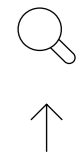




INVESTING IN SUCCESS: AN ECONOMIC STRATEGY FOR MANCHESTER



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FOREWORD FROM CLLR BEV CRAIG

Manchester is a city that has always been proud of its history, its culture and its people. A city that has faced many challenges and overcome them with resilience, innovation and collaboration. A city that has transformed itself from a declining industrial powerhouse into a dynamic and diverse metropolis that attracts talent, investment and visitors from all over the world.



JOURNEY OF REGENERATION AND RECOVERY



Over the past 25 years, Manchester has been on an incredible journey of regeneration and recovery. This has been achieved by developing a long-term shared vision across public, private and voluntary sectors that has been delivered in genuine partnership. By working together we have rebuilt our city centre, revitalised our neighbourhoods, expanded our public transport network, developed our knowledge economy, supported our creative industries, hosted major events, celebrated our diversity and strengthened our partnerships. We have seen remarkable growth in our population, our jobs, our businesses and our incomes. We have become a global city with a strong identity and a confident voice.

However, we know this journey is not over, and that despite our success we still have a long way to go in connecting all our residents to the opportunities created here, and therefore enabling them to become more prosperous. We know that to do this, Manchester must continue to grow, building on the progress we have already made to continue our current trajectory.

As we embark on our next stage of growth, we're excited about the opportunities ahead, even though they come with their own set of challenges. While Manchester has seen tremendous change, we recognise there's more work to do to ensure everyone benefits equally. We're committed to enhancing our environment, reducing emissions, and embracing sustainable practices. Our vision is clear: a thriving Manchester where every resident shares in the prosperity of our growing economy.

That is why we have refreshed our economic strategy for the city, to set out our vision for the next phase of Manchester's evolution, and make clear our ambition to be at the heart of solving the UK's productivity problem, while meeting our climate commitments. Manchester has the people and the potential to make this happen, and this strategy sets out how we can do it and what help we will need.





SECTION 1 INTRODUCTION

Manchester has come a long way in the past 25 years, and the city is now synonymous with urban regeneration and renewal. Our journey of economic transformation and revitalisation is a testament to the strength and ambition of our people and partnerships, and our collective vision for a prosperous and inclusive future.



CROWNE
PLAZA

IT IS ABOUT FOSTERING A CITY WHERE BUSINESSES THRIVE ALONGSIDE THE WELLBEING OF OUR PEOPLE

This strategy is a commitment to harness the potential within every corner of our city, to foster an environment where creativity and enterprise flourish, and where every resident has the opportunity to thrive. It is about building on our achievements and learning from our experiences to shape a city that is dynamic, sustainable, and forward-looking.

We envision a Manchester where economic growth is not an end in itself but a means to enrich the lives of our residents, to cultivate vibrant and cohesive communities, and to create a city of opportunity, equality and wellbeing. It is about fostering a city where businesses thrive alongside the wellbeing of our people, where every individual feels valued and empowered, and where our city is climate resilient and zero carbon.

We are clear that continuing to grow our economy is essential to Manchester's future prosperity. In this strategy, we lay out our aspirations to make Manchester's economy one of the most attractive, competitive and resilient, but also socially equitable and environmentally responsible. We aim to create a balanced and inclusive economy that reflects the diversity and spirit of our city, where there are opportunities for all our residents to benefit from growth, and where the challenges are addressed with resolve and collaboration.



SECTION 2 UNTAPPED POTENTIAL

In the current economic climate, the United Kingdom (UK) is grappling with a period of economic stagnation, a scenario marked by subdued growth and productivity. Despite the UK being one of the most centralised countries in the OECD, our cities are emerging as the linchpins of economic revitalisation and development, acting as the engines driving growth and innovation, and contributing significantly to the national economy.

Manchester, a city with a rich industrial heritage, is at the forefront of this urban economic resurgence in the UK. Celebrated for its dynamic economic ecosystem, Manchester has consistently showcased adaptability and resilience. The size of Greater Manchester's regional economy is projected to grow from £68billion to £71billion by the end of 2023. This growth not only underscores Manchester's accomplishments, but also highlights the economic potential waiting to be harnessed.

Compared to its international counterparts, Manchester's potential for further growth is huge. Rather than viewing this as a shortfall, we see it as a testament to the city's untapped opportunities and prospects. This is not just a challenge, but a golden opportunity for continued growth and development to build on our existing strengths, such as the strength of our green economy.

We perceive this not as a hurdle but as a catalyst, a motivator to boost Manchester's economic performance and to close the productivity gap to London. It is an invitation to innovate and to aspire for excellence, to ensure that Manchester is not just keeping pace, but setting the pace in the global economic race.



MANCHESTER'S POTENTIAL FOR FURTHER GROWTH IS HUGE

Productivity is like a superpower that helps people, companies, and even whole cities get better at what they do. It's all about creating more value or getting more done using the same or fewer resources. This superpower often comes from learning new ways to do things, using technology, and working together in smarter ways. It also involves investing in places (eg. building better transport) and people (eg. improving education and training). When productivity grows, people's lives get better because they have more money to spend, and their overall wellbeing improves.

