APPENDIX 2: METHODOLOGY AND FINDINGS

1.0 Methodology

The development of *Developing a More Inclusive Economy – Our Manchester Industrial Strategy* (LIS) has utilised a mixed-methods approach, including: a literature review; analysis of quantitative data; discussions with key partners and partnership boards; engagement with residents; engagement with young people in schools; discussions with Voluntary Community and Social Enterprise organisations; and engagement with businesses and organisations. This approach has also included working closely with the Greater Manchester Combined Authority throughout the development of the *Greater Manchester Local Industrial Strategy*.

The engagement was wide-ranging, encompassing over 500 face-to-face conversations with residents in different neighbourhoods (including targeted engagement with older residents and students); 110 online resident survey responses generated via Manchester City Council social media posts; over 200 face-to-face engagements with young people at 9 secondary schools (including 4 Special Educational Needs schools), a Youth Council event and an Uprising event; and over 170 conversations and survey responses from businesses / organisations.

2.0 Literature Review

A range of literature was analysed to ensure that the drafting of Manchester's LIS makes effective use of a range of expertise. Literature included sources from the Department for Business, Energy and Industrial Strategy, the Institute for Public Policy Research, the What Works Centre, Localis, and the Inclusive Growth Analysis Unit at the University of Manchester.

2.1 General Themes

The following represents the key recurrent themes and recommendations across most of the literature. Local Industrial Strategies should:

Be aligned to the National Industrial Strategy

- This will support achievement of a more productive relationship with government
- A "horizontal approach" to industrial strategy, which does not seek to favour individual sectors or businesses, to create the best conditions for businesses of all types and across all sectors

Be long-term and based on clear evidence drawing out the relative strengths and weaknesses of the local economy, with an emphasis on increasing productivity

- Combine quantitative and qualitative data to build a more granular understanding of the local economy
- Distinguish between supply side and demand side as explanations for under-performance
- Use independent panels and peer review mechanisms to scrutinise evidence and policy priorities

Have clearly defined priorities for maximising local contribution to UK productivity

- Clarify high-level objectives and evaluate programmes that contribute to them

- Provide sectoral analysis to target 'horizontal' policies that can be cross-cutting
- Develop a proactive approach to preventing people aged over 50 from falling out of work
- Fund more integrated, holistic support for those who are seeking to return to work

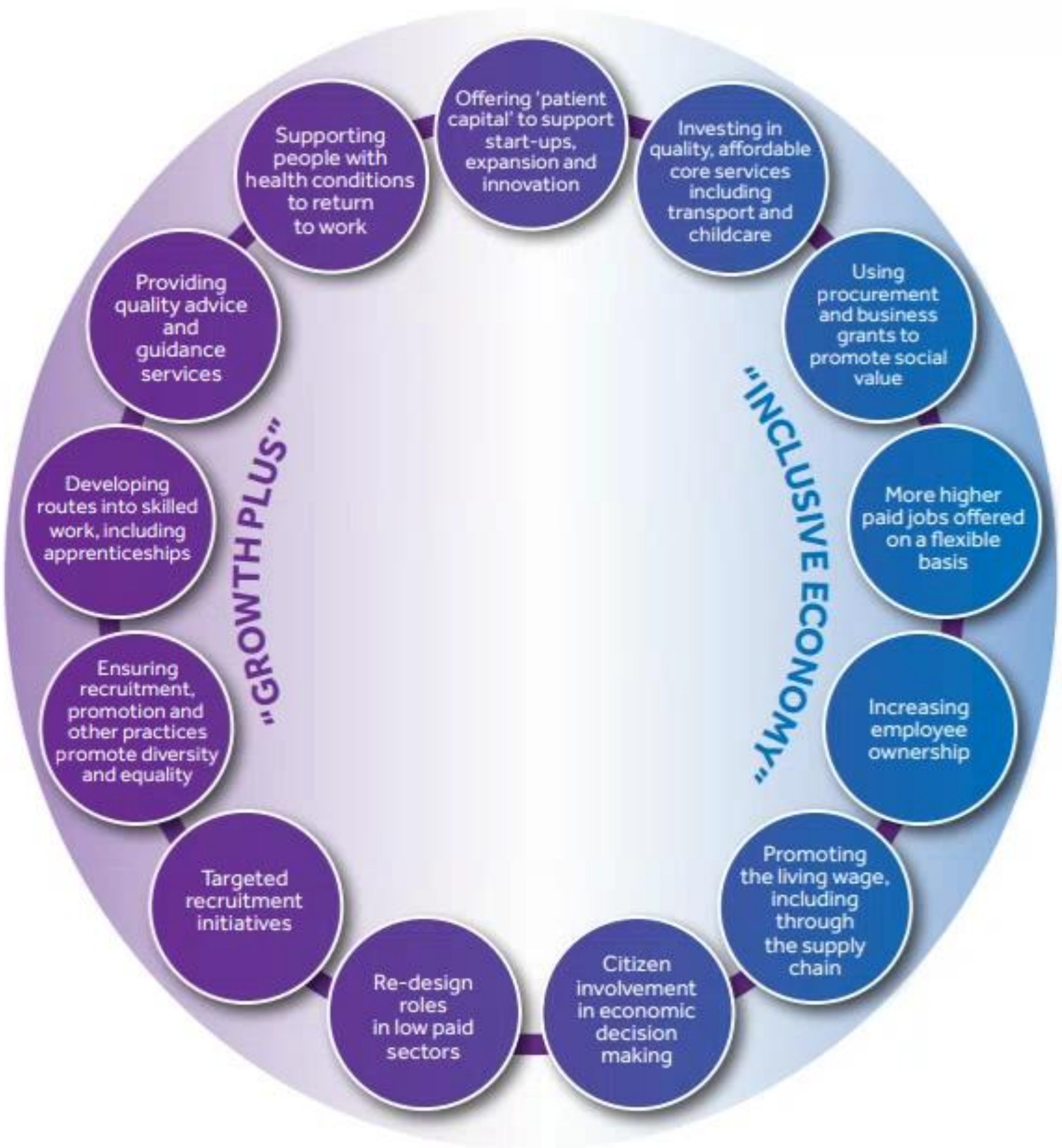
Allow places to make the most of their distinctive strengths
- Support new employment activity that can help to diversify and grow the economy
- Be wary of distorting competition, it may have a negative impact on innovation and productivity growth
- Develop a local labour market strategy that provides lifelong support for people to be economically active
- LIS should shape pathways of education including careers advice and the kind of 'soft-skills' needed for employment

