that includes the best universal services supporting families and identifying the right early support and targeted specialist provision for those children and families that need it in the right way at the right time. This support does not need to be a service led solution. Rather the role of voluntary and community groups, as well as informal networks, will be crucial in providing the local infrastructure to support parents and families and public bodies will work to encourage this.

### **Good early years provision in a caring environment**

- 3.7** The GM Start Well Early Years Strategy sets out the activities and support required to create an integrated approach to early years provision across health (including maternity and health visiting), local authority (including early help and children's services), education (including schools and early years settings) and, crucially, communities and parents. This will require investment in workforce development, our information systems and targeted early intervention provision to support parents and early years professionals to ensure the best start in life for all children.
- 3.8** We will ensure that the skills and employment support provided across Greater Manchester will help parents into work to reduce the number of children growing up in workless households and in poverty, along with ensuring we have the right quality and offer of childcare support to enable parents to work. This will include exploring the potential of further devolution of funding and responsibility to ensure public provision delivers the most effective solutions for people in Greater Manchester.

- 3.9** We will also innovate to ensure we make the most of the opportunities to integrate our early years services and workforces, developing digital solutions to integrate information and decision-making to provide the right support to families at the right time.

**Places to play, develop and learn**

- 3.10** To deliver the best start in life for our children our provision for children in all places across Greater Manchester needs to be the best it can be. We need to improve standards in our early years settings so every child in Greater Manchester can attend a Good or Outstanding early years setting. We need our children to have great places to play and enjoy. We will therefore ensure the Greater Manchester Spatial Framework promotes access to good quality community green spaces for children to play and ensure we have accessible green space right across the region. And to support the health of all our children we will ensure physical activity is embedded within early years settings and promoted within families. We will also develop specific measures which focus on reducing emissions around schools and early years sites and assist young people in understanding how they can minimise their exposure.

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## 4 Priority 2: Young people equipped for life

- **Good primary education and a successful transition to secondary school, with children attending and attaining throughout**
- **A successful transition out of secondary school, equipped for work and life-long learning**
- **Specialist support for those that need it**

**4.1** If Greater Manchester is to thrive it needs to be a great place to grow-up and learn, where we invest in our young people so they are instilled with the skills, aspirations and drive needed to succeed and exceed expectations in all aspects of their lives.

**4.2** Most young people grow up well in Greater Manchester, but it is still the case that over two-fifths (44%) of all young people leave school without the equivalent of five GCSEs including English and Maths, a key indicator of future success. By age 16, over one-in-ten (13%) of our young residents are not in any form of formal education, employment or training and are at an increased risk of unemployment and low earnings for the rest of their lives.

### *Outcomes:*

- Reduction in number of children in need of safeguarding
- All young people in education, employment or training following compulsory education
- Improved skills levels

### *Targets:*

- By 2020, there will be 1,000 fewer looked after children in GM, a reduction of more than 20% on 2016 levels
- By 2020, we will meet or exceed the national average for the number of young people achieving the equivalent of 5+ A\*-C GCSEs (including English and Maths), with all districts demonstrating significant progress in closing the attainment gap across their schools
- By 2020, the number of 16-17 year olds who are NEET (not in education, employment or training) will be below the national average in all GM districts, as will the number whose activity is not known to the local authority
- By 2020, the number of unemployed 16-19 year olds will have fallen from 13,300 in 2016 to 12,000, a reduction of 10% over the period

### *GMCA Portfolios:*

- Young People & Social Cohesion
- Skills, Employment and Apprenticeships
- Safer & Stronger Communities
- Health & Social Care
- Digital City Region

### *GM Strategies:*

- Review of services for Children
- Work & Skills Strategy
- Taking Charge
- GM Population Health Plan
- GM Moving
- Digital Strategy

### **Good primary education and a successful transition to secondary school, with children attending and attaining throughout**

**4.3** Schools have a natural role as anchors of communities and promoters of social mobility. We will work with schools and young people across Greater Manchester so that they can develop a “Curriculum for Life” to support them in ensuring all our children develop the life skills they will need for the future as well as the academic and technical qualifications to succeed. We will support them to drive up levels of achievement and close the gaps in performance seen across the city region, particularly on the crucial measure of 5 or more GCSEs including English and Maths.

- 4.4 We will continue to work to achieve at least 90% school attendance, in line with national standards. This includes working across partners including schools, local authorities, Youth Offending Services and Police to support children and families tackle the causes of poor attendance both within and outside the school environment.
- 4.5 We will continue to work with Government to ensure fair and sustainable funding for Greater Manchester's schools – both for existing schools and for the capacity we will need in the future. We will also explore ways to drive a Greater Manchester focus on standards and performance across education to ensure we can support our system to deliver on our ambitions for young people.
- 4.6 We know that physically active children and young people are more likely to do better academically. And we know that physical activity can have a positive impact on mental health. We will therefore work with our partners to ensure that all education settings develop evidence based 'whole school setting' approaches to physical literacy, physical education, physical activity and sport, helping all children to enjoy an hour of physical activity every day.

#### **A successful transition out of secondary school, equipped for work and life-long learning**

- 4.7 We need to ensure that there is a clear pathway for all young people to follow to reach their full potential. This will mean working in a more integrated manner between educational institutions, business, local authorities and residents. Schools, colleges and training providers need to prepare people for the world of work; this will mean that the current focus on qualifications needs to be enhanced with the core competencies required to succeed in the workplace. School curricula need to be enriched by experience of the world of work, including providing all young people with encounters with business through work placements, business mentoring or real life business projects. We will work with schools and businesses to develop the best approach to delivering this in Greater Manchester.
- 4.8 We will also work with schools to ensure that all young people have the opportunity to follow specific education and employment pathways and to increase the proportion of young people who continue to develop their science, technology, engineering or maths (STEM) skills after their GCSEs, through either an academic or vocational/technical route. We will raise the aspiration for technical education so that it is held in the same esteem as academic education. Our young people should feel that opportunities across the whole of Greater Manchester are theirs to explore. We will make sure that transport is not a barrier to taking up these opportunities by making public transport more affordable for young people.
- 4.9 The delivery of Careers Education Information Advice and Guidance (CEIAG) provision to young people is fragmented, not always well linked to labour market opportunities and of variable quality. We need to ensure that our young people get the highest quality advice throughout their school years that helps them to make informed decisions about their pathways to further and higher education or into the world of work or entrepreneurship. This "Curriculum for Life" needs to inform young people about the jobs available in the labour market and how to start their own business, but also to equip them with high levels of emotional resilience and wellbeing. We will intervene early so that young people at risk of not being in education, employment or training (NEET) are



equipped with the skills, confidence and support needed to move into the world of work or further study, ensuring that fewer young people are 'hidden' from the essential support services they need.

- 4.10 We want more of our young people to undertake high quality apprenticeships. The number of people aged 16-24 accessing apprenticeships has grown from a low baseline in recent years but is levelling off and most apprenticeship starts are at intermediate level not the advanced, higher and degree level needed to drive productivity and growth. Apprenticeship achievement rates are variable across the conurbation and need to improve overall. We will work with employers to increase the number of quality apprenticeships offered to school and college leavers. We will also seek to match the right apprentices with the right employers, both through appropriate and timely careers advice and inspiration, and through the introduction of a UCAS-style application system which encompasses all learning routes, including apprenticeships.

#### **Specialist support for those that need it**

- 4.11 Where young people and their families do require support, we need to provide access to the best universal services for children, linked to the right early support for those that need it, and safeguard those who are most vulnerable.
- 4.12 We have made real progress in helping more of our hard to reach residents and through our Troubled Families programme we have now helped over 8,000 families improve their life chances. We will build on this experience to transform our services supporting families, investing in early help approaches to intervene earlier to prevent problems developing and escalating, and improve the long term outcomes for our young people and families. Driving investment (including the potential for social investment) in earlier intervention to support the life chances of children and families is central to our Reform Investment Fund, which brings together local and national transformation funding, including Troubled Families Programme funding, to drive our reforms across Greater Manchester.
- 4.13 It is critical that we have the right support available for young people at key times in their lives – particularly mental health support, which if unavailable could have long lasting impacts on children and families. We also need to reduce the inequalities that exist in outcomes for children across Greater Manchester so that, regardless of geography, children have access to similar service provision for the best chance of successful outcomes at both early and specialist need levels of help.
- 4.14 We need to improve the outcomes and experiences of those children our services have the most direct influence on. The health and educational outcomes for children entering the care system are significantly lower than for the population in general. And the number of children taken into care has been rising. We will implement more effective edge of care responses to reverse this trend, supporting more families to stay together, reducing the number of looked after children, and improving the outcomes for those that do enter the care system.

## 5 Priority 3: Good jobs, with opportunities for people to progress and develop

- **Enabling residents to get the skills needed to succeed and progress**
- **An integrated approach to developing good jobs**

**5.1** Good quality, well-paid work and connecting our residents with those jobs is critical for the economic and social success of Greater Manchester. Age, gender, sexual orientation, race, disability or socio-economic background should be no barrier to success in Greater Manchester.

**5.2** Skills are central to this. An individual's skills are the single most important factor in determining their employment status and whether they have a good and rewarding job. A skilled workforce is essential for all our businesses to become more productive, for our public services to improve, and to deliver the key infrastructure projects on which prosperity depends.

**5.3** Greater Manchester has seen significant improvements in workforce skills over the last decade with the proportion of residents with no qualifications falling from 17.1% in 2006 to 9.8% in 2016 and the proportion with the equivalent of a degree level qualification rising from 25.6% to 34.6%. The employment rate has recovered from a post-recession low of 66.0% in 2011 to 70.5% in 2016. However, there are significant disparities between different parts of the conurbation, with some wards as high as 40% for no qualifications and as low as 10% for degree level equivalent; and with employment rates as low as 39%.

**5.4** Significant gaps for skills and employment rates also exist between Greater Manchester and the national average and parts of the economy remain entrenched within lower skill, lower productivity, and lower wage activity. 'In-work poverty' is increasingly prevalent and over a quarter of residents rely on tax credits to support their incomes. The nature of employment is also changing, with an increase in more insecure work: 3% (40,000) of

**Outcomes:**

- Increased number of GM residents in sustained, 'good' employment
- Improved skills levels

**Targets:**

- By 2020, median resident earnings will exceed £23,000, up from £21,585 in 2016<sup>2</sup>
- By 2020, there will be 70,000 more GM working-age residents with Level 4+ (degree level or equivalent) qualifications, an increase from 34.6% of the working-age population in 2016 to 38.3%
- By 2020, there will be at least 50,000 fewer GM working-age residents with qualifications below Level 2, a reduction from 27.7% of the working-age population in 2016 to 24.6%
- By 2020, more than 40,000 GM residents per annum will start an apprenticeship, and the achievement rate for apprenticeship programmes will reach 75%. This compares to 30,379 apprenticeship starts in 2015/16, and an achievement rate of 66.4%

**GMCA Portfolios:**

- Skills, Employment and Apprenticeships
- Business & Economy

**GM Strategies:**

- Work & Skills Strategy
- GM Industrial Strategy

<sup>2</sup> Prices quoted in current values (i.e. 2016 earnings at 2016 prices; 2020 earnings at 2020 prices)

jobs are zero-hour contracts; 5% (66,000) are temporary; and over half of the jobs created in Greater Manchester in the past 5 years were temporary or self-employed. Wages have fallen by 6.6% in real terms between 2006 and 2016. Though they have started to rise again since 2014, the average worker in Greater Manchester still earns 81p an hour less in real terms than they did in 2006. The gap in wages between Greater Manchester and the national average has widened over the decade: workers in Greater Manchester earn 67p less an hour than their counterparts in the UK as a whole.

### **Enabling residents to get the skills needed to succeed & progress**

- 5.5 Young people need to leave the education system with the knowledge, skills, and attributes necessary to succeed in the labour market. Working age adults who are out of work, or who have low levels of skills that hold them back, need to have access to the support needed to enter and sustain employment. An offer should be available for all adults to up-skill and progress their careers.
- 5.6 A step-change is needed to ensure that skills providers and employers are fully engaged in shaping our approach; and that the leadership and capacity exists to co-produce and co-fund higher level and technical skills. Recognising that globalisation, technological change and an ageing population and workforce will continue to impact on the sectors and occupations that are likely to grow, the Greater Manchester skills system will need to be flexible, adaptable and resilient in the long-term. We will join up activity within schools, further education and training providers and universities to ensure that there is a seamless, whole-system approach to education, work and skills. Employers should sit at the heart of this system and post-16 providers need to ensure that the academic and vocational offer is high quality and aligns with the needs of business.
- 5.7 Our key priorities are to raise attainment rates across all provision; place a greater emphasis on developing core employment skills, including basic skills in English, Maths and Digital; and increase the volume of higher level skills. We will also work with universities to connect graduates with employment opportunities in Greater Manchester's SME base and retain more graduates in the city region.
- 5.8 An investment strategy is needed to lever in additional capital and revenue funding from public and private sources and to drive innovation in skills development and delivery. This strategy will need to recognise the different skills requirements across all parts of our city region, including our most deprived neighbourhoods, and of minority and marginalised groups.
- 5.9 Analysis of current and future skills needs in Greater Manchester points to a requirement to prioritise and find new ways to deliver higher level, technical and professional skills which will enable employers to compete on the basis of higher skills, improved productivity and greater innovation. A substantial growth in the number of higher and degree level apprenticeships will make an important contribution to meeting this skills gap.
- 5.10 We will ensure that the Apprenticeship Levy is used to maximum effect, not only within private industry but also within Greater Manchester's public sector, ensuring that employers are encouraged and supported to develop their workforce using apprenticeship programmes in job roles at every level within an organisation, and that apprentices receive the support required to meet their development needs and progress

in their careers. We will seek to better match prospective apprentices with employers, both through appropriate and timely careers advice and inspiration, and through the introduction of a UCAS-style application system.

### **An integrated approach to developing good jobs**

- 5.11** The education and skills system has to be intrinsically linked with routes into work so that there is a clear pathway that begins in the early years before children start school, and leads them through education into higher learning, an apprenticeship or work. This whole-system approach sits at the core of the fully integrated and inclusive education, skills, employment and health system that will enable Greater Manchester's residents and employers to grow and thrive.
- 5.12** Employers need to be at the heart of creating good jobs. This means providing people with the opportunities to train and progress in work, with secure work when they need it, but flexibility to fit their individual circumstances. Employment rights need to be protected and Greater Manchester needs to be at the forefront of employment standards and workplace innovation so that it is universally recognised as a great place to work.
- 5.13** We will also work more closely with local big employers and anchor institutions, for example, universities, hospitals and local authorities to deliver local economic benefit. This will include employing more local unemployed residents, increasing the amount they spend in their supply chains with SMEs and social enterprises, and offering volunteering, mentoring and work experience opportunities.
- 5.14** Higher skills will also not be enough to raise pay and productivity unless businesses are able to utilise those skills. That is why we will align our work and skills system with our business support offer to provide seamless support to firms to encourage the adoption of higher productivity, higher skill and higher wage business models. This will include developing approaches to strengthen leadership and management skills within Greater Manchester's business base. Alongside this, our local Industrial Strategy (outlined in priority 4) will set out approaches to increasing productivity to increase output and increase wages.
- 5.15** Greater Manchester's place at the forefront of devolution, with the development of person-centred services and integration of economic interventions to make them more effective, is also creating other opportunities to innovate. Programmes such as Troubled Families and Working Well have clearly shown that by providing bespoke support we can help people to address the complex issues that residents face, and we will build on the lessons learnt from that activity. By bringing together services such as health and transport with skills provision, we have shown that the barriers to employment can be tackled – particularly the positive impact the right mental health support can have in getting and keeping people in work.
- 5.16** We will work with central government to explore opportunities to develop this integrated place-based offer, so that Greater Manchester can shape the entire employment support offer currently delivered by DWP commissions and Jobcentre Plus. This will enable the development of more effective and efficient place-based offer by commissioning at scale and adding value through formal alignment of the full range of employment, skills and health resources and services.

## 6 Priority 4: A thriving and productive economy in all parts of Greater Manchester

- **Creating strong and productive sectors**
- **Cultivating science and innovation assets**
- **Supporting enterprise and entrepreneurship**
- **Seizing opportunities from international markets**
- **Strengthening existing, and creating new, employment locations**
- **Putting pride back in our town centres**

**6.1** To create a thriving, inclusive economy we need to focus on raising productivity by harnessing the strengths of GM's people, assets and places. Only then will we be able to mobilise the resources to tackle the underlying barriers to investment and enterprise in parts of the conurbation and ensure that all parts of the city region and all our people can contribute to, and benefit from, economic growth.

**6.2** Given the decision to withdraw from the European Union, we need to focus on maximising our existing competitive advantages. Greater Manchester has always been an outward looking city with a rich history of global trade and welcoming of diversity and talent. Remaining open, international and connected will be

<p><i>Outcomes:</i></p> <ul style="list-style-type: none"> <li>○ Improved economic growth and reduced inequality in economic outcomes across GM places and population groups</li> <li>○ Increased business start-ups and inward investment, and improved business performance</li> </ul>
<p><i>Targets:</i></p> <ul style="list-style-type: none"> <li>○ By 2020, GVA per job will exceed £44,500, up from £41,984 in 2015<sup>3</sup></li> <li>○ By 2020, 100,000 more GM residents will be earning above the National Living Wage, an increase from 76% of the working-age population in 2015 to 81%</li> <li>○ By 2020, 21,500 more GM residents will be in employment, relative to a 2016 baseline of 1,273,000</li> <li>○ By 2020, there will be at least 5,000 more business start-ups pa compared to 2015 levels, an increase from 90 start-ups per 10,000 GM working-age residents to 117 or more</li> <li>○ By 2020, GVA generated from foreign direct investment job creation will be £310m, up from £290m in 2016/17</li> </ul>
<p><i>GMCA Portfolios:</i></p> <ul style="list-style-type: none"> <li>○ Business and economy;</li> <li>○ Housing, Planning &amp; Homelessness;</li> <li>○ Digital City-Region</li> <li>○ Safe and strong communities</li> </ul>
<p><i>Strategies:</i></p> <ul style="list-style-type: none"> <li>● GM Industrial Strategy, underpinned by:             <ul style="list-style-type: none"> <li>○ Internationalisation Strategy</li> <li>○ Science and Innovation Audit</li> <li>○ GM Digital Strategy</li> <li>○ Climate Change and Low Emissions Strategy</li> <li>○ GM Spatial Framework</li> <li>○ Northern Powerhouse Strategy</li> <li>○ Greater Manchester Investment Strategy</li> <li>○ GM 2040 Transport Strategy</li> <li>○ GM Sector Strategies</li> <li>○ GM Social Enterprise Strategy</li> <li>○ GMFRS Community Resilience Strategy</li> </ul> </li> </ul>

<sup>3</sup> Both the 2015 baseline and 2020 target are quoted at constant 2013 prices. This follows the methodology used in the Greater Manchester Accelerated Growth Scenario (AGS), from which the target has been derived, and reflects the 2013 price base used in the national accounts.

ever more important in the coming years. As the heart and driver of the Northern Powerhouse economy, we need to prepare for, and take advantage of, the transformational opportunities major infrastructure improvements, such as HS2 and Northern Powerhouse Rail, will provide.

### **Creating strong and productive sectors**

- 6.3** As a key part of our local Industrial Strategy, we will focus on supporting growth in high value activity in sectors and on assets that are, or have the potential to be, world-leading and globally distinctive. We will work with the private sector, VCSE sector and universities to develop our local Industrial Strategy to facilitate the development of high value, private sector driven clusters in our prime capability sectors, including:
- Business, finance and professional services - building on our strengths in legal and accounting, insurance, and business services
  - Manufacturing - building on our strengths in advanced materials, textiles, chemicals, food & drink, and Greater Manchester firms' role in national supply chains
  - Health innovation - building on our strengths in life sciences, medical technology/devices, health services, devolution; and
  - Digital - building on our strengths in ecommerce, cyber security, media/creative and data analytics.
- 6.4** We want these sectors to grow in value and employment terms in the Greater Manchester economy. We will also seek to grasp the economic opportunity from the global transition to a low carbon economy offered by our leading low carbon and environmental goods and services sector.
- 6.5** To deliver a significant improvement in the productivity of Greater Manchester and the living standards of many residents requires we also need to focus on raising the productivity of high-employment service sectors. We will therefore also focus our Industrial Strategy on sectors such as retail, tourism and construction, which currently account for over a quarter of all employment in Greater Manchester, including identifying the measures that need to be in place to support the transition to higher productivity in these sectors. In addition we will work with partners in developing our Industrial Strategy to ensure that the full contribution of the VCSE sector and social innovation to economic growth and social and economic inclusion is capitalised on.
- 6.6** Across all sectors it will be critical that we support our businesses to address the challenges and opportunities they will face when adopting radical new digital technologies that will boost productivity and create new high tech jobs. We will ensure that our workforce is equipped with the new range of skills required for future ways of working. Greater Manchester's Digital Strategy will set out a clear vision of our future as a world leading digital city, and will take an open, innovative approach to delivering that ambition. Greater Manchester is leading work nationally on local cyber resilience with industry, academia and security services with the aim of not only preventing cyber-attack incidents but improving our population's cyber skills and offering new career opportunities.

