

Prosperity for all: The Greater Manchester Strategy

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INTRODUCTION

It was once said that Manchester had the capacity to make all other cities look old fashioned, if not obsolete; the heat and the intensity of our entrepreneurialism – our radicalism – helped to shape the modern world as we know it.

Why? Because Manchester was the first industrial city. The *original modern* city. The birthplace of the contemporary urban experience. We shaped trade, technology and politics. And with leadership comes responsibility; it is now time to ask that most critical of questions: “What next?”.

This strategy for 2020 is our blueprint to reinvigorate the zeal and energy that forged a global industrial revolution, this time based around a new, statutory city region, stretching across the ten districts – which together form the single powerful economy of the city region within a successful Northwest; a strategy that has a clear and evidence-led understanding of where it is going and how it will get there.

The prosperity we seek to build is for everyone: all our citizens, in all our places. Our 2020 strategy reinforces that enduring deprivation, lack of opportunity and a deficit of basic skills are not simply anathema to a progressive, modern city region: they limit our aspirations; they will hold us back economically as well as socially.

The Greater Manchester Strategy is not all- encompassing. It does not touch on every single piece of important work that is being carried out across the city region. This is one reason why we have described this strategy as one that ‘adds value’ to other strategies and does not seek to supersede or displace them. By staying focused we can achieve the rise in productivity we seek to secure, we can see increased levels of enterprise and investment, we can achieve a better quality of life. We also recognise that Greater Manchester is not an island, and this strategy will play a vital role alongside other city regions and the wider Northwest economy within the new integrated regional strategy

The strategic priorities set out in our 2020 strategy have been based around discussion with our stakeholders, our business partners and our civic leaders. And importantly, they are also built on the largest study of our economic future ever conducted: the Manchester Independent Economic Review (MIER). With MIER providing a baseline, a reality check and a window into the future, we have drawn up a strategy that will be as robust and realistic as it is bold and pioneering.

The purpose of this strategy is clear and the potential that lies behind it is singular and critical. A new partnership is being established that includes the Association of Greater Manchester Authorities and key public sector agencies, a series of new strategic commissions, a Business Leadership Council and the family of agencies across the city and wider region. This partnership has been given an opportunity – built around a devolution of power and resources – that this strategy will deliver against. There is much to be gained for the millions who live and work in *MCR* but also for the northwest and the UK as a whole. This strategy *matters*.

“The most wonderful city of modern times,” was how Disraeli once described Manchester and the city region has never ceased to delight, surprise or challenge those who have chosen to make a connection. Our 2020 strategy offers fresh direction and drive for the original modern city, a new revolution for our times, a signal and marker for where our future lies.

Purpose and drive. Power to deliver. Prosperity for the many.

This is our direction of travel. This is Manchester.

VISION AND PRINCIPLES

The Vision

By 2020, the Manchester city region will have pioneered a new model for sustainable economic growth based around a more connected, talented and greener city region where the prosperity secured is enjoyed by the many and not the few.

Our principles

- *We will secure our place as one of Europe's premier city regions, synonymous with creativity, culture, sport and the commercial exploitation of a world class knowledge base.*
- *We will compete on the international stage for talent, investment, trade and ideas.*
- *We will be seen and experienced as a city region where all people are valued and have the opportunity to contribute and succeed in life.*
- *We will be known for our good quality of life, our low carbon economy and our commitment to sustainable development.*
- *We will create a city region where every neighbourhood and every borough can contribute to our shared sustainable future.*
- *We will continue to grow into a fairer healthier, safer and more inclusive place to live, known for excellent, efficient, value for money services and transport choices.*
- *We will deliver focused and collegiate leadership based around collaboration, partnerships and a true understanding that together, we are strong.*

WHY THE MANCHESTER CITY REGION?

The MIER highlighted how MCR has the scale and density to grow much more rapidly if it can address the main reason it ‘punches below its weight’: its low productivity. This can be addressed through a well-directed, coherent strategy that focuses on addressing key constraints to build a bigger ‘agglomeration’ of skilled jobs, amenities and successful places and supports appropriate and realistic growth ambitions across the city region. If we can get MCR to this critical mass, it creates a virtuous circle of long term sustainable economic growth. This strategy is the Greater Manchester Strategy.

The city region is an agglomeration. In short, it is a built-up area with unique and connected neighbourhoods and employment centres. Of course the density of people, firms and employment is not even, with concentrations in the city centre and other locations across the city region.

This varying density reflects what are known as agglomeration economies. These are powerful forces that help explain the advantages of having dense clusters of people and business activities such as retailing and transport. According to the MIER and other economic literature, the potential benefits of agglomeration include:

- Better and more cost-effective utilisation of common infrastructure (e.g. utilities, roads, public transit)
- Availability and diversity of labour and consumer markets
- Easier access for firms to their respective suppliers or customers
- Increasing opportunities for knowledge transfers and innovation
- Environmental benefits via a reduction in urban sprawl and more dense and energy efficient built-form and community design.

We know from decades of cross-disciplinary research that the increased density of well-connected people and firms is highly correlated with strong economic performance and perhaps most significantly, improved environmental outcomes. Simply put, dense areas result in reduced CO2 levels, by reducing car travel and shortening distances and facilitating more cycling and walking. Encouraging these beneficial effects means increasing intensification within existing built-up areas, with a focus on urban growth nodes and major transit hubs.

The city region has a spatial form which is basically well structured and which can be further enhanced by careful location of new development and well planned improvements to transport systems. The policy challenge for us is ensuring through our infrastructure and spatial planning decisions that we do not inhibit the growth of existing agglomeration economies in our city and town-centres.

First and foremost, we must ensure our regional centre continues to be the largest and most important growth node in the city region, given its economic clout and diversity of sectors located there such as ICT/Digital, creative and new media, finance, retail and higher education. These elements will continue to make it an attractive draw for people, firms and investors.

Secondly, we need to promote our town centres across the city region's districts as important growth nodes in their own right. The revitalisation of our town centres is particularly important, not only because they can accommodate additional people and jobs, but because they have the potential to become important meeting places, locations for cultural facilities, public institutions, major services, and transit hubs.

Finally, we need to ensure that we continue to support Trafford Park and other key locations which have the potential to contribute to the future growth of the city region. Trafford Park is the largest industrial estate in Europe, one of the North West region's most significant economic assets. There is a need to establish a step change in the quality and image of public transport to help reduce the need to travel by private car by substantially increasing accessibility by sustainable modes of travel.

THE SCALE OF THE CHALLENGE

Our future will be shaped across a fast-changing landscape; a landscape in which only the most responsive and dynamic of cities can take full advantage. The global recession is perhaps the worst in living memory.

As we emerge we will have a very different economic reality facing us. Such a change in markets and market dynamics gives us an opportunity to reassess where and how we do business. While longstanding markets will remain important, emerging economies such as Brazil, China and India are likely to provide huge opportunities for future growth, investment and trade.

The Manchester City Region will, first and foremost, have to continue its growth in what could be termed the 'new economy' of knowledge-led, often collaborative, enterprises that are proving robust in the face of the downturn. Over the last 30 years we have already done a great deal to attract and foster companies from the digital and creative sectors, in financial or accountancy services, in biotechnology and in areas such as engineering or environmental consultancy. We will now have to extend this new economy, to acknowledge the economic importance of areas like tourism, culture and global sports brands. What is certain is that we cannot return solely to the sectors that sustained us in the past.

So in this strategy for 2020 we focus on innovation, skills, competitiveness and the increase in productivity that they can bring. But we are also making the city itself the core focus of our endeavours. Our strategy is different, shaped to a large degree by the Manchester Independent Economic Review (MIER).

MIER concluded that MCR has the scale and density to become an economic powerhouse; a powerhouse that would generate and spread wealth within the city region and positively impact regional and UK growth. But the city region currently punches below its weight due to low productivity, something that could be rectified through the creation of a virtuous circle of long-term sustainable growth.

Cities are not just industrial centres producing manufactured goods, but centres for the production and dissemination of knowledge. They are centres of agglomeration and competition that lead, through their *density of assets*, to the highest levels of enterprise, innovation, investment and skills; it is the role of this strategy to support the city as a dynamic factory of ideas and ensure that the wealth it creates is distributed equitably and is not secured at the cost of the natural environment.

We have to achieve an increase in productivity and prosperity that does not bring with it an associated increase in our carbon emissions. We need to 'decouple' economic growth from ever higher levels of carbon and then we need to work

hard, through energy efficiency, behavioural change or an investment in environmental technologies, to drive those emissions down still further. If we do this right, the steps we take to cut emissions will increase the city region's productivity and lead to new business opportunities that enhance our prosperity. If we get it wrong, or simply react to legislation, our efforts to grow prosperity and improve quality of life will be undermined by changing markets and a changing climate.

If the city region is the driver of growth then that also means we have to confront our critical infrastructure, from our transport systems to our utility base and our digital connectivity. We need to build upon existing investment to ensure that our infrastructure will support our ambitions for sustainable growth.

Building our strategy around the city region means making people the starting point. We still have over 150,000 residents who are workless due to ill-health, including mental ill-health, and so creating a healthier city region is vital. Just as importantly, there are an even greater number of adults across MCR – 420,000 in total – who lack basic skills in reading and writing.

This large number of people on the margins of employability and opportunity is not just an affront to our belief in a city where all can find prosperity, it is also a signal of basic, economic failure. Boost literacy levels by 1% for example and you get a rise of 2.5% in labour productivity. MIER states emphatically that absolutely everyone needs to have basic skills, but we need to go beyond basic skills, too. From the early years onwards we need to pioneer the skills that make people employable, like effective communication, team-working and managing in difficult social situations. We also need to give people belief, optimism and resilience, and to increase their levels of citizenship.

If we succeed in bringing prosperity to the many, then it will have a direct benefit on the economic future of the city region and we be a far more attractive proposition for the talented 'creative class' that we seek to attract. The greater the levels of poverty, the greater the levels of ill-health, the greater negative impact in economic terms. More equal societies have lower levels of crime, making them better places to live and work. Finally, the more unequal the distribution of wealth, the less effective a city can be. Wealth distributed more broadly leads to higher levels of utility – of happiness – than wealth focused around the few.

This then is the challenge we have set in our strategy for 2020. To secure longer term and more sustainable economic growth based around a more connected, talented and greener city region, contributing to and benefiting from growth elsewhere in the region where the prosperity secured is enjoyed by all and not the few.

A STRATEGY FOR THE CITY REGION

This strategy is bold and focused. It is also a direct response to the 2009 Budget which gave the Manchester City Region the opportunity to become a pilot statutory city region. This decision allows us to tailor programmes at a local level to meet our own economic, social and environmental needs and to have a direct and more dynamic hand in where the future of our city region lies.

The bid to become a statutory region and the priorities set out in this strategy have been agreed by the Association of Greater Manchester Authorities (AGMA). Our new, devolved status marks the culmination of more than twenty years of joint, collaborative working across the city region's ten districts: Bolton, Bury, Manchester, Oldham, Rochdale, Salford, Stockport, Tameside, Trafford and Wigan – the Manchester City region as defined in this strategy.

Our successful track record for collaboration can be traced back at least to the creation of AGMA in 1986. Working both with its own members and those from outside the city region, and with the public and private sector AGMA has had some genuine successes. It delivered the Metrolink for example, the city region's light rail network, and it was AGMA that oversaw the expansion of Manchester Airport, which is jointly owned by the ten local authorities.

Our partnership will continue to evolve. There will be further work on engagement and 'ownership' of this strategy at every level. The Manchester City Region will prove itself as the natural complement to London, as the most efficient alternative hub for growth and prosperity in the UK. This success will be based around strong civic leadership and partnership working, locally, regionally and nationally.

New governance structures are already taking shape. The development of a Multi-Area Agreement (MAA) was the precursor to securing our status as a formal city region and this Agreement will be absorbed into our work as a statutory city region. At the same time as the development of this MAA, a new Executive Board and seven strategic commissions, consisting of representatives of the public, private and third sectors were established by AGMA to help direct and monitor the delivery of our strategic plans. These are charged with overseeing the new economy, health, planning and housing, environment, transport, public protection, capacity building and collaboration.

