

# Business Base

## BUSINESS BASE KEY FACTS

- The structure of Greater Manchester's economy has changed markedly over the last decade. Whilst employment has declined rapidly in Manufacturing (-37.6% between 1998 and 2008) and other industrial sectors, Financial and Professional Services now accounts for almost one-in-six employees, with the Health sector accounting for over one-in-ten employees.
- In terms of employment concentrations against national averages, GM has a comparative advantage in Textiles, Aviation, Financial and Professional Services, Food and Drink, Core Manufacturing, Higher Education and Logistics. Compared to the rest of the rest of the country outside London and the Greater South East, GM has advantages in Creative Industries, ICT Digital, whilst concentrations of employment in Financial and Professional Services become even more pronounced.
- GM is notably underrepresented in Biotechnology and Energy. However, large employment sectors are not necessarily more productive and, in terms of GVA per employment, Biotechnology and Energy are the most productive sectors in GM, with Environmental Technology, Manufacturing, Engineering and Food and Drink also having above average productivity per employment.
- GM has proportions of employment in the public sector that are comparable to national averages – and far less public sector employment than comparator cities in the North of England.
- The pattern of public and private sector growth is very uneven across the conurbation however, with central and southern districts having witnessed the greatest levels of private sector growth (as well as public sector growth) with many northern districts having experienced public sector driven growth (and even private sector contraction). There are therefore varying degrees of vulnerability to public sector cutbacks across the conurbation.
- Forecasts are for GM private sector growth in GM to outstrip private sector growth for the UK as a whole, and for the public sector to suffer less of a contraction in GM than nationally.
- But GM still experiences a notable 'enterprise gap' compared to national averages of business density rates, start-up rates and survival rates (going forward and goes somewhat to explaining the 'productivity gap' that GM also experiences against national averages). This is a concern in terms of the competitiveness of GM's business base in a national and international context.
- In a northern context, GM's private sector is strong however. Crucially, GM appears to have a relatively large base of high-growth firms in a Northwest context – firms that research shows are responsible for the vast majority of new jobs created in an economy. It will be critical for the city to foster more of these firms and take increasing advantage of inward investment opportunities in the near future, if the private sector is going to be able to create the jobs the economy will increasingly need.

# 4 STRUCTURE OF THE ECONOMY

- 4.1 Greater Manchester has successfully restructured its economic base over recent decades, transforming itself into a relatively strong and diverse economy. Greater Manchester has led the way in the UK in managing the transition from an industrial to a post-industrial, knowledge-based economy, which has managed to draw in large amounts of private investment.
- 4.2 Unlike some other major city economies, Greater Manchester's economic growth has gone hand-in-hand with the rapid expansion of private sector services, especially in some sectors such as Financial and Professional Services. The growth in Professional Services in particular, and Greater Manchester's position as a leading UK centre for financial intermediation (especially insurance), have led to it becoming a national as well as regional service centre.<sup>1</sup>

*"In comparative terms, both historically and geographically, Manchester's economy is now diversified."*<sup>2</sup>

