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MANCHESTER TRANSFORMED: why we need a reset of city region policy

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EXECUTIVE SUMMARY

Summary

This report brings together evidence on diverse indicators from a variety of sources to tell the story of Manchester's transformation over the past twenty five years. It shows how councillors and officers have sponsored the transformation of the city by private property developers who have in Manchester City and Salford built a new town of office blocks and adjacent flats in which a young in migrant work force lives. This formats the city for exclusive growth with gross internal inequalities which cannot be changed by upskilling workers or adding public transport links to the deprived districts of east Manchester or the northern boroughs like Oldham and Rochdale. The draft GM Spatial Framework will make the formatting of the city problem much worse because it licenses further development in the centre and large scale edge city development of private housing and warehouse estates.

1. GVA gaps and inclusive growth

There is agreement on the basic facts about cross section inequalities using the GVA measure as the standard measure of city region achievement. London GVA per capita is twice that of Greater Manchester; Manchester City GVA per capita is twice that of northern boroughs like Oldham while Manchester City itself has many deprived districts (p. 8).

Using the same GVA measure and time series, the inconvenient truth is that Greater Manchester has not pulled away from other British core cities, as many policy makers assume or claim. Greater Manchester has done no more than hold its position against other British core cities and the internal relativities between the central City and the northern boroughs have hardly changed since deindustrialisation engulfed Greater Manchester in the 1980s (pp. 8-10).

Against this back ground, the centre-left hopes for inclusive growth whose benefits would be distributed to the whole population. The question is whether this outcome can be delivered (p. 10).

2. Economic policy and political accommodation

Formal economic policy is explicit and will purposively include objectives like jobs and growth and policy instruments like workforce training which promise to deliver and often disappoint. But outcomes are also shaped by political accommodation which includes everything else the political classes do, often unintentionally in the absence of alternatives and without foreknowledge of the consequences (p. 11).

Mrs Thatcher abolished the city wide GM County Council in 1986 because it was potentially a locus of opposition. Pragmatic councillors and officers in the central boroughs of Manchester City and Salford then concluded that they would have to get things done through the private sector. And from the late 1980s in a de-industrialised city that meant getting things built by giving private developers planning permission to put up whatever was most profitable (pp. 11-12)

The recreation of a new Greater Manchester Combined Authority in 2011 inaugurated a new phase of explicit city-region wide economic policy in the name of the ten boroughs. Uneven development and internal inequalities did not become major issues because policy makers assumed and claimed that public transport improvement and commuting could ease the problems by "bringing people to jobs" (pp. 12-14).

3. The parallel new town of offices and flats

From the mid-1990s, the central city and the inner south west around Salford Quays were rebuilt on a high rise logic of profit as private developers turned square footage into cubed rental value. The transformation of office space began at Barbirolli Square in 1997, with the Spinningfields development subsequently providing a new centre for the central business district; private developers also built adjacent lift-served blocks of one and two bedroom flats, typically sold to buy to let landlords who rented then out to junior white collar workers (pp 15-16).

The scale of the new development over the last twenty years is spectacular and it has created a kind of parallel new town of work spaces and flats in the centre whose format encourages in-migration to the centre not commuting.

Manchester City centre (excluding Salford and Trafford) has since 1997 added 5.38 million squre feet of office space which creates around 50,000 new work spaces. In parallel, there was large scale building of one and two bedroom flats with Manchester and Salford together adding 44,000 flats between 1991 and 2011 (pp15-17). This reformatting took place in a city which had a very limited capacity to create net new jobs.

4. So few new (private) jobs

The weak record of Greater Manchester on job creation has been obscured by booster claims which confuse cyclical gains and structural effects and fail to separate out private from public sector job creation (pp18-19). We hold activity levels constant by calculating job creation over two sub periods 1998-2008 and 2008-14 which begin and end with Greater Manchester unemployment rate around 7%; and then cross check by considering long run trends from 1991-2015 (pp20-24).

In the pre-2008 period Greater Manchester job creation was heavily dependent on the public sector which was creating jobs in the centre (p. 21). The public sector accounted for more than half of the 46,000 extra jobs created in the ten Greater Manchester boroughs 1998-2008. Because of the concentration of hospital, university and administrative functions in central Manchester, Manchester City claimed 16,000 of these jobs, accounting for 40% of its total job creation .

The post-2008 story is dismal (p.22). The outer northern boroughs of Oldham, Rochdale and Tameside are in a dire plight because they are now net losers of both private and public sector jobs. Once again, the net gains are concentrated in the central city and the inner south west quadrant. From 2008-14 Manchester City gains 30, 000 net new jobs while four of the ten Greater Manchester boroughs see job loss. A commuting solution is then blocked by the formatting of the city.

5. Not commuting but in-migration to central flats

Central Manchester is not like central London, which is substantially dependent on radial commuting by public transport from outer boroughs. Long distance commuting is discouraged when the Manchester city region combines relatively cheap central flats and inner residential suburbs with low wages and high fares. In 2011, 109,000 residents lived and worked in the borough of Manchester City and this almost exactly equalled the net inflow of 108,000 commuters from outside the borough (pp.26-7).

Most commuting is done by car. Excluding movements from Salford to Manchester, 60-70% of the commutes in to Manchester City from the nine other boroughs are by car. Lower public transport fares would help but there is often no public transport alternative to the private car for orbital movements;

and the major volume increases between 2001 and 2011 are in non-radial commutes which have a high level of car dependence (pp. 27-8).

The primary limit on commuting into the centre is increasingly not access to public transport but the ready availability of one and two bedroom inner city rented flats. Because the flats encourage in-migration to Manchester and Salford of 25-34 year olds who are generally too old to be students but young enough to be mobile and unencumbered. Between 2001 and 2014, the population of 25-34 year olds increased by 46,000 In Manchester City and Salford and it declined in all other boroughs; 34% of these inner city 25-34 year olds are born outside the UK (pp. 28-9).

6. Policy reset for a new civic offer

When Greater Manchester has been formatted for exclusive growth by the mono-culture of flat building in the centre, the city region needs a policy reset. Instead it has a draft GM Spatial Framework for the next twenty years to 2035 which envisages a near doubling in the number of flats in the new town in the centre, plus more than 175,000 homes on new edge city estates for houses and warehouses often on green field sites off the orbital M60 and other major roads (p. 30).

This reflects the close relation in Greater Manchester between political and (property) business elites who ignore the risks of overbuilding and property price crash in flats which would probably panic buy to let investors dependent on increasing property values. The need for more than 150,000 extra edge city homes is based on the implausible assumption that the regional growth rate will accelerate to a sustained 2.8% and on a supposed “land supply gap” which reflects the developers’ preference for green field sites (pp 33-4).

The policy reset should reflect the city and economy as it is. With 80,000 on the housing waiting lists of the ten GM boroughs, the first priority should be social housing; with so many on low wages, the first priority in transport should be much lower public transport fares; with so much employment in sectors like retail and hospitality, the first priority should be to ensure that all chain based operators in these sectors pay the GM Living Wage (p. 31).

The Brexit result is a warning to Greater Manchester politicians who need now to reconnect with their voters, by renewing the civic offer. Instead of relying on property development as the accelerator in the centre, they need to rely on the foundational economy as the stabiliser in all ten boroughs. Because the quantity and quality of foundational goods and services is the social precondition of civilized life, and in activities like adult care the GMCA could start out on the road of social innovation and radical experiment to benefit all citizens (pp. 31-2).

MANCHESTER TRANSFORMED: Why we need a reset of city region policy

Peter Folkman[1], Julie Froud[2], Sukhdev Johal[3], John Tomaney[4], Karel Williams[1]

1. Introduction: Manchester transformed

'From the roof terrace of Manchester's newest office block the scale of the city's resurgence becomes clear. A forest of skyscrapers stretches towards the hills beyond, with another thicket visible at Salford Quays, the Northern home of the BBC. Next door, machines smash into 1960s office blocks to make way for a new building. Below, workers complete the £180m revamp of St Peter's Square, with its refurbished Grade II listed library and town hall'

(Andrew Bounds, [Financial Times, 29 April 2015] on the view from the centre).

'(Howard) Bernstein was the kind of civil servant which he (George Osborne) craved in Whitehall. It was as if the older man (as chief executive of Manchester City Council) had become a sort of mentor, schooled in the dark arts of public administration. The chancellor would chide his officials, 'Why does nobody come up with ideas for getting things done like Howard does'

(Simon Jenkins, [The Guardian, 12 February 2015] on the background to the negotiations which led to the 2014 City Deal).

Manchester City has been transformed by the rebuilding in the centre and the creative deal making by Manchester City Council has played a major part in that transformation.[1] This was widely recognised in the broadsheet media coverage after the ten Greater Manchester councils signed their devoManc deal with the Treasury in November 2014. The 'forest of skyscrapers' in the opening quote from the *Financial Times* is not hyperbole when by 2015 Manchester City's office market was bigger than the combined space let in Liverpool, Leeds, Hull, Sheffield and Newcastle.[2] More remarkably, as *The Guardian* observed, Labour-dominated Manchester City Council and its chief executive, Howard Bernstein, had become the favourites of a Conservative Chancellor because they 'got things done'. The City Deal of 2014 was the brilliant culmination of Bernstein's career[3] which had begun 35 years previously when, it is rumoured, as a junior employee he rang the developer and sorted out what needed to be done to get Heron House (opposite the town hall) built.

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The transformation comes with a more contestable claim that Manchester is a model for other (supposedly less successful) second tier cities – Birmingham, Bristol, Leeds, Liverpool, Newcastle, Nottingham and Sheffield. As *Prospect* magazine put it: 'these second tier cities could be doing even better (and) one of them, Manchester, is leading the way in showing how'.[4] This is the central claim and assumption that our report challenges. In our view, the scale of the transformation (and the associated style of deal making) is a real achievement with unintended consequences: Greater Manchester is increasingly formatted by the large scale rebuilding of flats and offices in the centre so that it attracts in-migrants to the centre more than it diffuses prosperity to commuting residents of the outer boroughs. Policy has not engaged these issues. Hence, the need now for a fundamental reset of city region public policy which engages with the specifics of the economy as re-created by Manchester City's transformation and the next phase planned in the recently published Greater Manchester Spatial Framework.[5]

The notion that Greater Manchester represents an example of successful urban regeneration has attracted national and international attention and is developed in an array of official studies and think tank reports[6]. These studies provide an authoritative basis for claims that Manchester provides a model for other city regions in England (and beyond).[7] George Osborne has claimed that Manchester is 'a grown-up city, one that has pulled away from other regional centres'.[8] The Manchester experience is widely seen as justifying the city region scale as the focus of policy and has had a broader persuasive impact on urban and regional policy in the UK and beyond.

Manchester is often described as an 'under-bounded' city, with high levels of in-commuting and cooperation between local political actors in the central borough of Manchester City and in the nine surrounding boroughs which (with Manchester City) make up the Greater Manchester city region. Policymakers claim that what sets Greater Manchester apart from other English cities has been its ability to develop innovative and effective forms of urban governance which have allowed it to capture the benefits of contemporary patterns of economic change. According to the OECD,[9] the GM model of urban governance 'is distinctive for the role played by dedicated and influential individuals who have possessed an intuitive grasp of local development needs, and who have actively built coalitions and alliances around their vision', who have provided 'savvy and charismatic' local leadership.[10] The 'Manchester model' comprises local elites pursuing 'a development strategy that is commercially minded and sensitive to local needs'.[11]

The claims about Greater Manchester as a politically-cohesive and strategically-led city region are set in the economic frame of agglomeration effects, so that these claims both draw on and contribute to the currently dominant theories of urban development. In this frame, Greater Manchester starts with the advantage of size and scale: 'outside London, Manchester is the city region which, given its scale and potential for improving productivity, is best placed to take advantage of the benefits of agglomeration and increase its growth'.[12] The narrative is then about how political leadership has levered economic advantage and this claim rests on a central empirical assertion: for example, Emmerich et al. argue that, 'Greater Manchester has been broadly successful in managing the transition to a post-industrial knowledge intensive economy. It has been able to capitalise on the positive agglomeration effects emanating from its size, density and diversity to reinvent itself and unlock this growth potential'.[13]

These large claims about economic success have created a kind of halo effect which burnishes the reputation of local leadership and the credibility of their economic strategy. This has been capitalised through a set of deals between local actors and the UK government in the form of the Manchester City Deal in 2012[14] and Greater Manchester Devolution Agreement in 2014,[15] and through the development of new governance frameworks, notably the creation in 2011 of the Greater Manchester Combined

Authority (GMCA) and, from 2017, a directly-elected mayor.[16] Through mechanisms such as the 2004 Greater Manchester Economic Development Plan, augmented in 2009 by the Manchester Independent Economic Review,[17] local leaders, 'created a new narrative about the longer-term economic future of Greater Manchester, making the case that the city region, like London was an 'escalator' regions for aspirational young people, a role it had to develop further'.[18]

Against this background of large claims, our first aim was to bring together relevant evidence from various sources and produce a statistical overview. This would allow citizens to make an informed judgement about Greater Manchester's performance over the past twenty years and then to evaluate the claims and promises of key actors in the political debate leading up to the Mayoral election in spring 2017. The appendix to this report delivers on that aim with tables of evidence: on gross value added (GVA), which is the standard measure of regional economic performance; on the stock of houses and flats and on the scale of office building in the central city; on the record of private and public sector job creation; and on patterns of commuting and in-migration. These tables allow citizens to understand the Greater Manchester economy as a multi-dimensional object. Time series data is important here because it shows whether and how components and relations in the Greater Manchester economy have changed; wherever possible, we provide disaggregated evidence on all ten boroughs of the city region because these are very diverse.

As we assembled the evidence, it became increasingly clear that many of the key reports presented variants on a standard, narrowly-based narrative of success, where the evidence was policy-based because reports selectively cite statistics to justify claims about the success of the Manchester (or in some cases Greater Manchester) model. Much media reporting compounds the confusion by repeating booster claims made in press releases. This report instead provides a commentary that tells a more complex story than that offered by national and local policy makers and the media. Our story is about the reformatting of the city and the unrecognised and unintended consequences of Manchester's transformation. This transformation through rebuilding is the direct result of undeclared policy and the political accommodations with property developers at borough level which go back to the 1980s abolition of a Greater Manchester-wide county council; the subsequent large scale rebuilding now has unrecognised consequences for the explicit economic policies of the city region in the 2010s when a limited form of regional government has been reinstated.

Our basic argument on these points is simple and can be summarised in one paragraph. Margaret Thatcher consolidated her victory over Labour adversaries in city town halls by abolishing city region government in the late 1980s. The pragmatists on Labour Party-dominated Manchester City and Salford councils then found they could get things done locally through a political accommodation with regional and national property developers who would get things built if they were given planning permissions, site by site, to construct what was most profitable. From the mid-1990s onwards the developers have built and are now extending a kind of parallel, private new town in the central city with tens of thousands of office workspaces and adjacent flats. The unintended consequence is that the parallel new town frustrates and contradicts the declared 2010s city region policy of spreading growth and jobs through upskilling residents and building more public transport infrastructure to bring people to jobs from the suburbs.

Policy in Greter Manchester has become a muddled default onto generic fixes. Training and investment in public transport infrastructure are now being recommended here as for every city region in Western Europe, regardless of local specifics because they fit the frame of assisting the market in acceptable ways. Education and mobility are important human rights but skills and infrastructure narrow the definition in a way which is practically not very helpful: for example, care homes are infrastructure as much as railways; and commuting to work accounts for less than 20% of trips in Greater Manchester.[19] Further, it is clear that state-funded training and rail systems are valuable gifts to private employers and to homeowners who benefit from increased property values. But there is no convincing evidence that infrastructure or skills training is sufficient to boost growth through attracting inward investment or any other mechanism; and the links from transport improvement to citizen welfare and capability are mediated by fares which are always high in rail systems that try to recover their costs from the fare box.

Hence, our report closes with an argument for a fundamental reset of public policy so that it focuses not on any kind of growth but on the civic offer of foundational goods and services (like housing, care and utility supply) for all citizens. In our view this is now politically urgent, when the Brexit vote has revealed an increasingly disgruntled electorate who are asking local, regional and national politicians, what have you done for us? This argument for a reset of Greater Manchester policy is part of a larger, ongoing team project on the need to revalue the mundane economy and rethink city success and failure. As part of this larger argument, we have elsewhere produced an extended critique of economics-based agglomeration theory which provides the intellectual underpinning of post-2009 policy in Manchester and many other cities. Our own work draws on a quite different intellectual tradition of historical writing about cities which emphasises the importance of the city's economic and political relations to a hinterland beyond the city walls and internally sees property as the accelerator and foundational goods and services as the city stabiliser.[20] This report is also part of an emerging broader tendency to a new realism about the sub-par performance of Britain's large provincial cities. This is evidenced in the recent Resolution Foundation report which points out that such cities typically have below national average performance on indicators like wages and employment; while noting that Manchester has specific problems about gross internal inequalities.[21] What we are trying to do is to explain how and why these inequalities are embedded because of policy.

2. Agreed facts, inconvenient truths and political responses: GVA gaps and inclusive growth

Economic achievement is conventionally defined through standard metrics which set policy objectives and subsequently measure the success or failure of formal economic policy. At least since the 1950s, the UK's national measures of economic policy success have been economic growth and jobs; and the measure of relative failure in the regions has been slower growth and less job creation than in London and the South East. As in the rest of Europe, at regional level in the UK growth is measured using the gross value added (GVA) output measure. Regional GVA is a cousin of gross domestic product used at national level and GVA per capita correlates reasonably well with income per capita because wages and salaries are the largest element in GVA. Constantly changing rates of growth can make the figures confusing and unintelligible, so much discussion of regional differences focuses on discrepancies in the level of GVA per capita between regions. However, these GVA per capita differences are the congealed and persistent result of long term differences in growth rates. In this frame, unsuccessful regions like the North East or Wales are defined by the fact that they have GVA per capita which is half or less that of London and, on current growth rates, they are not closing the gap.

Ideas about what constitutes acceptable and effective national or regional economic policy instruments have changed radically in the past 50 years and, within any given period, will usually be politically contested. For example, monetary policy in the form of zero interest rates and quantitative easing by the Bank of England since 2010 is very different from fiscal fine-tuning by the Treasury in the 1950s in response to 500,000 unemployed; and the physical dispersion policies of the 1960s to shift car assembly out of the Midlands are very different from infrastructure and skills as regional policy to make the market work better. But the persistence of basic growth and jobs metrics creates an uncontested sphere where there are some generally agreed facts about the achievement of the Greater Manchester city region and its limits. Interestingly, in the case of Greater Manchester there are also inconvenient truths and shifting political views about the policy implications of observed inequality. Later in this report we will argue that, while growth and jobs are useful activity indicators, city region policy needs to be reset around different objectives. But it is sensible to start by laying out the agreed facts, inconvenient truths and political responses.

