

City Relationships: Economic Linkages in Northern city regions Manchester City Region

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Moving Forward:
The Northern Way



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Summary

This is one of seven reports published as part of the City Relationships research programme.

The research aimed to test a hypothesis derived from previous research that stronger and more complementary economic relationships between towns and cities in the north of England would generate higher levels of sustainable economic growth and development.

The project examined the economic relationships between the five most significant economic centres in the North – Leeds, Liverpool, Manchester, Newcastle and Sheffield – and selected cities and towns nearby, looking in particular at labour market linkages and the connections between businesses. It considered barriers to more complementary economic relationships and what public policy might do to foster them.

At a time when the public policy environment is focused on recovery from the current recession, and when there are emerging changes in the tools available to agencies and institutions at sub-national level working on economic development, the report aims to generate insights about how these tools could secure better economic outcomes for places across the north of England.

The seven reports published through the research programme include:

- An overall synthesis report: City Relationships: Economic linkages in Northern city regions
- Five reports detailing our findings and conclusions for each of the city regions in this study
- A report on the Research Methodology

In addition, there are five supplementary data annexes supporting the 5 city region reports.

These reports are available on The Northern Way website at www.thenorthernway.co.uk/cityrelationships

Key findings and policy conclusions

Economic development in the Manchester City Region

The Manchester City Region is a **monocentric city region**, with Manchester clearly the economic centre and dominating commuting flows across the wider region.

Labour market constraints are one of the most significant issues affecting the growth of Manchester as the economic centre, and hence the city region as a whole, as neighbouring areas have considerable opportunities to benefit from growth in Manchester. **Addressing the skills gap and high levels of worklessness should continue to be a priority across the city region, with the opportunity of both improving labour market relationships, and enhancing the productivity of the city region.** With pockets of high deprivation across the city region, policy makers need to consider solutions that take account of both the demand and supply of labour. Job matching will in the majority of cases be dictated by local conditions, and skills and training provision is most effective when tailored to the needs of local employers. Due to the overlap of labour markets across local authorities, this can arguably most effectively be addressed at city region level.

Congestion needs to be addressed to prevent the sustainable growth of Manchester City Region's economy being constrained. Although plans to introduce a congestion charge were rejected by a referendum, it is vital that the city region continues to seek solutions to address the problem. An integral part of this is the continued development of the city region's public transport network, whilst ensuring an integrated approach is taken to transport planning. Policy makers should consider how public transport might be better aligned across the city region beyond the Greater Manchester Integrated Transport Authority boundaries, looking to include areas such as Blackburn and Warrington to support the development of stronger relationships.

Bury is a good example of a Local Authority seeking the development of a more complementary relationship with Manchester, the main economic driver of the city region. Over the last decade, it has focused on development through education and infrastructure improvement with the objective of improving its quality of life offer. Bury aspires to attract more knowledge-intensive employment into the district but recognises that it cannot compete with Manchester in terms of inward investment.

It is, instead, building on its 'sub regional offer' as an attractive location for knowledge workers who are likely to work in Manchester, at least in the medium term. Crucial to maintaining its quality of life offer will be to develop the cultural offer and build on the vibrancy of the area.

Draw of Economic Centre

Compared to the other city regions in this study Manchester has a strong draw for residents of neighbouring areas as an economic centre. Manchester has the highest level of in-commuting of the core cities in the north and its travel-to-work area stretches well beyond its contiguous area into Lancashire, Derbyshire, Merseyside and Cheshire. It has the highest GVA per capita within the city region, accounting for 40% of economic output growth between 1998 and 2008,¹ and almost 70% of employment is in the knowledge-intensive industries. A significant number of company head quarters are based in the city and it is also the main regional centre for public services.

Within the city region, the Greater Manchester authorities have the strongest labour market links with Manchester, and most are likely to have dependent or interdependent relationships with Manchester. However, the north of the city region, still struggling with economic restructuring, depends on the economic core to a greater extent than authorities in the south for knowledge-intensive, high value employment.



1. Manchester Independent Economic Review (2008) Economic Baseline, MIER: Manchester. Available at: <http://www.manchester-review.org.uk/economicbaseline/>



Figure 1: Wheel of city typologies – Manchester City Region



- In labour market terms, Blackburn is largely ‘isolated’ from Manchester’s economy. Just 2.6% of Blackburn’s residents commute to Manchester and just 0.1% of Manchester’s residents commute to Blackburn. This is a reflection of the relative weakness of Blackburn’s economy and, with a poor skills profile and high levels of worklessness, the ability of its residents to benefit from the employment opportunities that Manchester has to offer.
- Bury has historically been a commuter town and it remains ‘dependent’ on Manchester for employment. Over 20% of Bury’s residents travel to Manchester, whilst a fraction commute from Manchester to Bury. Residents within Bury benefit from the labour market relationship with Manchester, as indicated by the high average resident based earnings in the district.
- With a high concentration of employment in traditional industries, Oldham is largely ‘dependent’ on Manchester in labour market terms. 13% of Oldham’s residents commute to Manchester, whereas only 2% commute back from Manchester to work in Oldham. This partly reflects the job opportunities available in Oldham in comparison to Manchester. Oldham is positioned closer to ‘isolated’ within the spectrum of city families because of its skills profile.
- Stockport has an ‘interdependent’ relationship with Manchester, providing a critical supply of graduate labour to Manchester’s economy, whilst at the same time having a relatively strong economy itself. Over a third of the district’s population are qualified to degree level and above, and there is a high representation of knowledge workers. Stockport has a similar industrial profile to the economic centre and one that is more likely to benefit from urbanisation economies.

- **Trafford, traditionally part of the economic core, is characterised as having an ‘interdependent’ relationship with Manchester.** With long standing status as a key commercial and trading hub, Trafford has a highly enterprising economy that has been an important contributor to the city region’s growth. Trafford’s residents are well equipped not only to provide high skilled labour to its own businesses but also those in Manchester.
- **One of the UK’s most productive local economies with a long history of inward investment, Warrington is characterised as ‘independent’ from Manchester in labour market terms.** Warrington is a net importer of labour and just 7% of Warrington’s residents commute out of the city to Manchester. The economic performance of the city reflects its success in attracting inward investment and the growing concentration of high tech manufacturing and knowledge intensive industries.

Firm Relationships

- **ICT/Digital Communications** is a key growth sector within Manchester City Region, experiencing the fastest growth rate of any sector between 1998 and 2003 (10.4% per annum). Within Manchester City Region, employment in the sector is concentrated in Manchester, Stockport, Trafford and Bury. Many companies within the sector are service-orientated and do not have a large number of suppliers, although where specialist suppliers are required, the close networks within the sector mean that companies can often identify the appropriate suppliers in relatively close proximity. The importance of face-to-face contact means that many Manchester City Region ICT/Digital firms’ clients tend to be local or regionally based. Access to staff with the appropriate skill set is regarded as the most important location factor by many ICT/Digital companies. Many of the staff working for companies in the sector either live locally or within the Manchester City Region. Recruitment difficulties were attributed to the nature and requirements of the industry rather than location.
- **The Advanced Manufacturing** sector has a long history in Manchester City Region but there is no strong pattern of economic geography because of the relatively international nature of supply chains. Advanced manufacturers will procure from the best suppliers, regardless of location and the market for many advanced manufacturers is international. This means that location decisions are less about access to markets and more about other factors such as access to labour, intellectual capital and transport. Traditional strengths within Manchester City Region mean that there is a ready supply of the relevant experience. Individuals with marketing skills tended to work with headquarters in the south, and this difficulty in recruiting staff was noted as a key challenge for advanced manufacturing companies elsewhere in the city region.

Economic Relationships

- Transport, quality of life and skills, as well as the availability and quality of housing and business space, shape labour market and firm relationships between Manchester and its neighbouring cities and towns. The appropriate combination and prioritisation of these levers will be important in helping to maximise economic benefits for the different places within the city region. While in the South of the city region, investment in housing and solutions to tackle congestion are likely to be the key to improving economic relationships with Manchester, in the north of the city region investment in skills will be of central importance.

- Manchester is the major economic driver within the city region, and, the city region as a whole can benefit from strengthening Manchester's economy and strengthening the links between neighbouring areas and the centre in order to benefit from this growth. On balance, past decisions by firms and people seem to have increased complementarities between Manchester and its neighbouring towns and cities. This suggests that the city region is moving in the right direction to making the most of the distinctive assets of its economic centre and the neighbouring towns and cities on which it relies for continuing competitiveness.
- Manchester's productivity has increased since 1997 but there is an increasing productivity gap between the north and the south of Manchester City Region. The gap between Manchester and Trafford, Stockport and Warrington is narrowing, whereas the gap with Blackburn, Oldham and Bury is increasing. Looking at increased resident earnings in Bury suggests, however, that Bury may be benefiting from its relationship with Manchester in the form of employment opportunities for commuters. This suggests that there is potential for neighbouring towns and cities to continue to improve their economic relationships with the centre in order to fully reap the benefits of its economic success.

1: Introduction

For policymakers seeking to enhance the productivity of individual places, it is vital to look beyond administrative boundaries. Local areas are open and dynamic. Their economies are shaped by economic relationships with other areas² – connections and flows of people to and from home, work and leisure, as well as firm relationships and supply chains.³ These have the potential to generate benefits for both local areas, for example, in the Greater South East, London's success has benefitted nearby cities and towns such as Reading.⁴

When local areas have economic relationships that create advantages for both areas we have defined them as **complementary economic relationships**: labour market and firm links between two urban areas that generate mutual economic benefit.

However, not all economic relationships are complementary; some places appear to be less likely to benefit from their links with one another. In the north of England, for example, there is a desire to understand why the success of, for example, Manchester, Newcastle and Leeds has not spread to neighbouring areas in the same way that the success of London has benefitted surrounding areas.⁵ This raises questions about the factors that contribute to more or less complementary economic relationships.

In response The Northern Way and CLG have been supporting a partnership of the Centre for Cities, SURF and The Work Foundation to investigate relationships between cities in more detail. Building on *City Links*⁶ and our review of additional literature,⁷ our hypothesis is:

"Sustainable economic growth of places, a more highly skilled workforce, higher individual prosperity⁸ and reduced deprivation could be achieved in the North by strengthening the economic links between the economic centres of city regions and the towns and cities that surround them. These links could be supported through policies to improve integrated transport links, focused up-skilling of the working population, and foster innovation and investment in specific business clusters and their supply chains."

To test this hypothesis, the partnership has investigated the relationships between the five most significant economic centres in the North – Leeds, Liverpool, Manchester, Newcastle and Sheffield – and selected cities and towns nearby, seeking to answer the following questions:

What are the factors that contribute to complementary or non-complementary economic relationships between northern cities?

Can a focus on complementarity lead to higher and mutually beneficial economic spillovers within and around the city regions of the North?

Supplementary questions:

1. What supports complementary economic relationships between cities?
2. What are the barriers to complementary economic relationships developing between cities?
3. What can public policy do to support and develop complementary economic relationships between cities? Are there transferrable lessons from other cities that have successfully developed and supported complementary economic relationships?



2. Overman, H. et al (2007) Economic Linkages Across Space, CEP Discussion Paper No 805, London School of Economics: London.
3. Harding, A, Marvin, S. and Robson, B. (2006) 'A framework for city regions', Office of the Deputy Prime Minister, London, available at: <http://www.communities.gov.uk/publications/citiesandregions/frameworkfull>
4. Hall, P. & Pain, K. (2006) The Polycentric Metropolis: Learning from Mega-city regions in Europe: Earthscan
5. IPEG and CUPS, University of Manchester (2008) The Northern Connection: Assessing the comparative economic performance and prospects of Northern England: The Northern Way and Jones et al. (2007) How Can Cities Thrive in the Changing Economy?, The Work Foundation
6. Lucci, P and Hildreth, P (2008) City Links: integration and isolation, Centre for Cities, available at <http://www.centreforcities.org>
7. See scoping paper published in March 2009
8. Our focus is on economic growth of places but we note that Overman and Leunig's work suggests that there may be a tension between focusing on the prosperity of individuals and of places, as individuals may gain greatest individual benefit from moving to places offering the greatest economic opportunities. Our work hopes to contribute to insights about if and how prosperity of both individuals and places can be achieved.