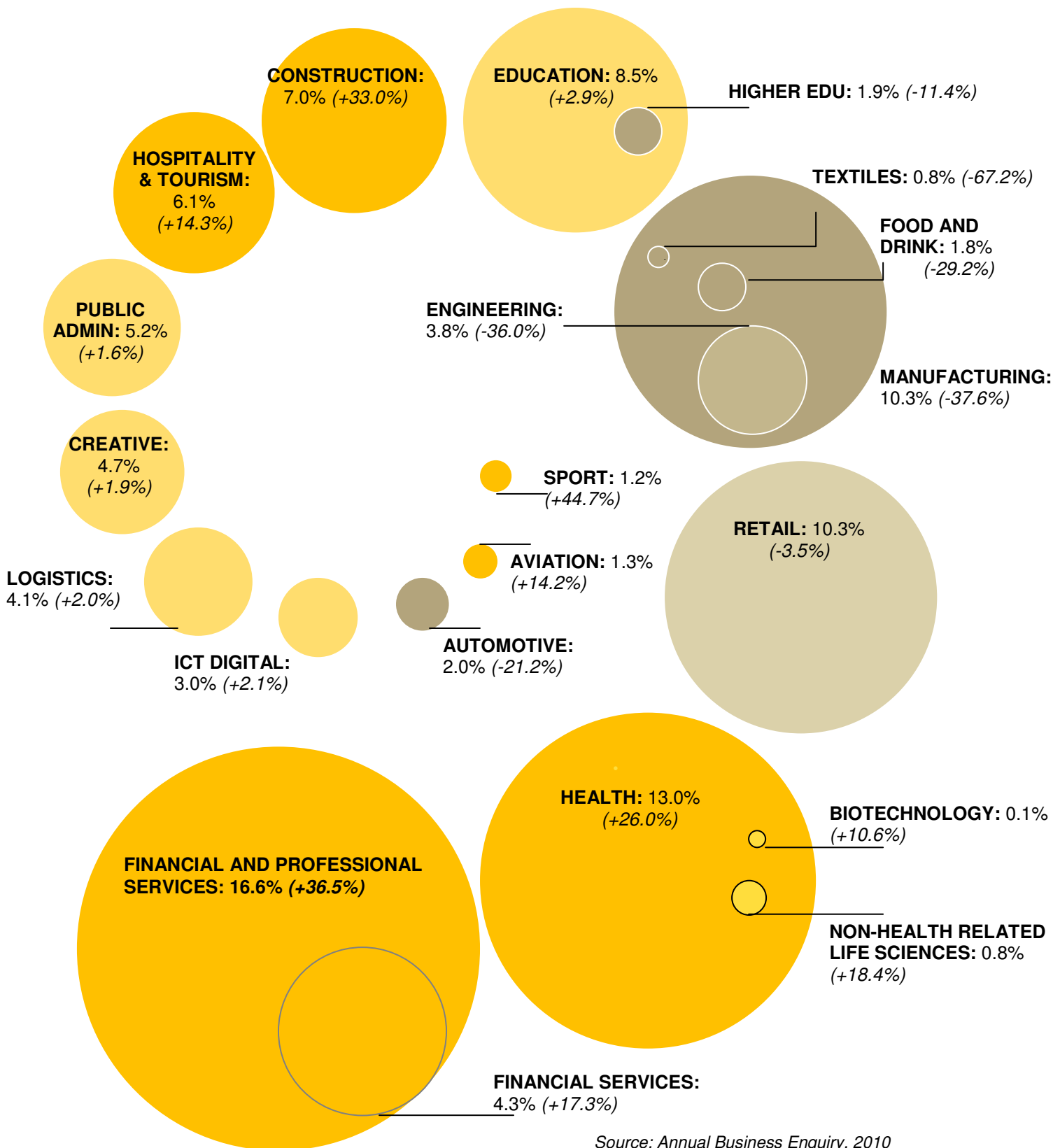
- 4.3 Figure 1.9 illustrates the result of structural changes in the Greater Manchester economy over recent years, with rapid growth in service and public sector employment at the expense of traditional industrial sectors. Financial and Professional Services, together with the Health sector, have now replaced Manufacturing to become the most important employment sectors in the conurbation. Financial and Professional Services now account for almost one-in-six employees (16.6% of total), with the Health sector, which includes a small percentage of non-Health related Life Sciences employment, accounting for over one-in-ten employees (13.0%).
- 4.4 Despite the decline of Manufacturing over recent years (over 70,000 jobs lost in Greater Manchester between 2000 and 2008), the sector remains a significant employer across the city, still accounting for over one-in-ten employees (10.3%). The percentage varies across Greater Manchester, but is as high as a fifth in some districts.

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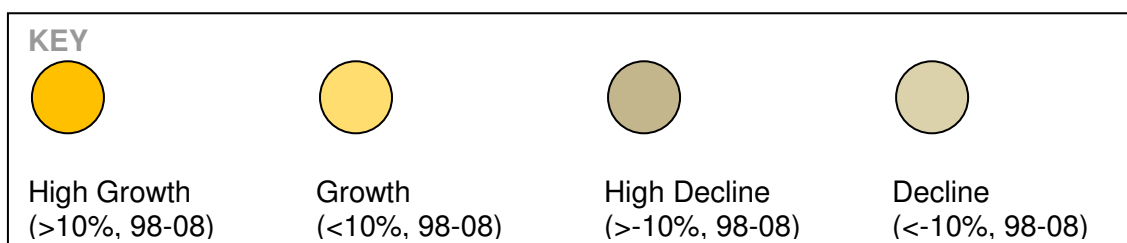
<sup>1</sup> Greater Manchester Strategic Enterprise Framework, 2009-2011, [http://neweconomymanchester.com/stories/840-other\\_publications](http://neweconomymanchester.com/stories/840-other_publications)