To begin with agreed facts, using the GVA per capita measure, we find a Russian doll pattern of nested inequalities: this is so if we consider GVA per capita in the Greater Manchester city region against other British regions,[22] then GVA differences *between* the 10 Greater Manchester boroughs[23] and finally differences *within* each borough. There is a large output gap in terms of GVA per capita externally against London; and, within Greater Manchester, there is an equally large gap between the central city and the northern (especially north eastern) area. Using the standard measure, there is a 2:1 ratio between London GVA per capita of £43k and Greater Manchester's at £21k in 2014; and, within Greater Manchester, Manchester City has a GVA per capita of £31k against £15k in the north east and north west sectors, which includes the boroughs of Bolton, Oldham and Rochdale, and £18k in the south east sector which includes Tameside.[24] Furthermore, it would be wrong to represent Manchester City as the high output and income nucleus of the city region because Manchester City is internally divided. On a neighbourhood basis, using LSOA[25] units of around 1,500 inhabitants, 21% of Greater Manchester's neighbourhoods are in the top 10% most deprived in England; and, strikingly, Manchester City has 41% of Greater Manchester's neighbourhoods in this category.[26] On this basis, the problem, is as much multiple internal inequalities within the city region as deficit of performance against outside.

Any discussion of external comparisons quickly brings us to inconvenient truths. As we saw in the introduction, the Chancellor's belief was that Manchester has 'pulled away from other regional centres'. But, if we turn to comparisons with other cities using standard GVA metrics, the inconvenient truth is that for Greater Manchester there is no sign of relative improvement against other large provincial cities and clear relative deterioration against London as capital city. As exhibit 1 shows, Manchester City is part of an above average group with current GVA of £30k per capita; that is substantially better than in other Northern English cities. However, this above average relative position is long established and has not significantly increased in recent years. If we broaden the focus to consider the city region of Greater Manchester, then the point is that Manchester looks like all the rest and is no more than average in terms of level or growth of GVA (exhibit 2). If we make the comparison against London, then the city region has not closed the gap with London, which has indeed widened: since the late 1990s Greater Manchester's share of UK GVA has declined fractionally to 3.5% while London's has increased significantly from 18.9 to 22.5%.

Exhibit 1: UK GVA per head, Manchester City compared with other cities

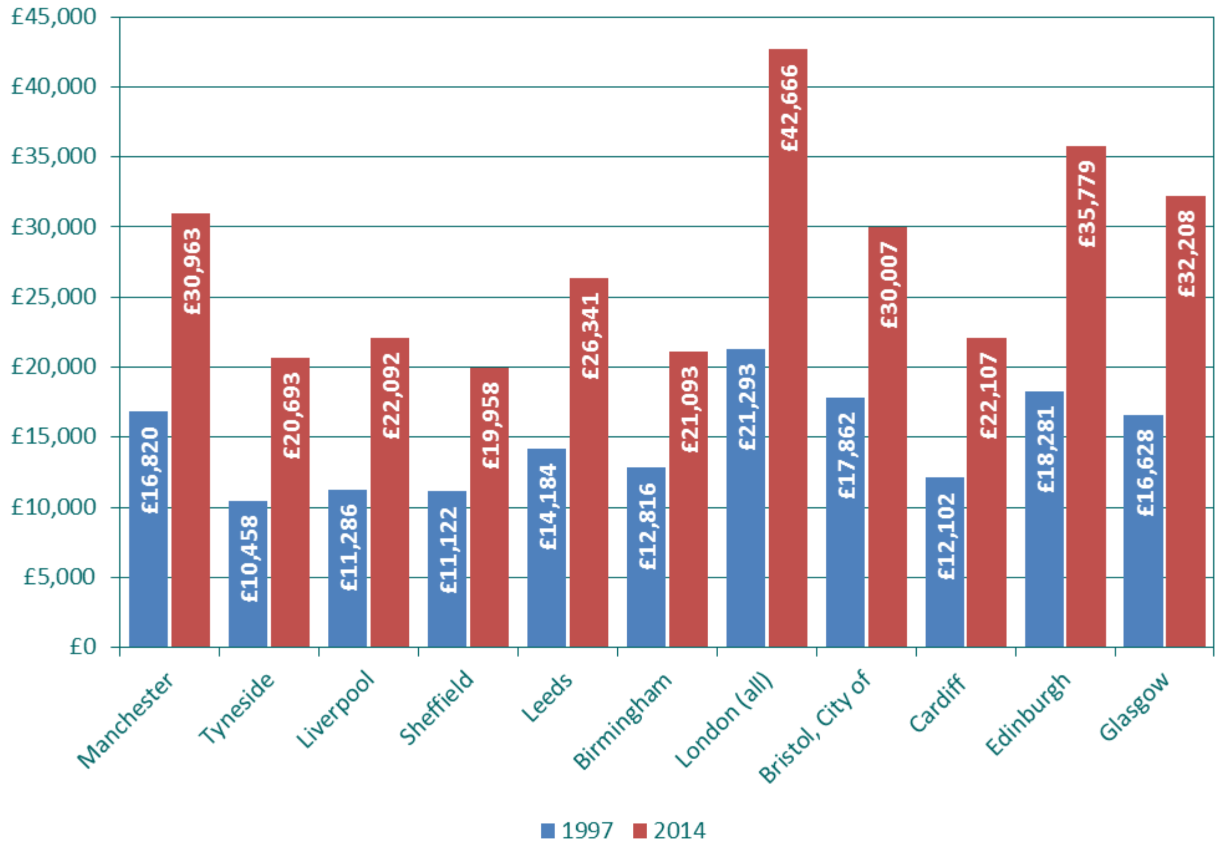
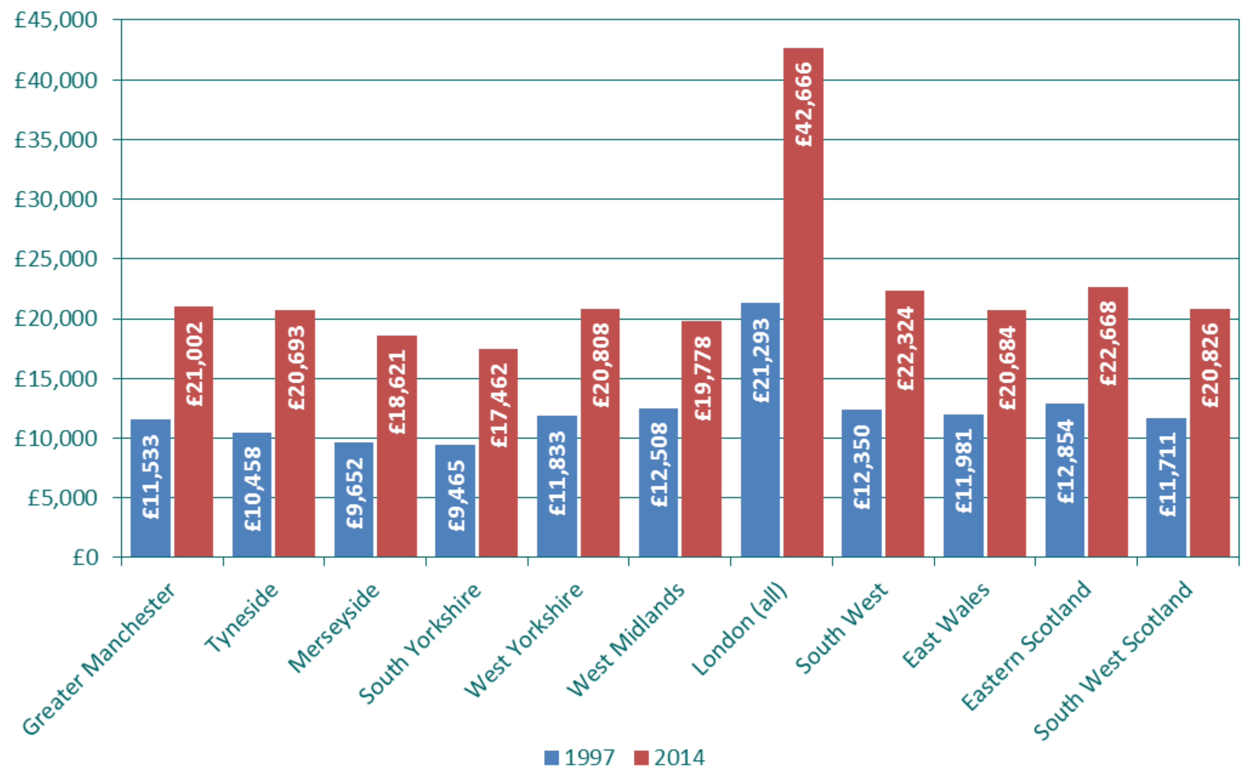


Exhibit 2: UK GVA per head split by major city regions



On these GVA measures, Manchester looks less like transformation and more like plus ca change because the big relativities have hardly changed since deindustrialisation engulfed the city in the 1980s. The former industrial district of East Manchester in Manchester City and the northern boroughs (especially Rochdale and Oldham in the north east sector) are still low on GVA because they have never recovered from ‘deindustrialisation’. The prosperity of these districts was historically based on exports from the city region; and since the 1980s they have suffered from the failure of long distance revenue generation which came from command of the national market and global exports of engineering and textiles.

Political responses now come into it because the question is whether and how these observed inequalities could and should be addressed by policy. In the editorial columns of centre-right newspapers, some have argued that growth brings inequality and this is taken as ‘evidence of success’.[27] Here, the argument is that the most equal cities in the UK are the poorest:

> *‘Those places are not more equal because the money is spread out more fairly. They’re more equal simply because everyone is poor. Manchester’s growing inequality, like London’s, is proof that it has managed to create well-paying jobs for at least a minority of its population’.*[28]

In 2012, WealthInsight reported that Greater Manchester had 170 superrich individuals – defined as having a net worth over $30m: this was more than anywhere else in the UK outside London[29] and, for the *Economist*, this would perhaps be cause for celebration.

Many on the centre-left have long held the very different view that, as in the subtitle of Wilkinson and Pickett’s[30] *Spirit Level* book, ‘equality is better for everyone’. From this viewpoint, on the issue of growth, the centrists draw a distinction between good and bad growth and the hope is for the good kind, ‘inclusive growth’, where benefits are diffused to the mass of the population. Here is the academic Ruth Lupton drawing on the OECD definition of inclusive growth, in a report on Manchester for the Joseph Rowntree Foundation:

> *‘”Inclusive growth”’ is a relatively new term, gaining traction because of growing evidence that economic growth is leading to growing inequality and not necessarily to reductions in poverty. We need to find ways to include more people in the benefits of increasing prosperity, at the same time drawing on the talents and energies of a greater proportion of our population to develop economies which are more vibrant, innovative, skilled and productive.’*[31]

After the Brexit vote, the language of fairness and the objective of inclusive growth is compellingly attractive for national and local politicians from both major parties and for policy wonks in the think tanks (though it is often unclear what their endorsements imply for policy). Fairness is part of the post-Brexit May government’s attempted re-positioning on a new centre ground of politics: in her closing speech to the 2016 Conservative conference, Teresa May spoke about ‘restoring fairness’ and building ‘a united Britain rooted in a centre ground’.[32] More locally in Greater Manchester, the language of inclusive growth is, for example, now being used by Paul Dennett, the newly elected Mayor of Salford, who recognises that growth has not been a panacea in Salford and what that borough needs is the good kind of growth that ‘provides people with real opportunities’.[33] And all of this is already influencing the expert discourses of policy. A couple of years ago, the Manchester policy maker Mike Emmerich could argue that ‘the key debate is therefore not “growth or distribution” but the trade-offs policy-makers face’.[34] Now the RSA has an Inclusive Growth Commission working on how we can manage the trade-offs to deliver growth with equitable distribution.[35] This commission is cautiously following Oxfam[36] and others who have begun to look at alternative (post GVA/GDP) measures of well-being.

Against this background, we would observe that policy needs to be discriminating about what relativities can be changed and how. There will always be a large GVA gap against London because the capital city has political and economic opportunities for claiming revenue and sustaining employment that are denied to a second city which, as we shall see, in areas like financial services is specialising in back office functions. But Greater Manchester's failure to pull away from other core cities is sobering and the persistent inequalities between the central city and the northern boroughs, and within Manchester City itself, are deeply troubling. Worse still, as we will argue, these relativities persist not because nothing has changed but because the political classes have sponsored a rebuilding which is embedding these inequalities. The next two sections tell the story of the political accommodation which led to the construction of a parallel new town in the city centre.

3. Economic policy since 2011 (and political accommodation from the late 1980s)

Our discussion of economic policy starts from the distinction between narrow and broad, formal and informal policy. Narrowly, government economic policy is what is formally labelled as such: policy is here an explicit narrative of good intentions for the economy, advertised in official reports and inquiries which present preferred policy instruments as levers to purposively tackle national or regional problems like low growth. More broadly, economic policy includes all the governance practices and policies which have consequences for the economy; governance here is often a matter of political accommodations with unintended consequences which the political classes improvise, sometimes for self-serving or ideological reasons but often because they can't see what else to do. Political accommodation often trumps formal economic policy; and always does when formal policy pulls on levers not connected to promised outcomes.

This distinction between narrow and broad policy is important for understanding Greater Manchester since the late 1980s. Greater Manchester only acquired formal and explicit city region economic policies for growth and jobs in the 2010s after the creation in 2011 of the GMCA, a new city-wide authority for the ten boroughs. The devo Manc deal of 2014 then offered the GMCA further powers in areas like business support and skills, health and care and promised an elected mayor in 2017 with powers over transport, housing| and planning. But these new formal GMCA policies were overlaid on top of earlier borough-level political accommodations with private developers which paradoxically came out of the abolition of city region government in 1986 and had already materially re-formatted the city in the intervening twenty-five years.

(1) Political accommodation from the late 1980s: Labour pragmatists and 'getting things built'

This political accommodation developed in the empty space created by Thatcher's defeat of Labour municipal socialism of all kinds in London, Liverpool and Sheffield: in 1986 the government abolished Manchester's city region government because the Greater Manchester County Council like other metropolitan counties in the big cities were Labour-led potential sites of resistance. That left the initiative with Manchester's ten borough councils which were, under Conservative and New Labour governments, increasingly forced to shed functions like social housing and outsource everyday service provision. At borough level, Labour pragmatists increasingly accepted that they needed an accommodation with private business. Richard Leese, afterwards leader of Manchester City Council, was on the side of the pragmatists who by the late 1980s believed that 'if we were going to create jobs and get people into them, it wasn't us who was going to do that – it was going to be the private sector'.[37]

But Manchester was then a deindustrialised city in a highly centralised country. So private business did not mean major manufacturing companies or bank head offices; and the few Mittelstand-like companies (such as Cormar Carpets in Bury or Cartwright trailers in Altrincham) were, as a consequence of their low density and lack of formal organisation, generally disconnected from local politics. This effectively left property developers (regional and national) with the leading role in North West business. Political networking has always been part of the property development business which depends on planning permissions; and the individual boroughs post 1986 had inherited land use and development powers from the defunct County Council. So, from the late 1980s, accommodation with business took the form of Labour controlled borough planning committees accepting developer arguments that FLOR (flats, leisure, office and retail space) would bring jobs and that 'building new homes' would help Manchester city centre which needed more than a couple of thousand residents.

There was very limited provision of affordable housing and other kinds of betterment by developers (under section 106 provisions of the 1990 Planning Act and the Community Infrastructure Levy introduced by the Planning Act 2008[38]). Manchester City and Salford councils were dependent on developers to get things built and in no position to impose conditions. And, in the case of Manchester City, the council was increasingly a risk and profit sharing partner in re-development. The Council played a central role in safeguarding the Spinningfields development after the 2008 financial crisis, when it bought freeholds from Allied London for £15.9 million so that the developer did not quit the site.[39] By 2014, redevelopment on six sites in East Manchester was being undertaken by Manchester Life Development Company which was a joint venture between the Manchester City Council and the Abu Dhabi Investment Group.[40]

The scale of the subsequent development was consequent upon 'deindustrialisation'. Manchester City had always been a jumbled place with no clear zoning so the collapse of manufacturing released brownfield land in and near the centre. In Salford, the same process worked at Trafford Park where warehouses replaced factories; while Peel Holdings, the region's dominant privately owned property developer, had acquired a huge tract of land at Salford Quays through purchase of the disused ship canal. 1980s deindustrialisation allowed large scale subsequent redevelopment in or near central Manchester, while the IRA bomb was important in the redevelopment of the central retail and leisure space.

It then did not matter whether one council was strong and another weak. Development in Manchester City was facilitated by concentrated land ownership and the brilliant deal making abilities of Howard Bernstein as chief executive who had the leading role in the coalition around the Commonwealth Games and the rebuilding after the IRA bomb. In Salford, development was facilitated by a council which was weakened by the creation of the Trafford Development Corporation in 1987, and then unequal to the struggle with Peel Holdings led by John Whittaker. The pace and scale of development was incidentally spurred by competition not cooperation between the two boroughs; as when both Salford and Manchester City competed for the new northern headquarters of the BBC. In contrast, Conservative controlled Trafford generally does not figure in stories about Greater Manchester's regeneration; rather than bidding for prestige projects it quietly benefits from its location in a kind of spill-over corridor.

(2) Explicit policy from the 2009 Review: growth and jobs via skills and infrastructure

The 2009 Manchester Independent Economic Review and the 2011 creation of the GMCA inaugurated a new phase of explicit city region economic policy in the name of all ten Greater Manchester boroughs. The new policies were based on agglomeration theories of urban development and the pursuit of (GVA) growth. They also effectively prioritised the central city, which had already benefited from rebuilding under the political accommodation. The hard edges of this formal economic policy were softened by the suggestion that policy makers could manage the uneven development of the centre and the disadvantaged northern boroughs through improved public transport and skills training, so that what happened in the centre could benefit all ten boroughs.