## Cultivating science and innovation assets

- 6.7 We have consistently invested in our science and innovation strengths – including funding the establishment of the Graphene Engineering Innovation Centre and creating a dedicated £40 million Life Sciences Investment Fund. We successfully delivered the European City of Science in 2016 which has further built Manchester’s reputation as a city of scientific research and provides a platform to continue to develop and strengthen the collaboration between scientists and researchers, innovators and business across Europe and the rest of the world.
- 6.8 The Greater Manchester and Cheshire East Science and Innovation Audit sets out the global competitive advantage the region can capture by fully capitalising on its core capabilities. This will be achieved by linking our unique clusters of excellence in fundamental science with an ability to put that scientific knowledge into application. Three key opportunities identified are:
- **Health** – a globally leading centre for clinical trials. We have the largest concentration of excellence in health research nationally outside South East England. Key facilities in support of cutting-edge research and innovation are set in the context of a large and stable population exhibiting significant health challenges. Health and social care devolution has created the unprecedented opportunity for a concerted push towards innovation for both health and economic benefit. We have put in place a platform, Health Innovation Manchester, to refocus our priorities around a system and place. Synergies with the digital sector (e.g. health informatics) allow us to drive towards becoming a globally leading centre for clinical trials.
  - **Materials** – rapid accelerator to application. In advanced materials, the opportunities to develop ‘Graphene City’ highlight the unique presence of world-leading science engaged with business and producing start-up companies. The next steps are to systematise the pathway through higher technology readiness levels with the opening of the Graphene Engineering Innovation Centre (GEIC) and hence to turn our discoveries to applications. The Sir Henry Royce Institute will create a national focus to overcome traditionally long lead times and act as a “rapid accelerator” through technology readiness levels to application, notably in the manufacturing sector.
  - **GM as a full-scale test-bed and lead market to develop and demonstrate innovative technology.** Our fast-growth opportunities, digital and energy, as with health, combine excellence in research and facilities with a particular competence in mounting large-scale projects in the community. This is illustrated by the large-scale demonstrators, CityVerve and Triangulum, which enable whole systems to be tested and create multiple business opportunities. Industrial biotechnology is a capability of relevance for the concentration of related industries in the North of England. Focusing on synthesising new products and intermediates, it helps develop both sustainability and resilience in the move away from fossil fuels and feedstocks and offers the potential to address disease pandemics and tackle antimicrobial resistance.
- 6.9 We will continue to invest (from our own and external funds) to maintain world-class excellence and remain at the forefront of international developments in our opportunity

areas, building on assets such as our universities, science parks, innovation centres, hospitals, and cultural institutions. Notably, this will exploit the synergies between our areas of strength in order to develop route-ways to the market. Central to our plans is the Pankhurst Centre for Research in Health, Technology and Innovation. This will be a path-breaking, cross-disciplinary Institute bringing together clinical research with materials science, informatics, engineering and computer science to address major health problems, and unlock synergies between our strengths of health and materials plus digital and biotechnology.

- 6.10 We will also ensure the right local skills mix is in place, particularly higher-level technical skills, to drive innovation, reinforce our identified scientific strengths, and improve our ability to attract and retain talented individuals. Leadership and management capacity for our innovative sectors are also critical.
- 6.11 As we build critical mass, there will be increased opportunity to ensure businesses gain access to diverse finance support to help them to scale-up. We need to realise the benefits of 'absorptive capacity' within SMEs, improving their ability to integrate new information for commercial ends. This includes increasing the provision of adequate space for both start-ups and scale-ups and leveraging in smarter procurement practice from the public sector to incentivise innovative practice (including through data-sharing initiatives such as GM Connect and Datawell).

### **Supporting enterprise and entrepreneurship**

- 6.12 Greater Manchester has made significant progress in recent years in developing its support infrastructure for businesses. The GM Business Growth Hub is a national exemplar for the delivery of business support services. It has supported the creation of 3,200 new jobs which have added £130m of annual GVA to the economy in the last two years. However, businesses have told us that we need to do more to support business growth, particularly in high value start-ups and SME 'scale ups'. We will work with businesses to overcome key barriers to growth – including skills, innovation, access to finance, export promotion, and leadership and management – by aligning all services around the needs of the employer.
- 6.13 It will also be necessary to support our businesses to invest, innovate and diversify and so ensure their resilience during the period of change and uncertainty following the decision to withdraw from the European Union, supporting them to navigate this uncertainty, manage change and take advantage of new opportunities.

### **Seizing opportunities from international markets**

- 6.14 Greater Manchester has developed an Internationalisation Strategy which, in light of the vote to leave the European Union, identifies how we can maximise global market opportunities that enable us to make the most of our leading sectors and assets and build our global brand, capitalising on the excellent connectivity provided by Manchester Airport. These include retaining strong links with Europe and the USA as our largest, most significant and most mature markets for international trade, investment, visitors, academic research and students.
- 6.15 It will also be critical to strengthen links with our 'opportunities markets' – China, India, Japan and the United Arab Emirates – where there is clear growth potential and where



we are well placed to build upon existing trade, investment, cultural and other relationships. We will also look to promote links with markets such as Malaysia, Singapore, Canada, Australia, Saudi Arabia, Taiwan, South Korea, Nigeria and Brazil where there are opportunities in relation to some of our niche areas of strength, such as health innovation, 2D materials and sport.

- 6.16** Given the risks and uncertainty caused by Brexit, key priorities will be to grow the value of exports from Greater Manchester, attract more foreign direct investment (especially that which offers higher value, higher wage, employment), and maintain and strengthen the international academic linkages of our universities.

### **Strengthening existing, and creating new, employment locations**

- 6.17** Creating strong employment locations in all parts of Greater Manchester, with good access from residential areas, is central to achieving a more inclusive and sustainable city region. We need to focus on those locations that are attractive to investors and meet the requirements of developers, while driving investment in priority areas for growth and regeneration to address the underlying weak market conditions in parts of the conurbation. The Greater Manchester Spatial Framework will help us to ensure that we have the right type of land in the right places to support economic growth in all parts of GM.
- 6.18** We need to build on the success of our existing investment funds – our ‘Evergreen’ investment fund has invested £88m in commercial development and infrastructure projects and has created 8,000 new jobs and redeveloped double the initial expectations of brownfield land – but develop this further into a place-making approach. This will need to bring together policies and investments around education and skills, housing, transport, commercial development, public service reform and amenities to create inclusive, sustainable, growth locations.
- 6.19** Currently there are a small number of locations which make a disproportionate contribution to sub-regional economic growth and their continued success is fundamental to Greater Manchester’s prospects. We will ensure that traffic congestion and lack of alternative travel options do not act as a brake on achieving the full potential of these locations – stress-free journeys should be the norm. As part of this it will be critical that we continue to develop the regional centre as the primary driver of economic growth and ensure that residents from all parts of Greater Manchester can have quick, affordable and multi-modal transport options to access the jobs created. We will also capitalise on the investment planned at Manchester Airport, including the arrival of HS2 and Northern Powerhouse Rail, to strengthen this as an internationally competitive employment location.
- 6.20** A strong portfolio of industrial and warehousing locations is also critical to the success of Greater Manchester. We need to continue to nurture our existing industrial and warehousing locations to ensure that they remain competitive. Through the Spatial Framework we will identify and bring forward new locations, which capitalise on our unique strengths such as our strategic transport network (rail, road, and water), including the opportunities of Port Salford, the UK’s first tri-modal inland port. We will work with Government to bring forward proposals to unlock stalled industrial developments on brownfield land. Through the Spatial Framework we will also protect existing ‘medium grade’ industrial sites, which provide important quality jobs across GM.

Where firms cannot remain on their existing sites (either because they are not in suitable premises or they are being displaced by other activity), we will support firms to relocate within GM.

### **Putting pride back in our town centres**

- 6.21** Town centres are critical to the future success of all parts of GM. We have a diverse range of town centres with huge potential for the future, including our principal town centres of Bolton, Bury, Oldham, Rochdale, Wigan, Altrincham, Ashton-under-Lyne and Stockport and other major towns and district centres such as Eccles, Leigh and Stalybridge.
- 6.22** We will bring forward proposals for how our town centres can be re-purposed and modernised so they can become quality places to live and work, balancing new higher-density residential development with quality cultural facilities, public spaces, a good environment for walking and cycling, public services, retail, entertainment, and employment offers, as well as key access points to an integrated transport network. Achieving those ambitions is a crucial element of our brownfield first priority and our place-making approach to deliver an inclusive economy.

# 7 Priority 5: World class connectivity that keeps Greater Manchester moving

- **An integrated public transport system that is affordable and reliable**
- **Reducing congestion and improving air quality**
- **Connections to the world**
- **World class digital infrastructure**

**7.1** Greater Manchester’s ambitious plans for prosperity will be driven by connectivity. Good quality, reliable and affordable transport across GM is vital to release the potential of our communities by connecting people to jobs and opportunities, and fundamental to building an inclusive, growing economy. This is as much an issue for our rural communities as it is our towns and regional centre. This is true on both a local and pan-northern level; as Greater Manchester has a central role to play at the heart of a successful, better connected, Northern Powerhouse.

**7.2** Over the past decade Greater Manchester has made huge investments in developing the city region’s transport infrastructure, operating the largest capital transport programme in the UK outside London. While this has led to significant improvements in journey times and reliability, 38% of those responding to our online consultation still told us that *“the public transport system is unreliable, too expensive and lacked investment”*.

**7.3** The challenges ahead are significant and, over the next 20 years, population growth and a rise in employment will lead to 600,000 more trips on Greater Manchester’s public transport networks every day by 2035 which, unless we act now, could result in significant worsening of highways congestion and overcrowding.

<p><i>Outcomes:</i></p> <ul style="list-style-type: none"> <li>○ Improved transport networks and more sustainable GM neighbourhoods</li> <li>○ Reduced congestion</li> <li>○ Future-proofed digital infrastructure that fully supports commercial activity, social engagement and public service delivery in GM</li> </ul>
<p><i>Targets</i></p> <ul style="list-style-type: none"> <li>○ By 2020, the proportion of trips used by modes other than the car will have reached 32%, up from 29% in 2015</li> <li>○ By 2020, the proportion of journeys being completed within the typical journey time will have reached 90%, up from 88.5% in March 2017</li> <li>○ In 2016, levels of NO<sub>2</sub> exceeded 200mg per m<sup>3</sup> 92 times, and levels of PM10 exceeded 50mg per m<sup>3</sup> 42 times. By 2020, we will have achieved a 50% reduction in the number of times exceeded for NO<sub>2</sub>, and a 20% reduction for PM10 at all sites</li> <li>○ By 2020, Manchester will be ranked in the top 20 European cities for its digital infrastructure, compared to 35<sup>th</sup> in 2016<sup>4</sup></li> </ul>
<p><i>GMCA Portfolios:</i></p> <ul style="list-style-type: none"> <li>○ Transport and Infrastructure</li> <li>○ Digital City Region</li> </ul>
<p><i>GM Strategies:</i></p> <ul style="list-style-type: none"> <li>○ GM 2040 Transport Strategy</li> <li>○ Northern Transport Strategy</li> <li>○ Digital Infrastructure Plan</li> <li>○ GM Spatial Framework</li> <li>○ GM Low Emissions Strategy and Air Quality Action Plan</li> </ul>

<sup>4</sup> Ranking from NESTA’s European Digital City Index 2016, <https://digitalcityindex.eu/theme/3>

- 7.4 As a global trading city it is vital that we have fast and frequent access to markets around the world. But connectivity is not just about our physical links. Digital infrastructure<sup>5</sup> is a prerequisite for the expansion of our digital, tech and creative sectors; it drives business growth and investment across our economy; it is fundamental to innovation and transformation in public service delivery, and is key to social and digital inclusion.

### **An integrated public transport system that is affordable and reliable**

- 7.5 The Greater Manchester 2040 Transport Strategy sets out our strategy to develop a high quality, fully integrated, transport system for Greater Manchester, with travelling customers at its heart. We will take a whole-system approach to the management, maintenance and renewal of the transport network across all modes – roads, trains, trams, buses, active travel and freight, and catering for all types of journey – from local neighbourhood trips to global travel. We will ensure our transport infrastructure and services are accessible to all, including disabled people and those with mobility problems.
- 7.6 We will continue to invest in the capacity, flexibility and reliability of the Metrolink network: the second city crossing opened in Spring 2017 and work has now also started on a new Metrolink extension to Trafford Park.
- 7.7 To improve links across the conurbation, we will use the Mayor's new powers under the Bus Services Act to deliver a bus network that is well integrated with the rest of the transport system and to ensure that fares offer best value to the customer, making buses an attractive travel option for more people. We will work with Government to establish a new long-term funding basis for the future transformational transport network set out in the 2040 Transport Strategy, to address the historic underfunding of on our roads and railways, and to introduce integrated SMART ticketing. We will also make the case for our rail stations to be managed locally, ensuring they are offering the right facilities to support their communities.

### **Reducing congestion and improving air quality**

- 7.8 Improving journey time reliability on our roads and on public transport is a priority to relieve the frustrations of commuters stuck in traffic and reduce the £1.3bn cost to business of delayed deliveries and employees arriving late. We will invest to make road journeys more reliable, ensure that existing transport networks are well-maintained, and create a modern public transport system so that people have a real alternative to the car. As part of this, we will encourage our residents to lead active lives, putting in place the infrastructure required to enable more people to walk or cycle and redesigning our streets to meet the needs of all users, establishing Greater Manchester as a world-leading cycle city.
- 7.9 Reducing the environmental impact of road transport will be critical to supporting our carbon targets and improving air quality, as it accounts for 65% of nitrogen oxide and 79% of particulate emissions. These two dangerous pollutants contribute to respiratory illness, as well as cardio-vascular problems and cancer, leading to around a thousand

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<sup>5</sup> Defined as fixed digital connectivity (e.g. superfast broadband or fibre to the premises), 4G and next generation 5G mobile connectivity and public wifi

early deaths in Greater Manchester every year. Urgent action at both national and local levels is required. Locally we are committed to implementing the GM Low Emissions Strategy and Air Quality Action Plan to reduce levels of these harmful pollutants generally and in parts of Greater Manchester where emission levels are in breach, or are at risk of breaching, EU legislation.

### **Connections to the world**

- 7.10 We will work with our partners across the North and in Government to implement the Northern Powerhouse Strategy, to create a physically and economically connected Northern economy. As part of this we will work to deliver the priorities set out in the Northern Transport Strategy, starting with the delivery of HS2 and Northern Powerhouse Rail, linking Manchester and the Airport to the other great cities of the North. And we will establish local rapid transit links from our HS2 hubs at the Airport, Piccadilly and Wigan across the city region to ensure that all our economic centres and communities benefit from the strengthened connections. This will place the whole of Greater Manchester at the heart of a first class national and international transport network.
- 7.11 We will continue to strengthen our connectivity to the rest of the world to drive trade, tourism, and investment. Manchester Airport now serves more than 200 destinations across Europe, the US, the Middle East and China and East Asia, and is the undisputed gateway to the North. It will be essential that we continue to support the Airport's expansion.
- 7.12 Following the development of the post-panamax facility at the Port of Liverpool, the Manchester Ship Canal can once again provide modern, direct shipping links to the world, transforming our logistics and freight offer through the facility at Port Salford. This is a significant economic opportunity and also has the potential to have environmental benefits, removing freight from roads and moving it more sustainably by rail and water.

### **World Class Digital infrastructure**

- 7.13 Ubiquitous, affordable, future proofed digital infrastructure is a prerequisite for world leading cities. Our ambition is for Greater Manchester to be the UK's leading digital city, and in the top five in Europe. A place where bandwidth is never a barrier to commercial activity, social engagement, or the delivery of public services. World-class digital connections need to be available in all parts of Greater Manchester at a price and quality that provides a significant competitive edge internationally for business and allows residents to fully participate in the digital world. Following our Digital Summit in July 2017, we are developing a Digital Strategy for Greater Manchester with the industry and communities including digital skills, digital infrastructure, growing our digital sector and connecting our communities. We will implement a Digital Infrastructure Plan to accelerate the delivery of full fibre networks with no bandwidth ceiling, ensure that all GM has minimum superfast speeds, and position GM to be at the forefront of the roll-out of 5G mobile from 2020.
- 7.14 It is also our ambition to use digital technologies to develop fully joined up public services. We are progressing initiatives such as CityVerve, GM Connect and Health Innovation Manchester to ensure that GM is at the forefront of the digital public services revolution and will continue to pilot new digital approaches to service delivery.

## 8 Priority 6: Safe, decent and affordable housing

- **Providing the homes we need**
- **Creating neighbourhoods of choice**
- **Tackling homelessness**

**8.1** We need to create a housing offer to meet the needs and aspirations of existing and future residents. Residents told us that there is “*not enough housing available*”, that “*better supported housing is needed for vulnerable people*”, and that “*Greater Manchester needs more homes across the full range of prices and sizes but these need to be planned more intelligently than in the past so that they can take advantage of public transport infrastructure and services.*” We will engage communities to achieve those goals.

**Outcomes:**

- High quality housing, with appropriate and affordable options for different groups
- No one sleeping rough on Greater Manchester’s streets

**Target:**

- By 2020, the number of net additional dwellings built per annum will be 11,300, up from 6,190 in 2015/16
- End rough sleeping by 2020, from an estimated 189 rough sleepers in 2016

**GMCA Portfolios:**

- Housing, Planning & Homelessness
- Finance & Investment
- Transport & Infrastructure
- Safe and strong communities

**GM Strategies:**

- GM Spatial Framework
- GM Homelessness Strategy
- Transport 2040
- GMFRS Integrated Risk Management Plan

**8.2** Homelessness and rough sleeping have been growing problems in Greater Manchester over recent years, exacerbated by financial insecurity, health issues and family breakdown, as well as a lack of appropriate housing options. This strategy identifies homelessness as a key priority to tackle in Greater Manchester with the objective of ending rough sleeping by 2020 and tackling the causes of homelessness.

### **Providing the homes we need**

**8.3** Over 6,000 net new homes are built across Greater Manchester each year, and affordability remains good by national comparison. We are already taking active steps to increase the pace of house building. Through the £300m GM Housing Fund we will deliver an additional 10,000 new homes over the next ten years. However there are still nowhere near enough new homes being built to meet local needs and assist in reducing homelessness, as well as the demand stemming from the job growth of our economy and changes in our demographics. We need to build over 11,000 houses a year for the next 20 years.

**8.4** The Greater Manchester Spatial Framework will provide the context within which we will boost the pace of housing development and improve the quality, choice and affordability of the homes on offer so that our housing markets meet the requirements and aspirations of existing and future residents.

**8.5** Through our Investment Strategy we will put in place new models of development and investment to maintain a strong and continuing emphasis on directing new housing to

brownfield land in urban locations, limiting the requirement for greenbelt development whilst protecting and enhancing the quality of life in our existing urban areas.

- 8.6 We will continue to develop the high density urban offer in and around the regional centre to attract the increasing number of people who want a city centre lifestyle. We will look to increase the density of our housing supply around public transport hubs. As part of a broader approach to repurposing and reinvigorating our town centres we will develop GM's town centre offer for housing for a broader range of households, to make town centres residential locations of choice.
- 8.7 We will continue to support development in existing suburban areas which are attractive housing locations and seek to bring forward development in other neighbourhoods that have the attributes to sustainably attract and retain a highly skilled workforce.
- 8.8 To reduce carbon emissions from housing and reduce energy bills, we will also need to support increased energy efficiency in homes and decentralised energy generation in communities.

### **Creating neighbourhoods of choice**

- 8.9 Simply focusing on the number of new houses is not enough. We need to have a much stronger focus on raising the quality of life in all neighbourhoods. We need more of our neighbourhoods to be neighbourhoods of choice, where residents are connected to opportunity and are able to enjoy an excellent quality of life. To achieve this we need to see housing policy as just one part of a wider place-making approach along with education and skills, transport, commercial development and public service reforms.
- 8.10 Regeneration of our social housing estates is necessary to raise the quality of life of existing and new residents and better connect them into local and GM economic opportunities. We will re-examine the role of social housing, making sure that it is used to help meet real need and to support people to gain or regain their independence. We will invest in new supported housing for vulnerable residents who cannot stay in their homes, to improve their quality of life.
- 8.11 We will also work with private landlords and tenants to improve the standards of housing in the private rented sector. Improving the quality of private rented stock can have a major impact on the sustainability of a local area, making it a neighbourhood of choice where people want to live. A core principle running through all our housing policy is that nobody should live in unsafe housing – owner-occupier, private rented, or social rented – and Greater Manchester partners will work together to ensure all our housing stock is safe. Good quality housing is a key factor in ensuring the health and wellbeing of the population and a new Health and Housing programme will target improvements in poor quality housing which is detrimental to resident health.

### **Tackling homelessness**

- 8.12 While we have experienced strong economic growth over the past decade, alongside this we have seen evidence of a growing inequality leading to increased homelessness and people sleeping rough on our streets. This is not an inevitable consequence of the Greater Manchester economy and it will not go unanswered. We need a long term plan to prevent and tackle all types of homelessness, along with short term solutions to support those in immediate need on the streets.

- 8.13** Working with public, private and voluntary, community and social enterprise (VCSE) partners, including those with lived experience, we will act collectively to end rough sleeping in Greater Manchester, supporting people into suitable accommodation and co-designing approaches to prevent all forms of homelessness through support to tackle the underlying causes, including mental health, family breakdown, substance misuse and poverty.
- 8.14** We will take a comprehensive approach to ending rough sleeping and reducing homelessness and will develop a 10 year strategy to radically reduce homelessness in our region, focused on prevention and sustainability. Our approach will focus explicitly on preventing homelessness wherever we can, enabling more people to stay in their homes and we will support and assist them to sustain themselves and live independently. This will include a commitment to a Housing First programme where appropriate. We will seek to make best use of the housing stock across Greater Manchester to assist those who are homeless or at risk of homelessness and meet their needs.
- 8.15** Our approach will be driven by a GM Homelessness Action Network. This will be led by practitioners, partners, stakeholders and people with lived experience to make sure that we deliver the solutions which are required to prevent homelessness and end rough sleeping.



## 9 Priority 7: A green city region and a high quality culture and leisure offer for all

- **Strengthening the natural environment**
- **Reducing carbon emissions**
- **Better utilising our resources**
- **A high quality cultural and leisure offer**

**9.1** The quality of the local environment and amenities are important for supporting the health and wellbeing of all residents. A quarter of those responding to our consultation said that they wanted *“cleaner areas and more green spaces, parks and leisure facilities”*.