Our methodology is summarised in Box 1 and set out in more detail in a Methodology Paper.

Box 1: Summary of Methodology

We selected **two sectors** to focus on in each city region, enabling us to understand supply chains and business relationships in more detail.

We also selected **six towns and cities** in each city region, focusing on three local authorities that have strong commuting links with the economic centre, one 'boundary' local authority (a local authority at the edge of the city region), and two local authorities, each with a high concentration of employment in the selected sectors. These are set out in the table below. More details (including SIC codes) are available in the methodology paper.

The work started with *background data analysis* to help us test the hypothesis. This set out measures of economic performance, skills, individual prosperity, wages and deprivation for the economic centres of the city regions and selected towns and cities in the surrounding area.

We then *analysed secondary data* to review the relationships between the economic centre and the towns and cities which surround them, focusing on three main themes:

- 1) Economic scale and increasing returns;
- 2) Labour market links;
- 3) Transport links.

We also conducted a brief *literature review* and a series of *interviews with selected policymakers and businesses*. This was to help us understand more about two issues:

- 1) Business supply chains;
- 2) Other factors that might affect relationships between cities, for example the history of places and their relationships, cultural issues such as a preference for local working, and political and geographical challenges.

Table 1: Overview of case study places and sectors

City Region	Top commuting LAs	Boundary LAs	Sector LAs
Leeds City Region	1. Wakefield 2. Bradford 3. Kirklees	4. York	5. Calderdale – Financial Services 6. Harrogate – Retail
Liverpool City Region	1. Sefton 2. Knowsley 3. Wirral	4. Chester	5. St Helens – Maritime ('Liverpool Super Port') 6. Halton – Digital and Creative Industries
Manchester City Region	1. Stockport 2. Trafford 3. Bury	4. Blackburn	5. Oldham – Advanced manufacturing 6. Warrington – ICT, Digital/ Communications ⁹
Sheffield City Region	1. Rotherham 2. North East Derbyshire 3. Barnsley ¹⁰	4. Doncaster	5. Bolsover – Advanced manufacturing and metals 6. Manchester – ICT
Tyne & Wear City Region	1. North Tyneside 2. Gateshead 3. Sunderland	4. Durham	5. Easington – ICT / Digital 6. Derwentside – Manufacturing ¹¹

1.1 This paper

The work aims to inform the development of economic development strategy at a number of levels: The Northern Way's strategy, regional strategies, sub-regional and city regional development plans; and the work of CLG and other Government departments in the development of Multi-Area Agreements (MAAs), city region Economic Prosperity Board pilot schemes and prioritising infrastructure projects for the post 2014 budget. In addition this work aims to provide insights to inform the way that city regions respond to recession, prepare for recovery and work together in the context of tough spending decisions that will be required to be made by Government over the next few years.

This analytical paper focuses on the results of our analysis for the **Manchester City Region**. It is accompanied by an overarching paper setting out our overall findings and papers on the other four city regions: Leeds, Liverpool, Sheffield and Tyne and Wear. These are all available at www.thenorthernway/cityrelationships.

This paper on Manchester City Region sets out our findings in the following sections:

First, we provide a summary of the current position in the city region. It briefly sets out the context for, and the history of, relationships within that city region, and then focuses on the characteristics of Manchester as the economic centre – e.g. its economic performance and how this affects relationships within the city region.

Secondly, we review how these individual labour market relationships affect relationships at a city region level, focusing on 'life choices' (migration, jobs and homes), career development, and the relationships between housing, workplace, skills and transport.

9. Warrington can look both east and west, to Manchester and to Liverpool, and we have considered this as part of our analysis.

10. Barnsley can look both south to Sheffield and north to Leeds, and we have considered this as part of our analysis

11. Data analysis conducted as part of the research was carried out prior to the 2009 local authority boundary changes. Local authorities affected as part of the 2009 Local Authority boundary changes include Easington and Sedgfield (part of Durham Unitary Authority), and Chester (part of Cheshire West and Chester Unitary Authority)

Thirdly, we review firm links in the city region: presenting the findings about specific sectors within the city region, assessing how supply chains work and how relationships between different towns and cities operate. In the Manchester City Region these sectors are ICT and Digital Communications and Advanced Manufacturing.

In the fourth section, we draw together our findings about the linkages and relationships within the city region between places, using the analytical model which has been developed through this study, across the five city regions in which we have been working. Given our findings about the importance of labour market linkages to the economic relationships between places, the main focus for this model is on the labour market linkages. In this section, we apply our spectrum of different types of labour market relationships to the Manchester City Region, and explain why we characterise each place in the way that we do. This sets out analysis of commuting patterns, skills, earnings, economic performance, transport and house prices for each place we reviewed.

Finally, we highlight the key findings and policy conclusions that this research raises for the current and future relationships between Manchester and the neighbouring towns and cities.

2. Background

Box 2: Literature

This study builds on existing literature on the city region's economic geography. Key background documents to this report include: the Manchester Independent Economic Review reports (2009), Rethinking the North West Spatial Economy (2006), Manchester Enterprises' Creative Industries (2008), Greater Manchester Local Transport Plan (2006), Transport Innovation Fund documents (2008), city region Development Plan (2006) and Greater Manchester Economic Strategy (2004).

The Manchester City Region (MCR) is located in the North West region, 50km from Liverpool, and is bordered to the east by the Pennines. The city region, as defined by The Northern Way, includes Manchester and Salford city councils, the metropolitan boroughs of Stockport, Tameside, Trafford, Bolton, Bury, Oldham, Rochdale and Wigan, together with High Peak, Congleton, Macclesfield, Vale Royal and Warrington.¹²

Figure 2.1: Manchester City Region Case Study Area



The Manchester City Region (MCR) is the largest and most productive economy outside London. Over the last decade MCR has developed as a major centre for the knowledge-intensive industries – over 50% of the workforce are employed in these sectors and 42.7% of the workforce are knowledge workers, just behind London and Bristol. MCR now has the highest GVA per capita of the northern city regions. The city region is the powerhouse of the North West: 47% (over 3 million) of the North West's population live in MCR and it generates over 50% of the region's total economic output. MCR has a strong retail, leisure and cultural offer which, combined with the attractiveness of the economic opportunities in the city region, means that the city region has grown by 50,000 since 2000.



12. Manchester City Region pilot announced in the 2009 Budget includes the local authorities within Greater Manchester only.



2.1 Partnership working in Manchester City Region

The strength of MCR's economy and the importance of Manchester to that economy is reflected in the leadership and governance of the city region. Of the UK's large metropolitan areas, MCR arguably has the most advanced and developed shared culture of collaboration and cooperation. Recognising the interconnectedness of their local areas – the travel-to-work patterns and the flows of goods and services – and the benefits of collaboration, the ten Greater Manchester authorities¹³ have worked together since 1986 as the voluntary Association of Greater Manchester Authorities (AGMA). Over the last five years, Greater Manchester authorities have developed an understanding of the different roles that they play within the city region. More recently those local authorities currently outside the Greater Manchester area but within the main travel-to-work area have collaborated with AGMA members to develop the city region strategy. For example Warrington and Blackburn with Darwen (the latter lies outside the city region) are both associate members of AGMA.

The city region is, however, still punching below its weight in economic terms. Whilst the recent Manchester Independent Economic Review (MIER) found that, outside London, MCR is the best placed to take advantage of agglomeration and increase its growth; it also found that authorities in MCR face some common challenges. There are significant pockets of deprivation across the city region and there are continuing issues around skills and worklessness. Unemployment has fallen in MCR as a whole but at the neighbourhood level some areas have seen increases in worklessness rates, for example within Bolton 32% of Lower Layer Super Output Areas (LSOAs) saw increased rates of worklessness.

2.2 Current relationships are shaped by history

Manchester City Region has a historic divide between the mill towns in the north and the more diverse towns in the south.

Manchester was one of the first industrial cities and the industrial revolution saw the city rapidly expand due to its prominence in the cotton industry. It served as the hub of a production system which saw raw material shipped between the city and Lancashire towns, where it was processed and then sent to the exchange in Manchester.

The development of the textile industry, which created a network between Manchester and its surrounding towns also created a historical north/south divide that has remained today. The north of the city region is still reliant on manufacturing to a greater extent, whereas the south has seen growth in services that require higher level skills.

Manchester's textile industry influenced the growth of its surrounding towns. Accessibility to the labour markets in Manchester and south west Yorkshire meant that Oldham was ideally positioned to develop as a key production site for the cotton industry. Bury and Blackburn also developed as mill towns during the industrial revolution. These towns were heavily dependent on the textile industry throughout the 18th and 19th centuries: there were 140 mills operating in Blackburn.¹⁴

Further south, although the textiles industry was still a major employer in Warrington, Stockport and Trafford, the towns had more diversified economies. For example, in Warrington 8.5% of the workforce were employed in the textiles

13. The ten Greater Manchester authorities include: Manchester, Salford, Stockport, Tameside, Trafford, Bolton, Bury, Oldham, Rochdale and Wigan

14. A Vision of Britain through Time (2009) John Bartholomew's Gazetteer of the British Isles (1887). Available from: http://www.visionofbritain.org.uk/place/place_page.jsp?p_id=955&st=blackburn [Accessed 18 May 2009].

industry compared to 56% in Ashton further north.¹⁵ Stockport and Trafford's proximity to Manchester meant that they expanded rapidly during the industrial revolution. The Manchester Ship Canal, primarily built to serve Manchester's cotton industry, led to the development of Trafford Park – the first planned industrial park and the largest in Europe – and other industrial specialisms.

As heavy industry declined through the 20th century, whilst there were widespread job losses, the towns in the north were worst hit. In contrast, Warrington, between Liverpool and Manchester, saw declines in employment in heavy industry but the growth of the new town led to an increase in employment in light industry, distribution and technology.

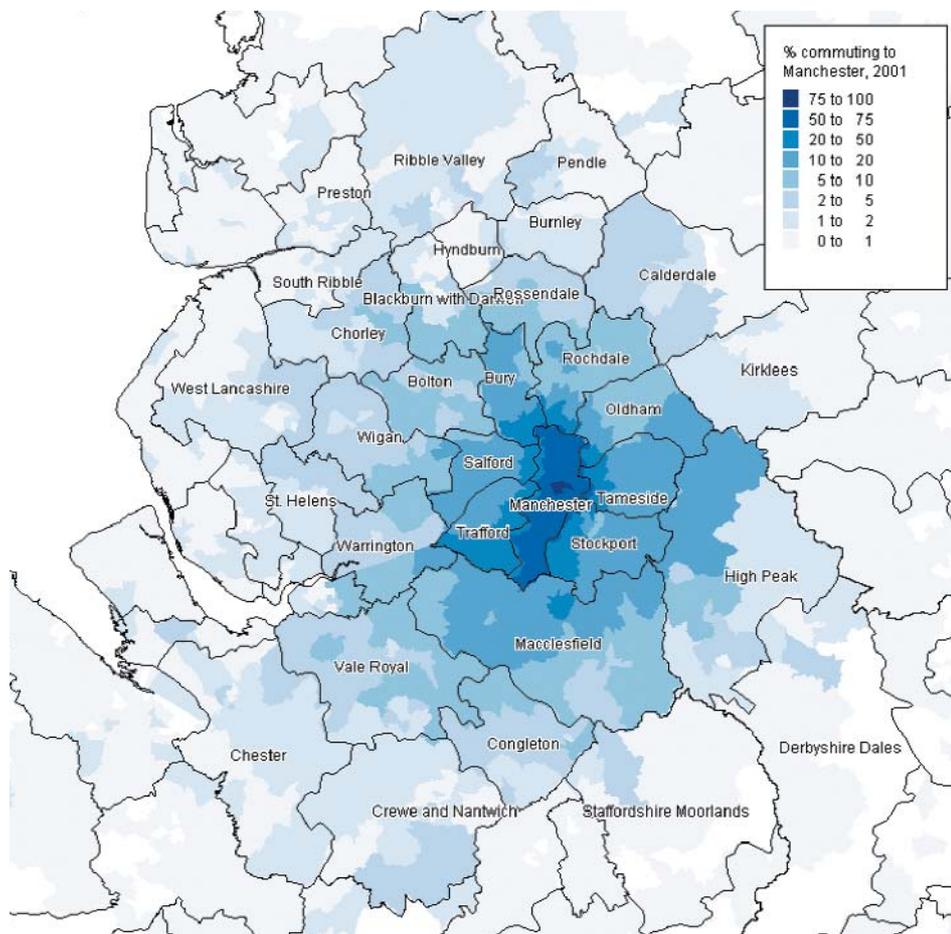
2.3 Manchester is a centre of employment opportunities for the city region

Manchester is more reliant than most other core cities on its surrounding areas for high skilled labour. A lower proportion of residents live and work in the city compared to other core cities in the north and Manchester has the highest level of in-commuting of the core cities (just 30% of jobs are taken by Manchester residents). Resident earnings, as would be expected, are far lower than workplace earnings.