The superordinate objective was growth (or, more exactly, growth through jobs). In GMCA strategy documents for the ten boroughs, city region aimed to reduce welfare dependence and get people into jobs, thereby turning Greater Manchester into a net contributor to government revenue. For example, the Growth and Reform Plan of 2014 declared the aim of ensuring Greater Manchester becomes 'a financially self-sustaining city, closing the gap between the tax that is generated through growth and the cost of delivering public services'.[41] This prioritised the reform of health and social care in order to 'improve productivity by helping more people to become fit for work, to get jobs, better jobs, and stay in jobs'.[42] The Greater Manchester City Deal, agreed between GMCA and the UK Government in 2012, had earlier symbolically embedded the objective of growth through the Earn Back Model a (hard to implement) mechanism whereby a proportion of the fiscal proceeds of additional growth would be rebated to the city to invest in public infrastructure and services.[43]

Within the agglomeration frame that dominates urban policy thinking in the UK, central city location has all the advantages and policy makers read the spatial distribution of Greater Manchester activity through this frame. Manchester was the most important service centre in northern England, with a nodal status in transport networks and a concentration of public administration functions associated with the 'strong metropolitan locational preferences of key knowledge-based sectors which encourage unprecedented private service sector expansion'.[44] This had produced a concentration of knowledge-intensive business services in Manchester city centre and higher pay so that Manchester City generated 30 per cent of all taxes in the city region.[45] Jobs elsewhere in the conurbation such as Trafford Park and Trafford Centre, Junction 23 or Manchester Airport, tend to be in low- or medium-skilled occupations in transport and communications and distribution, hotels and restaurants.

The policy corollary of this analysis was that public investment in the central city would be prioritised over investment in the outer boroughs. Mechanisms to prioritise investment across the city region were encoded in the 2012 Greater Manchester City Deal.[46] Chief among these is the Investment Framework, which brings together public funding streams in commercial and physical developments, infrastructure, business growth and housing projects with the aim of prioritising projects based on their contribution to economic growth. This was described delicately by an official as a means of making 'difficult choices on the prioritisation of investment'[47] because the implicit investment strategy is to favour Manchester City centre where returns are highest.

Thus, territorially and socially within a divided city region, formal economic policy could be seen as reinforcing inequality through the allocation of investment funds to the centre and the determination to reduce welfare expenditure in poor areas. While this was entirely acceptable as economic opinion in an editorial in the *Economist*, it was always going to be more difficult to sell politically to the outer boroughs of an unequal Greater Manchester. Hence the emphasis of local policy makers on investing in transport improvement: the Greater Manchester labour market could be stretched and jobs would be a way of distributing prosperity if upskilled workers from the northern boroughs could commute to jobs in the central city.

Therefore, public transport investment figured partly as political cover for Greater Manchester economic policy, even before the importance of transport was inflated after summer 2014 with George Osborne's Northern Powerhouse rhetoric about how transport improvement, like HS3, could integrate northern cities on both sides of the Pennines.[48] As Mike Emmerich, then head of the GMCA-funded New Economy think tank, put it: Manchester tries to 'bring people to jobs rather than jobs to people'. This means, for example, spending money on tram lines'.[49] In more popular booster accounts of the city, this movement of people to jobs is presented not as intention but as an achieved reality:

' the tram has made the talent pools from its surrounding suburbs more accessible to businesses in the city centre. Today's network takes in areas as far as Rochdale, the affluent suburbs of Didsbury and Chorlton and the airport… With the tram in place, Greater Manchester comes together to create a city region greater than the sum its parts.'[50]

Before we consider how Greater Manchester reality falls short of this vision of mobility, let us first consider the scale and scope of the rebuilding of the central city. This helps to explain why the commuting solution is now materially difficult to realise because a mono culture of rebuilding offices and flats has reformatted the city.

4. The scale and scope of re-building: a parallel new town of offices and flats

Central Manchester had until very recently a low-rise Victorian and Edwardian cityscape with the occasional statement skyscraper block-like the CIS tower puncturing a six storey building line. The outward and visible sign of Manchester City and Salford's political accommodation with developers is the high-rise rebuilding of central Manchester and the tower blocks at Salford Quays. The scale of the high-rise development currently being proposed is causing public misgivings about 'Dubai on Deansgate'.[51] But even more remarkable in many ways is what has already been built: in the past twenty years, private developers have on brownfield land already created a kind of parallel Manchester new town with 50,000 office work spaces and adjacent flats in the central city and the inner south west quadrant (which covers parts of Manchester City, Salford and the adjacent Trafford borough). Deansgate already has the Beetham Tower whose 47 stories make it the tallest building outside London.

As of spring 2016, at least 15 new buildings of 30 storeys or more are proposed for Manchester city centre; if built, they will add 10,000 flats to the central stock.[52] The most controversial is probably the St Michael's high-end, mixed-use development, fronted by Ryan Giggs and Gary Neville, which proposes 21 and 30 storey blocks close to the Town Hall.[53].The most spectacular is the proposed block of four towers at Owen St between Deansgate station and the Mancunian Way which will add 1,500 flats and includes one tower of 64 storeys. On the periphery of the central city, thousands of flats are being built on sites like Pomona and Middlewood Locks, where 550 flats are already being built on a site with planning consent for 2,000 flats and 750,000 square feet of mixed use space.[54] Nor is Salford being left behind: the Council has given Peel Holdings permission for the 2.3 million square foot Media City phase

2, which will be 50% larger than the already built phase 1 so that it offers an extra 540,000 square feet of offices, 1,871 apartments plus retail and leisure.[55]

This shows only that (once again) capitalists in a cyclical activity have difficulty in knowing when to stop. The commercial property market has always been cyclical and is now approaching an overheated peak so that many of the new towers may not be built quickly or at all; and, as always in this kind of market, some of the proposals are made by canny landowners wanting to sell out today not start a development tomorrow. But the restraint will finally come from market downturn as lenders withdraw, not from the council planning committees refusing applications. Faced with a public petition against the quality of the St Michael's development and objections to inappropriate development by Historic England, Sir Richard Leese, Manchester City council leader weighed in to defend the development with the claim that 'some people don't like tall buildings'.[56]

This kind of protective relation between the council and its developers (right or wrong) is a recent development. In the last great rebuilding of Manchester in the modernist 1960s, town hall planners took the leading role in ordering the city through master plans which envisaged a zoned city (with for example, education and entertainment precincts) where the traffic in towns problem was addressed by separating elevated pedestrian walkways from sunken dual carriage ways.[57] Only fragments of this city were ever built and much of that was undistinguished or unsuccessful; as with the Arndale Centre, the Hulme Crescents and the Precinct Centre, all designed by Wilson and Womersley. But, right up to the early 1990s, unsuccessful developments could be sensibly replacedin ways which satisfied multiple stskeholdersand objectives, as in Hulme where planners, residents, commercial developers and social housing providers cooperated on redevelopment of the district to provide a mix of housing types and tenures.

But, from the mid-1990s, the central city and the inner south west quadrant were re-built on quite a different high-rise logic of profit: with private developers of flats, leisure, offices and retail taking the leading role site by site, as they turned square footage into cubed rental value by building high through generous planning permissions. And increasingly they did so with ambitious schemes on large sites assembled in Manchester City from brownfield and freehold sites sold by the City Council which was itself a major landowner. The renewal of retail in the centre after the IRA bomb was visually significant. However, perhaps even more significant over time in terms of transformative developments in Manchester City and Salford are the blocks of high-rise offices and flats through which the commercial developers reformatted the city's built environment in a much more radical way than the town planners had achieved in the 1960s. If Manchester City needs a symbol to replace the worker bee on coats of arms, municipal waste bins and such like, the best new symbol for 2010s Manchester might be the passenger lift.

The transformation of office space through large new blocks began in 1997, when Barbirolli Square (next to the Bridgewater Hall) for the first time offered prestige, modern, open floor plan office space in a large block outside the old central business district. Subsequently, the pattern is of larger plots and named districts with multiple high rises, most notably in the Spinningfields district off Deansgate, which effectively provided a new centre for the central business district by adding 20 buildings and 20,000 square metres in the 2000s. As new blocks were added, retirement of old office space was slowed by a brisk business in refurbishment of older blocks to let on low and flexible rents; this business was invented and dominated by the Bruntwood firm.

The end result was a very large increase in office provision which over twenty years added tens of thousands of extra work spaces. The JLL consultancy claims that 'Manchester city centre' (excluding

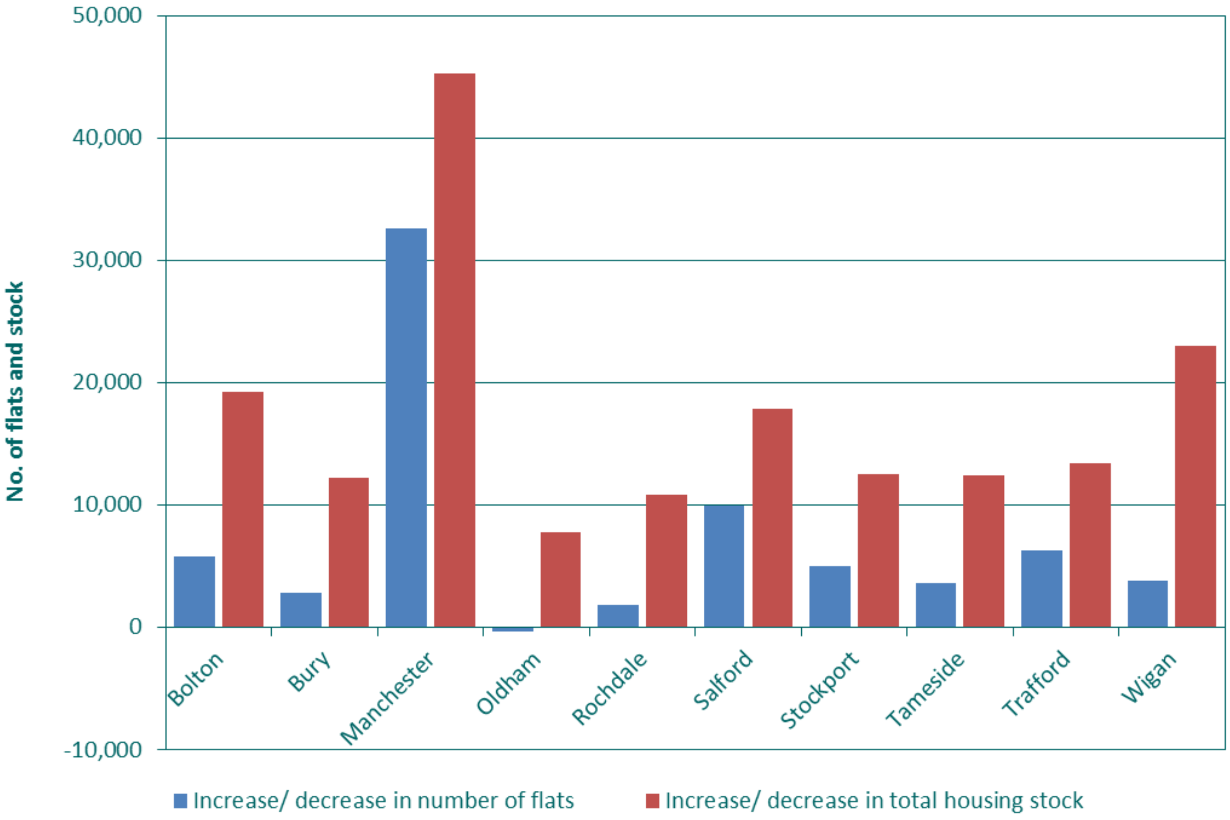
Salford Quays and Trafford) has since 1997 seen 5.38 million sq feet of office development, increasing the office stock by one quarter to 22.4 million square feet.[58] This number is so large that it only becomes meaningful, if it is converted into a number of extra workspaces. If we start from the London space allowance of 100 sq foot per worker, then Manchester City has added 50,000 extra work spaces in 25 years. Manchester rents are lower than London rents, so we should allow more sq ft per person; but adding the extra office space in Salford to the extra space in Manchester City would still bring us back up to 50,000 or more extra work spaces.

The new office blocks in the central city were transformative because they had adjacent or nearby blocks of flats in which the office workers could live. The growth in the central stock of flats is part of a rather more complicated story because early development in Castlefield mixed conversion of ex-industrial buildings with low-rise new build which also dominated in the first phase of development at Salford Quays; meanwhile, in inner suburbs like Whalley Range, larger houses were converted from houses in multiple occupancy to flats. But the volume increase came from the large scale construction of flats in new blocks. The profitability of new build was signalled in 1999, when Urban Splash, the coolest of local developers, shifted from repurposing industrial buildings and put up its first new build blocks at Timber Wharf in Castlefield. Afterwards we have large scale construction of 1 and 2 bed flats in lift-served blocks in or near the centre of Manchester City and at Salford Quays; they were sold mainly to buy-to-let purchasers who bought the property as an investment to rent out, often with a mortgage. When the market was brisk, uncompleted flats could be sold off-plan; demand stalled after the 2008 crisis for a couple of years and then resumed frantically.

The result was a dramatic change in the available housing stock, because of large scale flat construction in the two boroughs of Manchester and Salford, where the office building was also concentrated. If we look at new build, then 56% of 2004-14 gross additions to Greater Manchester office space are in the two boroughs of Manchester and Salford, which in the Spatial Framework Strategic Options document also account for 67% of identified future office sites.[59] In housing the story seems to be not about the development of Greater Manchester but about putting Manchester City centre, Salford and part of Trafford on a different trajectory as a parallel new town is created around the office blocks.

Across Greater Manchester as a whole, the *Coronation Street* stereotype of Northern housing remains true because in 2011, 73% of households live in terraces or semis; and in all the outer boroughs increases in the housing stock come mainly from building new houses (not flats) typically on developments with good motorway access. But Manchester City and Salford are increasingly different from the rest of the city region. From 1991-2011, the number of flats increased from 156 to 227k but, as exhibit 3 shows, more than half this increase is in the two boroughs of Manchester City and Salford; in Manchester City the number of flats increases by just over 30,000 from 41,000 to 74,000 and in Salford from 21,000 to 31,000. These are almost all one and two bed flats and, with a mix of singles and couples occupying 1 and 2 bed flats, we would guesstimate new bed spaces for 50,000 in Manchester City and Salford.

Exhibit 3: Change in the number of flats and total housing stock by local authority in the AGMA region, between 1991 and 2011



Cities are all about reuse and adaptation, so that rebuilding of the semi-derelict central city was absolutely necessary and fundamental, if Manchester was to move on. But the execution of the rebuilding in the centre, by private developers with council sponsors, resulted in a virtual mono-culture of 1-2 bed flats whose moderate rents could be afforded by junior office workers. With 50,000 workspaces and adjacent flats, the private developers did not construct a business district but a new town for working residents who could use central city leisure facilities. Hence the rebuilding became a reformatting which created a parallel new town with few connections to the poorer districts whose deprivation was effectively disconnected from the work opportunities or consumption spend of tens of thousands new residents in the centre; large scale building meant that part of the new town's service workforce could live locally, so it only needed to draw in a small number of workers from elsewhere in the city region. All this would have mattered less if Greater Manchester as a whole had the capacity to create large numbers of new jobs; but that is simply not so, as we demonstrate in the next section.

5. Job creation in Greater Manchester: so few good new private sector jobs

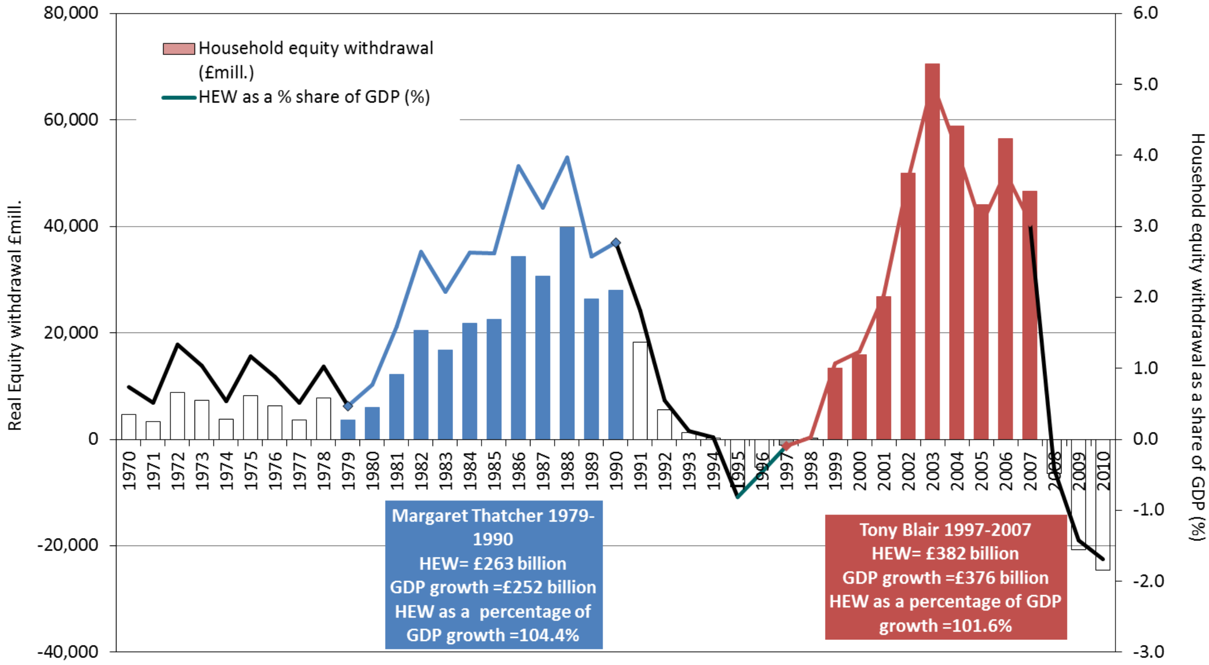
If the rebuilding in Manchester City and Salford has been transformative, across Greater Manchester one thing has stayed the same for the past thirty years: the Greater Manchester private sector economy has a very limited capacity to generate good jobs which pay high wages. Low wages are of course the inevitable corollary of the city regions mediocre value added performance, because wages account for 60% or more of value added. But the limits on job creation have not been recognised in public debate about Greater Manchester because they have been obscured in several ways. Cyclical fluctuations in job numbers have been confused with structural gains without recognising that

Manchester City (like the rest of the UK) has specific problems about cyclicality when economic growth is consumption-led and partly fuelled by housing equity release. The record is also obscured by category confusion when headline numbers about extra jobs are cited without separating private from public sector job creation, which typically accounts for more than half of pre-2008 job gains. In this section, we will first show how and why these confusions matter before turning to examine the record on job creation across Greater Manchester before and after 2008.

In summer 2015 a report by Oxford Economics calculated that Manchester City had gained 68,000 jobs between 2010 and 2015 and predicted there was more to come in the next five years.[60] The *Manchester Evening News* then enthused about how ‘experts at Oxford Economics say Manchester has performed incredibly well over the last five years and does not look set to rest on its laurels’.[61] This kind of inference is not justified. To begin with, the period of 2010-2015 is one of cyclical upswing from the trough of post-financial crisis recession in 2010 to something close to a cyclical peak in 2015. Manchester City residents can work this out by counting the cranes on the skyline and their impression is confirmed by hard statistics about the unemployment rate, which in Manchester City had fallen more than 4% by 2015 from its recession level of near or above 12% in the four consecutive years from 2009-12. Oxford Economics projected up-swing gains forward to 2020 without recognising they would probably turn into job losses on the downturn; in the previous cycle, Manchester City unemployment had increased by 5% in three years of downturn after 2006.