One of the first to be established was the Commission for the New Economy, which includes the former Manchester Enterprises. It was this Commission's work on MIER that has helped to shape our 2020 strategy and provided a robust and unprecedented evidence base for the strategic priorities it contains.

Beyond the Commissions and AGMA, there is also an independent Business Leadership Council which advises the Commissions and AGMA on economic

policy. Its main drive is to secure growth in key sectors, influence investment in infrastructure and transport and to promote environmental and resource efficiency. It is a bridge between the private and public sectors, giving local businesses a clearly defined role.

AGMA, the Commissions, the private sector and the wider Manchester city region family of partner agencies will continue to be pivotal in the successful implementation of this strategy. We have a proven track record of working together and it is this track record that will underwrite the robust delivery of our strategy for prosperity.

OUR STRATEGIC PRIORITIES

Achieving growth, fairness and sustainability across the city region has been attempted in the past. A whole host of interventions and organisations have set out to meet our ambitions, but all too often these have been too closely focused on overly narrow outcomes and have been fragmented spatially and thematically. They have never had the big picture in mind.

The Greater Manchester Strategy is our high-level response to the fundamental policy challenge set out in the MIER:

‘ There are two dimensions to the challenge of raising long term growth: One is the need to boost productivity so that the growth rate increases; the other is to ensure that all parts of the city region and all its people enjoy improved opportunities as a result of a stronger economy’

This Strategy is not designed to duplicate, but to add value to the individual policies and programmes of local authorities and local partners. It is based around a series of priorities – eleven in total – which can help us to deliver prosperity for all and a higher level of sustainability and quality of life for the city region. These priorities are not intended to be the only areas of importance for us, but they are the things we wish to tackle to make good on our vision of a long term sustainable economic growth based around a more connected, talented and greener city region where the prosperity secured is enjoyed by the many and not the few. By doing this on a much wider scale, the strategy will add value to the work already underway across the city region.

EARLY YEARS

Radically improve the early years experience for hard to reach groups, particularly in the most deprived areas.

Introduction

As a community, we have a collective stake in ensuring our children have the best start in life. It is widely recognised that life-chances are strongly influenced before our children even begin attending school. Indeed, critical interpersonal, language and numeracy skills are developed between the ages of nought to five.

This chapter sets out some of the proposed objectives that focus on the early-years experience of the city region's children.

Rationale

The evidence we have reviewed and analysed in developing this plan firmly establishes the case for making the early-years a priority for the Manchester city region. The investments we make now in the early years will see the returns manifested in higher educational attainment, reduced crime and safer, more cohesive communities and more successful young people. By doing so, we are investing not only in our long-term prosperity and but our social well-being.

We know from a range studies about the many challenges children face, particularly in our most deprived neighbourhoods. Whether it's the broader impact of socio-economic status or personal family circumstances involving drug use, alcoholism, domestic violence or mental health problems, all are significant and associated with very negative impacts on children. Many children reach nursery or school age with significant developmental delays and omissions in basic care, including delayed language development; delayed development of social interaction skills; unidentified special educational needs; routine health checks and immunisations not carried out; and inadequate personal skills development. This is a complex policy area requiring a holistic and assertive response that must consider the family as a whole. There is a clear and critical relationship between this Strategic Priority and the 'Better Life Chances' Strategic Priority as it is an obvious statement of fact that in order to tackle child poverty effectively we have to improve the economic circumstances of the parents.

Yet despite this very real problem, we don't have the proper systems and programs in place to give our children the best start in life they deserve. Unlike the attention and resources devoted to children when they reach school age, there is not a corresponding focus in the pre-school years. For example, when a child reaches school age they receive a significantly increased investment in their development through public services. Each and every child has a set of

entitlements, including the right to an education, and intervention mechanisms are put in place to ensure that every child receives this.

- Every child is required to attend school daily (unless educated at home) and is required by law to receive a 'universal intervention' – an education.
- The school acts as 'lead professional' for all children, unless the child has more complex needs than a school can address alone.
- If a child does not attend school then action, including court action, is taken to ensure that this is addressed.
- Where a child's development or well-being is less than would be expected for their age, significant additional resources are invested through:
 - Special educational needs provision, to address educational development;
 - School nursing to address health development;
 - Family support or more significant intervention in families and parenting; and
 - Provision of wraparound care, additional activities and a wider range of further opportunities.

However, during the pre-school years this entitlement is greatly diminished. Just to cite some obvious examples, from birth to the point at which a child attends school, identified as the most important period of a child's life:

- There is no statutory requirement for a child or their parents to engage with any 'universal interventions'.
- There is no statutory requirement for parents and carers to provide any specific development activity.
- There is no lead professional checking on each child's development on even a monthly basis, resulting in key developmental delays and omissions going unchecked.
- There are very few consequences for parents who provide an inadequate development experience for their children.
- **In short, there is no universally enforced entitlement for each child.**

Whilst not enforced, there is a substantial investment in this pre-school period through SureStart, health visitors and a wide range of services for families, although this investment is not always coordinated effectively between service providers. As such the impact is not as significant as it could be if services were better aligned and **assertively delivered** through a universal entitlement.

Strategic objectives

1. Ensure delivery of a 'universal entitlement' for each child of pre-school age.

A minimum entitlement would ensure that all children are provided with the developmental experience they require. This entitlement would include

opportunities to additional service provision such as advice on nutrition and behaviour management.

2. Ensure that under fives are placed at the centre of a family-orientated approach, with a particular focus on improving the take-up of services by those most in need, including through the 'one family, one liaison' designation of a lead professional.

The designation of lead professionals would ensure that the 'universal entitlement' is being provided to every child and that any additional actions, entitlements and interventions are provided to those that need them in an integrated way. Engagement with parents on children's development and education and for family learning is the key element of this objective.

3. Establish an 'encouragement and interventionist' approach for parents and carers.

Often those most in need of support do not take up the services available and do not present themselves anywhere. It is clear therefore that those families often hardest to help need to have a more assertive form of service delivery. Allowing benefit entitlement to be verified (e.g. at pre-school venues) would encourage attendance by parents requiring support, and could then be met by the lead professional who could interact and explain the services available to them. We will better harness modern technology to align our service provision to the most vulnerable. Working in partnership with other agencies, the Public Protection Commission can assist with this through early intervention, in cases such as domestic violence, drug or alcohol abuse.

4. Improve key health outcomes for mothers and children in the most deprived areas.

Improving the health of mothers, particularly in deprived areas, benefits the health and development of children. For example, by encouraging breastfeeding we are improving the health of mother and child and preventing disease. By reducing the number of mothers who smoke we are lowering the number of children with lower birth weights which is correlated with poor educational attainment.

BETTER LIFE CHANCES

Improve life chances in the most deprived areas by investing in lifelong skills development and providing other forms of support, including accessible employment opportunities, so that people can compete and engage in the modern labour market.

Introduction

Whilst improving the early years experience of children is the first building block of creating stronger communities, we can't forget the impact of local deprivation and the multiple challenges facing many adult residents in the city region.

The renaissance of the city region will not be complete unless the fortunes of all its residents and neighbourhoods experience a transformation to match the physical makeover of the City Centre.

Rationale

While there has been considerable growth in employment over the past 10 years, the improvement has not gone far enough. £1 billion of the £4 billion prosperity gap between the city region and the rest of England is due to the fact that we have fewer people working. Although localised interventions have had some success in dealing with deprivation, they are often insufficient by themselves to turn areas around, at least in the short- to medium-term.

Long term worklessness and economic inactivity is primarily concentrated in a small number of neighbourhoods where residents also suffer more crime, have worse physical and mental health than those in our more prosperous areas. All this can sap the vitality of communities, reducing both confidence and cohesion, raise the cost of public services, lead to a deterioration in work culture and skills, discourage economic development and often lead to generational deprivation and underachievement.

The MIER *Sustainable Communities* report tells us that while most wards experienced an absolute improvement in conditions in the period 1971 to 2001, there was a tendency for the most deprived areas to improve the least. Put simply, the gap between many of the poorest areas and the rest widened. The gap in educational attainment has remained broadly constant, but it has widened in terms of health and crime.

If we are to make a lasting difference to the economy we need to reduce both the causes and symptoms of deprivation in our most challenging areas and enable more of our residents to share in the sub-region's prosperity. Tackling

generational, multi-faceted deprivation issues will require a well planned and long-term approach which brings together at a city region level local authorities, service providers, GM police and other partners, effectively channelling funds and integrating service delivery to maximise our impact in deprived communities.

The vehicle for this approach is a new neighbourhood services delivery model that builds on our experience of community regeneration and neighbourhood renewal over the past ten years across the city region and will be informed by the Total Place Initiative. The main elements of which include:

- integrated joint agency neighbourhood level delivery teams with clear leadership, role, function and a shared identity operating in the city region's most deprived neighbourhoods
- sharper tools for partnership delivery, which bring innovation and challenging ideas that seek to further integrate our delivery for the most disadvantaged and positively shift culture and behaviours in the most deprived areas

Strategic objectives

1. Improve the economic prospects of adults in our most deprived communities by substantially improving adult skills levels, particularly improving the volume of people with economically valuable skills

This objective sets out to improve the competitiveness of residents in our deprived areas to compete for the jobs that are available in the current and future economy. We need to engage with employers to ensure that our residents are training for the right jobs. This includes improving residents' basic skills, attainment at Level 2 and Level 3, as well as maximising retraining opportunities for those with skills in declining sectors to ensure that people are able to access jobs in both the current and future city region economy.

2. Improve the economic prospects of adults in our most deprived communities by reducing the number of people with limiting illnesses and out of work due to ill health

One of the main causes of worklessness in our deprived areas is ill health. There are over 150,000 residents in the city region claiming benefit as a result of ill health and life expectancy in deprived areas is substantially less than in more affluent areas. The most pressing issues in relation to physical health are smoking, obesity and alcohol use, and the greatest cause of worklessness is poor mental health. We need to improve the general health of the population in our most deprived areas to increase their mental and physical wellbeing, and to increase the proportion securing and retaining work. We also need to work harder to reduce the number of people falling out of work due to ill health, and develop a much quicker route back into work from benefit. .

3. Improve the economic prospects of young people in our most deprived communities by improving Level 2 attainment rates and progression to higher education – either academic or vocational.

There is a strong correlation between 16 year olds leaving school without Level 2 qualifications and prolonged worklessness patterns and wider life chances. If we are to improve long-term life chances we need to ensure that we have as many young people as possible receiving a good basic education, and then using that to progress. This must then be supplemented by take up to training relevant to the needs of the local economy or accessible employment opportunities.

4. Increasing access to employment opportunities in deprived areas

Research shows that whilst the competitiveness of people for jobs is a key factor in securing employment, residents in deprived communities often have less access (physical or otherwise) to jobs in the local labour market. This objective seeks to ensure we maximise investment and job creation in, or close to, our deprived areas and to develop modern pathways into employment. These jobs in the future may not need to be advertised but delivered, for example, by Academies programmes so as to make them accessible to more of our disadvantaged residents, and substantially increase the chances of residents moving into employment.

5. Tackling child poverty, in particular focusing on the employment and income levels of parents, to improve the life chances of the next generation of Manchester city region residents

Whilst we want to improve the life chances of all residents in our deprived areas, perhaps the greatest impact we can have on life chances is to stop the vicious cycle of young people growing up in deprived families to become deprived adults. Tackling child poverty, and particularly focusing on the employment and income levels of parents, should lead to better life chances for our next generation of residents.

6. Improving the quality of life in our deprived areas by reducing crime rates and levels of antisocial behaviour

Anti-social behaviour and crime are worse in deprived areas and are crucial drivers of neighbourhood decline. They impact both on an area's ability to attract investment and people's satisfaction with their area. Tackling this problem will necessitate both a place based and individual based strategy. On an individual level it means implementing programs which help steer young people from a criminal activity and developing effective approaches for rehabilitating offenders so that they can integrate themselves into the local community.

7. Improving the liveability of life in our deprived areas by improving the physical environment.

From a place based perspective, increasing the quality of accommodation, the built environment and low carbon measures can engender pride, encourage business growth and address fuel poverty. Tackling the symptoms and causes of deprivation in the physical environment will support wider measures to improve the position of individuals in society.

8. Improve the performance of public services in our most deprived areas by agreeing a clear set of spatial and community priorities and developing more integrated multi-agency delivery structures.