<sup>2</sup> Manchester Independent Economic Review (MIER), Reviewers report, p6 <http://www.manchester-review.org.uk/projects/view/?id=720>

**Figure 1: Relative sector sizes in Greater Manchester, and growth in employment, 1998 to 2008**



Source: Annual Business Enquiry, 2010



## KEY SECTOR DEFINITIONS

**Financial and Professional Services:** the majority of this sector comprises Professional (or 'Business') Services, such as legal activities, accounting, auditing, consultancy, market research and labour recruitment activities, rather than Financial Services such as monetary and financial intermediation.

**Public Administration:** an industry-based definition is used here for public administration activities. These do not include Education and Health and generally comprise activities such as 'Administration of the State', 'Provision of Services etc' and 'Compulsory Social Security Activities'.

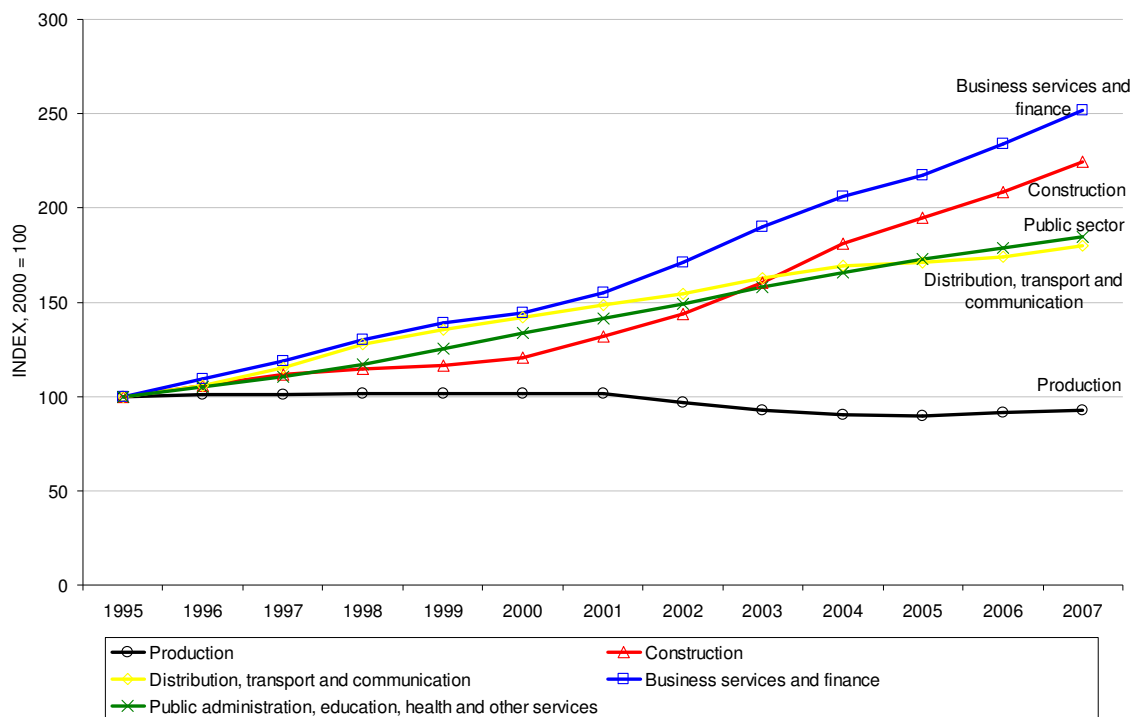
**Environmental Technology:** the majority of this sectors activities comprise the collection, recycling and management of waste and scrap.

**Manufacturing:** Includes Textiles, Food and Drink and Engineering, but excludes automotive manufacturing – as part of Automotive.

**Please note:** Some activities do not fall under the sector definitions used here, for example agriculture or mining. A detailed list of sector definitions are included in the Appendix.

- 4.5 These trends are supported by official data on Gross Value Added (GVA) from the Office of National Statistics – which shows how that, over last decade (2000 to 2007), financial and business services have seen the largest increase in GVA within Greater Manchester, followed by construction, the public sector and distribution, transport and communication (Figure 2.0).<sup>3</sup>

**Figure 2.0: Broad sectoral Gross Value Added (GVA), 2000-2007**



Source: ONS Regional GVA, 2010

<sup>3</sup> ONS broad sector definitions used here – are not the same as New Economy sector definitions.