OUR VISION IS NOT JUST FOR A SUCCESSFUL MANCHESTER BUT FOR A FLOURISHING GREATER MANCHESTER

Manchester's role in Greater Manchester

The economic performance of Greater Manchester is intrinsically linked to the economic performance of Manchester itself. Manchester is the engine that powers the growth and prosperity of the surrounding areas, and without a prosperous Manchester, there is no prosperous Greater Manchester. The city is the linchpin that holds the region together, the catalyst that stimulates regional development, and the anchor that ensures the economic stability of Greater Manchester. A thriving Manchester is the foundation upon which a prosperous and resilient Greater Manchester is built.

Our vision is not just for a successful Manchester but for a flourishing Greater Manchester, where the synergies between the centre and the region are leveraged to maximise our overall economic performance. It is about creating a cohesive and integrated economic ecosystem, where the strengths of each component are harnessed, and where the aspirations of the city and the region are aligned in pursuit of common goals.

We know that growing the economy of the city centre and better connecting people to the city centre can provide greater opportunities for people across the whole of the city region.





ENGAGING WITH THE WORLD IN A WAY THAT SHAPES OUR APPROACH TO ECONOMIC DEVELOPMENT

International city

Manchester is renowned for its warm and welcoming spirit, embracing people from all walks of life and offering a home to those who come seeking opportunities, knowledge, or a sense of community. This diversity is not just a demographic feature but a source of strength and innovation. It enriches our social fabric, fuels our creative industries, and broadens our perspectives, enabling us to approach challenges with a multifaceted viewpoint and to forge solutions that are holistic and inclusive. Manchester's reputation as a welcoming city has made it a destination of choice for international talent, investors and visitors, contributing to its dynamic and ever-evolving character and leading to stronger economic growth and higher productivity.

We are an outward-looking city engaging with the world in a way that shapes our approach to economic development, cultural expression, and global partnerships. We are committed to fostering international collaborations, to learning from our global peers, and to using our connections, brand and reputation to attract further investment into the city.

The city's international profile has been boosted by a £1.3 billion investment at Manchester Airport, new cultural assets including the Aviva Studios and Co-Op Live, and our global reputation for sport. Recent accolades have included being named in the Lonely Planet's top 30 must-visit places in the globe in 2023, one of National Geographic's top 25 must-see places in the world for 2023, one of the top 10 cities in the world for sport by the BCW 'Top 50 Global Sport Cities for 2022' list, and the top regional tech city in the CBRE 2023 'UK Tech Cities Report'.

Greater Manchester

Economy

£87bn GDP

similar to Lyon, Vancouver and Rotterdam

GVA per head

£20,328

in 2011 increasing to

£27,452

in 2021

Number of people employed

1.22m

in 2015 increasing to

1.39m

in 2021

Population including age and diversity

2.68m people

in 2011 to

2.86m people

in 2021

23.6%

of GM population are non-white in 2021 compared to

16.2%

in 2011

1,782,413 residents

aged 16-65 in 2011 to

1,854,880 residents

in 2021

Manchester

Population

503,000

in 2011 increasing to

552,000

in 2021

43%

of MCR population are non-white

360,050

residents aged 16-65 in 2011 increasing to

421,000

in 2021

GVA per head

£32,849

in 2011 increasing to

£48,108

in 2021

Number of people employed and as a share of GM employment

350,000

in 2014,

426,000

in 2022.

Share of all employment in GM increased from **28% in 2015 to 30% in 2021**

Median annual full-time pay

	2011	2021
Resident	£22,800	£26,332
Worker	£26,332	£31,435

Number of businesses

24,800 businesses

in 2011

30% growth

since 2015

Fastest growing sectors are construction, property, public administration and defence, professional, scientific and technical occupations and business administration and support.



Top five industries by rate of change (ONS, 2021, excluding very small industries)

Industry	Employees 2015	Employees 2021	Rate of change
Construction	6,000	11,000	83%
Property	8,000	12,000	50%
Public administration and defence	16,000	24,000	50%
Professional, Scientific and Technical	39,000	57,000	46%
Business administration and support	38,000	47,000	24%

Top five occupations by rate of change, priority sectors only, (ONS, 2021)

Occupation	Employees 2015	Employees 2021	Rate of change
Research and experimental development on natural sciences and engineering	600	1,250	108%
Architectural and engineering activities	6,000	11,000	83%
Accounting, bookkeeping and auditing activities	6,000	11,000	83%
Activities auxiliary to insurance and pension funding	5,000	8,000	60%
Computer programming, consultancy and related activities	9,000	11,000	22%

Priority sectors are those sectors which the city has determined are important to supporting future economic and productivity growth.

