



## Greater Manchester All Party Parliamentary Group

**Chair** Lucy Powell MP  
**Vice Chairs** Lord Goddard of Stockport, Ivan Lewis MP, Baroness Morris of Bolton and David Nuttall MP  
**Secretary** Jonathan Reynolds MP  
**Treasurer** Yasmin Qureshi MP

# The economic and social challenges facing Greater Manchester

**WEDNESDAY 29th MARCH 4.00 to 5.30pm COMMITTEE ROOM 18**

### NON-VERBATIM MINUTES

**Welcome and introductions from Lucy Powell MP, Chair of the Greater Manchester APPG.**

**David Nuttall MP adopted as Vice Chair of the Greater Manchester APPG.**

**The case for inclusive growth in Greater Manchester: Professor Ruth Lupton, Head of the Inclusive Growth Analysis Unit, University of Manchester:**

- Even as it heads towards election on 4<sup>th</sup> May, more challenges face Greater Manchester than opportunities.
- The case for reducing poverty can be made in fiscal terms as well as moral – spreading wealth creation and growth leads to a more economically productive city-region.
- High percentage of GM firms are at the low end of the product market; produce based on low cost not quality. They need help to invest in training and innovation to produce better paid and higher quality jobs and productivity. This is a role to be played by larger institutions through supporting smaller bodies and disadvantaged communities.
- The economic growth of recent decades has benefited city centre areas but failed the network of smaller towns in the city-region. Place-based industrial strategies are needed to develop and connect these neglected communities. The city-region has shocking intra-regional inequality – 46 years of expected healthy life in parts of Salford compared with over 70 years in Stockport. It demonstrates the need to support non-central areas and the failure of trickle-down economics in GM.
- Role of the incoming GM Metro Mayor is to involve more than the public sector in the inclusive growth agenda. This means identifying key leaders in private and VCSE organisations and empowering them to push the agenda.



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### **The social challenges and opportunities facing Greater Manchester, Stephen Clarke, Research and Policy Analyst, Resolution Foundation:**

- Before the financial crisis, GM out-performed the United Kingdom in economic output but in the years since, its success has been less marked. GVA per head is still 1.5% below its pre-crisis peak.
- The city-region performs relatively well in growth and productivity but poorly for jobs and pay.
- Three key challenges were identified for the city-region:
  - While Greater Manchester is not as dependent on its migrant population as London, with 5% of its population being from the EU it is more exposed than other city-regions.
  - An increasing percentage of the GM workforce have become reliant on part-time or self-employed work since the financial crash. An increasing percentage are employed by agencies or are on zero-hours contracts. While the National Living Wage will considerably reduce the number of low paid workers, it does not address the city-region's progression challenge.
  - Home ownership among young families has fallen considerably over the last decade with the demographic increasingly relying on the private rented sector. Manchester leads the way for house price growth in the UK in terms of year-on-year price increase.
- Three key opportunities were identified for the city-region:
  - The considerable powers that will be devolved to the incoming Metro Mayor and regional leaders have the potential to positively impact living standards.
  - GM boasts a very high rate of graduate retention in the first year after graduation (this has not, however, materialised into a higher, long-term proportion of graduates in the workforce).
  - There is a concentration of advanced industries in Greater Manchester, in many cases with only London proving superior. The forefront of these are the creative and digital sectors (however, other key industries – technology, tradeable finance, manufacturing – have shrunk since the financial crash)

### **Lord O'Neill of Gatley:**

- There is a need for up-to-date data when discussing these issues, otherwise it is not possible to accurately assess how GM has progressed in the three years since its first devolution deal.
- A more useful means of assessing a city than its retention of its own alumni is its ability draw graduates from other cities. By this metric, only London and Bristol stand out, not Manchester.



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- Children are leaving school in GM with far poorer sets of skills than nationwide – the new Metro Mayor needs to continue to push for a greater say over these issues in future devolution deals.
- Expansion of the Metrolink tram system throughout GM is key to alleviating some of the region's inequalities.
- The passing of health & social care administration to a local level in GM represents one of most powerful acts of devolution in the world in terms of the scale of responsibility it will put on the city-region.
- The change in leadership in Greater Manchester with the departure of Sir Howard Bernstein presents the challenge of having a smooth transition of power and of ensuring that the many qualities of his leadership are not lost.

### **The economic challenges and opportunities facing Greater Manchester, Andrew Carter, Incoming Chief Executive, Centre for Cities:**

- The social and economic issues facing GM are two sides of the same coin.
- Regional inequality is a stark problem in GM but it is important to recognise that Manchester is the key economic driver in the city-region. It has the fastest growing city centre and its growth drives job creation; the whole of GM will benefit if Manchester does.
- GM's transport network is growing, allowing greater mobility for its residents; it is a considerable economic boon for the city-region.
- Key growth sectors in the city-region are financial services, transport services, insurance, manufacturing services and science and technology. Their wealth is principally derived from their export market with 54% of all exports to the EU and only 15% and 5% to the USA and China respectively. In this regard, the departure of the UK from the EU presents a key problem for the GM local economy.
- There is a critical challenge in education in GM – while the proportion of people leaving school with no skills is falling, it still sits below the UK average. Two-thirds of school leavers in big cities leave with the basic skills to be competitive in the UK job market, in GM the figure is notably less.
- There is a regional problem with stagnant wages and living standards.

### **Lucy Powell MP, Chair of the APPG, thanked the speakers and opened the debate to questions and comments from the floor which included the following:**

- Greater Manchester must make the case for moving creative industries, such as Channel 4, to creative clusters like Media City.
- Addressing the inconsistency of quality of health and social care is key to addressing social inequality. However, it is unclear what devolution of health and social care will



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mean. For example, Jon Rouse, Chief Officer of the Greater Manchester Health and Social Care Partnership, will still have to report to the Chief Executive of NHS England, Simon Stevens.

- Greater Manchester may be renowned for world-class tertiary education, but there remains a huge disparity in its primary and secondary education. There is a need for a forum like the APPG to discuss and share best practice on this issue.
- Large-scale connectivity projects like the Atlantic Gateway have the potential to bring huge economic benefits to GM businesses. Crux of the problem is how to demonstrate to business leaders how they can be involved.
- There is a societal responsibility for the raising of living standards; it is the role of devolution and the new Metro Mayor to push this agenda.
- Primary and secondary education in GM are dogged by problems but there is also a need to promote life-long education if people are to adapt skills to move between employment sectors.
- The expansion of the Metrolink is a proven means of breaking down social barriers but it comes with limitations. It is time to advocate for new infrastructural projects such as Sir Howard Bernstein's suggestion of an underground network.
- Current mayoral and Combined Authority powers lack the necessary fiscal devolution; devolution of business rates alone is not enough.
- Regional inequality has produced an identity crisis in Manchester – there is no single Manchester identity let alone a region-wide one.
- There is a democratic challenge to making a success of devolution; with Labour controlling nine of the ten local councils, GM is essentially a one-party state, producing disengagement from local politics.
- With only 2.7m residents, GM is not a big enough region to compete on the global stage. It needs to learn to work with other regions (Liverpool, Yorkshire).
- Previous attempts to address the problems in the city-region's education system have been lacking; the Greater Manchester Education Area-Based Review published last year has failed in this respect.
- It is essential to find a way to link private money with infrastructural projects that require investment.

**The meeting closed with thanks to all speakers and to DevoConnect for arranging the meeting.**