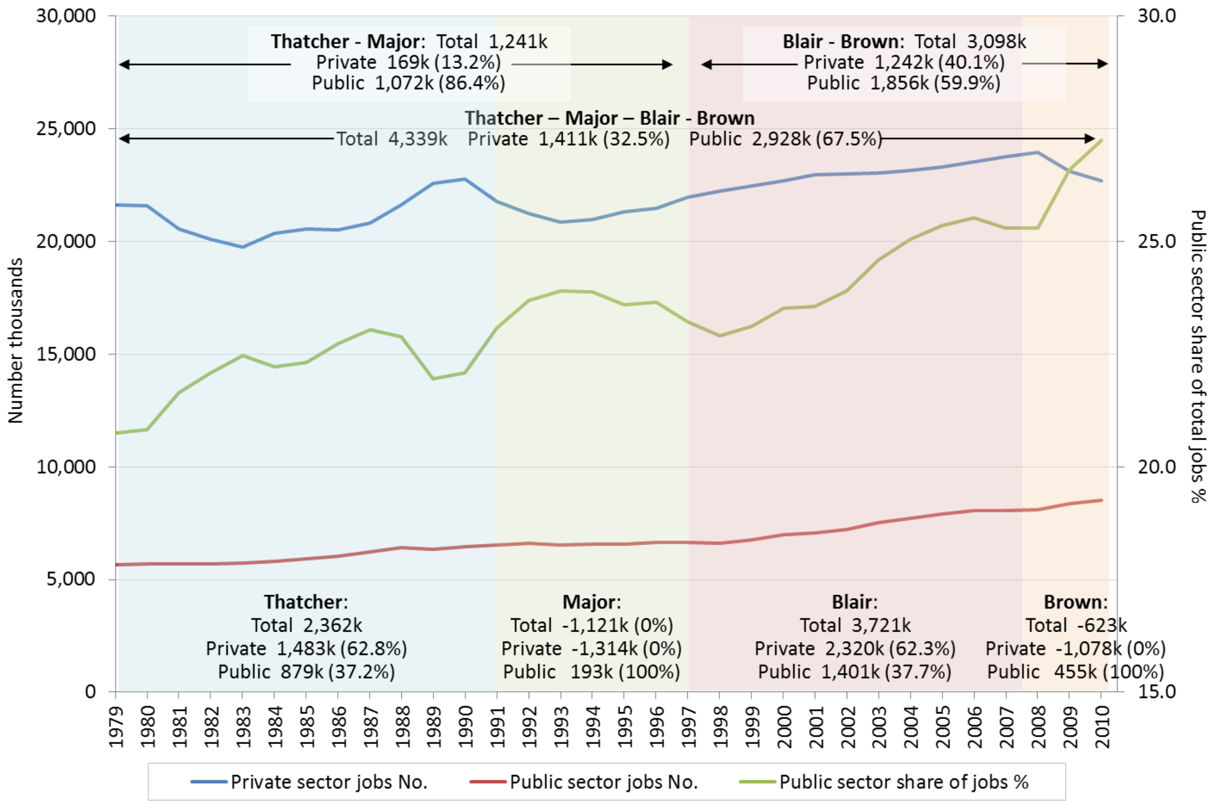
Cyclical ebb and flow of job creation is peculiarly a problem in the UK because we have an unproductive economy where growth and activity levels are led by domestic consumption and that consumption in turn is partly fuelled in a stop-go way by housing equity release which depends on the state of the housing market. This is the economic regime which Crouch has dubbed ‘privatized Keynesianism’. The leading role of consumption is simple arithmetic: when 60% of UK GDP is consumption, that directly drives the growth rate of market activity and private sector jobs. After the deregulation of credit with Big Bang in 1986, UK personal consumption became heavily dependent on housing equity withdrawal in periods of rising house prices: as exhibit 4 shows, housing equity withdrawal was larger than nominal GDP growth under both Thatcher and Blair. This kind of house property based Keynesianism reinforces stop-go cyclicality because house prices cannot rise continuously and the equity withdrawal booster is turned off when house prices fall; and it also means that private sector job creation is an achievement with a cost as home owners are collectively buying GDP growth with debt as they re-mortgage or take out their next mortgage at a higher price level.

Exhibit 4: Total UK Equity withdrawal and as a percentage share of UK GDP (Equity withdrawal relates to sterling withdrawals and is in 2010 prices)[62]



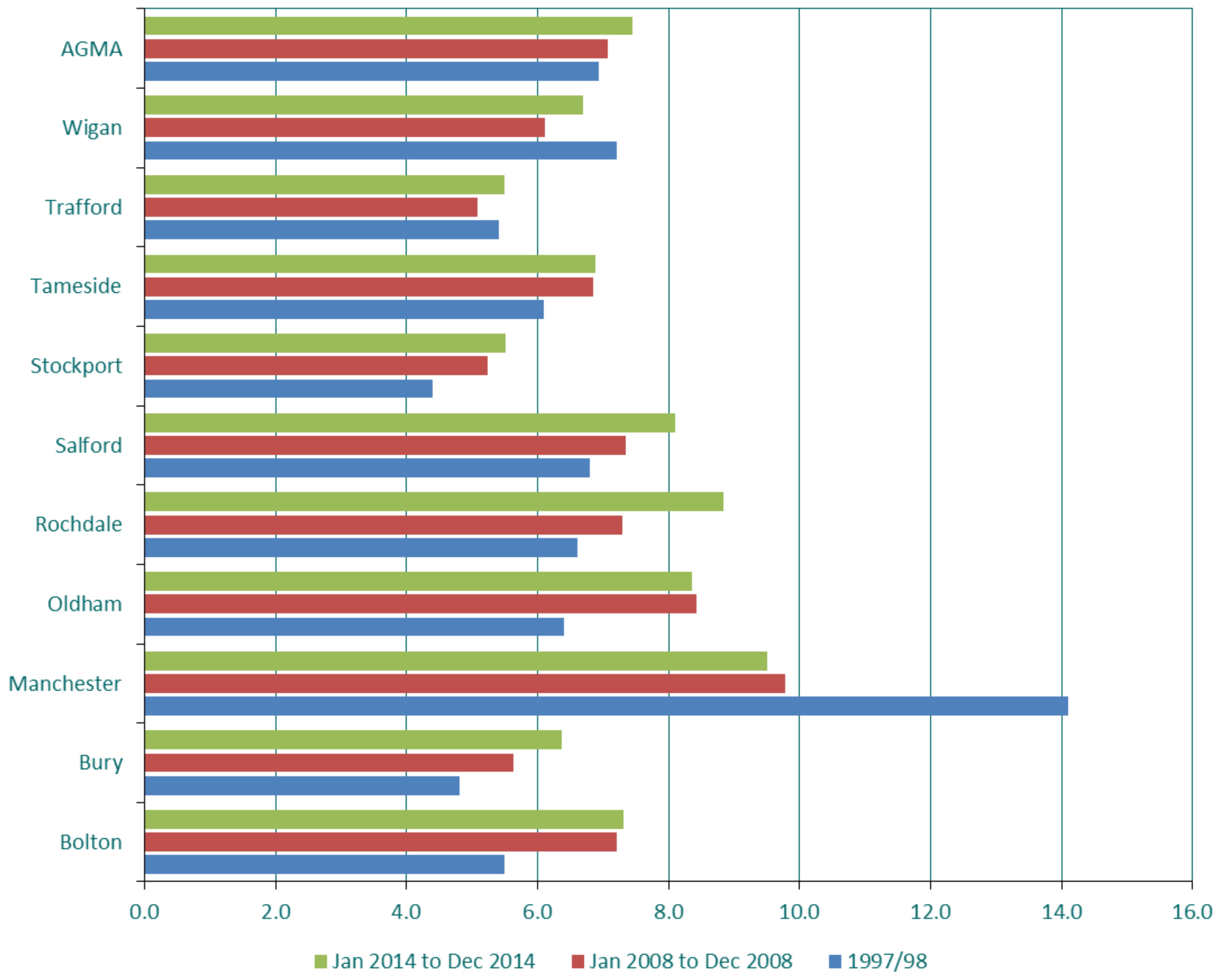
The other major complication is the role of government in job creation. This matters because nationally public sector employment accounts for more than half of all the extra jobs across the whole period from Mrs Thatcher's election to the financial crisis in 2008. Successive Conservative and New Labour governments acquiesced in deindustrialisation and at the same time prioritised health and education because these were the only areas of the social settlement where public spending commanded expert and popular support. Public spending on health and education created jobs and this expenditure was (as it happened) broadly distributed according to population. The unintended consequence was that the public sector became nationally the major form of new job creation and regionally the most effective form of assistance for areas in manufacturing decline. As exhibit 5 shows, two thirds of the national job creation from 1979-2010 was in the public sector and, after 2010 this motor was simply switched off and then reversed through austerity cuts whose logic was public sector job loss, as we will see later in this section.

Exhibit 5: UK private sector and public sector employees 1979-2010[63]



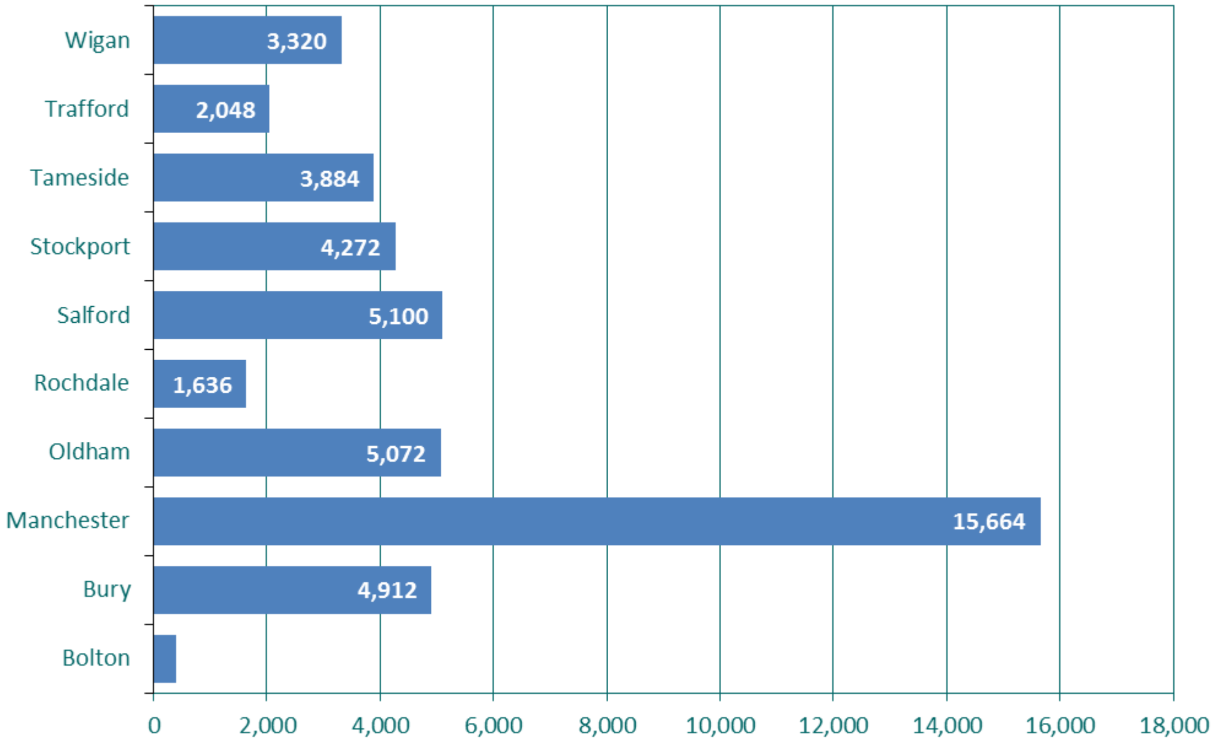
Any discussion of job creation needs to be set in this peculiar national context: it is relatively easy (in some years) to find headline cyclical increases in numbers employed, but the unproductive nature of the post-1979 UK economy makes it much more difficult to find sustained increases in employment. And this is certainly true of Greater Manchester whose city region experience broadly fits the national pattern, albeit with some interesting differences. There is no precise way of correcting for cyclicality effects but we have done so very roughly in Exhibit 6 by taking sub-periods (1998-2008 and 2008-14) before and after the financial crisis. These periods show similar levels of Greater Manchester unemployment: in each of these years, activity was just short of a cyclical peak; the number of jobs is counted in March each year, when the Greater Manchester unemployment rate averaged 6.9% in 1997-8, 7.1% in 2008 and 7.5% in 2014. At borough level, the standout in Exhibit 6 is Manchester City, where the unemployment rate fell significantly from 14% in 1997/98 to just under 10% in 2008. There was no further reduction in 2014 and Manchester's rate remains the highest of all ten boroughs: the large drop in the earlier period largely reflects the significantly changing population in Manchester City, which has the effect of reducing the rate of unemployment.

Exhibit 6: AGMA region unemployment rates split local authorities[64]



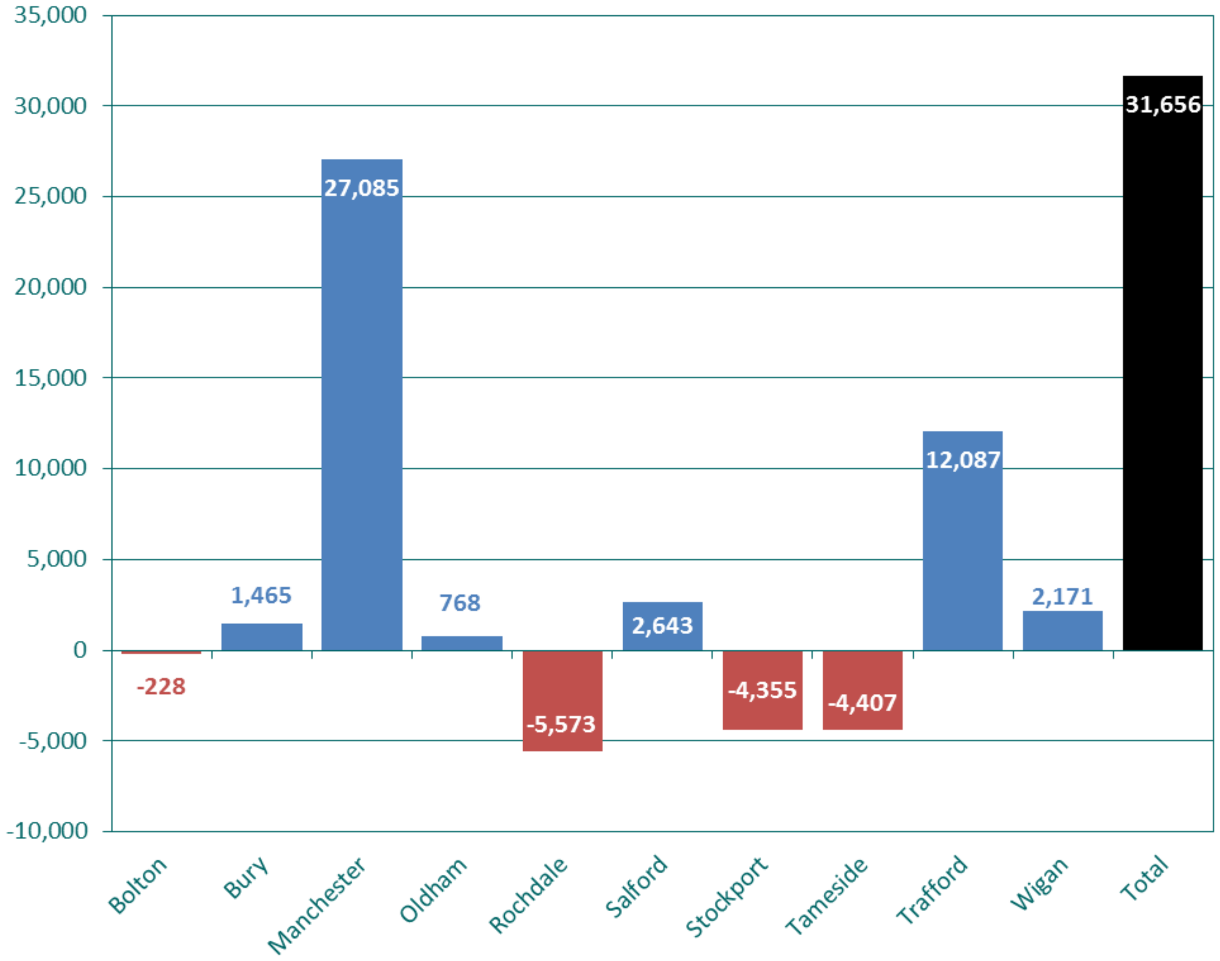
The other point to make is that, with the progress of outsourcing under New Labour an increasing number of private jobs are publicly funded: to compensate for this, our calculations in Exhibit 7 present not public sector employment but publicly-funded (state and para-state) employment (i.e. public employees plus those working in sectors sustained by public funding). In line with national trends, Greater Manchester's pre-2010 job creation performance was heavily dependent on the public sector: in the 1998-2008 sub-period, under New Labour, the increase in publicly funded employment of 46k across the 10 boroughs accounts for 51% of net new job creation. Greater Manchester had the added problem that public sector job gains were concentrated in the central city and south west inner quadrant. Because of the concentration of hospital, university and administrative employment, it is Manchester City which gains disproportionately from public spending. Within the city region as a whole, health and education spending therefore provides limited compensation for manufacturing decline in the northern boroughs. As exhibit 7 shows, Manchester City was able to claim almost 16k publicly funded jobs which accounted for 40% of its total 1998-2008 job creation; but the three north east sector boroughs of Rochdale, Oldham and Tameside altogether in 1998-2008 claimed no more than 10k publicly funded jobs to supplement their meagre private sector increase of 2.5k.

