

# Inclusive Growth Analysis Unit (IGAU) Response to the GM Spatial Framework Consultation

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March 2019

## Introduction to this document

This document synthesises IGAU's response to the online consultation on the revised GM spatial framework.

The sections map onto sections of the revised framework and the statements (e.g., 'we strongly agree') with the consultation questions in each section.

We have not commented on all sections of the framework, only on those where we have some particular expertise to offer.

## Introduction and Overview Questions

We **strongly agree** that "we need a plan for jobs and homes in Greater Manchester".

We **strongly agree** that:

- "to plan for jobs and homes, we need to make the most effective use of our land"
- "in planning for jobs and homes, we also need to protect green spaces that are valued by our communities"
- "to protect green spaces, we need to consider how all land in Greater Manchester is used"

We agree that the approach outlined in the plan is reasonable. The revised plan strikes a better balance between meeting the need for new housing and jobs and the need to protect green belt and build new homes where the transport infrastructure can support it. We particularly welcome the focus on inclusive growth, reflected in the identification of employment sites in the north of the conurbation close to areas which have not benefited sufficiently from economic growth to date, and the focus on town centres.

Our comments draw on our analysis of spatial patterns of growth to date

- *Inclusive growth: Opportunity and challenges for Greater Manchester*<sup>1</sup>

And on our analyses of changing spatial patterns of deprivation:

- *Spatial patterns of income deprivation in Greater Manchester: Which places have been improving and declining?*<sup>2</sup>
- *Location of planned GMSF employment spaces in relation to Greater Manchester's severely income deprived places*<sup>3</sup>
- *Understanding changes in Greater Manchester's 'deprived' neighbourhoods 2004 to 2015 using a typology of residential mobility, working paper*<sup>4</sup>
- *Patterns of poverty in Greater Manchester neighbourhoods: Analysis of small area poverty estimates*<sup>5</sup>

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<sup>1</sup> <http://hummedia.manchester.ac.uk/institutes/mui/igau/IGAU-report-2016-FINAL.pdf>

<sup>2</sup> See: <https://www.mui.manchester.ac.uk/igau/research/reports/>

<sup>3</sup> See: <https://www.mui.manchester.ac.uk/igau/research/reports/>

<sup>4</sup> <http://hummedia.manchester.ac.uk/institutes/mui/igau/igau-residential-moves-typology.pdf>

<sup>5</sup> <http://hummedia.manchester.ac.uk/institutes/mui/igau/growthmonitor/GM-MSOA-poverty-briefing-note.pdf>

We also draw on the IGAU briefing paper “Planning for Inclusive Growth”<sup>6</sup> authored by Stuart Macdonald of the Centre for Local Economic Strategies, and on our submission to the GM Independent Prosperity Review<sup>7</sup> which drew attention to the role of spatial planning in the delivery of inclusive growth.

This evidence leads us to support the plan but also suggest that more needs to be done, building on the plan.

## Context

**We broadly agree with the analysis of the context for the plan.** We make three additional points.

### Historical trends and forecasts

The document notes that recent economic and population growth has been predominantly in central areas, and forecasts that this will continue. It is important to recognise that while these recent trends are largely the product of the UK’s changing industrial structure, which has changed the country’s economic geography, they are also the product of policy and spending regimes which have neglected smaller towns and local economies experiencing industrial transition, as well as failing to adequately support their residents to connect to new economic opportunities. Continuation of these trends at their current scale and pace is not wholly inevitable. The GM plan should not only be following anticipated trends based on past trends, it should be aspiring to challenge them by building assets and opportunities in places that have not shared in increases in prosperity over the past 20 years. It would be useful to see a growth scenario based on a strategy for more spatially inclusive growth.

### Spatial distribution of deprivation

Figure 2.6 in the consultation document shows the spatial distribution of deprivation according to the Indices of Deprivation 2015 (hereafter IMD 2015). It is also important to look at how these patterns have been changing. Our analysis shows that while there remains a very large concentration of deprivation in inner Manchester and Salford in close proximity to economic opportunity, the pattern since 2001 has been one of de-centralisation or ‘suburbanisation’ of deprivation – a pattern also observed in other cities.