Better coordinate local economic policy and ensure collaboration across boundaries and between public and private stakeholders
- Identify a range of policy options to address each local development challenge, and compare the intended costs and benefits
- Coordinate across different stakeholder organisations with broader objectives in mind
- Develop a good jobs strategy that encourages businesses to take more risks on initiatives that generate more and better work
- Share plans for, and results of, experimentation with other local authorities to identify opportunities for collaboration
- Co-funding interventions with the private sector and involving them in the decision-making process
- Develop ongoing contact and communication with the private sector to help identify and remove obstacles to growth
- Develop a framework on responsible business and inclusive growth with a convening body to coordinate business engagement

Set out clear plans to evaluate progress
- Evaluation, embedded from the start of the policy design process, helps to improve policy design and decision making
- Evaluation should be proportionate, and focus on specific programmes and projects where good evaluation is feasible

The Inclusive Growth Analysis Unit have published a number of useful reports which focus on the policies and levers that can bring about a more inclusive society. They make the distinction between 'growth plus' and 'inclusive economy' to illustrate these points. The following figure provides a good summary.

Figure 0: Identifying inclusive growth policies



Source: How could inclusive growth policies reduce poverty at local level? Ceri Hughes, IGAU, April 2019.

2.2 Greater Manchester Independent Prosperity Review

The Greater Manchester Independent Prosperity Review was an intensive nine month process to update Greater Manchester's economic evidence base, led by a panel of leading economic experts and chaired by Professor Diane Coyle. The Panel was responsible for:

- Assessing progress against the previous Manchester Independent Economic Review and identifying lessons learnt;
- Reviewing Greater Manchester's evidence base and current policy response, identifying key gaps;
- Commissioning new, ground-breaking research into priority areas; and
- Making recommendations for the Greater Manchester Local Industrial Strategy.

A summary of the key recommendations is as follows:

- Greater Manchester's strengths in health innovation, advanced materials, manufacturing, digital and creative industries and professional services should be a focus for the region's Local Industrial Strategy.
- There is a need to focus on productivity in both frontier sectors and the 'foundational economy' – both have opportunities and challenges.
- Improving health needs to feature prominently in the Strategy, given its positive effects on labour market participation and productivity.
- In delivering Greater Manchester's 2038 carbon neutral ambitions, the benefits to residents and quality of life should be maximised.
- The skills system is fragmented and delivering less than the sum of its parts. There should be a partnership approach to education, skills and work in the city-region, based on a common vision, priorities and evidence.
- Business advice and support should be oriented to focus on productivity, with a focus on leadership and management, skills utilisation, innovation adoption and diffusion, resource efficiency, and exporting and internationalisation.

