

**Manchester City Council
Report for Information**

Report to: Manchester Health and Wellbeing Board - 23 January 2013

Subject: Strategic Narrative for Manchester 2012-2015

Report of: Councillor Glynn Evans, Executive Member, Adult Services
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Summary

This report is circulated for information and provides an update on the development of a Strategy for Manchester which reflects financial and service challenges. This is a draft strategy and will be subject to full consultation through the Council and its strategic partners, and will help inform Manchester's budget setting process.

Recommendations

Note the report

Board Priority(s) addressed:

All

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A new strategic narrative for Manchester Partnership 2012-2015

1. The Manchester opportunity

Our vision is of Manchester as a world class city as competitive as the best international cities:

- That stands out as enterprising, creative and industrious
- With highly skilled and motivated people
- Living in successful neighbourhoods whose prosperity is environmentally sustainable
- Where all our residents can meet their full potential, are valued and secure.

Our route to achieving this vision uses Manchester's role as an engine of growth with its considerable economic assets. The city has enormous potential to create jobs and economic wealth for the benefit of our residents and the wider sub-region, at a scale that would have significant impact on the national economy. Central to improving our competitiveness is the need to improve our productivity and to increase the breadth and depth of our labour market, increasing the number of people in work and raising skills across the board. This means a focus on Manchester people contributing to, and benefiting from, economic success and a focus on our plans for reform across the whole spectrum of public services, supporting people into work and improving quality of life for all, young and old.

This strategic narrative provides the high level policy framework for the city and the basis for developing with partners a refreshed Community Strategy. This will set the course to 2015 and be developed in parallel to the budget setting process.

2. Future challenges

Since developing our first community strategy over 10 years ago we have seen Manchester change – increasing population, a successful city centre, growing knowledge sectors, investment in our neighbourhoods. We can point to progress against the Community Strategy spines (figure 1) that we identified as driving growth of the economy and linking that to improving the City.

Fig 1: The Spines

Driven by the performance of the economy of the region and sub region

Reaching full potential in education and employment



Individual and collective self esteem - mutual respect



Neighbourhoods of choice



Success- Larger population- wealthier, living longer, happier and healthier lives, demographic mix (age and sex) diversity, stability

There is a strengthened role for GM with greater powers and accountability supporting an ambitious approach to devolution and reform. Global changes are driving new trading patterns and economic trends.

Serious new challenges are affecting the City and its communities. The banking crisis, credit crunch and recession have and are still impacting on our ability to continue to grow our economy along with our ability to create a residential offer which can underpin future economic growth. The change of Government in 2010 marked a significant shift in ideology, which has led to sharply reduced levels of public funding and investment, and fundamental changes in the policy and delivery landscape. These challenges all impact on individuals and communities, businesses and the public sector. There is also the continuing global challenge of climate change - necessitating a substantial reduction in the environmental impacts of energy, mobility and consumption as well as future-proofing businesses and culture so that our prosperity can be truly sustainable.

Our population will continue to grow and change. The recent Census results show that Manchester is the fastest growing City in the UK and that over the past decade our population increased by 19% taking us above 500,000. This has been driven in large part by increases in working people and their young families. This presents a massive opportunity for the City linking the jobs we create with providing a place to live that encourages them to stay and contribute to the City's success.

Even an improved economic outlook would leave us some way from adequately relieving neighbourhoods under stress, with high concentrations of unemployment and low skills. Welfare changes will exacerbate the pressures in deprived neighbourhoods and in fragile housing markets. Against a backdrop of reduced funding we need to radically rethink the way we approach these challenges and use this to drive up productivity. We need to challenge the conventional approach to public sector intervention – intensifying and accelerating our action. We need a new settlement which allows us to retain within Manchester more of the proceeds of growth, incentivising us to create an increased tax base, and providing the opportunity to retain the proceeds of reducing dependency through reform.