Development pipeline

Name	Type	GDV	Jobs Created	Scale
Airport City	Mixed-use commercial led	£1billion	16,000	5million sq ft office, advanced manufacturing and logistics space
Circle Square	Mixed-use commercial led	£750million	9,000	>400,000 sq ft office space, new public realm, 650 apartments
Electric Park	Commercial	£175million	3,000	350,000 sq ft new office campus and public realms
First Street	Mixed-use commercial led	£300million	TBC	>750,000 sq ft office space, cultural space, public realm and hospitality
ID Manchester	Mixed-use commercial led	£1.7billion	10,000	Brand-new 4million sq ft mixed-use neighbourhood and innovation district
Kendals/House of Fraser	Commercial	£325million	4,500	436,000 sq ft new office space and prime city centre building refurb
Manchester City Football Club	Sports and Leisure	£300million	TBC	Expansion and improvement of stadium, new hotel and hospitality offering
Manchester Science Park	Commercial	>£100million	5,500	New and expanded specialist commercial office space
Mayfield	Mixed-use commercial led	£2.2billion	10,000	New urban neighbourhoods centred around a new city centre park. 1.6million sq ft workspace, 1,500 homes

Name	Type	GDV	Jobs Created	Scale
NOMA	Commercial	£800million	5,400	4million sq ft new office space, homes, retail and leisure
North Manchester General Hospital	Public services led, commercial	£600million	TBC	Cutting-edge health campus
Renaissance Deansgate	Hospitality	£200million	660	Refurbished city centre hotel and 300 apartments
St Michael's	Mixed-use commercial led	£137million	1,800	Five-star hotel and 180,000 sq ft workspace
St John's	Commercial led	£1billion	10,100	>560,000 sq ft office space
Upper Brook Street	Mixed-use commercial led	>£200million	6,000	700,000 sq ft specialist office space, 2,000 student beds and associated public realm
Victoria North	Residential led	£4billion	N/A	15,000 new homes plus new park and public realm
Wythenshawe Hospital	Public services led, commercial	£1.4billion	TBC	>800,000 sq ft commercial and industrial space plus key worker accommodation and community care



Case Study 1: Cloud Imperium Games

Cloud Imperium Games is a new kind of independent studio dedicated to delivering AAA games outside the established publisher system. Founded in 2012 by renowned visionary game developer Chris Roberts, the company continues to shift the paradigm of the game-development process, offering its community an unprecedented level of visibility and interaction with product development. The company currently employs more than 1,000 people worldwide, and almost 600 employees are based at its UK studio in Manchester Goods Yard in the Enterprise City district. Cloud Imperium chose to move from Cheshire to Manchester as the city is one of the most modern and vibrant cities in Europe, its strong education links and high connectivity offering outstanding opportunities and quality of life for their team. Enterprise City in particular is the perfect home for game development, with its deep investment in businesses focused on media, technology and creativity.


**SHIFT THE
PARADIGM OF THE
GAME-DEVELOPMENT
PROCESS**





SECTION 3 ENABLERS OF GROWTH

To power Manchester forward on its trajectory of sustained economic growth and development, it is imperative to focus on the foundational elements that facilitate and drive progress. These enablers of growth are the building blocks that will allow us to realise our vision for the city, acting as the catalysts that will transform potential into prosperity. They are the critical components that will determine the pace, scale and sustainability of our growth journey, shaping the economic landscape of Manchester for the years to come.



The enablers of growth encompass a diverse array of elements, each playing a pivotal role in fostering a conducive environment for economic advancement. These include robust and resilient energy and digital infrastructure, climate resilience, efficient and accessible transport systems, high-quality and affordable housing, a skilled and adaptable labour market, strategic and impactful investment, optimal urban density, and a culture of innovation and creativity. Addressing these enablers is not just about meeting the immediate needs of our city, but about laying the groundwork for long-term success and resilience.

A WELL-BALANCED HOUSING MARKET, CHARACTERISED BY AFFORDABILITY AND AVAILABILITY, ACTS AS A CATALYST FOR ECONOMIC ACTIVITY

Housing

Housing stands as a pivotal enabler of growth, playing a crucial role in Manchester's journey towards overall prosperity. As well as being a structural necessity, it is also a dynamic component that influences the city's ability to attract and retain people, fostering diverse and vibrant communities. A well-balanced housing market, characterised by affordability and availability, acts as a catalyst for economic activity. It fosters an environment conducive to investment and innovation, and supports the city's ambition to create sustainable living environments that are well-connected to employment hubs, complemented by essential amenities and services.

Despite adding 22,350 new homes between 2011 and 2021, Manchester's success means that many more people want to be here, creating huge pressure on the housing market. The cost of housing in Manchester has increased significantly faster than wages. In 2002, the median house price in Manchester was £67,000, rising to £230,000 in 2022. The ratio of house prices to earnings over the same period increased from 3.75 to 7.91, although the ratio in Manchester remains below the national average.

Renters face a similar challenge to affordability. The latest figures show that the average rental price of a two-bedroom apartment in Manchester city centre is £1,333, and outside of the city centre it is £1,023. Over the past 12 months there has been a 17.5% increase in the average rental cost of a two-bedroom apartment in the city centre, and a 15.9% rise outside of the city centre.

The cost of housing is a national problem that takes up an increasing share of household incomes; therefore, to increase overall prosperity the cost of housing must become more affordable. Manchester's Housing Strategy will contribute to this, with a commitment to build 36,000 new homes (of which 10,000 will be affordable) by 2032, but there is also a pressing need for the rest of Greater Manchester to build more housing in well-connected locations to meet future demand.