**9.2** We need to strengthen the natural environment across Greater Manchester, with communities able to shape a good environment for the long-term and adapt to climate change.

**9.3** Tackling climate change will mean cutting back on fossil fuels use, generating local low carbon energy and achieving a paradigm shift in the way we work, live, travel and play, to improve the way that we utilise our resources.

**9.4** We also need to ensure that Greater Manchester continues to offers a vibrant, stimulating environment for people to live, work, study and play by investing in our cultural and leisure offer.

### **Strengthening the natural environment**

**9.5** Our natural environment, and the ecosystem services it provides, needs to be both protected and, where possible, enhanced in light of increasing pressures from people,

#### *Outcomes:*

- Reduced carbon emissions and air pollution, increased resilience, more sustainable consumption and production, and an outstanding natural environment.
- Increased local, national and international awareness of, pride in, and engagement with GM's culture, leisure and visitor economy

#### *Targets:*

- GM will reduce emissions to 11mt of CO<sub>2</sub> emissions in 2020, down from 13.6mt in 2014
- By 2020, 50% of waste in GM will be recycled and 90% diverted, up from 44.6% and 89.3% respectively in 2016/17
- By 2020, we will have halved the gap with the national average<sup>6</sup> for the proportion of GM residents reporting that they visited the natural environment at least once during the previous seven days
- By 2020, participation at cultural events and venues will be growing by at least 5% pa<sup>7</sup>
- By 2020, the GM visitor economy will be valued at £8.8bn, up from £7.9bn in 2015<sup>8</sup>

#### *GMCA Portfolios:*

- Green City Region
- Culture, Arts and Leisure
- Safe and strong Communities
- Planning, Housing and Homelessness

#### *GM Strategies:*

- GM Spatial Framework
- Climate change and Low Emissions Implementation Plan
- GM Visitor Economy
- Air Quality Action Plan
- GM Moving
- GMFRS Integrated Risk Management Plan

<sup>6</sup> Data for the year to February 2016 show a gap between the GM and national averages of four percentage points.

<sup>7</sup> Baseline data to be defined as part of research being undertaken through the Great Place initiative.

<sup>8</sup> Prices quoted in current terms (i.e. 2015 value at 2015 prices; 2020 value at 2020 prices)

the economy and a changing climate. We will seek to protect our existing green spaces by pursuing a brownfield and town centres first approach to housing and employment site development and improving the quality of our parks, rivers and canals.

- 9.6 Improving the environment and amenities at the heart of our city region will be essential to enable us to compete with the best international cities in terms of the quality of life we can offer to existing and new residents. As Defra's Urban Pioneer City, we are developing new models to manage and improve our environment. We will design and test innovative natural capital approaches to support sustainable economic growth, such as improved water management through the Natural Course project or supporting the City of Trees 'City Park' initiative.
- 9.7 We also need to ensure that all our town centres have the highest quality environment and amenities to offer a good quality of life to all to support our efforts to repurpose and reinvigorate them as locations for work, leisure, housing, and investment.
- 9.8 It will also be essential that we protect against the effects of climate change that it is already too late to prevent, and respond to the stresses that urban areas face so that we become more resilient to the physical, social and economic challenges of the 21st century. This will include increasing the resilience of our buildings and infrastructure to flooding and heat stress. It will require us to undertake research into the impact of climate change on local biodiversity and flood risk and take appropriate action on the results of this analysis.

### **Reducing carbon emissions**

- 9.9 Air pollution and greenhouses gas emissions cause significant harm to the environment, to the health of communities and damage Greater Manchester's economy. Road transport contributes 32% of carbon dioxide emissions with emissions from commercial and domestic buildings accounting for 32% and 37% respectively. There is a need to radically rethink how we supply, manage and consume energy. Urgent innovation in our buildings, transport and energy infrastructure is required. We will work with local and national stakeholders to deliver our response to these challenges through our Climate Change and Low Emissions Implementation Plan, and define a robust low carbon pathway to 2050 to accelerate the point at which Greater Manchester can become carbon neutral.
- 9.10 Our challenging targets can only be met with a combination of sustained proactive national policy and aligned priorities and resources from Greater Manchester. We will develop new local renewable energy sources, reducing not only emissions but the energy bills for our residents and businesses, and also improve the energy efficiency of our new and existing building stock. We have improved the energy efficiency of over 5,000 existing homes through investment overseen by our Low Carbon Hub but new mechanisms to balance up-front investments in energy efficiency with the rewards of lower long term bills are needed in both new build and existing building refurbishment activities. An investment pipeline of over £200m has already been identified in heat networks, public building retrofit, LED street lighting and energy generation programmes and delivery has commenced, using local, UK government and EU funding.
- 9.11 Our energy system, on which our economy fundamentally relies, is rapidly changing. The challenges of decarbonisation, an ageing infrastructure and shifts in societal expectations require a radical rethink in how we supply, manage and consume energy.

We will also accelerate the deployment of smart energy systems, including storage, to reduce energy consumption and shift or reduce peak demand, as this will enable energy consumers to better understand their usage and to actively minimise their bills.

### **Better utilising our resources**

- 9.12 To conserve economically valuable resources, we need to encourage the development of a more circular economy with better design, maintenance, repair, reuse and recycling of goods. To achieve this we need to work with the public and private sectors to transform how resources are procured, used, consumed and disposed of, using public sector procurement to stimulate public sector resource efficiency and market growth. Low carbon practices need to be embedded within procurement and other services through increased knowledge and training as part of both publicly funded business support activity and private sector led activity. Priorities for future action include supporting businesses, residents and the public sector to improve their resource efficiency; increasing the sustainability of our waste collection and disposal systems; and increasing the efficiency of resource use within local authorities and the wider public sector.

### **A high quality cultural and leisure offer**

- 9.13 Our consultation told us that people really value *“the variety of arts and culture, a sense of development, the commitment to internationalism and multiculturalism”*. We must continue to invest in our cultural facilities, not only to attract new visitors from the UK and beyond, but for the benefit of Greater Manchester’s residents. We are transforming our cultural offer, building on the world class assets that we already have and the opening of The Factory, which will enrich this further. We need a cultural offer that is attractive and accessible for all and we must develop and diversify the cultural workforce that delivers that offer.
- 9.14 As well as building on our world class cultural facilities – such as theatre at the Lowry and The Royal Exchange, galleries at Manchester Art Gallery and the Whitworth, the Halle, and new, original works at the Manchester International Festival and Factory – through our new cultural programme we will invest in our strengths in the local arts, culture and heritage sectors, establishing culture as a strategic driver for growth and improving the city region as a place to live. This will be especially important as we seek to modernise and diversify our town centre offer. We will also capitalise on opportunities such as the development of the Royal Horticultural Society’s Fifth National Garden at RHS Bridgewater which will be a major new national green cultural asset in Greater Manchester.
- 9.15 Manchester was named one of Lonely Planet Guide’s top ten cities to visit in 2016 and we have set an aspiration that by 2020 the visitor economy will be a key driver of the social, cultural and economic life of the city region. This will be achieved by further developing and promoting Greater Manchester as a year round vibrant and stimulating cultural city destination.
- 9.16 We want all residents and visitors to become involved with, contribute to, and benefit from Greater Manchester’s wider cultural ambition and assets. We will develop a new approach to our cultural education provision so all children in Greater Manchester receive a culturally rich education, irrespective of background. We will work with schools and colleges to increase the identifiable routes into creative employment for young

people not currently engaged by culture. We will also enable residents to develop a life-long engagement with our cultural, creative and heritage assets, including the development of a programme of Cultural and Sporting Champions – a large scale volunteer ambassador scheme for older people. We will pilot an approach to embed culture as a tool for well-being, exploring the potential of developing a programme of ‘culture on prescription’.

- 9.17** We will also continue to invest in our sport and leisure offer – building on our international reputation for sporting achievement to promote well-being and healthy active lifestyles amongst our residents. No city-region in the UK better understands the role that physical activity and sport can play in delivering wider social community and economic outcomes. The model of sport-led regeneration through the 2002 Commonwealth Games has helped to influence the sporting landscape across the country and now Manchester is ranked 5<sup>th</sup> in the ‘World’s 25 Ultimate Sport Cities’ by Sports Business Magazine. An active life reduces anxiety, lifts mood, reduces stress, promotes clearer thinking and a greater sense of calm, increases self-esteem, and reduces the risk of depression. It will be essential that we capitalise on the strengths in our community and voluntary, community and social enterprise (VCSE) sector to deliver this ambition.

# 10 Priority 8: Safe and strong communities

- **Building strong, inclusive communities where people feel safe**
- **Working with communities and businesses to create a resilient Greater Manchester**
- **Reducing risk and harm to the residents of Greater Manchester**
- **Protecting and supporting children and young people and those that are vulnerable.**

**10.1** Greater Manchester is a city region made up of ten districts and many diverse communities and neighbourhoods. We are stronger when we feel we are safe and that we belong. Every neighbourhood should be a place people want to live: clean, safe, cohesive neighbourhoods where people are involved and active.

<p><b>Outcomes:</b></p> <ul style="list-style-type: none"> <li>o People feeling safe and that they belong</li> <li>o Reduced crime, reoffending and antisocial behaviour, and increased support for victims of crime and domestic abuse</li> <li>o More sustainable GM neighbourhoods</li> </ul>
<p><b>Targets:</b></p> <ul style="list-style-type: none"> <li>o In 2016, 11.8% of GM households said they had been a victim of household crime in the past 12 months. 3.9% of GM residents had experienced personal crime. Over the period to 2020, victimisation rates will be in line with or below the England &amp; Wales average</li> <li>o By 2020, we will meet or exceed the national average for the proportion of adult social care users and carers who have as much social contact as they would like<sup>9</sup></li> </ul>
<p><b>GMCA Portfolios:</b></p> <ul style="list-style-type: none"> <li>o Safer and Stronger Communities</li> <li>o Equalities, Fairness and Inclusion</li> <li>o Young People and Social Cohesion</li> </ul>
<p><b>GM Strategies:</b></p> <ul style="list-style-type: none"> <li>o Police and Crime Plan</li> <li>o GMFRS Integrated Risk Management Plan</li> <li>o Resilient Greater Manchester</li> </ul>

## **Building strong, inclusive communities where people feel safe**

- 10.2** Our consultation told us that people want to help and that “*helping each other and respecting each other*” is important. The success of our approach will depend on confident individuals and communities having the power to shape their own neighbourhood.
- 10.3** Local VCSE sector organisations are key pillars of our neighbourhoods, providing the local infrastructure and community assets to support local people and communities to work together. Greater Manchester also has diverse communities of identity as well as place. We will work together with local VCSE sector groups to enable these communities to support themselves and co-produce and co-design the public services they need. We will also work with anchor institutions – such as hospitals, schools, colleges, universities, faith groups – to build asset based approaches to local community social and economic development. We will help local businesses to contribute and be involved in their local area.
- 10.4** At a neighbourhood level, we are focusing on implementing integrated place-based services that are able to be responsive to local need and build on the assets of the community, creating more capacity to deliver change. These integrated teams work to

<sup>9</sup> Based on the projected national average at 2020, this equates to an uplift from the 2015/16 baseline of 42.9% of GM adult social care users having as much social contact as they would like to 47.7% or above by 2020.

understand individual needs in the context of the family and their community, and strive to intervene and support earlier to reduce problems and improve individual and community resilience – helping people to help to themselves.

- 10.5** It is more vital than ever that our communities are open and inclusive and that residents feel secure and confident in their homes and their neighbourhoods. This means strengthening the cohesion in our communities and tackling those who seek to spread division. This requires us all to work together. Protecting our residents from extremism cannot be left just to the state, it needs to happen with our communities. We need to work in the heart of our communities with families, as they are best placed to identify the early indicators and warnings of potential signs of extremism. We are developing a new collaborative approach across Greater Manchester for how we work in true partnership with our diverse communities to stop the radicalisation of young people, men and women living in Greater Manchester.

### **Working with Communities and businesses to create a Resilient Greater Manchester**

- 10.6** Greater Manchester is a resilient city region with a successful history of overcoming acute shocks such as malicious attacks and flooding, and tackling chronic stresses such as poverty and deprivation. Resilience is a key determinant of growth, investment and long term sustainability and we recognise that this is affected by 21<sup>st</sup> century worldwide trends including climate change, urbanisation, globalisation, energy supply, security issues and anti-microbial resistance.
- 10.7** We need to continue to enable our citizens, communities, businesses and infrastructure to have the capacity to survive, adapt and grow in the face of these challenges. Resilience is therefore about how our city region can meet its ambitions whilst ensuring it is safe and secure, is addressing its key vulnerabilities and can meet expected or unexpected disruptive challenges.
- 10.8** In 2016 Greater Manchester was successfully appointed to join the 100 Resilient Cities (100RC) programme, an initiative pioneered by the Rockefeller Foundation, in recognition of the innovative approach Greater Manchester takes to urban resilience and our commitment to a collaborative partnership with our communities. The 100RC programme presents a new opportunity to help us achieve the future ambitions of the city region by building resilience across a range of issues, including those key to growth and prosperity. We are now working with 100RC to develop a resilience strategy, Resilient Greater Manchester, which will build upon the work of our statutory partnership, the Greater Manchester Resilience Forum.
- 10.9** We also need to work together and with Government to ensure we keep our public spaces and buildings safe from threats – right across Greater Manchester. We need to continue to reduce fires and their associated costs through taking a tougher approach to fire safety across the public and residential estate to keep our residents safe.

### **Reducing risk and harm to the residents of Greater Manchester**

- 10.10** Our consultation responses also told us that “*our communities must feel safe and secure.*” In line with the rest of the country, Greater Manchester has experienced reductions in overall crime, but has seen the emergence of new offences such as fraud and recent increases in some more serious and complex crime types. Reducing risk and

harm goes well beyond just crime. Feeling safe comes from many contexts including on the roads, in the home and in the neighbourhood.

- 10.11** Where crime is an issue, a joined-up justice system is vitally important to give people confidence that crime will be dealt with and that where possible, efforts are made to rehabilitate offenders, as well as improving the efficiency of our public services. Greater Manchester has many assets, strengths and capabilities that allow local criminal justice partners and residents to develop, grow and be safe. Greater Manchester is committed to being an early implementer and a test-bed for innovative approaches for delivering new models of integrated offender management and justice services, which reflect the needs of local populations.
- 10.12** Achieving Greater Manchester's ambition requires a more integrated approach and transformational changes in the way in which services are delivered. Greater Manchester has a strong track record of partnership working, which has resulted in the development of innovative approaches to supporting victims and reducing offending, particularly with younger and female offenders. We need to build on our successes and consider new funding models to make them sustainable and to extend to other priority cohorts.
- 10.13** As well as working to reduce offending, we also need to focus on preventing offending in the first place – working with individuals and communities before crimes are committed, before individuals enter the justice system and diverting them away from crime wherever possible. This means further strengthening our community and partnership work across Greater Manchester and improving our support to particular groups. Children in care (or care leavers) are over four times more likely to become involved with the criminal justice system than children in the general population, and children with a parent in prison are some three times more likely than other children to become involved in offending activity themselves. This should not be inevitable for children growing up in Greater Manchester. Safe neighbourhoods also mean continuing our programmes to improve road safety, particularly for vulnerable groups like children, to improve personal security on public transport and to improve air quality especially in places where children congregate.

### **Protecting and supporting children and young people and those who are vulnerable**

- 10.14** All of us can be vulnerable to risk and harm at different times or circumstances, but some groups of residents are more susceptible to harm because of their age, ill health, disability or other vulnerability. This harm could be risk of injury or as a victim of crime, exploitation or harassment. A strong community protects and supports people when they are vulnerable.
- 10.15** We will work with communities to do this. This means preventing harm from happening where we can, supporting those affected and bringing to justice those committing any form of exploitation, abuse, coercion, or violence, whether physical, sexual, mental, verbal or psychological including so called honour based violence, forced marriage, genital mutilation, trafficking and enslavement.
- 10.16** We will fight prejudice and promote a cohesive society and take a zero-tolerance approach to hate crime.

- 10.17** We will support young people to engage positively in their communities, make positive life choices and to feel safe. Will support disabled young people to be fully engaged in our communities and make Greater Manchester an autism friendly city region.

DRAFT



# 11 Priority 9: Healthy lives, with quality care available for those that need it

- **Healthy lives**
- **Realising the social and health benefits of economic activity**
- **A health and care system that works**

<p><i>Outcomes:</i></p> <ul style="list-style-type: none"> <li>o More people supported to stay well and live at home for as long as possible</li> <li>o Improved outcomes for people with mental health needs</li> <li>o Reduced obesity, smoking, alcohol and drug misuse</li> </ul>
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**11.1** Healthy life expectancy in Greater Manchester is currently three to four years below the national average for men and women and there is significant inequality of health outcomes between the most and the least disadvantaged people in Greater Manchester. We are working to support improved health across the whole population, making radical improvements to public health services, encouraging and supporting people to make healthier choices, promoting wellbeing and preventing ill-health in the first place. This includes engaging people so that they can lead more active lives by walking and cycling more.

<p><i>Targets:</i></p> <ul style="list-style-type: none"> <li>o By 2020, improving premature mortality due to cardiovascular disease will result in 160 fewer deaths per annum</li> <li>o By 2020, improving premature mortality from cancer will result in 350 fewer deaths per annum</li> <li>o By 2020, improving premature mortality from respiratory disease will result in 150 fewer deaths per annum</li> <li>o By 2020, access to evidence-based psychological therapies will reach 25% of the population in need, helping a further 33,600 people each year compared to current levels of provision</li> <li>o By 2020, 72.5% of GM residents will be active or fairly active, compared to 71% in 2017. This equates to more than 75,000 more people 'moving' by 2020<sup>10</sup></li> </ul>
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<p><i>GMCA Portfolios:</i></p> <ul style="list-style-type: none"> <li>o Health and Social Care</li> <li>o Equality, Fairness &amp; Inclusion</li> <li>o Safe and strong communities</li> </ul>
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**Healthy lives**

**11.2** Greater Manchester's future success depends upon the health of our population. For too long our city-region has lagged behind national and international comparators when it comes to key health outcomes. Deeply embedded health inequalities, often between communities little more than a stone's throw apart, have blighted individual lives and acted as a drag on our economy.

<p><i>GM Strategies:</i></p> <ul style="list-style-type: none"> <li>o Taking Charge</li> <li>o Population Health Plan</li> <li>o GM Moving</li> <li>o GM Tobacco free strategy</li> <li>o Substance misuse strategy</li> <li>o GMFRS Integrated Risk Management Plan</li> </ul>
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**11.3** The GM Population Health Plan sets out our approach to delivering a radical upgrade in the population's health. The key to better population health is to get upstream of the impact of illness and disease and focus on prevention and early intervention to reduce demand. We are also committed to a life course approach; we believe that from

<sup>10</sup> For adults (16 years and older), active is defined as 150+ minutes of moderate to vigorous physical activity per week, and fairly active 30-149 minutes. For 5-15 year olds, 60+ minutes of moderate to vigorous physical activity on all seven days of the week is considered active, and 30-59 minutes fairly active. For 2-4 year olds, active constitutes 180+ minutes on all seven days, and fairly active 60-179 minutes.

pregnancy right through to ageing we have multiple opportunities to enhance future quality of life.

- 11.4 Mental health is a key crosscutting priority in Greater Manchester. With 75 per cent of adult mental health problems starting by the age of 18, and with only 25 per cent of young people with a mental health problem getting access to the right support, our focus is on prevention and early intervention – working with schools and colleges to ensure the right support is there when it is most effective.
- 11.5 Being physically inactive (doing less than 30 minutes of physical activity per week) is one of the top 10 causes of early mortality. 31 per cent - 677,600 of Greater Manchester's residents – are inactive so we are leading the way in developing a comprehensive plan to reduce inactivity and increase participation in physical activity and sport. This includes forging ground-breaking strategic partnerships with national bodies such as our Memorandum of Understanding with Sport England.

### **Realising the social and health benefits of economic activity**

- 11.6 The evidence base for work as a health outcome – particularly mental health – is very strong, yet has received little priority to date from the national health and social care system. Promoting good employment practice and healthy workplaces is key to helping workers to thrive, reducing sickness absence and increasing productivity. We will support this with a system that provides early intervention, helping workers to stay in employment when suffering from poor health or disability.
- 11.7 We have formed a joint programme board to drive a system-wide approach to supporting our residents who are out of work or at risk of leaving employment due to ill health. As part of this 'working well, living well' approach, consistent with our priority to create good jobs in Greater Manchester, we will encourage businesses to provide working conditions that contribute to employee health and well-being, building on healthy workplace principles, as well as embodying corporate social responsibility within business practices: paying the real living wage (as set annually by the Living Wage Foundation); addressing gender pay disparities; limiting the use of zero-hours contracts; and promoting the recruitment and up-skilling of older people and people with learning disabilities.
- 11.8 We recognise that employment is not the sole indicator of a positive outcome for our residents. Many individuals who are not economically active have caring responsibilities, work-limiting illness or disability, or carry out other valuable work such as volunteering or mentoring. Their contributions and activities offer real value and broader benefits in terms of social inclusion and cohesion.
- 11.9 We will work closely with partners, including the VCSE sector, to ensure that community assets including the knowledge, experience and life skills of our older residents are recognised, valued and harnessed, and that support is available to those individuals who have caring (or other) responsibilities. We will work together to ensure that all residents, regardless of age, background or circumstances, have an opportunity and a desire to actively contribute to their communities, so that they feel that they have a genuine stake in Greater Manchester's success, prosperity and happiness.