Between 2001 and 2013, the income deprivation rate (using the income deprivation domain of the 2004 and 2015 IMD) of GM’s Regional Centre (RC) decreased by 18 percentage points, from 33% to 15%. Across the same period, the region within the M60 motorway as a whole (excluding the RC) saw only a two percentage point decrease, and the rate of income deprivation outside the M60 *increased* by two percentage points.

In addition, areas of particularly severe income deprivation within the M60 and RC improved to a greater extent than in areas outside the M60. We have analysed the geography of severe income deprivation between 2001 and 2013 by identifying severely income deprived places (clusters of contiguous severely income deprived LSOAs). 56% of such clusters in 2013 within the M60 and RC had reduced in size since 2001 – that is to say that some of the LSOAs in the cluster were no longer severely income deprived. Outside the M60, however, only 24% reduced in size, with 76% of

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<sup>6</sup> <http://hummedia.manchester.ac.uk/institutes/mui/igau/briefings/IGAU-Briefing-4-Local-Planning.pdf>

<sup>7</sup> <http://documents.manchester.ac.uk/display.aspx?DocID=40769%20>

severely income deprived places either remaining the same size or getting larger. 72% of severely income deprived places within the M60 and RC saw their rates of deprivation decline; whereas 52% of such places outside the M60 experienced worsening rates of income deprivation. Therefore among the places which may be described as declining, more are in outer areas of the conurbation. Significant and deepening challenges remain in outer areas.

#### Effects of growth on reduction of poverty

The plan sets out Greater Manchester's ambition to become a leading global city. Without wanting to dampen ambition, we think it is also important to note the evidence that many rapidly growing global cities (London included) have found that growth does not necessarily result in reductions in poverty and in fact may lead to rising inequalities. Our own analysis shows that aggregate improvements in neighbourhood poverty rates in inner Manchester between 2001 and 2013 did not necessarily mean a reduction in the numbers of poor individuals but just the addition of higher income individuals alongside them. In this analysis, 'poverty' is described using a proxy measure based on means-tested benefit claims (the Unadjusted Means-Tested Benefit Rate per Household or UMBRH). In 2001, the poverty rate for LSOAs in the Regional Centre was 37% - calculated by taking the number of benefits claimants divided by the total number of households. This was four percentage points higher than for the region within the M60 motorway (excluding the RC), and 14 higher than for the region outside the M60. Whilst poverty rates in the two more peripheral regions increased slightly between 2001 and 2013, the RC's poverty rate fell substantially to 21%. However, this apparent improvement masks actual increases in the number of benefits claimants in the RC. Between 2001 and 2013 the number benefits of claimants went up by 25 people per LSOA on average within the RC. The factor driving poverty rates down in the RC was the marked increase in the number of households, which almost doubled, increasing by 847 households on average per LSOA, from 833 households in 2001 to 1680 in 2013.

The benefits/disadvantages of this scenario are not well understood. These findings suggest that the impacts and side-effects of growth need to be anticipated and proactively tackled through the development of a more inclusive economy intrinsically married to social goals. Policy implications go well beyond the spatial framework but it would be helpful if this were acknowledged in the context section.

## Our Vision

### **We agree with the strategic objectives.**

In particular, we are pleased to see an emphasis on reducing inequalities and improving prosperity. We would like to add that there should be an additional focus on efforts to eradicate poverty.

We welcome the prioritisation of brownfield land and development of high value clusters in prime sectors such as advanced manufacturing, creative and digital and health innovation. We emphasise that it should not be assumed that the skill needs of these clusters cannot be met by local populations, including those in some of our most disadvantaged areas. There are many international examples where long term strategies have been developed to enable re-skilling and to connect education and skills pathways to key growth sectors, targeting areas of disadvantage. A key concern is that GM will develop a ‘twin-track’ economy – high value jobs for advantaged populations and incomers/low value jobs for existing residents. A critical issue here is employer engagement in training<sup>8</sup>. It will be necessary to target neighbourhoods not just to ensure people in all neighbourhoods have access to training and employment opportunities.