Transport

Our transport network facilitates the movement of people and goods, connecting skilled workers to employment hubs and enabling businesses to operate efficiently. The city has been proactive in expanding its transport network, but the current reliance on private vehicles poses challenges, which will require further improvements in public transport. Currently, almost 70% of commutes are made by car, which results in Manchester experiencing severe congestion and Greater Manchester ranking third highest for congestion among the 11 Combined Authorities in the UK. The city's air quality is also a concern, being worse than many comparable US cities.

Given the congestion and environmental concerns, enhancing public transport is the only solution to connecting a larger, high-skilled workforce to firms and jobs located in the city centre. Currently, almost 40% of Manchester's highly skilled workers cannot reach the central employment district within a reasonable 45-minute travel time. This limitation causes Manchester to function economically like a far smaller city than it really is.

Manchester Airport is also hugely important for growth. The Airport operates routes to over 200 destinations, generates £1.4billion for the local economy and supports 20,170 jobs (onsite and offsite). It supports businesses and industries across the city, as well as the city region and the north west through tourism, business travel and freight. As the UK's third-busiest airport and one of the best connected, it serves as a gateway to the world for many parts of the North and the Midlands.

While plans are underway to improve intracity transport via the Bee Network, substantial investments and a long-term commitment to sustainable solutions are vital to realise a higher-productivity future for Manchester, making it a more accessible and environmentally friendly city. Significantly improved intercity connections and capacity are fundamental to the future economic prosperity of Manchester, the North of England and the whole of the UK.



Infrastructure

A range of critical types of infrastructure must be in place to deliver the next phase of economic growth and ensure that the city remains one of the most competitive and attractive places for businesses to invest and grow. Infrastructure is also essential to ensure residents have the services and facilities they need to support a good quality of life.

Digital connectivity is now as essential to businesses and residents as traditional utilities such as water and power. Maintaining Manchester's competitiveness in all sectors will require continued investment in world-leading and accessible digital infrastructure.

Manchester's commercial and residential growth has placed additional strain on the city's electricity distribution network, which has resulted in a new programme of investment by Electricity North West Limited. Maintaining Manchester's growth trajectory and the transition to becoming a zero-carbon city will increase demand for electricity supply, which will need to be met through investment in the distribution network and local energy generation and storage. Strong partnership working will be crucial to maintaining confidence in the long-term supply.

Creating liveable and vibrant neighbourhoods where people want to live also requires a focus on the provision of those high-quality services and facilities that people need to thrive at all stages of life. Further investment in social infrastructure, such as health provision, education, community facilities, parks and emergency facilities, must keep pace with the city's growing economy and population.



Skills, enterprise and labour

A well-educated and skilled workforce is the backbone of a thriving economy, fostering innovation, productivity and growth. In Manchester, the emphasis on skills and the labour market is not just about meeting the immediate needs of the local economy; it is also about preparing for the future, ensuring that the workforce is equipped to adapt to new challenges and opportunities. We know that the labour market is changing faster than ever, and through Greater Manchester's Local Skills Improvement Plan we know that the types of skills we need include those for occupations in science, technology and the green economy, but also in healthcare, teaching and business management. Businesses are also clear that they value core skills such as creativity, problem-solving and communication.

Manchester's labour market has expanded rapidly, the number of employees in Manchester having grown from 350,000 in 2015 to 426,000 in 2022. The city's residents are more highly qualified than ever, 45% being qualified to degree level. Close to one half of employment in the city centre is high skilled, on a par with central London and substantially more than the whole of Manchester and Greater Manchester. Businesses in the city centre have substantially higher productivity than firms located elsewhere in the city, showing that agglomeration is happening. Manchester is also a city of enterprise, evidenced by the high number of new businesses being established every year and an ecosystem to support start-ups and scale-ups that supports the sustainability and vibrancy of the economy.

To build on this success we need to continue to grow the size of the city centre, attracting the businesses and jobs that contribute to making it a successful, growing and highly productive place. We also need to focus on higher education participation and upskilling of existing residents, and create an environment where the skills acquired are effectively utilised, contributing to the overall productivity of the city. Focusing on the next generation of talent will also be critical to ensure that the city's young people are equipped to succeed in a competitive local, national and international labour market.

Moreover, the city needs to ensure that the labour market is diverse and inclusive, reflecting the rich tapestry of Manchester's population. A diverse and inclusive labour market is not just a moral imperative but an economic one, driving innovation, resilience and adaptability in the face of changing economic landscapes.





Investment

Investment is not just about injecting capital, but is also about fostering innovation, enhancing skills, and improving infrastructure, all of which are integral to productivity. Manchester has a strong rate of return on investment relative to other UK cities, but without substantial additional public and private investment, achieving a higher-productivity equilibrium is challenging. Investment is not just about financial capital; it is also about investing in human capital, technology, and other resources that can elevate the productivity and competitiveness of the city on an international scale.