Exhibit 7: AGMA region net change between 1998 and 2008 in state and para state employment[65]



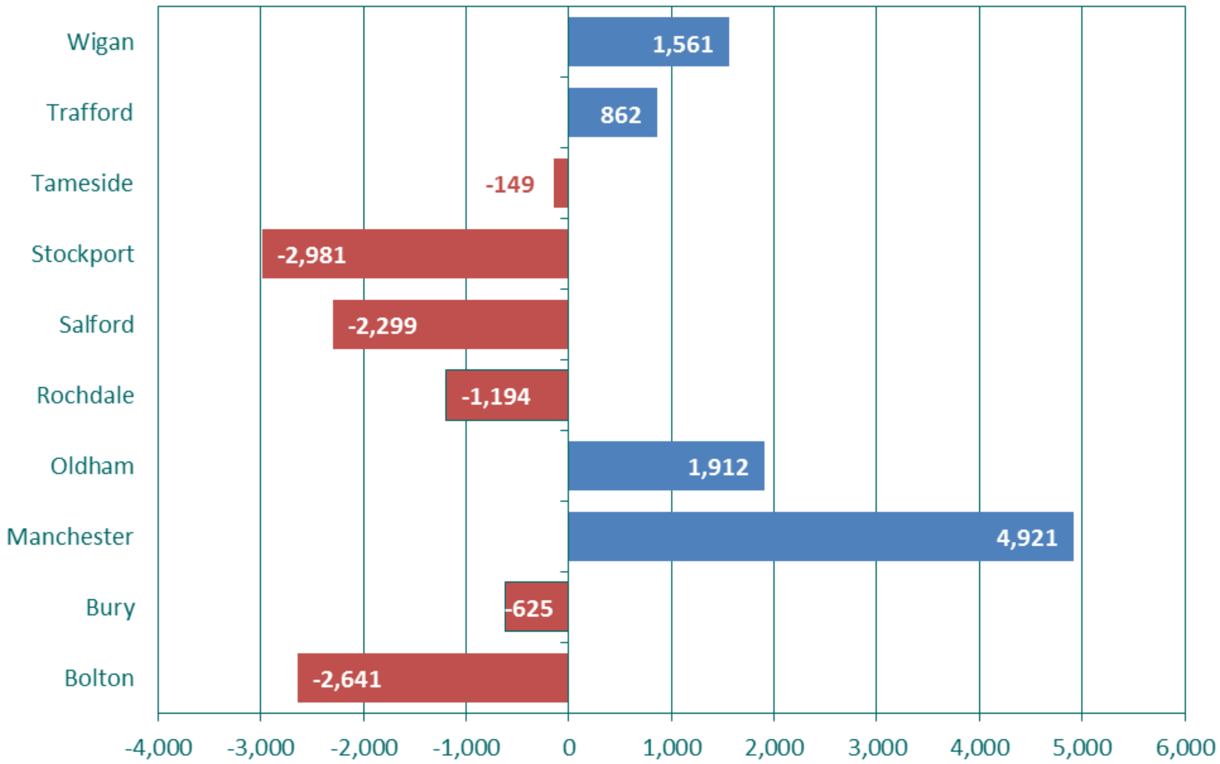
The post-2008 story is dismal. As exhibit 8 shows, from 2009-14 the total job increase right across Greater Manchester is just 32k and, on closer examination, most of these jobs are part time. Once again the gains were concentrated in the central city and the south west sector but, in hard times after 2008, the disadvantaged boroughs experienced job loss. From 2009-14 only Manchester City and Trafford show significant increases in job numbers with Manchester accounting for 27,000 net new jobs, while four of the 10 boroughs saw net job loss. If we turn from outcomes to mechanics, then the story is about the inability of the private sector to compensate for lost public sector job creation. In the sub-period, from 2008-14, publicly funded employment declines fractionally across GM: there are reductions in six of the 10 boroughs, and an increase of almost 5,000 in Manchester (exhibit 9). The plight of Bolton, Rochdale, Stockport and Tameside is dire because from 2008-14 they have lost both private and public sector jobs and, in a period of austerity cuts in public expenditure some boroughs are now losing private sector jobs faster than they are losing public sector jobs.

Exhibit 8: Change in AGMA total employment between 2009 and 2014



Source: Business Register and Employment Survey (BRES). Data downloaded from Nomis.

Exhibit 9: AGMA region net change between 2008 and 2014 in state and para state employment

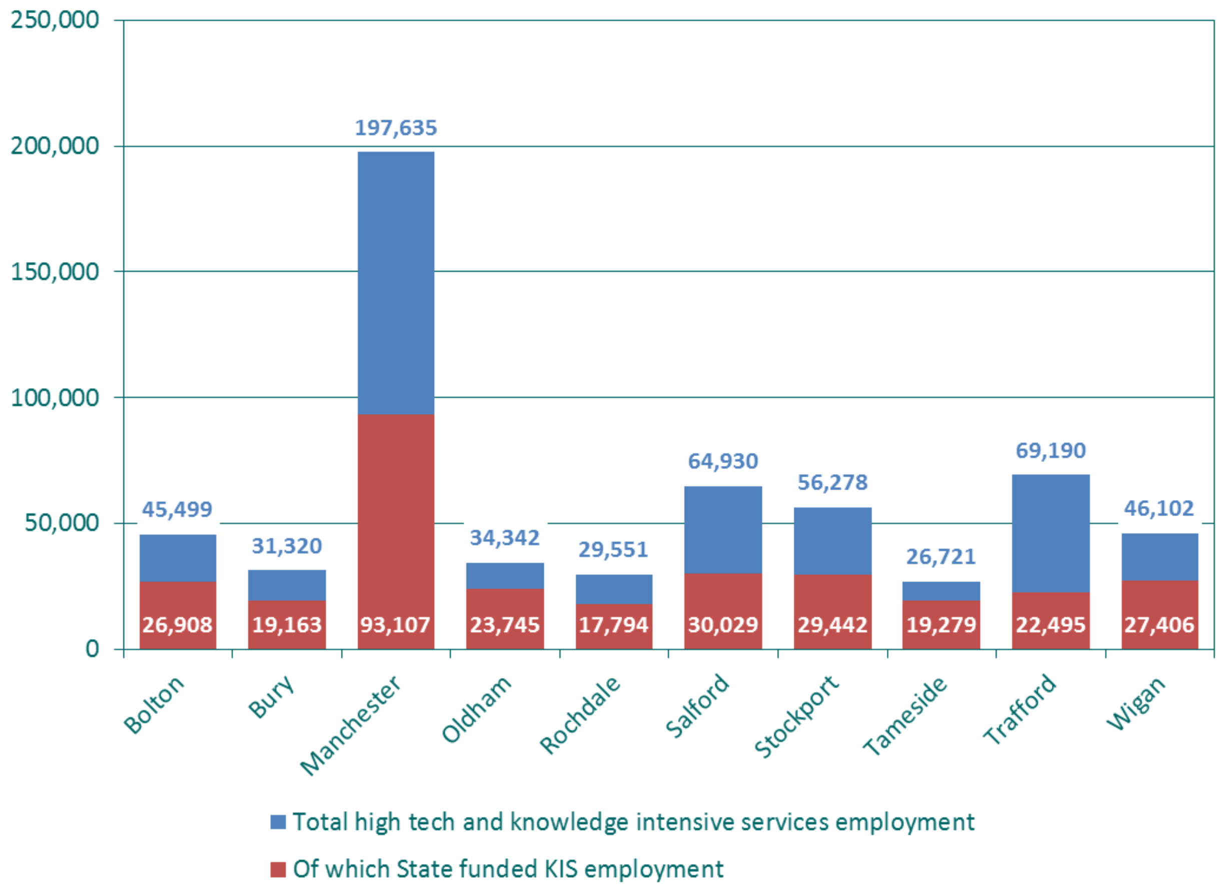


Greater Manchester's job creating performance in sub-periods with similar activity levels is always weak, and in the recent period to 2014 is worse than before. If we take the long run and the 25 year period from 1991-2015, this comparison flatters GM performance because 1991 was the trough year of a sharp recession, with national unemployment at 10%, and 2015 is close to a cyclical peak. Even so, the total number of jobs increases by only 219,000, less than half of these are full time and something like one quarter of the extra jobs are cyclical gains arising from the choice of start year. Overall, if we leave these key qualifications aside, the headline total of job creation over 25 years does no more than match the 200,000 increase in Greater Manchester's working age population to 1,347,000 over the same period. And, in a now familiar way, analysis by borough shows that Manchester City, Salford and Trafford capture most of the gains: these three boroughs account for 73% of the extra jobs over 25 years, while the rest of Greater Manchester is increasingly losing the struggle to stand still.

The aggregates on job creation are discouraging and there is little consolation if we disaggregate by sector to consider Greater Manchester's activity base. The problem of Greater Manchester is that it has lost one activity base in manufacturing without finding another which can sustain broad prosperity. The city region is certainly in the later stages of going post-industrial when, by 2014, manufacturing employs less than 4% of the Manchester City workforce.[66] Manufacturing still accounts for 10% of employment in the northern boroughs, but that presents its own challenge because the maintenance of this employment base requires an increase in output to offset productivity increases (or, in the absence of productivity improvements, faces problems about uncompetitiveness against non British suppliers). The future of employment in Manchester depends on services and the growth of 'knowledge intensive services' is attractive for the city region, as for the UK. But knowledge intensive services (KIS) is less a new activity base and more a chaotic concept which lumps together many different activities and kinds of jobs in the public and private sector. At the same time, the preoccupation with KIS incidentally obscures the stabilising importance of Manchester's mundane economy producing foundational goods and services.

Eurostat classifies activities as 'knowledge intensive services' based on their employment of graduates. This casts the net broadly (and increasingly indiscriminately) so that KIS activities now account for 40-60% of employment in all the Greater Manchester boroughs. The prospects for further KIS expansion across the city region are currently limited because many KIS activity areas, especially in health and education, are state-funded; across the AGMA region in 2014, more than half (51.4% or 309,367[67]) of the high-tech and knowledge intensive jobs are in the public sector or state-supported. Greater Manchester's private sector KIS employment is narrowly based within the rebuilt new town: only in Manchester, Salford and Trafford does the private sector account for more than half of KIS employment (exhibit 10). Even the central city is not KIS-based because the largest non-publicly funded activities in Manchester City are retail, restaurants and hotels, which employ 25% of the workforce.

Exhibit 10: High tech and knowledge intensive employment 2014 in Greater Manchester, by borough



Sources: BRES, Nomis and Eurostat

KIS activity is romanticised in some public discussion, but the rising number of graduates in the UK drives very unglamorous outcomes: many of the jobs in so-called knowledge intensive services are what would have been previously classified as junior white collar, relatively low pay. This is particularly so in the case of central Manchester activities like financial services where Manchester City's employment of 21,000 represents not competitive success against London but complementarity in support and back-office activities best located in a low rent, low wage secondary city. The rent advantages of Manchester location are considerable: new grade A office space in Manchester City costs just under £35 per sq ft, and at Salford Quays less than £25 per square sq ft[68]; whereas London City and West End rents run from £65-115 per sq ft and the only current bargains are in refurbished grade A in Docklands and Stratford below £40 per sq ft. Low rents attract low wages and low value added activity. Per capita GVA in Greater Manchester's financial services is no more than £90k, which is almost exactly half the per capita GVA of £195k in London financial services and closer to the per capita GVA of £60k and £70k in Greater Manchester manufacturing and construction.

Finally, after the decline of manufacturing, the economy of the city region is centred not on KIS but on the mundane foundational economy of sheltered activities distributing mundane goods and services through branches and networks to the whole population. Out of total Greater Manchester employment of 1,197k, 447k or 37.3% is accounted for by employment in mundane activities. Manchester City does not escape that dependence because 39% of the borough's total employment is in mundane activities, not far behind the tally in the borough of Oldham, where 43% are employed in mundane activities. The mundane foundational economy is the great un recognised stabiliser in all of Manchester.

6. The formatted city: not commuting but in-migration to central flats

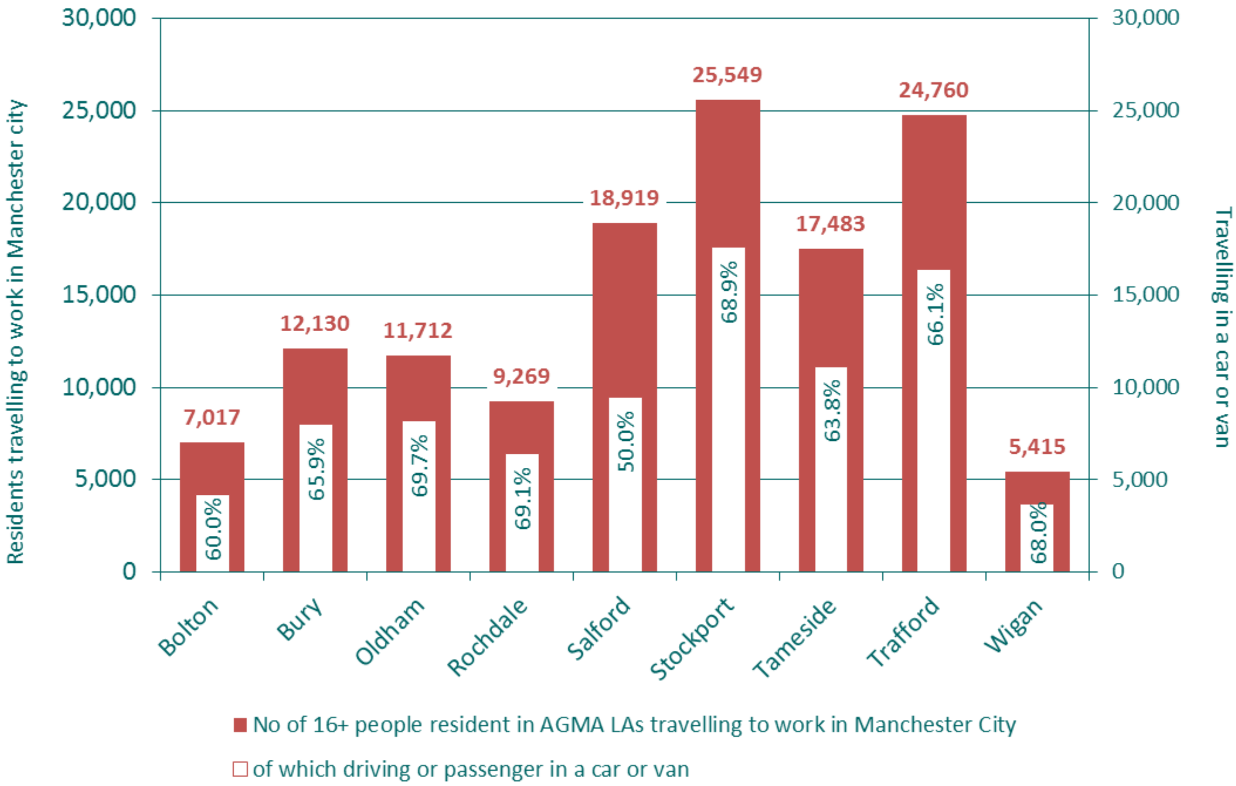
Greater Manchester's economic policy makers have suggested that prosperity can be dispersed by commuting if the workforce is up-skilled and the public transport infrastructure is improved so that people can move to jobs from outer boroughs, which by implication would become more like dormitory suburbs. And it is certainly true that the outer boroughs need travel to work because, as we have seen, these boroughs are losing not gaining jobs. But the mono culture of rebuilding in the centre means that Greater Manchester is increasingly formatted in ways that set limits on commuting: the new town in the centre allows young in-migrants to live in flats close to their work which supplement the inner residential suburbs; public transport improvement does not make workers in outer boroughs mobile when fares are high and most commuting is by car. What we see in Manchester is not the growth of mass commuting but volume in-migration of a young, mobile population to live in the newly-built one and two bedroomed flats in Manchester City and Salford's private new town.

Manchester has never been like London, a city with a central commercial core of offices, leisure and retail and relatively few residents in the core so that employment needs are met daily by large volumes of radial commuting by public transport from outer suburbs to the centre; with very little reverse flow. Even before the large scale flat construction in the centre, Manchester City had affordable inner city residential suburbs like Hulme or Whalley Range, which are more or less within walking distance of the centre; and, there is also a substantial reverse commuting flow of city residents to outer boroughs which is inevitable when two income households often hold jobs in different boroughs. All this emerges very clearly from the 2011 census data on Manchester City whose population is 500,000 because this borough covers inner suburbs like Hulme and Ardwick, and outer suburbs like Wythenshawe, Gorton and Blackley, as well as the city centre.

If we calculate Manchester City residents and net commuter flow (i.e. inward commutes minus outward commutes), the number of resident workers and commuting workers is fairly evenly balanced. The number employed in Manchester City in 2011 was around 357,500; of these, 109,000 resident workers lived and worked in the borough; the net inflow of commuters from outside Manchester City was 108,000, with 78,000 net from the other borough and 29,000 from outside Greater Manchester.[69] If we consider the inflow of 132,000 commuters from the nine boroughs to Manchester City (even without netting off the number commuting in the opposite direction), this movement of workers to Manchester City is relatively small in relation to the 2,150,000 population in the 9 other boroughs. Large scale, long distance city region commuting by public transport (as in Paris or London) depends on two conditions: the impossibility of living cheaply close to work and an attractive expense ratio between commuting fares and salary levels. Greater Manchester has relatively little long distance commuting because these two preconditions are not satisfied in a city region with relatively cheap central flats and inner suburbs, low wages and high fares.

For example, the tram from Bury to central Manchester takes 27 minutes but the peak return fare of £6.10 is large in relation to the national minimum hourly wage,[70] while a weekly ticket costs £26 or four returns; low paid workers usually choose the marginally lower fares on buses where a peak day saver costs £5.60. Physical infrastructure is clearly not enough: the tram line to Bury has been open since 1992 yet only 10% of residents aged 16+ in Bury commuted by all modes (including tram) to work in Manchester City in 2011. As exhibit 11 shows, the volume of commuting is greatest from the more affluent boroughs of Stockport and Trafford, with additional in-movements from Cheshire and High Peak, beyond the city region boundary.[71] Matter are further complicated because, in the outer north west area, Bolton and Wigan operate as satellite towns with their own gravitational field sustaining local employment: thus less than 5% of Bolton residents aged 16 + travel 18 minutes and one stop by rail to Manchester Deansgate station.