We welcome the intention to ensure there is a diverse range of employment sites and premises. We hope that this will be supported by efforts to identify and support the needs of locally-grown businesses, including non-profit businesses.

We recognise the need to prioritise development in well-connected locations but it is crucial that “an inclusive and accessible transport network” is put in place to ensure access for those in less well-connected locations. We recommend a report by the Joseph Rowntree Foundation on “transport-related barriers to employment” to guide on this agenda<sup>9</sup>.

We strongly endorse the intention to strengthen the competitiveness of North Greater Manchester.

We strongly endorse the intention to reduce the number of Greater Manchester's wards in the 10% most deprived nationally. However, we would like also to see targets for reducing absolute rates of poverty and deprivation, and absolute numbers of households affected, since rankings are affected by changes elsewhere.

We have conducted analysis investigating the proximity of proposed warehousing, industrial and office space allocations<sup>10</sup> to areas of severe income deprivation across GM (only those allocations that are expected to be completed within the plan period 2018-2037). Of the 159 LSOAs that can be categorised as ‘severely income deprived’, 97 (61%) are within a three-mile radius of at least one of the proposed employment allocations. Of these, 43 belong to severely income deprived places that are either ‘partial-’ or ‘definite decliners’ in the period 2001-2013 (44%) – meaning places that have been on a downward trajectory, either becoming larger spatially or more income deprived. This suggests a relatively good fit between areas of proposed new investment and areas which need investment.

We note the intention to focus development in the Core Growth Area, Manchester Airport and key economic locations and support the intention to improve access for local people to jobs in these locations. We emphasise that this will require measures well over and above what has been

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<sup>8</sup> <http://hummedia.manchester.ac.uk/institutes/mui/igau/reports/et-policy-paper-revised-final.pdf>

<sup>9</sup> <https://www.jrf.org.uk/file/51446/download?token=S-JI1XGM&filetype=full-report>

<sup>10</sup> Includes proposed office space at Timperley Wedge allocation, and those listed in 6.14 and 6.19 of: <https://www.greatermanchester-ca.gov.uk/media/1743/employment-topic-paper-w-cover-web.pdf>

attempted to date. Real connectivity is a major challenge. We refer to the JRF transport report<sup>11</sup> and our submission to the Local Industrial Strategy call for evidence<sup>12</sup>. We would like to emphasise the need for rich intelligence about travel patterns and the effect of initiatives such as the early bird tram fare, which could potentially have benefits for low income workers, and the proposed Youth Opportunity Pass, which could broaden opportunities for post 16 study.

## Strategy

### **We agree with the overall strategy.**

We welcome the strong focus given to inclusive growth and the recognition that this will involve providing high quality investment opportunities across GM not just making the most of core conurbation assets.

### **We mostly agree with the proposal for the core growth area.**

We would like to see a stronger emphasis on affordable housing, since evidence from other cities suggests that unless this is actively planned in, lower-paid workers end up being priced out of the areas where they need to work. The concept of inclusive growth should incorporate the notion of ‘rights to the city’<sup>13</sup>. We also think the plan should signal an intention to provide high quality employment (better jobs as well as more jobs), although this is likely to be achieved by mechanisms other than the spatial plan (e.g. the Employment Charter).

We do not have any further comments on the specific proposals for the City Centre, Port Salford or the Quays.

**We agree with the strategy for inner areas.** We particularly support the references to affordable housing, retaining existing communities, and improving the quality of places.

Our analysis shows that around 6 (4%) of GM’s 159 severely income deprived LSOAs in 2015 are within the core growth area (taking central Manchester, South-East Salford, and North Trafford<sup>14</sup>). None are found within the city centre. Sixty-two are within the area broadly defined as the inner area (39%)<sup>15</sup>. In 2015 these severely income deprived LSOAs within inner and core growth areas contained 50,409 people defined as ‘income deprived’, according to the income deprivation domain of the Indices of Deprivation. This is 10% of GM’s total income deprived population.