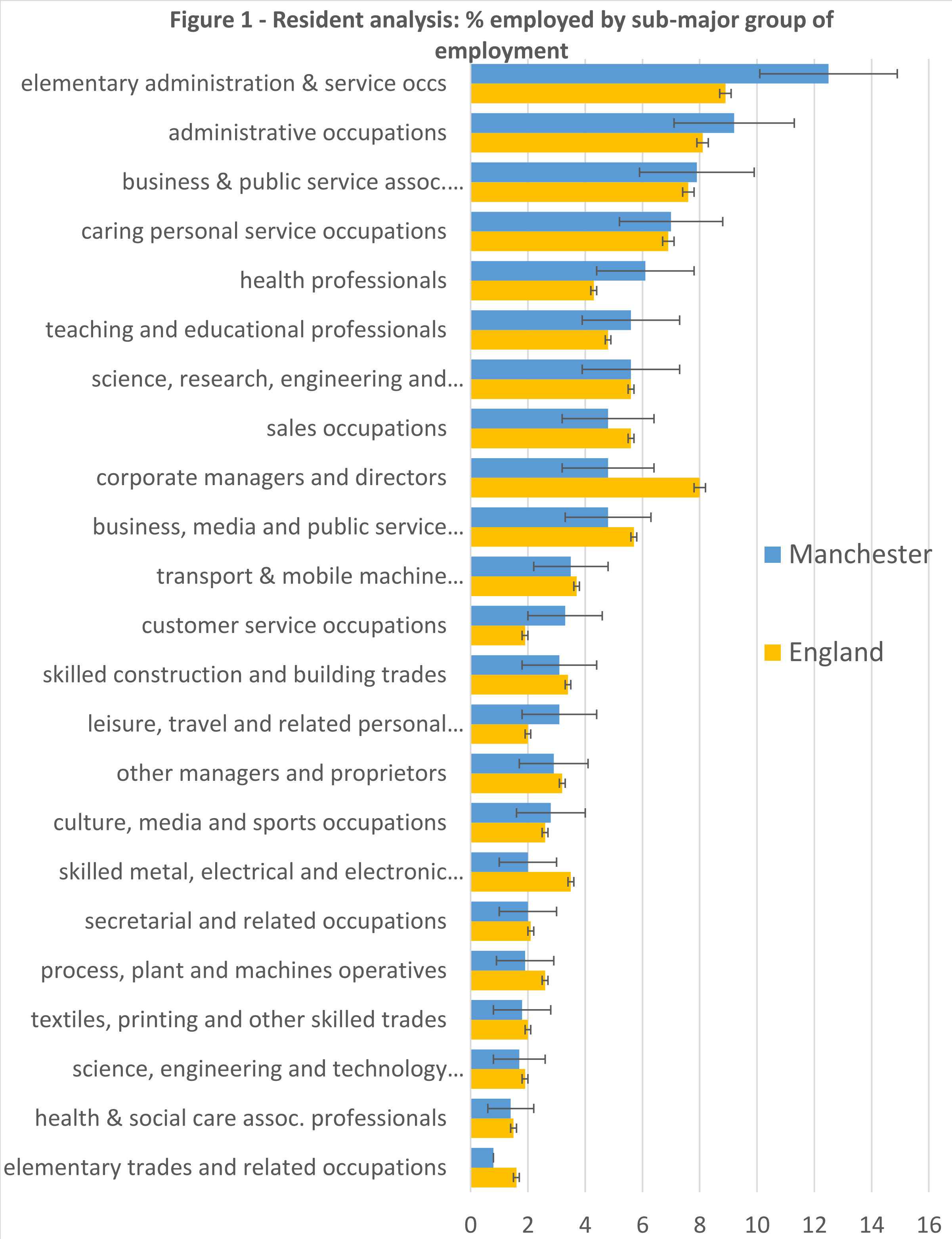
3.0 Quantitative Data

To complement the literature review and the qualitative data from the engagement activity (see below), analysis of quantitative data was also undertaken to ensure the development of the Manchester LIS was grounded in the current economic and labour market conditions for Manchester's residents and workers. The following figures provide the key themes from this analysis.

Figure 1: Percentage of Manchester residents vs percentage of England residents employed by sub-major group of employment

Source: Annual Population Survey July 2017 – July 2018, ONS via NOMIS

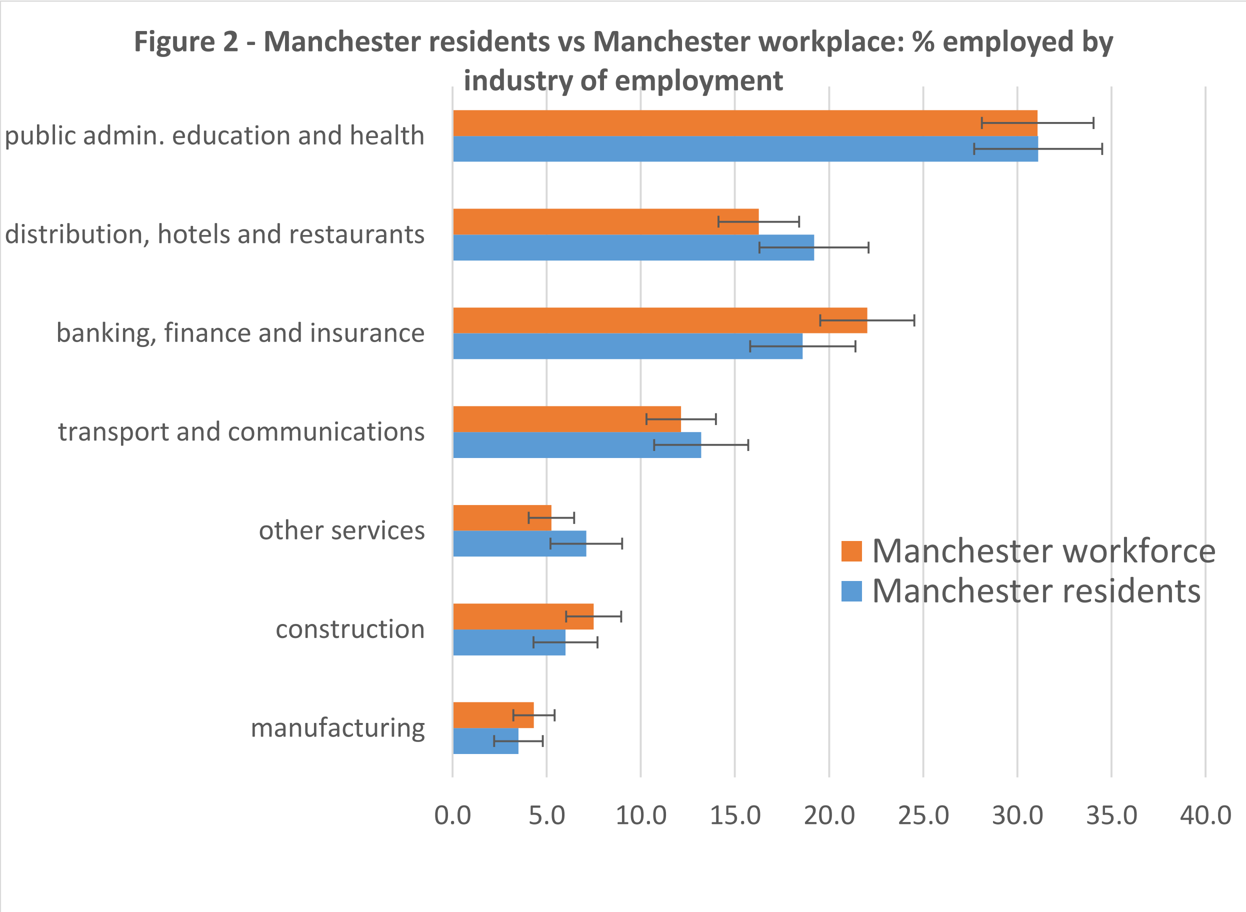
Figure 1 shows that there is a greater percentage of Manchester residents employed in typically lower skilled, lower paid occupations compared to the national percentage for England. There is also a lower percentage of Manchester residents employed in typically higher skilled, higher paid occupations compared to the national percentage for England.



