



MANCHESTER
CITY COUNCIL

Manchester Economic Strategy

5 September 2023

Economy & Regeneration Scrutiny Committee



Purpose of the economic strategy

- Tasked to develop an economic strategy for Manchester which will:
 - Show how the city will continue to achieve **strong economic growth**
 - Show how the city will work to **reduce inequality**
- Products will likely include:
 - The strategy itself, underpinned by research, evidence and engagement activity, and consisting of several themes and priorities.
 - An economic narrative and vision, articulating how we want Manchester's economy to develop between now and 2035.
- It will need to restate the importance of economic growth, set out Manchester's role in relation to GM and beyond, and be outward facing in its language speaking to businesses, investors and government

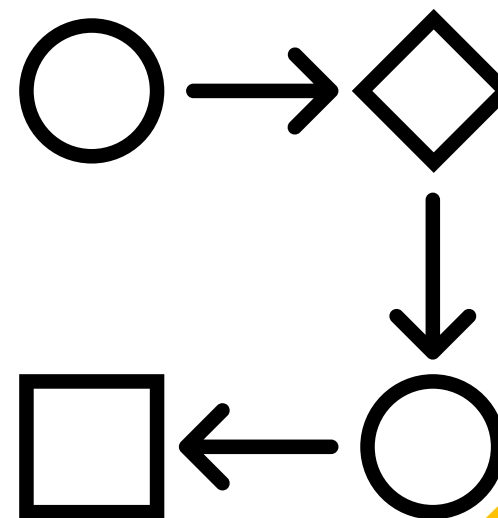


Development Process

Work to date has included:

- Internal consultation and engagement within MCC
- Research work, literature review and academic engagement
- Engagement with the Resolution Foundation led Economy 2030 enquiry, as well as the RSA's Urban Futures Commission
- Data analysis and baselining
- Wider external engagement with residents and businesses now underway

We are working towards **November 2023 Executive** meaning a finished product is due in October 2023 to meet approval deadlines.





Economic Overview

- UK's second cities are much smaller than international comparators
- Manchester could be one of the UK's best opportunities to drive growth but is underperforming
- Manchester's growth continues to outperform all other UK cities outside of London, the economy has diversified and strengthened, and the population and number of jobs has increased significantly
- Achieving the next stage of growth will be harder and presents greater challenges...
- ...and also needs to benefit more of our residents
- Economic strategy aimed at shaping a more inclusive economy



Summary of challenges 1

Challenges identified by our own work and the Resolution Foundation include:

- We have too few high value/skill jobs and workers – *gains will come from growing our own talent but attracting new workers will be required*
- The city centre is too small in terms of number of jobs – *but we are running out of space to grow*
- Too few people are connected to the City Centre withing 30min journey time – *but we currently have limited control over transport investment*
- The supply of land is constrained – *the pressures on space we have are growing*
- Boosting growth would help people on mid to high incomes and increase overall employment – *ensuring it is inclusive will require additional interventions*



Summary of challenges 2

Other challenges identified by our own work include:

- Boosting growth can feel at odds with our 2038 zero carbon target – *but is needed to give us the means to tackle other challenges*
- Investment in Manchester, outside of property, is insufficient to support economic growth – *but we still need investment in property*
- Housing affordability is emerging as a significant constraint and will worsen without additional supply – *hence importance of delivering the Housing Strategy*
- The workforce/resident wage gap remains persistent and the largest of English core cities



Summary of challenges 3

The headline message from all of this work is that **Manchester needs greater scale** in terms of number of jobs and residents to address **the productivity problem**.

However for us in Manchester we also need to consider:

- Maximising opportunities for our existing residents
- Ensuring economic activity also takes place outside the city centre
- Delivering our zero carbon 2038 ambitions



Response

- The next section sets out a high level summary of the five themes of the new Strategy.
- These sections will be developed over the coming weeks to draw together what is already underway under each of the themes and what we are going to do that is new, different or additional.
- The final strategy will also disaggregate actions into those which can be delivered locally within the city and those which need specific action, support or finance from GM or UK Government

Objective 1 - Strategic approach to development and investment



Develop a strong pipeline of new developments which can stimulate inclusive economic growth to provide the commercial, residential and mixed-use schemes to meet future demand. Attract new sources of national and international investment into the city. Densify and grow the city centre and adjacent areas.

Objective 2 – Thriving, productive and innovative sectors

Create a globally competitive environment for investment in innovation with increased investment in research and development. Ensure that innovation runs through everything we do including helping to drive productivity in lower paid sectors in the foundational economy. Promote clustering of sectors around key assets including the city centre, Oxford Road Corridor, Manchester Airport and local economic hubs.

Objective 3 - World class infrastructure, places and talent

Improve the city's infrastructure to enable the city to grow sustainably including the Airport and its surroundings, public transport, active travel, energy, digital, utilities, green spaces, culture, housing and commercial space. Deliver transformational change in strategic areas of the city to improve district centres, deliver new housing and stimulate private investment. Attract, retain and grow talent.



Objective 4 – Zero carbon and climate resilient economy

Transition the city's economy to zero carbon by reducing dependence on fossil fuels, stimulating local energy generation and reducing consumption-based emissions. Create new opportunities in the zero-carbon economy across all interlinked sectors. Develop a more resilient economy to minimise the impact of future economic shocks and to adapt to climate change.

Objective 5 - Including more people in economic opportunity

Ensure that more people can benefit from economic opportunities by equipping them with the skills to succeed, connecting them via employment programmes and transport, and creating great and affordable places for them to live.



Discussion questions:

- Do you have any feedback on the purpose of the Strategy and the development process?
- Do you have any feedback on the challenges identified by the research?
- Do you have any feedback on the five Strategy objectives?