

A high-angle photograph of a rural landscape. The foreground is dominated by large, grey, weathered rocks. Beyond them, a series of stone walls divide a lush green field into several sections. In the middle ground, there are several small, stone barns or outbuildings. The background shows rolling green hills under a bright blue sky with scattered white clouds. The overall scene is peaceful and scenic.

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PLANNING, DESIGN AND ECONOMIC DEVELOPMENT WORLDWIDE

# Greater Manchester Rural Economic Baseline

Executive Summary



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EDAW were commissioned by Manchester Enterprises to produce an economic baseline for the rural areas of Greater Manchester.

The baseline work aimed to provide an improved understanding of the dynamics within rural areas and help inform and guide economic policy and strategy development.

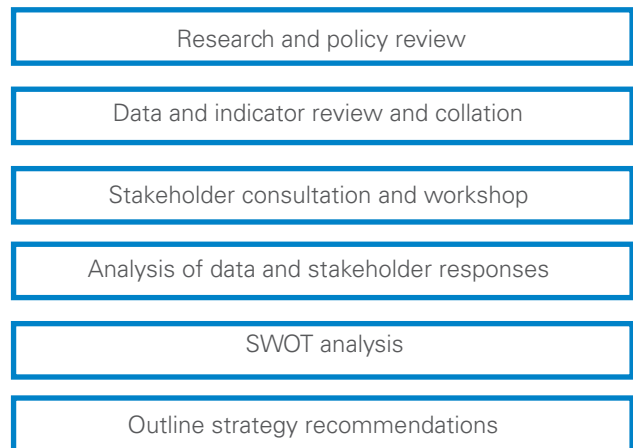
## The brief

The key requirements for the study were:

1. To provide an overview of the international/national/regional policy context, in which Greater Manchester's rural economy operates.
2. To review the strengths, weaknesses, opportunities and threats facing the rural economy of Greater Manchester and take stock of key issues facing the rural economy as assessed by the views of key stakeholders and partners.
3. To analyse key historic trends and future forecasts within Greater Manchester's economy.
4. To develop strategic policy options, based on the acquired economic intelligence, for inclusion within the reviews of regional and sub-regional economic policies and priorities.

## Approach

In order to achieve the requirements outlined above a six stage approach was employed:



Alphin Panormama

## Context

The review of relevant policy and research relating to rural economies was undertaken in order to set the context for the study and identify the key issues to be tested by the data analysis and stakeholder interviews. The review summarises the key features of rural areas as follows:

### Change

Rural areas continue to experience significant social, economic and environmental change including

- Net inward migration to rural areas (largely from urban England).
- Demographic change - an older and faster ageing population.
- An increasing number of **migrant workers** in rural areas, primarily in agriculture but also in sectors such as tourism and manufacturing.
- The **continuing reduction in the number of both private and public physical service outlets**.

### Equity

Across a range of social and economic indicators, rural areas perform well, often demonstrating better than average outcomes in terms of health and wealth than are seen in urban areas. However key equity issues remain, including:

- Clear inequalities in the housing market with a significant under supply of affordable housing.
- The inequalities in, and as a result of, **transport**. Car use is currently critical in rural areas for accessing services and to meet wider social needs. Hence those without access to cars are significantly disadvantaged.
- The proportions of those in need is often lower in rural areas, however these individuals remain harder to reach than in urban areas, as they tend to be highly geographically dispersed.

### Rural / urban linkages

The majority of research correctly focuses on the specifics of life in rural areas. However the analysis indicates the extent to which the conditions and changes in rural areas are intrinsically linked to conditions and changes in urban areas. For example:

- Rural housing **affordability** is strongly affected by urban demand.
- Rural **household incomes** are influenced by the scale and nature of commuting to and from urban areas.
- The overall rural economy is highly integrated within wider national and international economies with rural businesses tending to have much broader markets than their urban counterparts. Hence their **economic viability is often dependent on external demand**.