Manchester is a net importer of labour and has a high proportion of knowledge workers travelling to work in the city's professional services. Whilst the under-bounding of Manchester is part of the explanation for its reliance on neighbouring areas for labour, this is also about the strength of Manchester's economy, which means that its travel-to-work area reaches well beyond its contiguous area into Lancashire, Derbyshire, Merseyside and Cheshire, as shown in Figure 2.2.

15. Howe, A. (1984) *Cotton Masters, 1830-1860*. Oxford: Oxford University Press.

Figure 2.2: Manchester's travel-to-work area



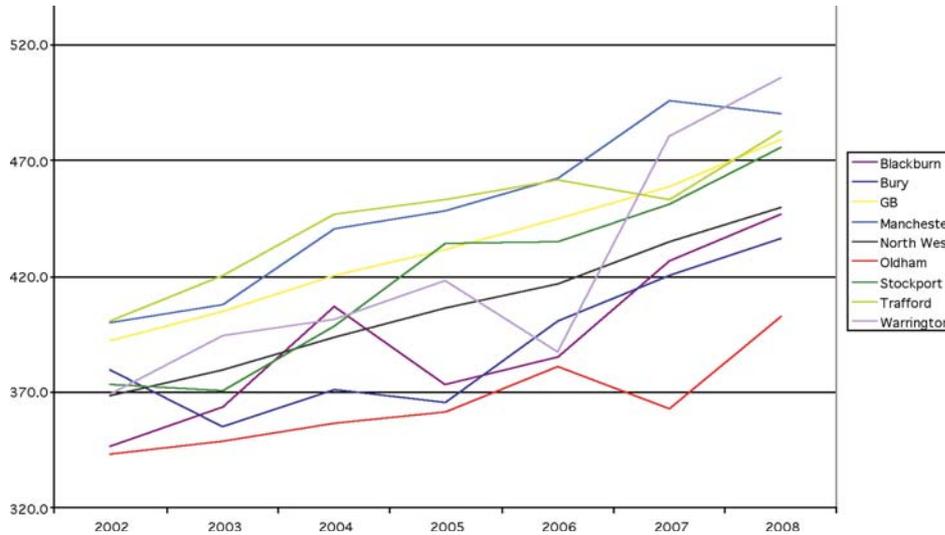
Source: 2001 Census, ONS

Manchester has a high concentration of high value, knowledge intensive jobs, reflected in high average workplace earnings (see Figure 2.3). As a result, Manchester has a strong economic draw – stronger than the other core cities in our study.

Manchester also has a high concentration of people living within its administrative boundary, although the majority are not qualified to access the high value jobs in the centre. Despite the growing business base, Manchester remains one of the most deprived districts in England (see Data Annex).

- The city has a polarised skills profile – 30% of residents have degrees and at the other end of the spectrum 19% of residents have no qualifications.
- As a result of high deprivation and low skills, whilst Manchester's employment has risen over recent years (in 1998 the employment rate stood at just 56%), the city still has the lowest employment rate within the city region (63%).
- Reflecting the poor skills profile amongst Manchester residents, the majority are either working in administrative or elementary jobs (18% and 14% respectively).

Figure 2.3: Change in workplace earnings in Manchester City Region, 2002-2008



Source: Annual Survey of Hours and Earnings, 2009

2.4 Manchester is the key economic driver of the city region

Manchester has the highest GVA per capita within the city region and accounted for 40% of economic output growth between 1998 and 2008,¹⁶ as shown in Figure 2.4 over the page.

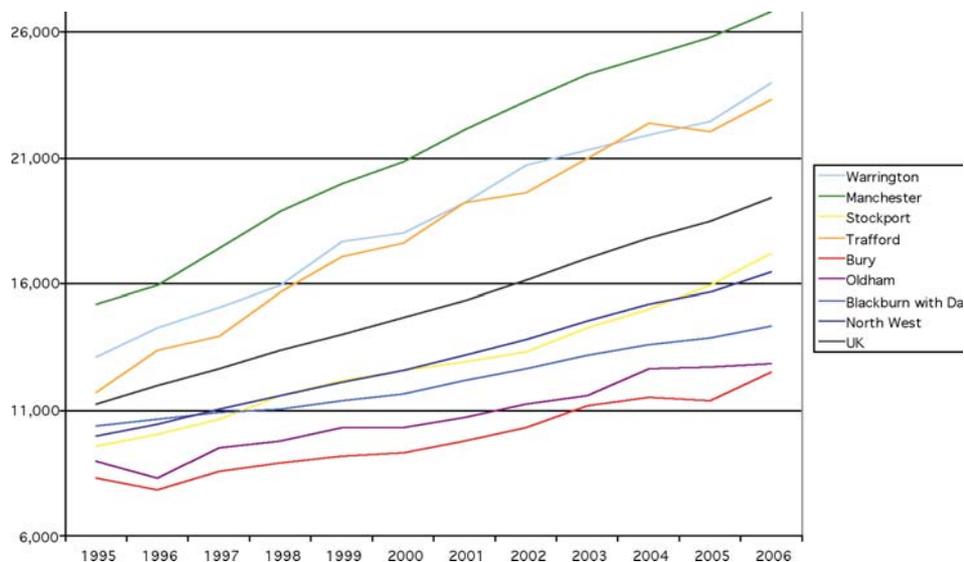
Manchester has a high concentration of knowledge intensive firms, with almost 70% of employment in the knowledge-intensive industries. A significant number of company head quarters are based in the city and it is the main regional centre for public services, most notably the city's world class universities. Manchester has the largest office market outside London and the growth of professional and business services in the city means that space is at a premium: the rate per metre squared for business space is far higher than the regional and national averages.



16. Manchester Independent Economic Review (2008) Economic Baseline, MIER: Manchester. Available at <http://www.manchester-review.org.uk/economicbaseline/>



Figure 2.4: GVA per capita, 1996 to 2006



Source: ONS, 2009

2.5 Manchester's sectors and economic relationships

Manchester has several long standing (10 years) sectoral specialisations and these, together with its more recent patterns of sectoral specialisation, create opportunities to facilitate or discourage firm relationships with its neighbours. Longer standing sectoral specialisations of Manchester include creative industries, transport, higher education and financial and professional services.

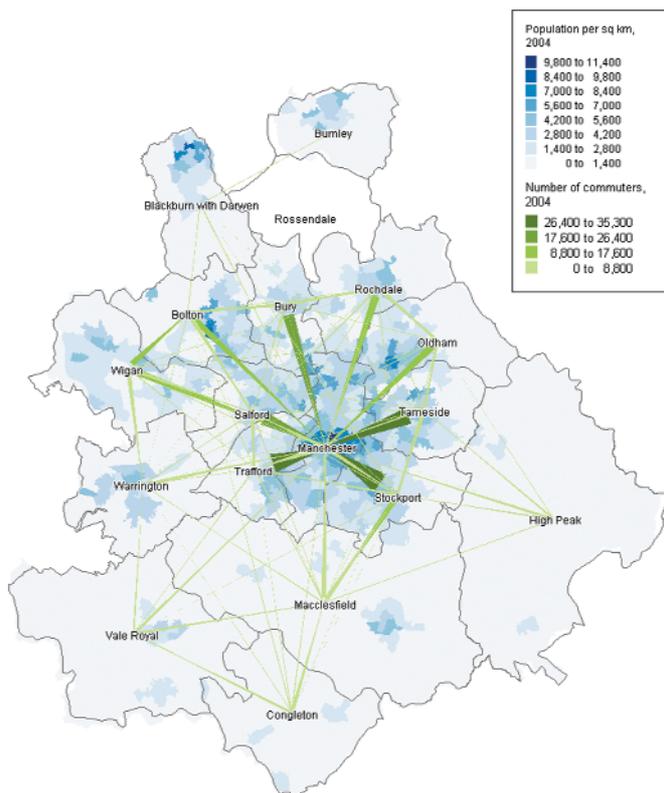
With over 100 four-digit SIC code sectors with over 500 employees in 2007, Manchester is more diverse in its pattern of sectoral specialisation than other city region cores. Most of the sectors Manchester specialises in – such as business services and financial services – are 'agglomeration sensitive' meaning they derive above average productivity benefits from being located in or near a big city. This is indicated in Manchester's responsiveness to agglomeration, which is 16 percent above the GB average. In contrast, employment in industries that are not likely to benefit from increasing densities – primary industries and some manufacturing sectors – is not high and is only 53% of the national average (see Data Annex for further details).

3. Labour market relationships in the city region

3.1 Wider commuting patterns

The Manchester City Region is not only characterised by the relationship Manchester has with its neighbouring towns and cities, it is also shaped by the relationship these places have with each other. These wider commuter movements are shaped by historic relationships. Figure 3.1 shows that the labour market pull of Manchester is strong; it competes with Liverpool and Chester for high skilled labour and it clearly dominates commuting flows across the wider region reinforcing its strength as an economic centre. Within the city region, the Greater Manchester authorities have the strongest labour market links with Manchester, and most are likely to have strong commuting links with Manchester. Significant numbers of residents in the more rural areas of the city region, such as Macclesfield, also travel to work in Manchester.

Figure 3.1: MCR's continuous built up area and travel-to-work patterns

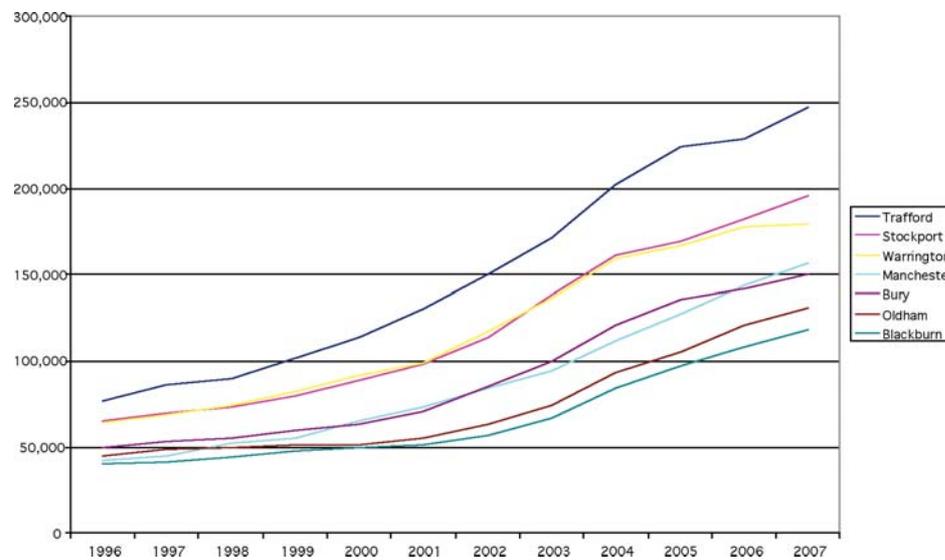


Source: Annual Population Survey and Neighbourhood Statistics

The agglomeration economies that define the city region are largely operating in the south. Increasingly, knowledge-intensive employment, as well as the pool of highly skilled labour, is concentrated in the south of the city-region and hence there are two-way commuting flows between these areas. An underbounded area, a poor skills profile and high levels of worklessness means that Manchester is highly dependent on surrounding cities and towns for skilled labour, particularly Salford, Tameside, Stockport and Trafford. These areas have also developed concentrations of knowledge-intensive businesses, which draw in knowledge workers from surrounding areas, and are all likely to have two way commuting flows with Manchester.