<u>Figure 2: Percentage of Manchester residents vs percentage of Manchester workplace employed by industry of employment</u>

Source: Annual Population Survey July 2017 – July 2018, ONS via NOMIS

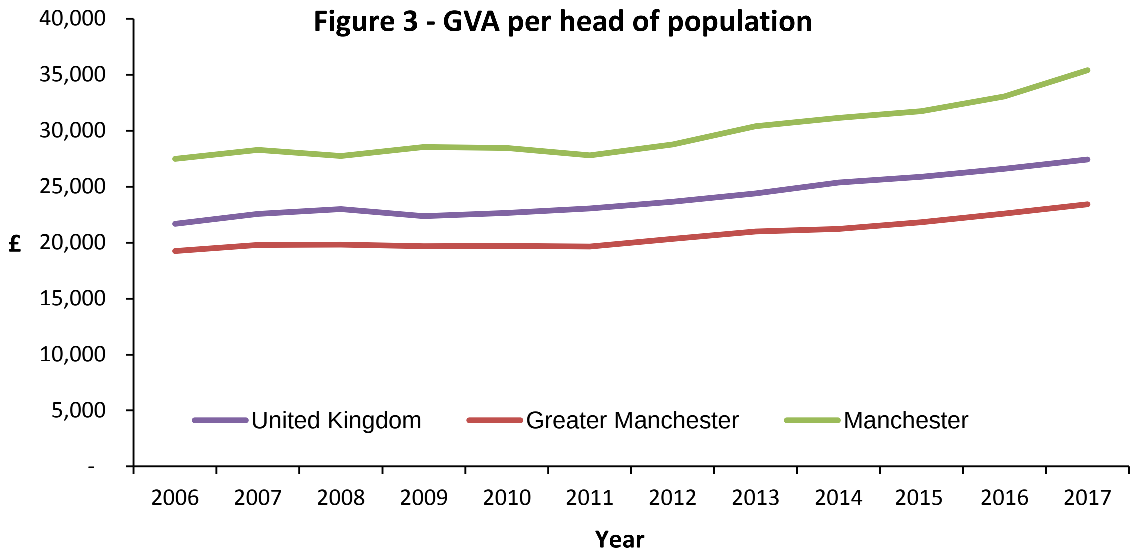
Figure 2 highlights that a greater percentage of Manchester residents are employed in typically lower skilled, lower paid industries compared to the Manchester workforce, a greater percentage of whom are employed in typically higher skilled, higher paid industries.



<u>Figure 3: Gross Value Added (GVA) per head of population</u>

Source: ONS Regional Gross Value Added (Income Approach), December 2017. Latest figures are provisional.

As shown in Figure 3, Manchester's GVA per head of population (an indicator for economic performance) has increased from 2011 onwards, and at a faster rate than that of Greater Manchester and the United Kingdom. Manchester's performance continues to exceed the regional and national GVA per head of population.

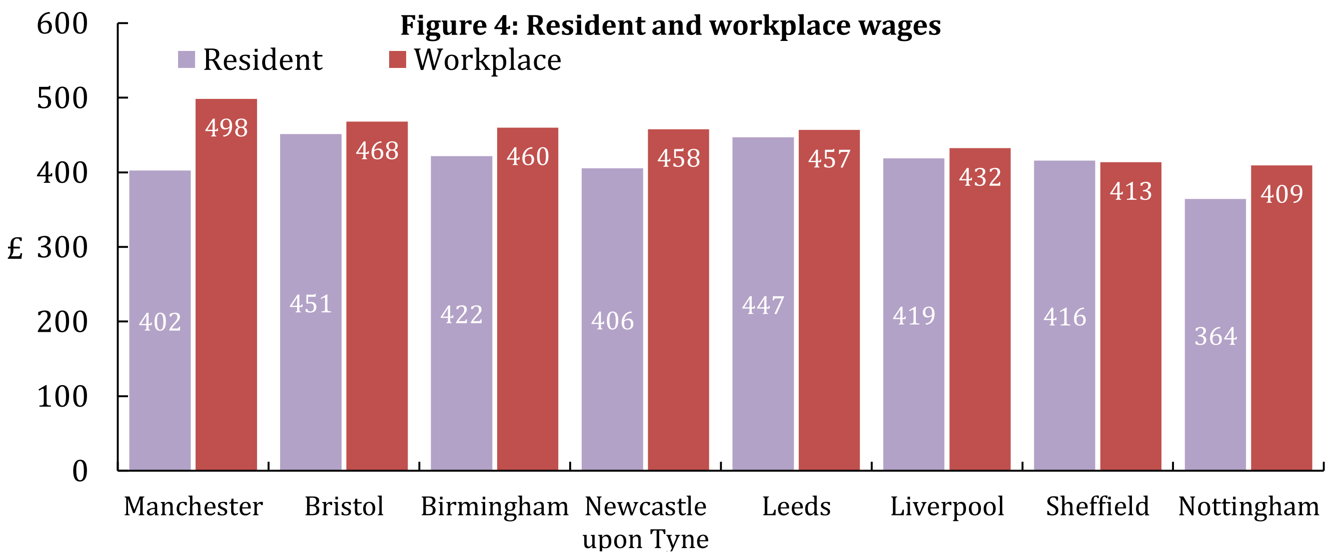


Source: ONS Regional Gross Value Added (Income Approach), December 2017. Latest figures are provisional

Figure 4: residents and workplace wages 2017 – English Core Cities

Source: Annual Survey of Hours and Earnings, ONS (Provisional 2017)

Figure 4 illustrations that Manchester has the highest resident vs workplace wage gap out of the English Core Cities, with a gap of £96.



Source: Annual Survey of Hours and Earnings, ONS (Provisional 2017) © Crown copyright

Figure 5: Manchester's fastest-growing sectors (2015 – 2025)

Source: Greater Manchester Forecasting Model (2018), Oxford Economics

Figure 5 shows Manchester's predicted growth across the city's four fastest growing sectors: cultural, creative and digital; wholesale and retail; construction; and business, financial and professional services. Growth in these sectors significantly contributes to Manchester's continued growth in GVA. Percentage growth in all four growth sectors is expected both in terms of GVA and the number of employment opportunities.