We have successfully worked with other cities to make the case for greater investment in the north on the basis of the role that this plays in growing the UK economy as a whole. This has been critical to the development of High Speed Rail, devolution of rail franchising (where we have a joint proposition with West and South Yorkshire), and investment in the northern hub. We need to continue to make the economic case for the north, not only in transport, but also other areas such as science, digital infrastructure, innovation and housing policy.

This is the context in which we need to consider our strategic priorities for the next few years.

To realise our potential as a city we need not only to adapt to the changes but seize the opportunities they present and use them to lead an agenda focused around growth, reform and place. Driving economic competitiveness is not simply about our products and accessing markets, not just about how we increase our productivity and strengthen our labour markets but also how Manchester and Manchester people reap

the benefits. Improving our skills base and reducing worklessness is at the heart of action to do this.

This narrative sets out the direction of travel, and the themes it raises will be used to engage with partners to develop shared priorities and action. A key set of indicators will be developed to allow us to monitor performance, these will cover not just economic output and productivity but also measures related to social benefit.

3. Growth

Despite the prevailing economic climate, Manchester is well placed to continue to attract and grow new jobs. We are at the centre of a large conurbation with significant assets to build on, such as our universities, international connectivity and strong business base, and we have a strong track record of delivery. In parallel and to meet our potential we need to improve our productivity by increasing our skills base and the number of people in work.

To create more jobs we need to respond to changing global patterns of growth, positioning ourselves to trade in new and growing markets, such as China, India, Brazil and the Middle East; and create links that result in greater inward investment. This cannot be at the expense of our existing European and North American markets which are a significant part of our economy, and will continue to be the best markets for many first time exporters to access.

We need to secure and grow our international connections through Manchester Airport, and equip our businesses to exploit overseas markets. This includes securing, as part of our aim to become a Top 20 Digital City, a step change in our broadband connectivity with superfast broadband connecting more of our businesses. This will mean getting fibre connections to business premises, starting in the Corridor, East Manchester and the Enterprise Zone.

We will develop a more integrated focus for trade, inward investment and business support, and a stronger internationalisation strategy which meets the needs and opportunities for local businesses. The Business Growth Hub is an important part of this infrastructure providing co-ordinated engagement with small and medium businesses. Alongside this we will develop a more structured approach to working with our largest businesses.

We need to continue to develop our knowledge economy, building on the strengths we have in digital and creative industries, biomedical and health sectors, advanced manufacturing, finance and professional services. We must bring a greater focus to commercialising our discoveries such as Graphene, along with capitalising on the new markets where we have the requisite assets e.g. in low carbon technologies. We need to maintain momentum on major projects, including the Enterprise Zone, and maximise the opportunities that these bring to the city.

We need to continue to grow a strong and dynamic SME base with a focus on those key sectors that drive growth. Our action needs to be responsive to industry drivers and markets and use the resources available in creative and targeted ways. At the

same time we need to recognise the economic role played by social enterprise and the third sector.

We need commercial and industrial space that supports this demand. This requires a more diverse offer that provides greater flexibility of use and cost efficiency. Sharp and City Lab are examples. We need to recognise the changing geography of the City as the city centre develops and expands, both in terms of infrastructure and how we make sure that development is coordinated across local authority boundaries. This includes working with Salford, within the context of the CA to ensure that Central Salford is part of the growth path for the regional centre.

Running through our approach to growth is the need to respond to the local and global challenges and opportunities posed by climate change, so that we create a context for our businesses that is environmentally sustainable and which harnesses the opportunity for leadership in the growing low carbon economy. The city has ambitious plans to reduce CO2 emissions, to transform our infrastructure and culture to realise the benefits of greater energy and resource efficiencies; the scale of the ambition and the potential to deliver (given our assets and strengths) set us apart. Success in harnessing this agenda will see us create jobs and business that have a huge global market, and at the same time transform the fabric of our city and the way we live our lives.

