Manchester Health and Wellbeing Board
Report for Information

Report to: Health and Wellbeing Board – 23 January 2019

Subject: Manchester and Greater Manchester Local Industrial Strategies

Report of: Sara Todd, Deputy Chief Executive

Summary

The report provides an update on the development of the Manchester and Greater Manchester Local Industrial Strategies and their respective engagement approaches. The Strategies will support the delivery of the Our Manchester Strategy and the Greater Manchester Strategy by setting out a set of priorities which will deliver a more inclusive city and city region.

Recommendations

The Board are invited to comment on the approaches being developed in Manchester and Greater Manchester and the links between the two pieces of work.

The Board are also invited to suggest the most significant issues or topics they feel need to be addressed by the two Strategies. The views of the Board will form an important part of the overall consultation process.

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Wards Affected: All

Board Priority(s) Addressed:

Health and Wellbeing Strategy priority	Summary of contribution to the strategy
Getting the youngest people in our communities off to the best start	
Improving people's mental health and wellbeing	
Bringing people into employment and ensuring good work for all	The Manchester LIS will set out Manchester's Strategy for delivering inclusive growth for the city.
Enabling people to keep well and live independently as they grow older	
Turning round the lives of troubled families as part of the Confident and Achieving Manchester programme	
One health and care system – right care, right place, right time	
Self-care	

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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.

Working to Deliver Inclusive Growth in Manchester, Economy Scrutiny Committee (July 2017)

Inclusive Growth Commission: Making our Economy Work for Everyone, Inclusive Growth Commission, RSA (March 2017)

Patterns of Poverty in Greater Manchester's Neighbourhoods, Inclusive Growth Analysis Unit (May 2017)

1.0   Introduction

1.1   The Council's Economy Scrutiny Committee received a report in July 2017 titled '*Working to Deliver Inclusive Growth in Manchester'*. This report set out the findings of the Royal Society of Art's (RSA) Inclusive Growth Commission, the work of the Inclusive Growth Analysis Unit and summarised some of the existing activity in the city which was contributing to delivering inclusive growth. The report also set out a number of challenges facing the city including; low skills, low wages, part-time employment and productivity. The '*2018 State of the City Report'* provides the latest performance data in relation to the city and also highlights skills, outcomes for over 50's, the proportion of residents being paid the real living wage and transitioning to a zero carbon city as challenges for the city.

1.2   Following the 2017 report, consideration was given to whether or not a new strategy or delivery plan was required to enable Manchester's economy to become more inclusive. The publication of the UK Government's Industrial Strategy in late 2017 provided an opportunity to align Manchester's work with national and city region activity.

1.3   The Manchester Local Industrial Strategy (LIS) will support the delivery of the Our Manchester Strategy by producing a delivery plan that will help to create a more inclusive economy. The Strategy will be aligned to both the existing UK Government Industrial Strategy and also the Greater Manchester Local Industrial Strategy (GM LIS) which is also currently under development. Further information about the GM LIS is provided under section 4 of this report.

1.4   Manchester has a number of major economic assets which contribute to the city region and regional economy such as the city centre and Manchester Airport. The GM LIS will need to reflect the importance of these assets and the contribution they make to the city region, as well as some of the major infrastructure improvements which are required to support future growth such as High Speed 2, Northern Powerhouse Rail, Metrolink expansion, improvements to the motorway network and the roll out of full fibre.

1.5   The Manchester Strategy will provide a much more granular level of detail about the city and will contain specific suggestions about how productivity can be improved by focussing on the demand side of the economy, as well as better connecting residents to economic opportunities. There are clear links to existing programmes of work including the ambitions to become a zero carbon city, the Work and Skills Strategy, the development of a Digital Strategy for the city and transport infrastructure. Further information about the scope of the Manchester and GM Strategies is provided in the accompanying presentation (see appendix 1).

2.0   Manchester LIS Engagement Approach

2.1 A wide ranging listening exercise with young people, residents, workers and businesses across the city has been developed using the *Our Manchester* principles. Staff from a number of Council services including: City Policy; Reform and Innovation; Work and Skills; and Communications were involved in this work which was completed between October 2019 and the end of December 2018. The approximate reach is as follows:

- 500 face-to-face conversations with residents across the city in different neighbourhoods;

- 110 online resident survey responses generated via social media posts;

- 200 face-to-face engagements with young people at a Youth Council event, 9 secondary schools (including 4 Special Education Needs schools) and an event with Uprising;

- 170 conversations and survey responses from businesses and organisations

- 25 Voluntary Community Sector responses

2.2 This engagement has provided a large volume of qualitative information which is currently being analysed to help inform citywide and neighbourhood actions to address the fundamental issues of low pay and productivity. A range of important quantitative data will also be analysed to help create the evidence base that will underpin the Strategy. This includes:

- Review of Greater Manchester evidence base which will be published in early 2019;
- State of the City and Economy Dashboard;
- Other sources of data such as the ONS Annual Survey of Hours and Earning and Labour Insight.

2.3 The draft timeline for the development of the Strategy is included in the table below. The ambition is to align the development of the Strategy to the GM LIS mean producing a draft by March 2019 with formal adoption of the final Strategy during summer 2019.

Table 1: Manchester Local Industrial Strategy timeline

Task	Date
Discussion at Economy Scrutiny Committee	10 October 2018
Consultation Phase 1	October – December 2018
Workshop with Our Manchester Forum	11 December 2018
Analysis of consultation results and GM evidence base	January 2019
Consultation Phase 2 and engagement with key boards and stakeholders on draft Strategy	Late January-February 2019
Draft Strategy to Economy Scrutiny Committee	6 March 2019
Final Strategy to Executive for adoption	Summer 2019

3.0   National Industrial Strategy

3.1   The UK Government published their Industrial Strategy *'Building a Britain fit for the Future'* in November 2017 which aims to create an economy that boosts productivity and earning power. The Strategy is structured around five foundations of productivity (Ideas, People, Business Environment, Infrastructure and Place) – and four grand challenges (Ageing Society, Digital/Artificial Intelligence, Clean Growth, and Future of Mobility). The Strategy also lists a number of funding streams, some of which are new and some of which have already been announced.