Figure 5- Fastest Growing Sectors (2015 - 2025)

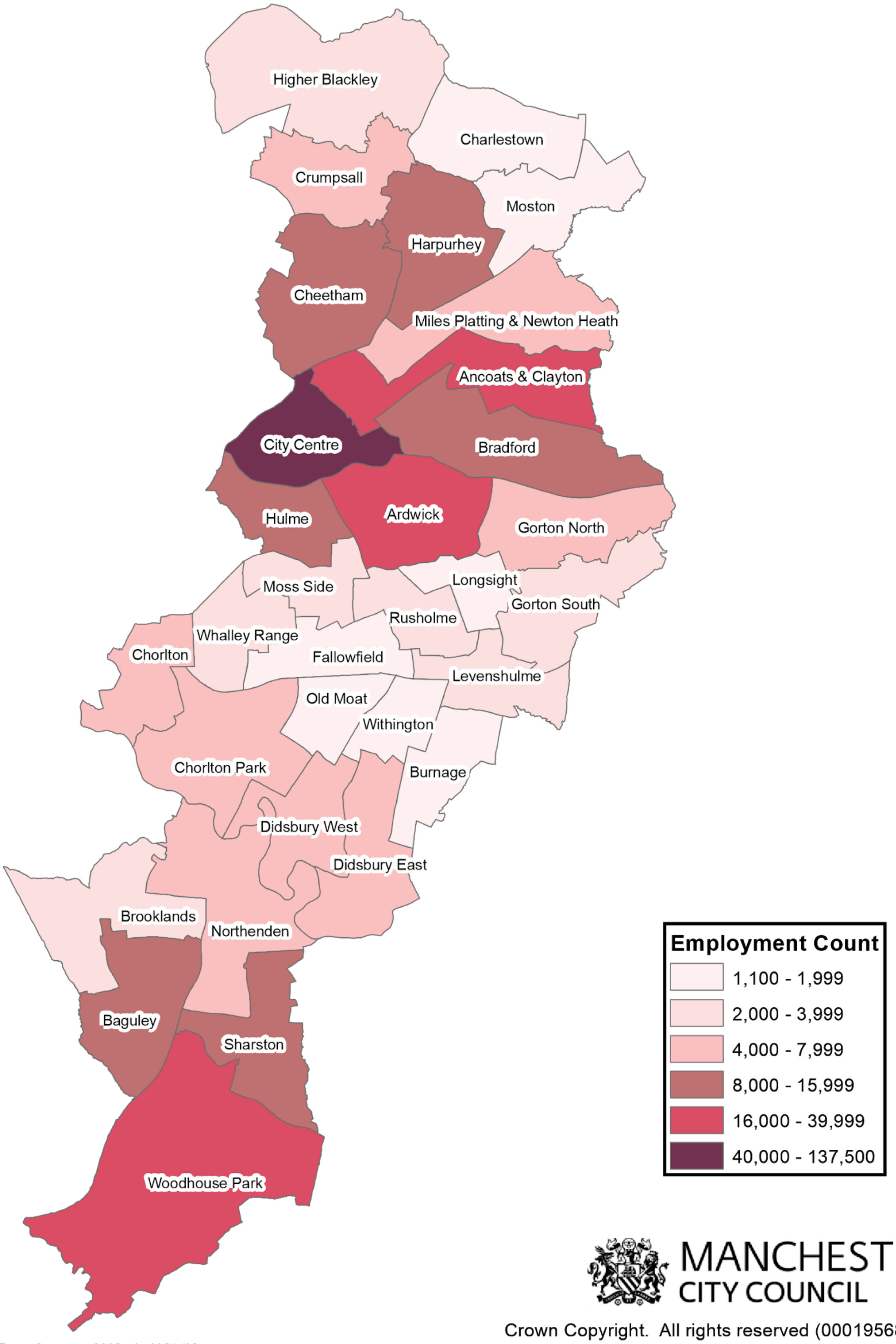
Source: Greater Manchester Forecasting Model (2018), Oxford Economics

Figure 6: Employment in Manchester by ward - 2016

Source: ONS via NOMIS

As seen in Figure 6, employment in Manchester is concentrated in the city centre and surrounding wards to the east, and also around Manchester Airport. There are less employment opportunities in central and south wards and the far north of the city.

Figure 6 – Employment in Manchester by ward - 2016



MANCHESTER CITY COUNCIL

Data Source: ONS via NOMIS

4.0 Qualitative Data

To support the development of the Manchester LIS, the City Policy, Reform and Innovation, and Work and Skills teams conducted a varied series of engagement activities to capture the views of residents, workers and businesses / organisations within the public, private and voluntary sectors. Routed in the Our Manchester approach, this wide-ranging listening exercise took place in autumn 2018 across all of the city's neighbourhoods. The output has provided a large volume of qualitative information that can provide the evidence base to inform citywide and neighbourhoods actions.

4.1 Resident Engagement

Resident engagement was divided into two main categories: 'engagement with people in places' and 'engagement with key groups'. A review of policy and research in this area (including governmental guidance, think tank reports and academic studies) also ensured relevant expertise could be considered.