Manchester is highly successful in attracting large multinational companies to relocate or expand, and 80 of the FTSE 100 companies and 50 international banks have office space in the city. Manchester is attracting significant national and international brands, including Booking.com, Roku, Cloud Imperium Games, BT, and others taking significant floor space in the city and driving strong demand in the commercial property market.

Investment in the residential property market is also important in bringing in the capital to build homes at the volume required to meet the intense demand in the local housing market. Manchester is increasingly a place where people want to be, and sustaining residential investment will be important in meeting this demand.

There is still a significant imbalance in investment between Manchester and London and the south east. The capital also receives a disproportionate share of public spending on infrastructure, research and development, and culture. For example, in 2018/19, London received £10.6billion in transport investment, compared to £2.4billion for the whole of the north west. The Greater London area attracts close to 50 per cent of all existing foreign direct investment (FDI) into Britain, while the north west as a whole attracts less than 10%. Greater Manchester will be one of the UK Government Investment Zones, with an agreed focus on advanced materials and manufacturing. The Zone will bring additional funding that can be used flexibly across fiscal incentives and flexible spend. Manchester City Council will work with the Greater Manchester Combined Authority to support the allocation of funding for an agreed set of projects across the city region.

Two existing Growth Zones are also partially located within Manchester: the Central Growth Cluster, and the Airport and Southern Growth Cluster. We have a clear understanding of the investment required to deliver a step change in economic growth in these locations and will use this evidence to influence decision-making on all future funding allocations.

Density

The density of spaces significantly impacts the city's productivity. Manchester city centre is an exemplar of high-value activity, where tradeable services – particularly in finance and other knowledge-intensive sectors – are clustering. However, the current economic scale of the city centre is not proportionate to its potential; it only accounts for 13% of total employment in the city region (when using the Centre for Cities definition of a 0.8-mile radius), a figure considerably lower than what is observed in more affluent cities such as London, where the city centre accounts for 34% of employment.

The expansion of commercial space in the city centre is crucial for fostering economic growth. The central district of Manchester is already witnessing a surge in construction activities. However, to accommodate the influx of high-value firms and skilled workers, the city needs to make strategic decisions regarding land use, balancing commercial, residential, and retail spaces effectively. The city centre will need to expand outward and upward, utilising land on the fringes for more productive purposes, and retrofitting existing buildings where possible. This strategic development of commercial spaces is essential for attracting firms that operate in high value-added service sectors, contributing to the overall economic prosperity of the city.

Residential density is equally crucial, providing the workforce necessary for the city's economic activities. Manchester needs to ensure that residential developments are well integrated with commercial spaces, allowing easy access to workplaces and reducing commute times. This integration of residential and commercial spaces is not just about building more homes; it is also about creating a harmonious urban environment that supports the economic aspirations of the city while providing green spaces accessible to the dense urban population.



Innovation

Innovation is a crucial enabler of growth, acting as the catalyst for economic development, driving productivity and fostering a high-value economy. Manchester has internationally significant assets, such as its universities with their research strengths and associated knowledge-intensive industries within the Oxford Road Corridor; the clinical and research excellence at Manchester Foundation NHS Trust; and emerging clusters of innovative businesses within sectors such as cyber security, life sciences, advanced manufacturing and the city's creative industries. However, to truly leverage innovation as a growth enabler, Manchester needs to further elevate its focus on sectors where it has a comparative advantage and where innovation can yield substantial economic dividends.

To harness innovation effectively, Manchester must cultivate vibrant innovation ecosystems that facilitate the convergence of ideas, capital and talent. This involves creating an environment conducive to the growth of start-ups and the advancement of technology, fostering collaborations between academia and industry, and investing in research and development initiatives that can translate into commercial successes. Innovation can then drive productivity through technological advancements, process improvements, new products and services.

Greater Manchester hosts one of three UK Innovation Accelerators, which will pilot proof-of-concept solutions to improve the performance of existing local and national programmes. It will also fill gaps in our innovation ecosystem, help design strong proposals for competitive national funds, and create a best practice that can be scaled up in Greater Manchester and the UK. It will provide investment into a balanced portfolio of projects that will drive high-quality job creation and productivity improvements.

ID Manchester, a joint venture between The University of Manchester and Bruntwood SciTech, have established a partnership with Innovate Cambridge to strengthen innovation connections and develop a pioneering innovation cluster between the two cities.

OPPORTUNITIES FOR BUSINESS PEOPLE TO SUPPORT LOCAL SCHOOLS AND COLLEGES

Case Study 2: BW3

BW3 (Business Working With Wythenshawe) is a charity founded 20 years ago to support businesses, big or small, to give back to the community. Run by business volunteers it currently has around 250 members.

The charity creates opportunities for business people to support local schools and colleges, such as mentoring and workshops on building resilience, as well as maths-based activities in primary schools. These bridges built with the local community help the future workforce with work placements and apprenticeships.

Wythenshawe is home to some of the most deprived wards in the UK, but it is also home to a vibrant business community whose work helps raise aspirations in young people at an early age, removing barriers and providing opportunities.

Through the network, businesses are able to give help more easily to those who need it, which benefits the whole community.