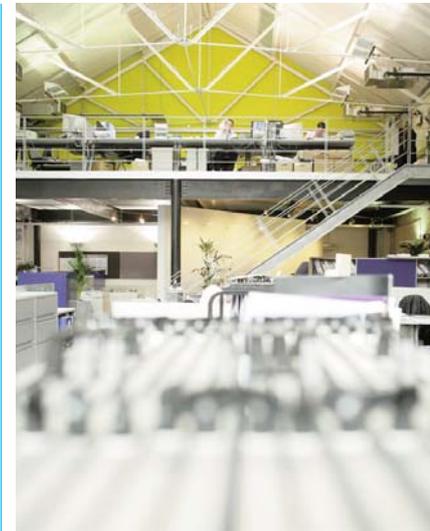
The life choices of knowledge workers have impacted on house prices in the city region, particularly in Trafford, Stockport and Warrington. House prices in these areas have increased on average by around 200% over the last decade and the gap has widened between areas in the north and south of the city region.

Figure 3.3: Change in house prices, 1996-2007



Source: Land Registry, 2009

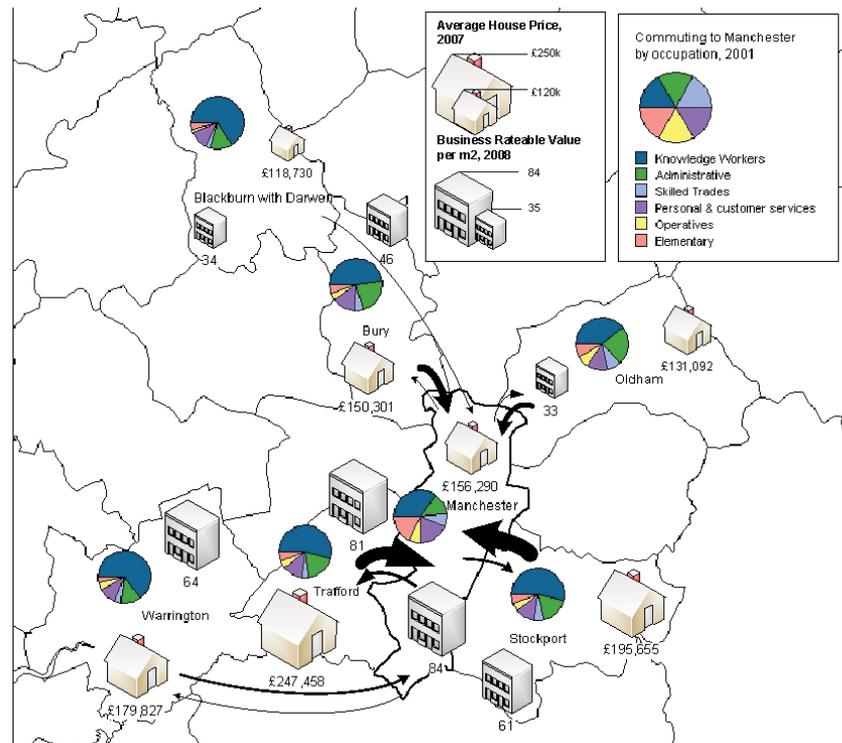
House prices and commuting linkages are only part of the picture. Transport linkages, job opportunities and the cost of business space also have an important role to play in shaping economic relationships between places. The map on the following page (Figure 3.4) illustrates these interdependencies. It depicts 2008 business rateable values per square metre, 2007 average house prices and 2004 commuting movements into and out of Manchester together with the 2001¹⁷ occupational split of those commuting into Manchester. These, together with our interviews and data analysis, highlight a series of key findings about how life choices impact on economic relationships within Manchester City Region.



17. The 2001 data comes from the last Census, the latest available data on the occupational split of commuters.



Figure 3.4: Skills/housing/workplace triangle



Source: 2001 Census, Annual Population Survey, Land Registry 2009

This analysis reinforces the differences between the north and south of the city region.

Of the areas adjacent to the economic core, a higher proportion of commuters travelling from Trafford and Stockport – which have two way commuting flows with Manchester – work in managerial and professional occupations compared to Bury and Oldham, where commuters tend to travel one way, towards Manchester. Reflected in the average value of business space, Trafford and Stockport have developed as centres of high value employment and attract significant commuting flows from Manchester, leading to mutually beneficial economic relationships between the areas.

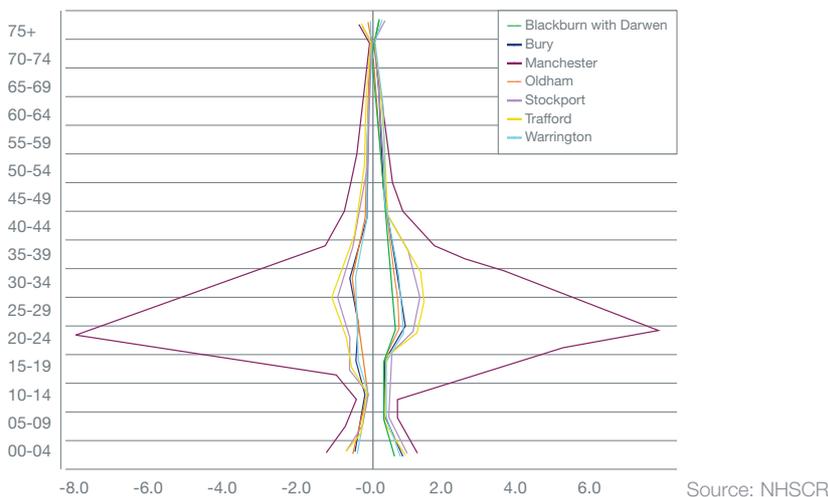
Bury and Oldham have benefitted in a different way. Commuting from Oldham to Manchester has increased over time but it has not yet seen an impact on resident wages. Bury has developed an explicit strategy to attract more knowledge based employment to enable Bury residents to work closer to home but recognises that, however successful they are, a substantial level of out-commuting will remain. Bury is keen to improve the quality of life offer to attract knowledge workers to live there, for example, by attracting young graduates in order to develop a more vibrant evening economy that can import spending power earned outside the Borough into Bury.

Further north in Blackburn, whilst there is a higher proportion of knowledge workers travelling to Manchester, the actual number commuting to the economic core is very low compared to areas in the south.

3.3 Patterns of Migration

Patterns of migration are the observed outcome of residents ‘voting with their feet’¹⁸ and reacting to differences between places in, for example, their quality of life and housing offer. Migration patterns help identify the role different places within the city region play – and identify ways in which these places can maximise the potential of their links with Manchester. Figure 3.5 shows the in- and out-flows for different age groups by local authority district in more detail. Overall migration patterns again show a clear pattern of separation between northern and southern groups of districts.

Figure 3.5: Manchester City Region Migration



Patterns of migration confirm Manchester’s role as a centre for employment.

The patterns of migration – high levels of in-commuting amongst the working age population – confirm Manchester’s attractiveness as a centre of employment. However, local evidence suggests that this inflow of residents is primarily from outside the city region. As a university city, Manchester also has a net inflow of students.

House prices and quality of life influence migration in Manchester City Region.

Migration patterns and house prices are interlinked. Residential choices affect house prices and in many cases life choices are influenced by house prices – which serve as a tipping point for workers considering commuting further or relocating.

The economic centre, Manchester, consistent with its demographic profile, has a mixed housing offer. The city centre is dominated by apartments and student accommodation. Housing development, characterised by warehouse conversions, has made the city centre more attractive to young workers in particular who gravitate towards the centre. There are low levels of in-migration from within the city region; people tend to migrate into the city from elsewhere in the UK. People may then move outwards towards areas like Stockport and Trafford as they move up the housing ladder. Towards the other end of the housing market, the north of the city centre is dominated by terrace housing. These neighbourhoods could be described as ‘isolated’ within our typology of ‘city families’ (see section 5), as high levels of deprivation and low travel horizons limit occupational mobility.

18. Tiebout, C. (1956) ‘A Pure Theory of Local Expenditures’, *Journal of Political Economy*, 64, pp. 416-424

Average house prices in both Trafford and Stockport are relatively high reflecting the quality and type of housing available, as well as the quality of life offer. Within both districts, there is a large proportion of detached and executive homes, the majority of which are owner occupied. MIER also identified numerous transit neighbourhoods within Trafford and Stockport – young, newly established households coming from more comfortable backgrounds and starting on the housing ladder. A similar housing and quality of life offer extends across the south of the city region and as a result those with high status occupations tend to choose to live there. This strengthens the labour market relationships with the economic centre by reinforcing Trafford and Stockport's role as centres of high skilled labour.

Blackburn has the lowest levels of in-migration reflecting the quality of housing offer in the district. Those working in higher occupations within the district tend not to live locally. Of those working in high skill jobs within Blackburn, a large proportion travel from Ribble Valley which has a very strong skills profile (50% are qualified to degree level and above), high quality housing and good quality of life offer. This demonstrates the importance of the quality of life offer in forging labour market relationships.

Although average house prices are higher than Blackburn's, terrace properties are characteristic of town centres with strong industrial heritage in Bury and Oldham. Average house prices are particularly low in Oldham. The housing and quality of life offer in these areas acts as a barrier to attracting high skilled workers and there is limited inward and outward migration compared to Manchester, Stockport and Trafford (see figure 3.3).

3.4 Career Development Opportunities

Data on migration patterns from the NHS Central Register (NHSCR) helps us understand net population in- and out-flows, but it cannot give us information on the origin or destination of migration movements. Local knowledge, as well as information obtained in interviews with local businesses, on career development can help shed more light on some of the patterns we observe. The following section examines career development opportunities within the region in our two case study sectors, Advanced Manufacturing and ICT/Digital Communications, focusing on the impact that career opportunities can have on life choices of individuals. Section 4 will then discuss firm links in more detail, focusing on how firms make decisions about where to locate.

Advanced Manufacturing

Within the advanced manufacturing sector, career development opportunities vary according to an individual's qualification level and particular specialism. Generally, people who earn below threshold earnings of £13,000 tend not to look very far for employment opportunities.¹⁹ Often there is a lack of information about job opportunities elsewhere, whilst low skills, poor public transport services and high travel costs act as additional barriers. We can therefore assume (and interviews with local employers tend to confirm this) that employees in the advanced manufacturing sector tend to work locally. This means they do not tend to follow a particular spatial career development path across the city region. However, this might change within the current economic climate in which manufacturing is being hit particularly hard, potentially resulting in increased concentration of employment in particular areas of the city region.

Higher skilled workers may be better able to take advantage of these geographically dispersed opportunities, but career development opportunities also vary across the different sub sectors within advanced manufacturing. The strong cluster of highly

19. Stakeholder interview

interactive aerospace businesses in the North West means that engineers within the region have several career development opportunities. Whilst the majority of businesses in the sector are small and less innovative, several larger companies, including BAE Systems and Airbus, provide opportunities for experienced engineers to move up the career ladder. The North West Aerospace Alliance is also supporting career development for lower skilled workers by providing specialist courses in partnership with local colleges.