<u>4.2 'Engagement with People in Places'</u>

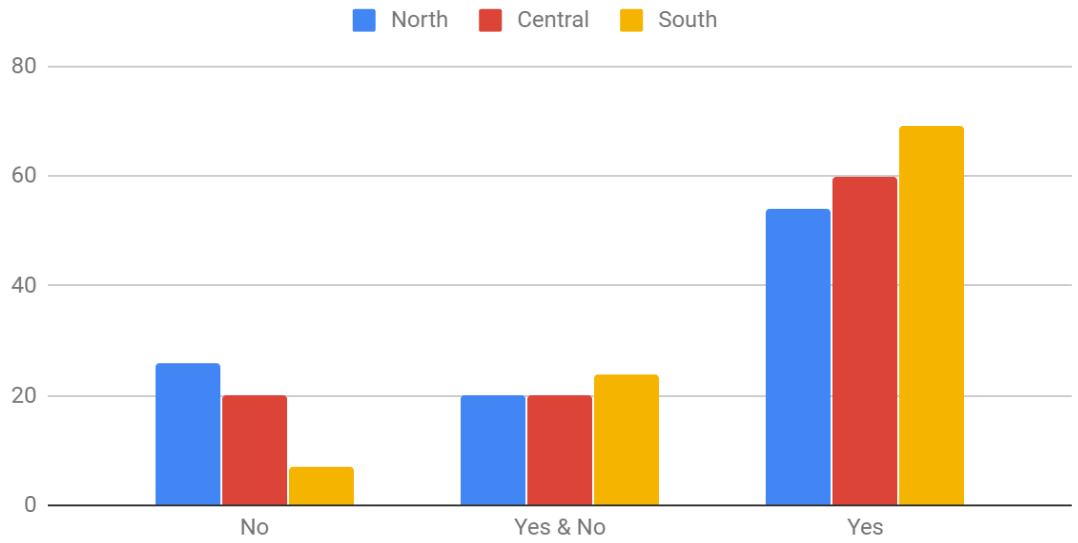
Engagement was coordinated at ward level with a view to reach a demographic representative of the whole city. Neighbourhood Teams were asked to share details on popular places and existing resident groups. Pairs of volunteers targeted specific neighbourhoods and asked residents about Manchester as a place to live and work. Councillors were invited to join officers for this engagement. Engagement took place in a variety of locations; examples included resident meetings, markets, garden centres, libraries, food banks and drop in lunches. Respondents were initially asked:

Manchester was recently ranked as the best city in the UK to live and work (The Economist's 'Global Liveability Index', 2018). *Is this your experience?*

Further questions around people's experience of living and working in Manchester were then articulated, depending on the response given. This feedback was then collated, with findings coded and key themes drawn upon.

When asked for their opinion on Manchester's recent ranking as the most liveable city in the UK, people's initial response was overwhelmingly positive. 60% of people agreed that yes, this was their experience, 21% said yes and no and 19% said no, that they did not believe this to be the case. There was a geographic variation in responses to the initial question, as seen in Figure 7 below.

Figure 7 – Manchester was recently ranked as the best city in the UK to live and work. Is this your experience?



A number of key themes emerged from the subsequent feedback from respondents:

Transport - the most commonly occurring theme in responses, predominantly in a negative manner:

- Traffic congestion was raised as an issue across the city but particularly highlighted in and around the city centre, with a number of respondents attributed this a factor in affecting their ability to access employment opportunities.
- A third of people engaged with responded negatively about public transport, with high cost and overcrowding highlighted as key issues across all forms of public transport. Bus services and networks received the highest volume of these negative comments, with closure of routes, timetable limitations and regularity of services all particular focuses of discontent.
- People recognised that the city is increasingly bike friendly but respondents didn't feel safe when cycling.

Employment and opportunities - half of all respondents identified that there are plentiful career and employment opportunities around Manchester, with a number comparing the ease of finding employment favourably with elsewhere in the country, particularly London. However, respondents identified a number of barriers and challenges they'd encountered when trying to access these opportunities:

- There was a strong feeling that the majority of employment opportunities are within the city centre, and a marked lack of them within district and local centres.
- People felt they didn't have, or were unable to achieve, the necessary skills and / or qualifications to match the requirements for emerging opportunities.
- The physical accessibility barriers to employment opportunities predominantly focused on transport issues, highlighted in the previous section.
- A number of respondents identified the low wages available through some opportunities as an active deterrent towards employment. Some believed that you could receive more money from claiming benefits than by working in minimum wage employment.

People, culture and entertainment - the majority of respondents expressed an overwhelmingly positive regard for the people, diversity and geographical size of Manchester:

- There was a particular appreciation for the friendliness and approachability of people, and the strength and support experienced within local communities. However, this was tempered by a high proportion of residents expressing a feeling of increasing detachment from the city centre.
- There was a high level of positivity towards Manchester's cultural, entertainment and shopping offer, especially the range of activities and opportunities in the city centre. However, there was a perception that there is a lack of free or affordable activities and opportunities available for children and young people citywide.

Broader physical environment – negative opinions were consistently expressed on the city's broader physical environment, including:

- A third of people expressed an opinion on an aspect of the public realm, the majority of which were negative.
- Several respondents felt the city was dirty, particularly in the city centre and Longsight.
- Many respondents said that state and quality of the highways are poor, with potholes a frequently highlighted issue.
- Housing featured in a quarter of all responses, with the predominant focus on the lack of affordable housing and the poor quality of private rented housing.

4.3 'Engagement with Key Groups'

Bespoke engagement activity was designed to target specific groups of residents. Engagement took place in a variety of ways and locations to ensure optimum output from these cohorts. The method and findings for each of these cohorts is outlined below.

Young People - students at nine secondary schools (including four special educational needs schools) were engaged with using a teaching resource that required the young people to consider what would be their dream job, what sorts of jobs would be available to them in the future and how they could turn the reality into their dream. Figures 8 and 9 below show the findings.

The engagement showed that Manchester's young people's aspirations are high and fit in well with Manchester's labour market strengths. Awareness of jobs in Manchester was quite varied geographically. Support and good contacts were seen as the best way to secure a 'dream job', with qualifications, personal skills, work experience and training also seen as important. However, young people did not routinely reference less traditional but increasingly important methods of entering jobs, such as apprenticeships, as being helpful to achieve their goals.