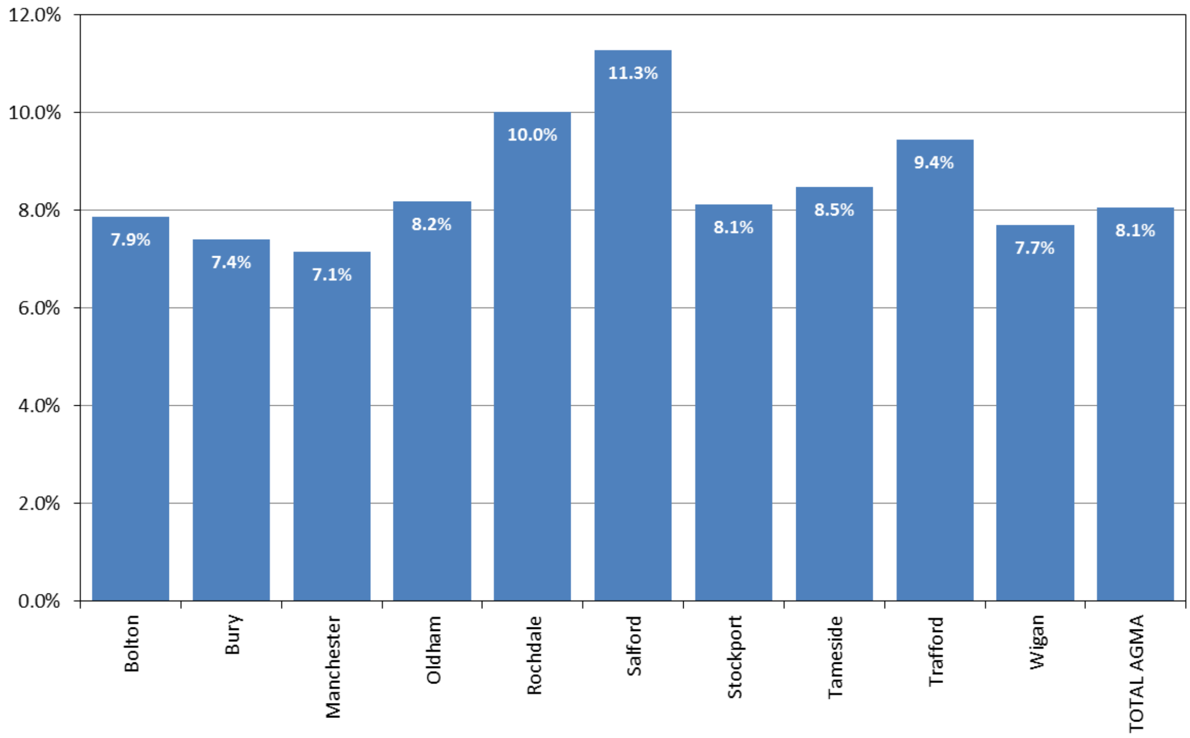
Exhibit 11: AGMA residents (aged 16-64) travelling to work in Manchester City and proportion travelling by car or van, 2011.



Lowering public transport fares is a necessary but not sufficient condition for increased long distance flows because the other major complication is that Greater Manchester is a car-dependent city. Over the past thirty years, car dependence has been reinforced by the closure of many bus-served large factory worksites and the rise of two income households which involve daily commutes (including reverse radial and orbital movements) in different directions. The current dominance of drive-to-work commuting is obvious, even if we focus on radial commutes into Manchester City from the outer boroughs. These are the commutes where it is (in principle) easiest to use public transport networks which in Manchester, as in other cities, are typically built on a hub and spokes principle so that it is easy to move into the city centre but difficult to move orbitally across the city periphery. But, if we exclude movements between Salford and Manchester City, as exhibit 11 shows, from all the nine other boroughs 60-70% of the commutes in to Manchester City are by car. Moreover, across Greater Manchester, the number of people who are travelling to work as passengers has declined, implying an increase in the number of vehicles with only one person.[72]

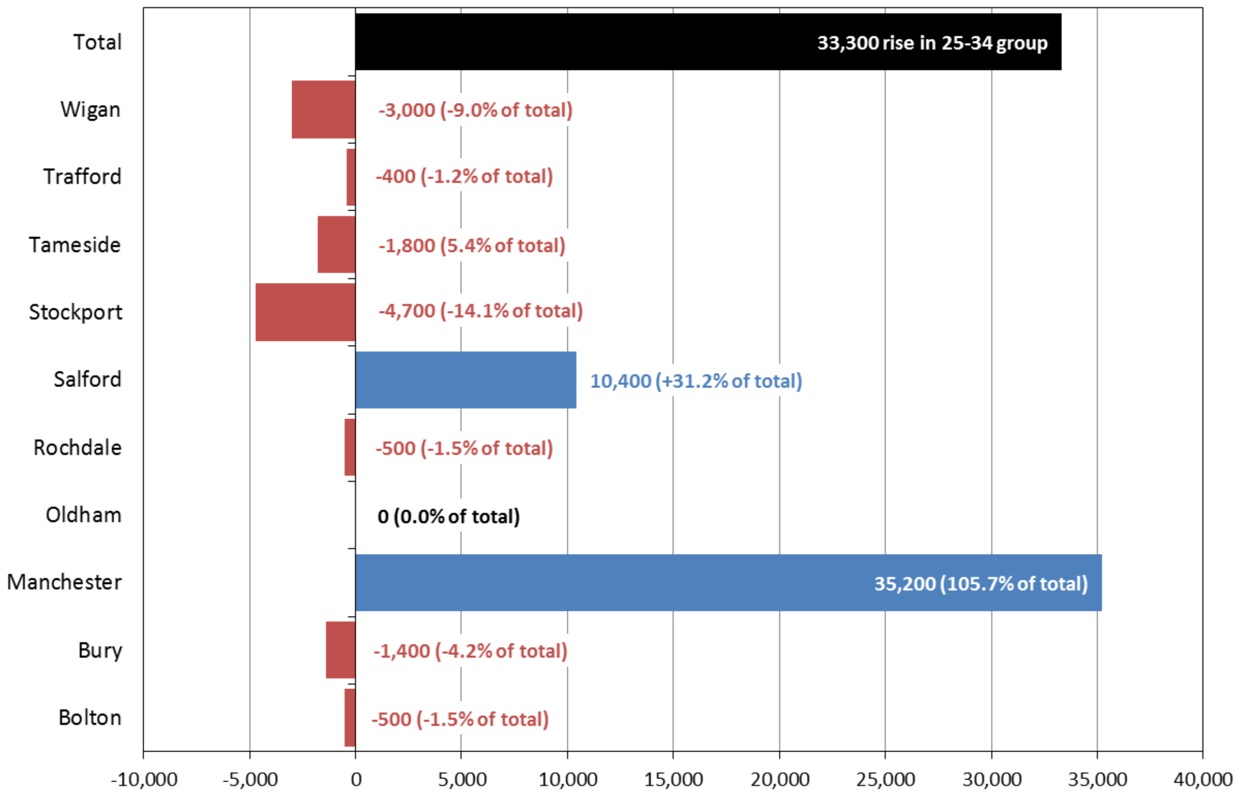
The data so far has all been drawn from the 2011 census which provides the most comprehensive and up to date information on commuting by Greater Manchester residents. That can be supplemented by looking back at the data in the 2001 census which shows limited growth of commuting over the decade to 2011. Any positive effect from the extension of the tram network, has been outweighed by the many conditions (detailed above) which inhibit mass commuting, encourage orbital periphery to periphery journeys and sustain the choice of commuting by car. As exhibit 12 shows, out-of-borough commuting increases significantly in GM between 2001 and 2011, especially in Rochdale and Salford: overall, the number of resident workers living and working in the same borough declined by just over 100,000 to 536,000. But the number commuting from the nine boroughs to travel radially inwards to Manchester City increases by only 3,000 to 132,000. The major increases between 2001 and 2011 are in non-radial commutes which have a high level of car dependence: all travel to work in other GM boroughs increases by 33,000; travel to work outside Greater Manchester in the North West and beyond increases by 27,000.

Exhibit 12: Percentage change between 2001 and 2011 in residents travelling to work outside their local authority



Finally, the new town building of offices and flats in the centre formats the city against commuting from dormitory housing in the outer suburbs; increasingly, the primary restriction is not the under-development of public transport links but the ready availability of rented inner city one and two bedroom flats. The end result is not commuting but in-migration to Manchester and Salford of young 25-34 year olds. The in-migrants are too old to be students but generally young enough to be mobile and ideal candidates for the junior white collar jobs which the private sector is creating in the centre. As exhibit 13 shows, in Manchester and Salford, between 2001 and 2014, the population of 25-34 year olds increased by 46k and it declined in all the other eight boroughs.[73] In 2011, there were 102k 25-34 year olds in Manchester City, of whom 34% were born outside the UK and Ireland; these subdivide into 10% from Europe and 24% from outside Europe.[74]

Exhibit 13: Change in AGMA's 25-34 year old population between 2001 and 2014



Source: Nomis.

Whatever the question, the answer is 50,000 in Manchester, Salford and Trafford. In the centre and the south west sector, since the mid-1990s, developers have built 50,000 extra office workspaces and added 50,000 beds in adjacent one and two bedroom flats which since 2001 have been occupied by 50,000 extra 25-34 year olds. This is what we mean by re-formatting the city and it is why we now need a reset of policy. Because more building of the same type in the centre will do nothing for most of greater Manchester and in its current frantic high-rise phase leads only towards an unpleasant crash. The main casualties in any crash will be not the developers who will generally be insulated by special purpose vehicles and limited liability; the casualties will be the buy-to-let investors who stand to lose capital, and the rest of us who suffer from activity slump which will be worse if buy-to-let investors then panic and offload flats at distress prices.

7. Policy reset for a new civic offer, not more reformatting

This report has laid out the empirics from multiple sources to tell a complex story about Manchester's transformation. The hope is that this will help readers to think about a policy reset which starts from a more realistic problem definition and engages the specifics of Greater Manchester in a constructive way. Greater Manchester is now formatted by the rebuilding of the past twenty years which has created the parallel new town; this is the constructive achievement of the last generation of policy makers, but it is also a problem for the next generation who must learn to do something different. The combination of limited private sector job creation, plus large scale building of office workspaces and adjacent flats in or near the centre, formats the city region for exclusive growth through disconnects: the parallel new town is attractive for young in-migrants but has a very limited demand for workers commuting from outer boroughs. Strikingly, the GMCA's publication of a draft Greater Manchester Spatial Framework (GMSF) for 2015-2035 does not recognise these problems and, instead of policy reset, advocates even more reformatting by private developers. The spatial framework is centred on identifying sites for development: over the next 20 years, it envisages a near doubling in the number of flats in the parallel new town in the centre; plus more than 175,000 homes on new edge city estates for houses, offices and warehouses, often on green field sites off the orbital M60 and other major roads.

The background to *new town plus edge city* is that what has happened since 2011 is not so much devolution but delegation within a Treasury-imposed framework where the objectives of growth and jobs (to reduce the welfare rolls) have been escalated downwards, despite the difficulties about whether these objectives are relevant, achievable and how they might be secured. For example, through the earn back mechanism, local politicians have accepted responsibility for maximising GVA although that cannot be controlled by any policy available to them at regional level; plans to reduce the deficit on Greater Manchester expenditure against taxes paid and cut the welfare rolls all require job creation which, on past experience, is tied to cyclical upswing and is difficult to sustain. Brexit increases our apprehension on those points. If capital flight, currency depreciation and structural trade deficit force interest rate rises on the Bank of England, there will be a UK-wide slump in house prices and in construction activity nationwide. At that point, the central city developments will have added new elements of cyclical and structural precarity to the Greater Manchester economy as the central flats are typically on interest-only buy to let mortgages, taken out by investors whose returns depend on capital appreciation as well as rental income.

Up to the point where new build comes to a halt for several years, sponsorship of the continuing physical transformation of the city by private developers will remain a local political priority. But, as we have seen in the past 20 years, the parallel new town in the centre has not improved Greater Manchester's relative performance compared with other urban areas and it has embedded rather than shifted internal inequalities. In the next 20 years, more of the same central offices and flats in the town plus building of edge city estates will do no more for economic growth or social outcomes. Indeed, distributive outcomes in the next twenty years are likely to be worse if we see continued restraints on public expenditure on health and education, which were the main diffusers of prosperity under previous central governments prior to 2010. However, this is obscured by presenting skills training and (public transport) infrastructure as purposive interventions. A cross-party coalition of local politicians and business agree on these policies for rather different reasons. For politicians, this has become an uncontroversial default option of making the market work better through infrastructure and skills. Business is supportive because training represents a gift from the state to the employer who wants ready-made workers; while transport infrastructure not only boosts property values but also, in the case of rail, depends on the precondition of state investment and financial support because fares cannot usually cover costs. Think how much the owners of the Media City office complex and the Trafford Centre Mall stand to benefit from recent and proposed extensions of the tram line and how little they will contribute either up front or year by year in taxes on the value of their property. Here, as with the rest of Greater Manchester policy, the benefits for one section of private business are much clearer than the linkages to ‘inclusive growth’.

Alternative policies would start from engaging the local economy as it is, not some kind of generic cartoon, based more on wishful thinking. Given the importance of the hopes for growth in knowledge intensive services, finance and the creative classes (and the nature of jobs that have been created in those sectors), it is useful to review the sectoral composition of activity in Greater Manchester and how that is changing (tables 8a and 8b). Policy could then start by focusing on the sectors which have combined the two characteristics of large size and growth, separately considering output and employment indicators. In terms of output, the largest growing activity is the low wage sector of retail and hospitality; the property sector (construction and real estate) is currently larger than the professional and administrative sector. In terms of employment, the first most striking feature is the importance of Manchester’s public and state-supported sector, which now employs more than 35% of the workforce in a city heavily dependent on health and education spending. In Greater Manchester in 2014, the 328,000 employed in public administration, education and health outnumbered the 228,000 employed in professional and business services. This kind of sectoral breakdown is a reality check and an aid to policies that make a difference: it is, for example, clearly more important for Greater Manchester to have policies towards employment in retail and hospitality, than aspirations about growth of the creative industries.

For example, regional government needs to put some serious heft behind the campaign for a cost of living-based living wage with the target that all chain based retail and hospitality employers should pledge to pay decently. In two and a half years, the admirable Greater Manchester Living Wage Campaign has raised the number of pledged living wage employers from 16 to 100[75] but these account for a tiny fraction of the 185,000 businesses in Greater Manchester.[76] In addition to a living wage push, there also needs to be a focus on public transport fares. Half or less of current fare levels for travel to work would be a realistic short run target in a low wage city; with the long run aim of moving towards low fare public transport for all Greater Manchester residents as a form of redistribution and as a contribution to public health. Any such move would force policy makers to break with the futile business model of trying to recover infrastructure costs from passenger fares and look towards taxing the private gains in property and rental value that come from social provision of infrastructure. And low fares are not enough because politicians need to raise the social ask of businesses like hotels and restaurants in the centre which now routinely employ young in-migrants as receptionists and waiters. Greater Manchester can become more friendly to local workers, not by excluding in-migrants but by including local citizens if employers recognise that, when their businesses draw revenue from Greater Manchester and benefit from local infrastructure developments, they should train and employ local workers.

But, beyond specifics in policy areas, there needs to be a more strategic concept of an alternative economic policy which brings welfare benefits for all citizens, whether they live in the centre or periphery of Greater Manchester and regardless of their employment status. Since the Brexit vote, this is not just a matter of economic policy but an urgent political question. In the great traditions of Jo Chamberlain and post-war Labour, Greater Manchester politicians should now be asking one question: ‘what is the civic offer for all our citizens and how do we fund it?’. Voters need to be able to identify quality of life-related goods and services where quantity and quality of supply have been improved as a direct result of political initiatives at local level, to connect the political classes with the mass of voters (not property-based business elites). We need creative approaches to revenue generation for broad social gains and a revival of the pre-1945 model of municipal utility provision would be no bad thing: when revenues are limited, we need a 21st century equivalent of the gas profits that helped pay for Manchester town hall and creative ways of organising welfare-critical activities.

In developing an alternative vision, the starting point should be to stand back from the informal practices and formal policies of the past 25 years. The informal practice has been to rely on property development as the accelerator of urban development, which has worked only for the centre. An alternative vision would instead look to what we call 'the foundational economy'[77] as the stabiliser of urban development because that can work right across Greater Manchester. The foundational economy is a term which brackets together the public and private activities that provide welfare-critical basic goods and services for the whole population in mundane activities; it includes the branches and networks of food distribution and processing, education, health and adult care, pipe and cable utilities, public transport. These have generally been neglected by regionally-based policy makers even though the availability of foundational goods is at least as important as income in determining citizen welfare, and even though the foundational sectors altogether employ 35-40% of the workforce in all ten Greater Manchester boroughs. Instead, formal city policy has been constructed around uncontrollable objectives of growth and jobs which certainly cannot be achieved through up-skilling and public infrastructure investment within a city that is increasingly reformatted by property developers.

Why not then reset city region policy around the new aim of making the foundational economy work better for all citizens? In that case we would try to build what we have elsewhere argued for as a 'grounded city' where affordable transport, accessible broadband and modest housing would take precedence over ostentatious tower blocks.[78] This is not because we dislike tower blocks but because tower blocks are a distraction and increasingly an obstacle when Manchester needs to attend first to the basic social preconditions of civilized life which are not captured in metrics about growth and jobs or secured by mainstream economic policies. What we are arguing for is a much broader, more social concept of infrastructure, because the foundational economy is the infrastructure that connects every household through networks of pipes and cables, schools and supermarket branches and distributed services like domiciliary care.

Agglomeration theorists see the city as density which extends markets for labour and other inputs, and generates knowledge spill-overs to create growth; in our alternative view the city is an infrastructure-heavy space of multiple connections which must be made and re-made in each generation to maintain civilised life. This of course opens a huge agenda for foundational policy where in many areas the council has limited powers and influence. But there are obvious starting points within the existing policy field. This reset could start with clear statements that in a few critical and controllable areas of spending, like adult care, Greater Manchester already has the powers and aims to lead through social innovation and experiment with new kinds of care (not simply propping-up care so that health services do not collapse). This needs to be underpinned by the aggressive pursuit of extended powers in key policy areas where capital expenditure is necessary; for example, borrowing powers for the construction of social housing on the scale required in a poor city of low wages and irregular work with long waiting lists for social housing.

Why are local political elites not responding in this way? Language about 'inclusive growth' and eagerness to perform social concern through reports, commissions etc. shows how they must all publicly endorse the objectives of more participation and less inequality. But this needs to be coupled with a recognition that these worthy objectives are effectively blocked as long as local politicians extend the form and substance of the existing practices of getting things done in Manchester City and Salford; intra elite deals on property development have formatted the inner city around a mono-culture of (small) flats for a target demographic and income group; the spill-overs into disadvantaged areas are minimal and the new districts will not be mixed neighbourhoods with common foundational institutions which provide a social basis for citizen inclusion. Twenty years ago, the achievement of Greater Manchester regional politicians and (property) business was working together to get things built but that political accommodation has calcified into a coalition shaped by the priorities of property developers who, through the new Draft GM Spatial Framework, are now claiming building sites for the next generation.