## **A health and care system that works**

- 11.10** The devolution of health and social care responsibilities to Greater Manchester (the first agreement of its kind) is supporting a fundamental change in the way people and our communities take charge of – and responsibility for – managing their own health and wellbeing, whether they are well or ill. This will include exploring the development of new relationships between NHS and social care staff and the public who use services; finding the thousands of people who are currently living with life-changing health issues but are not currently accessing services; and investing far more in preventing ill health. We want health to be a key enabler of people starting well, living well and ageing well. This will help reduce demand on services so we can create a sustainable health and care system that delivers the best quality outcomes.
- 11.11** In all parts of Greater Manchester we will develop local care organisations where GPs, hospital doctors, nurses and other health professionals come together with social care, the voluntary, community and social enterprise sector and others looking after people's physical and mental health, as well as managers, to plan and deliver care. This will mean that when people do need support from public services it is largely provided in their community, with hospitals only needed for specialist care.
- 11.12** Those hospitals across Greater Manchester will work together across a range of clinical services, to make sure expertise, experience and efficiencies can be shared widely so that everyone in Greater Manchester can benefit equally from the same high standards of specialist care.
- 11.13** We will also focus on ensuring standards are consistent and high across Greater Manchester. This will include: exploring sharing some clinical and non-clinical support functions across multiple organisations; giving people greater access and control over their health records and ensuring they are available in hospitals, GP practices and with social care so people can tell their story once; investing in Greater Manchester-wide workforce development; sharing and consolidating public sector buildings; investment in community health care hubs; and investing in new technology, research and development, innovation and the spreading of great ideas.
- 11.14** We will also focus on quality in the provision of social care. The Care Quality Commission has analysed over a thousand care homes, nursing homes and community-based support services in Greater Manchester and found over a fifth to be inadequate or requiring improvement.
- 11.15** Although Greater Manchester has made progress in improving the capability and capacity of its workforce, our health and social care services, in common with other parts of the country, still face numerous workforce challenges. Our aim is to have a resilient and sustainable workforce that feels motivated, supported, empowered and equipped to deliver safe and high quality services, drive improvements and positively influence the health and well-being of the population. Achieving this ambition will require a recognition that things will need to be done differently, so we will look at new ways to support the recruitment and retention of staff, particularly in key shortage areas.

# 12 Priority 10: An age-friendly Greater Manchester

- **The first age-friendly city region**
- **A global centre of excellence for ageing**
- **Increased economic participation of over 50s**

**12.1** Greater Manchester's vision is for older residents to be able to contribute to and benefit from sustained prosperity and enjoy a good quality of life. Our communities need to be able to take the coordinated action required to plan for ageing populations, ensuring that as people age they are able to take advantage of the social and economic opportunities where they live, and reducing the levels of social exclusion many older people can face.

**12.2** Greater Manchester's population is ageing rapidly. By 2036, 14% of the total population will be 75 and over - an increase of 75% from 2011. If we don't do things differently those at risk of social isolation and loneliness is forecast to increase, with related impacts on physical and mental health and wellbeing.

<p><i>Outcome:</i></p> <ul style="list-style-type: none"> <li>o People live in age-friendly neighbourhoods</li> <li>o Inclusive growth and reduced inequality across GM places and population groups</li> <li>o Reduced social isolation and loneliness</li> </ul>
<p><i>Targets:</i></p> <ul style="list-style-type: none"> <li>o By 2020, 90% of people aged over 50 in GM will identify their neighbourhood as 'very' or 'somewhat' age-friendly, compared to 80% in 2017<sup>11</sup></li> <li>o By 2020, 5,000 more 50-64 year olds will be in employment, relative to a 2016 baseline of 316,000</li> <li>o In 2015/16, there were 10,426 hospital admissions due to falls amongst GM residents aged over 65. By 2020, we will have reduced this to fewer than 9,700 falls per annum</li> <li>o By 2020, we will meet or exceed the national average for the proportion of adult social care users and carers who have as much social contact as they would like<sup>12</sup></li> </ul>
<p><i>GMCA Portfolios:</i></p> <ul style="list-style-type: none"> <li>o Health &amp; Social Care</li> <li>o Equality, Fairness &amp; Inclusion</li> <li>o Planning Housing &amp; Homelessness</li> <li>o Skills, Employment and Apprenticeships</li> <li>o Safe and strong communities</li> </ul>
<p><i>GM Strategies:</i></p> <ul style="list-style-type: none"> <li>o GM Ageing Strategy</li> <li>o GM Spatial Framework</li> <li>o GMFRS Integrated Risk Management Plan</li> <li>o GM Moving</li> </ul>

## The first age-friendly city region

**12.3** Greater Manchester is in a unique position to become the UK's first age-friendly city region and a national leader on ageing in place, with the GM Ageing Hub convening a wealth of experience and expertise across a wide range of leading academic, policy and practitioners, combined with the flexibilities granted under the devolution deals.

**12.4** We will change the narrative around ageing, building a positive discourse and demonstrating the valuable contribution that older people can make as entrepreneurs, volunteers, workers and consumers to support growth and resilience. We will ensure that ageing is embedded in policy, to identify, and respond to, the needs of older people

<sup>11</sup> 2017 baseline data are based on responses to community surveys undertaken through the Ambition for Ageing programme in 25 wards across eight GM districts.

<sup>12</sup> Based on the projected national average at 2020, this equates to an uplift from the 2015/16 baseline of 42.9% of adult social care users having as much social contact as they would like to 47.7% or above by 2020.

in areas such as employment and skills, business support, transport, housing, health and spatial planning.

- 12.5 We will tackle the key challenge of social exclusion, isolation and loneliness among older people by strengthening social connectedness through a community asset building approach, utilising the strengths of our local VCSE sector such as the Ambition for Ageing programme and our pioneering academic partners.
- 12.6 We will plan for future patterns of demographic change and develop more, better quality age-friendly homes and communities. We will build on the age-friendly neighbourhoods approach to develop age-friendly districts, town centres and regional centre to become an age-friendly and dementia friendly city region.

### **A global centre of excellence for ageing**

- 12.7 We will build on Greater Manchester's strengths to become a global centre of excellence for ageing, pioneering new research, technology and solutions across the whole range of ageing issues. This will be supported through our Memorandum with the Centre for Ageing Better which sets out how we will collaborate to develop an evidenced, place-based approach to ageing.
- 12.8 We will invest in developing our existing evidence base and piloting new and innovative solutions to the challenges and opportunities that ageing societies bring, using innovative forms of engagement and co-production with older people. We will gather best practice and share learning across districts, and deliver at a Greater Manchester level those interventions that will work best at scale.
- 12.9 We will continue to play a leading role on national and international partnerships and networks to ensure that Greater Manchester is at the cutting-edge of expertise on ageing.

### **Increased participation for the over 50s**

- 12.10 To better capitalise on the talents of older residents, and combat poverty later in life, we need to increase economic participation amongst the over 50s. Around a third of Greater Manchester's 50-64 year olds are out of work, considerably higher than the national average. Increasing the employment rate of the over 50s to the all age Greater Manchester average could increase GVA by almost £1bn each year.
- 12.11 To achieve a step-change in economic participation of the over-50s, we will take a co-production approach to understanding and addressing inequalities that Greater Manchester residents face in later life, working with VCSE organisations. We will work with employers to ensure that there are opportunities for older workers in Greater Manchester. Through our approach to healthy lives we will seek to extend healthy working years, removing ill health as a barrier to economic participation.
- 12.12 We will also improve the culture offer for older people across Greater Manchester and help individuals and organisations capitalise on the new and emerging markets for products and services being created by the older consumer.

## 13 Implementation

- 13.1** This strategy sets out our vision and charts a course for Greater Manchester. It is a strategy for everyone in Greater Manchester – residents, the voluntary, community and social enterprise sector, businesses and civic leaders. It will only be achieved if our communities are engaged in shaping new approaches, and if our collective resources are drawn together to deliver it.
- 13.2** The Greater Manchester Strategy Implementation Plan sets out the activities through which that engagement will take place and this strategy will be delivered. It sets out the specific actions that will be taken forward under each strategic priority. It sets out both short term (up to 3 years) and some longer term actions (3 years +) we will take, as well as priority actions that will be our point of focus for the next 12 months. It also clearly sets out the organisations that are responsible for delivering those actions at a local, Greater Manchester, Northern and national level.
- 13.3** The coordination of the Implementation Plan will be led by Portfolio leads. Details of how the portfolio responsibilities map to our strategic priorities is shown in Table 1. The Implementation Plan will be published on the GMCA website<sup>13</sup> and updated regularly to reflect progress and any significant changes in focus.
- 13.4** Clearly the Greater Manchester Strategy and its Implementation Plan do not sit in isolation, and there are a number of key strategies and plans which underpin their delivery (Figure 3). Two key cross-cutting frameworks that will be developed to support the delivery of the GMS are:
- the GM Investment Framework, which will guide all investment decisions that GM controls or influences – across growth and reform priorities – to ensure this is coordinated and the impact is maximised to deliver GM’s ambitions; and
  - the GM Spatial Framework, which will allow us to take an informed, integrated approach to spatial planning across the city region, based on a clear understanding of the role of places and the connections between them.
- 13.5** We have also developed the GM Outcomes Framework (see figure 2) to not only provide transparency and accountability in terms of our progress, but also to inform the decisions we take regarding how we invest the resources available to us and the services we commission. The Outcomes Framework will need to be developed further over time so that we can reflect the changes to our city region and we will work with our partners to develop the set of indicators that we measure so that we can track our performance as accurately as possible.
- 13.6** To ensure that we remain on track in delivering the Strategy we will continue to report our progress against both the specific actions in the Implementation Plan and a range of high level performance indicators and targets (see figure 2 for details) to help us, and our stakeholders, determine whether the approach we are taking is delivering our shared vision for Greater Manchester and our objectives for residents in all parts of our city region.

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<sup>13</sup> <https://www.greatermanchester-ca.gov.uk>

### **Figure 3: Delivering our strategy, key delivery plans**

This strategy provides a high level framework for action based on a robust evidence base and public consultation. More detailed plans, developed and led by city-region-wide partnerships and led by Portfolio leads, will set out the specific actions, interventions and investment required to deliver our strategic priorities and achieve our vision. These plans include:

- the **Greater Manchester Spatial Framework**, which will allow us to take an informed, integrated approach to spatial planning across the city region, based on a clear understanding of the role of places and the connections between them;
- the **Greater Manchester Investment Strategy**, which will guide all investment decisions that GM controls or influences – both growth and reform – to ensure this is coordinated and the impact is maximised to deliver Greater Manchester’s ambitions;
- **GM’s Digital Strategy**, which will set out a clear vision of Greater Manchester’s future as a world leading digital city, and will take an open, innovative approach to delivering that ambition;
- **Greater Manchester 2040 Transport Strategy**, a new long-term transport strategy for Greater Manchester that will deliver world class connections that will support long-term sustainable economic growth and access to opportunities for all and be backed up by the establishment of a second GM Transport Fund;
- the **Climate Change and Low Emissions Implementation Plan**, which sets out the steps we will take to reduce emissions and generate clean energy, improve air quality and invest in our natural environment to respond to climate change, reduce costs and to improve quality of life;
- **Resilient Greater Manchester**, which will set out what we need to do to become more resilient to the shocks – catastrophic events like storms, pandemics and floods – and stresses that we may face;
- the **GM Internationalisation Strategy**, setting out how we will elevate our international trade and investment performance, attract and retain international talent, and maximise our potential as the gateway to the North;
- the **Greater Manchester Work and Skills Strategy**, setting out our path to delivering a work and skills system that meets the needs of Greater Manchester employers and residents;
- **Taking Charge**, setting out radical reforms to the way the health and social care services are provided to deliver the greatest and fastest improvements to health and wellbeing across Greater Manchester;
- Our plan for reforming the way that all **services for children** are delivered, with an initial focus on integrating preventative services for children and young people;
- the **Police and Crime Plan**, which sets out the policing and justice priorities for Greater Manchester and how the GM force and partners will deliver those priorities;
- the **GMFRS Integrated Risk Management Plan** which will set out the priorities to be delivered by the GM Fire and Rescue Service; and
- the **Northern Powerhouse Strategy**, which identifies skills, science and innovation, and the development of a collaborative approach to promoting the Northern Powerhouse to foreign investors.
- **GM Moving** which sets out a blueprint for physical activity and sport in Greater Manchester that will be integral to the city region’s health, growth and prosperity at an individual and population level.

**Table 1: Portfolio responsibilities links to GMS priorities**

<b>Portfolio area</b>	<b>Main GMS priority areas</b>
Young People & Social Cohesion	Priority 1: Children starting school ready to learn Priority 2: Young people equipped for life Priority 8: Safe and strong communities Priority 9: Healthy lives, with good care available for those that need it
Skills, Employment & Apprenticeships	Priority 2: Young people equipped for life Priority 3: Good jobs, with opportunities to progress and develop Priority 4: A thriving and productive economy in all parts of Greater Manchester Priority 9: Healthy lives, with good care available for those that need it Priority 10: An age-friendly Greater Manchester
Health & Social Care	Priority 1: Children starting school ready to learn Priority 2: Young people equipped for life Priority 3: Good jobs, with opportunities to progress and develop Priority 4: A thriving and productive economy in all parts of Greater Manchester Priority 9: Healthy lives, with good care available for those that need it Priority 10: An age-friendly Greater Manchester
Policy & Strategy	Cuts across all 10 priorities
Transport & Infrastructure	Priority 4: A thriving and productive economy in all parts of Greater Manchester Priority 5: World class connectivity that keeps Greater Manchester moving Priority 7: A green city region and a high quality culture and leisure offer for all Priority 9: Healthy lives, with good care available for those that need it
Housing, Planning & Homelessness	Priority 4: A thriving and productive economy in all parts of Greater Manchester Priority 5: World class connectivity that keeps Greater Manchester moving Priority 6: Safe, decent and affordable housing Priority 7: A green city region and a high quality culture and leisure offer for all Priority 10: An age-friendly Greater Manchester
Business & Economy	Priority 2: Young people equipped for life Priority 3: Good jobs, with opportunities to progress and develop Priority 4: A thriving and productive economy in all parts of Greater Manchester Priority 5: World class connectivity that keeps Greater Manchester moving Priority 6: Safe, decent and affordable housing



	<p>Priority 7: A green city region and a high quality culture and leisure offer for all</p> <p>Priority 10: An age-friendly Greater Manchester</p>
<p>Safer &amp; Stronger Communities</p>	<p>Priority 6: Safe, decent and affordable housing</p> <p>Priority 7: A green city region and a high quality culture and leisure offer for all</p> <p>Priority 8: Safe and strong communities</p>
<p>Green City-Region</p>	<p>Priority 4: A thriving and productive economy in all parts of Greater Manchester</p> <p>Priority 5: World class connectivity that keeps Greater Manchester moving</p> <p>Priority 6: Safe, decent and affordable housing</p> <p>Priority 9: Healthy lives, with good care available for those that need it</p> <p>Priority 7: A green city region and a high quality culture and leisure offer for all</p>
<p>Culture, Arts &amp; Leisure</p>	<p>Priority 1: Children starting school ready to learn</p> <p>Priority 2: Young people equipped for life</p> <p>Priority 3: Good jobs, with opportunities to progress and develop</p> <p>Priority 4: A thriving and productive economy in all parts of Greater Manchester</p> <p>Priority 7: A green city region and a high quality culture and leisure offer for all</p> <p>Priority 9: Healthy lives, with good care available for those that need it</p> <p>Priority 10: An age-friendly Greater Manchester</p>
<p>Equality, Fairness &amp; Inclusion</p>	<p>Priority 1: Children starting school ready to learn</p> <p>Priority 2: Young people equipped for life</p> <p>Priority 3: Good jobs, with opportunities to progress and develop</p> <p>Priority 4: A thriving and productive economy in all parts of Greater Manchester</p> <p>Priority 8: Safe and strong communities</p> <p>Priority 9: Healthy lives, with good care available for those that need it</p> <p>Priority 10: An age-friendly Greater Manchester</p>
<p>Finance &amp; Investment</p>	<p>Cuts across all 10 priorities</p>
<p>Digital City-Region</p>	<p>Priority 1: Children starting school ready to learn</p> <p>Priority 2: Young people equipped for life</p> <p>Priority 4: A thriving and productive economy in all parts of Greater Manchester</p> <p>Priority 5: World class connectivity that keeps Greater Manchester moving</p> <p>Priority 9: Healthy lives, with good care available for those that need it</p> <p>Priority 10: An age-friendly Greater Manchester</p>



## **Response to the Green Paper: Building our Industrial Strategy**

### **Summary**

- A.1** The development of a modern Industrial Strategy for the UK is very welcome. Greater Manchester's (GM) experience shows that if the underlying barriers to investment and enterprise – around infrastructure, education and skills, and public sector reform – are tackled, then places can be created which are attractive for people to live, work and invest. This type of place-based strategy focusing on key sectors, developing assets, and connecting people with jobs – which GM has pursued for more than 20 years – is the route to meeting the Industrial Strategy's goal of improving living standards and economic growth by increasing productivity and driving growth across the whole country.
- A.2** The recognition that the Strategy needs to go beyond its predecessors – driving growth across the whole country and creating the institutions to bring together sectors and place – creates new opportunities for a more effective approach. A partnership between Central Government, cities, regions and local authorities, focused on increasing productivity with all communities contributing to, and benefiting from, growth, is the way to ensure that the country works for everyone.
- A.3** This response sets out how the draft Strategy can be developed further so that national and local strategies can complement and reinforce each other, backed up with investment. It draws on the unique experience of GM in creating the local governance structures, institutions and relationships – through devolution – to understand the barriers to raising growth and living standards, and address them through the integration of economic and social reform. It also responds to the detailed questions set out in the Green Paper.
- A.4** The final Industrial Strategy should set out a vision of a more productive economy – with all communities contributing to, and benefiting from, growth – with a place-based settlement based on thriving cities and regions. It is those functional economic areas where the Pillars have to be coordinated for maximum impact. The approach set out in the draft Strategy has all the key elements, but not the binding thread which draws them all together. Understanding how the individual Pillars impact on businesses and sectors is only possible from considering how they come together spatially – such as through the skills and infrastructure of the city or region which businesses can then draw upon.

- A.5** This co-ordinated approach is being taken in the Greater Manchester Strategy (GMS) which is currently being refreshed. GM has unrivalled potential to become a national engine of growth for the North and the UK as a whole with the size, the assets, the skilled population and political and economic influence to rival any global city. The city region is taking an integrated approach, bringing together an agenda combining investment and reform in the city region's economy and communities, and shaping places through a spatial plan for housing. This builds on strengths such as our concentration of science, research and innovation assets, our vibrant creative and digital sector, our globally-competitive manufacturing sector, our access to strategic transport networks, and our town and district centres which are increasingly important for jobs and homes across the conurbation.
- A.6** Significant challenges remain, and some GM communities have not shared in the benefits that economic growth brings. The deprivation that results acts as a drag on the economic potential of the city region as a whole. That is why an approach which co-ordinates the drivers of productivity, based on a deep understanding of the local economy and communities, is so important.
- A.7** The updated GMS will be an Industrial Strategy for the city region, setting out how all communities can contribute to, and benefit from, growth. The White Paper should set the basis for a long-term and stable relationship between national Government and GM, with detailed arrangements for how national Government will work with Greater Manchester's Mayoral Combined Authority (GMCA) to deliver the shared ambitions in national Industrial Strategy and the GMS. GMCA is developing models which would enhance national and regional coordination and effectiveness, while maintaining shared ownership and robust accountability, and would welcome discussions with Government over the coming months to develop these proposals further.
- A.8** **This partnership would require a place-based settlement for GM**, with accountability provided by an outcomes framework focused on the priorities of the Industrial Strategy and wider city region aims. The critical role of place then needs to be developed under each of the Pillars, so that they are effective:
- Developing skills – the education and skills system is fragmented and inconsistent, and so failing to deliver the skills the economy needs. An education and skills system which is integrated locally will be vital for meeting businesses' needs if the labour market changes significantly as the UK leaves the EU. **All post-16 skills and careers advice should be co-commissioned between Central Government and GM**, so that it can build on the integrated and responsive skills and work system already being

developed in GM to join the system up further and providing high quality advice to young people. A GM Schools Commissioner, accountable to the GMCA as well as the Secretary of State, would help to integrate the system. **There should also be a world-class Institute of Technology in GM** as the culmination of technical routes, with GM also having a role in working with employers to maximise the impact of the Apprenticeship Levy. Developing skills depends on the platform provided by the early years and schools system – with reforms to children services and improvements to school leadership.

- Investing in science, research and innovation – this will only be fully effective if it builds on place-based innovation networks, **delivering the findings of the completed Science & Innovation Audits**, such as the Audit mapping the strong asset base in Greater Manchester and East Cheshire, so that they inform future resource deployment decisions. It should also ensure that science collaborations and relationships are supported once the UK leaves the EU and **address the continued erosion of mainstream quality-related research funding**, the foundation of university research funding, which risks undermining GM’s academic research strengths.
- Upgrading infrastructure – the draft Strategy is right to say that “lower levels of infrastructure investment outside London – particularly transport funding – has held back other towns, cities and areas”. That is why **a second transport fund for long-term investment in GM and infrastructure linking up the Northern Powerhouse are priorities**, building on existing commitments such as the Northern Hub programme and electrification and the programmes being developed by Transport for the North. **The delivery of HS2 is crucial** not only to increase capacity on key rail routes, but also to drive regeneration in GM and beyond. **Investment in digital infrastructure**, such as fibre to the premises and 5G, is also vital to underpin growth clusters such as Industrial Digitisation.
- Supporting businesses to start and grow – Business Growth Hubs, pioneered in GM and now rolled-out across the country, are now an integral part of the business ecosystem in GM. Drawing on an understanding of place, they play a crucial role to play in linking skills and other business support, but there is little on the development of their role in the draft Strategy. **Business Growth Hubs need to continue to have sufficient funding to tackle market failures** to ensure there is no crowding out of commercial activity and so that they can reach out to even more small and medium-sized businesses.