Manchester needs to maintain and grow the amenities that sit at the heart of a great city. Excellent schools along with our world-class cultural, sports and other assets, including a range of good housing choices allow us to compete with the best international cities in terms of the quality of life we can offer. It is these things, along with modern low carbon infrastructure and a leading edge digital environment, that help to inspire people, keep them living here and attract new people.

We will invest to support this growth through our GM Investment Framework. Investment opportunities need to be fully exploited, leveraging private sector funding and successfully accessing national and European funds, and we need the capacity and skills to do this. We need to be clear about how other authorities in GM (and beyond) invest in return for sharing in our growth. The leadership and accountability for this framework is provided for by the Combined Authority. We need to continue to innovate and keep our structures under review to ensure we have the tools we need.

Action to develop the skills the city needs to meet the demands of the economy and our residents need to benefit from the new economy is essential. Three quarters of the productivity gap between Greater Manchester and the South East is related to skills. By 2020 half of all jobs will require level 3 skills or above. This requires significant changes to the current system - identifying and developing the right 'top end' skills as well as tackling low skills and worklessness.

High quality skills supported by education and training that aligns with the current and future needs of the labour market will be essential to shaping and achieving economic growth. This includes developing stronger plans for post 16 education linked to the city's skills needs and alongside it action to tackle youth unemployment and support for those who are hardest to reach. Apprenticeships that support the development of key priorities - e.g. the knowledge economy and applying low carbon

technologies - and give people a credible and respected alternative career path should be at the heart of the offer. Using our new City Deal powers, mainstream skills provision should be matched to our economic priorities.

4. Supporting people, investing in people – the need for reform

Developing the skills we need and equipping people to access good jobs needs action across the spectrum - early years, in our schools, through post 16 education and training and once people are in work. It also demands that we address the low skills and worklessness that is a feature of too many of our communities. This requires a fundamental shift in how public services are delivered.

We need to begin by ensuring that every child gets the best start in life and can arrive at school ready to learn. Whole family approaches need to centre around improving parenting. We need to pick up quickly where additional help might be needed and provide that in a co-ordinated and effective way that will make the greatest impact on the whole family. This is critical to breaking the cycle of poverty and dependency. We need to increase independence and foster aspiration from the earliest stages.

Our education system needs to continue to improve and be more connected to the world of work, inspiring teachers to inspire children to meet their potential, creating optimism, raising aspirations, building resilience and helping children and young people see that these ambitions can be realised.

We need to ensure sufficient high quality school places for the rapidly increasing number of school age children. Education needs to be forward looking and equip children with skills that will be relevant to the future economy in Manchester and beyond. An increased focus on science, maths and technology will be important and in doing so we must use our Universities to support this. We need also to support language and communication skills that are critical to success in the workplace.

With a more autonomous education system and fragmented institutional arrangements we need to use our leadership and influencing role fully and ensure that no school is left behind. Schools need to take a stronger role in the leadership of the communities they serve, and an active role in the future success of the city with shared aspirations and values.

Helping people back into the labour market or into the labour market for the first time needs increased focus. This is essential if we are to reduce the number of people trapped in dependency and ensure that as the city grows some people are not left behind languishing in poverty. This will build from the platform of the Community Budget pilot and needs to integrate thinking about welfare reform, skills and work supported by new service delivery and investment models. We need to work with housing providers and other partners to minimise the negative impact of welfare changes on households and places. Driving the health and work agendas closer together will be critical. The Community Budget Pilot will provide the basis for developing a new settlement between national and local government that supports, incentivises and responds to public sector reform.

We have already created the Manchester Investment Fund bringing together spending on specialist and targeted services that support high cost and high risk families, often multiple victims of drug and alcohol abuse, domestic abuse alongside mental health problems. This aims to reduce these costs, reducing the extent to which we have to respond to crisis, and the financial and social costs of long term dependency. This includes safely reducing the number of children in the care system and significantly improving the outcomes of the children for whom we are the corporate parent. The Fund will be underpinned by investment agreements that allow us to share the costs and savings across public services, investing in what works. This will be critical to the reform agenda allowing us to move away from funding dependency and towards providing help early and in a targeted way.