Regeneration of the inner area to date, combined with economic growth, has led to a decrease in deprivation rates in inner and core growth areas since 2001 (by three percentage points for both areas combined, from 24% to 21%), and a significant reduction in the size of places that can be considered ‘severely income deprived’. What was a very large cluster of contiguous deprived areas has broken up into nine smaller clusters of deprivation. Many of the areas in GM which were

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<sup>11</sup> (see footnote 9)

<sup>12</sup> <http://documents.manchester.ac.uk/display.aspx?DocID=40769%20>

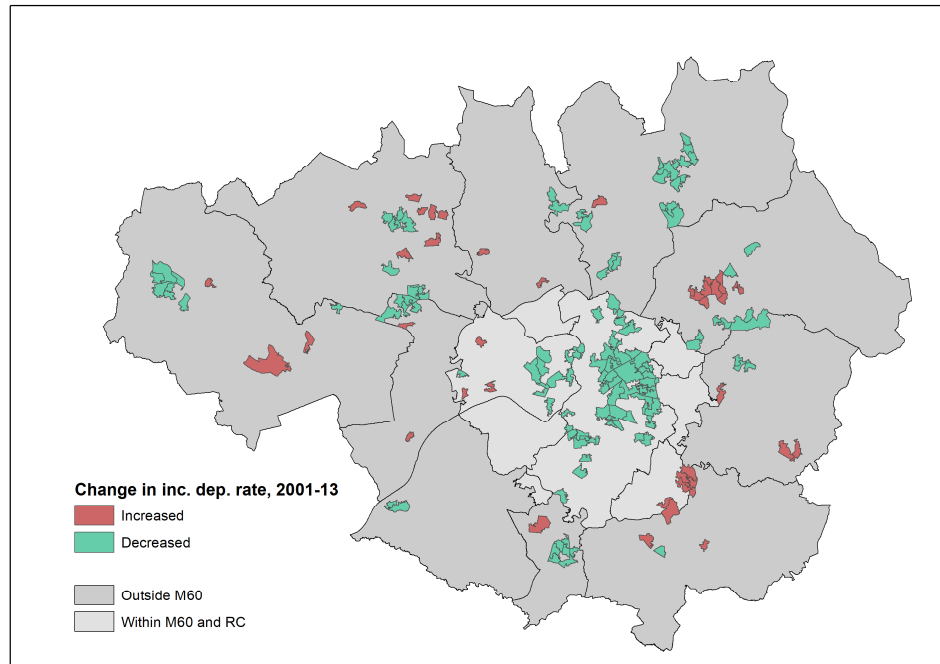
<sup>13</sup> Fenton, A., Lupton, R., Arrundale, R., & Tunstall, R. (2013). Public housing, commodification, and rights to the city: The US and England compared. *Cities*, 35, 373-378.

<sup>14</sup> Geography as mentioned in 4.21 of the plan.

<sup>15</sup> Our analysis of inner areas takes a larger region than the ‘inner area’ outlined in the plan (‘surrounding the City Centre and the Quays’). We have taken ‘within the M60’ to represent the inner areas. However, the majority of severely income deprived areas are situated close to the inner area as defined in the plan.

severely income deprived in 2001 and have improved in terms of their deprivation rate are within inner areas. As a proportion, 72% of severely income deprived clusters in inner areas saw their income deprivation rates drop, compared to 48% outside the M60.

Change in income deprivation rate in severely income deprived places, 2001-2013



However, our analysis also shows that improvements in rates of deprivation do not always mean there are fewer people defined as deprived or income-poor. They can simply come about through an influx of more advantaged residents. As mentioned previously, although the rate of poverty fell in the regional centre by 16 percentage points between 2001 and 2013, from 37% to 21%, the average number of claimants per LSOA in the RC increased by 25 claimants. Concealed in the poverty rate is the marked increase in the denominator – the number of households – which almost doubled on average per LSOA in the RC across this period, from 833 households in 2001 to 1680 in 2013. This points to the need for regeneration to go beyond physical aspects (housing, transport and environment) and involve targeted social and economic regeneration. Research suggests that careful planning is also needed to ensure that the benefits of socially mixed communities are realised<sup>16</sup>. Neighbourhood planning can play a role here, as we proposed in our earlier paper (see footnote 6).