- Encouraging trade and inward investment - **trade and investment support activity should be expanded and commissioned jointly with localities** to reflect the different assets and opportunities in places such as GM where there is a comprehensive knowledge of local strengths and needs. The renegotiation of the UK's relationship with the EU will clearly have a significant impact on trade rules. **There should be a transparent process for representing the voice of the North in EU negotiations, and a clear, detailed and objective economic analysis of the options for forging new trading relationships** should be carried out, providing a spatial analysis of where the impacts will be greatest.
- Delivering affordable energy and clean growth – improving air quality is a priority in GM, which is why GM has developed a Low-Emission Strategy and complementary Air Quality Action Plan. But **Central Government must also play a key role by stimulating the shift to new fuels and the electrification of public and private transport**, requiring investment by utility companies to ensure GM has the requisite electricity supply and capacity.

**A.9** Other elements which need to be developed as draft Strategy becomes are White Paper are that:

- It needs to be **more specific about how it fits with the Government's Northern Powerhouse Strategy and how that Northern Powerhouse Strategy will be delivered**, again so that the pillars can be co-ordinated in the places where they have an impact. The Northern Powerhouse Independent Economic Review set out the prime and supporting capabilities across the North – Advanced Manufacturing, Energy, Digital and Health Innovation, supported by Education and Logistics. These are the areas of competitive advantage where we need to cultivate world-leading sectors in the Northern Powerhouse.
- It needs to **consider the role that services such as health and social care play** in supporting the development of a skilled workforce, particularly in GM given the innovative and unique devolution of health and social care commissioning.
- It needs to be clear about how the Strategy will be **backed up by investment for the long-term**, with the continuation of locally-controlled investment to drive growth after the UK leaves the EU.
- The approach of developing a framework for driving growth across the whole country (Pillar 9) is welcome, but **the Strategy needs to be clear that its practice will**

**need to be very different in different places**, given the wide variation in challenges, structures and local institutions.

- A.10** There is also an opportunity for the relocation of public-owned bodies, where there are clear and evidenced relationships with assets in different places, to reinforce the development of growth clusters. **The relocation of Channel 4 to the MediaCityUK growth cluster** would benefit both Channel 4 – as they could draw on the extensive network of innovation that has already been created – and the cluster as a whole which would gain another significant broadcaster.
- A.11** Section 1 of this response focuses on how the draft Strategy can be developed further to maximise its impact, ensuring there is a consistent and collaborative partnership between the UK and GM Strategies, backed up by investment to create the conditions to enable sectors to thrive.
- A.12** Section 2 addresses some specific issues, based on GM’s unique experience, which have come up during the consultation process – developing local growth institutions and growth clusters, and providing business leadership.
- A.13** Section 3 responds to the detailed questions set out in the Green Paper, where they have not been addressed in Sections 1 and 2.

## **Section 1: Developing the Draft Strategy**

- 1.1 The theme of place needs to be developed further in the White Paper to provide the unifying vision for the Strategy, being the thread which binds together the individual pillars so that they form a coherent approach. The Strategy will only be effective if it goes beyond the traditional focus on sectors, and roots itself in a proper understanding of the way that places function. By recognising that different places require different approaches, it can build on the opportunities and address the challenges that they face and empower local leaders to develop an approach tailored to the needs and assets of those places
- 1.2 In that way, the White Paper can go beyond the siloed approach of previous productivity strategies, where the individual drivers of productivity have been examined in isolation without fully considering how they interact in driving (or holding back) local economic growth, or how they can be brought together.
- 1.3 Greater Manchester (GM) is developing such an integrated approach which brings together an agenda combining investment and reform in the city region's economy and communities, and shaping places through a spatial plan for housing. This is building on strengths such as our concentration of science, research and innovation assets, our vibrant creative and digital sector, our globally-competitive manufacturing sector, our access to strategic transport networks, and our town and district centres which are increasingly important for jobs and homes across the conurbation.
- 1.4 Significant challenges remain, and some GM communities have not shared in the benefits that economic growth brings. The deprivation that results acts as a drag on the economic potential of the city region as a whole. That is why an approach which co-ordinates the drivers of productivity, based on a deep understanding of the local economy and communities, is so important.
- 1.5 GM is integrating and coordinating interventions across science, research and innovation, skills, infrastructure, business support, procurement, trade and investment and energy and clean growth, which requires an understanding of how they combine to affect businesses and the places where they are located. For example, a business investing in science, research and innovation needs to know that it has the skilled workforce nearby to make best use of that investment, can rely on the infrastructure to bring that workforce to the business and to deliver services and goods to customers. Or, as the draft Strategy highlights, the local networks of support for businesses starting up, growing and exporting, are shaped by the procurement decisions of the public sector in an area and by access to

clean and affordable energy. A single integrated delivery of the strategy is particularly important for small and medium-sized enterprises as they do not have the capacity or capability to try to piece together different elements, but need them to be joined up where they are based. In short, the role of place is crucial to address the linkages between the pillars.

- 1.6 In the draft Strategy, too many of the actions described under the individual pillars are divorced from the areas where they have an impact – often functional economic areas such as city regions, but also for some interventions pan-regional geographies such as the Northern Powerhouse. Without further opportunities for local businesses to work with Combined Authorities and others to meet their skills, infrastructure, science, research and innovation needs, the Strategy will fall short of its potential. That is why it is vital for the Strategy to continue to develop and progress the devolution agenda. Examples of how the final Strategy can do this are set out below.

#### Partnership between the UK and GM Industrial Strategies

- 1.7 The UK's Industrial Strategy and GM's Strategy – currently being refreshed – need to work in partnership if the objective of improving living standards and economic growth by increasing productivity and driving growth across the whole country is to be delivered. They should set the basis for a long-term and stable relationship between national Government and GM, with the framework set out by national Government and national spending decisions aligning with, and reinforcing, decisions made at a city and regional level where the needs of businesses can best be addressed in a coherent and joined up way.
- 1.8 GM's ground-breaking devolution deals and comprehensive understanding of the barriers to local growth has meant that innovative approaches have started to be developed:
- **Co-ordination with sectors and individual businesses is strong**, for example improving the responsiveness of the skills system to local business needs through a new digital skills programme, reform of the skills infrastructure including businesses, authorities, universities and colleges working together to design an Institute of Technology, and the development of the Business Growth Hub addressing market failures in finance and promoting export opportunities by building relationships and knowledge;
  - **Programmes are being tailored to local challenges and priorities**, for example co-commissioning the Work & Health Programme, based on the success of GM's



Working Well programme, so that it joins up local health and skills provision and addresses local challenges around exclusion from the labour market and lack of pay progression in work;

- **Planning for the long-term has become better coordinated and more deeply embedded** because it is being done by those who have a stake in the city region and take long-term responsibility for its success, providing reassurance and continuity for businesses, for example through the development of investment funds, the agreement of the GM 2040 Transport Strategy, and consulting on a draft Spatial Framework;
- **Investment has increased and has been better tailored to drive local growth**, because it has been based on a comprehensive understanding of the geography, social and economic relationships of businesses and the communities in which they are based, for example through the development of the transport network through extensions to the Metrolink.
- **Frontline services are being integrated addressing the social barriers to create a more productive workforce**, for example through the co-commissioning of health and social care services so that they can be better integrated, and the extension of place-based services.

**1.9** This shows how the devolution of powers and co-commissioning between Central Government and city regions can start to deliver an Industrial strategy which meets the needs of place and delivers not only local growth but also regional and national growth. It has also been complemented by the development of the Northern Powerhouse. Evolving from a unique, bottom-up set of opportunities, the Northern Powerhouse has become a powerful platform for inter-city regional collaboration in areas which require close collaboration – such as transport infrastructure across the North – or where there are mutual interests – such as attracting inward investment, particularly around the North’s prime capabilities.

**1.10** An effective partnership with Central Government would require a place-based settlement for GM, with accountability provided by an outcomes framework focused on the priorities of the Industrial Strategy and wider city region aims. The critical role of place then needs to be developed under each of the Pillars, so that they are effective:

- **Developing skills** – the education and skills system is fragmented and inconsistent, and so failing to deliver the skills the economy needs. An education and skills system

which is integrated locally will be vital for meeting businesses' needs if the labour market changes significantly as the UK leaves the EU. All post-16 skills and careers advice should be co-commissioned between Central Government and GM, so that it can build on the integrated and responsive skills and work system already being developed in GM to join the system up further and providing high quality advice to young people. A GM Schools Commissioner, accountable to the GMCA as well as the Secretary of State, would help to integrate the system. There should also be a world-class Institute of Technology in GM as the culmination of technical routes, with GM also having a role in working with employers to maximise the impact of the Apprenticeship Levy. Developing skills depends on the platform provided by the early years and schools system – with reforms to children services and improvements to school leadership.

- **Investing in science, research and innovation** – this will only be fully effective if it builds on place-based innovation networks, delivering the findings of the completed Science & Innovation Audits, such as the Audit mapping the strong asset base in Greater Manchester and East Cheshire, so that they inform future resource deployment decisions. It should also ensure that science collaborations and relationships are supported once the UK leaves the EU and address the continued erosion of mainstream quality-related research funding, the foundation of university research funding, which risks undermining GM's academic research strengths.
- **Upgrading infrastructure** – the draft Strategy is right to say that “lower levels of infrastructure investment outside London – particularly transport funding – has held back other towns, cities and areas”. That is why a second transport fund for long-term investment in GM and infrastructure linking up the Northern Powerhouse are priorities, building on existing commitments such as the Northern Hub programme and electrification and the programmes being developed by Transport for the North. The delivery of HS2 is crucial not only to increase capacity on key rail routes, but also to drive regeneration in GM and beyond. Investment in digital infrastructure, such as fibre to the premises and 5G, is also vital to underpin growth clusters such as Industrial Digitisation.
- **Supporting businesses to start and grow** – Business Growth Hubs, pioneered in GM and now rolled-out across the country, are now an integral part of the business ecosystem in GM. Drawing on an understanding of place, they play a crucial role to play in linking skills and other business support, but there is little on the development of their role in the draft Strategy. Business Growth Hubs need to

continue to have sufficient funding to tackle market failures to ensure there is no crowding out of commercial activity and so that they can reach out to even more small and medium-sized businesses.

- **Encouraging trade and inward investment** - trade and investment support activity should be expanded and commissioned jointly with localities to reflect the different assets and opportunities in places such as GM where there is a comprehensive knowledge of local strengths and needs. The renegotiation of the UK's relationship with the EU will clearly have a significant impact on trade rules. There should be a transparent process for representing the voice of the North in EU negotiations, and a clear, detailed and objective economic analysis of the options for forging new trading relationships should be carried out, providing a spatial analysis of where the impacts will be greatest.
- **Delivering affordable energy and clean growth** – improving air quality is a priority in GM, which is why GM has developed a Low-Emission Strategy and complementary Air Quality Action Plan. But Central Government must also play a key role by stimulating the shift to new fuels and the electrification of public and private transport, requiring investment by utility companies to ensure GM has the requisite electricity supply and capacity.

**1.11** Other elements which need to be developed as draft Strategy becomes are White Paper are that:

- It needs to be more specific about how it fits with the Government's Northern Powerhouse Strategy and how that Northern Powerhouse Strategy will be delivered, again so that the pillars can be co-ordinated in the places where they have an impact. The Northern Powerhouse Independent Economic Review set out the prime and supporting capabilities across the North – Advanced Manufacturing, Energy, Digital and Health Innovation, supported by Education and Logistics. These are the areas of competitive advantage where we need to cultivate world-leading sectors in the Northern Powerhouse
- It needs to **consider the role that services such as health and social care play** in supporting the development of a skilled workforce, particularly in GM given the innovative and unique devolution of health and social care commissioning.
- The approach of developing a framework for driving growth across the whole country (Pillar 9) is welcome, but the Strategy needs to be clear that its practice will

need to be very different in different places, given the wide variation in challenges, structures and local institutions.

- 1.12** There is also an opportunity for the relocation of public-owned bodies, where there are clear and evidenced relationships with assets in different places, to reinforce the development of growth clusters. The lessons from the development of successful growth clusters are explored below. Other countries will not stand still in cultivating their growth clusters, so complacency must be avoided. The relocation of Channel 4 to the MediaCityUK growth cluster would benefit both Channel 4 – as they could draw on the extensive network of innovation that has already been created – and the cluster as a whole which would gain another significant broadcaster.
- 1.13** Developing the partnership between Central Government and GM in these areas, and the creation of a long-term and stable relationship between national Government and GM, is vital to providing the coordination needed between the Strategy's pillars, so that they can be more effectively joined up for businesses in the places where they are based.

#### Investing in the Industrial Strategy

- 1.14** The announcement of the National Productivity Investment Fund in the 2015 Autumn Statement was very welcome. The additional investment that it will provide across research & development, housing, transport and telecoms will provide a welcome boost for those drivers of productivity. GM has been working closely with Central Govt departments on the delivery of this, and particularly with Innovate UK around the prioritisation of technologies on which their investment will focus.
- 1.15** However, there are still obstacles which need to be overcome if funding is to be consistent with the approach and goals set out in the Strategy. They are:
- i. The lack of long-term certainty in funding;
  - ii. The cuts in funding for some areas of spending which are crucial to supporting productivity growth and the risks around current investment programmes funded by the EU;
  - iii. The limited ability of cities and regions to be able to invest on the basis of future benefits from that investment;
  - iv. The lack of a place-based approach which enables joined up investment at the level of functional economic geographies.

- 1.16** There is currently a lack of long-term certainty around the funding of key infrastructure and other programmes which drive productivity. While the devolution deals signed between GM and Central Government have taken some welcome steps in establishing investment funds for transport and housing, those are still over relatively short periods. For example, a new transport investment fund for GM is needed if long-term investment in infrastructure is to be delivered. There are similar issues with funding linked to social programmes which underpin the development of the skilled workforce which GM businesses need. Grants provided by Central Government are welcome, but are time-limited and have significant restrictions attached which limit the ability of the CA to join up interventions or invest for the long-term.
- 1.17** The need for a place-based approach is illustrated by the specific investment needs around regeneration in GM. The industrial heritage of many parts of the city region means that there is a large number of former industrial sites where the viability of development depends on upfront investment – a different approach from some other places. Such investment can unlock both business investment in growing sectors and housing (see below for examples of investing in GM’s growth clusters).
- 1.18** Some of the funding streams have also been cut, limiting the ability to invest in the Strategy’s pillars. For example, funding for adult skills was cut by around 40 per cent before being devolved, undermining the ability to deliver the vision of lifelong learning set out in the Strategy and tackle the significant backlog of low skills in GM, and the squeeze on per-pupil funding in GM’s schools in this Parliament will lead to future problems. The funding challenges currently being faced by health and social care are also widely recognised. Again, the additional investment announced in the 2017 Budget was welcome, although a sustainable solution for the long-term is still required. This matters for delivering growth and rising living standards because – as the success of the Working Well programme has shown in GM – the integration of health and care services with skills interventions is crucial to developing the workforce needed by GM businesses.
- 1.19** In recent years, EU investment funds have been a crucial source of investment in regional growth. Investment from the funds has generally been on a longer timescale than those from UK Government, and they have provided more flexibility in providing innovative programmes. GM is due to receive €415m in 2014-20, which is doubled through the matching process. This provides funding for investment in research & innovation, the transition to a low-carbon economy, and education and skills, and support for SMEs and to promote social inclusion. This has, for example, allowed GM to double the size of the Work & Health Programme which is being co-commissioned in the city region with DWP.

- 1.20** Overall, GM’s current European Structural Fund and European Regional Development Fund have benefited over 6,000 SMEs, supported 20,000 people to gain higher skill levels, meant 115,000 people benefited from training and development, and reduced CO2emmissions by 40,000 tonnes. It is estimated that GM has also received more than €80m through the Horizon 2020 programme.
- 1.21** It is vital for the delivering the aims of the Industrial Strategy that this funding of regional growth continues beyond the point of the UK’s exit from the EU. While there is detailed work to be done on how that funding will be allocated in future, the key point is that there should be a new local funding stream with local decision-making, at least in those areas which were involved in the allocated of EU funding. The main principles for the funding stream should be that:
- It should be on a greater scale than at present;
  - Allocations should be made on a long-term basis – at least 7 years as at present;
  - There should be flexibility in the funding for local decisions to be made on how to invest it, to allow innovation and joining up at a local level;
  - The process should move away from the current bureaucratic output-driven approach of EU funds and instead focus on outcomes;
  - Investment should be allocated on the basis of the strength of the evidence base and the capacity and track-record of an area to deliver.
- 1.22** In short, the funding should be part of a place-based settlement for GM, with accountability provided by an outcomes framework which focuses on the priorities of the Industrial Strategy and wider city region aims.
- 1.23** Such a place-based settlement would require the certainty and incentives provided by greater local control of revenue streams. Certainty would come from authorities having greater responsibility for raising their resources, and they would have greater ability and incentives to target the sources of revenue growth such as business growth and capital investment.
- 1.24** The first steps are already being taken to develop this approach – as the Strategy says, “The Government is providing local authorities in England with new incentives for growth through the full retention of business rates, meaning that local areas see substantial fiscal benefits when they take action to grow and attract new businesses.” However, the devolution of Business Rates revenue only provides incentives to invest in certain aspects

of growth – largely investment in the large retail and office spaces on which Business Rates is paid. It provides little or no mechanism for driving other key aspects of productivity growth, for example sectors such as digital or drivers such as skills. GM would welcome the opportunity to explore further for continuing the fiscal devolution necessary to meet the aims of the Strategy.

### Cultivating World-Leading Sectors in Greater Manchester

**1.25** GM is an economically diverse city region, but has concentrations of specialised and distinctive activity which have the potential to drive the city region’s economic growth. The Combined Authority and Districts work closely with these sectors, particularly through the close relationship with the Local Enterprise Partnership. These sectors include:

- **Business, finance and professional services** – including legal and accounting, insurance, and business services
- **Manufacturing** – including advanced materials; textiles; chemicals; food & drink; and GM firms’ role in national supply chains
- **Health innovation** – including life sciences, medical technology/devices, health services, devolution
- **Digital** – including media/creative and data analytics

**1.26** These strengths align with the conclusions of the Northern Powerhouse (NPH) Independent Economic Review (IER) which was commissioned by Leaders and LEPs from across the North to provide a rigorous assessment of the factors driving the North’s economic performance and the industries and sectoral strengths that could lead economic growth of the North over the next 30 years.

**1.27** Analysis of the sectors in GM also confirms that GM has a globally significant concentration of science, research and innovation assets, particularly in health innovation, advanced materials, energy, digital and industrial biotechnology. This is a key factor that differentiates the city region from UK and international city competitors. The synergies between these innovation assets are explored in more detail in the Science and Innovation Audit (SIA) of GM and East Cheshire. The Audit, identified GM’s leading-edge science and innovation capabilities, with globally significant “core strengths” in Health Innovation and Advanced Materials, and “fast-growth opportunities” in Digital, Energy and

Biotechnology.<sup>1</sup> The Corridor Manchester is the strongest single location with its concentration of university, NHS and private sector assets – generating around 20 per cent of the city’s GVA and employing over 63,000 people – and leading research is also undertaken in the universities in Salford and Bolton and public/private facilities across GM. Capitalising on these assets will be critical for future economic growth prospects.

- 1.28** The symbiotic relationship between sectors, the businesses within them, and the places where they are located, means it is vital that Sector Deals take account of spatial factors and the relationship between sectors and place. The challenges set out in the Green Paper which Sector Deals can address, such as facilitating long-term investment and coordination between suppliers and primes, developing and growth the strengths of particular clusters, and boosting skills, can only be met through partnership between those sectors and the local institutions which they rely upon.
- 1.29** If the Industrial Strategy is to meet its objective of improving living standards and economic growth by increasing productivity and driving growth across the whole country, then it also needs to take into account industries where there are high levels of employment, but low pay.
- 1.30** For example, GM’s prime capabilities of financial & professional services, manufacturing, health innovation, and digital are all critical for economic growth, but they account for only a third of jobs in the city region. Jobs that principally serve the local population, such as retail, food/drink, and social care, account for two-thirds of employment. Retail, where around half of jobs are low paid, has over 120,000 employees in GM – 10 per cent of all employees in the city region. Improving productivity performance in these sectors will be vital to delivering growth which benefits all communities.
- 1.31** The approach to raising productivity and pay in these sectors – coordinating the pillars of the Strategy at the right spatial level to maximize their impact – is the same as in the high productivity, high pay sectors. Firms which are being forced to rely on a low pay, low skill business strategy are likely to have to change their approach as the National Living Wage increases and the renegotiation of the UK’s relationship with the EU means that the supply of low paid labour is restricted. That is one of the reasons why a more integrated education and skills system is needed, to meet demands for higher skills from the local labour force. But it is also important that the Industrial Strategy includes these sectors so that, for example, the investment in science, research and innovation drives technological improvement and higher productivity in these sectors.

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<sup>1</sup> *Greater Manchester and East Cheshire, A Science and Innovation Audit Report*, sponsored by the Department for Business, Energy & Industrial Strategy, November 2016.





## **Section 2: Specific Issues Based on GM's Experience**

- 2.1** The approach of developing a framework for driving growth across the whole country (Pillar 9) is welcome, and some of the lessons from Greater Manchester's (GM's) innovative and effective approach are set out below. However, the Strategy needs to be clear that its practice will need to be very different in different places, given the wide variation in challenges, structures and local institutions. A one-size-fits-all approach which held back city regions such as GM which are at the forefront of development would undermine the whole Strategy.
- 2.2** GM is in a unique position in having an embedded and proven governance structure, developed and tested over 20 years. The GM LEP and Combined Authority work closely together, while the Mayor and district Leaders – who form the cabinet of the Combined Authority – hold portfolio responsibilities across the GM priorities. The structure includes a GM Health & Social Care Strategic Partnership Board which oversees the reform of health and social care in the city region, with the opportunities for integration that brings, and a Committee which oversees the travel services provided by Transport for Greater Manchester. Other GM priorities are overseen by the Low Carbon Hub Board, Police and Crime Panel, and Skills and Employment Partnership. There are also Audit and Scrutiny Committees in place to ensure that high standards of openness, integrity and accountability are maintained.
- 2.3** This structure has underpinned GM's ability to be at the forefront of devolution and provides the capacity for further innovation and devolution.