Services in our most deprived areas are run by a multitude of different agencies. These operate at different spatial levels and to different national, regional, local and neighbourhood priorities. The MIER *Sustainable Communities* report highlights the inability to deliver real area change without all of the public services working in the same direction but in reality many of these services are fragmented. More needs to be done to develop integrated, tailored solutions to support people in deprived areas deal with the key issues facing them. This will require better coordination of health, housing, children's services, police and employment/skills support at an individual neighbourhood level, as well as better incentives and funding mechanisms to be built into the system in order to encourage and foster long-term cross-agency working. Collaborative data sharing between agencies is crucial to more effective integrated delivery.

THE HIGHLY SKILLED

Increase the proportion of highly skilled people in the city region.

Introduction

People are at the heart of any economy. A growing population with the right skills base goes a long way to securing a prosperous future for the city region. However, we are changing. The growth of our knowledge economy has increased the demand for highly skilled workers. The challenge is to see that this demand is met. In this rapidly changing world we must develop the skills of all people regardless of background to the fullest possible extent. Only by achieving this can we meet our aspirations in terms of world-class research and scholarship and applying our knowledge and skills to create an innovative and competitive economy.

The MIER highlighted the long-term problems of the Manchester City Region remaining trapped in a low skills equilibrium. A centrality of the Greater Manchester Strategy is about upping the number of our people that are highly skilled – which is all about achievement at school and climbing the skills ladder up to level 4 and beyond.

This chapter provides evidence on the city region's performance in terms of the supply of high level skills (defined here as Level 4 and above, including graduates) and sets out objectives to raising participation and achievement in higher learning. Crucially, it links with our focus on our economic base and on attracting and retaining talent. 14-19 skills provision is covered in the 'Better Life Chances' section.

Rationale

As the needs of employers change, it is essential that the skills of the population adapt. This is essential to the successful development of our economy. For individuals, whether in education or training, employed or unemployed – the key message is that improving skills increases the chance of long-term financial benefits for individuals, their families, their employers and the city region.

Workers with high-level skills currently make up at least 40 percent of those employed within private sector Knowledge Business Industries (KBIs). This is higher than any other benchmark city region outside London. Over the last decade, employment has grown significantly in sectors such as ICT Digital, Communications, Creative, Digital and New Media, and Professional Services. This has led to the development of well paid, distinctive career opportunities that continue to attract young migrants at an early stage in their careers, as well as attracting workers in high status occupations from across the country.

But despite the rapid growth in KBIs and the availability of highly skilled jobs, the continued success of the city region's economy is far from guaranteed. The economy that emerges from the current downturn will continue to be defined by globalisation. We need to plan for more than simply recovery from recession as it faces continued structural changes in the global economy.

The world's economy is set to double in size by 2020 and will present significant new opportunities for businesses – growing populations and rising prosperity; new technologies; the transition to a low carbon economy; changes in age profiles; and the spread of international supply chains will have an important impact on the city region's future performance.

As other economies respond to the same opportunities, or try to replicate our strengths, the competitive pressure our businesses face will intensify. Our response has to be to continue to raise our productivity, improve our resource efficiency and concentrate on developing comparative advantages. All this must differentiate our economy from that of other international city regions.

Two key elements will be critical to succeeding in this challenge:

The continued focus on ensuring that our economy is driven by, and has the relevant supply of, high levels of skill and creativity; ensuring that our economic base is continually moving to the front of technological change – where this is reshaping industries and demanding high levels of innovation, skills and investment from those businesses who will ultimately lead these markets.

The response to the latter will depend on ensuring the success of the private sector in developing product and process innovation and forging global trading networks with firms at the vanguard of technology and creativity. Leveraging the impact of the city region's Higher Education Institutions (HEIs), Manchester Science Park, Manchester Corridor, MediaCity:UK and regional assets such as the Daresbury Campus will be vital.

Strategic objectives

1. Increase the number of residents progressing into learning at 'Level 4' and above.

For employers, a highly-skilled workforce remains the best route to achieving higher productivity and greater competitiveness. UK studies, including MIER, confirm that differences in productivity and workforce skills, especially the concentration of high level skills, accounts for the majority of regional variation in both incomes and economic performance.

The outcome to meeting this high-level skills challenge will depend largely upon the city region's ability to raise residents' participation and progression into higher levels of learning, in particular that of our young people. We need to better equip our young people in their 'first stage' of education (up to and including university) with the skills they need for a successful transition to working life. Raising aspirations, participation in - and access to - high quality 14 to 19 learning, and growing educational achievement are the fundamental guiding principles to this challenge.

2. Increase the numbers studying Science, Technology, Engineering, Mathematics (STEM) and key future languages

This is a key part of the labour pool needed for the 'knowledge economy' and will help provide the critical mass to the city region's science and technology needs. Also, graduates with these skills have a particularly high labour market premium. National Employer Surveys provide evidence of shortages for STEM skills combined with specific vocational skills. For example, research on skill shortages in the pharmaceuticals industry also suggest that employers are having difficulties recruiting from the city region's labour market, with around three-quarters of vacancies linked to a lack of appropriately skilled workers (MIER and Employers Skill Survey).

The challenge is to raise the supply of STEM graduates. This in turn is dependent on the number of young people choosing to continue in these areas of learning at 'A' level. Whilst the region's achievement levels in science GCSEs are broadly inline with the national average, the proportion of people who subsequently choose to take STEM A-levels is poor compared to other regional A-Level entries, particularly in physics and mathematics. Growing educational provision and improving perceptions of Science as a career choice amongst young people remain central to addressing the issue.

3. Increase the level of generic skills among young people and adults (such as effective communication, team-working and customer care).

Employers report that many young people are poorly prepared for work. More needs to be done to ensure that young people emerge from education with the critical 'soft skills' identified by employers, including for example: people skills such as communication and team working; self-reliance skills such as motivation and assertiveness; general employment skills such as business acumen and entrepreneurship; and improving key 'functional skills' including levels of numeracy, literacy and ICT skills.

Without the continued improvement of participation in work based experience and training the long-term ability to raise the skills levels of the workforce to meet the needs of employers will be seriously compromised. A coordinated approach

is needed (between schools, further and work-based learning, and universities) to ensure that all young people are provided with quality work-based experience that gives them an opportunity to acquire necessary employability skills

4. Increase the proportion of employers engaged in formal workforce development and leadership training.

Securing practical and measurable commitments from key public and private sector organisations to workforce development and leadership training will be critical to equipping the city region with the right skills for the future. However evidence shows that employers need to become more engaged in skills development. Just under a third of employers in the city region had not provided training to their employees in the twelve months prior to the National Employers' Skill Survey.

There is also a growing need for our highly skilled workforce to become 'double qualified', combining their graduate course with further competencies – in particular management and leadership qualifications. The UK's performance falls a long way behind the US in this respect. Growing levels of CPD and levels of 'double qualified' will help to deliver a readily 'convertible workforce', that is the ability of the city region's economy to quickly tailor local learning provision to meet the urgent needs of planned investments; and also improve our adaptability to economic shocks. This area provides a real opportunity for a shared approach to workforce development across the city region providing opportunities for real efficiencies through collaboration

5. Improve the quality and relevance of skills provision by strengthening local strategic powers, planning and partnerships which ensure a demand-led system of skills provision

Raising workforce skills at all levels, in particular enabling a 'skills escalator' to grow the city region's graduate workforce, in line with the strategic demands of the economy, remains an enormous challenge. Greater local economic benefit must be achieved by forging closer integration and strategic direction between employers and universities, schools, colleges, work-based learning providers, and learners.

To achieve this, we must move towards securing Section 4 Status – under the 2007 Further Education and Training Act - from the earliest possible date in order to secure learning provision which is much more responsive to local employer's demand for skills. Ensuring a stronger employer voice in determining learning provision is vital to the future resilience of our workforce and the competitiveness of its local businesses. Greater flexibility is also required about what local agencies are able to fund, for example subsidising additional Level 4 or Level 3 qualifications in sectors or for companies where there is clear local economic benefit, even if they sit outside national or regional entitlements.

Increased funding flexibilities must be accompanied by an annual requirement for a city region wide strategic skills assessment – including key sector reviews, a review of learning provision, and a skills priority statement. These should set out the way local providers and commissioning agencies are expected to work together more effectively to address blockages on the demand side, or where required, to outline wholesale structural changes to provision (commissioning and de-commissioning) in order to meet local employers skill needs and drive up productivity.

6. Increase the number of young people staying in learning and achieving Level 2/3 qualifications at 19 years old.

Skills provision commissioned for 14-19 yrs contributes directly to the improvement of people's life chances. Participation and achievement in school, college is a determinant of productivity contribution to the labour market in later years. Also the provision of work based learning contributes to skills levels of employees and so productivity levels. We need to increase 16-19 participation in education, work and particularly training, notably in our most deprived areas.

ATTRACTING TALENT

Attract, retain and nurture the best talent

Introduction

Not only is it imperative that the city region develops the skills base of its population, it must also ensure that it is able to attract the best and brightest. Prospects for economic growth for regions and cities are closely tied to their ability to attract and retain the most talented. It is these people, which are the focus of this chapter and which can play a vital role in driving the city region economy, creating new jobs and generating increased wealth.

The Manchester city region can become a magnet for the best talent from across Britain and the world. In doing so, it can move from the current state where talent supply simply responds to demand to a new one where a critical mass of talented people actually drive and create demand.

Rationale

The MIER report *Understanding Labour Markets, Skills and Talent* found that our record in attracting, retaining and nurturing the best talent is a story of relative success, and that the city region as a whole has negotiated the changes to a knowledge-rich economy broadly successfully. The city region has a higher concentration of jobs in key Knowledge Business Industries than comparator UK city regions (excluding London), and performs reasonably well in its ability to attract young migrants at an early stage in their careers and workers in high status occupational groups.

That said, the city region loses a substantial proportion of its highly skilled and mobile young workers to London and the Southeast and, whilst retention rates for graduates are higher in the Manchester city region than in other UK provincial city regions, they are substantially lower than the capital. If we are to become a leading knowledge economy we need to begin to compete globally for the best talent.

Understanding the drivers of location decisions is the key to achieving better attraction and retention of talent. MIER found that the location preferences of the highest skilled workers are shaped first and foremost by career development opportunities (see the economic base chapter). However, the MIER also stresses the importance of the key features of urban environments (e.g. diversity, tolerance, resilience, infrastructure, residential amenity and cultural 'buzz') in attracting the talented people who drive business innovation and competitiveness.

Strategic objectives

1. Create an institutional infrastructure focused on attracting the most talented people to the Manchester city region and build an ongoing relationship between them and the city.

The city region already has a wealth of key urban assets – universities, a developing high quality housing offer, quality public services (such as good and improving schools and hospitals) and a well developed leisure, cultural and tourism offer – which make it an attractive location for talented people to live. These assets need to be enhanced, but it is also critical to focus efforts on attracting the particular talent the city region needs to thrive and improve the marketing of the city region's attractiveness as a location to live, study, work, invest and do business.

We have a wealth of talented people living here and developing a deeper relationship between them and the city region will be key in building our 'talent pool'. Of utmost importance will be ensuring that talented young people are identified and given support and encouragement to be able to fulfil their potential in the city region.

2. Increase the proportion of graduates from Manchester city region's higher education institutions who stay in city region for two years after graduation.

Graduate level skills are associated with increased wage returns for individuals and increased productivity gains for firms. It is anticipated that over the next decade half of all job opportunities in the city region will require higher-level qualifications.

The main focus for this graduate retention must be on graduates from Science, Technology, Engineering and Maths subjects. It will also be vital to deepen international students' roots to the city through a city-wide programme of student civic engagement from the moment they arrive to the time when they leave

3. Increase the number of students from the Times Top 30 universities and the Shanghai Jiao Tong top 20 universities who choose the Manchester city region as their career destination.

It is equally important that the city region focuses attention on attracting talented graduates who have studied elsewhere. If it is to compete globally it cannot afford an exclusively local focus. The pool for this form of talent attraction is extremely wide – every year over 300,000 people graduate from UK universities and over 6 million people from universities in the rest of the EU and the US. It will be necessary then, to focus on those graduates who will add most value to the

city region economy. Research shows that the highest returns to the economy – as measured by increased wage returns – come from graduates who have attended an elite university.