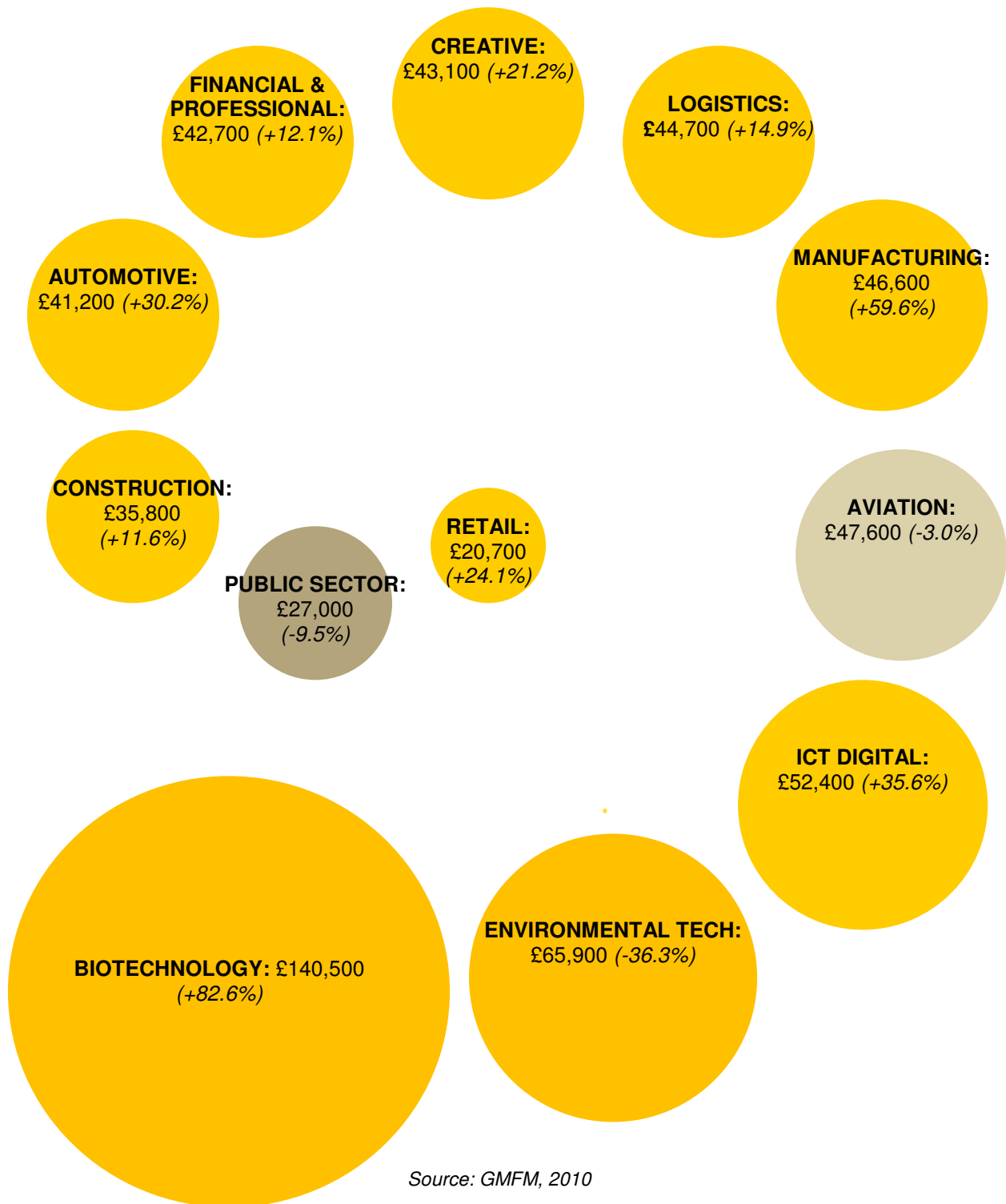
## SECTOR PRODUCTIVITY

- 4.6 When analysing relative sizes of sectors based on employment it is important to note that the size of a sector is not necessarily indicative of its productivity performance. Indeed, many industries with smaller levels of employment are significantly more productive. The sectors with the highest GVA per employment in Greater Manchester are sectors that employ relatively few people, notably Biotechnology (£140,500) and Environmental Technology (£65,900) – whilst larger sectors such as Retail (£20,700 GVA per employment), Public Sector (£27,000)<sup>4</sup> and Construction (£35,800) have below average GVA per employment levels (GM average: £35,200, GB average: £37,500).
- 4.7 Despite being the conurbation's biggest sector in employment terms, F&P does not have one of the highest GVA per head figures – although still above average at £42,700 per head. The fact that the largest sector in Greater Manchester is not the most productive again points to the fact that there is a productivity gap in terms of much of the economic activity in the conurbation, and that lower-value activities predominate. (Despite this, it must be noted that Financial Services activities on their own retain a high GVA per head in Greater Manchester of £74,300.)