### **Local Growth Institutions**

- 2.4** GM has been widely recognised as having a strong set of institutions in place to identify emerging areas of strength, and develop policies and targeted investments to support them. The governance structure described above has facilitated co-ordinated decision-making across the ten districts of GM, based on an unrivalled analysis and understanding of the economic and social challenges in the city region. Close collaboration between the city region's authorities, businesses, education and research institutions, voluntary sector, and public services has meant that a powerful joint agenda has been developed to drive growth and inclusion.

2.5 While the exact shape GM's institutions is not necessarily replicable, and will depend on local circumstances, it is possible to draw out some key functions which need to be performed by local institutions. These are:

- **Capable and visible leadership at the functional economic area**, such as the Combined Authority and LEP.
- **Decision-making and governance structures** which involve local communities and authorities, and provides a clear route for decisions to be made. Democratic legitimacy can be provided either indirectly, through local authority representatives, or directly, through a Mayor.
- **Analysis and assessment of the local economy and society**, drawing on quantitative and qualitative evidence and techniques to improve the evidence base on which local decisions can be made.
- **Engaging local businesses in decision-making and the development of the strategy** for the functional economic area. In GM, this takes place through the LEP, Chamber of Commerce and other business networks.
- **Provision of a skilled workforce and the innovative research** which businesses can draw on, through universities, colleges and other institutions;
- **Provision of funding and finance for investment and business growth**, both through the public sector (e.g. investment funds that support to release and regeneration of land) and private sector institutions (e.g. banks and other funding platforms which provide loans and equity to businesses);
- **Promotional work to market an area to the world**, and bring in global investment through international partnerships.
- **The identification and understanding of the role of anchor institutions** – in the public and private sector – who are large employers and depend on a local supply chain and therefore have a significant influence over the local economy.

2.6 It should also be borne in mind that institutions need to operate at different spatial levels. Many of these functions need to be performed at a functional economic area, such as a city region. However, as the evolution of the Northern Powerhouse from a unique, bottom-up set of opportunities has shown, with the right support and investment, particularly in transport, opportunities can be exploited to ensure that regions such as the North becomes much more than the sum of its parts.

- 2.7 Finally, the relationship between the institutions is important, as well as the individual functions they perform. They need to be collaborate in pursuit of a clear strategy and goal to ensure that they are working consistently to maximise their impact.

### Developing Growth Clusters

- 2.8 One of the most successful approaches to developing networks of highly skilled jobs in GM has been the development of MediaCityUK, and the growth cluster it has driven in GM. This is now established as a leading European centre of digital and creative industries with international brands such as BBC and ITV and over 100 specialist media and production companies.
- 2.9 One the main catalysts for the development of the cluster has been the relocation by the BBC of its flagship digital products and some of its leading brands to Salford in 2011. The BBC now employs 3,000 people at the site, 700 of whom were recruited when it was set up, and a further 900 since. However, its impact goes well beyond the immediate employment. Around a third of the BBC roles are in digital and technology, and as an anchor institution it has helped to drive a much bigger cluster of media, broadcast, digital and creative industries at Salford Quays. Other subsequent developments included the arrival of ITV Studios, the opening of the Landing - a 53,000ft<sup>2</sup> digital enterprise hub that provides space where companies can unlock innovation, growth and collaboration – and Tomorrow Building – a creative and tech workspace that incorporates co-working space and six floors of flexible floorplates that can cater for the needs of expanding and incoming businesses.
- 2.10 The cluster now comprises more than 250 innovative firms, with 30,000 jobs at the Quays by 2014, and has expanded across the city region. The International Screen School Manchester, led by Manchester Metropolitan University, is being set up which will develop interdisciplinary talent to support GM's creative and digital industries. The Sharp Project has developed as a home to over 60 digital entrepreneurs and production companies specialising in digital content production, digital media and TV and film production, while the Space Project has been established as a purpose built production stage complex for the North of England.
- 2.11 These opportunities have been unlocked through investment by the authorities in GM in the infrastructure needed by the cluster, such as an extension in the Metrolink and high frequency bus services. The residential community is also growing as housing is integrated within developments.

- 2.12** The lessons from this example are applicable in other contexts. Bringing together a group of mutually dependent businesses and public sector institutions, across different sectors but with a common goal, can have a transformative effect. It can create a growth cluster of national, or even global, significance by bringing together the powers and funding agreed in City Deals with sector specific partnerships with the private sector. They rely on harnessing the crucial powers to shape the place where businesses and sectors are located – making them attractive for investment, and putting in place the infrastructures, skills and business support– with the sector-specific priorities of businesses, including cross-sectoral dependencies such as legal services and access to finance. The way to drive a growth cluster is therefore to bring together City Deals with Sector Deals, drawing on both, in order to support the development of the cluster, and to ensure that national and local government are working together in close partnership.
- 2.13** It is also vital to keep developing these clusters if they are going to continue to cultivate world-leading sectors and maintain competitive advantages at a global level. Other countries will not stand still in cultivating their growth clusters, so complacency must be avoided. The relocation of Channel 4 to the MediaCityUK growth cluster would benefit both Channel 4 – as they could draw on the extensive network of innovation that has already been created – and the cluster as a whole which would gain another significant broadcaster.
- 2.14** Other areas where such clusters are being developed in GM are:
- Around graphene where cutting-edge science at the University of Manchester has driven a cluster of activity applying technological break-throughs to practical problems;
  - Health innovation, where the co-commissioning of health and social care at the GM level is opening up new opportunities for collaboration with the high productivity pharmaceutical firms which are located in, and close to, the city region;
  - In developing Industrial Digitisation where the early work on a sector deal, being led by Juergen Maier of Siemens, is being co-ordinated closely with GM so that powers around skills development – in particular, the creation of a new Institute of Technology – and infrastructure are in place to provide the platform for the sector to develop.

### **Section 3: Responses to Questions in the Green Paper**

- 3.1 GM's response to the general questions and questions on sectors, whole country and the right institutions, are set out in the Green Paper are covered in the Sections 1 and 2 above. This section contains responses to the other detailed questions.

#### **Investing in Science, Research & Innovation**

*Question 5: What should be the priority areas for science, research and innovation investment?*

- 3.2 At the core of any national industrial strategy must be the aim to harness knowledge, innovation, skills and infrastructure to drive the economy, create jobs and raise productivity – and it is essential to recognise the contribution to be made by the local and regional level. The Greater Manchester and Cheshire East Science and Innovation Audit, published in November 2016, showed that local science and innovation strengths in GM can bring wider benefit to address societal and global societal challenges – such as climate change, energy security, transport efficiency, and a sustainable health and social care system. Investment in science, research and innovation should be focused on delivering the findings of the completed Science & Innovation Audits, so that they inform future resource deployment decisions.
- 3.3 The Audit identified five areas of particular GM strength for ongoing science, research and innovation investment: Health Innovation, Advanced Materials, Digital, Energy, and Industrial Biotechnology, and which offer the greatest potential to continue the transition to a knowledge-based economy. Additionally, it is important to recognise that we will only be able to create global competitive advantage if we drive synergies between capabilities – creating positive spill-overs and value when combined, and are able to bridge the gap between science and research investment and commercial production. This interconnectedness will enable the UK to co-develop applications in new technologies, achieved by linking our unique clusters of excellence in fundamental science with an ability to put that scientific knowledge into application. Such investment requires a strong working relationship between local and national partners.

*Questions 6: Which challenge areas should the Industrial Strategy Challenge Fund focus on to drive maximum economic impact?*

- 3.4** GM has been engaging with Innovate UK on the focus of the Industrial Strategy Challenge Fund and the developing challenge areas. The key challenges for the GM economy around biotech, health, energy, advanced materials and digital are all covered by the emerging areas. However, as the Greater Manchester and Cheshire East Science and Innovation Audit showed, it is also crucial that cross-discipline working improves. It is therefore important that the challenge areas do not become rigid silos which then miss out the vital importance of cross-discipline working which is so important for developing an innovation ecosystem (see question 5 above).

*Question 7: What else can the UK do to create an environment that supports the commercialisation of ideas?*

- 3.5** Growth Hubs have a role to play in coordinating and simplifying the local business support landscape, and should remain an integral part of the Government's ambition to drive local growth and productivity and the commercialisation of ideas. They can provide a single access point for impartial and trusted support, acting as a catalyst to bring together national and local schemes into a single offer so businesses get everything they need in one place – including the best of private and public sector support offered by joint working with Innovate UK, IPO, HMRC, Universities, Local Authorities Chambers of Commerce, Enterprise Agencies and others.
- 3.6** It is particularly important to recognise the role of Growth Hubs in supporting established businesses, start-ups and scale-ups to commercialise innovation. In particular there is an opportunity for Hubs to work jointly with universities to simplify access and address some of the challenges identified in the Dowling and Witty reviews. For example in GM the Growth Hub has embedded joint Business Development Managers in each of the four local universities to create and manage the right linkages between academics and business people.
- 3.7** The investment context is also critical for supporting the commercialisation of new ideas (see questions 18 to 22 below). The public sector has a role to play both in bringing together those seeking to commercialise ideas with the appropriate investment, and to de-risk early-stage innovation that will ultimately bring new products and services to market.

*Question 8: How can we best support the next generation of research leaders and entrepreneurs?*

- 3.8** Investment needs to continue to be made to ensure a strong pool of graduates/postgraduates with both STEM and leadership and management skills. Good governance at the local and regional level is also conducive to innovation, research and growth. A well-established public and private business support environment has a role to play – with mature business support networks, access to private equity, a strong underpinning financial and professional service sector, and incubator and accelerator space. Additionally, excellent physical infrastructure is required for a globally connected high tech sector. We must also support smaller firms to acquire and build the absorptive capacity to take advantage of the opportunities created by science assets. It is important to increase productivity, raise skills and qualification levels across the workforce, and extend the benefits of our recent strong growth to the less favoured parts of the region.

*Question 9: How can we best support research and innovation strengths in local areas?*

- 3.9** Strategic investment must be made to capitalise on the key intersections and opportunities. The means extracting maximum value from existing assets and those under construction, but need to continue to invest (from public sector, private sector and external funds) to maintain world-class excellence and remain at the forefront of international developments in areas of smart specialisation. Notably this will exploit the synergies between areas of strength in order to develop route-ways to the market. We can reinforce inter connectedness by making some important strategic investments. For example, the proposed Pankhurst Centre for Research in Health, Technology and Innovation in GM. This would be a path-breaking, cross-disciplinary Institute bringing together clinical research with materials science, informatics, engineering and computer science to address major health problems, and unlock synergies between our strengths of health and materials plus digital and biotechnology. Its 'bidirectional' nature means new discoveries will seek health applications and respond to health needs to find solutions.
- 3.10** It is also important to strengthen the innovation support ecosystem. That means enhancing collaboration by aligning science assets with the local business base to maximise economic impact, and stimulating a broader cultural change around interdisciplinary pathways to the market. It also means nurturing talent by ensuring the right local skills mix is in place to drive innovation, reinforce identified scientific strengths and improve the ability to attract and retain talented individuals - investing further in the development of the skills required to drive key innovation sectors and assets, particularly higher-level technical skills. Leadership and management capacity for our innovative sectors are also critical. We need investment in our business schools to ensure they can



play a pivotal role through their research and training in guiding development in areas such as health devolution and of our advanced innovative sectors. We need to raise awareness of a diverse workforce to drive innovation.

- 3.11** As we build critical mass, there will be increased opportunity to ensure businesses gain access to diverse finance support to help them to scale-up. We need to realise the benefits of ‘absorptive capacity’ within SMEs, improving their ability to integrate new information for commercial ends. This includes increasing the provision of adequate space for both start-ups/ scale-ups and leveraging in smarter procurement practice from the public sector to incentivise innovative practice. Integrated governance, including a deep culture of collaboration between government, business, academia, and health, will give a powerful platform to implement the opportunities.

### Developing Skills

*Question 10: What more can we do to improve basic skills? How can we make a success of the new transition year? Should we change the way that those resitting basic qualifications study, to focus more on basic skills excellence?*

- 3.12** The education and skills system is currently fragmented, inconsistent and unresponsive, with a plethora of agencies and competing priorities in the system, not only undermining skills but failing to provide the information, advice and guidance needed by young people to develop their careers. Much greater coordination is needed in the routes leading up to the development of basic skills – right through from Early Years and school – and this can only be achieved at a local level.
- 3.13** At the moment, the post-16 education and skills system is having to deal with failures earlier in the system. The fundamental problem is a lack of high quality teachers – a deeply entrenched problem across the Northern Powerhouse. A drive to tackle the recruitment and training of teachers who can teach maths and English is critical.
- 3.14** For several years, more young people have failed to achieve the benchmark for English and maths when retaking GCSE’s than those who did achieve. Repeated failure at this stage can lead to young people being more likely to disengage from learning and becoming demotivated. The system needs to accommodate those young people who struggle to succeed when pushed to retake GCSEs during 16-18 education.
- 3.15** The transition year should therefore include a focus on ensuring young people can study in a way that will keep them engaged with the learning journey and provide a positive experience ready for the progression to further learning or employment. GM’s education

& skills system aims to deliver individuals that are work ready and equipped with the soft skills and personal characteristics that employers require. We are developing an Employer-Facing Outcomes Framework for post-16 education and training that includes key employability skills such as resilience, problem solving, communication, team working and critical thinking. The transition year could look to incorporate a set of similar key employability skills.

- 3.16** Underachievement in maths and English at 16 becomes the responsibility of the post-16 sector. Improving the rigour of maths and English qualifications is welcome, but there is potential for more young people to end up in that transition year which will have a significant impact on FE provision and budgets – including the Adult Education budget – and so further investment is needed.
- 3.17** GM is fully supportive of the Government’s plans to ensure all adults that need it can access basic digital skills training mirroring the approach taken for English and Maths and this will be reflected in the outcomes framework that is being produced for our devolved Adult Education budget. Plans need to be developed with local areas to ensure that decisions are informed by a strong mutual understanding of the national and local implications of policy decisions. GM would welcome the opportunity to work with Government to explore options for the development of basic functional skills in the new pathways.

*Question 11: Do you agree with the different elements of the vision for the new technical education system set out here? Are there further lessons from other countries’ systems?*

- 3.18** The fragmentation of the education and skills system is also seen post-16. That is why all post-16 skills should be co-commissioned between Central Government and GM in order to start joining the system up. There should also be a world-class Institute of Technology in GM as the culmination of technical routes.
- 3.19** The vision is definitely the right vision if it simplifies the system. Young people who are vocationally undecided need to have a clear line of sight to higher skills development and employment. Young people who want to be flexible can cross between the academic and vocational at higher levels and those in the transition year will be better supported. A great deal of work will need to be done with schools, colleges, employers, parents and teachers to deliver the pathways. This is a seismic change to FE and will need investment, critical support and a clear strategic approach.

- 3.20** There is much good practice in other countries. These are demonstrated through the Gatsby Foundation and highlighted in the Lord Sainsbury review. More strength can be found in developing the pathways with local areas so that the flexibility of provision and qualifications are consistent with the needs and priorities of local economies and businesses.

*Question 12: How can we make the application process for further education colleges and apprenticeships clearer and simpler, drawing lessons from the higher education sector?*

- 3.21** A common application process offers the potential to provide both a fully searchable prospectus of local post-16 opportunities and a minimum entitlement to impartial information about options and progression opportunities. The inclusion of an accompanying application process helps to drive up usage of the prospectus and makes the process of searching and applying for opportunities feel more tangible and joined-up.
- 3.22** One of the key issues with any application system is timing; many young people who express an interest in Apprenticeships do so at a time when they are unavailable to the labour market (i.e. in Year 11), and when an employer has a vacancy they are likely to want to fill it in line with their usual recruitment timescales rather than waiting for an applicant. Any application system must be sufficiently refined to capture expressions of interest, convert them into registrations, and keep that interest 'warm' until suitable vacancies arise. In addition, any system of this kind would rely on providers maintaining up to date information about courses and opportunities.
- 3.23** 'Search & Apply' is an online portal developed by GMCA which has been in operation for over five years and has grown more recently thanks to City Deal funding. The portal brings together schools, providers and IAG practitioners to support the successful post-16 application process for young people. 'Search & Apply' enables young people, primarily in Year 11, to search for all post-16 learning and training opportunities, including Apprenticeships, and to submit applications and expressions of interest to colleges, sixth forms and training providers in GM via the UCAS Progress system. In 2015/16, Year 11 pupils submitted 15,000 applications through the UCAS Progress system and 80 post-16 providers operating in the region have now published their course information on the system. A vital aspect of the project is to promote the take up of Apprenticeships and Traineeships amongst young people in Year 11. Apprenticeship expressions of interest accounted for 12% of the total applications in 2015/16, compared with just 9% in 2014/15.

- 3.24** We believe that young people benefit from accessing the post-16 offer in GM from one place and can express an interest in an Apprenticeship at the same time. This allows providers to support the young person more appropriately to be ready for an opportunity and for the choice itself to be impartial and balanced.
- 3.25** The DfE and SFA are currently engaged in a series of roundtable discussions with partners and stakeholders (including employers) around this issue. GM officers who have been instrumental in leading the 'Search & Apply' initiative would be keen to contribute their learning from this local activity to those discussions and an offer has been extended to that end.
- 3.26** This platform will be critical for young people, schools and parents when the technical pathways become available so that the whole offer is visible and clearly presented.

*Question 13: What skills shortages do we have or expect to have, in particular sectors or local areas, and how can we link the skills needs of industry to skills provision by educational institutions in local areas?*

- 3.27** The Greater Manchester Forecasting Model identifies the sectors that are likely to add labour due to growth to be digital & creative; business, financial & professional services; retail and construction. Through detailed sector deep dive research we can forecast that in the years to 2035, GM is likely to see around 221,000 net new jobs and around 170,000 replacement jobs each year; with a large number of these jobs requiring skills at least to NVQ Level 3.
- 3.28** Although there have been significant improvements in skill levels in the past decade there continues to be a significant gap at level 4+ where 32% of GM residents, compared to 36% nationally hold this level of qualification. There are also problems with skill utilisation – the number of people qualified to level 4 has risen considerably faster than the numbers of level 4 jobs in the economy. As a result, although qualifications are generally regarded as a key determinant of labour market success, 39% of unemployed people in GM have level 3 and above skills, with 20% having a level 4 qualification.
- 3.29** For the programmes of technical education set out in the national Skills Strategy to have a genuine labour market value, it is critical that employers take a leading role in setting standards and specifying the skills, knowledge and behaviours that an individual will need to succeed in an occupation. At a GM level, the Area Based Review (ABR) will result in local outcome agreements which meet the economic and educational priorities and outcomes of the GMCA and GMLEP, including preparation for the technical education reforms.

- 3.30** The implementation of the area review is also exploring models for an Institute of Technology. This is vital to ensure that GM can deliver provision that is based on need and enables colleges, providers, Universities and employers to come together to respond. GM is exploring options with businesses in the city region to that ensure higher level vocational education at all levels supports employers to meet their technical and professional skills needs directly; and that employers are engaged in the design of programmes to ensure learners are well prepared for the labour market.

*Question 14: How can we enable and encourage people to retrain and upskill throughout their working lives, particularly in places where industries are changing or declining? Are there particular sectors where this could be appropriate?*

- 3.31** There needs to be a long term plan to align education and training for adults, especially those in work. Provision for adult learning needs to be flexible to work around their lives; to be prepared to take out a loan, individuals need access to learning that is going to meet their needs and be delivered in a way that fits around their personal circumstances. Careers advice and guidance needs to be more accessible for employed individuals of all ages, particularly for emerging growth sectors and changing industries, to encourage upskilling and reskilling for career progression. The language around the current loans system may also provide a disincentive for some adults from participating in learning and there could be some changes to shift the language towards 'investment' rather than 'loans'.
- 3.32** The Apprenticeship Levy provides the opportunity for employers to embed Apprenticeships as a core strand of workforce development planning and talent management. This opportunity is not confined to new entrants to a business or to the workforce, but can also be used as a tool to up-skill current employees. In-work progression through higher and degree apprenticeships will not only increase productivity by delivering the skills base required for high value activity, but also has a pull-through effect in the workforce, opening up entry level opportunities for individuals who are entering the labour market for the first time. In GM, the Levy will apply to approximately 2% of employers within the region (around 1500 – 2000 organisations).
- 3.33** There is a particular need to address the digital skills challenges given the growing need for digital skills at all levels and across all sectors with particular skills gaps prevalent in technical development type roles. The pace of technological change in digital requires more CPD and challenges traditional models of education. Ways to tackle this include: greater specialisation from FE providers, greater employer/provider co-delivery/co-design

including via Apprenticeships, more integration of innovative digital learning e.g. code clubs, hacks with the formal curriculum.

- 3.34** The European Social Fund is providing crucial in-work skills support. It is therefore vital that equivalent funding is available after Brexit.