3.2   The Strategy includes a commitment to work with Combined Authorities and Local Enterprise Partnerships (LEPs) to develop Local Industrial Strategies with the first being published by March 2019. These will be evidence based, long term plans which identify local strengths and challenges, future opportunities and the action needed to boost productivity, earning power and competitiveness. They will be used to direct local funding and also any national programmes.

4.0   Greater Manchester Local Industrial Strategy

4.1   The 2017 Autumn Budget agreement between the GMCA and HM Government (HMG) committed them to jointly developing a GM LIS which will reflect the main themes of the national Industrial Strategy, but also take a place-based approach that builds on the area's unique strengths and ensures all people in Greater Manchester can contribute to, and benefit from, enhanced productivity, earnings and economic growth.

4.2   Discussions with local authority Leaders, LEP members and other stakeholders confirmed that the ambition should be to develop a focused strategy which progresses the growth and reform agenda, aligned to the refreshed Greater Manchester Strategy. These discussions have also identified stakeholder views that skills needs to be a central element of the GM LIS and that, ultimately, the success of the GM LIS will be critically linked to our ability to have more influence and control over the skills system than is currently the case.

4.3   The intention is that the GM LIS will be:
- developed so that it provides a long-term vision that sets out the opportunities to grow the economy and reform public services to 2030 and beyond;
- informed by a robust evidence base, and focused on a select number of priority actions, to capitalise on Greater Manchester's strengths and address the challenges it faces to raise skills levels and improve productivity and earning power;
- a collaborative effort, co-designed and jointly owned by Government, local leaders, business, the community, voluntary and social enterprise (CVSE) sector and citizens.

4.4   Working in collaboration with the Cities & Local Growth Unit, who are leading the development of local industrial strategies in Whitehall, the initial tranche of work has focused on two workstreams:

- Agreeing the approach to developing the GM LIS; and
- Initiating the evidence base development work.

4.5   A robust and credible evidence base will be critical to make the case for what needs to be done to deliver growth for Greater Manchester and its residents. It will also be critical to ensure the buy-in from all government departments.

4.6   Greater Manchester already has a strong evidence-base (including the Manchester Independent Economic Review (MIER), the Northern Powerhouse Independent Economic Review, the Science and Innovation Audit, and the deep dive analysis, which provides a very solid platform on which to build. However, to enable the GM LIS process to genuinely drive forward the next phase of devolution and partnership working with Government, it was agreed that there was a need to build on this evidence and co-produce additional analysis with HMG.

4.7   The Greater Manchester Independent Prosperity Review was established during 2018 with the following panel members:

- Diane Coyle (Chair) – (Bennett Professor of Public Policy, University of Cambridge);
- Professor Ed Glaeser (Professor of Economics at Harvard University);
- Stephanie Flanders (Head of Bloomberg Economics);
- Professor Henry Overman (Professor of Economic Geography at the London School of Economics);
- Professor Mariana Mazzucato (Professor in the Economics of Innovation at University College London);
- Darra Singh (Government & Public Sector Lead at Ernst & Young).

4.8   The panel identified a select number of research commissions to support the GM LIS. These are as follows:

- **Audit of Productivity:** This will aim to provide a finer-grained understanding of the barriers and enablers of productivity in different parts of Greater Manchester. It will build on the research piece undertaken recently by the GMCA on the economic role of the regional centre and look at agglomeration effects and clusters/specialisms across the city region.

- **Education and Skills Transitions:** This will analyse the role of different parts of the education and skills system (early years, primary and secondary school outcomes, Further Education, Higher Education and skills within the labour market) in contributing to labour market outcomes. It will review the 'transitions' between different parts of the system and assess the extent to which failures at key transition points

impact on individual outcomes. It will seek to set out the role of local and national actors in delivering improved skills performance.

- **Low Productivity Sector Review:** This will analyse in more granular detail the long tail of low productivity firms within Greater Manchester. Case studies of major sectors will be undertaken, including adult social care (taking into account the devolved commissioning powers which Greater Manchester has within this sector). The report will focus on how productivity could be raised in these sectors, including through greater technology adoption and diffusion.

- **Supply Chain and Trade Analysis:** Recognising that this is a challenging area to explore in a short timescale, there is an identified need to better understand Greater Manchester's supply chain and trade linkages nationally and internationally. Work will be undertaken to explore what new datasets and analytical techniques are available which can give a better understanding of Greater Manchester's supply chain and trading linkages.

- **Innovation Ecosystem:** Aligned with the work to refresh the information in the Greater Manchester and East Cheshire Science and Innovation Audit (particularly to expand the coverage of private sector assets), this research will analyse the interrelationships between public and private innovation in Greater Manchester. It will look to fill gaps in understanding of private sector innovation through the use of innovative data techniques.

- **Infrastructure:** This study will analyse the infrastructure needs of Greater Manchester to raise productivity, including looking at current funding and investment models and the potential for new approaches to unlock additional investment in infrastructure.

4.9   The findings of the Review will be available in January 2019 and will be published in February 2019.

5.0   Recommendations

5.1   The Board are invited to comment on the approaches being developed in Manchester and Greater Manchester and the links between the two pieces of work.

5.2   The Board are also invited to suggest the most significant issues or topics they feel need to be addressed by the two Strategies. The views of the Board will form an important part of the overall consultation process.