Figure 8 – Young people's response to 'What is your dream job?' question

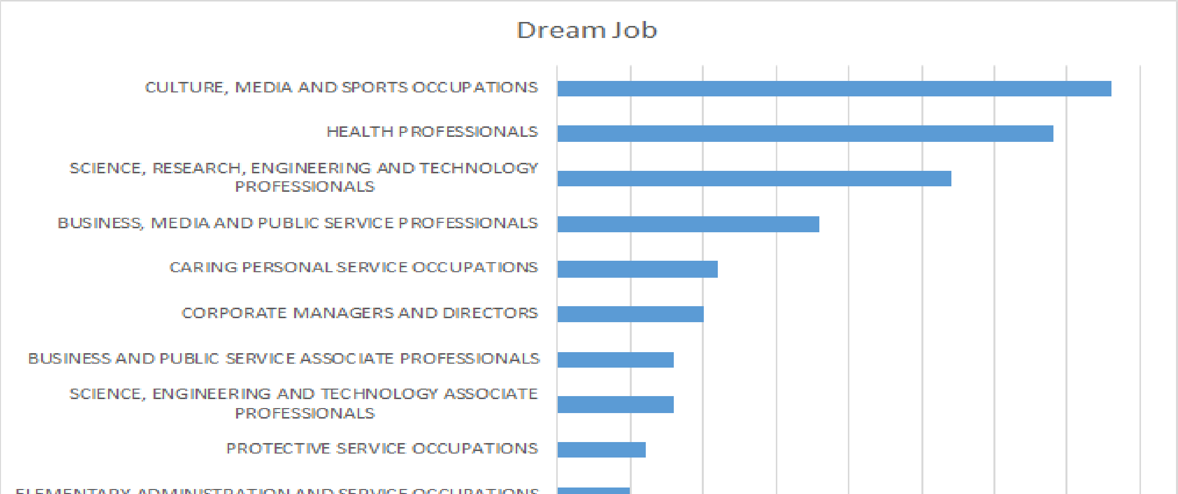
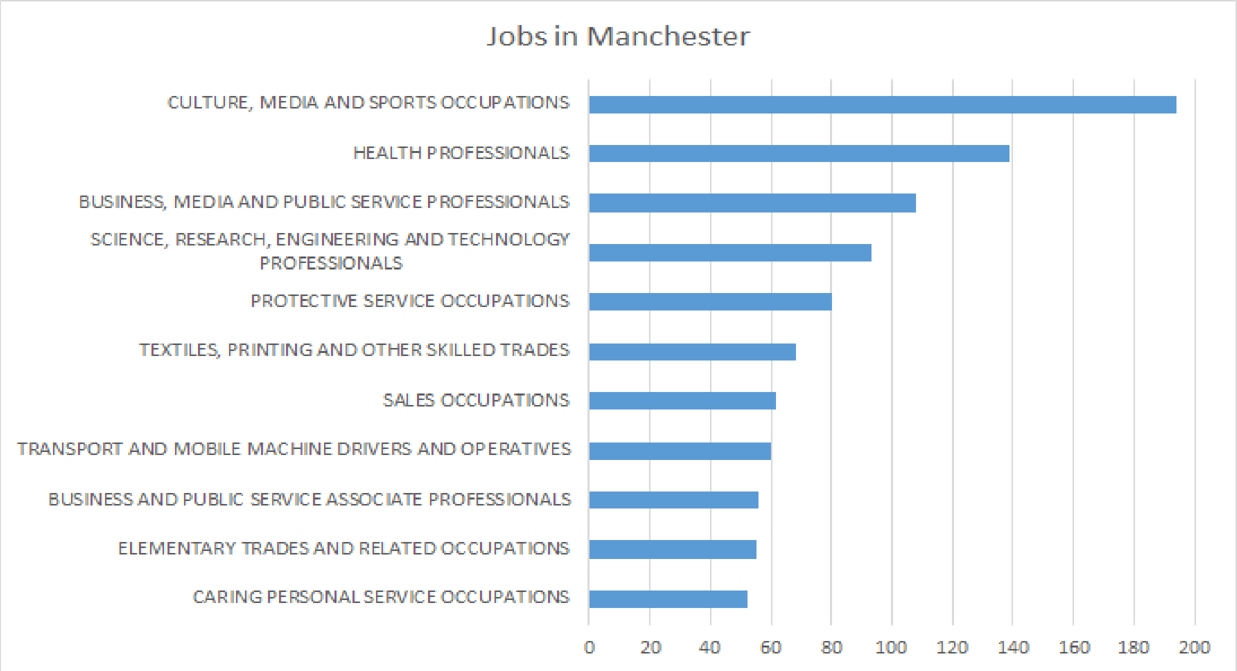


Figure 9 – Young people's response to 'What jobs are available in Manchester?' question



Older people (50+ years) - ageing society is one of the national Industrial Strategy's Grand Challenges. Engagement was undertaken with three groups of 50+ residents, two at work clubs run by 4CT's Get Ready for Work programme (at North City Library and Clayton's Children's Centre), and one at Gorton Community Grocers.