Across the sector in general, there are less employment opportunities as the industry has continued to decline. As a result, some engineers and other highly skilled workers have taken their skills overseas. This creates a challenge with regard to attracting and retaining highly skilled labour in this area, as the city region needs to offer opportunities for career progression.

ICT/Digital Communications

Growing critical mass of ICT and Digital businesses within the city region means that there are career development opportunities, and, graduates and others entering the labour market are less likely to perceive London as the only labour market in which to progress.

Career development opportunities are greater in the south of the city region – in Manchester, Stockport, Trafford, Warrington, Salford and Macclesfield – where there is a higher concentration of employment in the sector. These areas also have higher levels of highly skilled workers on whom the sector primarily relies.

Strong networks amongst firms and individuals within the sector mean that those working in MCR find it easier to find work and some find work by referral.²⁰ For many professionals within the sectors, career development may be sought by becoming self-employed and establishing their own companies.

3.5 Transport

Transport is a key enabler of labour market movements within the city region, with people at the lower end of the labour market commuting mostly by bus and people at the higher end commuting to work by train or by car. Transport infrastructure in MCR in terms of the road network and public transport has been an important factor in determining the travel-to-work area.

Many stakeholders in the city region feel that transport is key to facilitating economic growth within MCR and the loss of the Transport Innovation Fund is seen by many as a major set back. It is estimated that it will lead to a loss of 30,000 jobs.

Congestion and overcrowding impact the higher end of labour market.

There is an issue with capacity on several of the main rail corridors into central Manchester. Rail services that serve towns in Trafford and Oldham in the peak period are 100-125% overloaded.²¹ There is greater capacity on services through Stockport but passengers can be deterred from travelling to central Manchester on peak trains as they cater for long distance commuters.

Greater Manchester also has the highest rate of road congestion of all urban areas across the UK – journey time per mile is 4.57 minutes per mile in Greater Manchester compared to an average of 4.10 minutes per mile across all urban areas and just 4 minutes in London.²²



20. Stakeholder interview

21. Network Rail (2007) North West Route Utilisation Strategy, Network Rail: London.

22. Network Rail (2007) North West Route Utilisation Strategy, Network Rail: London.



Transport integration matters at the lower end of labour market.

Within Greater Manchester – in Trafford, Stockport, Oldham and Bury – transport is well integrated. The Integrated Transport Authority extends across all areas within Greater Manchester which are covered by joint public transport plans and joint multi-modal tickets. Whilst each of these areas is within 30 minutes travel time of the economic centre, the quality of transport links varies. For some areas, Bury and Oldham in particular, travelling by car can be faster than travelling by rail. This will inhibit those who do not have access to cars from travelling to work in Manchester.

At the moment, there is no political mechanism for joint decision making with neighbouring areas outside the Greater Manchester area. There are some cross boundary tickets to areas outside Greater Manchester but much less than Merseyside where there is a discounted rail ticket into Liverpool from outside Merseyside. This means significant differences in fares for commuters travelling into Manchester from Blackburn and Warrington. This tends to encourage people to drive into Greater Manchester and park at stations on the outskirts, again inhibiting labour market relationships particularly for those without car access. Transport links to Manchester from Blackburn are poor, with rail services slow and infrequent, reinforcing its isolation from Manchester's economy.

Transport underpins complementary relationships

The majority of case study areas are within the 45 minutes driving time of the economic centre (the appropriate range for optimal labour market links).²³

The times that people are willing to travel, however, varies from area to area and may be affected by economic or cultural factors. Research by the GMPTE found that the travel horizons of people in the most deprived parts of MCR are much lower and in some instances they have never used public transport.

There are tensions between public sector policy which focuses on improving accessibility from deprived areas to areas where the jobs are, and transport providers that operate in the commercial market. The public sector has a limited pot of money to provide the subsidised services to areas where transport services are not regarded as commercially viable. Access to transport can act as a barrier to individuals who are seeking employment in MCR and those on low incomes, and there is currently no mechanism for providing discounted fares.

Decent transport networks underpin complementary economic relationships – but they are not the only condition on which complementary relationships depend. Complementary relationships are also affected by wage differentials, job offer or patterns of sectoral specialisation.

More highly skilled workers, for example, often find a way to overcome transport barriers if they need to, and merely providing transport links will not necessarily improve the local economy. For transport improvements to be most effective, they should therefore go hand-in-hand with other policy initiatives strengthening local demand for labour or fostering local supply chains.

4. Firm links and supply chains

The other key feature of the economic relationships between Manchester and its neighbouring towns and cities are the linkages developed by firms as they undertake their business activities.

One way of examining current complementarities is to examine how patterns of sectoral specialisation have changed over time and to assess progress that has been made.²⁴ This section examines patterns of sectoral specialisation and employment in our seven local authorities (Blackburn, Bury, Manchester, Oldham, Stockport, Trafford and Warrington) to assess where there is greater potential for complementary links. For example, if an area has become increasingly specialised in advanced producer services or producer services it is likely to have supply chain relationships, this suggests there is potential for the two areas to enable stronger economic relationships.

However, focusing only on sector specialisation does not capture firm relationships which may exist because a centre does not have a UK specialisation but is a specialist centre within the city region. Where our research has highlighted these, city region specialisms we have noted it accordingly.

Using analysis of sector specialisation within the city region, we cannot definitely demonstrate that these links exist, which is why we have investigated two sectors in more detail through interviews. For Manchester City Region, these sectors are Advanced Manufacturing and ICT/Digital Communications.²⁵ These sectors were chosen in consultation with the city regions and according to several criteria, such as potential future growth or importance in terms of employment.²⁶ Within each of these sectors we have held several business interviews with the aim of understanding current business linkages better and gaining a more detailed understanding of the external business environment.

Understanding firm links and supply chains remains challenging because of the lack of data on these often intangible relationships. Nonetheless, our view is that the combination of sector specialisation analysis, highlighting any specialist roles within the city region, and more detailed interviews in two sectors can enhance understanding of where city regions could focus their efforts to enhance complementary links between firms.

4.1 Sector specialisation

Key sectors within the Manchester City Region economy include: creative, digital/new media, ICT Digital/Communications, life science industries and financial and professional services. Manchester City Region still has a large manufacturing base with continued strength in traditional industries and niche specialisms in more knowledge-intensive manufacturing.

Based on sector specialisation, Stockport, Trafford, Warrington and Bury have increased the potential for complementary relationships with Manchester.

Over the past ten years *Stockport's* economy has increased its specialisation in printing, data processing and database activities and management activities of holding companies – sectors that complement the higher level services provided by Manchester. Stockport has also retained its advanced manufacturing specialisations in electronic valves and tubes, aircraft and spacecraft and instruments and appliances.

24. This section draws on Tables 8-14 in the Annex that detail 4-digit SIC code sectors in which each of the seven local authorities had over 500 employees at three distinct points in time. They also indicate if the local authorities were specialised (compared to the GB average) in that sector at that point in time.

25. Retail was defined as SIC code 52 and Financial Intermediation as SIC code J.

26. For a full description of the sector selection process please see methodology paper

Over the past ten years, *Trafford's* economy has also increased its potential for complementary economic relationships with Manchester. Trafford has increased its specialisation in higher value sectors, including advertising, software consultancy and market research. Trafford has also increased its specialisation in retail, reflecting the fact that the Trafford Centre opened in 1998 and the importance of Trafford as a high quality place to live for skilled individuals working in Manchester.

Warrington has retained its existing complementarities to Manchester, such as architectural and engineering activities and labour recruitment, and the number of complementary sector specialisms. Over the past ten years, Warrington has specialised more in telecommunications and higher value transport activities. It has also become increasingly specialised in nuclear fuel and electricity, although this is unlikely to generate potential for complementarities with Manchester.

Bury has slightly increased its potential for complementary economic relationships with Manchester through specialisation in telecommunications, technical and vocational secondary education and regulation. It has retained its specialisation in other sectors, such as manufacturing, but these are unlikely to have strong links with Manchester's industries.

Blackburn and Oldham have not increased the potential for complementary economic relationships with Manchester.

Blackburn has historically not had strong complementary relationships with Manchester, mainly specialising in manufacturing sectors, and this has changed little in the past ten years.

The one sector in which *Oldham* may have increased the potential for more complementary relationships with Manchester is in printing. Otherwise, Oldham has become more specialised in construction, plumbing and collection and treatment of waste over the past ten years, as well as retaining its historic specialisms in general engineering and manufacturing of valves and tubes.

Recognising that sector specialisation cannot give a full view of firm links, we have focused on two sectors in greater detail – in Manchester City Region, these are the Advanced Manufacturing and ICT/Digital Communication sectors. The following sections present our findings from business interviews within these two sectors focusing on priority factors for business location, supply chains, partnerships and alliances, networks and staff base.

4.2 ICT/ Digital Communications in Manchester City Region

ICT/Digital Communications is a key growth sector within Manchester City Region, experiencing the fastest growth rate of any sector between 1998 and 2003 (10.4% per annum). This compares with a national growth rate of 7.7 per annum for the sector. Sub sectors include computer engineering, hardware and software consultancy and telecommunications. Whilst the sector in Manchester City Region is characterised by a large number of smaller companies, the city region is also home to the headquarters of several leading ICT companies including Fujitsu, Brother International Europe and Siemens. The sector employs over 55,000 in the city region.

Within Manchester City Region, employment in the sector is concentrated in Manchester (over 32% of MCR employment is located in the economic centre), Stockport, Trafford and Bury. With office space at a premium in the city centre and an increasing number of entrepreneurs establishing independent 'lifestyle

businesses', growth has been concentrated along the M56 and M62 corridors and out of town locations within Stockport and Bury. A key driver of the ICT sector has been the availability of a wide range of business premises in high quality locations across Manchester City Region. Short travel times from these locations allow businesses to remain connected to the main urban business opportunities.

Partners and suppliers

The digital sector in MCR is characterised as a strong cluster of firms and individuals. The level of communication and collaboration within the sector is perceived to be stronger than elsewhere both within the economic centre and in other parts of MCR: *"Relationships do spread outside the city centre. Business and individuals are very open with each other – they don't worry that people are going to pinch their ideas"*. This 'openness' leads to partnerships between local firms: *"Some are so small that they work together anyway. They work on ideas they want to develop"*.

Many companies within the sector are service-orientated and do not have a large number of suppliers. Companies do work with specialists and professional service providers, for example photographers and IP specialists. The close networks within the sector means that companies are often able to identify the appropriate suppliers in relatively close proximity.

The importance of face-to-face contact means that many Manchester City Region ICT/Digital firms' clients are local or regionally based.

Within the ICT/Digital sector, the majority of clients are either local or based within the North West. A survey of 196 digital companies by Manchester Enterprises confirmed these findings – 56.4% of respondents described their main customer base as being within the North West. Of these, 22.6% firms' main customer base was within the local town or Greater Manchester.²⁷ This reflects the importance of face-to-face contacts with clients, as one interviewee described: *"Inevitably most clients are within an hour of us. There is an inbuilt distance barrier. One client in Milton Keynes liked what we offered but felt that we were too far away. There is a level of human nature involved in people's decision making and clients still like to be in relatively close contact with us"*. A far lower proportion of Manchester businesses within the digital sector have customers based overseas (7.2%). Larger companies in the sector are more likely to have international supply chain links.

Companies in Manchester City Region are also competing with London-based firms for clients, and some perceive the critical mass in the capital to provide greater business opportunities. The tendency for companies to use ICT/digital companies in London was linked to reputation: *"people have a tendency to look to London for suppliers as the London name has prestige. Why don't local developers use local specialists – it's probably about risk and reputation"*.