SECTION 4 OUR VISION FOR MANCHESTER'S ECONOMY


**WE WANT
MANCHESTER'S
ECONOMY TO
FUNCTION AS A NET-
CONTRIBUTOR TO UK
GDP AND PROVIDE
THE BEST POSSIBLE
OPPORTUNITIES FOR
OUR RESIDENTS.
THIS STRATEGY
AIMS TO CREATE AN
ECONOMY THAT:**



- Is thriving and performing as well as the best international comparators
- Creates great opportunities and increases social mobility for our residents
- Attracts the best of global business and talent
- Is resilient to future shocks and a changing climate, and capitalises on the opportunities created by the transition to zero-carbon.



SECTION 5 FIVE PRIORITIES TO ACHIEVE OUR VISION



To achieve this vision we have identified **five priorities**, each underpinned by several objectives. Because we already do a lot of work across all these areas, we are building on strong foundations.

PRIORITY ONE

Use investment and development to drive inclusive growth

This priority recognises that the city centre is and will remain the main driver of growth in Manchester and the wider city region. It is where we will see the greatest concentration of employment activity and the greatest potential for agglomeration benefits; therefore, growing the size of the city centre is fundamental to increasing Manchester's overall prosperity. The good connectivity of the city centre means it is also the place where our residents are most able to gain work, and it is important to ensure that the city centre is well connected to other current and future employment sites in the city region, including the Oxford Road Corridor, MediaCityUK and Atom Valley.

At the same time, we know that we need to spread the benefits of growth more evenly. This means creating more good-quality liveable neighbourhoods elsewhere in the city that have sound economic foundations to make sure they can also be successful and thrive. It also means making sure that investment in our neighbourhoods has a positive impact on those places and the people that live in them, by more directly connecting benefits to communities.

Under this theme, Manchester is already:

- Progressing forwards with projects including NOMA, Victoria North and North Manchester General Hospital, Mayfield, ID Manchester, Southern Arc, Strangeways and Holt Town
- Making use of development frameworks such as Strategic Regeneration Frameworks to guide the overall direction of development in the city
- Making best use of Manchester City Council and other public sector land assets to drive and anchor new development.

Additionally, we commit to:

- Expanding the city centre and adding high-density commercial and residential space in appropriate locations
- Protecting the unique economic function of the city centre as Greater Manchester's productive core
- Ensuring that new developments adjacent to the city centre maximise their economic potential in terms of scale, quality and density

- Ensuring that large-scale redevelopment projects outside of the city centre include economic assets that help new and existing neighbourhoods to thrive, such as the Southern Arc area comprising Manchester Airport, Airport City, Wythenshawe Civic Centre and Wythenshawe Hospital
- Maintaining Manchester's position as the most attractive UK destination for foreign direct investment outside of London, and increasing the volume of investment into Manchester businesses and property
- Creating a framework for new development to ensure all major projects become inclusive exemplars economically, socially and environmentally, both in construction and in their end use, including creating good-quality employment paying the Real Living Wage
- Creating and maintaining a development prospectus for new and existing investors in Manchester.

PRIORITY TWO

Nurture thriving, productive and innovative sectors

This priority recognises that attracting investment into our highest growth and most productive sectors is essential for the wider success of our economy and to create the maximum opportunities for our residents. While we recognise that many of the ingredients of success are common across different industries and occupations, we also recognise that Manchester has its own particular strengths that we aim to nurture and grow. We also recognise that while not all sectors provide the same opportunities for high-value growth, we must also provide support across all other sectors, particularly the foundational economy, to ensure that people working in Manchester get a fair deal in terms of their pay, hours and working conditions.

Under this priority, Manchester is already:

- Supporting the Greater Manchester Innovation Accelerator and Innovation GM
- Facilitating the development and expansion of Manchester's most innovative places, such as Manchester Science Park, ID Manchester, the Oxford Road Corridor and Airport City
- Growing the city's tech and creative industries ecosystem, including providing good-quality and affordable work and production space, such as at Enterprise City, Upper and Lower Campfield Markets, Greater Manchester Digital Security Hub (DiSH) and Manchester Technology Centre
- Working with MIDAS to promote Manchester as a leading destination for inward investment
- Supporting continued relocation of private and public sector jobs from London to Manchester.

Additionally, we commit to:

- Utilising levers and incentives, such as Investment and Growth Zones, to attract businesses and ensure they fully engage with existing support structures such as via enhanced training/ recruitment, infrastructure or networking

- Growing and promoting current and future knowledge-intensive sectors, such as AI, Cyber, FinTech and genomics
- Building and expanding potential clusters of businesses at places such as North Manchester General Hospital and Wythenshawe Hospital
- Fully mapping and promoting Manchester's innovation ecosystem to new businesses and investors
- Growing the green economy by capitalising on investments in zero carbon to attract and retain innovative businesses.

Innovation ecosystems

An innovation ecosystem is a collaborative network that nurtures the development of new ideas, products and systems. It consists of various stakeholders, such as educational institutions, government bodies, businesses, investors, entrepreneurs and media. These participants interact and contribute their resources to transform innovative ideas into tangible outcomes. The ecosystem not only promotes technological advancements and business growth, but also contributes to job creation, economic diversification, and problem-solving. It underscores the importance of community and collaboration in achieving shared innovation goals.

