

Manchester City Council Report for Information

Report to: Economy Scrutiny Committee – 3 September 2020

Subject: Manchester’s Economic Recovery Plan & Update

Report of: Strategic Director (Growth & Development)

Summary

This report provides members with an overview of plans to develop an Economic Recovery Plan for the city, as a key part of the Council’s forward planning in response to the COVID-19 crisis. The Plan will set out a clear and detailed narrative on how the city is well-placed to use its strong assets in order to re-establish economic momentum over the next few years. It will be primarily directed at government, businesses and investors, and will aim to set out the city’s direction of travel about how we look to the future with a confident message that the city will rise to the challenges, and continue to focus on our drive for inclusive growth.

Recommendations

Members are requested to:

1. Note the progress being made on preparing an Economic Recovery Plan as a key part of the city’s overall recovery programme;
 2. Note the focus in the Plan on inclusive growth, in particular, the investment in skills and employability, to enable local people to return to employment as opportunities are created;
 3. Provide feedback on the emerging key messages and format for the Plan; and
 4. Note the update given in the current Sitrep, which will follow this report.
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Wards Affected: All

Environmental Impact Assessment - the impact of the issues addressed in this report on achieving the zero-carbon target for the city

The COVID-19 lockdown period has undoubtedly led to an unprecedented reduction in CO2 emissions and a huge improvement in air quality. The challenge for the recovery phase is how to urgently restart the city’s economy to protect the income and livelihoods of people whilst striving to capitalise on some of the positive environmental benefits enjoyed during the COVID-19 lockdown period and enable positive behaviour change that endures for the long term. Zero/low carbon is a key strand of the Economic Recovery Plan and a number of innovative projects are proposed which could have a significant impact on contributing to our zero carbon targets.

Manchester Strategy outcomes	Summary of how this report aligns to the OMS
A thriving and sustainable city: supporting a diverse and distinctive economy that creates jobs and opportunities	The Economic Recovery Plan prioritises ensuring businesses are able to continue to operate in the short term and that investment and development can be kickstarted and supported. The longer term vision is for creating the conditions for high quality investment and development and the development of an inclusive and resilient economy, based around the Our Manchester and Industrial Strategy priorities and the city's key strengths.
A highly skilled city: world class and home grown talent sustaining the city's economic success	Re-skilling Manchester's residents to be able to compete in the changed local economy is a fundamental element of the recovery work. This will include upscaling digital skills and tackling digital isolation, skills for a zero carbon economy and supporting cohorts most impacted by the COVID-19 lockdown such as young people, BAME residents and the over 50's.
A progressive and equitable city: making a positive contribution by unlocking the potential of our communities	Supporting Manchester's residents and communities at this time is one of the aligned recovery workstreams. This work will seek to build resilience as some emergency support begins to be withdrawn and will follow the Our Manchester approach principles. The skills and inclusion proposals within the Economic Recovery Plan will help to reskill residents to access job opportunities, including in low carbon and focused on those groups most affected by COVID-19.
A liveable and low carbon city: a destination of choice to live, visit, work	The COVID-19 lockdown has involved a significant short term reduction in CO2 emissions due to reductions in travel and energy use, but this has been at the expense of the economy. The work will take learning from this period about what elements can be sustained to support the Council's Climate Change Action Plan, through a lower carbon approach to economic growth going forward. The work will also seek to ensure that development schemes are restarted, which will include residential and mixed use development, including new public realm, to continue to develop high quality neighbourhoods.
A connected city: world class infrastructure and connectivity to drive growth	The Economic Recovery Plan includes proposals for major infrastructure improvement, including digital and low carbon infrastructure, The refresh of the City Centre Transport Strategy will be a key piece of work which will be concluded during the recovery phase. This presents a major opportunity to support continuing modal shift within the city to cycling and walking (active travel) and public

	transport. Investment in digital infrastructure is also an important part of developing a more economically resilient city and is a key element of the Our Manchester Industrial Strategy.
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Contact Officers:

Name: Louise Wyman
Position: Strategic Director - Growth & Development
Telephone: 0161 234 5515
Email: louise.wyman@manchester.gov.uk

Name: Pat Bartoli
Position: Director of City Centre Growth & Infrastructure
Telephone: 0161 234 3329
Email: p.bartoli@manchester.gov.uk

Name: Richard Elliott
Position: Head of Local Planning and Infrastructure
Telephone: 0161 219 6494
E-mail: r.elliott@manchester.gov.uk

Name: Angela Harrington
Position: Director of Inclusive Economy
Telephone: 0161 234 3171
Email: a.harrington@manchester.gov.uk

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.