### Upgrading Infrastructure

*Question 15: Are there further actions we could take to support private investment in infrastructure?*

- 3.35** Investment to update and upgrade infrastructure is vital to shape the places where sectors and businesses are located. It ensures that they can access the skilled workforces they need to become more productive, and to access supply chains and markets – physically and digitally.
- 3.36** GM has developed and agreed an innovative Transport Strategy to actively help shape and create a successful, resilient city region, ready to tackle the challenges, and opportunities, of the 21st century. Priority interventions range from transformational investment in HS2 and new, fast east-west rail connections across the North to establishing GM as a modern, pedestrian and cycle-friendly city region. Our local road system will be much more reliable and safe for all users, including freight and commercial traffic. And, crucially, we will build on the success of our commuter revolution, which Metrolink and improved local rail services have brought over the past 20 years, with the delivery of new and enhanced rapid transit links and a transformed local bus network. Ultimately, GM’s Transport Strategy looks to bring all our interventions together, offering flexible, low emission and customer-focused travel choices, supported by smart information, ticketing and payment systems, across a truly integrated GM transport network.
- 3.37** This approach relies on:
- predictable and consistent long term funding, for service provision and capital infrastructure development, renewal and maintenance, and
  - ensuring GM is equipped with the right powers and functions to shape coherent, efficient and co-ordinated transport networks that can stimulate sustainable, productive and inclusive growth, and support wider policy objectives (such as public health and stimulating housing markets)

- 3.38** It can then secure the widest benefits from the city region, not least as the Green Paper rightly says “high quality infrastructure provision can raise living standards directly and have a positive impact on health through reduced costs and time of travel, reduced pollution, and faster and lower-cost digital and transport connectivity.”
- 3.39** Devolution is central in providing GM with the necessary powers and functions to enable its place-shaping agenda. But it also requires a new financial settlement, that can underpin a sustainable long-term approach to transport investment that can secure massive wider public policy gains. We are keen to continue to explore with Government the potential for new financial mechanisms which can help ensure that all the beneficiaries of transport infrastructure and service development are able to effectively contribute to the necessary long term investment which provides the catalyst that unlocks value, growth and opportunities.
- 3.40** Much work is underway to ensure the maximum local and regional economic benefits can be achieved through the delivery of HS2. This once in a lifetime development has the potential to deliver a transformational step-change in the connectivity of the North’s city regions and is critical to the successful rebalancing of the national economy. Plans are already underway to ensure the development of HS2 – providing significantly increased capacity and connectivity – acts as a catalyst for the attraction of private sector investment and drives overall economic performance of our region.
- 3.41** GM’s Spatial Framework, which is currently under development following consultation, will be a vital tool for linking transport infrastructure, housing and jobs, creating places where businesses want to invest, people want to live, and linking the two. One of the key barriers to entry in housing development is the land market. The availability of land is a necessary pre-condition for housing or other forms of development, yet the land market is opaque and inefficient. The Housing White Paper acknowledges this and suggests some reforms that will start to address this. Government could go further and faster in opening up the data held by Land Registry, including information on options held by housebuilders and other traders in land. It could also go further to address the imbalance between risks and rewards for landowners and those bringing forward development – land is a disproportionate cost in the UK, with too much of the uplift in value captured by (often passive) landowners rather than those paying for the infrastructure or bringing forward the subsequent development.
- 3.42** We believe that the delivery of world-class competitive digital infrastructure is a pre-requisite for successful implementation of the Industrial Strategy. For an increasing number of our businesses, digital infrastructure is now far more important than transport

infrastructure in accessing markets and supply chains. The Government has recognised that it has a critical role in creating the right conditions to accelerate private sector investment in fibre to the premises (FTTP). However, this needs to be backed by support to the public sector enable it to acquire the resources and expertise it needs to aggregate its own demand which can serve as an anchor to accelerate FTTP rollout across the UK.

*Question 16: How can local infrastructure needs be incorporated within national UK infrastructure policy most effectively?*

- 3.43** While GM has the insight, capacity and tools to co-ordinate, shape and stimulate city-region development, there are of course significant infrastructure developments that span city region and county boundaries. These include energy production and transmission, major utilities, digital networks and major transport infrastructure.
- 3.44** The establishment of sub-national transport bodies such as Transport for the North (TfN), offers the potential for a fresh approach to strategic transport infrastructure planning and development, not least by making explicit the links between an economic growth agenda for the North (the Northern Powerhouse) and the transport connectivity required to deliver it. Local infrastructure planning could be greatly aided by firm and agreed decisions on national investments, not least HS2 phase 2b.
- 3.45** Ensuring that the governance model for sub national bodies, such as TfN is robust and fit-for-purpose and not least that it includes representation from relevant city region or local authorities, can help ensure that strategic transport policy development and investment are fully informed by the requirements of constituent bodies. Plainly, ensuring a close and integrated 'fit' between strategic and local transport infrastructure and services will be vital to deliver the enhanced connectivity required to support modern, productive economies. Representation too by national transport agencies, such as Network Rail, HS2 and Highways England helps encourage a strategic, multi-modal approach to improving connectivity to be maintained, whilst binding in those bodies to the development of Strategic Transport Plan. However, ensuring long term and stable funding commitments by central Government to deliver on the shared Plan will be essential pre-condition of any such approach.
- 3.46** The post war experience of erratic transport infrastructure planning and investment across the North (and elsewhere in the UK) is a model that simply cannot provide the integrated transport networks required for the 21st Century. The new approach, characterised by city regions and sub-national transport bodies working collaboratively,



represents a welcome departure but it will require long term support by Government and national agencies and transformational levels of investment over the long term to deliver.

- 3.47** Likewise, the consideration of housing-related infrastructure investment requires close collaboration between Central Government and authorities at a city, region and district level. In terms of the relationship between local and national needs and policy, there are parallels with the approach outlined in the recent Housing White Paper, where Government proposes “bespoke housing deals with authorities in high demand areas, which have a genuine ambition to build”. We are in discussion with CLG on the shape a GM deal might take. To maximise the effectiveness of this approach, the deals and associated governance structures should incorporate influence over the use of programmes including the Housing Infrastructure Fund, ensuring that is invested as part of an integrated, evidence-based strategy for housing growth in a city region such as GM.
- 3.48** In terms of digital infrastructure, national policy must set a target for the delivery of ‘full fibre to the premises’ open infrastructure across the UK. To maintain our international competitiveness Government should focus initially to support the private sector in delivering it to key major cities by 2022 (where there is early evidence of demand from both the public and private sectors to drive it). Central Government policy should also go further by creating the right conditions for investment major cities to attract the necessary investment to have competitive and open full fibre networks. We support the Ofcom review recommendations that competition at the fibre infrastructure level needs to be encouraged to drive innovation, provide resilience and ensure that retail providers, consumers and business to have a choice of infrastructure.

*Question 17: What further actions can we take to improve the performance of infrastructure towards international benchmarks? How can government work with industry to ensure we have the skills and supply chain needed to deliver strategic infrastructure in the UK?*

- 3.49** The vital need to link skills development with infrastructure investment highlights why the ability to link policies together in functional economic areas such as city regions is so important. The unprecedented levels of investment in transport and housing infrastructure development and renewal will create significant skills demands and employment opportunities.
- 3.50** The success of delivering strategic infrastructure, is reliant on the availability of a suitably skilled workforce to translate the plans into reality. In GM we have undertaken work to understand the skills requirements to deliver HS2, and have begun a wider work

programme of activity around infrastructure skills planning – specifically transport and engineering. We recognise the significant opportunities and developments planned for the city region in the coming decades and are working with skills providers and employers to ensure our skills system and skills supply is able to meet current skills shortages and replacement demand issues along with ensuring the future growth and changing demand can be achieved.

**3.51** In terms of further action on housing, the promise of off-site manufacturing techniques has never been fully realised in the UK market, despite widespread adoption internationally. Substantial investment appears now to be entering the market, with Legal & General and Laing O'Rourke among those involved. However, given the benefits in terms of quality, speed and (possibly) cost of construction, and the considerable evidence that labour constraints in the construction sector are a possible brake on housing and other construction output, there is a clear public benefit to ensuring that this market develops and matures over the next few years. The Accelerated Construction programme announced in the Autumn Statement may help address this, but Government should be prepared to intervene as it has in the renewables market until substantive progress is evident.

**3.52** In terms of Digital infrastructure, having full fibre to the premises infrastructure by 2022 would simply enable the UK to catch up with its many EU Countries including Spain and Portugal which currently have 60% compared to 2% in UK. The UK can, however, by encouraging competition with BT Openreach gain a competitive edge by creating the conditions for our major cities to have competitive open fibre networks that reduce the costs of entry for retail providers and provide consumer choice. Most EU countries currently only have one main provider of fibre infrastructure. In terms of skills, the UK will only fully exploit the benefits of high speed fibre connectivity by investing in:

- A vibrant pipeline of digital talent where every young person has the opportunity to acquire digital skills and explore related career opportunities;
- All educational institutions and providers embedding digital skills within the curriculum;
- Companies across all sector meeting the digital challenge by investing in developing the workforce;
- Every citizen acquiring the basic digital skills needed for society and work.

#### Supporting Businesses to Start and Grow

*Question 18: What are the most important causes of lower rates of fixed capital investment in the UK compared to other countries, and how can they be addressed?*

- 3.53** One of the most important structural reasons for consistently lower rates, even taking into account cyclical economic fluctuations, is the nature of our business base. GM reflects the national picture of a small number of large corporates, relatively few medium-sized companies and a very long tale of small or micro enterprises. Most companies do not have the scale to manage the up-front investment in fixed capital that is needed to grow, so investments tend to be restricted to necessary maintenance to get through the next year, rather than more strategic, longer-term investments which are by their nature larger. Incentives and interventions to grow our scale-ups and medium-sized companies would help with this, as would mechanisms to enable SMEs to collaborate with each other, with HEIs and with larger businesses to stimulate innovative activity. A problem-led ‘pull’ model of innovation rather than solution-led ‘push’ model is more likely to lead to better understanding about what investment is required for companies to expand and reduce the risks associated with fixed capital investment. Measures including co-locating Innovate UK, IPO and HEI posts with our Business Growth Hub, help to support this kind of ecosystem.
- 3.54** Private sector fixed capital investment also tends to gravitate to where there has been investment in infrastructure from governments, signaling confidence and removing barriers to private investment. The current large disparities between infrastructure investment in London and the South East compared to the rest of the UK, in particular the major Northern cities, is a barrier that needs addressing too if rates are to increase.
- 3.55** It is also worth looking again at what behaviours are currently incentivised by local and national targets and performance management structures, including the resourcing tied to them, and other policies such as R&D tax credits. Local and national policymakers should work together to consider whether these structures are exacerbating preferences for a short-term, volume over value approach to capital investment.

*Question 19: What are the most important factors which constrain quoted companies and fund managers from making longer term investment decisions, and how can we best address these factors?*

- 3.56** Incentives for longer term capital investment are higher where the investor has a stake in the survival and growth of the business, and in those ideas that reward that kind of

investment. Places need the right balance of dynamism, new people and new ideas, and 'new blood', with the necessary stability of leadership, policy and networks. That stability, which GM has had for such a long time, is key to investor confidence. What we need to continue to do now is grow a network of investors who are in it for the long haul. These investors know that their returns will be greater if the whole ecosystem thrives rather than being dependent on a few disparate companies, and look to maximize the reward potential by considering the broadest range of ideas, companies and founders to invest in. We also need to recognize that the public sector has a role to play in supporting early stage-innovation and supporting companies to a position where they can seek the kind of patient capital they need to grow.

- 3.57** We welcome the Government's patient capital review and would urge that this seeks a wide range of input and engagement and takes a problem-solving approach. Much of the resource for de-risking early-stage activities has come directly or indirectly, from Government funds, be that Local Growth Funding, EU funding, or Higher Education Institutions. It is critical that Government and GM can continue to support commercialisation, and work together to ensure that Government intervention is targeted where it can be most effective, minimise deadweight cost, and ensures that the greatest possible diversity of investment opportunities is considered to maximise value potential.

*Question 20: Given public sector investment already accounts for a large share of equity deals in some regions, how can we best catalyse uptake of equity capital outside the South East?*

- 3.58** We know that companies in GM struggle to access the right finance at the right time to grow their businesses, and that this is one of their most significant barriers after access to staff or skills, and access to markets and sales opportunities.<sup>2</sup> We also know that this is more of an issue for companies that are less than 3 years old. GM has been at the forefront of tackling these market failures. Business Finance Solutions (part of the Manchester Growth Company) was established in 2002 with a brief to provide a professional and service focused alternative business finance options for businesses that have been unable to obtain funding through a mainstream lender. BFS offers start-up loans, equity investment and export finance, and to date has lent over £91million to businesses across the UK through a variety of funds. The Greater Manchester Combined Authority has launched Co Angel Investment, a new approach to help businesses find the early stage equity they need to build and grow. Co is a collaborative investment model that brings

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<sup>2</sup> GM Business Survey 2016  
[http://www.neweconomymanchester.com/media/1779/greater\\_manchester\\_business\\_survey\\_2016\\_report.pdf](http://www.neweconomymanchester.com/media/1779/greater_manchester_business_survey_2016_report.pdf)

sector expert angels together in a syndicate, developed in response to contraction in the venture capital industry, with investors becoming more risk-averse and shifting to larger and later stage investments.

- 3.59** We are also aware that ‘equity aversion’ can act as a barrier, whereby entrepreneurs find it difficult to give up total control of their enterprises. We also believe that this is a significant factor holding back businesses from scaling up. The mentoring and expertise that angel investors provide is as big an incentive for many business owners as the actual equity injection. We find that our local angel investors tend to want to invest locally, and that local knowledge and commitment to the area can be a key factor in reducing founders’ reluctance to transfer a stake in their businesses. BFS work with businesses to identify the source of finance that is most suitable for them, and can access and educate companies that may not initially be interested in equity as a route to expand their business.
- 3.60** GM therefore needs to continue grow our indigenous investor community to expand access to investment opportunities for our start-ups, scale-ups and established companies. There are some excellent examples here already, including Campus Capital, All Bright and Advanced Digital Ventures. There are also very encouraging signs that parts of our investor community in GM are also targeting under-exploited segments of the market, such as graduate and female-led start-ups.

*Question 21: How can we drive the adoption of new funding opportunities like crowdfunding across the country?*

- 3.61** Crowdfunding is one of many potential routes to market. Over the past few years, we have seen crowdfunding increase rapidly and become more institutional. Investors are increasingly looking at crowdfunding as a simpler and more immediate route to investable propositions. This trend has increased the amount of ‘cornerstone’ investments, which are important for attracting further crowd and other funding.
- 3.62** As part of their work with businesses, BFS will signpost to crowdfunding opportunities where this is the best route for their clients. GMCA have also invested in a number of crowdfunding portals to drive up adoption of new funding opportunities.

*Question 22: What are the barriers faced by those businesses that have the potential to scale-up and achieve greater growth, and how can we address these barriers? Where are the outstanding examples of business networks for fast growing firms which we could learn from or spread?*

- 3.63** Many of the barriers to scale up have been discussed above: access to appropriate finance at the right time, skills, in particular around leadership and management; a cultural reluctance to relinquish control over all aspects of the business; increasing access to the assets and knowledge that are housed in our universities.
- 3.64** We believe that there are ways that GM and government agencies, particularly HMRC could better work together to identify and target those businesses with the capacity to scale up, including through accessing new global markets. GM's Business Growth Hub has a joint action plan with HMRC, which could be built on to include scale-up work, and we would welcome the chance to pilot new innovative ways of working.

### Improving Procurement

*Question 23: Are there further steps that the Government can take to support innovation through public procurement?*

- 3.65** The steps and actions set out in the Green Paper are welcome and are likely to be effective. However, there are further lessons which can be drawn from public procurement at a local level. In GM, not only do the constituent local authorities have extensive experience of procurement, but the devolution and co-commissioning of health and social care gives GM a unique insight into public procurement in that area as well.
- 3.66** Social Value as an integral part of the procurement process is a key enabler to creating a stronger economy and fairer society. This is a priority for procurement in GM, and it was therefore welcome that the Minister for Civil Society recently announced a review of the Social Value Act recognizing that this is a catalyst for innovation and gets much more social-impact for every single pound spent. It is therefore disappointing that the Green Paper makes no reference to Social Value. The White Paper should reference the potential of Social Value to drive innovation and growth.
- 3.67** The Green Paper refers to increasing spend with SMEs to meet the government's target of 33%. Given the nature of government department spending, particularly in high spend areas of infrastructure, defence and health, this is a challenging target and the measures set out (faster payments, streamlining procurement processes, making opportunities more visible) may help but are unlikely to make the step change required to meet the target. The Green Paper should include a commitment towards helping SMEs to become more competitive including by taking a strategic approach to government procurement (for example by applying the Category Management techniques mentioned below) and working with key suppliers, ensuring that they are paid promptly and incentivised to

collaborate up through and across the supply chain to provide more efficient ways of delivering goods and services.

- 3.68** In health services, the advances in digital procurement are somewhat limited, although systems can always be improved in terms of user-friendliness. The existing advertising portal of Contracts Finder however is now widely recognized as the go to site amongst providers and all procurement leaders have implemented electronic tendering portals. The awareness of Contracts Finder is key to point SMEs in the direction of where to identify opportunities. The simplification of tender application procedures will go some way to removing the barriers for SMEs tendering. However for the largest and long term opportunities the key is to understanding and engineering the whole supply chain to larger suppliers and providers. There is a risk that trying to standardize and simplify the Selection Process will be counter-productive when straightforward but bespoke qualification and selection process are necessary for very large scale and complex procurements such as those seen in defence and health services.
- 3.69** The Green Paper section “stimulating innovation through procurement” proposes providing incentives for suppliers through a benefits sharing mechanism. The public sector procurement regulations include a new “Innovation Partnership” procedure which would be a suitable way to achieve this. A commitment to developing Innovation Partnerships within the White Paper would demonstrate a commitment to innovation and provide some leadership for other public sector procurement practitioners to follow.
- 3.70** The awareness of opportunities to break into the market and secure funding through mechanisms such as the Academic Health Science Networks (AHSNs) and SBRI needs to be improved. Given the volume of total purchasing power, it would appear the current level of support and strategic use of AHSNs and SBRI could be improved significantly in health services to really drive development of and commitment to purchase (after the development effort) a whole range of potential technologies for example diagnostics and tele health / self-care at home technologies which improve patient experience, quality of life, outcomes and save money.
- 3.71** To avoid the perception that only a few SMEs are able to secure funding through AHSN and SBRI currently, the two current organisations (and potentially a new focused innovation centre for health) could be more strategically positioned to actively identify, through market engagement and wider advertising, the best innovations and channel the focus and funding to realise the best benefit for health nationally in line with the Five Year Forward View (FYFV). Currently NHS commissioners do not have the flexibility or availability of uncommitted funding to commit long term to such innovations – they are

strapped by core committed funding into core services. There is therefore a need to support provider Trusts to engage and enable innovation uptake through contractual requirements set by the Commissioners.

*Questions 24: What further steps can be taken to use public procurement to drive the industrial strategy in areas where government is the main client, such as healthcare and defence? Do we have the right institutions and policies in place in these sectors to exploit government's purchasing power to drive economic growth?*

- 3.72** Public Sector procurement has made some significant improvements through adopting a Category Management approach under which procurement professionals have developed expert knowledge of the markets and future requirements for goods and services to ensure that the best outcomes are achieved from procurement.
- 3.73** A Category Management approach provides maximum benefit where markets are highly competitive and well developed and where there is good forward visibility of future requirements. This something that has been applied within public sector having demonstrably provided benefits in, for example, the automotive and pharmaceutical industries. Extending the National Infrastructure and Construction Pipeline to include defence and health projects could provide an opportunity to apply a category management approach to the benefit of procurement outcomes for the government and for industry.
- 3.74** The proposals outlined for Health indicate a type of Category Management approach but, as set out in the Green Paper (for example "taking advantage of long-term volume deals") will be more likely to disenfranchise SMEs unless the Central Supply Chain Contract is carefully structured.
- 3.75** Crown Commercial Services have been relatively successful in providing savings for government departments recently as a result of the mandate for use of their contracts. There is also the current Department of Health strategy to replace the NHS Supply Chain contract with the Category Tower and separate logistics provision model. The delivery of savings and the other social benefits of effective procurement are dependent upon paying appropriate attention to contract management. The White Paper should recognise the need to ensure that adequate resources are in place to manage future contracts in order to ensure that the economic, social and environmental benefits are realised.
- 3.76** In health services, there is a tendency for national procurement strategies to be delayed, changed dramatically to lose initially intended impact, or to not be followed through. A



key challenge is having the right skills within national (including health) procurement to really capitalize on the UK government spending power. The Chartered Institute of Purchasing and Supply (CIPS) is focused on industry and private sector procurement and supply chain activity and, while there is much to be learned from the key principles of solid procurement and supply chain management, it is not currently sufficiently public sector focused. The public sector and the largest most complex contract requirements which demands a highly effective skillset and provides incredible professional development and career opportunities for talented individuals. UK Government should be attracting and investing in next generation procurement and supply chain management professionals to not only ensure the value is extracted from the UK spend as well as ensuring sustainability, but also save money on the process of procurement and supply chain itself. Currently the most complex procurements are often outsourced to manage on behalf of the public sector.

- 3.77** The new models of care from the Five Year Forward View create an opportunity to use insight into the supply chain to extract continuous improvement benefits from the supply chain by working in partnership with mutual dependencies. Focus is needed on which institutions are best placed to deliver each key element (e.g. commissioners to contract with fewer strategic primes / tier 1 partners and providers be made to better manage their supply chains for local and national economic improvement. Organisational trust is also required to change practice and behaviour enabled with longer term commitment contracts and more sophisticated contracting mechanisms which encourage and allow investment and risk sharing.
- 3.78** In local government, there are currently several public sector buying organisations in operations (Yorkshire, North East, Eastern Shires and CCS) which establish frameworks for public sector organisations to use in order to make savings. In addition, some private companies are establishing frameworks in conjunction with individual public sector organisations that are available for public sector organisations to use. This competition between buying organisations means that suppliers are responding to multiple invitations to tender with a limited prospect of being awarded work from the framework. The frameworks that are set up also include very limited scope for local benefits through Social Value or for SMEs to compete. This should be reviewed as part of the work set out in the Green Paper to ensure the right institutions and policies are in place to exploit government's purchasing power to drive economic growth.
- 3.79** Finally, EU Directives have been cited as a barrier to effective public procurement and an opportunity exists to review the Public Contracts Regulations following the UK's departure

from the EU. As the Industrial Strategy develops new approaches to procurement, it clearly needs to consider the wider implications of Brexit.