4. Increase the number of knowledge workers and decision-makers working in the city region, in particular those in the early (25-34) and mid (35-44) stages of their careers.

MIER found that there is a life-cycle element to the way workers involved in complex problem solving and decision making (Richard Florida's 'Creative Class') or employed in knowledge-based industries (KBIs) balance career development and quality of life choices. A trade-off which may seem appropriate for a young, single, professional worker in his or her first job becomes markedly less attractive when he or she is older and has a partner and children.

In policy terms there are two crucial life-cycle phases when targeting talented individuals offers the highest potential return: in the early stages of careers (between the ages of 25 and 34), as it is a decisive time to create strong links with the city region's economy and ensure that talented people see the city region as a place where they can fulfil their career ambitions and prosper; and in mid-career (between the ages of 35 and 44) as this group – often in dual income households – brings a wealth of experience, expertise, contacts and networks vital to stimulating economic growth.

5. Strengthen the involvement of universities in the city's broader social capital.

In order to keep these talented people in the city region they need to be connected to other talented people. The role of universities in building these communities of talent is central, providing a link between the nurturing and retention of new talent and the attraction of existing talent. MIER's report on *Innovation, Connectivity and Trade* highlights the need to build on the universities role as important social institutions where ideas can be exchanged freely and ensure that the universities act as a bridge connecting the city region's community of talent.

We could develop 'brain circulation' initiatives, whereby more people move from academia to the public sector/private sector and vice-versa, and between industrial sectors to inspire innovation and develop talent, with accrued knowledge of best practice being implemented across various sectors.

6. Increase the number of innovative entrepreneurs living and working in the city region.

Our future prosperity lies in having creative people that generate ideas alongside an enterprise ecosystem that turns them into revenue-generating businesses.

Innovative entrepreneurs (those who develop and exploit new ideas, markets and products rather than replicate what is already in the market) are very much in the minority but they disproportionately drive growth. In the US market for example, innovative businesses (known as 'gazelles'), represent only 5% of new ventures, but produce 87% of new jobs. Access to finance for these businesses is particularly important – we need to focus business support on 'innovative' entrepreneurs. Lying behind this is the importance of creating an environment or culture that is supportive of enterprise throughout society.

7. Increase the number of high net worth individuals living in the city region.

Investors and entrepreneurs create a virtuous circle and are mutually reinforcing. Entrepreneurs require investors to generate new businesses and new opportunities for growth, whilst investors rely on entrepreneurs to provide potentially high return. Investors disproportionately invest in the area where they live or work, so it vital to ensure that more investors live and work in here. In 2005 there were 383,000 high net worth individuals – having investable assets (financial assets not including primary residence) in excess of £700k – in the UK and 9.5 million worldwide. Ensuring that more of these individuals are located in the city region will thicken our early-stage enterprise ecosystem. The city region's housing, cultural and amenity offer, its transport connectivity and environmental quality are all material to attracting and retaining such individuals.

TRANSPORT

Significantly improve transport connectivity into and within the city region

Introduction

Transport connectivity will be one of the key determinants of the ability of the city region to achieve the wider strategic priority outcomes identified throughout this document. Continued and sustained economic growth will be a function of the relative ease, or otherwise, by which people are able to travel to work, education, retail or leisure and the relative ease, or otherwise, of business to be able to access markets and distribute goods and services.

Over recent years increasing car ownership and dispersed patterns of development have led to increasing traffic congestion with consequential negative impacts on local air quality and climate change. At the same time increasing demand for rail and Metrolink travel has led to overcrowding at peak times on most corridors, whilst travel options for the more deprived areas of the city region remain limited, particularly given the continued rationalisation of commercial bus services onto core routes. Furthermore, public transport still suffers from a perceived, and sometimes real, lack of quality which makes it a less attractive choice than the car. It is also recognised that the existing transport infrastructure does not always facilitate, or provide sufficient incentives, for walking and cycling. Measures are therefore required to improve the current offer, recognising the contribution towards health, quality of life, reducing congestion and improving air quality.

There is, therefore, a need to deliver a step-change in both the quality and capacity of the transport system over the next 10-15 years. Given that it is highly unlikely that there will be the funding to improve the whole system, we will need to focus resources on measures which can tackle the key constraints to sustainable economic growth, whilst improving social inclusion and protecting the environment.

Rationale

Evidence for the importance of transport with respect to sustainable economic growth can be found in many different studies including, most recently the mini-Stern review carried out for Greater Manchester, the town centres study which is about to conclude, and the Manchester Independent Economic Review.

The mini-Stern review concluded that:

“Investment in transport infrastructure improvements could lead to the development of a more environmentally friendly and connected system. The

City Region is already in a good position to leverage its current strengths in infrastructure and connectivity, particularly through its excellent multi-modal transport links.”

MIER concluded that:

“Manchester [City Region] is a single functional economy” with a “single effective Travel to Work Area” and that “Inadequate transport networks within MCR are an important cost of increasing the size of the city, and improvements would provide the largest economic payoff”

MIER recommended:

“Improve transport access to key employment centres” and “focus on productivity and realistic traffic management”

The GM town centre study is still underway but is expected to reaffirm that there will be continued market demand for town centre locations over the longer-term and that good transport accessibility to the town and city centres will be an important component of sustaining economic growth for the city region.

Work has also been undertaken to establish the links between transport and long term economic growth. This work has assessed the impacts of transport on widening and strengthening labour markets, reducing business costs and supporting clustering, specialisation and productivity growth. The work led to an agreed approach by AGMA to the prioritisation of transport investment – in particular to:

- provide improved access to labour for key employment sites where the returns to improved labour connectivity are greatest;
- improve connectivity through the city region’s key national and international gateways;
- support the development of new sites, for example by targeting transport to serve growth points;
- extend longer distance labour markets to expand the overall pool of labour available to businesses in the city region;
- reduce journey times, congestion and deliver improved journey time reliability for all journeys; and
- improve end to end journey levels of service on modes primarily used for business travel thereby bringing businesses closer together.

The key role of transport in contributing towards the strategic priority to ‘achieve a rapid transformation to a low carbon economy’ is acknowledged.

As a result of the intensive work undertaken over recent years we have identified the following strategic objectives as central for the continued success of our city region.

Strategic Objectives:

1. To prioritise cost-effective major transport interventions that will create maximum economic benefit to the city region, subject to positive social and environmental outcomes overall.

Successful delivery of schemes under construction, including Metrolink Phase 3a, remains important in the short term. Looking forward, AGMA has recently completed a rigorous assessment of schemes which could be funded and delivered in a relatively short-term and which contribute most to economic growth, GVA and productivity increase. The agreed prioritised list of schemes comprises a £1.5bn future programme, including four schemes as part of an accelerated package to be delivered between 2009 and 2013. A further four priority schemes were identified: Metrolink - Trafford Park, Stockport Interchange, Stockport Town Centre Access Scheme and East Lancashire Railway (for which a feasibility study ongoing). These are currently awaiting further funding to become available. Work is ongoing to identify additional sources of funding to enable these schemes to be delivered. The process for delivering the schemes needs to be effectively co-ordinated between AGMA, GMITA, GMPTE and local authorities.

The prioritised list of major schemes alone is forecast to increase total employment in the city region by 20,000 by 2021 and enhance access to jobs, particularly in deprived areas. Achieving this will require a strong collective effort in terms of progressing and delivering transport schemes, and promoting sustainable transport. This will include the development and strengthening of partnerships between transport authorities and operators to achieve agreed targets.

It is likely that additional priorities will emerge over time including recommendations from the Manchester Hub study and High Speed 2, including the future role of the West Coast Mainline. There will be a need to maximise all available funding opportunities to deliver additional schemes identified.

2. To improve access from residential areas, particularly housing growth points, to key education and employment areas, particularly the Regional Centre and town centres, Trafford Park and other strategic employment sites.

The MIER reinforced the importance of the key economic drivers for the city region – improving accessibility to and from these locations will be important in sustaining and maintaining this. Public transport competes most effectively with the private car for trips to the Regional Centre and town centres, which provides significant opportunities for modal shift. Ensuring that people in deprived areas can access these centres will help to reduce inequality and increase levels of

economic activity. There is also a need to enhance access, particularly through provision of sustainable modes of transport, for example Metrolink and reliable bus services, to Trafford Park and other strategic employment sites.

A high quality, yet affordable, public transport offer in areas with low car ownership is important in reducing worklessness and for retaining a high quality workforce. Bespoke routes to the most deprived areas may therefore be required – this could include new and improved orbital and feeder services. Networks that improve accessibility for mobility impaired people are particularly important in reducing social exclusion. The development of fares and ticketing arrangements that are affordable, integrated, easy to understand and use will enable greater use of public transport and facilitate improved access. This would include Smart ticketing measures, including through ticketing, facilitating interchange between modes and services.

The alignment of the Department for Transport's rail investment programmes, identified through the High Level Output Specification (HLOS) and Delivering a Sustainable Transport System (DaSTS) processes, with the priorities of the city region will be important to ensuring the rail network maximises its potential in providing linkages from residential areas to the identified sites. It is also important that the outputs from rail refranchising process, including service specifications, meet wider objectives for the city region.

Improved travel planning can also assist in raising awareness of available travel alternatives - there will be programmes of work, focusing on the strategic investment sites in particular.

3. To improve the efficiency and reliability of the transport networks

Congestion on the road network will be a constraint to longer-term economic growth. Selective improvements and better management of the highway networks, combined with attractive and sustainable alternatives to the car need to be developed to address existing and future problems. It is important that the identified improvements align well with the priorities of the city region. Effective and targeted promotion of sustainable transport alternatives can result in significant mode shift; a key contributor to carbon emissions reduction. Congestion can also be addressed by businesses adopting measures which reduce the need to travel and increase the efficiency of businesses.

Local authorities have traditionally had little influence in the identification and prioritisation of strategic highway schemes. Prospective changes in governance provide an opportunity for this to change. There are significant strategic and economic benefits in integrating highway network strategy more with the city region's transport strategy and having greater traffic information flows, which is currently a barrier to improved reliable journey times. The opportunity exists to develop new operating protocols and sharing of information between local

highway authorities and the Highways Agency to improve the management of incidents and impact of major events (e.g major sporting events, concerts, festivals). There is also scope to better utilise the existing network.

Overcrowding on rail and Metrolink during peak periods restricts economic growth and productivity in the city region. This can be addressed to some extent by increasing rolling stock, but infrastructure constraints, particularly relating to the Manchester Rail Hub, will need to be addressed in the medium to longer term. The Northern Way Manchester Hub study is expected to set out these constraints by June 2010. High Speed rail would enhance links to major cities by reducing journey times, facilitating local, regional and national growth.

Fares and ticketing and passenger information initiatives are required to reduce the barriers to travel, including encouraging more through trips to be made by public transport across modes and operators.

Achieving a high quality transport system requires effective joint working with transport operators and other partners. Establishing and strengthening existing partnerships is important to delivering key improvements and achieving targets (for example through integrated networks, fares and ticketing). The alignment of strategies and investment priorities would allow joint funding and enable greater benefits for money spent by each of the partners.

Maintenance is crucial for on-going reliability of services - this will be an increasing issue as networks age and funding becomes tighter.

4. To improve surface access to Manchester Airport

Manchester Airport is pivotal to regional growth and prosperity and is a key growth pole in the Northern Way. Aviation acts as a catalyst for economic regeneration and growth in those sectors most likely to improve regional competitiveness. Surface access is one of the four key capacity drivers along with airspace, runways and terminals; passengers and staff need choice, reliability, high service standards and value for money. The airport is a key node in the regional transport network for road, rail and coach.

The Airport's Ground Transport Plan, part of the Manchester Airport Master Plan to 2030, sets out a vision for the airport to be:

'one of the best connected airports, at the hub of a range of integrated transport networks with high quality, safe and affordable facilities for our customers.'

Surface access is the main contributor to the Airport's CO2 emissions, accounting for around 60% of total emissions from the site. Forecast increases in the numbers of passengers will need a programme of management and investment to ensure that non-car modes play an increasing role, as sufficient

capacity cannot be provided for a solely car-based solution. The Ground Transport plan stresses that a step change in the public transport networks that serve the Airport is required in order to change the travel behaviour of passengers and staff. Enhanced surface access to the Airport is also important in improving access to employment opportunities, particularly from nearby deprived neighbourhoods.