Recruitment

Access to staff with the appropriate skill set is regarded as the most important location factor by many ICT/Digital companies. Many of the staff working for companies in the sector either live locally or within the Manchester City Region. The city, with a strong cultural offer sitting alongside a cluster of companies in the sector, is regarded as a strong draw to people working in the sector. Yet many of the companies highlighted the difficulty in recruiting skilled individuals and 37.5% of digital companies surveyed by Manchester Enterprises reported vacancies hard to fill.²⁸ Recruitment difficulties were attributed to the nature and requirements of the industry rather than location.



27. Manchester Enterprises (2007) Creative Industries Development Service Demand Study, Manchester Enterprises: Manchester.



Transport and connectivity

Within the sector, transport connections are generally regarded as good, although one company made reference to congestion. There is, however, an issue of availability of fast broadband in some parts of Manchester City Region which impacts on small businesses in particular. This is likely to become more challenging once the BBC has moved to Manchester and Media City is well established, as it may become a barrier to developing stronger supply chains within the city region, as well as nationally and internationally.

4.2 Advanced manufacturing

Manufacturing currently has the highest level of total GVA output and GVA per employee of any sector in Manchester City Region. Knowledge-intensive manufacturing is highly concentrated within Macclesfield, Stockport, Tameside and Oldham.

Advanced manufacturers will procure from the best suppliers, regardless of location

Supply chains for advanced manufacturers tend to be relatively international. As one interviewee described it, *"You go where you can get the best"*. Supply chains have changed over time as the location of manufacturing has changed. When the company manufactured on site, organisations would tend to procure from local suppliers and go to specialists for component parts. Increasingly these supply chains are now international.

Where advanced manufacturing companies did work locally, it tended to be because this was associated with benefits such as, trust, availability of labour, access to clients, appropriate infrastructure and proximity to competitors, allowing some exchange of ideas. This arrangement exists in Lancashire, which is the centre of the North West aerospace cluster. The North West Aerospace Alliance, a leading cluster alliance, is currently aiming to strengthen the supply chains within the city region and working with 45 suppliers to develop them to world class standard.

The market for many advanced manufacturers is international

Many advanced manufacturers have international markets and international client bases and, as one interviewee put it, *"Company X could move to the US – in terms of the market it wouldn't make any difference"*. This means that location decisions are less about access to markets and more about other factors such as access to labour, intellectual capital and transport issues. Investment in infrastructure is also important: the higher skilled companies tend to be in Blackburn because of the capital they have invested in the area (e.g. BAE Systems and testing facilities) rather than because it is the best place to locate in the city region for access to skilled labour.

Labour markets vary by skills

Our interviews suggested that one of the reasons that advanced manufacturing firms locate in Manchester City Region is that it is possible to access the skills required for their organisations. In general, lower skilled workers in advanced manufacturing tend to travel from the local area and higher skilled workers such as research and development staff tend to come from further afield (some from south Manchester). At the higher level, technical skills were described as being well supplied, with the concentration of firms in advanced manufacturing in the area helping to sustain this supply of skills. The traditional strengths of the city region in textiles were regarded as leading to a strong supply of programmers and mechanical engineers. Interviewees also suggested that there were strong career opportunities in the area, although this was a concern for some of the smaller and less urban companies. Some smaller companies noted that they have struggled to

hold on to engineers, suggesting that they tend to move on to some of the larger companies in the area. For example, Blackburn firms were competing with Manchester firms for high skilled labour and struggling to match the quality of life and housing offered in some other parts of the city region. Such is the concern about 'staff poaching' that one company rejected the idea of locating closer to the supply chain in Samsbury because they were concerned they would lose staff to a nearby large advanced manufacturing firm.

Despite the competition for talent, interviewees suggested that skills shortages are more likely to be in marketing and other business skills rather than technical skills. Individuals with marketing skills tended to work in headquarters in the south, and this difficulty in recruiting staff was noted as a key challenge for advanced manufacturing companies elsewhere in the city region. One of the advanced manufacturing centres suggested that commuting distances tended to be longer for business and commercial skills, stating that in their organisation scientists and technicians live locally and others tend to travel from further afield.

Transport is important to the sector

Housing and transport are both important to the advanced manufacturing sector, both in terms of business deals and the labour market.

Transport links were identified as a priority in business location decisions by interviewees, with Blackburn regarded as a good business location because of its motorway links as well as its lower land costs, despite the time it takes to travel to Manchester (see Table 2 below).

Table 2: Travel times in the Manchester City Region

Local Authority	Travel time by Train to Manchester	Travel time by Car to Manchester	Distance to Manchester	Travel time by Car to Manchester Airport
Stockport	11-29 min	19 min	11.1 km	15 min
Trafford	12/13 min	15 min	7.1 kma	19min
Bury	28 min	22 min	15.6 km	31min
Blackburn	48-54 min	43 min	43.9 km	45 min
Oldham	19/20 min	17 min	11.7 km	25 min
Warrington	24-42 min	32 min	31.5 km	26 min

Transport is also important to workers, particularly those who do not live locally. For example, Manchester Science Park (located on Oxford Road in central Manchester) draws 10-15% of its staff from outside Manchester (usually Chester or on the south side of Manchester) and most travel to work by walking or getting the bus. However, one interviewee suggested that it matters much less for senior appointments as they will find a way to live where they wish to and travel in if they are keen to work in an organisation.

5. Characterising links between Manchester and neighbouring towns and cities

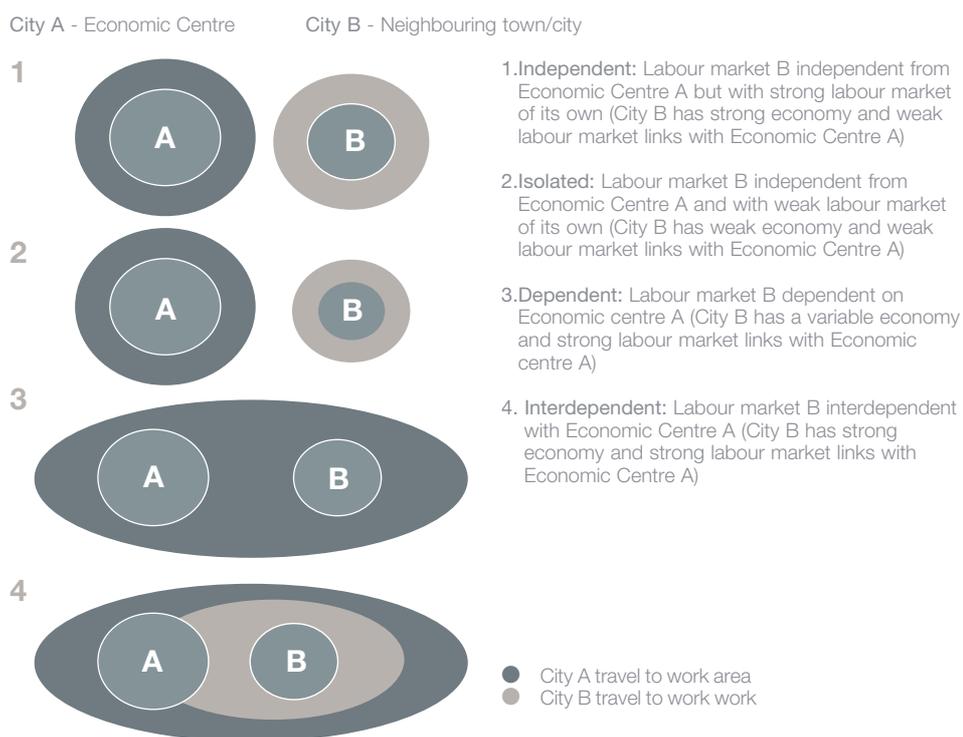
5.1 Overview of city families

Across this research programme, our analysis of economic relationships within the five city regions has identified four typologies of places, based in particular on their labour market relationships with the economic centre.

These typologies are helpful in understanding how places currently relate to each other economically within a city region context and the factors which influence the nature of these relationships. This analysis helps to shape thinking about how future economic development strategy could support more effective and complementary economic relationships between places.

The broad typologies are illustrated in the diagram below.

Figure 5.1: Roles of cities – labour markets and city typologies



These typologies, which focus particularly on labour market relationships, enable us to capture two characteristics of places. First, the roles which places play in a city region based on their relationship with the economic centre. Places are described as being in one of the four typologies based on: commuting patterns; skills; earnings (resident and workplace); sectoral mix; and house prices.

Second, the typologies provide a way of assessing the extent to which places benefit from their economic relationships by identifying different categories within the four typologies. For example, areas such as Bury, with higher levels of skills, are likely to have more mutually beneficial economic links with their economic centres than lower skilled areas such as Oldham because individuals' mobility (both geographic and occupational) is influenced by their skills and qualifications.

The typologies are based upon Local Authority areas, despite the arbitrary nature of administrative boundaries, because this is the level at which policy is often developed. We recognise, however, that typologies based on local authorities are by necessity a simplification: characteristics often differ within, as well as between, Local Authority areas. The fact that places are constantly evolving further compounds this complexity. Nonetheless, consultation with stakeholders suggests that, despite these caveats, understanding the roles of different local authorities can provide valuable insights to support the development of city region strategies.

5.2 Manchester City Region – City Typologies

The wheel below positions our case study cities and towns within the Manchester City Region according to the above typologies.



Manchester is the economic centre of the city region

The wheel reinforces the importance of Manchester as the economic centre as a number of surrounding areas have either ‘dependent’ or ‘interdependent’ relationships with Manchester. The wheel classifies Stockport and Trafford as ‘interdependent’, Bury and Oldham as ‘dependent’, Blackburn as ‘isolated’ and Warrington as ‘independent’.

The following section explains why cities and towns are positioned where they are, looking beyond labour market patterns at other characteristics that lie behind the typologies.²⁹

5.3 Why did we characterise each place in the way that we did?

Bury

Bury (population 183,300) has historically been a commuter town and it remains ‘dependent’ on Manchester for employment. Over 20% of Bury’s residents travel to Manchester, whilst a fraction commute from Manchester to Bury. Amongst residents commuting to Manchester by industry, the highest proportion of commuters work in retail and business services. Bury also has a significant number of people working in financial services commuting to Manchester. With regard to occupations, a relatively high proportion of people commuting to Manchester work in administrative occupations, as well as sales and customer services occupations.



29. The data used in these explanations is summarised in Tables 2-18 and Figures 1-3 and Map 1 in the Annex. Data on sectoral specialisations refers to sectors employing 500 employees or more and a location quotient higher than 2. This identifies sectors in which a Local Authority area specialises in compared to the English and Welsh average – rather than sectors with a large number of employees per se. Tables 8 to 14 in the Annex detail 4 digit sectors with 500 or more employees in each of the Local Authority areas.



The most densely populated parts of the district in the south have the strongest commuting links to Manchester. Prestwich which lies within the M60 (Manchester Orbital) has strong labour market links with Manchester with over a third commuting to Manchester and the majority working in the city centre.³⁰ Slightly further north, around a quarter of residents in Whitefield commute to Manchester. The proportion of residents commuting to Manchester remains high across the majority of the district with at least 10% commuting to Manchester.

Box 3: Dependent places

Our research found three types of 'dependent place' depending on an area's level of skills and earnings, its sectoral composition, average house prices and levels of deprivation.

- 1) Places with traditional industries are often characterised by low levels of skills and earnings, house prices and poor deprivation scores. They benefit less from their relationship with the centre than other dependent areas.
- 2) Places with a mix of industries often have medium levels of skills and earnings, medium house prices and mixed deprivation scores. They benefit to some degree from their dependent relationship with the centre.
- 3) Places with a more complementary pattern of sectoral specialisation have higher levels of skills, resident earnings and house prices. Their deprivation scores tend to be good and their workplace based earnings medium level. They are the dependent places that benefit most from their relationship with the economic centre.