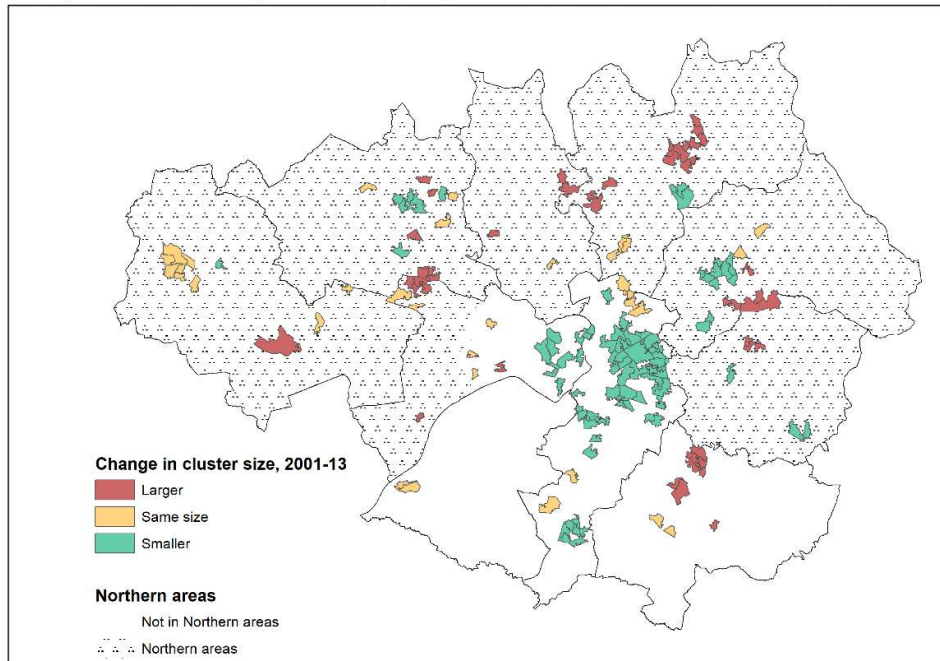
**We mostly agree with the proposed policy on Northern areas.** We welcome the recognition that continued large disparities in growth and competitiveness are damaging to the whole of GM and that sustained investment in the local economies of northern towns is needed to build a diverse and thriving polycentric GM economy from which all can benefit.

Our analysis shows that 77 (48%) of the most severely income deprived LSOAs in GM (in 2015) are within Northern areas, broadly defined. In 2015 these contained 53,356 people defined as ‘income deprived’ according to the income deprivation domain of the Indices of Deprivation, 11% of the GM

<sup>16</sup> <https://www.jrf.org.uk/sites/default/files/jrf/migrated/files/1905018126.pdf>

total. It is also significant that many of the areas in GM which were severely income deprived in 2001 and have not improved in terms of their deprivation rate are within this area. Of the 23 places in 2013 that saw increasing income deprivation rates since 2001, 16 of them were in the Northern competitiveness area<sup>17</sup> (see previous map for an idea of this spatially). In addition, most clusters that grew in size since 2001 are in Northern areas. Shown on the map below, of the 18 clusters that grew in size, 14 were in the Northern areas. Of particular note are the large clusters of Rochdale and Little Hulton and Farnworth. The Rochdale cluster grew by three LSOAs, from seven in 2001 to ten in 2013. Similarly, Little Hulton and Farnworth grew from five to seven LSOAs.

Change in size of severely income deprived places in relation to the Northern areas, 2001-2013



We recognise the need for higher income housing. However we would like to see greater balance here between the expressed need to attract higher skilled workers and entrepreneurs and the need to a) invest in the area's existing assets and b) retain high skilled workers who may feel the need to leave if there is not a high quality employment, transport and housing offer. In spatial planning terms, the ensuing actions might be the same, but the framing is important, as are the other actions that might follow (e.g., business support, education, skills and the mix of housing provision).