Key required interventions include faster and expanded rail links, airport facilities at rail stations, Metrolink to the Airport, enhanced bus and coach services, cycling and walking measures and travel planning/promotion.

5. To improve road safety

Accidents can have a serious effect on quality of life and have a significant economic impact. Road accidents have been estimated to cost the country over £16,000 million per year (ROSPA). The road safety strategy will be reviewed and refreshed, taking into account revenue and capital expenditure and in view of schemes implemented over recent years.

6. To enhance personal safety and security

Crime and anti-social behaviour can present a significant deterrent to public transport use, walking and cycling. GMITA have identified improving safety for passengers on the public transport network as a key priority. This will require initiatives to be taken forward through the Crime Reduction on Public Transport (CROPT) project and other initiatives to make people feel safe on whichever network they choose to use.

THE ECONOMIC BASE

Expand and diversify the city region's economic base through digital infrastructure

Introduction

MIER tells us that we need to raise our game in the face of fierce global competition and create the right conditions for growth. Realising our potential necessitates the expansion and diversification of the economic base of the city region.

To make this happen we need to present business and individuals with the tools, infrastructure and opportunities for them to succeed. In short it means linking our capacity for creativity and innovation with a 21st century digital infrastructure. But it also necessitates us ensuring the demand-side measures we proposing through expansion of our economic base are balanced by supply measures in terms of skills development and talent attraction – something which is acknowledged within several strategic priorities within the Greater Manchester Strategy.

Our evidence tells us that we need to create a city region:

- where businesses and individuals can be part of a culture and buzz of creativity and innovation built around a core of highly networked individuals who are influential and experienced in accessing capital and turning great ideas into commercial successes;
- where UK research activity is taking place and built around key international science, technical and health research institutions;
- where businesses and individuals with ground breaking ideas and innovations get better access to the UK support funds and services, venture capital and expertise to enable commercialisation; and
- where the next generation high-speed digital networks are in place and driving innovation in business products and service delivery across the public and private sectors.

Rationale

With these elements in place it will be possible for us to maximise the chances for us to make the necessary leap as a global centre for innovation. All the ingredients are there to project the city region as a world-leading knowledge centre built on its reputation in science and innovation by leveraging the value of its history and current assets in these fields, by increasing the level of research funding invested here by the private sector and UK government, by bringing about a business cultural shift which better recognises the value of innovation

and embeds this in normal business operations and by attracting major leading international leading edge science programme and institutions.

Our international reputation for innovation depends on our ability to demonstrate leadership in key areas of research. We already have great strengths in pharmaceutical, bio-technology, climate change and digital research. In addition, four of the top ten companies by R&D investment have significant R&D activities in our region. These include AstraZeneca (£2 billion); BAE Systems (£1.1 billion); Unilever (£736m) and Rolls-Royce (£282m).

However, our region receives comparatively little public sector research and development funding – only 3% of the total expenditure of £1.679 billion. London and the South East combined received around half of all government R&D spend. The number of Medical Research Council research centres and teams highlights this geographical imbalance well - out of a total of 35, only 3 are in the top half of England. This is an opportunity to expand on the golden triangle of UK investment in research activity that currently reinforces the north/south divide, without compromising excellence. More also needs to be done to promote the city region as an ideal location for new and existing Public Sector Research Establishments.

In terms of our private sector knowledge economy, it is broad but unrefined. To increase our productivity we need greater access to private sector networks and partnerships focused on early stage concept development and research. Our response is the creation of the Manchester Innovation Investment Fund (MIIF) together with funding from NESTA and the Northwest Development Agency, to support project pilots that could enhance our's capacity for innovation. The maturity of its leadership, governance and partnerships also makes the city region an ideal test bed for government project and policy pilots.

But for innovation to flourish it also needs the best infrastructure to support it. We are now in the third wave of the internet. The city of Manchester was at the forefront of the first wave and became a key hub of the internet in the mid 1990s. It was the birthplace of many early internet service providers. The hosting centre, Telecity provided big carriers with the means to connect to where there was demand. This led to the creation of the only significant internet exchange outside London. Broadband ADSL has been the second wave and whilst we already have great infrastructure and business assets, our competitive advantage is fast eroding as cities across Europe invest heavily in their next generation digital infrastructure. This will drive the third wave of development. There is a danger that the city region could lose those businesses built on the back of Telecity unless there is a fundamental shift in thinking on the development of our digital technology infrastructure.

But there is also an opportunity. Technological developments have recently seen digital latency levels from London to Manchester being reduced to a level where

we can now be a prime location for new data centres for top global businesses – the spin out benefit could be huge, not least of which in our efforts to spur the international connectivity of our firms and people. However, this will only happen if the necessary next generation connectivity is in place across the city region. The extent to which digital superconnectivity can provide access to employment, lower operating costs and enable more sustainable lifestyles and patterns of consumption by reducing transport demand and enabling the intelligent use of resources cannot be understated, and we are leading innovation in ‘green digital’ to realise this potential.

The economic case for super fast connectivity has already been set out by Government in Lord Carter’s Digital Britain report. This recognises that UK business is already at a huge competitive disadvantage in relation to the cost of super fast high speed access in other countries. A test bed is urgently needed at a key global internet hub to show how new tools and applications can exploit high speed networks – the Manchester City Region is the best place in the UK to do this.

Strategic objectives

1. Brand the Manchester city region as a world-leading knowledge centre built on its reputation in science and innovation by:

- **leveraging the value of its history and current assets in these fields, in particular:**
 - **the city region needs to capitalise on and develop its deep(er) labour markets where big key-note investments are being made in MCR's economy, such as MediaCityUK, and the emerging demand for skills (at all levels, but emphasis on high value - high skilled jobs).**
 - **The role of big Science investment (Daresbury and the Corridor) in the Northwest and HEIs ability to link into it**
- **Increasing the level of research funding invested in the city region by the private sector and UK government**
- **Bringing about a business cultural shift which better recognises the value of innovation and embeds this in normal business operations**
- **Attracting major international leading edge science programme and institutions**

All applications to Research Councils for academic funding are now required to set out the economic impact of proposed research. Decisions on a new Research Excellence Framework that will take greater account of the economic value of research will be announced early in 2010. The city region is well positioned to exploit this opportunity.

Our science base is a key resource for the high-tech companies and start-ups that will grow into the world-beating businesses of the future. Encouraging closer

ties between the UK's growing pool of scientific and engineering researchers and industry and private investors is a key to ensuring that we are able to benefit economically from groundbreaking science.

The city region does not yet have the systems in place that drive innovation. MIER stresses the importance of the key features of urban environments including diversity, tolerance, residential amenity and cultural 'buzz'. Work needs to be done to better connect across sectors and within supply chains to improve creativity and the spread of innovations.

2. Develop a clear and funded programme for the Manchester city region to pioneer provision of, and applications for, the next level of Next Generation Broadband (NGB) – aimed at delivering a rapid and wide take up of NGB and incentivising early adopter community to innovate, for example remote service delivery, including of medical, legal and public services.

Non-synchronous upload and download speeds and level of bandwidth sharing will limit the potential for high quality video communication. The vital new growth area of cloud computing also increasingly depends on next generation broadband quality. Most importantly it will not provide confidence to the growing digital businesses in the city region that we have the ambition to remain a key player in the digital age. Business leakage to London and other EU cities will inevitably result.

Lack of affordable wide band access increases business costs and affects competitiveness. The cost of a 100mgb connection in our city region is currently many times higher than in comparable city regions. This has to be addressed or it will considerably dilute the inward investment potential resulting from MediaCity:UK and leverage from our science assets.

3. Create a one-stop shop of all relevant local authority and other agency departments for NGB to be rolled out to the first wave of homes in the city region as quickly and efficiently as possible.

Investment is committed for BT's 'fibre to the cabinet' broadband to be laid immediately in several parts of MCR as part of a £1.5bn UK pilot. This will include upgrade of 10% of exchanges. Virgin Media have announced that they are planning UK roll out of up to 150mgb connectivity over the next two years. To complement this investment, better coordination of planning and other authorities is essential to speed up the implementation of next generation broadband and to keep down costs.

4. Support businesses and highly talented individuals in the commercial exploitation of intellectual property and applications through high profile financial incentives and by providing opportunities for international recognition.

Many of our businesses find it difficult to access innovation funding support from government for new ideas and processes. Ideas like NWDA's Innovation Vouchers are a good start, but there is a particular problem with proof of concept and seedcorn grants. The Government Technology Strategy Board has a budget of over £200m but much of this investment is currently allocated to businesses in the South East and this current imbalance needs to be addressed. This will ultimately more venture capital funding to MCR because we will be able produce and then support the feedstock of promising young businesses that can then attract it.

5. Lower the costs of doing business in the city region by focusing on interventions that improve the efficiency quality and innovation of supply chains and apply sectoral approaches where there are demonstrable benefits.

Reflecting falling transport and production costs, international supply chains will dominate the way goods are produced and traded. Different businesses will contribute to finished products through different processes at different stages of production. Businesses will provide not just finished products, but also intermediate goods and the complex services that are an integral part of modern supply chains, including design, marketing and financial services.

6. Build broader leadership and local capacity for innovation throughout the city region by encouraging the genuine exchange and cross-pollination of ideas and actions across a diverse mix of public, private and third sector players.

Around the world, cities of innovation are characterised by a wide spectrum of diverse, independent and decentralised networks that are loosely connected through a focal point. This enables very effective sharing of very different ideas, approaches and tactics - which in turn improves the quality and originality of the actions of any given network in the system.

Participation will drive the world's next big wave of innovation, through the connections and collaborations diverse networks (anything from supply chains to public Twitter discussions) and an increasing use and optimisation of Open Innovation methods. This is different to the closed-shop, top down approach to innovation that characterised the 20th century, and city regions do not yet operate in this way.

It's not enough simply to improve social capital - the type of networks operating and how they are used and connected is crucial. By supporting more conversation, connectivity, collaboration, and challenging ideas in a constructive environment, MCR has an opportunity to lead the way as a city region that really gets it right for the 21st century.

INTERNATIONAL CONNECTIVITY

Increase the international connectivity of the Manchester city region's firms, especially to the newly-emerging economies

Introduction

Whilst it is important to build our skills and talent base and enhance our critical infrastructure we can't lose sight of the global context in which the city region's economy operates. Our economic success hinges on our openness to both foreign investment and our ability to export our knowledge, goods and services to the world. Fortunately, we are well positioned to take advantage of the growth potential afforded by enhanced international connectivity.

Outside London, the city region is the place most likely to be able to increase its long-term international networks and connections to the rest of the world. The benefits of this will be most felt in terms of the productivity and competitiveness of our firms. Competition, trade and in particular strong international trading links, have direct and indirect productivity benefits, as both exporters and foreign investors tend to have higher productivity levels.

Rationale

MIER's essential conclusion to what the city region needs to do to realise its economic potential is to raise productivity. This is not an easy path, but it leads towards a virtuous cycle of bigger and better firms that create more jobs, which are sustainable and pay higher wages. One important part of the jigsaw we need to put together is the low productivity of many of our firms. There are many ways to come at this. Whilst most would be very valid, the single most effective outcome we can achieve would be to increase the number of our firms that do business internationally.

This means ensuring that the publicly-funded business support system is working in a coherent and integrated way. For example, this means working with Manchester Airport and key partners on developing new air routes to emerging economies and promoting the opportunities and benefits of the city region as a location for foreign direct investment.

MIER's large trade survey evidenced that despite the city's strong history of trade, and global assets such as the airport, Manchester University and Manchester United, we are in fact quite behind comparator city regions. Along with evidence, put forward by UKTI and others, that internationally-connected firms are more productive, this adds up to a strong imperative for action. Although the primary measure is exports, looser links such as travel, education and cultural connections are also shown to have a significant effect.