Report to Executive - 3 July 2020: COVID-19 Update
Report to Executive - 29 July 2020: COVID-19 Update

1.0 Introduction & Context

- 1.1 It is now widely recognised that the economic crisis resulting from the Covid-19 pandemic will lead to the most severe economic disruption experienced in modern times, with a significant impact on productivity, income and employment levels.
- 1.2 As well as the immediate impact, the nature and unprecedented scale of the crisis has the potential to have a medium-long term impact on the way the city performs and operates. The impacts will vary from sector to sector and over time.
- 1.3 Members will be aware from previous reports, and sitrep updates, that officers have been working on a response to the economic impact of the pandemic, both in terms of the short-term activity, and longer term forward planning. A key part of the response is the development of an Economic Recovery Plan (ERP) for Manchester, to help build confidence in the long term of future of the city. It is proposed that this forms a major part of our submission to the Government's Spending Review, planned for autumn. A briefing note on the Spending Review was provided at the last meeting, to accompany the sitrep.
- 1.4 A presentation will be made to Members at the meeting on the emerging narrative to be included in the Economic Recovery Plan, and an opportunity provided for discussion on some of the detail. Given the emerging stage of the work, the presentation will be published at or just after the meeting.

2.0 Purpose & Key Messages

- 2.1 The ERP is intended to provide a forward plan for the city in response to the new pressures provided by Covid-19, and other significant factors such as Brexit, geo-political uncertainty and climate change, building on the city's strengths, in order to maintain confidence, re-establish economic momentum and enable continued inclusive growth.
- 2.2 Whilst the scale of the challenge in returning to strong growth is recognised, notably in terms of anticipated unemployment levels, the impact on young people and on a range of, especially smaller, businesses, the ERP will stress that the city is in a strong position to rise to these challenges. This strength is based on our track record of delivery; the spirit and continued resilience of the city (including a diverse economy with assets and strengths in major growth sectors and a young and diverse population); and mature and powerful partnerships.
- 2.3 The audience for the ERP will include government departments and national agencies but also business, development and investment communities, in order to drive confidence and investment.
- 2.4 The plan will focus on the 3 strategic aims identified in the Our Manchester Strategy and Our Manchester Industrial Strategy- People, Place and

Prosperity – and on the priorities of inclusive growth and the foundational economy and our zero carbon commitments.

- 2.5 Within the strategic aims, it is proposed that the plan is structured around the following key areas of strength and opportunity:
- People – young people & better prospects for Manchester communities.
 - Place – the city centre; thriving centres & neighbourhoods; urban fabric; and zero/low carbon.
 - Prosperity – science, technology, health & innovation; culture, creative, digital & media; Manchester Airport; business & new business ecosystem.
- 2.6 The plan will incorporate transformational schemes and key projects under these areas, which will form part of our ask to the Spending Review, highlighting how these can deliver new jobs, homes and leverage further investment. The narrative and projects will form a strong proposition to government, providing a clear plan for the city to come out of recession as powerfully and as quickly as we can, by building on our long-term strengths. It will reinforce the importance of regional cities such as Manchester as economic engines, particularly highlighting opportunities in the city centre, the Oxford Road Corridor, North Manchester and Airport City.
- 2.7 It is recognised that achieving inclusive growth will be more challenging than ever before with anticipated significant unemployment increases, business closures and the impact of education disruption on young people. There will, therefore, also be an emphasis on working with distressed businesses as new opportunities emerge; youth skills and encouraging young people to stay in education; graduate re-skilling; apprenticeships schemes; and support for Black, Asian and Minority Ethnic residents and the over-50's who have also been disproportionately impacted by Covid-19.

3.0 Next Steps

- 3.1 Following feedback from Committee Members, the narrative and key project proposals will be further developed for wider discussion. The document will then be finalised in advance of the Comprehensive Spending Review (the deadline for submissions to the spending review is 24 September 2020) and the party conference season.
- 3.2 We will then work with government departments on opportunities for investment in the propositions included within the Plan. We are also proposing to undertake business engagement in the autumn, in order to seek support from the business community.

4.0 Recommendations

- 4.1 Recommendations are included at the front of the report.