The Spatial Framework proposes a reformatting of the city for the next 20 years which is hugely more radical than the rebuilding of the centre over the past 20 years. This is doubling up with a vengeance both in the existing private new town and through construction of edge city estates for large housing developments and new distribution parks. The new town in the centre is projected to roughly double in size from 2015 to 2035; Manchester City centre and Salford Quays will gain 46,000 new dwellings (mainly small flats) and 1,535,000 sq metres of office space[79]; the building of flats and office blocks will be centralised as before because more than 70% of Manchester's new office space is to be constructed in Manchester and Salford[80]. But this development will be dwarfed by a much larger scale development of edge city estates off the orbital M60 and the spurs M61, M62 and A 327(M). The overall target for Greater Manchester is land for 227,000 homes and 200,000 jobs[81] and this requires large edge city housing developments and warehouse parks for logistics operations with, it is claimed, more than a quarter of the housing to be built on green belt sites.[82]

The massive scale of the edge city development reflects unrealistic economic assumptions by the GMCA and the format of the development reflects the financial priorities of large developers.

- ✓ The requirement for more than 220,000 new homes rests on GMCA assumptions about demographic trends, increased workforce participation and an acceleration of the North West region's long term growth rate to the UK national average, so that the Greater Manchester economy grows by 2.8% per annum every year to 2035.[83] The crucial empirical assumption in the GMSF about the acceleration of growth has no basis in the region's recent performance or current prospects. If we look backwards, for the past twenty years the long run growth rate of the north west has been consistently lower than the UK average so that the GVA per capita gap has not been closed: it was 85.6% of the national average in 1997 and 85.4% in 2014.[84] If we look forwards, and factor in the structural changes anticipated in the GMSF, yet more junior white collars in central offices and low wage workers in edge city warehouses will not produce an acceleration of growth. The growth target instead fits with a pre-Brexit improvement target for the acceleration of north west regional growth to 2.5% which be was plucked from the air by the then prime minister and chancellor in 2015 when launching the Northern Powerhouse.[85]
- ✓ The formatting of future building is then dictated by developers. The discovery of a 'land supply gap'[86] requiring incursion into the green belt reflects the developers' aversion to brown field sites. The preference for large sites favours a group of larger national and regional players, which has come to dominate house building in the UK: small and medium builders will be more or less automatically excluded by the scale of development

> on sites which will be divided up between the major players. The spatial framework insists that developers will have to pay for the new junctions, roundabouts and access roads that connect their edge housing estates and warehouse parks with the motorway network.[87] However, experience suggests that developers are more than capable of producing financial spreadsheets which show the development will not go ahead if they are asked to make any significant social contribution.

James Drake, as surveyor for Lancashire County Council, was a visionary motorway planner in the 1950s and 1960s. In consequence, Greater Manchester and Lancashire has the best motorway network of any UK city region; the GMSF simply piggy backs on this legacy by proposing junctions, access points and modal interchanges but no new roads.[88] But the development of edge city housing estates and warehouse parks on the scale envisaged in the GMSF would generate an increase in traffic beyond the capacity of the city region's exo-skeleton of motorways which Drake planned 60 years ago. The network has now reached its volume limit and the high traffic sections have already been converted to four lane operation. With edge city building on anything like the scale proposed in the GMSF, the prospect is of chronic traffic congestion and worse air pollution on all the motorways and trunk routes into the city. The housing estates would have many two car households and the logistics parks would generate many extra truck movements. Unless low emissions vehicles are the norm, the extra traffic would increase pollution in a city where the air quality in heavy traffic areas already breaches safe levels and (pro rata from official national estimates) causes around 2,000 premature and avoidable deaths in GM each year.[89]

The 1960s civic planners of Manchester started from the problem of traffic in towns and had a modernist vision of how it could be accommodated by sunken roads and raised walkways. Their vision may have been flawed but it does have a civic and social dimension which is completely absent in the GMSF which is about letting the developers have their estates and ducking the consequences. Thus, the GMSF down plays the problems of pollution and congestion which edge city development would produce and (more ominously) also reserves the right to solve the problem of congestion by denying road access on some unclear principle. The issue of congestion is ducked by supposing that households will use accessible public transport provided by a modest extension and co-ordination of existing provision;[90] and by presenting warehouse parks throughout the GMSF as 'industrial and warehousing sites'. As a backstop, the GMSF envisages 'using demand management measures to make best use of our existing high ways capacity'[91] with no indication of how pricing or other rationing principles might be applied. The GMSF does not explain crucially how Greater Manchester can manage demand while allowing the motoring poor to drive to work in peak hours as many of them need to, because there is no practical public transport substitute for orbital car journeys.

The other more fundamental problem is that development, as proposed in the GMSF, does very little for most of the Greater Manchester population, whether considered by territory or tenure. The territory that lies between edge estates and central towers comprises most of the Greater Manchester city region in terms of area, population, housing and facilities. But that space between gets very little because the GMSF model of civic development is about new build on large sites of what can most easily be sold on or rented out. In effect, the city-region has two poles of new build development with a central city of offices and flats for singles and couples and the edge estates of family houses and warehouses; the maintenance and renewal of Manchester's patchwork urban fabric in between barely figures in the official civic view of how we use, re-use and add to civic space. The eight local town centres of the boroughs from Altrincham to Wigan are identified in the GMSF as 'key locations'[92] but it is unclear how these shopping-based local borough centres can succeed without the adjacent flats and offices which boost central Manchester's local consumption spend and night time population.

If we shift to tenure, Greater Manchester is a city region of low wages and precarious work, with an acute shortage of social housing, whre the number on the ten borough housing waiting list peaked at 100,000 in 2013;[93] and many more are in private rented accommodation and claiming housing benefit. Yet, the term 'social housing' does not appear anywhere in the GMSF draft. Instead the GMSF plan promises 'provision for a wide variety of housing types, sizes, tenure and values'[94] which private developers will interpret loosely to include some 'affordable homes', 'starter homes' and private rented but not the large volumes of social housing that are required. The GMCA is clearly part of the problem here: a £300 million housing fund for 'commercially led development' was negotiated as part of the devolution deal and large sums have since been distributed to support flat building by local developers like the Done Brothers and Richardson Developments on the Pomona site in Salford.[95]

The Greater Manchester boroughs are allowing property developers to do financial engineering for the narrow private purpose of building wealth, when they should be using financial engineering for social purposes. The Ex Urbe report[96] explained how the Peel Group consists of at least 400 companies 'set up to facilitate the shifting of finances and legal liabilities'. Many of these companies are UK registered but all are three quarters owned and controlled by the Whittaker family trust domiciled in the Isle of Man; in the same year of 2013, the *Sunday Times* Rich List estimated John Whittaker's personal wealth at £2.3 billion which made him 31st richest in the UK. The response to the report was interesting because, like all tax avoiding corporates, Peel insisted that the group met its legal obligation to pay tax; and the political classes did not then think to raise the social ask of Peel or other developers. Nor, more imaginatively, did Greater Manchester politicians start to think about how the public sector might use financial engineering for social benefits. Long term fixed rate 5% coupon bonds would provide secure long term capital for local authorities and provide investment opportunities for mature pension funds looking to match income to predictable liabilities. And, if that's not legally possible, local government should do what the private sector would do; lobby for regulatory change and meanwhile use lawyers and accountants to find work-arounds.

Greater Manchester is a fragile political coalition and internal divisions will become increasingly important in the next stage of devolution with the mayoral election: already, for example, the front running candidate, Andy Burnham, accepts that the GM Housing Fund has failed to respond to local housing needs in lending to large developers to build city centre flats.[97] Within the GMCA, the five Northern Boroughs are politically important because they can change things if they coordinate individual positions and manage joint action going forward: so far, the Greter Manchester Spatial Framework has kept the northern boroughs on side by offering them all a share of edge city development but these shares are small and may be slow to turn from plan to realisation. Local democracy has been very limited because of low turnouts at local elections and limited opportunity to engage in discussions about policy areas like housing and transport; but interest in the GM People's Plan[98] indicates that new kinds of non-party engagement have some traction.

Against this background of mixed signals, the message of this report is that, after a generation, the accommodation between the Greater Manchester political classes and the developers blocks the diffusion of prosperity and is probably reaching a point of economic and political unsustainability. Devolution for Manchester, as for other English city regions, is not a new settlement but a first stage delegation of problems and unfinished business which is part of a longer term unwinding of our disunited kingdom with its multiple economies. Within Greater Manchester, the next challenge is to do something about its formatted and unbalanced economic development by politically improvising something different and more participatory around an alliance for foundational welfare. Now, that would be *Manchester transformed*.

Table 1: (data for exhibit 2): UK GVA per head split by major city regions

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Greater Manchester	£11,533	£12,260	£13,010	£13,197	£14,056	£14,838	£15,573	£16,656	£17,328	£18,232	£19,051	£18,966	£18,880	£19,233	£18,898	£19,592	£20,476	£21,002
Tyneside	£10,458	£10,955	£11,550	£11,880	£12,777	£13,898	£14,629	£15,967	£17,260	£18,029	£18,390	£18,720	£18,002	£18,493	£19,658	£19,807	£20,111	£20,693
Merseyside	£9,652	£10,387	£10,928	£11,475	£11,979	£12,930	£13,714	£14,395	£14,852	£16,177	£16,451	£17,069	£17,433	£17,703	£17,668	£17,269	£18,009	£18,621
South Yorkshire	£9,465	£10,173	£9,981	£10,456	£11,077	£12,112	£12,880	£13,762	£14,281	£15,021	£16,166	£15,874	£15,645	£16,066	£16,113	£16,384	£16,824	£17,462
West Yorkshire	£11,833	£12,401	£13,034	£13,397	£13,775	£14,447	£15,567	£16,417	£17,260	£18,154	£18,952	£19,321	£18,999	£19,086	£19,552	£19,806	£20,342	£20,808
West Midlands	£12,508	£13,205	£13,684	£14,071	£14,694	£15,262	£15,792	£16,373	£17,116	£17,588	£18,301	£18,056	£17,454	£18,055	£18,327	£18,859	£19,452	£19,778
London (all)	£21,293	£22,611	£23,459	£25,318	£25,812	£26,702	£28,290	£29,752	£32,007	£33,136	£35,389	£36,172	£35,577	£36,434	£38,249	£39,201	£40,516	£42,666
South West	£12,350	£12,680	£13,113	£13,795	£14,469	£15,208	£16,191	£17,007	£17,706	£18,420	£19,413	£19,836	£19,688	£20,494	£20,465	£20,899	£21,644	£22,324
East Wales	£11,981	£12,354	£12,925	£13,764	£14,094	£14,610	£15,999	£16,950	£17,526	£18,403	£19,232	£18,621	£18,367	£18,576	£19,296	£19,727	£20,385	£20,684
Eastern Scotland	£12,854	£13,515	£13,379	£14,218	£14,840	£15,949	£16,928	£18,024	£18,594	£20,071	£20,990	£20,832	£20,878	£20,553	£20,624	£21,092	£21,889	£22,668
South West Scotland	£11,711	£12,401	£12,615	£12,986	£13,893	£14,109	£15,020	£15,884	£17,205	£17,938	£18,324	£18,748	£18,782	£18,474	£18,740	£18,808	£19,816	£20,826

Source: Regional Gross Value Added (Income Approach) reference tables, ONS
http://www.ons.gov.uk/economy/grossvalueaddedgva/bulletins/regionalgrossvalueaddedincomeapproach/december2015
Notes: Estimates of workplace based GVA allocate incomes to the region in which the economic activity takes place; London is a NUTS 1 regions, Greater Manchester, Merseyside, South Yorkshire, West Yorkshire, West Midlands, South West, East Wales, Eastern Scotland, South West Scotland are NUTS 2 regions and Tyneside is a NUTS 3 region.

Table 1a: Index of UK GVA per head split by major city regions (1997 =100)

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Greater Manchester	100.0	106.3	112.8	114.4	121.9	128.7	135.0	144.4	150.2	158.1	165.2	164.4	163.7	166.8	163.9	169.9	177.5	182.1
Tyneside	100.0	104.8	110.4	113.6	122.2	132.9	139.9	152.7	165.0	172.4	175.8	179.0	172.1	176.8	188.0	189.4	192.3	197.9
Merseyside	100.0	107.6	113.2	118.9	124.1	134.0	142.1	149.1	153.9	167.6	170.4	176.8	180.6	183.4	183.1	178.9	186.6	192.9
South Yorkshire	100.0	107.5	105.5	110.5	117.0	128.0	136.1	145.4	150.9	158.7	170.8	167.7	165.3	169.7	170.2	173.1	177.7	184.5
West Yorkshire	100.0	104.8	110.1	113.2	116.4	122.1	131.6	138.7	145.9	153.4	160.2	163.3	160.6	161.3	165.2	167.4	171.9	175.8
West Midlands	100.0	105.6	109.4	112.5	117.5	122.0	126.3	130.9	136.8	140.6	146.3	144.4	139.5	144.3	146.5	150.8	155.5	158.1
London (all)	100.0	106.2	110.2	118.9	121.2	125.4	132.9	139.7	150.3	155.6	166.2	169.9	167.1	171.1	179.6	184.1	190.3	200.4
South West	100.0	102.7	106.2	111.7	117.2	123.1	131.1	137.7	143.4	149.1	157.2	160.6	159.4	165.9	165.7	169.2	175.3	180.8
East Wales	100.0	103.1	107.9	114.9	117.6	121.9	133.5	141.5	146.3	153.6	160.5	155.4	153.3	155.0	161.1	164.7	170.1	172.6
Eastern Scotland	100.0	105.1	104.1	110.6	115.5	124.1	131.7	140.2	144.7	156.1	163.3	162.1	162.4	159.9	160.4	164.1	170.3	176.3
South West Scotland	100.0	105.9	107.7	110.9	118.6	120.5	128.3	135.6	146.9	153.2	156.5	160.1	160.4	157.7	160.0	160.6	169.2	177.8

Source: Regional Gross Value Added (Income Approach) reference tables, ONS
http://www.ons.gov.uk/economy/grossvalueaddedgva/bulletins/regionalgrossvalueaddedincomeapproach/december2015
Notes: Estimates of workplace based GVA allocate incomes to the region in which the economic activity takes place; London is a NUTS 1 regions, Greater Manchester, Merseyside, South Yorkshire, West Yorkshire, West Midlands, South West, East Wales, Eastern Scotland, South West Scotland are NUTS 2 regions and Tyneside is a NUTS 3 region.

Table 1b: GVA in Greater Manchester, split by sub-regions

	Manchester City		Greater Manchester South West		Greater Manchester South East		Greater Manchester North West		Greater Manchester North East	
	GVA £m	Share of total	GVA £m	Share of total	GVA £m	Share of total	GVA £m	Share of total	GVA £m	Share of total
1997	7,026	24.2%	6,134	21.1%	5,283	18.2%	5,157	17.7%	5,486	18.9%
2000	8,247	24.8%	7,168	21.6%	6,133	18.5%	5,632	17.0%	6,028	18.2%
2008	13,177	26.5%	10,838	21.8%	9,024	18.2%	8,200	16.5%	8,452	17.0%
2014	16,107	28.1%	12,898	22.5%	9,605	16.7%	9,201	16.0%	9,584	16.7%

Source: Regional Gross Value Added (Income Approach) reference tables, ONS
Notes: GVA (Gross Value Added) data uses the income method and relates to the place of generation and Greater Manchester comprises of Manchester (NUTS 2 code UKD33), Greater Manchester South West (Salford and Trafford -NUTS 3 code UKD34), Greater Manchester South East (Stockport and Tameside - NUTS 3 code UKD35), Greater Manchester North West (Bolton and Wigan -NUTS 3 code UKD36), Greater Manchester North East (Bury, Oldham and Rochdale -NUTS code 3 UKD37)

Table 2 (Data for exhibit 2): Nominal UK Gross Value Added (GVA)

	United Kingdom £m	London £m	Greater Manchester £m	London GVA share of UK GVA %	Greater Manchester GVA share of UK GVA %
1997	791,979	149,367	29,086	18.9%	3.7%
1998	829,932	159,761	30,919	19.2%	3.7%
1999	861,179	167,820	32,726	19.5%	3.8%
2000	915,051	183,222	33,208	20.0%	3.6%
2001	952,815	189,003	35,367	19.8%	3.7%
2002	1,002,770	196,974	37,441	19.6%	3.7%
2003	1,065,713	209,198	39,534	19.6%	3.7%
2004	1,123,006	221,140	42,470	19.7%	3.8%
2005	1,192,787	240,662	44,429	20.2%	3.7%
2006	1,261,841	251,765	47,079	20.0%	3.7%
2007	1,331,120	272,268	49,507	20.5%	3.7%
2008	1,369,505	282,579	49,691	20.6%	3.6%
2009	1,348,507	282,577	49,840	21.0%	3.7%
2010	1,397,744	293,710	51,195	21.0%	3.7%
2011	1,443,281	313,809	50,750	21.7%	3.5%
2012	1,485,776	325,700	52,942	21.9%	3.6%
2013	1,546,914	341,006	55,591	22.0%	3.6%
2014	1,618,346	364,310	57,395	22.5%	3.5%

Source: Regional Gross Value Added (Income Approach) reference tables, ONS

Note: GVA data uses the income method and relates to the place of generation

Table 3 (Data for exhibit 3): Increase or decrease in the type of residential building in the AGMA region between 1991 and 2011

	Purpose-built flat in a residential building No.	Purpose-built flat in a commercial building No.	Converted flat No.	Total flats No.	Detached building No.	Semi-detached building No.	Terraced house No.	All other No.	Total households No.
Bolton	5,292	-121	660	5,831	6,358	6,698	1,210	-809	19,288
Bury	2,506	-64	389	2,831	3,837	4,055	1,693	-229	12,187
Manchester	28,730	404	3,496	32,630	5,888	14,418	-5,026	-2,618	45,292
Oldham	-209	-222	92	-339	4,372	5,705	-1,680	-243	7,815
Rochdale	1,678	-158	298	1,818	4,684	5,426	-1,037	-86	10,805
Salford	9,406	-116	662	9,952	4,248	6,579	-2,251	-625	17,903
Stockport	4,162	82	753	4,997	3,059	4,777	318	-592	12,559
Tameside	2,967	-9	645	3,603	3,949	5,984	-837	-266	12,433
Trafford	5,913	-13	358	6,258	2,831	4,365	774	-842	13,386
Wigan	3,496	-80	457	3,873	10,634	7,583	1,222	-294	23,018
Total AGMA	63,941	-297	7,810	71,454	49,860	65,590	-5,614	-6,604	174,686

Source: 1991 and 2011 Census (data downloaded from Nomis 5 April 2016)

Note: All other includes households who have shared arrangements

Table 3a (supplement for exhibit 3): Type of residential building in the AGMA region, 1991