There will be pressures associated with increasing costs of caring for elderly, frail and vulnerable people and more diverse communities. We need to explore radical and innovative models, e.g. for health and social care, that will respond to these changes. We need to bring together aspects of adults and children's social care in ways that promote early help and protects and strengthens safeguarding the most vulnerable. We need to continue to challenge our roles in direct provision of services, as commissioners and influencers or market shapers. As the market for home care for elderly people grows we need to protect its quality.

There needs to be a stronger link between the action we take and the role of communities, families and individuals. Based on mutual respect we need to strengthen community resilience and self reliance, with communities encouraged to do more for themselves. The community and voluntary sector will need support to increase their capacity. Community cohesion, tackling inequality and inclusion will remain at the heart of the approach. Valuing older people, intergenerational work and an emphasis on well-being will continue to play an important role in building strong, more self sufficient neighbourhoods.

5. Place

We need to continue to create and maintain neighbourhoods that attract, support and retain working people. This means places where people choose to live, not only in terms of the choice of housing but also because of the quality of public and private services on offer, the quality of the local environment and infrastructure - like transport, digital and green spaces.

We need to get the basics right, making sure our city is clean, well maintained and safe. The robust approach we have taken to working with communities and the police to tackle crime and anti-social behaviour is one of our success stories but that drive needs to be maintained. Clean and safe is fundamental and without achieving this we will not have the credibility to lead more challenging agendas. We need to secure the future of our parks, libraries, sports and cultural facilities, the quality and quantity of our green spaces. These are critical to the fabric of successful neighbourhoods. We need to continue to attract resources into district centres and neighbourhoods to allow them to continue to develop.

Our local leadership, planning and other policies, and delivery of services must support this. These will be captured in local and ward plans that have measurable outcomes yet are flexible enough to continue to deliver for Manchester.

Together with our communities we need to build neighbourhoods that are vibrant places where people want to live and raise their children, recognising that quality of schools is often the biggest single determinant of where families choose to live. We would like to see residents taking greater responsibility within their neighbourhoods, playing their full part in turning round the most dependent areas. For our part we must continue to focus on regeneration of our neighbourhoods so that as people achieve their potential and as their wealth and families grow they choose to stay in Manchester.

Housing is a fundamental part of the growth strategy for the City. We need to build more housing to support a growing population and we need this to be the right mix, including new social rented and affordable housing, so that we have a housing offer that encourages people (across the income ranges) to stay and contribute to the city's success. This will allow us more of the income we generate to flow back into our communities. We need to recognise the significance for growth of the market rented sector and the increasing role of private landlords and registered providers in expanding and diversifying this sector, particularly at a time when access to mortgage finance is so constrained. Interventions to support the creation of effective housing markets need to continue, to build on the progress that has been achieved already in parts of the conurbation core. We need to respond to market weakness and make the case to Government for the tools to do this. Changes to welfare heighten the need for this but more generally we need to have a housing strategy that reflects and responds to changes to the benefit regime.

We need to develop new models that show how high value sites across the conurbation can be used to support higher cost, lower value sites. The private rental sector needs to expand and diversify with new investment and equity models and new tenancy models. Management needs to significantly improve in some parts of the private rental sector and in the management of shared use parts of many developments. Incentives for social housing tenants to work need to increase. We need to recognise and support as appropriate the role of specialist housing, including that for students, and the opportunities this can bring to release traditional family housing back into the market.

We need to improve the environmental performance of housing in all tenures, increasing energy efficiency in the fabric of existing stock and promoting behaviours that reduce cost and reduce CO2 emissions. Promoting and facilitating similar improvements in our public and commercial buildings, developing opportunities for local energy generation, heat sharing and distribution need to form part of a strategic long-term approach to coherent energy planning.