- 4.8 Interestingly, despite the decline in Manufacturing employment, Core Manufacturing and Food and Drink (a sub-sector of Core Manufacturing) remain more productive than Greater Manchester and national sector averages. This points to a wider trend in manufacturing, where particularly labour intensive activities have increasingly moved to lower cost economies around the world, whilst the manufacturing that has remained competitive in developed economies has tended to become more specialised and machine intensive. As an illustration of this, the data shows that Core Manufacturing and Food and Drink sectors both have higher GVA per employment than Financial and Professional Services, despite the rapid employment growth that has occurred in this sector. The changing role of manufacturing is explored further in the Advanced Manufacturing study.

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<sup>4</sup> Definition of Public Sector here incorporates Education, Health and Public Administration activities. GVA per head of Energy sector not included in analysis.

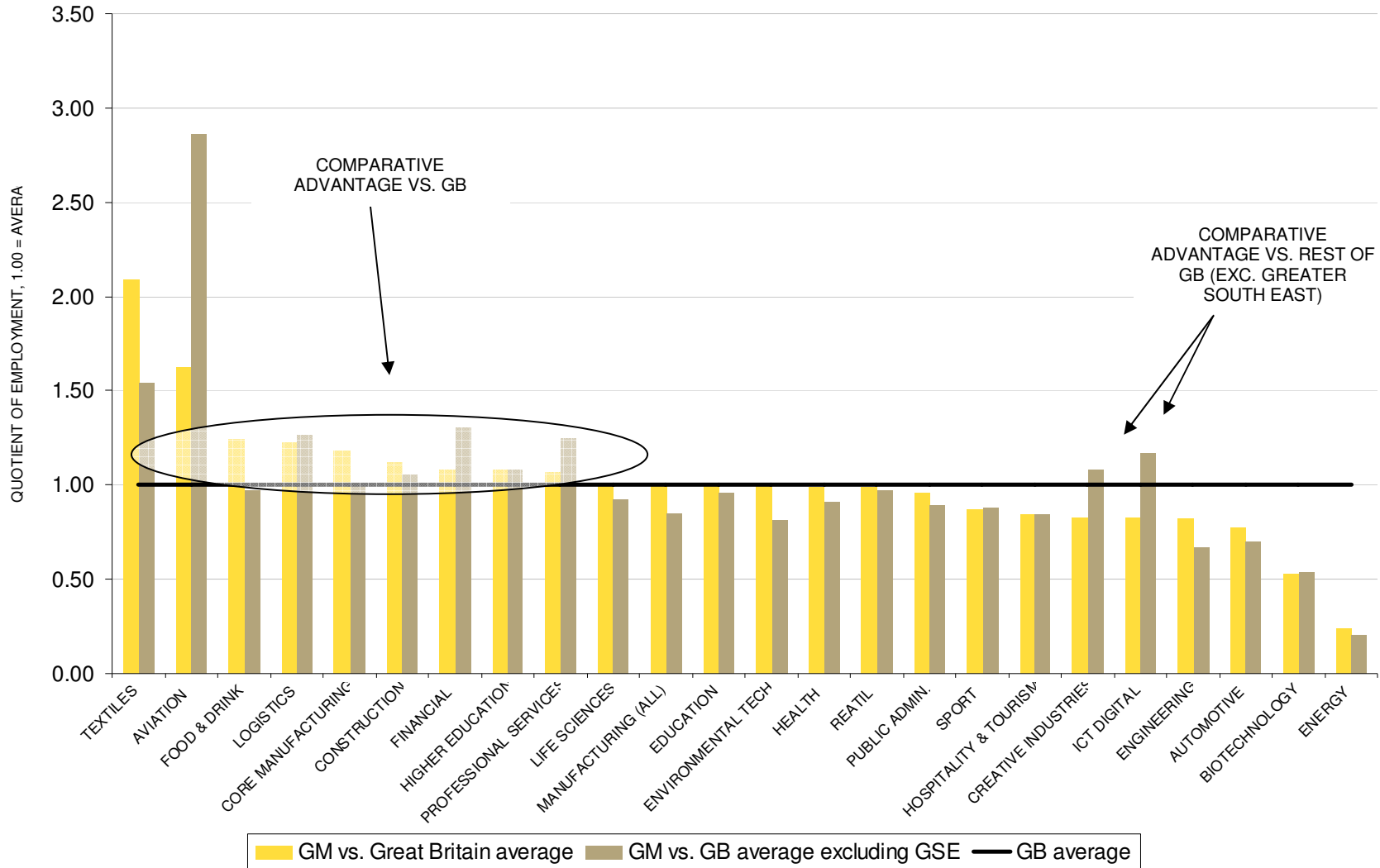
**Figure 2.1: GVA per employment by Sub Sector, Greater Manchester, 2010**  
*(growth/decline between 2000 and 2010)*