Other specific rural issues included:

- Low wage, seasonal employment and a narrow economic base.
- Fuel poverty.
- Vulnerable, isolated and excluded young people.

## Findings

The main emphasis of the study was to review and analyse a broad range of economic and social evidence in order to test stakeholder views and guide rural economic development policy. The central findings of the data analysis and stakeholder review were:

### Strong representation in growth sectors

- The presence of strong creative, ICT, aviation and construction sectors within the rural areas of Greater Manchester identified by the data analysis presents a better picture of the health of the economic base than perceived by stakeholders.
- The current economic data and projections for the wider city region suggest that there is significant potential for further growth of rural economies across Greater Manchester.

### Balancing growth and managing decline

- The analysis highlights a number of good employment and productivity growth propositions as well as areas of employment decline and weakness. Ideally economic strategy should focus on support to growth sectors to achieve maximum value and impact for public sector interventions.
- This approach needs to be balanced with efforts to help diversify and manage declining and/or weaker sectors such as agriculture and manufacturing in order to lessen the adverse impact of employment loss in these sectors and reduce the likelihood of increasing unemployment and economic inactivity in Greater Manchester's rural areas.

### Agriculture diversification / food and drink

- The increasing demand for locally sourced, high value/ high quality food combined with the large consumer market within Greater Manchester to create a significant opportunity for the sector in rural Greater Manchester and beyond.
- New Smithfield Market in Manchester was seen as a potential first step to developing a local food hub.
- Multi-cultural potential – supporting and supplying Asian/sub-continental restaurants, food stores and domestic consumers.
- Diversification into biomass production and fuel crops was also identified as an area for further development.

### Marketing/Profile

- Better branding and an improved profile for rural Greater Manchester was needed to support economic development – particularly in relation to forests, parks, leisure and recreation opportunities.
- An opportunity to link the branding/marketing work into the healthy living agenda – Greater Manchester's playground.

### Infrastructure shortfalls

- Public transport – limited frequency of services outside of peak hours.
- Business accommodation/workspace – a lack of suitable premises to encourage start ups and provide for expanding businesses.



Cattleshaw Reservoir

### Climate change agenda

- Supply chain development was seen as a crucial opportunity with the need to reduce road miles in servicing the Greater Manchester market.
- The potential to use land in Oldham/Rochdale as carbon sinks as well as opportunities for agriculture businesses to diversify into biomass production.

### Improving skills

- The presence of declining sectors within the rural economies of Greater Manchester identifies a need for the existing workforce in these sectors to improve their skill levels in order that they can access alternative employment in the event of job loss.
- Similarly one of the contributing factors to lower productivity within the rural economy is insufficient skills within the labour force and in some cases an inability to recruit suitable people to fill new positions.

### Quality of the rural environment

- The quality of the rural environment, both natural and man-made, is a predominant strength providing incentives for people to live in rural areas and also creating leisure and tourism development opportunities.

### Tourism/Leisure opportunities and constraints

- Exploiting the inherent natural assets to develop the potential of extreme/adventure and activity based tourism.
- Housing market conditions leading to the sale of what was bed and breakfast accommodation – limiting the opportunities for diversification.

### Housing affordability

- Housing affordability in rural Greater Manchester is a key issue identified by stakeholders and income and house price data. There is a pressing need to provide more affordable housing options, particularly to families and young people who have grown up in rural Greater Manchester and now find themselves unable to access the owner occupied segment of the market.

### Importance of location

- Rural Greater Manchester's positioning on the fringes of a large captive market in Greater Manchester is a key driver of rural economic development, particularly in relation to agricultural diversification and tourism/leisure.
- Location in between the urban core and surrounding ring of predominantly rural authorities means rural Greater Manchester areas have characteristics of both. It was felt to be a key opportunity to develop supply chain links and exploit the demand created by the critical mass of population.

### Collaboration and cross border work

- There was a consensus of opinion that much of rural Greater Manchester looked outward toward the predominantly rural area surrounding Greater Manchester as much as it looked inward to the urban core. There was already a range of existing relationships with these areas and these should be built upon.
- The Pennine fringes is a key location for further development as a tourism destination, the links with and location of National Parks were also seen as an opportunity.