As elsewhere in the UK, the vast majority of our trade and broader international connectivity is with established markets. In bringing new firms to the world, it makes sense to connect them to the parts of the world with more growth potential, i.e. the emerging markets characterised in a phrase coined by one of MIER's Reviewers as the BRICs, meaning Brazil, Russia, India and China. China is already the world's third largest economy, and growing at over 6% a year, and rising, even as our established markets contract at some 3-4%. The foreign reserves of China alone are more than those of the G7 combined. This is a long-term trend. By 2030, 92% of the world's middle-classes – the people that will buy the technology we hope will be produced in MCR - will live in the developing countries.

If increasing international connectivity is to contribute to achieving higher productivity then we must do a number of things including, encouraging and supporting our firms to increase their business connections with both established and emerging economies. We also need to ensure that the publicly-funded business support system is supporting this, which includes working with Manchester Airport and key partners on developing new air routes to emerging economies. In this regard, there is clear evidence of the value in promoting the opportunities and benefits of the city region as a location for foreign direct investment, as foreign-owned companies' productivity is some 24% higher.

In order to achieve the desired outcome, all routes to business currently employed within the city – by all partners- need to be galvanised to ensure that this strategic priority becomes one of their central missions and it reflected in their performance management frameworks. For example: How is what they are doing helping make our firms more international? What products and best practice are available in the region and city region? What programmes can be built to focus our combined resources like a laser on this productivity-enhancing goal?

Strategic objectives

1. Increase the level of international business, imports and the rate of international business travel of the city region's firms

This will require a tailored approach to supporting individual companies whether accessing unfamiliar or established markets. International connections raise productivity, and our firms perform poorly in this respect. Bespoke engagement, support and incentives, for example language services, are needed to move the city region ahead of its developed country competitors. The enhancement of broader cultural links, through ways that include attracting more students and visitors, also has an important role to play.

2. Provide a single point of access to business support services in the Manchester city region aimed at improving productivity aimed at large firms as well as SMEs.

The wide range of passive business support services available has not resulted in increased performance. Boosting the take up of business support and helping firms access funding and support mechanisms is a key, which points to the need for business support providers to work better together for the benefit of the city region. Other important aspects include:

- attracting new and retaining successful businesses
- access to finance
- high growth business support
- ensuring regional programmes are geared up to respond to GM's enterprise priorities
- working with regional cluster organisations to support and deliver against GM's enterprise priorities
- exploring the potential for co-investment of resources to extend the process of co-commissioning
- moving from a universal to an outcome focused approach based on clear targets

3. Target firms in the city region with the highest potential to expand internationally.

More discretionary and assertive delivery is needed to produce long-term sustainable gains, in particular through targeting of the fastest growing firms and micro-businesses. To achieve such an objective a collective effort involving key public agencies such as, UKTI, NWDA, MIDAS and representatives from the private sector.

4. Increase the catalytic impact of Manchester Airport with regard to exporting companies and inward investors.

Manchester Airport and the air routes it hosts are crucially important factors in strengthening the city region's international connectivity. This is especially true for the newly-emerging economies, which would bring tremendous long-term benefits.

5. Increase the level of foreign direct investment (FDI), from all possible destinations, into the city region.

FDI is a crucial part of the city's future growth landscape and the city region has been particularly successful in this respect, however it is a highly competitive global landscape and new initiatives will be required to grow future levels of FDI.

A LOW CARBON ECONOMY

Achieve a rapid transformation to a low carbon economy

Introduction

A timely shift to a low carbon economy and the challenge of adapting to a rapidly changing climate both offer opportunities to the city region. Conversely, failure to cut emissions and adapt to climate change will fundamentally undermine our economic viability and success.

The implications of climate change are also being felt in the regulatory environment. We have a CO₂ emissions footprint of 15.8 million tonnes per year. Government targets suggest this will need to be reduced to below 10 million tonnes by 2020 and four million tonnes by 2050. But by quickly shifting to a low carbon economy, there are major opportunities for us to enhance our competitive advantage. Adapting to a changing climate and boosting our resilience is also integral to our future success.

Rationale

Looking forwards to 2020, the attributes of a successful low carbon MCR economy would include the following:

- A 30-50% cut in absolute emissions which contributes to economic growth and improves quality of life.
- A transportation network that optimises economic, environmental and health outcomes
- A highly skilled workforce actively engaged in developing innovative systems and products to drive sustainable economic growth.
- A commitment to spatial design which fosters liveable and sustainable communities
- A UK/World leader in research, development and adaptation of new science and technology for a low carbon economy, securing inward investment in sustainable industries.

However, the actions needed to achieve this vision will be significant and require changes in consumer behaviour and major improvements in the productivity of our transport network, building stock, and infrastructure.

We must therefore move quickly. Although we currently outperform expectations on commercial emissions, we underperform on both transport and domestic emissions. Government figures would suggest further investments of around £1 billion will be needed for MCR to meet 2020 targets. However, if we only

respond by taking those measures explicitly mandated by legislation, the economic costs of inaction could be £20 billion.

Climate change offers important market opportunities. The UK market for the combined low carbon, renewable and environmental industries sector is worth £107 billion (compared to healthcare £110 billion), and is expected to grow by 45% by 2015, even taking account of current economic conditions. The Northwest has the third largest share of the market, employing 86,000 people across 5,100 companies, and punching well above its weight in terms of market share, productivity and proportion of high skilled jobs.

Building on these strengths the objectives section has several key elements:

- Internationally renowned research and consultancy excellence which will raise our profile and international reputation for low carbon leadership.
- Investments in new skills and expertise for a low carbon economy
- Application of sustainability principles to procurement, transport, spatial planning and the retrofitting of commercial and housing property
- An Environment Commission to maintain an oversight of the development of a low carbon economy, and a Climate Change Agency to undertake key delivery elements of the objectives.

Strategic objectives

1. Establish Manchester city region as an internationally recognised research and consultancy centre in low carbon technologies and services and position firms as pioneers of low carbon business diversification.

We can become an international hub of activity in this sector. Low carbon built environment expertise, emergent technologies and specific engineering elements are the largest contributors. Encouraging diversification of strong performers into low carbon fields is equally as important as innovation and home-grown start-ups.

To move forward with the low carbon agenda and grow sectors such as environmental engineering, planning and consulting will require a sufficient supply of highly skilled workers. Without an adequate talent base UK and international firms will look elsewhere for low-carbon-related investments, just as they would in any other industry.

2. Apply cross cutting sustainability principles to procurement, transport, spatial planning and investment activities, and prioritise the retrofit of existing domestic and commercial stock to underpin the transition to a low carbon economy, which is resilient to a changing climate.

Productivity and procurement: A key MIER finding is the important role large businesses (both national and international) play within the region in increasing investment and productivity through their procurement practices and links with local supply chains. These relationships drive innovations and increase productivity. For public sector organisations that procure significant amounts of goods and services and have extensive supply-chain links this is a vital lesson – better procurement practices and engagement with local supply chains must drive the development of environmentally sustainable products, systems and services.

Built environment: Balancing built and natural environment infrastructure is a key to securing a long term quality of life for residents. Good spatial planning standards can contribute to a low-carbon economy. A level playing field of explicit built environment standards will make an enormous contribution to carbon reduction, make our property market more attractive to investors and create a wide range of quality of life benefits. As part of this, the natural environment's contribution to improving climate resilience, storing CO₂ and raising quality of life should be protected and enhanced.

Retrofit: The existing built environment is the most significant contributor to our emissions performance and will continue to form the main part of our domestic and commercial offer for decades to come. Developing new ways to improve the existing stock is critical to the delivery of carbon reduction targets. It can also help raise skills, provide better homes and reduce heating and fuel bills for businesses and institutions.

3. Develop a robust understanding of critical infrastructure, strengthen accountabilities and improve the security of supplies and by investing in measures to make it fit for purpose for a low carbon, resilient and growing economy.

Critical infrastructure improvements are essential to meet existing demand, resolve productivity losses, tackle energy and water aspects of the climate change agenda, and to support our growth aspirations. A greater involvement and stake in critical infrastructure can also be an important stimulus for local demand in engineering, consultancy and other services. The accessibility and pricing of energy supply and infrastructure seriously affect the ability of communities to adopt low carbon technologies and achieve low carbon building standards. Local government has an increasing range of legal duties with regard to the climate resilience, reliability, performance and carbon footprint of the critical infrastructure in its area. However, interventions to improve our energy system are often uncoordinated, reactive and not prioritised, with little attention to the critical link between energy supply and demand.

4. Enhance the role of transport infrastructure in enabling sustainable lifestyles, and develop an integrated approach to transport network and

demand management across all modes that optimises use of the network, provides users with a full range of affordable low carbon transport options, and reduces their need to travel.

Transport has a key role in supporting the move to a low carbon economy. We need to facilitate a community-wide shift from single-occupancy car use to walking, cycling and public transport, adopt low carbon technologies and encourage better use of the road network. This will support and deliver sustainable economic growth through tackling congestion and climate change, improving local air quality, reducing dependence on fossil fuels and widening access to healthy, more physically active lifestyles. An integrated approach to different travel modes will be required that optimises the use of existing networks and provides incentives to support behaviour change,

5. Develop pioneering approaches to solving key low carbon economy challenges via establishing low carbon economic areas.

The true benefits of this strategic objective can only be realised if the actions are delivered in an integrated way. Building upon and redefining our existing thinking, the establishment of low Carbon economic areas would be an excellent way to develop innovative, transferable policy and product innovations, and act as exemplars to build the city region's reputation.

In addition to climate change benefits, the pilots would improve their local environment, increase social cohesion and cut energy costs and fuel poverty through a comprehensive but affordable package of action of reduce their carbon footprint.

THE HOUSING MARKET

Creating quality places to meet the needs of a competitive city region.

Introduction

Home. It can come in all shapes and sizes but it's central to people's quality of life and building a sense of community and neighbourhoods of choice. Housing can positively or negatively affect the ability of people to do well at school, lead healthy lives, access job opportunities and in people's later years, affect their ability to remain in their own homes or neighbourhoods.

Within the city region, there is need to focus on improving the match between the housing 'offer' and the aspirations of existing and potential new households and ensuring our housing policy is linked to improving life chances in deprived communities, attracting and retaining the best talent and moving towards a low-carbon economy.

Rationale

Recent research has pointed to weaknesses in housing markets across the city region, which impact on both the prospects for continuing economic growth and the ability of poorer communities to benefit from that growth.

The MIER made strong conclusions regarding planning constraints on housing development in the most desirable places to live. Restrictions on housing development and so supply mean that house prices are artificially raised to unsustainable levels, pricing out talented workers in certain areas. This has been noted and will be incorporated into the development of housing policy across the conurbation. MIER suggests that there are not enough houses in places where people want to live, and points to an increasing spatial polarisation. What this means is that some areas are becoming increasingly remote from mainstream housing markets while others are becoming more transient and lacking a stable sense of community.

The challenge will be to meet these new demands in ways which provide affordable housing options and help to create and maintain mixed vibrant communities where people want to live. For example, we know that the condition of our private sector housing remains comparatively poor and private rented stock in particular will need to be improved, a factor which can negatively impact our ability to attract and retain talent.

But what is also critical is not to view housing policy in isolation. We need to do a better job in guaranteeing housing is in places where people can access:

- Employment and economic opportunities

- Strongly performing schools,
- Green space,
- Good transport links,
- Cultural facilities
- Local services
- Sustainable and secure utilities

Only when we these linkages are in place can we say we have succeeded in delivering neighbourhoods of choice.

Strategic objectives

1. Transform the quality of the city region's residential offer

The city region has to be known as a place that offers high quality housing in places where people at all levels of the market, including the highly skilled and talented, will choose, and can afford, to live and invest. To deliver that we must take a long term view of the potential and challenges for individual neighbourhoods, and make flexible and creative use of planning, regeneration and housing investment tools to deliver balanced and cohesive communities.

We know that many areas offer little variation from dominant housing types or tenures. The structure of the existing housing stock shows a huge concentration in the lowest Council Tax bands, the legacy of historic patterns of growth and investment. We need to use our leverage and partnership networks to create a climate where investment will be attracted to help transform the quality and nature of places in the city region, and those places help us to attract and retain the workforce our growing economy needs.

In the city region as a whole, we need to enhance the mix available to expand the choice and quality of homes, by investing in both existing and new homes. All new housing needs to enhance the quality of the housing offer, to create a better mix of house types, sizes and tenures in line with people's aspirations, and to reduce carbon emissions and fuel poverty.