	Purpose-built flat in a residential building No.	Purpose-built flat in a commercial building No.	Converted flat No.	Total flats No.	Detached building No.	Semi-detached building No.	Terraced house No.	All other No.	Total households No.
Bolton	9,519	1,092	817	11,428	13,323	35,105	40,961	896	101,713
Bury	7,374	703	595	8,672	10,862	26,884	22,576	259	69,253
Manchester	32,640	1,979	6,740	41,359	4,746	50,549	69,718	2,713	169,085
Oldham	10,633	906	523	12,062	7,094	25,751	40,020	283	85,210
Rochdale	9,925	809	556	11,290	9,077	24,725	33,925	193	79,210
Salford	19,167	1,053	1,238	21,458	5,079	30,879	33,012	728	91,156
Stockport	12,574	1,148	1,380	15,102	23,773	47,118	26,756	667	113,416
Tameside	10,353	902	513	11,768	7,255	31,189	36,275	315	86,802
Trafford	10,009	881	1,771	12,661	11,791	38,447	20,174	871	83,944
Wigan	8,185	1,029	778	9,992	13,889	56,246	38,069	378	118,574
Total AGMA	130,379	10,502	14,911	155,792	106,889	366,893	361,486	7,303	998,363

Source: 1991 Census (data downloaded from Nomis 5 April 2016)

Note: All other includes households who have shared arrangements

Table 3b (supplement for exhibit 3): Type of residential building in the AGMA region, 2011

	Purpose-built flat in a residential building No.	Purpose-built flat in a commercial building No.	Converted flat No.	Total flats No.	Detached building No.	Semi-detached building No.	Terraced house No.	All other No.	Total households No.
Bolton	14,811	971	1,477	17,259	19,681	41,803	42,171	87	121,001
Bury	9,880	639	984	11,503	14,699	30,939	24,269	30	81,440
Manchester	61,370	2,383	10,236	73,989	10,634	64,967	64,692	95	214,377
Oldham	10,424	684	615	11,723	11,466	31,456	38,340	40	93,025
Rochdale	11,603	651	854	13,108	13,761	30,151	32,888	107	90,015
Salford	28,573	937	1,900	31,410	9,327	37,458	30,761	103	109,059
Stockport	16,736	1,230	2,133	20,099	26,832	51,895	27,074	75	125,975
Tameside	13,320	893	1,158	15,371	11,204	37,173	35,438	49	99,235
Trafford	15,922	868	2,129	18,919	14,622	42,812	20,948	29	97,330
Wigan	11,681	949	1,235	13,865	24,523	63,829	39,291	84	141,592
Total AGMA	194,320	10,205	22,721	227,246	156,749	432,483	355,872	699	1,173,049

Source: 2011 Census (data downloaded from Nomis 5 April 2016)

Note: All other includes households who have shared arrangements

Table 4 (Data for exhibit 6): Estimates of unemployment for local authorities

	Bolton %	Bury %	Manchester %	Oldham %	Rochdale %	Salford %	Stockport %	Tameside %	Trafford %	Wigan %	AGMA %	Bolton %
1996/97	6.9	5.0	13.4	7.3	7.5	8.7	5.4	7.9	5.6	8.1	7.8	6.9
1997/98	5.5	4.8	14.1	6.4	6.6	6.8	4.4	6.1	5.4	7.2	6.9	5.5
1998/99	4.7	3.8	11.2	5.8	5.9	5.8	4.1	5.5	4.8	5.7	5.9	4.7
1999/2000	6.2	4.2	11.7	6.1	6.6	7.0	4.1	6.9	4.4	6.1	6.5	6.2
2000/01	5.5	3.8	8.9	5.9	5.4	6.3	3.8	4.6	4.0	5.1	5.5	5.5
2001/02	4.9	4.2	8.8	4.9	5.0	5.6	3.1	4.5	3.9	4.4	5.1	4.9
2002/03	5.1	4.4	9.2	5.7	5.9	5.9	3.7	4.7	4.6	4.9	5.5	5.1
2003/04	5.1	3.9	8.5	5.0	5.6	5.5	3.4	4.7	4.0	4.7	5.2	5.1
2004	4.5	3.7	8.2	5.0	5.0	5.2	3.0	4.7	3.7	4.4	4.9	4.5
2005	5.7	4.1	8.1	5.0	5.6	5.6	3.9	5.8	4.1	5.0	5.5	5.7
2006	5.3	5.2	7.1	5.8	6.0	6.2	3.6	5.4	3.7	5.3	5.5	5.3
2007	5.8	4.6	8.1	7.3	6.5	5.7	4.0	5.9	4.1	6.3	6.0	5.8
2008	7.2	5.6	9.8	8.4	7.3	7.3	5.2	6.8	5.1	6.1	7.1	7.2
2009	8.6	8.9	12.1	9.5	10.6	10.3	7.7	9.0	7.4	8.8	9.5	8.6
2010	8.7	7.3	11.2	9.3	8.8	9.5	6.7	8.8	7.0	7.9	8.7	8.7
2011	8.9	7.6	11.6	10.0	10.8	10.4	7.2	9.7	6.9	8.7	9.3	8.9
2012	9.3	8.7	12.8	10.3	10.5	9.9	6.4	9.8	6.9	9.0	9.6	9.3
2013	9.9	7.0	10.6	9.1	9.3	11.7	5.5	9.0	6.4	8.4	8.8	9.9
2014	7.3	6.4	9.5	8.4	8.8	8.1	5.5	6.9	5.5	6.7	7.5	7.3
2015	6.5	5.6	7.8	6.9	7.1	6.9	5.0	5.1	4.0	5.0	6.1	6.5

Source: M01 Regional labour market: Modelled unemployment for local and unitary authorities

Notes: 1. The figures are based on a model which utilises Annual Population Survey estimates of unemployment along with the number of people claiming Jobseekers Allowance (JSA) averaged over 12 months; 2. These figures represent '95% confidence intervals'; 3. Data affected by limited roll-out of Universal Credit and lowers the totals.

Table 5 (Data for exhibits 7 and 9): AGMA region state and para state (state-funded) employment split by local authorities

	Bolton No.	Bury No.	Manchester No.	Oldham No.	Rochdale No.	Salford No.	Stockport No.	Tameside No.	Trafford No.	Wigan No.	AGMA No.	North West No.
1998	27,833	16,006	76,362	16,645	17,336	28,660	27,437	15,198	18,373	22,136	265,987	733,171
1999	27,311	17,347	84,478	18,394	17,568	33,987	29,824	16,377	19,982	23,433	288,702	773,796
2000	28,585	16,880	83,854	17,893	17,898	33,649	29,357	15,619	21,082	23,741	288,558	773,739
2001	28,710	17,440	86,916	18,332	18,536	32,081	29,019	16,666	21,169	25,660	294,530	787,697
2002	27,357	18,442	86,833	19,058	17,408	33,972	28,627	16,548	20,082	24,105	292,430	809,391
2003	28,194	19,595	83,623	18,822	17,203	33,705	30,542	17,366	20,685	23,980	293,715	831,404
2004	28,386	19,082	88,265	19,859	18,557	35,001	31,784	19,794	21,707	24,369	306,805	851,013
2005	33,134	19,152	87,798	20,548	19,777	35,229	33,252	18,685	18,840	25,194	311,609	863,477
2006	28,482	19,369	92,766	20,196	19,234	33,505	30,641	18,988	18,806	26,205	308,193	862,440
2007	27,740	21,129	92,386	21,277	19,346	34,331	32,607	19,802	20,143	26,306	315,066	882,592
2008	28,243	20,918	92,025	21,717	18,973	33,760	31,709	19,082	20,421	25,456	312,304	871,238
2009	27,244	20,282	91,150	20,867	20,698	30,837	31,093	20,101	20,606	25,390	308,268	852,046
2010	27,089	20,009	94,937	20,537	20,636	30,397	30,195	19,866	20,812	26,727	311,205	868,702
2011	26,124	19,844	91,902	22,189	18,890	31,356	30,145	18,986	19,841	25,175	304,451	844,606
2012	26,110	20,945	96,020	22,773	20,034	30,608	29,961	18,492	19,121	25,392	309,455	851,240
2013	25,736	20,185	93,358	22,556	17,844	32,663	27,907	18,592	20,962	26,197	305,998	846,238
2014	25,602	20,293	96,946	23,629	17,779	31,461	28,729	18,933	21,283	27,018	311,673	850,347
1998-2008	**410**	**4,912**	**15,664**	**5,072**	**1,636**	**5,100**	**4,272**	**3,884**	**2,048**	**3,320**	**46,318**	**138,067**
2008-2014	**-2,641**	**-625**	**4,921**	**1,912**	**-1,194**	**-2,299**	**-2,981**	**-149**	**862**	**1,561**	**-631**	**-20,891**
1998-2014	**-2,231**	**4,287**	**20,584**	**6,984**	**443**	**2,801**	**1,292**	**3,736**	**2,910**	**4,881**	**45,686**	**117,176**

Source: BRES and Annual Business Inquiry, Nomis.

Table 6 (Data for exhibit 11): AGMA residents travelling to work in Manchester City, 2011.

	16-64 resident population in local authority	No of 16+ people resident in AGMA LAs travelling to work in Manchester City	Percentage of 16+ residents working in Manchester City	Mode of travel				
				Metro, tram	Train	Bus	Driving or passenger in a car or van	Foot
	No.	No.	%	%	%	%	%	%
Bolton	177,300	7,017	4.0%	1.8%	31.1%	4.5%	60.0%	0.8%
Bury	118,500	12,130	10.2%	18.6%	0.8%	10.3%	65.9%	1.5%
Oldham	141,600	11,712	8.3%	0.1%	4.4%	21.2%	69.7%	2.0%
Rochdale	136,100	9,269	6.8%	0.8%	9.4%	16.9%	69.1%	1.6%
Salford	156,000	18,919	12.1%	5.8%	3.7%	20.8%	50.0%	15.2%
Stockport	178,400	25,549	14.3%	0.2%	15.8%	10.3%	68.9%	1.2%
Tameside	142,500	17,483	12.3%	0.2%	11.4%	20.1%	63.8%	1.8%
Trafford	144,700	24,760	17.1%	12.9%	2.1%	11.2%	66.1%	2.6%
Wigan	206,200	5,415	2.6%	0.2%	21.6%	7.6%	68.0%	0.9%
AGAM excluding Manchester City	1,401,300	132,254	9.4%					
Manchester	357,500	108,658	30.4%	0.9%	1.6%	27.6%	40.3%	22.7%

Source: Mid-year population estimates, NOMIS

Table 7 (background data for exhibit 12): Travel to work survey for the AGMA region, 2001

	Work in home LA %	Travel to work in City of Manchester %	Travel to work in other AGMA LAs %	Travel to work in North West ex AGMA %	Travel to work outside AGMA and North West %	Total %
Bolton	67.6%	5.8%	18.1%	6.4%	2.1%	100.0%
Bury	51.7%	16.3%	24.3%	5.4%	2.3%	100.0%
Manchester	67.1%	n/a	25.4%	5.1%	2.5%	100.0%
Oldham	64.0%	12.7%	18.2%	2.2%	2.9%	100.0%
Rochdale	62.4%	11.0%	20.1%	3.4%	3.1%	100.0%
Salford	54.3%	16.6%	22.1%	4.8%	2.2%	100.0%
Stockport	56.5%	20.0%	12.0%	8.5%	2.9%	100.0%
Tameside	55.9%	18.6%	19.7%	2.4%	3.5%	100.0%
Trafford	54.5%	22.9%	13.3%	7.0%	2.3%	100.0%
Wigan	61.1%	4.0%	14.4%	18.5%	2.0%	100.0%
TOTAL	60.0%	12.0%	18.5%	6.9%	2.5%	100.0%

Source: 2001 Census, Nomis

Table 7a (background data for exhibit 12): Travel to work survey for the AGMA region, 2011

	Work in home LA %	Travel to work in City of Manchester %	Travel to work in other AGMA LAs %	Travel to work in North West ex AGMA %	Travel to work outside AGMA and North West %	Total %
Bolton	59.7%	6.7%	21.4%	9.2%	3.0%	100.0%
Bury	44.3%	16.3%	29.0%	6.9%	3.5%	100.0%
Manchester	59.9%	n/a	30.1%	6.1%	3.8%	100.0%
Oldham	55.8%	14.3%	22.6%	3.3%	4.0%	100.0%
Rochdale	52.4%	12.1%	26.4%	4.6%	4.5%	100.0%
Salford	43.1%	20.7%	26.5%	6.2%	3.5%	100.0%
Stockport	48.4%	22.4%	14.7%	10.5%	4.0%	100.0%
Tameside	47.4%	20.1%	24.4%	3.5%	4.6%	100.0%
Trafford	45.1%	26.8%	16.2%	8.6%	3.4%	100.0%
Wigan	53.4%	4.2%	16.8%	22.8%	2.8%	100.0%
TOTAL	51.9%	12.8%	22.9%	8.7%	3.7%	100.0%

Source: 2001 Census, Nomis

Table 8a: AGMA region change in employment between 2009 and 2014 split by local authority

	Bolton	Bury	Manchester	Oldham	Rochdale	Salford	Stockport	Tameside	Trafford	Wigan	AGMA
	No.	No.	No.	No.	No.	No.	No.	No.	No.	No.	No.
Manufacturing	-447	-438	1,201	-874	841	-1,099	-1,862	-2,532	-1,276	-903	-7,389
Construction	-1,273	-780	-1,764	-589	-2,058	-1,676	-1,940	-347	-2,733	-700	-13,860
Retail	-597	392	3,227	-2,765	-551	625	-349	-463	571	-842	-752
Transport & storage	1,549	54	-1,184	699	400	317	-248	53	591	830	3,061
Financial & insurance	-409	18	-2,514	-445	-109	-696	1,126	23	808	-343	-2,541
Property	254	297	1,553	527	545	128	587	165	683	343	5,082
Professional services	2,944	1,873	7,532	183	-1,227	2,497	873	284	8,136	1,259	24,354
Business services	-1,191	-98	10,587	935	453	-1,432	-1,567	179	1,580	1,284	10,730
Public administration	-1,549	277	-4,288	-631	-3,695	616	-2,470	-1,778	-65	1,212	-12,371
Education	-948	48	2,631	297	1,196	-384	36	330	308	346	3,860
Health	1,261	306	7,327	3,157	-522	-189	1,659	775	210	68	14,052
All other	221	-604	2,804	442	-956	4,541	-653	-1,364	3,673	-490	7,614
Total	-185	1,345	27,112	936	-5,683	3,248	-4,808	-4,675	12,486	2,064	31,840

Source: BRES downloaded from Nomis.

Note: Data is a count of employment.

Table 8b: AGMA region employment in 2014 split by local authority

	Bolton No.	Bury No.	Manchester No.	Oldham No.	Rochdale No.	Salford No.	Stockport No.	Tameside No.	Trafford No.	Wigan No.	AGMA No.
Manufacturing	12,819	7,110	12,986	11,230	11,640	7,153	10,085	10,831	9,768	12,494	106,116
Construction	5,772	2,793	6,747	4,539	4,183	6,315	5,715	3,548	5,781	7,141	52,534
Retail	12,567	8,241	28,999	8,377	6,821	8,666	13,209	8,318	16,103	12,460	123,761
Transport & storage	5,840	2,030	21,717	3,752	5,641	3,293	3,215	1,988	6,166	5,164	58,806
Financial & insurance	2,986	1,352	20,509	605	910	5,138	6,254	825	4,443	1,266	44,288
Property	2,453	1,403	8,789	1,913	1,587	2,963	2,256	1,224	4,537	1,744	28,869
Professional services	8,464	5,022	41,281	4,066	3,038	10,144	10,632	3,027	20,333	5,943	111,950
Business services	7,161	3,076	35,228	4,183	5,541	15,848	10,866	3,648	19,407	10,694	115,652
Public administration	3,924	2,211	16,222	2,432	2,619	7,154	4,483	3,166	5,054	5,531	52,796
Education	8,554	6,949	37,034	8,166	7,165	10,314	9,542	6,815	7,504	9,221	111,264
Health	15,413	13,084	45,998	14,282	9,078	14,762	17,341	10,438	10,331	14,286	165,013
All other	20,904	12,892	66,984	15,563	13,252	29,958	29,642	13,820	33,253	18,768	255,036
Total	106,857	66,163	342,494	79,108	71,475	121,708	123,240	67,648	142,680	104,712	1,226,085

Source: BRES downloaded from Nomis.

Note: Data is a count of employment.

[1] To avoid confusion, in this report we use the following terms:
'Greater Manchester' refers to the ten boroughs included in the current GMCA (Greater Manchester Combined Authority) City Region (Bolton, Bury, Oldham, Manchester, Rochdale, Salford, Stockport, Tameside, Trafford and Wigan) https://www.greatermanchester-ca.gov.uk/about
'Manchester City' refers to the Manchester City Council local authority, one of the 10 Greater Manchester boroughs
'Central city' refers to the central area of Greater Manchester which has experienced most of the residential and office developments and covering the Manchester City centre and parts of Salford (adjacent to Manchester City centre and Salford Quays) and parts of northern Trafford at the boundary with Manchester City and Salford.

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[5] Greater Manchester Spatial Framework https://www.greatermanchester-ca.gov.uk/info/20018/greater_manchester_spatial_framework

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[11] OECD (2015) p.79.
[12] GMCA (2014) *A Plan for Growth and Reform in Greater Manchester*, p.4.
[13] Emmerich, M; Holden, J and Rios, R (2013) *Urban Growth in the UK: a Mancunian Call to Action*. (http://neweconomymanchester.com/publications/urban-growth-in-the-uk-a-mancunian-call-to-action), p.14.
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[19] Transport for Greater Manchester (2016) *Greater Manchester Transport Strategy 2040 Evidence Base. Consultation Draft* (http://www.tfgm.com/2040/Pages/strategy/assets/Greater-Manchester-Transport-Strategy-2040-Evidence-Base.pdf) p.10.
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[21] Resolution Foundation (2016) *City Living. Devolution and the Living Standards Challenge.* http://www.resolutionfoundation.org/wp-content/uploads/2016/10/City-Living.pdf
[22] See Table 1 in the appendix.
[23] See Table 1b in the appendix.

[24] Regional GVA data provided by the ONS divides Greater Manchester into five constituents. In 2014, nominal GVA per capita was as follows: Manchester £30,963; GM South West (Salford and Trafford) £27,182; GM South East (Tameside and Stockport) £18,925; GM North West (Bolton and Wigan) £15,299; and GM North East (Bury, Oldham and Rochdale) £15,231.

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[63] Source: Nomis, Data is also available from ONS employment statistics. Note: (Public sector is the summation of education, public administration and health. Underlying data relates to employees and excludes self-employment.

[64] Source: M01 Regional labour market: Modelled unemployment for local and unitary authorities. Notes: The figures are based on a model which utilises Annual Population Survey estimates of unemployment along with the number of people claiming Jobseekers Allowance (JSA) averaged over 12 months; These figures represent '95% confidence intervals'; Data is affected by limited roll-out of Universal Credit and lowers the totals but that applies since June 2014.

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