#### **We agree with the policy for the M62 North East corridor.**

We welcome the emphasis on promoting the opportunity for high quality, high productivity employment in growth sectors such as advanced manufacturing, and the commitment to development on a scale which will attract major inward investment. We support the intention to bring major benefits to the surrounding residential communities.

<sup>17</sup> Mentioned in 4.21 of the plan as comprising Bolton, Bury, Oldham, Rochdale, Tameside, Wigan, and West Salford.

Our analysis suggests that the developments that make up the corridor are within three miles of 12 of the severely income deprived areas of GM, including six that have not improved their deprivation rate since 2001. These contain 2% of GM's total income deprived population.

Developments of this kind do not always bring benefits to local people, especially when (as with this one) they offer excellent connectivity for in-coming workers. There is a great deal of experience within Greater Manchester and elsewhere<sup>18</sup> based on learning from other schemes, and we recommend setting up an expert panel to advise on inclusive development of the M62 North East corridor.

**We agree with the policy on the Wigan/Bolton growth corridor**

Our analysis shows that ten severely income deprived places are within a three-mile radius of the four proposed developments, four of which have seen increasing deprivation rates since 2001. One percent of GM's total income deprived population live in these four declining places. We note that the plans for this corridor emphasis transport links. It will be particularly important to ensure that local people benefit, as accessibility for commuters is improved.

**We mostly agree with the policy on the Southern Areas**

We support plans to build on existing economic strengths and on the opportunities of HS2. We note that potential for residents in the south east of GM to benefit are currently hampered by poor public transport links.

**We agree with the policy on Manchester Airport**

The continued development around the airport has the potential to bring benefits to currently disadvantaged neighbourhoods. Our analysis shows that three severely income deprived places (clusters) are within a three-mile radius of the proposed Manchester Airport development (this includes Timperley Wedge, Airport City South, and Roundthorn and Medipark). The large Wythenshawe cluster, containing 5,019 income deprived people, is one of these. In addition, Baguley is a small severely income deprived place that has seen a declining income deprivation rate since 2001.

**We neither agree nor disagree with the policy on New Carrington**

**We agree with the policy on main town centres**

We agree with the intention of this policy. Thriving town centres are an important part of local economies. Many town centres in GM have been in some difficulties recently. Of the eight main town centres, all but Altrincham and Bury had a cluster of severe income deprivation in their centre in 2013. These town centre clusters are home to 19,843 income deprived people, which accounts for 4% of GM's total income deprived population. Rochdale and Stockport clusters increased in size between 2001 and 2013. In addition, Stockport, Ashton West, Central Oldham and Central Wigan saw increasing income deprivation rates. There are also several, and in some cases, large, severely deprived clusters that are close to town centres, such as Laithwaite and Alexandra and Medlock Vale. Main town centre initiatives will be key for providing opportunities to these places.

The announcement of the Mayoral Development Corporation to regenerate Stockport's Town Centre West is very welcome and we would hope that this could be extended to other town centres.

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<sup>18</sup> <https://www.jrf.org.uk/report/major-development-projects-connecting-people-poverty-jobs>

## **Comments on the remainder of the plan**

We do not have detailed comments on the remainder of the plan.

From an inclusive growth perspective, we endorse the emphasis on the development of an integrated and sustainable transport network in GM and would particularly emphasise the need to use Mayoral powers over transport to improve connectivity and reduce travel costs for low-paid workers, including: ensuring that public transport connects workers to employment sites outside 'office hours' to enable shift work; and that local journeys around the conurbation are facilitated, not just radial routes.

We note the chapter on long-term economic growth and refer you to our submission to the GM Independent Prosperity Review in which we set out evidence how GM might approach the long term development of an inclusive economy (see footnote 7).

We note and support the intentions of the chapter on 'A Greater Manchester for Everyone'. We refer you to our previous paper (see footnote 6) which outlines the importance of neighbourhood planning in such strategies and also urges consideration of a full equalities impact assessment of revised framework, so that it will become clear who and who is not likely to benefit and allow development of appropriate strategies going forward.