### Encouraging Trade & Inward Investment

*Question 25: What can the Government do to improve our support for firms wanting to start exporting? What can the Government do to improve support for firms in increasing their exports?*

- 3.80** There is a number of key areas where the Government can support existing and new exporters. However, interventions must be focused and lead to outcomes that are rooted on the delivery of economic value – increasing turnover and employment and not just the number of businesses supported.
- 3.81** Most fundamental is the creation of an export orientated business culture, particularly within the manufacturing sector which tends to be risk averse. The value of soft interventions cannot be under-estimated, including the creation of local SME export exemplars and effective sharing of that best practice. GM has sought to encourage this through a business executive-led Manufacturing Champions Network, including Siemens and Kellogg's, which meets and mentors SME businesses. We believe there is an important role for behavioural economics in changing mindsets. Support should also be given to accidental exporters with significant potential – businesses that export internationally through internet markets without making a conscious decision to do so.
- 3.82** The Government should seek to work much more closely with Business Growth Hubs to create a fully integrated business export offer in delivery planning, and sharing of sector/market expertise. This will enable a far greater focus on targeting which should be founded upon evidenced spatial strengths and opportunities. For example, in GM our Internationalisation Strategy identified Advanced Materials, Health Informatics, Media Creative, Cyber Security and Fintech as being key priorities within target markets in the USA, EU, India, China, Japan, and UAE, which represent 78 per cent of all GM exports. The understanding and application of these spatial strengths means that the Government can work with GM and the North to be much more forensic in its approach to maximise impact at key international missions and events.
- 3.83** Consideration should also be given to interventions that support premises modernisation programmes for ambitious businesses that will make more manufacturing businesses ready to export. In GM and across the North too many businesses are operating out of premises that are not fit for export activities. Measures to address the risk averse culture

set out above need to be combined with initiatives that galvanise the property industry – potentially through public/private joint ventures to invest in more “spec build” modern premises.

- 3.84** The GM business survey confirms that exporters are more likely to be investing in innovation and skills than non-exporters and therefore the Government should consider how it can support integrated thinking that can bring together these other business support services to address these wider needs.
- 3.85** It is critical that the Government works with local LEPs to identify gaps and weaknesses within existing UK international supply chains post Brexit. There are many businesses who export via an OEM (Original Equipment Manufacturer) or other third parties because they are within key supply chains. In GM these include aerospace, automotive, energy and transport. A UK-led supply chain audit needs to take place to identify key opportunities – and where spatially they can be best met. Support then needs to be made available to enable existing businesses to meet that need.
- 3.86** In GM, our Internationalisation Strategy identified a 17 per cent gap between our actual and expected export performance based on our economic business base for the reasons identified above. We are very keen to work with Government to address this and have an ambition to increase our performance from £5.35bn to £6.25bn over the next three years.

*Question 26: What can we learn from other countries to improve our support for inward investment and how we measure its success? Should we put more emphasis on measuring the impact of Foreign Direct Investment (FDI) on growth?*

- 3.87** GM has been one of the most successful City Regions for inward investment. However, post Brexit we know that we will need to be much more long term and proactive in our thinking on inward investment if we are to remain competitive for international investment. This is best achieved through a collective consistent UK approach where long term targets are jointly identified working with local LEPs so that local place-based strengths can consistently promoted alongside the wider promotion of the UK offer. GM has ambitions to attract a number of major OEM’s over the next decade. The Government can also support this through encouragement of business clustering. For example, France has been very effective in supporting the development of its nuclear industries through providing incentives for businesses to cluster.
- 3.88** As set out in our response to Question 25, work is needed to identify supply chain gaps and opportunities across the UK. Where needs cannot be met through supporting UK-

based businesses to take advantage, there should be a proactive approach that incentivises inward investment to take advantage of the opportunity. This includes the identification of supply chain “stars” – those companies that provide a unique product within the UK for global supply chain. For example, in GM we have the only manufacturer in Europe of glass fibre composites for a range of industries – and a major exporter. A proactive approach to the vertical integration of these supply chains within the UK would enable us to build our global presence within them.

- 3.89** Again as set out in Question 25, where the development industry has not invested significantly in “spec build” new industrial premises, consideration needs to be given to direct invention that addresses this through Government public / private joint ventures. Early focus can be areas where there is significant cluster potential, but insufficient developer appetite. In addition to supporting inward investment, the easy availability of modern premises will help ensure that the UK is better placed to retain its key high value employers post Brexit.
- 3.90** Foreign Direct Investment (FDI) has a key role in rebalancing of the economy. However, it is also important that public investment is not simply used to fund the costly displacement of companies from the North of England to Wales and Scotland. The same incentives therefore need to be available across all of these geographies.
- 3.91** Finally, it is extremely important that we put more emphasis on measuring the impact of FDI on our economic growth. We know that international companies investing here are more likely to export and invest in R&D. But we need to measure, much more effectively, their wider economic benefit.

### Delivering Affordable Energy & Clean Growth

*Question 27: What are the most important steps the Government should take to limit energy costs over the long-term?*

- 3.92** The most significant step required to limit future energy costs, and to meet fifth carbon budget commitments, is to encourage investment in energy efficiency, particularly in our building stock. Energy efficiency improvements can reduce energy bills, fuel poverty and greenhouse gas emissions (GHG) and improve comfort, health, wellbeing, energy security and economic productivity. This will require Government to set increasingly higher

building standards for new build and, more importantly, find cost effective mechanisms to encourage the retrofit of existing building stock. Ultimately, Government needs to accurately cost the impact of emissions on climate & health. This toxicity charge could be hypothecated to pay of energy efficiency measures and/or subsidies in the short term and to encourage the move to a 'time of use' tariff.

**3.93** Evidence suggests that setting Minimum energy efficiency standards for domestic buildings and appliances in several European countries has delivered an average reduction in domestic energy use of around 10%. UK GHG emissions could be reduced by 1% by 2030 by installing lower cost domestic measures, such as loft and cavity wall insulation. Average household energy bills could be permanently reduced by £300 per year and 90% of the 2.4 million households in fuel poverty could be removed from it.<sup>3</sup>

**3.94** Electrification of heat and transport will place increasing burdens on our electricity networks. To minimize the costs of required network improvement, over time, we also need to move to a time-based pricing system (which smart meters will allow) so that energy price is more or less expensive dependent on demand. This could be done without impacting on those in fuel poverty by using a sliding scale – e.g. first 1,000 kwh free, next 1,000 at x pence, next 1,000 at y pence. This would help protect those in fuel poverty and incentivise higher users to be more energy efficient and adopt local energy generation as it would shorten payback periods on the higher marginal cost changes. To encourage this, Government should:

- Support the Distribution Network Operators (DNOs) in their efforts to adapt the network to a flexible, decentralized one;
- Support a more aggressive roll out of smart meters, on a Place Based approach, to increase economies of scale using the DNOs;
- Linking this to 'time of use' pricing will generate a whole new range of opportunities and demands for smart solutions to efficiency, storage, and control linked to the Internet of Things;
- Continue to support research and support in battery storage and aggregation;
- Recognize that advancements in energy generation and storage still require buildings to be energy efficient in order to be viable. A focus should be placed on fabric first and whole house methods to ensure that, once a building is suitably retrofitted, it should require little on-going subsidy.

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<sup>3</sup> Parliamentary Office of Science & Technology, *Future Energy Efficiency Policy*, Postnote No.550, February 2017

*Question 28: How can we move towards a position in which energy is supplied by competitive markets without the requirement for on-going subsidy?*

- 3.95** The Industrial Strategy Green Paper offers a clear opportunity for the UK to drive forward our transition to a low carbon economy. To increase competition in to the market, Government must make it easier for new companies to enter the market and to encourage production of renewable energy. Rather than providing subsidies to energy intensive industries to keep using fossil fuels (with no incentive to change practices), subsidies should be based around increasing energy from renewables, storage & byproducts of existing processes. Investment in local low carbon energy generation (including local heat production) coupled with Demand Side Response technologies, afford opportunities to both increase energy security and create local jobs in installation, operation and maintenance through the local supply chain. In some instances, manufacturing jobs may also be created. To achieve this, we need to change the way that the economic case for investing in long lived renewable energy projects is calculated.
- 3.96** One of the greatest barriers to improving competition is the lack of a robust and consistently applied energy strategy to give certainty to the market to invest in the future infrastructure required. Clear, long term policy plans are needed to provide certainty to the market – currently the market has no confidence that the standards will stay and make little effort to address the challenge. Reducing reliance on subsidies is welcomed, but the long term environment plan should include (and commit) to what subsidies will be available in that timeframe and how it will be managed responsibly to avoid cliff edges and provide certainty to supply chain/private sector.

*Question 29: How can the Government, business and researchers work together to develop the competitive opportunities from innovation in energy and our existing industrial strengths?*

- 3.97** At the national level, Government needs to identify and support large scale pilots and demonstrators of innovation, either through financial support or through relaxing of regulation, that sit between laboratory conditions and commercialization. In the near term, Government also needs to secure and increase funding to replace the amount that previously would have been accessed through Europe, to allow research and demonstration to continue following Brexit.
- 3.98** At the local level, it should be recognized that LEPs and Local Authorities understand the strengths and weaknesses of their region and can have a key role in bringing consortia

together. Projects which work jointly with policy makers, universities and the commercial sector should be encouraged by making these types of partnerships a requirement on any funding that is made available. The move to change how innovation is funded in the UK, bringing together the seven research councils and Innovate UK into one body (Research and Innovation), is welcome. The new body could be encouraged to work with local policy makers and businesses to adopt a systemic approach to energy innovation within a locality.

- 3.99** For the medium term, Government needs to invest in the skills and knowledge of the energy industry, from R&D through to delivery and aftercare. The investment in improving skills and knowledge in energy should stretch to trades and industry that are not always deemed as traditional energy sector, such as house builders, infrastructure and architecture.

*Question 30: How can the Government support businesses in realising cost savings through greater resource and energy efficiency?*

- 3.100** The Industrial Strategy needs to have a very clear message from Government that “energy and resource efficiency” are about improving productivity. Government should create a clear and consistent direction for the UK’s energy strategy and then adopt long term policies which can be seen as “investment grade”. This must include the fact the only way to reduce energy and material costs (as opposed to the unit price paid) is to use less and become more productive.
- 3.101** Evidence suggests that non-domestic energy use could be cut by 14% by improving the efficiency of, for example, air conditioning and lighting, causing annual bill savings of £1.3bn. The value of commercial buildings could be increased by improving their energy efficiency and Industrial GHG emissions could be cut by 10% by 2050 by, for example, improving motors and lighting, and through better energy management. Electricity use in manufacturing could be reduced by 18% (equivalent to 4% of the UK’s annual electricity consumption) leading to annual savings of £1bn. In addition, efficient driving style could also save the average company driver up to 10% of fuel, equivalent to £96 per year. Switching from a petrol car to an electric car could lead to a 43% energy saving. GHG emissions from new cars and vans could be cut by 29% from 2015 levels by improved technological efficiency of petrol and diesel vehicles.<sup>4</sup>

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<sup>4</sup> Parliamentary Office of Science & Technology, *Future Energy Efficiency Policy*, Postnote No.550, February 2017

- 3.102** We need to recognize that building developers, building owners and building occupiers are not the same, they have different needs. Incentives should be targeted at the end user to reduce consumption. For many companies, their energy and material spend is small compared to turnover, so it does not get management attention, even when the savings are clearly spelled out; a carrot and stick approach is therefore needed. SMEs have been shown to require greater support than larger companies. Government should look to replicate existing business support models that already do this well e.g. in the Greater Manchester Combined Authority we have the Green Growth Hub which works closely with GM SMEs to achieve this.
- 3.103** Energy efficiency measures are less attractive to businesses when the payback time is longer than for business growth projects. Mandating disclosure of buildings' energy use levels could affect businesses' reputations and thus encourage energy efficiency. Making an EPC type certificate compulsory for companies, so they can see what they can do to improve their energy efficiency would also be helpful. Energy audits must be completed by large businesses under the Energy Savings Opportunity Scheme, however the requirement and enforcement to implement the findings is less certain, which discourages investment.
- 3.104** A lack of finance to pay for the up-front cost of measures, which is often high, can be a barrier to their installation. Investment in energy projects could be made easier by creating simpler, standardised project documentation or aggregating smaller efficiency projects to create more investable larger projects. Consideration should also be given to innovative finance mechanisms to encourage medium to long term investment in resource and energy efficiency. This could be achieved by:
- Setting standards that can use to enforce higher standards of energy efficiency and generation;
  - Increase the Enhanced Capital Allowances scheme which allows businesses to offset the cost of certain energy efficient equipment against tax;
  - Subsidies could be in the form of low interest loans rather than grants e.g. targeted subsidies which are based on kWh saved (ie Salix method);
  - Introducing a cost neutral change to business rates or through Climate Change Levy, lowering costs for energy/resource efficient business and elevation of costs for less efficient businesses.





**Annex**

**Evidence on Productivity & Living Standards in Greater Manchester**

- A.1** The response above is based on in depth studies into the causes of sluggish productivity growth in Greater Manchester (GM) and the factors which exclude communities from growth. In particular, it draws on the findings of:
- Deep Dive studies of GM's economy, carried out by New Economy;
  - Analysis carried out for GMCA's response to the RSA's Inclusive Growth Commission.
- A.2** The main findings of that work were that GM's experience of growth over the last 20 years is impressive by the standards of the provincial UK with higher productivity sectors and businesses, at the cutting-edge of innovation, playing an important role in driving productivity growth and creating well paid jobs. In the decade before the Financial Crisis, real wages grew by 15.3 per cent and the employment rate rose by 4 percentage points. There were also reductions in inequality, as wages for those on low pay rose more quickly than those of the higher paid.
- A.3** But there is some way to go before growth reaches the levels of comparable cities in other countries and benefits all the communities in GM. Productivity in GM since the Financial Crisis has followed a similar pattern to the UK as a whole. The gap between GVA per capita in GM and the UK average, which had been narrowing before the Financial Crisis, widened during the financial crisis and despite relatively strong growth in the most recent years the gap between GM and the UK remains around 15 percentage points.
- A.4** Low pay is a persistent problem across GM. Around 12 per cent of workers in GM currently earn the minimum wage and this figure is projected by the Resolution Foundation to reach around 17 per cent by 2020 as the National Living Wage increases. Social mobility is also constrained with workers trapped in low pay and making limited progress. There are strong geographical concentrations of worklessness, with just 39 of 215 wards in GM accounting for 70 per cent of the employment rate gap between GM and the UK average. Employment outcomes for people with similar characteristics differ widely across the city region. For example, the employment rate for disabled people varies between 48.3 per cent in Trafford and just 33.7 per cent in Manchester, while the employment rate for those with low qualifications varies between 69.1 per cent in Stockport and 43.3 per cent in Manchester. Similar gaps are seen for residents from a BAME background, single parents and young people. While such groups will clearly not be directly comparable in different areas, such large gaps highlight the importance of understanding the role of place.

- A.5** The type of jobs being done, and the skills levels with which they are performed, are key to the understanding of productivity and pay in GM. There are some positive trends – skill levels are rising and there is a growing number of senior and skilled roles in the city region. But this is starting from a low base, with a massive backlog of low skills and prevalence of low-skilled work. On current trajectories, it will take decades for this to be turned around.
- A.6** Technology continues to create increased demand for higher skilled employees and reduced the demand for mid and lower skilled employees in GM. The shift towards higher skills and higher skilled occupations has still left a significant gap with other, more productive, parts of the UK, let alone leading international performers. Supply side challenges go as far back as pre-school; the proportion of GM children achieving a good level of development at Early Years Foundation stage, although improving, trailed the English average by 4.1 per cent in 2015. Attainment levels in formal education, while again showing significant recent improvement, have historically been below average. And in the workplace, GM has a significantly lower proportion of Level 4 workers employed within firms compared with the average for London.
- A.7** The demand for skills in GM shows a mixed picture. There have been significant reductions in the proportion of GM employers reporting hard-to-fill vacancies but challenges vary considerably depending on the size and sector of the employer, and the type of vacancy being recruited for. There are also common skills challenges across all the sector reports irrespective of location: such as in management skills, digital skills, and replacing skill gaps in an ageing workforce. Too many GM firms have been forced to compete through a low skills business model, relying on holding down pay and conditions instead of driving up investment and innovation in order to improve competitiveness. Flexibility in the labour market – with the growth of temporary, part-time, and short or zero-hours contracts – has helped this business model remain competitive, with employment agencies generating more additional jobs in GM than any other sector between 2009 and 2014. But the flip-side is a lack of opportunities to progress, insecurity in work, intermittent and low pay, and in-work poverty. Low skill levels and poor utilisation of skills are not the only barriers – poor health, both physical and mental, is also a key factor. Several studies have detailed the importance of the links between health and worklessness. In GM there is clear evidence on the cost to the public purse and the wider economy of health related worklessness – in particular mental health and drug related issues such as rising use of anti-depressants. Over two-thirds of those attaching to GM’s Working Well programme, which has been successful in getting people back into work, rated mental health issues as a ‘severe’ barrier to work, followed by 62 per cent rating physical barriers as ‘severe’.

Investment in addressing health related worklessness therefore has both an economic and a social payback.

- A.8** A skilled workforce is vital for firms to increase their productivity, and the productivity gap will only be closed when the conditions and infrastructure are in place for more competitive sectors to increase their productivity. A particular focus is needed on high value sectors, and on assets that are or have the potential to be world-leading and globally distinctive. That includes identifying and maximising global market opportunities that enable places to make the most of those sectors and assets and building a global brand. Businesses also need to be supported to invest, innovate and diversify, ensuring their resilience during the period of change and uncertainty that we have entered following the decision to withdraw from the European Union.
- A.9** The city-region has concentrations of specialised and distinctive economic activity in sectors that has the potential to drive future waves of economic growth. These include: Business, finance and professional services – including legal and accounting, insurance, and business services; Manufacturing – including advanced materials, textiles, chemicals, food & drink, and GM firms’ role in national supply chains; Health innovation – including life sciences, med tech/devices, health services, devolution; and Digital – including media/creative and data analytics.
- A.10** These findings – along with the energy sector – align with the conclusions of the Northern Powerhouse Independent Economic Review. But even in these prime capabilities, skills and productivity are lower than elsewhere in the UK.
- A.11** A significant improvement in the productivity of GM and the living standards of many residents would also require an improvement in the productivity of high-employment service sectors. Retail and wholesale, and hospitality, tourism and sport account for 23 per cent of all jobs in GM, and 16 per cent of total GVA, and are currently less productive than advanced European equivalents. National research estimates that the UK could eliminate a third of its productivity gap with Belgium, France, Germany and the Netherlands by raising the productivity of low wage sectors.
- A.12** Low wages are also more prevalent in small firms, partly due to the explosion of low paid self-employment in recent years. There is a lack of high-quality data regarding the wages of self-employed workers in GM, but self-employment has grown faster in GM than in the UK (albeit from a lower starting point). While this is partly due to welcome support for enterprise, some estimates suggest around half of the self-employed are in low wage work. GM’s post recessionary work culture has become more ‘casual’, as evidenced by the

rapid expansion of employment agencies. Employment agencies generated more additional jobs than any other sector between 2009 and 2014.

- A.13** The productivity of firms of all sizes and across many sectors is likely to be being held back by weaknesses in some of the underlying drivers of growth. This lack of investment and weaknesses in the infrastructure for commercialising the strong science base in GM – highlighted by the Science & Innovation Audit – are one of the causes of low innovation in the city region. There are fewer businesses per head than in the UK as a whole, while the Inclusive Growth Analysis Unit has found that research on social enterprise development in the UK and locally suggests that while the obstacles to success for social enterprises are similar to those for SMEs generally, they are more likely than average to find obtaining finance an obstacle, even though the levels that they require are lower than for SMEs overall.
- A.14** The regional centre plays a crucial role as a driver of inclusive growth. Like other city centres in the UK and internationally, the population of the regional centre has grown and investment has increased in recent years. Specialist clusters have developed, for example in digital technology and media. The proximity of institutions which are crucial for growth such as universities and colleges, and transport links to the rest of the Northern Powerhouse and to London have attracted businesses across a wide range of high-value sectors, creating higher skilled and better paid jobs.
- A.15** There is some evidence that growth in the regional centre has been associated with reductions in neighbourhood deprivation. Analysis of the Indices of Multiple Deprivation shows that overall there has been an improvement in relative deprivation levels. In 2004, 39 per cent of GM neighbourhoods were in the fifth most deprived nationally, with 24 per cent in the tenth most deprived. By 2015 this had reduced to 35 per cent and 21 per cent respectively. This overall improvement was largely been driven by Manchester, with a reduction from 72 per cent of its neighbourhoods in the top fifth in 2004 to 59 per cent in 2015. Salford also saw reductions as did Trafford, with both these areas also seeing increases in the proportions of least deprived neighbourhoods.
- A.16** Connectivity across the city region's economy has improved significantly over the past two decades, including through the development of the tram system and cross-city bus infrastructure. However, the share of people from other local authorities in GM commuting into the regional centre has been relatively stable over the period of infrastructure investment, suggesting that the improved connectivity is not sufficient – on its own – to rapidly spread prosperity through the region. This may be explained, in part, by population growth in the regional centre, but the proportion of people living in some

parts of the city region who commute into the regional centre is still low compared to what might be expected given the proximity and level of transport connectivity between these areas. There is certainly capacity in the public transport system for this to be increased.

- A.17** Taking all the evidence together, it is clear that the benefits of a pattern of economic growth within which the regional centre has been the single most important driver, have begun to have an impact upon the scale and pattern of neighbourhood deprivation, ‘from the inside out’. It is likely, given what is predicted about future growth in GM’s population and employment, that this process will continue and intensify.