Bury falls into the second category of dependent places:

- *The proportion of graduates* is higher than in other areas in the north of the city region, enabling Bury to compete in the sub region knowledge based job market. However, the number of residents with low or no skills is substantial: it equals 15% of the population.
- *Residents within Bury benefit from the labour market relationship with Manchester*, as indicated by the high resident based earnings in the district [although these have not increased at the same rate as Trafford's]. This is despite a relatively low proportion of knowledge workers commuting to Manchester (although this proportion is higher than other local authorities in the north).
- *The district has a low stock of registered businesses*. There is a large proportion of small businesses that are less productive – GVA per capita is just £12,967 compared to £16,482 across the North West as a whole. The district only accounted for 3% of regional economic output between 1998 and 2008.
- *Firm productivity is reflected in the low value of business space* in the district and the sector specialisation in manufacturing and low value services.
- *House prices are relatively low*: average house prices are £150,301 compared to a national average of £219,804.
- *Disparities exists within the district at neighbourhood level* with 18.3% of LSOAs in the top 20% most deprived LSOAs and 13.3% LSOAs in the top 20% least deprived LSOAs.

Oldham

With the decline of traditional manufacturing, the relationship between *Oldham* (population 219,500) and Manchester is largely 'dependent'. Historic factors and the transitional state of the economy, mean that labour market relationships between the two cities are mainly one way, with many of Oldham's residents depending on Manchester for labour market opportunities. 13% of Oldham's residents commute to Manchester, whereas only 2% commute back from Manchester to work in Oldham. This partly reflects the job opportunities available in Oldham in comparison to Manchester. Whilst there has been an increase of over 40,000 jobs in Manchester from 1998 to 2007, employment growth in Oldham has been relatively static.

Oldham is a net exporter of labour, reflected in the net commuting patterns and average resident/workplace earnings. The employment rate is well below the national average and the majority work in associate professional jobs or admin, reflecting a low skills profile. For example, the highest proportion of residents commuting to Manchester work in administrative occupations (24%). 17% commute to work in associate professional occupations.

Whilst there is a general trend to commute to Manchester, levels of commuting within Oldham vary. Oldham and Chadderton in the west part of the district have higher levels of commuting (10-20% commuting to Manchester). Levels of commuting drop and then increase again towards the Peak District, and in the more affluent neighbourhoods of Saddleworth, around 10% of residents commute to Manchester.

Oldham falls into the first category of dependent places, closer to isolated than Bury, because of its skills profile and industrial mix:

- *Oldham has a low skills profile*, with 20% of residents being graduates and 20% having no qualifications. The rate of upskilling amongst the resident population has been far slower over recent years.
- *Oldham's business profile translates into low levels of productivity* – GVA per capita is well below regional and national averages (£12,840 compared £16,482 and £19,430 respectively). Similarly, Oldham has the lowest workplace earnings of the case study areas, £403. Resident earnings also fall below the region and national averages, £428 compared to £451 and £479 respectively.
- *There remains a high concentration of employment in traditional industries*. The district's industrial specialisms, including food manufacturing, electronics manufacturing, mechanical engineering, construction and wholesale, are less likely to benefit from the scale of urban economy that Manchester offers.
- *House prices are relatively low*: average house prices are £131,092 compared to a national average of £219,804.
- *There are high levels of deprivation in Oldham*: 40.3% of LSOAs in the top 20% most deprived LSOAs and 6.9% LSOAs in the top 20% least deprived LSOAs.

Blackburn with Darwen

Blackburn with Darwen (population 140,900) is largely 'isolated' from Manchester's economy. This characterisation is a reflection of the relative weakness of Blackburn's economy and the ability of its residents to benefit from the employment opportunities that Manchester has to offer. Commuting links between Blackburn and Manchester are very weak: 2.6% of Blackburn's residents commute to Manchester and just 0.1% of Manchester's residents commute to Blackburn. Those who do commute to Manchester tend to be higher skilled workers travelling to work in business services. The majority of Blackburn's residents are less mobile and work locally as skill levels are low.

Commuting links are weak across the majority of Blackburn with the exception of southern parts of the district adjacent to Bolton, where around 7% commute to Manchester.

Blackburn was classified as isolated from Manchester:

- *Only one in five of Blackburn's residents are graduates* and nearly 20% have no qualifications. Those working in the higher value jobs in the district tend to travel longer distances.
- *Workplace and resident earnings are relatively low* falling below the regional and national averages, although workplace earnings are boosted by the public sector and the presence of some advanced manufacturing and engineering.
- *Blackburn has high proportions of employment in low value services and traditional manufacturing*, although there is some employment in advanced manufacturing and engineering in aerospace. The sectors that Blackburn specialises in are less urbanised and thus less likely to gain from increasing densities. As such, as Manchester's economy has grown and its firms' productivity increased, Blackburn's firms' have not: over the last decade GVA per capita has increased by 38% in Blackburn compared to a 76% increase in Manchester.
- *House prices are very low*: average house prices are £118,730 compared to a national average of £219,804.
- *Blackburn has a low employment rate* and is one of the most deprived places within the Manchester City Region case study area: the district is 17th of 408 local authorities.

Warrington

One of the UK's most productive local economies with a long history of inward investment, *Warrington* (population 195,200) is characterised as 'independent'. Warrington is a net importer of labour and just 7% of Warrington's residents commute out of the city to Manchester. Warrington has relatively high GVA per capita. Of those commuting to Manchester over 65% are knowledge workers and a high proportion travel to work in jobs in business services and transport. A labour market in its own right, Warrington draws strongly from MCR in terms of high skilled labour, although commuting links into Warrington are stronger to the west (Halton and St Helens).

Within the district, residents are less likely to commute to work in Manchester if they live in and around Warrington town. In the east of the district, there is a higher proportion of people living in Lymm commuting to Manchester (11%).

Box 4: Independent places

Our research found two types of 'independent' place depending on an area's level of skills and earnings, its sectoral composition, average house prices and levels of deprivation.

- 1) Places with diverse industries³¹ are often characterised by a high level of skills, earnings, house prices and good deprivation scores. These are the areas with the strongest economic performance and with the most opportunities for residents.
- 2) Places with a mix of industries are often characterised by a medium level of skills, earnings, house prices and mixed deprivation scores. These areas are slightly less economically successful than their more diverse 'independent' counterparts

31. A city with diverse industries can be distinguished from a city with a mix of industries according to two criteria: a diverse city specialises in a wider breadth of industries and has a smaller percentage of employment in traditional industries than a city with a mix of industries.

Warrington falls into the first category of independent places:

- *Warrington has a reasonably high proportion of graduates* that are able to benefit from the employment opportunities in Warrington and Manchester; a third of residents have degree level qualifications.
- *It has the highest workplace earnings* of the case study areas and average earnings have increased substantially over the last decade.
- *The economic performance of the city reflects its success in attracting inward investment* and the growing concentration of high tech manufacturing and knowledge intensive industries.
- *House prices although below the national average are relatively high* compared to other parts of MCR, £179,872 compared to £156,459 across Greater Manchester.
- *Warrington has relatively low levels of deprivation* compared to other parts of MCR; 14.4% of LSOAs are in the top 20% most deprived LSOAs.

Stockport

Stockport (population 280,900) provides a critical supply of graduate labour to Manchester's economy, at the same time as having a relatively strong economy itself. Nearly a quarter of Stockport's residents commute to work in Manchester, a high proportion of whom are professional and associate professionals. The strength of Stockport's economy also means that it has a high level of in-commuting. Around 5% of Manchester's residents travel to work in Stockport and the district also has a strong pull from Tameside, High Peak and Macclesfield.

Labour market links are strong across the district. The highest concentration of residents commuting to Manchester live in Cheadle and Heaton Moor, where over a third of residents commute to Manchester.

Box 5: Interdependent places

Our research found two types of 'interdependent city', which can be distinguished according to an area's level of skills and earnings, its sectoral composition, average house prices and levels of deprivation. These two types look very similar to the two types of 'independent' places:

- 1) Places with complementary industries are often characterised by a high level of skills, earnings, house prices and good deprivation scores. These areas benefit significantly from interdependent relationships with the economic centre.
- 2) Places with a mix of industries are often characterised by a medium level of skills, earnings, house prices and mixed deprivation scores. These areas benefit to some degree from interdependent relationships with the economic centre.

Stockport falls into the first category of interdependent places:

- *Over a third of the district's population are qualified to degree level* and above and there is a high representation of knowledge workers.
- *The ability of the highly skilled residents in Stockport to access high value jobs is reflected in the high average earnings* in the district (average weekly resident earnings are £466 in Stockport compared to £451 across the North West as a whole) and the high employment rate (80%).
- *Stockport has concentrations of employment in high tech manufacturing, financial and business services, ICT and digital and communications*, contributing to high earnings. There is also a concentration of head office activity within the district. By definition these firms are highly productive and Stockport's GVA per capita is





higher than the regional average. Stockport has a similar industrial profile to the economic centre and one that is more likely to benefit from urbanisation economies.

- *Average house prices are relatively high* compared to other areas in MCR, £195,665 compared to £156,459 across Greater Manchester.
- *Stockport ranks lowest of the case study areas on the Economic Deprivation Index* and less than 12% of the district's LSOAs are in the top 20 most deprived, whilst almost a third of LSOAs are in the top 20 least deprived areas.

Trafford

Trafford, traditionally part of the economic core, is characterised as 'interdependent'. Of the case study areas, Trafford (population 212,800) has the closest labour market links with Manchester: 32% of Trafford's residents commute to work in Manchester. A significant number of knowledge workers travel to work in Manchester who are attracted to live in Trafford by the quality of its housing offer.

Trafford is also a net importer of labour and draws in labour from Manchester, Salford and Macclesfield. As a reflection of the job opportunities within the district, 6% of Manchester's residents commute to work in the district. As Trafford's economy has changed, so have its travel-to-work patterns. Whereas people used to walk to work in the manufacturing firms of Trafford Park, the origins of people working in high-value firms located in the Park are now far more dispersed. High value jobs are a significant driver attracting people to work in Trafford and it is estimated that 7.5% of commutes in to Trafford can be attributed to wage differentials.³²

Levels of commuting into Manchester are high across the district. The strongest links are in the north of the district close to Manchester city centre and in the south in areas such as Altrincham.

Trafford falls into the first category of interdependent places:

- *Over 36% of Trafford's residents are graduates*, by far the highest within the city region.
- *Trafford has the highest resident based earnings* in the city region case study areas and a relatively high employment rate.
- *With long standing status as a key commercial and trading hub, Trafford has a highly enterprising economy* that has been an important contributor to the city region's growth. The district has a high density of innovative, knowledge intensive firms and the productivity of these firms is reflected in the high GVA per capita (£23,306 compared to the regional average of £16,482).
- *Closely interlinked with Manchester's economy, Trafford has developed specialisms in professional and financial services, life sciences, and digital and creative sectors.* As such Trafford's economic growth – measured by change in GVA per capita and workplace earnings – has closely followed Manchester's over the last decade.
- *Average house prices are above the national average* and very high compared to MCR – £247,458 compared to a national average of £219,804.
- *Trafford has lower levels of deprivation* compared to other parts of MCR – just 10.9% of LSOAs are in the top 20% most deprived LSOAs.

These individual relationships have an impact on the dynamics across the city region as a whole, and are affected by the characteristics of the built environment, the quality of life offer and the quality of transport links.

6. Key findings and policy conclusions

6.1 The economic geography of the Manchester City Region has clear characteristics that impact on the development of complementary economic relationships between places

The Manchester City Region is a monocentric city region with Manchester providing the central core of economic strength. The surrounding towns and cities tend to benefit to some degree from Manchester's economic strength, although there remains a north-south divide within Manchester City Region. Labour and housing markets overlap more in the south of the conurbation than the north, with some exceptions such as Bury.