PRIORITY THREE

Develop world-class infrastructure, places and talent

This priority is about the essential enablers of growth and the inputs that we require for Manchester to continue to grow. Infrastructure is a fundamental part of this, and we know that at present Manchester does not have sufficient transport infrastructure to connect enough workers with the city centre. We also know that connections to other places across the North of England and further afield are important for increasing economic activity and productivity. As well as transport infrastructure, digital infrastructure will continue to play an important role in attracting businesses to the city and enabling them to thrive and expand. The city's energy

infrastructure must also keep pace with its expansion, particularly focusing on the development of locally generated electricity and improved local connections to the National Grid. Investment in social infrastructure, such as health provision, education, community facilities, parks and emergency facilities, must also be increased to ensure residents are able to maintain a good quality of life.

As well as connecting more highly skilled workers to the city, we also need to grow our talent pool within the city to meet the needs of current and future employers. We will need to attract more highly skilled workers to live in Manchester by creating great places to live in a way that does not exclude or displace existing residents. This will mean regenerating and creating neighbourhoods that are attractive, well connected and safe, and which are supported by good community infrastructure and sufficient utilities.

Under this priority, Manchester is already:

- Delivering the 2040 City Centre Transport Strategy
- Supporting delivery of the 2040 Greater Manchester Transport Strategy
- Delivering Manchester's Digital Strategy 2026
- Delivering Manchester's 2032 Housing Strategy
- Delivering the 2022 Green and Blue Infrastructure Plan
- Delivering the Local Area Energy Plan and Manchester Climate Change Framework
- Continuing to advocate for the right rail infrastructure to improve connectivity from Manchester to the major cities in the North and the Midlands, as well as enhancements to the current rail network to improve people's day-to-day journeys.

Additionally, we commit to:

- Developing and maintaining an understanding of Manchester's physical and social infrastructure needs and the volume of infrastructure investment required over the next decade
- Ensuring that new development includes the right social, transport, energy and digital infrastructure
- Increasing housing density in well-connected places
- Working with TfGM to implement the Bee Network to connect more people to employment and training opportunities via sustainable and active travel
- Creating well-managed neighbourhoods that are attractive to and affordable for highly skilled workers
- Continuing to improve the city's vibrancy and liveability via investment in culture, sport and green spaces.

PRIORITY FOUR

Transition to a zero-carbon and resilient economy

Manchester has committed to becoming a zero-carbon city by 2038, 12 years ahead of the UK Government's target of 2050. 'Green growth' will provide opportunities for the city's economy as it transitions to zero carbon in areas such as technology, housing retrofit, energy, transport and within our numerous research specialisms. However, while growth in these areas will be important, it is unlikely to translate into the scale of productivity improvements we need to achieve. Consequently, it is important that growth across all our most productive and highest growth industries is as sustainable as possible.

Climate change is one of the most – if not, the most – significant economic threats facing the city, not only because of the changes we will experience in our climate, but because of their knock-on effects on population and migration, extreme weather, food production and more. However, we also know that in order to become a fairer, more equal and more prosperous city, Manchester will need to continue to grow, so we must make sure that the growth is sustainable

and doesn't detract from our wider zero-carbon ambitions. The transition to a zero-carbon economy also needs to happen in a way that is fair, and which doesn't exclude or disadvantage businesses or our poorest residents.

Under this theme, Manchester is already:

- **Delivering the Manchester Climate Change Framework 2022 Update**
- **Delivering a Green Skills Action Plan as part of the Work and Skills Strategy.**

Additionally, we commit to:

- **Developing a Manchester standard for net-zero construction via the Local Plan, which incorporates both the construction and operation phases**
- **Developing a climate-change risk and vulnerability assessment and Manchester Adaptation Plan to ensure that the city and its infrastructure are resilient to current and future climate-change impacts**
- **Increasing the amount of community and democratically owned businesses in Manchester.**

PRIORITY FIVE

Include more people in economic opportunity

Growing our economy, attracting high-quality employment opportunities, and creating high-quality jobs are parts of the productivity puzzle and important enablers of growth, but we also need to make sure that these opportunities are connected to our existing residents, including our young people. We want to attract the most globally dynamic and productive companies to Manchester. At the same time, we want them to play a positive role in the wider life of the city by acting as advocates for the things we need to become a fairer and more prosperous place. We also need them to offer opportunities that are fair, secure and high quality for our residents.

Connecting more residents into good-quality employment will reduce the number of economically inactive people in the city, which will grow prosperity and help to tackle poverty. However, we also recognise that some of Manchester's poorest residents will continue to derive most of their income from the benefits system and will be unlikely to gain any increase in productivity or wages. We will continue to lobby the Government for adequate support to ensure that the city's poorest residents are able to live well and progress into employment where appropriate.