## SECTOR CONCENTRATIONS

- 4.9** As well as analysing the size and productivity of key sectors, it is useful to look at the concentrations of employment in key sectors against national averages – to provide an indicator of where Greater Manchester has particular specialisms in a national context. Figure 2.2 illustrates that, despite the increasing importance of service-based industries, it remains the case that GM has concentrations of employment in sectors such as Manufacturing, Construction, Textiles, Food & Drink and Logistics, that are higher than national averages – indicated by the left-hand bar on the chart being higher than the Great Britain (GB) employment average for the sector.
- 4.10** The right-hand bar on the chart compares GM employment concentrations with national averages minus London and the Greater South East (Greater London, South East and East of England) and shows how comparing GM employment concentrations to GB averages can be misleading, due to disproportionate concentrations of employment in certain sectors in London and the Greater South East. Compared to averages where GSE is excluded, GM has pronounced national specialisms in sectors such as Creative Industries and ICT Digital, and an even more marked concentration of employment in Financial and Professional Services. (Where GM has a more pronounced sector specialism because London and the Greater South East are discounted from the analysis, the right-hand bar is higher than the left.)
- 4.11** The key trend to be taken from this analysis is that, compared to the rest of the country outside of the Greater South East, GM has clear specialisms in Creative Industries and ICT Digital. In contrast, compared to the rest of the country outside the GSE, GM has a less pronounced concentration of employment in the majority of industrial and heavy industries, such as Construction and Manufacturing (although still being above national employment averages in these sectors). The fact that GM has lower concentrations of employment in Construction and Manufacturing again serves to illustrate the structural change that has taken place across much of GM's business base in the last two decades.

Figure 2.2: Concentrations of Key Sub-Sector Employment, Greater Manchester against Great Britain average, 2008