Manchester City Region has more 'interdependent' local authorities than other city regions because of its economic strength and has more complementary relationships with neighbouring areas than most of the other northern city regions we have studied. Nonetheless, there is potential for economic relationships between Manchester and neighbouring towns and cities to become more complementary, particularly those in the north of the city region and outside the Greater Manchester area.

6.2 Understanding how existing economic links work is important to realising economic and social potential of places within MCR

A useful way of assessing if neighbouring cities and towns have benefitted from Manchester is to look at change in Gross Value Added (GVA) per capita over time (see Figure 2.4). Over the last decade productivity has increased in all of the sample local authorities, but it has increased most strongly in Manchester.

Overall, Trafford, Stockport and Warrington seem to be benefitting from their labour market and/or firm relationships with Manchester. The gap between Manchester and these areas in the south of the city region is narrowing. However, the divide between the north and south of Manchester appears to be widening. The productivity gap between Manchester and its neighbouring cities and towns in the north of the city region has widened between 1996 and 2006 – Blackburn, Oldham and Bury have all fallen against Manchester in terms of GVA per capita. Workplace earnings in Blackburn, Oldham and Bury also sit well below Manchester and other areas in the south of MCR. However, resident based earnings suggest that some areas may be benefitting from their relationship with Manchester in a different way. Whilst high value job opportunities within Bury are limited, its residents are benefitting from the employment opportunities available in Manchester, and as a result average resident based earnings are higher than the majority of areas in MCR.

This also suggests that although there are some spillovers, for the majority of Manchester's neighbouring cities and towns there is still potential to benefit more from economic links with the economic centre.

6.3 How can the city region benefit more from complementary relationships in the future?

Overall, in the Manchester City Region past decisions seem to have increased complementarities between Manchester and its neighbouring towns and cities, although stronger complementary relationships have developed in the south of the city region. In many areas, there could be opportunities to influence city relationships to help ensure neighbouring cities and towns derive the maximum economic benefit from the economic centre.

Our research highlights several areas where policy makers could possibly improve links. There are several policy messages that apply to the city region as a whole, particularly around skills and transport, but Local Authorities also need to be ambitious but realistic about their role within the city region and develop short, medium and long term priorities accordingly.

Manchester City Region as a whole can benefit from working together to promote growth in Manchester as the economic core

Within the Manchester City Region, Manchester is the key centre of employment for neighbouring cities and towns and the main driver of city region growth. However, Manchester relies heavily on its neighbours supporting its growth through the provision of good quality housing and a ready supply of labour. While Manchester's neighbours have benefited from second-round investment, this has also strengthened Manchester. City region policy should therefore ensure it strengthens growth in Manchester, the economic core, as this is likely to be beneficial for the wider city region, particularly if there is a focus on strengthening links between Manchester and neighbouring towns and cities.

To maximise economic benefits from links with Manchester, neighbouring towns and cities should build on their distinctive assets

It is crucial that the city region understands the different roles of different places and builds on their key strengths. This research indicates that in the Manchester City Region **skills, addressing worklessness, transport and housing are the key levers** to strengthen links. However, the importance of these policy levers varies across the city region, especially considering the city region's north-south divide.

Skills and worklessness are priorities

Addressing the skills gap and high levels of worklessness should continue to be a priority across the city region, both in terms of improving labour relationships and the productivity of the city region. With pockets of high deprivation across the city region, policy makers need to consider solutions that take account of both the demand and supply of labour. Job matching will, in the majority of cases, be dictated by local conditions and skills, and training provision is most effective when tailored to the needs of local employers. Due to the overlap of labour markets across local authorities, this can arguably be most effectively addressed at city region level.

Transport and congestion

Research conducted as part of the Manchester Independent Economic Review found that transport is not as important a factor as skills in explaining the productivity gap. However congestion is likely to constrain the sustainable growth of Manchester's economy and although plans to introduce a congestion charge were rejected at referendum, it is vital that the city region continues to seek solutions to addressing the problem. An integral part of this is the continued development of the city region's public transport network and ensuring an integrated approach is taken to transport planning. Policy makers should consider how public transport might be better aligned across the city region, beyond the Greater Manchester Integrated Transport Authority boundaries, to areas such as Blackburn and Warrington, to support the development of stronger relationships.

However, transport should not be seen as a solution to building and developing labour market relationships in isolation from other policy measures.

For 'isolated' areas such as **Blackburn**, where there are already explicit strategies to develop transport links to Manchester, skills and training provision need to also be prioritised to increase labour mobility if its residents are to take advantage of the employment opportunities that Manchester has to offer. In addition, a high quality public service offer is vital. Blackburn, with a heavy reliance on the public sector and large firms such as BAE Systems, is unlikely to be able to compete with Manchester for inward investment. It will be important for Blackburn, as well as addressing issues around skills, to continue to rebalance its housing offer.

Bury, having developed a more complementary relationship with Manchester through education and infrastructure improvements over the last decade, offers insights for other areas within the city region including Oldham and Blackburn. It has developed its quality of life offer not only through housing and transport but also its educational offer. Bury aspires to attract more knowledge-intensive employment into the district but recognises that it cannot compete with Manchester in terms of inward investment. It is, instead, building on its 'sub regional offer' as an attractive location for knowledge workers. Crucial to maintaining its quality of life offer will be to develop the cultural offer and build on the vibrancy of the area.

Oldham, which has limited brownfield land for redevelopment and a concentration of employment in traditional industries, is unlikely to be able to compete with Manchester for inward investment. Static employment growth over the last decade means that it is important for Oldham to continue to develop its labour market relationship with Manchester. If Oldham is to take full advantage of the Metrolink extension, it needs to develop its housing offer and improve its skills profile. With good A-level attainment and a strong FE offer within the district, fostering stronger links between the FE colleges and universities within the city region may encourage individuals to continue on to higher education, as well as enhancing existing 'travel to learn' patterns to Oldham from across the city region. There may also be opportunity to build on the quality of life offer in the East of the district at the foothills of the Pennines.

For **Stockport** and **Trafford**, who have more 'interdependent' economic relationships with Manchester, the challenge is how to manage growth in a sustainable way. Both local authorities should work closely with Manchester and other surrounding areas with high knowledge-intensive employment, in particular to ensure the right conditions to attract high value employment and develop a coherent offer for inward investors. With business space at a premium within Manchester, surrounding districts should seek to build on this opportunity to attract knowledge businesses with lower cost office space but with access to highly skilled labour. In **Warrington**, where labour markets do not overlap to the same extent, there may be opportunities to develop stronger relationships between firms in the respective cities to help identify business opportunities and encourage innovation.

Manchester also needs to ensure that it is striving to make the most of its relationships with neighbouring areas. This means that Manchester should focus primarily on attracting high value knowledge intensive employment and investment, and not compete with neighbouring areas for alternative types of investment and employment unless there is a compelling reason for this to locate in the centre (e.g. a large department store which would benefit from Manchester's catchment of consumers). Developing firm relationships and cross-sectoral relationships are important as a driver of innovation across the city region as a whole. Within the **advanced manufacturing sector**, particular policies should seek to strengthen networks and





increase the innovation capacity of smaller more traditional firms. Employee training, workforce planning and increasing demand for graduates within these firms would also increase innovation capacity, and build resilience to economic change. Within the **ICT and Digital sector**, where there is a strong cluster of companies and individuals, there may be opportunities for businesses located in MCR to benefit from Media City.

The relationship between authorities in Manchester City Region is relatively mature. Going forward, it will be important for these authorities to strengthen relationships and to identify areas where working together is going to add value. It is not likely to be necessary to collaborate on all issues, but there are some clear challenges which do need addressing to ensure that economic development impacts positively across the city region. There is already close partnership working between the authorities in Greater Manchester and this will be further strengthened by the Statutory City Region Pilot. The relationship between areas such as Warrington and Blackburn is less developed and authorities should work together to identify where collaboration is likely to lead to mutual benefit. A question remains whether more formal arrangements should be extended beyond the Greater Manchester area, with many of the stakeholders we interviewed suggesting that Manchester City Region as a whole would benefit from partnership arrangements that more closely match the area in which people live, work and consume.

Overall, our analysis suggests that Manchester City Region should be seeking to understand the different roles of places within the city region, to play to areas' distinctive assets and to secure focus on opportunities and challenges. In difficult financial times, our analysis suggests that there should be a strong emphasis on strengthening the economic core and enhancing links to Manchester in a way that plays to the distinctive assets of local areas. Manchester is one of the strongest economic cores in the North; it is also heavily reliant on surrounding areas for access to consumers and high quality labour. Within the city region, it will also be important to address the regeneration issues that exist in some of the surrounding areas. Working together to maximise the impact of the city region as a whole through strengthening Manchester, and its links with surrounding areas will require some challenging political decisions to be made and communicated locally. However, Manchester City Region's long-standing history of working in partnership is likely to stand it in good stead to take these challenging decisions, looking ahead as cities move out of recession and into recovery.

Annex A – Interviewees

Our thanks go to the following interviewees for their time and insights:

Name	Position	Organisation
Mike Doocey	Policy and Research Unit	AGMA
Helen Gopsill	HR Director	Aircelle Ltd
Nick Bradshaw	Managing Partner	Amaze
Paul Dawson	Managing Director	Anvic Developments Limited
Dave Holmes	Investment and Strategic Planning Director	BAE Systems
Malcolm Adams	Head of Public Affairs	BAE Systems
Andrew Lightfoot	Deputy Chief Executive	Blackburn with Darwen BC
Brian Bailey	Assistant Director, Regeneration	Blackburn with Darwen BC
Richard Thorley	Chief Executive	Brookhouse
Kate Ingram	Development Manager	Burnley Council
Mike Cook	Director of Regeneration and Housing	Burnley Council
Steve Rumbelow	Chief Executive	Burnley Council
Mark Sanders	Chief Executive	Bury Metropolitan Borough Council
John Slee	Business Centre Director	Capita
Andrew Davenport	Managing Director	Code Computerlove
Daniel Clarke	Creative Director	Devote Associates
Andy Rose	Director	Duo Design
Michael Damms	Chief Executive	East Lancashire Chambers of Commerce
Simon Preugschat	Associate	Francis Bradshaw Partnership
Angie Robinson	Chief Executive	GM Chambers of Commerce
Richard Banks	Policy Officer	GMPTE
Roy Newton	Head of Greater Manchester	GMPTE, Joint Transport Policy Team
John Conti-Ramsden	Director	Knowledge Centre for Materials Chemistry
Liz Goodger	Strategic Partnerships	Manchester City Council
Shaun Fensom	Managing Director	Manchester Digital
Juan Gomez	Head of Strategy	Commission for the New Economy, Manchester
Nick Gerrard	Deputy Chief Executive	Commission for the New Economy, Manchester
Rupert Greenhalgh	Head of Economics	Commission for the New Economy, Manchester
Cathy Garner	Chief Executive	Manchester Knowledge Capital
Elliot Mueller	Chief Executive Officer	Manchester Metronet
Professor Gerry Kelleher	Deputy Vice-Chancellor (strategic planning)	Manchester Metropolitan University
Lynne Barlow	Commercial Director	Manchester Science Park
Colin Sinclair	Chief Executive	MIDAS
Andy Mowlah	Research Manager	NWDA
Michele Carr	Head of Corporate Policy	Oldham Metropolitan Borough Council
Andrew Peak	Surveyor	Petty Chartered Surveyors
Jonathan Pickles	Surveyor	Petty Chartered Surveyors
Tony Cann	Founder	Promethean
Chris Byrne	Head of Operations and Strategy	Ravensoft
Ged Lucas	Corporate Director and Deputy Chief Executive	Stockport Metropolitan Borough Council
Elaine Hum	Managing Partner	Taylor Solicitors
Professor Rod Coombs	Vice-President for Innovation and Development	The University of Manchester
Suzanne Hilton	Head of Regeneration	Trafford Council
Mike Luger	Manchester Business School	University of Manchester