### Partnership working

- A lack of trust between rural communities and public sector agencies – rural communities feeling that they helped themselves, and that in a number of cases agencies did not play a role/'were not involved' or did not have an understanding of rural areas and needs.

## Strategy

Ultimately the aim of activity under RDPE should be to facilitate productivity and employment growth within the rural areas of Greater Manchester. In this way activity is contributing to the wider city region, regional and Northern Way agendas aimed at improving economic competitiveness and closing the productivity gap with other areas of the UK.

The following section highlights the areas where RDPE could intervene to help improve the economic performance of the rural areas of Greater Manchester. The outline strategy is structured around four key themes:

1. Sector development
2. Labour market intervention
3. Community economic development
4. Collaboration and cross border working

### 1. Sector development

#### Diversification of the rural economy

In reality the economic base of rural Greater Manchester is more diversified than stakeholders perceive. Whilst there is still significant employment in slow growth or declining sectors such as agriculture, manufacturing and textiles, there is clear evidence of a strong and growing service sector with representation in higher value added niches relating to creative, digital and ICT sectors.

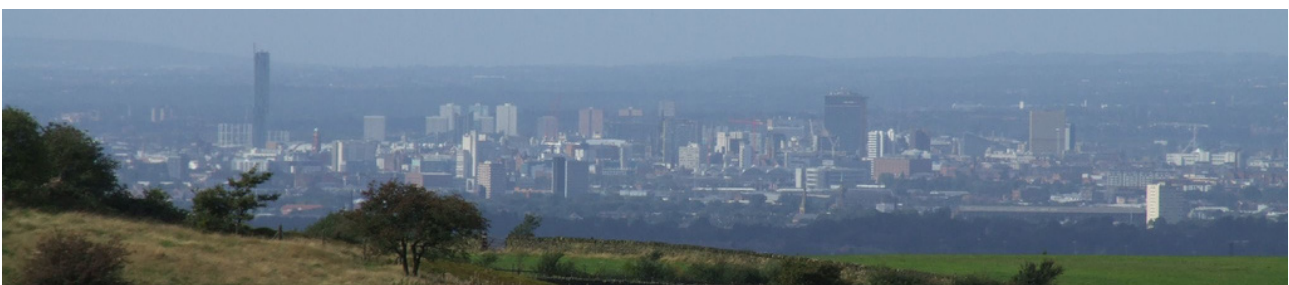
The baseline evidence and stakeholder opinion supports the drive for greater diversification, as it highlights the over reliance on static and declining sectors. The sector analysis highlights the following target sectors in order to further diversify the economy and achieve employment and productivity growth. This is based on the current employment position in rural Greater Manchester and the prospects for future growth:

#### Creative / Digital / New Media and ICT sectors

The sector presents a major opportunity for growth with a comparatively large and growing employment base and a strong growth forecast over the next 15 years. Two of the key issues here are raising the profitability of firms located within rural Greater Manchester and ensuring a good supply of business accommodation, a key factor identified by stakeholders as constraining business growth more generally in rural Greater Manchester.

#### Food and drink sector

The growth prospects for the sector are comparatively weak, however, current GVA per employee is high. The potential for productivity growth over the long term is good and the sector is over represented in employment terms within rural Greater Manchester.



Manchester from Bury

The sector offers the most obvious route from agriculture into higher value added sub-sectors and, therefore, there is also an argument to support the sector as a means of diversifying the agricultural base in rural Greater Manchester.

Given the presence of the agriculture sector both in and immediately outside of rural Greater Manchester, located close to the large consumer market of urban Greater Manchester, there appear to be obvious opportunities to help rural agricultural and food businesses exploit supply chain opportunities.

What is clear from discussion with stakeholders is that the sector is consolidating with fewer larger companies dominating. A similar trend is prevalent in agriculture and this is partially the reason for employment decline over the longer term. The key question here is how to support the still large number of small holdings to diversify and ultimately work cooperatively to achieve economies of scale.