Under this priority, Manchester is already:

- Delivering Manchester's Work and Skills Strategy, Anti-Poverty Strategy, and embedding social value across anchor institutions
- Continuing to increase the number of residents earning at least a Real Living Wage through delivery of our Living Wage Action Plan and support of the GM Mayor's Good Employment Charter
- Delivering adult skills, skills for life, and supporting the Greater Manchester Local Skills Improvement Plan to help match skills and training provision in Manchester to the needs of employers and the wider labour market

- Reducing health inequalities through delivery of the Making Manchester Fairer Action Plan.

Additionally, we commit to:

- Connecting investors and new businesses in the city with the ecosystem of support for our residents, to help ensure that employment and training opportunities created are accessible
- Creating Community Economic Development Plans in neighbourhoods affected by large-scale regeneration and development
- Working to understand the economic potential of other neighbourhoods and district centres, and how we can better connect communities to the cumulative benefits of growth in Manchester

- Maximising the social value of large-scale development projects on local communities and the wider city, including commitments to good-quality employment and paying the Real Living Wage
- Capitalising on our UNICEF Child Friendly City status to develop the next generation of talent, with a focus on 16 and 17-year-olds and connecting businesses to schools
- Developing new ways to measure prosperity in Manchester.

Community Economic Development Plans

A Community Economic Development (CED) plan is a strategic blueprint designed by a community, in partnership with public and private entities, to foster economic growth and improve social conditions. It leverages local resources to create opportunities and address issues such as unemployment and poverty. The plan is community-centric, aiming to enhance the community's control over its economic future. It outlines the community's economic goals and the steps to achieve them, offering a sustainable approach to economic development.



SECTION 6 TAKING IT TO THE NEXT LEVEL

One of Manchester's strengths is that it has the strong partnerships, clarity of vision and consistency of leadership required to set and achieve a vision over the medium to long term. There is much that the city can do locally to make the changes that are needed.

However, to make the most of the opportunity we have to be at the forefront of the UK's growth journey, we know we can do more with the continued support of the Government and its departments.



TO MAKE THE GREATEST IMPACT ON MANCHESTER, WE NEED:

- Further devolution of skills and reform of the apprenticeship levy to enable us to better match skills training to local demand
- Devolution of post-16 place-planning and DWP-commissioned programmes to GMCA
- Streamlined funding to support new development, including control over funding streams that allows us to plan and deliver the necessary infrastructure to support and maximise the impact of new development
- Support from GMCA to deliver housing investment at scale near major transport hubs to connect more residents with the city centre labour market
- Rebalancing of national R&D spend to ensure a greater proportion is allocated beyond London and the south east
- Rebalancing of national infrastructure spend to help infrastructure in Manchester match the scale and quality of our international comparators.



SECTION 7 TRACKING PROGRESS

The change we are aiming to effect will take place over many years and will not create instant results. Therefore, measures will need to be broad, helping us to monitor and understand the direction of travel. As one of our aims is to close the gap between Manchester and other cities, some of our measures will need to place Manchester's progress and success in the context of our comparators. We also need to look at gaps within Manchester to make sure that we can tell if gains are being spread equitably.



THE MEASURES WE WILL USE TO JUDGE PROGRESS INCLUDE:

Resident prosperity

- Increase median full-time pay in Manchester faster than the national average rate.
- Increase the proportion of Manchester residents being paid a Real Living Wage.
- Reduce unemployment to within 2% of the national average.
- Keep the ratio of house prices and rents to earnings in Manchester below the national average.

Economic performance

- Increase the total size of Manchester's economy in GVA terms faster than the national average.
- Reduce the overall carbon intensity of economic output.
- Increase the total GVA per worker faster than the national average.
- Increase the total number of jobs in Manchester faster than the national average, especially higher skilled jobs.
- Increase the share of graduates working in higher skilled employment.
- Increase the amount and density of residential and commercial sites within the city centre and adjacent sites.
- Increase the total number of workers within a defined travel-to-work area.





SECTION 8 DELIVERY

Doing everything we can as a council to support the continual growth of Manchester's economy, while ensuring the benefits of growth are felt more evenly, requires input and co-ordination from all our services and departments, as well as from our partners and stakeholders across the city and in Greater Manchester.



WE WILL CONTINUE TO FIND OPPORTUNITIES TO INTRODUCE NEW PERSPECTIVES, INSIGHT AND CHALLENGES TO THIS STRATEGY

In practice, delivery of the objectives contained in this strategy will be the responsibility of the Council's Strategy and Economic Policy Team, which will manage, co-ordinate and in many cases deliver the individual workstreams. Other objectives of the strategy will be led and supported by the Council's Growth and Development Directorate. More broadly, closer working between City Policy and Growth and

Development will help shape the future approaches to economic development and regeneration in Manchester.

We will continue to find opportunities to introduce new perspectives, insight and challenges to this strategy, building on work already undertaken by the Resolution Foundation as part of their Economy 2030 Enquiry.

This Economic Strategy will ultimately be accountable to the Our Manchester Forum, the group that oversees delivery of the Our Manchester Strategy and which is made up of leaders from across the city. It will also report periodically to the Council's Economy and Regeneration Scrutiny Committee.