2. Put in place the conditions to support and accelerate delivery of housing growth

New housing development will play an important part in bringing our housing offer in line with aspirations of existing and potential new residents. Growing demand from new households also makes it imperative that the supply of housing expands, as does the need to tackle growing affordability issues across the city region. One of the key issues will be the need to ensure adequate infrastructure – including power, water, drainage and waste – for both new housing and regenerated neighbourhoods.

3. Radically improve the quality of private rented housing

Housing choice is polarised between owner occupation – increasingly difficult for many households to afford, and the social rented sector – which is under increasing pressure from growing demand and declining supply. As a result, the private rented sector has a crucial role to play in offering a range of flexible housing across the market as a whole, as it does in many European countries. However, problems of poor physical condition and poor management are not uncommon, and mean the potential for private renting to become a tenure of choice is not being fulfilled.

We need a range of measures to support landlords in developing and maintaining high quality private renting options and seek greater investment in the private sector from institutional investors. These should help to create affordable housing choices for middle income households, a high-end flexible offer to mobile workers, and an additional supply of quality homes to complement the social rented sector. This could make a real contribution to the renewal of many of our communities, and reduce the often relatively high carbon impact of the sector.

4. Focused intervention in the most deprived areas

The most deprived areas undoubtedly have a negative impact on the economic performance of the city region. People within those areas have often benefited least, and in some cases not at all, from recent economic growth. Deprived areas face different combinations of problems and opportunities, and we must ensure that investment decisions are based on a sound understanding of individual neighbourhoods and integrate with broader service delivery and neighbourhood management in each area. This does not mean we focus all our investment into the most deprived neighbourhoods – we must look to invest where sustained transformation can be achieved.

Diversifying the housing mix through physical investment will be part of the solution, as will developing and piloting tailored local lettings policies for predominantly social rented areas. Overall, improved commissioning of supported housing services across the city region should form a key part of the integrated support packages for households envisaged in our strategic priority around improving life chances.

5. Understand the spatial implications of the GMS, including delivery of supporting infrastructure

Further work needs to be carried out to understand and manage the spatial implications and relationships between the different strategic priorities and objectives. While delivering housing growth is a key challenge, we also need to look at the demands of economic growth on the wider infrastructure of the city

region, to ensure that we can deliver the plan's economic, social and environmental ambitions in the places that make up the Manchester city region.

EFFECTIVE GOVERNANCE

Review city region governance to ensure effective and efficient delivery mechanisms.

Introduction

Economic evidence has long established a strong correlation between having efficient governance at the right level and positive economic performance. Studies point to the importance and tangible economic benefits of leadership, good economic policies and appropriate distribution of financial levers between tiers of government. Some of the key elements which are common to successful city regions include:

Strong political capital with decision-making devolved to a dynamic and strong leadership, enabling a political class to emerge that has the freedom and ability to think for the city region, especially in articulating a strong vision and clarity of purpose. To do this, we need to ensure there is strong leadership and sufficient capacity both within AGMA local authorities and partner organisations.

Local authorities realise their city regions are competing with other places and have developed coordinated long-term strategies for making their 'places' the places where people choose to live, invest and do business.

Successful city region economic development requires long-term commitment and genuine collaboration between many agencies and interests with clear division of labour and lines of accountabilities. We want to work as effectively as possible with partner organisations, both to align priorities and funding streams, and to deliver new initiatives.

Value the role of culture in regeneration and recognise that cultural projects can help change the image of an area, give local people access to a wider range of opportunities, generate local pride and build social cohesion.

Rationale

The Manchester City Region is a highly coherent single economic region. Substantial travel occurs across local authority boundaries for work, education, and leisure. Notwithstanding the fact that many constituent districts and towns have a strong and distinctive sense of place, economically, internal administrative boundaries are largely irrelevant. This identifies the city region as the right level to best promote economic growth for the conurbation as a whole.

AGMA's governance structure enables us to better achieve this by giving us the ability to make decisions for the whole of the city region. In joint working, it is

essential that all parties are confident that the governance structure overseeing these decisions is strong, robust and accountable.

Many of the building blocks that AGMA needs to achieve its strategic priorities are already in place. Of course, there will still be work required to fine tune these to ensure they fully support AGMA's ambitions. Going forward, it will be important to build the capacity of the city region to negotiate with regional agencies to jointly prioritise investment and lobby national government to achieve devolved budgets allocated to priorities.

Strategic objectives

- 1. Reflect the city region's highly-coherent single economic geography in a developed governance structure able to develop, agree and implement decisions at that level.**
- 2. Ensure that city region governance has a trusted accountability framework in relation to the local, regional and national levels.**
- 3. Maximise usage of the strategic Commissions and Business Leadership Council and ensure the structure functions effectively on behalf of AGMA and partner organisations.**
- 4. Establish a frame of reference to generate innovation in public sector delivery around collaboration, specialisms and centres of excellence.**

SENSE OF PLACE

Building the city region's Sense of Place

Introduction

Perception is everything. The experience of the Manchester City region and how that experience cascades through to what people say about us, at home and abroad, builds that perception. The next link in the chain is the point at which judgements based on those perceptions of the city dictate whether a company will invest, whether a conference will choose to come here, whether a traveller will visit and whether the talented and adventurous decide to make the city region the place where they choose to build their career.

Perceptions are internal as well as external. How our citizens feel about their local towns and neighbourhoods is of critical importance. They are of course ambassadors for the city beyond our civic borders; but just as importantly, positive perceptions can build confidence, ambition and a sense of wellbeing, holding families and communities together. We have to get the experience of our regional centre, our town centres, and our local neighbourhoods right for the people who live, work and play here; then we will have a city region which competes powerfully on the world stage.

Current perceptions are mixed. In a number of indices – most recently the Economist Intelligence Unit's Liveability Index – we perform very well. In that index, released in June 2009, the city of Manchester came 46th in the world when assessed against a range of measures including stability, healthcare, education, infrastructure, culture and environment, outperforming all UK cities *including* London. Other indices are more mixed and suggest that particularly on the international stage, the perception of the city and the city region lags far behind the reality, with people's ideas about the city rooted in the image of a heavily industrial and less prosperous city that lies 20 or 30 years in the past.

Experience and perception are the building blocks of our brand and are a critical part of our plan to focus on what we've termed *agglomeration*. The Original Modern vision for the city region is based around the idea that 'your brand is what you're known for' and that it is the actions, spaces and places, enjoyment and playfulness of a city region that creates its brand, not a logo or strapline. Whether it is the creation of a pioneering scar healing technology, a new pocket park or an opera by Rufus Wainright, these are the things that get noticed, the things we become known for.

Rationale

How do you build identity and sense of place, particularly when it is so rooted in the physicality of a city or town and then in the relative ephemera of cultural experiences, infrastructure, the openness of the people and their diversity, or indeed in the way that people live their lives?

It starts with quality of life and experience for the people who call the city region home and for those who work or visit here. From Bolton or Bury to Trafford or Tameside, this is our first priority objective. The 'sense of place' ingredients for a higher quality of life include good public services, a seamless and high quality experience of services like transport or policing or healthcare, the public realm, retail, green space, the architecture of our cities and towns, our ever-improving cultural offer and of course our educational system. All ten districts of the city region are critical; our rural areas, suburbs and our town centres should be every bit as rewarding as the regional centre; there has to be a continual raising of quality of life levels right across the city region. The recently completed study on the role and function of our town centres will help us to continue to shape the distinctive identities of those town centres. In addition we should make the whole 'Manchester Experience' more accessible to all sectors of society and consider the development of a joined up 'Smart Card' or 'Smart Ticketing' programme that brings together the city region's leisure, cultural and transport offer.

Our second priority objective is focused on that central hub of the city region - what we've termed the regional centre but which in reality is the 'downtown' city centre of Manchester and Salford. This is already competing internationally but needs to continue to improve and if anything the pace of change needs to accelerate. This is the area that will be 'broadcast' most widely across the world both visually and through word of mouth, and so its physical presence is of the highest importance. It is the first port of call for many of those visiting or seeking to do business in the city centre and so a high quality experience is vital: major gateways; the visitor experience; cultural and historical interpretation; street trees and public realm. We are already heading in the right direction: according to the UK Cities Monitor, Manchester has become the second best city outside London in which to do business. It is also ranked as the best city overall for locating new headquarters and back office functions. In the European Cities rankings in 2007 we were acknowledged as having the best conference city in the UK, and in 2008 Manchester was ranked as the best city in the world for sport (Sport Business Annual Awards). Offering an attractive city centre location on the global scale is, of course, the most competitive of markets to be in and it is for this reason that we cannot afford to stand still but must continually improve, develop and reinvent ourselves.

Citizenship, social capital and 'happiness' is the focus of our third priority objective. Issues like civic identity, stronger social networks and greater levels of

mental wellbeing can contribute to a sense of place every bit as much as a better public realm or retail offer. Civic identity can of course help to build levels of concern for the public realm in particular or can lead to increased engagement in what could be called ‘civil society’ through clubs, pledge schemes, the voluntary sector, or activities to reduce crime and social disorder. Social networks are the glue that holds a city together and are of critical importance to community cohesion, as well as to the success of culture, sport, the arts and innovation. Happiness (or mental wellbeing) is also a key component increasing not just our sense of place but also our levels of prosperity. One in six adults suffers from some form of mental health problem and if unchecked this can become a downward spiral not just for individuals but also for their families. Higher levels of mental wellbeing – of happiness – can give people higher aspirations, make them more optimistic that they could achieve those aspirations and in turn make them more resilient as they seek to do something about it.

If a higher quality of life and a better regional centre is delivered, then we have an even greater story to tell the world and this is the fourth and final strategic priority for our work under ‘sense of place’. To underpin the other objectives outlined here – and to support the wider Greater Manchester Strategy – we need a continued branding, marketing and communications programme to promote our city, change external perceptions, monitor our levels of progress and secure new leads and new opportunities for our people and our businesses. We must continue to develop and market the Manchester brand, reflecting our distinctive heritage, contemporary strengths, and unique potential. And we should directly address the city region’s visual image throughout all strands of our communications activity.

Strategic objectives

1. Deliver a stronger city region ‘experience’ and a better quality of life

There should be a concerted and co-ordinated programme to increase the quality of life, sense of place and experience across the city region through excellence in public services, an improved public realm, higher levels of tree cover and green space, an ever improving cultural offer and an integrated ‘smart ticketing’ system that increases travel, leisure and cultural access to both residents and visitors. This improvement is a priority for public sector agencies at all levels: local, regional and national.

Specific objectives include:

- **The continued and measurable improvement in satisfaction levels amongst the city region’s residents with regard to public services that relate to sense of place and quality of life.** This can be measured through the already established ‘Place Survey’ which monitors 18 of the 25 local authority indicators which measure citizen’s satisfaction levels.

- **The city region pilot can also be used as an opportunity to increase joint working across local authorities and public agencies** to improve service delivery, offer better value for money, deliver shared strategic commissioning, effective management of joint resources and assets, and smarter procurement practices and initiatives. This work will build upon our ambitious plans for collaboration set out in the Greater Manchester Efficiency Strategy 2008-2011.
- **A spatial framework to allow for the collaborative development and improvement of our district centres with a better quality of life as a clear focus.** This would be built upon extensive work already carried out by consultants for the Commission for the New Economy. This framework should include a 'town centre first' policy when it comes to investment and a presumption that public services should be located in areas served by public transport. There should also be measures to ensure that our town centres become more distinctive – not less – and that they contribute to our commitments to reduce carbon emissions. In creating a greater sense of place, all areas across the city region have a part to play.
- **An across-the-board improvement in the development and management of the city region's public realm,** including design quality, its contribution to the visitor experience, cultural and heritage interpretation, signage and wayfaring and sustainability, particularly in the face of climate change and the urban heat island effect. This should be accompanied by a programme to increase green infrastructure and urban tree cover.
- **The delivery of a groundbreaking cultural strategy and cultural investment and improvement programme,** including plans to create a more innovative, ambitious and distinctive cultural sector; to better exploit and promote the city's existing cultural assets in order to deliver that distinctive offer; to closely link the story of Greater Manchester's heritage to its contemporary cultural offer; to increase the participation of the people in the city region's cultural life; and to make our cultural offer easier to access, navigate and enjoy.
- **The development of a 'smart' scheme to provide a technically innovative and easy-to-use integrated ticketing mechanism** – such as a 'Manchester Smartcard' – linked to integrated transport, to allow for planning and booking of cultural, leisure, retail and other offers alongside real-time information systems.