Recognising that some people will work in Manchester and choose to live elsewhere we need to work across GM and beyond to ensure that we share the benefits of new housing and that we can fund the infrastructure needed to allow people to access jobs in the city. A stronger spatial framework needs to be developed by the

Combined Authority alongside integrated, flexible and efficient transport systems including walking and cycling.

We need to move further on neighbourhood delivery – integrating with police and others e.g. housing providers in single teams and establishing effective partnerships with communities that support clean, green and safe places for people to live. We will work with the new Police Commissioner with the aim that the GM approach supports and enhances the work we do locally.

6. Organisational levers

The levers we have must be used to the maximum to allow us to tackle the challenging set of issues ahead. These include:

Leadership, influence and accountability – to make decisions and drive reform. We need to use our strength and leadership at GM level to shape both the growth and reform agendas and get the powers and responsibility we need to deliver. We have established the first Combined Authority but need to continue to innovate and strengthen the tools we have available to enable us to stay ahead. We need to use our ability to lead within Manchester to align strategic priorities, engage across agencies and influence where we have no direct levers.

Ability to shape our strategy and rebalance the relationship between central and local government - We must set the strategic direction, city wide and locally, having drawn together other partners, residents and business and strengthen the connections between our social, economic and environmental analysis, evidence base and policy making. We should build on our success with the first City Deal, where we have led the national debate and been ahead of central government thinking, to develop more ambitious and far reaching plans for reform. We will work with other major cities to strengthen the case for greater devolution and a rebalancing of resources between the south east and the north. This has been particularly effective in relation to investment in the northern hub and devolution of rail franchising. We will continue to make the case in other areas such as the effective allocation of funding for science and innovation.

Approach to investment and a track record of delivery - we need Manchester to become self-sustaining rather than dependent on government grant. We need to invest in growth. Our approach, expanding the tax base and tackling dependency, needs to continue and be used to drive reform. Our innovative work through the Community Budget Pilot will support these developing proposals to address the challenges to increase skills and reduce worklessness.

We need to ensure that we have the skills, structures and infrastructure to support these priorities and to deliver the radical and innovative agenda that will be essential to secure the city's future. We need a sophisticated organisational response to these challenges.

7. Budget setting principles

The resource base within which we need to deliver will continue to be extremely challenging. We have the choice to respond to this through across the board cuts or through a more targeted approach that focuses on the outcomes we want to deliver. This would mean aligning decisions about our budgets with our refreshed strategy and reflecting the challenges that will be faced in the city.

Coupled with the further budget reductions projected over the next 5 years at least, there will be significant changes to the local government finance regime and increasing costs associated with dependency. This will be compounded by reductions across other public services and the very significant cuts in welfare. Supporting a radical reform agenda across public sector boundaries will be critical if we are to manage these changes and deliver better outcomes for the City.

The reform agenda is focused on achieving our ambition for the city and includes:

- Creating incentives and removing blockages for investment across agency boundaries into earlier intervention
- Multi-agency integrated decommissioning and re-commissioning of services
- Using savings from early investments in new ways of working to increase the scale and accelerate reform not only reducing total spending but providing better service outcomes.

The priorities in this narrative and the budget setting process are connected through a set of principles developed for our universal and targeted services, our neighbourhood focus and the corporate core. Our approach is to support:

- Universal services that are responsive, efficiently provided and reduce the need for targeted services;
- Better timed and coordinated delivery of targeted services that deliver better results, reduce demand and release resources for early intervention and other universal services;
- Safeguarding that not only provides a safety net but also moves people to greater independence;
- Neighbourhood focus that drives a model for integrated neighbourhood delivery supported by a cross public sector neighbourhood based performance management system;
- Leadership of place which provides strong leadership for the City and its neighbourhoods; and
- A corporate core that provides streamlined and effective support for the delivery of the Council and City's priorities.