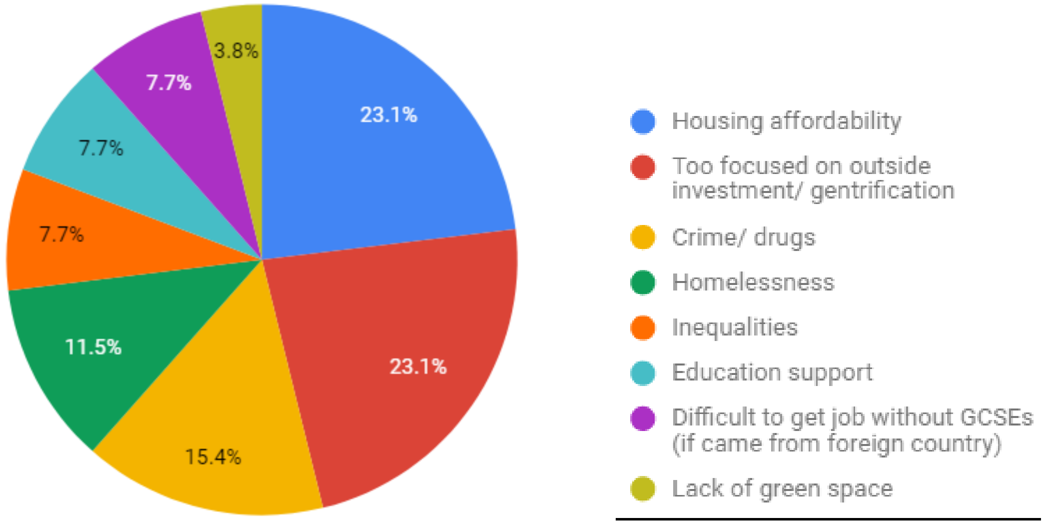
70% of the older residents attending the work clubs advised that they felt there are a lack of job opportunities for them in Manchester. Of those people, over half articulated feelings of ageism and the same number of people advised workplaces are not flexible or accommodating in terms of their additional needs (for example, caring responsibilities or health issues).

Research carried out in Greater Manchester (November 2017) by the Centre for Local Economic Strategies (CLES) highlights interrelated barriers this cohort are facing in returning to work. The responses received during the engagement exercise match the findings of CLES' research; in particular, that older people face transactional barriers (such as transport costs), as well as a lack of flexibility from employers around health and caring needs. Losing a job after the age of 50 is more likely to lead to long-term unemployment or inactivity compared with job loss at younger ages. Currently, 38% of unemployed individuals in the UK aged 50 and over (116,000 people) have been unemployed for over 12 months, compared with 29% of 25-49 year olds and 19% of 18-24 year olds.

Residents accessing Voluntary, Community and Social Enterprise (VCSE) services - people utilising VCSE services in their communities formed a large part of the 'People in Places' engagement; however targeted engagement with this group was also undertaken at Back on Track, an adult education centre. VCSE organisations were engaged with as part of the businesses /organisations engagement (see below).

57% of the people spoken to who access VCSE services responded 'no' when asked whether they consider Manchester to be the "best city in the UK to live and work (33% said 'yes' and 10% said 'yes and no'). This is notably less positive than the overall average for residents (60%). These respondents largely felt that, despite being born and raised in Manchester, they can no longer afford to live here and feel pushed out by the "masses of gentrification". Figure 10 below illustrates some of these concerns:

Figure 10 – responses from residents who access VCSE services when asked why Manchester is not the best city in the UK to live and work in



University students - conversations took place with students from both the University of Manchester and Manchester Metropolitan University (at a food market and the Business School respectively). The question was adapted to capture whether they feel inclined to stay in Manchester following graduation, and some of the reasoning behind this.

Students were very positive about there being lots of opportunities to find employment in Manchester, both while studying and after graduation. A number of them said this was the reason that they chose to study in Manchester. Only 10% thought there were more opportunities elsewhere, with references to London. However, the conversations also revealed that many students (21.7%) find Manchester more expensive than a lot of other places, particularly for travel and housing, although a number pointed out how cheap it is compared to London.

4.4 Businesses and Organisations

Engagement activity was run with a variety of businesses and organisations across the city, both via face-to-face interviews and an online survey. Specific engagement was also undertaken with digital organisations (as AI and Data Economy is one of the national Industrial Strategy's Grand Challenges) and VCSE organisations (given their close work with residents). Engagement questions focused around the following areas:

- What is Manchester like as a place to work?
- What conditions do organisations in Manchester need to thrive and be sustainable?
- What changes could you make to help your business / organisation thrive? What changes do you need others to make?
- What are the needs of your employees?
- What does your business give back to the local community?

A number of key themes emerged from the engagement:

- The majority of respondents were very positive about the city, referencing its diversity, thriving nature, the range of opportunities and Manchester's economic growth.
- Transport was the largest recurring theme. Whilst some were positive about the city's connectivity, the majority of respondents were negative, focusing on public transport, congestion and parking. Many felt that it was negatively impacting their business, including being able to recruit the right people.
- Organisations felt that access to skilled workforce is central to being able to thrive in Manchester. Some said the access to talent was a positive thing about Manchester but many felt that more needed to be done in this space, both in terms of education and also training and development within work).
- Workers' wellbeing, including flexible working, work-life balance and fair wages, was seen by organisations as crucial to enabling them to thrive.
- Affordability was repeatedly mentioned, both in terms of business premises and rates, but also in relation to housing and transport for staff.
- Collaboration between organisations (including funding, local procurement, and bigger organisations supporting smaller organisations) was a constant theme throughout, with many respondents saying an increase in this area would help them to mutually thrive.
- Other secondary themes included the requirement to improve digital to better support businesses and the need for all of the city's actors to focus on low carbon.

<u>Digital organisations</u>

Digital organisation were specifically targeted with an online survey and also via a series of face-to-face engagement activity, including a stakeholder roundtable event.

The majority of the key themes referenced by all businesses and organisations were also stated as important by digital organisations, particularly transport. However, other additional themes were:

- The need for the public sector to support good local leadership and promote good local practice.
- The digital skills gaps, specifically that there is a demand for people with a higher level digital skills. The need to have an attractive offer to retain these people was also repeatedly referenced.

- A need to improve networking between organisations both within and outside of the sector.
- Giving back to the local community was very embedded within businesses models.

VCSE organisations

VCSE organisations were invited to complete a specific VCSE survey online. They were asked to articulate what's working well and what needs to change to ensure that Manchester's people are able to access the opportunities provided by the city's recent economic success.

Whilst it was felt that there are great opportunities in the city, the most frequent response from within VCSE organisations was that residents are isolated and issues such as lack of communication mean that they are unaware of these opportunities. The second highest response indicated that people believe the best opportunities are contained within the city centre, and parts of South Manchester, not North and East Manchester.