2. Continue the development and improvement of the regional centre

There has already been a genuine renaissance across the regional centre. To stay competitive there should be a specific programme of development,

investment and improvement designed to make the regional centre more competitive, distinctive and attractive; this is a priority which was underlined in findings of the MIER.

Specific objectives include:

- **Launching a dedicated programme to boost levels of business**, including an increase of employment in knowledge-based industries, attracting more headquarters to the regional centre and increasing the take up of office/work space.
- **Investing in and improving the centre's critical infrastructure** including digital connectivity and other utilities as well as transport links to the rest of the city centre.
- **Supporting key development programmes and masterplans** at the main gateway sites such as Manchester Airport, to improve the 'first impressions' of the regional centre and the continued development plans for the key areas of the regional centre such as the MediaCityUK, Sportcity and The Corridor.
- **Supporting programmes to improve the regional centre's 'buzz'** including a major events strategy (including sporting events), cultural infrastructure and a proactive campaign to recruit retail names and brands not currently represented in the centre, as well as support the growing independents sector. A marked improvement in the quality of the public realm of the regional centre would also be included under this objective as should smaller scale projects which create greater 'ambience' across the city region.

3. Increase civic identity, social capital and wellbeing

The overarching objective should be to increase the levels of social engagement, public confidence, wellbeing and identity across the city region to increase levels of 'happiness', to raise levels of community cohesion and engagement in civil society and the voluntary sector and to combat anti-social behaviour which can undermine efforts to build a positive sense of place.

Specific objectives include:

- **Increase levels of social capital** through the promotion of social networks, volunteering and engagement in civil society such as community groups.
- **Strengthen and if possible roll-out further the pilot projects being carried out as part of the City of Manchester's wellbeing project, Happy Now**, including building emotional resilience in teenagers, health training and intensive support projects for those most vulnerable to mental ill health.

- We will build upon existing local models to **launch a programme to increase local civic identity**, through ambassador/champion programmes in local neighbourhoods or areas and support measures to enhance civic pride, particularly in local environments and sense of place.

4. Develop an integrated brand communications campaign for the city region

We should continue to develop and market a distinctive “brand” for the city region, building on the “original modern” vision, which reflects our distinctive heritage, contemporary strengths, and unique potential.

Specific objectives include:

- **Conceive and launch an over-arching marketing strategy.** This must be developed and implemented in support of the ultimate objective – to promote the city region on a global stage – which is led by the Marketing Manchester Co-ordination Unit with guidance from its Manchester family steering group. New emphasis and funding should complement and give additionality to the Visit Manchester focus on place marketing, leisure and business tourism and the MIDAS focus on promoting the city region as a leading business destination.
- **Sell the Manchester city region’s story and our cultural offer more effectively**, with a view to increasing visitor numbers at cultural venues, improving perceptions around our cultural offer and heritage, addressing directly the out-of-date visual image of the city and underpinning positive moves to improve environmental quality and our sense of place.
- **Improve our ratings and performance on all key international indices.** This would include ratings such as those provided by Cushman and Wakefield, the Anholt City Brands Index, the Forum for the Future Green Cities Index, Mercer’s Quality of Life Survey and the Economist Intelligence Unit’s Liveability Index. Results and feedback from these indices should be used to inform the continued improvement of the city region’s performance across the specific areas measured by these ratings.

DELIVERING PROSPERITY – NEXT STEPS

Although the GMS is essential to our long-term aspirations as a city, it is in the end, only a beginning. The ultimate success of the strategy will depend on how effectively we implement it. This will require clear, consistent and united city region leadership throughout. Over the next several months we will begin engaging with all partners who can make a difference in delivering results for the people of the Manchester city region.

Our 'Delivery Plan' will reflect and be influenced by the outcomes of the Statutory City Region Pilot negotiations. Development of the Delivery Plan will be the subject of ongoing work with all AGMA partners between July and October to develop specific measures, actions and interventions and to align business planning processes and resources.

Key tasks we need to undertake include:

- Engaging and building commitment and buy-in from partner groups
- Ensuring there are fully developed, coordinated and prioritised priority programmes of action
- Identifying funding and resources requirements for implementation of key interventions
- Coordinating and managing the transition to the commissioning and program roll-out phase of the implementation plan.

But as with any set of interventions it is crucial to measure the difference they make and learn lessons from the results. The GMS will therefore include a thorough performance and evaluation framework based on a combination of quantitative and qualitative analysis methodology consisting of three components:

- *High level performance measures measuring economic and quality of life indicators related to strategy*
- *SMART objectives tracking performance with appropriate measures and baselines of agreed to interventions,*
- *Evaluation methodology based on best U.K and international best practices will be developed and implemented*

ANNEX 1: THE EVIDENCE BASE

	Current evidence base	Key messages	Emerging Strategic Priorities
Economic Development, Employment & Skills	The MIER is the primary source of intelligence to be used to shape strategic priorities and the work of New Economy. Additional studies have also been commissioned, such as the Town Centres study and there is a body of in-house research available, including the MIER Economic Baseline, updated on a regular basis, the Manchester Monitor, which benchmarks GM against other comparable areas, analysis of worklessness data and a study to inform the development of a talent retention and attraction strategy, involving a review of previous research, interviews with recruitment agencies and an international review of best practice. The Good to Great Strategy relating to 14-19 skills also provides a useful evidence base to be drawn upon.	Agglomeration is the key to promoting long-term sustainable economic growth; need to attract both Foreign Direct Investment and investment by large domestic firms; networking benefits do not occur within sectors but within supply chains; MCR has a high concentration of knowledge-based workers but size of skilled work force not matched by productivity due to large proportion of unskilled workers; reductions in worklessness have not occurred in most deprived areas so spiral is self-reinforcing; regional firms are not globally connected and will need support and incentivisation to raise productivity through international trading.	Radically improve the early years experience in deprived areas; develop an agreed process and objective criteria for planning, regeneration and neighbourhood renewal decision-making; adapt housing policy to emphasise demand conditions and to build sustainable communities; emphasise science; delegation and devolution to sub-regional level where the city regions best interests are served; increase the connectivity of Manchester's firms, especially to the newly-emerging economies; attract and retain best talent; drastically increase the amount of highly skilled people; ensure that everyone has basic skills; increase transport accessibility within the sub-region; reorientation of economic development frames of reference away from sectoral thinking; continue to build Greater Manchester's sense of place
Planning & Housing	Much evidence is under development to inform Core Strategies, both at district level and also in collaboration at GM level. Key sub-regional studies include (amongst others) SHMAs, modelling the transport implications of proposed development, a renewable energy study and a SFRA.	The need to develop a GM spatial strategy through consideration and alignment of Core Strategies, within the context of RSS. Key issues are ensuring that development unlocks the economic potential of GM through alignment of development (both housing and employment) with infrastructure provision, including transport, utilities, green infrastructure. In terms of housing there is a need to diversify the residential offer (through new build and regeneration) to attract and retain existing and new residents, particularly those who are economically active, whilst still ensuring that sufficient housing is provided for those unable to access the market and those requiring specialist provision.	Develop a spatial strategy for GM that recognises the different roles of the Regional Centre, the Conurbation Core, the Town Centres and other potential growth nodes. Within that spatial strategy deliver housing and employment growth in a sustainable, integrated way; improve the accessibility of and within Greater Manchester; ensure that the necessary infrastructure is in place to support development requirements; improve the quality of housing to address deprivation and polarisation; diversify the housing offer available; develop greater clarity about the role of Green Belt land in Greater Manchester.
Environment	Commissioned studies such as the Mini-Stern, along with international and national sources, such as MALMO and the UK Climate Impacts Programme and local level data gathered to inform National Indicators.	"First mover" advantage if a clear strategy is developed to position GM at the forefront of the global environmental industry; potential to develop a more robust and cost efficient energy infrastructure based on low and zero carbon technologies; the public sector can have a critical role in supporting the growth of products and services through the way it procures, by supporting businesses offering smarter and greener products and services; the need to deliver coherent advice and support to businesses affected by Climate Change legislation; investing in skills can ensure that employment demands are met and can encourage clusters of new technologies.	Deliver improvements to land, air and water quality that are commensurate with international standards; deliver a rapid transition to a low carbon economy in a way that accelerates growth; put in place the necessary infrastructure to enable sustainable consumption and production.

	Current evidence base	Key messages	Emerging strategic priorities
Transport	A large and diverse evidence base is in place, developed primarily to support the TIF bid, and including studies on the role of public transport in promoting social inclusion, existing and future markets, the impact of fares and ticketing initiatives, the impact of information and awareness exercises, analysis to inform service planning and service performance assessments.	Need to prioritise transport investment to bring about the greatest impact in terms of economic growth; need to ensure that development (in terms of both housing and employment) is in locations already well served by public transport that does not require public subsidy, particularly now that the resources available to fund transport improvements are so limited; the need to explore subsidised public transport for those seeking employment and newly entering the employment market; the potential benefits of establishing a low emissions zone (in terms of carbon and revenue); given the lack of resources, the need to work more closely and effectively with potential funding partners.	Increase transport accessibility within the sub-region, with a particular focus on the role of the Regional Centre; improve inter-regional links to cities such as Leeds, Liverpool and London; protect and enhance the connectivity of Greater Manchester both internationally and nationally, with a particular emphasis on ensuring the on-going viability of Manchester Airport.
Health	Strategic priorities have been framed by the DPH Annual Report and consideration of these priorities is based on an assessment of prevalence, drawn from local, regional and national data sources and consideration of effective interventions known from best practice or national guidance (e.g. NICE)	Identification of cardio vascular disease, cancer, and mental health and well being (including suicide) and alcohol, smoking and obesity as the major contributor to the gap in premature death and illness in Greater Manchester compared to the English average; evidence from epidemiological studies that population health is largely determined by factors other than inherent biology and the ability to treat illness; in all Western countries overall rates of death and mortality from chronic diseases correlate with indicators of deprivation. If many of the key determinants of health lie outside the direct influence of health and social care we need to move away from taking health behaviours and tackle causal factors related to education, employment, housing, income and environment in an integrated way to improve the health outcomes for GM residents.	In the short and medium term the priority is to continue the systematic identification of risk and subsequent management in primary care to deliver improvements in life expectancy, with a focus on diseases such as heart disease, vascular disease and lung cancer. Interventions include improved cancer screening, and significant reductions in smoking prevalence, measures to reduce alcohol consumption and to tackle obesity. However, the GMS provides a unique opportunity to address long-term determinants of ill-health, namely socio-economic inequalities. By targeting improved core public services at the most deprived communities, by ensuring access to good quality employment, not just jobs, by providing transport infrastructure to link communities to work and amenities the health inequalities within GM will be reduced.
Public Protection	Commission priorities are informed by research undertaken by the GMAC (Greater Manchester Against Crime) team. Recent studies have been undertaken on issues such as cross border offending, the extent and nature of knife crime, the make-up of violent gangs, and the effectiveness of targeted intervention.	The Public Protection Commission has identified 3 strategic aims: protecting communities from terrorism, disasters and organised crime; ensuring excellence in crime and disorder reduction and community safety; transforming service delivery to ensure services that best meet our communities' needs and maximise our partnership delivery.	Further work is required to determine the key issues relating to each of those aims and to begin the formulation of required policy responses. However, there is, through the GMAC model, a significant amount of information available to inform those policy responses.
Improvement & Efficiencies	The Manchester Improvement Programme has benchmarked and baselined performance in a number of key areas to identify potential ways to improve efficiency in those areas. In addition, a Learning and Leadership Programme is being delivered by Shared Intelligence to advise on new ways of working, with the aim of embedding the Team Manchester concept.	This commission will drive the improvement and efficiencies agenda, working with all other commissions to ensure that we have the capacity and resources available to deliver AGMA's strategic agenda, demonstrating how new, more efficient ways of working will help AGMA achieve its aims and objectives.	To secure maximum efficiencies through intelligent and efficient procurement; to implement an effective system of project appraisal and performance management.