#### **Tourism and hospitality**

Tourism and hospitality account for a significant share of employment in rural Greater Manchester. Based on the sector analysis the outlook for the sector is strong GVA growth, but from a comparatively low starting point, alongside modest employment growth.

The sector represents an opportunity for agricultural and general diversification of the rural economic base, as well as having the potential to drive up productivity – a key issue for many rural businesses within Greater Manchester.

Opportunities identified by stakeholders relate to the development of leisure and tourism opportunities around outdoor pursuits such as mountain biking, climbing, walking, equestrianism and environmental tourism. This links well with the growth potential identified for the sport sector, where GVA and employment growth levels are very strong over the period to 2021.

## **2. Labour market intervention**

### **Retraining**

Given the employment contraction in sectors such as agriculture, textiles and manufacturing, sectors that are over represented in rural Greater Manchester, there is a pressing need for employers and the public sector to address the issue of workforce development and re-training.

At the same time there is also the need to lobby for improvements to public transport to allow for improved access to education/training opportunities as well as other public services, including health and social care provision.

### **Access to vocational training and further education**

The recent Leitch Review points to the need for the existing and future workforce to continuously develop their qualifications and skills whilst in the workforce.

The review identifies an increasing need for higher level skills to remain competitive in the labour market. Further education is one of the main providers of workforce development and vocational courses, and has a major role to play in this area.

### **Workforce development**

Comparatively low productivity within the rural economies is partly as a result of insufficient skills within the existing labour force. The recent report from the Commission for Rural Communities, England's rural areas: steps to realise their economic potential, identifies that there is less investment in upskilling employees within rural businesses compared with their urban counterparts.

This is a key area that needs to be addressed by those delivering business support within the rural areas of Greater Manchester, there are already mainstream programmes offered through the LSC that could be used to improve take up and skill development.

### 3. Community economic development

#### Worklessness

The baseline report also provides evidence of the need to address worklessness issues in parts of rural Greater Manchester. Whilst the proportion of incapacity benefit claimants is lower than in urban areas, this still acts as a barrier to further economic development and places an additional strain on public services.

Here there are already a series of national programmes which aim to tackle these issues, improved signposting to these initiatives via local organisations could improve the take up of these services.

#### Tackling poor health

Health improvement is also an area for consideration within wider economic strategy given the constraint it currently has on the size of the working population. Accessibility to health facilities has been highlighted by GMPTE as an issue within the north and eastern parts of the rural area and this is potentially an area where the rural partnership can lobby for service improvements.

### 4. Collaboration and cross border working

The data shows that rural Greater Manchester exhibits characteristics of the wider rural areas surrounding Greater Manchester and the urban areas within Greater Manchester.

As discussed within the stakeholder workshop and in individual responses to the consultation exercise, one of the key strengths and opportunities for rural Greater Manchester is its location close to a large captive market within the urban core of Greater Manchester, and its affiliation and links with the distinctly rural area outside of the administrative Greater Manchester boundary.

Rural Greater Manchester exhibits characteristics of both the urban core and the wider rural zone. There are clear links to and dependencies on both areas in economic and social terms. A number of cross border activities are already underway and there is potential for further development activity across the Greater Manchester boundary.

## Development

In undertaking the baseline work a number of areas for future development have been identified which could help to improve the intelligence on rural areas within and outside of Greater Manchester:

1. Lobbying for improvements to data collection at smaller area level to allow for further detail on current conditions and trends within the rural area.
2. Further work, potentially including bespoke surveys, to improve intelligence on the agricultural sector in Greater Manchester.
3. Economic sector analysis for the rural area immediately outside Greater Manchester. Data within the report highlights links between rural Greater Manchester and more detailed business analysis would help to identify whether there is a case for including these outlying areas within economic policy.
4. Using the Commission for Rural Communities resource to provide additional data at small area level, in line with their wider state of the Countryside report.