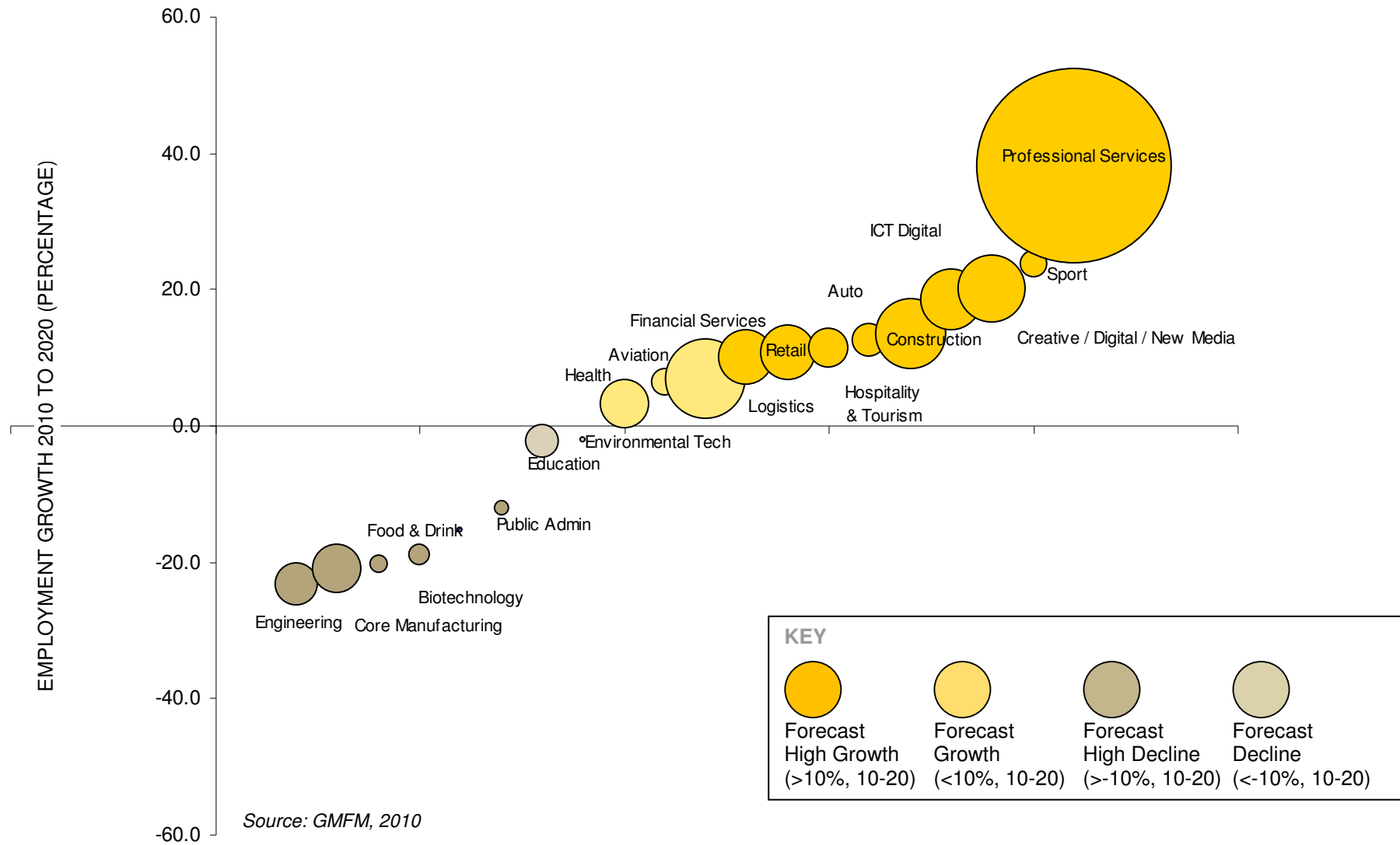
Source: Annual Business Enquiry, 2010

**4.12** It is important to note however, that with all such sector analysis for Greater Manchester – looking at the structure of the GM economy as a whole – masks significant differences between both the northern/eastern and the southern parts of the conurbation, as well as within districts. For example, the majority of northern districts, although suffering heavy job losses in Manufacturing over the last two decades, still remain very reliant on industrial sectors, whilst the majority of southern districts have benefited more from the growth in services, and in particular those service sectors that typically demand higher skills and qualification levels. These spatial differences are key to understanding divergences in growth trends across the conurbation and are explored in greater detail in individual district chapters.

## SECTOR FORECASTS

- 4.13** Latest forecasts from the Greater Manchester Forecasting Model (GMFM) suggests that there will be a continuation of the general sectoral trends that have occurred over the last decade across the conurbation – with Financial and Professional Services (and particularly Professional Services) continuing to play a crucial role in growth, whilst manual and public sector occupations will continue to suffer.
- 4.14** Forecasts suggest Financial and Professional Services will see strong employment growth in GM (+30.1% between 2010 and 2020), along with Creative Services (+19.8%) and ICT Digital (+18.4%), whilst industrial sectors (Core Manufacturing: -19.9%, Engineering: -22.6%) and the Public sector (-11.0%) will suffer in employment terms, as illustrated in Figure 2.3.
- 4.15** The size of the bubbles in Figure 2.3 indicates the forecast level of GVA productivity growth over the next ten years, with levels of forecast employment growth or decline represented along the height of the y-axis. The colour of the bubbles indicates the percentage growth or decline in employment that is forecast over the next decade. Again, it is Financial and Professional Services, as well as other key service sectors that are forecast to see the largest GVA growth over the next decade. Interestingly however, Engineering and Core Manufacturing (excludes Engineering) are also forecast to see reasonable GVA growth, despite declining levels of employment. This supports previous analysis that showed these declining industrial sectors having above average GVA per employment, as they become more specialised and less labour intensive.

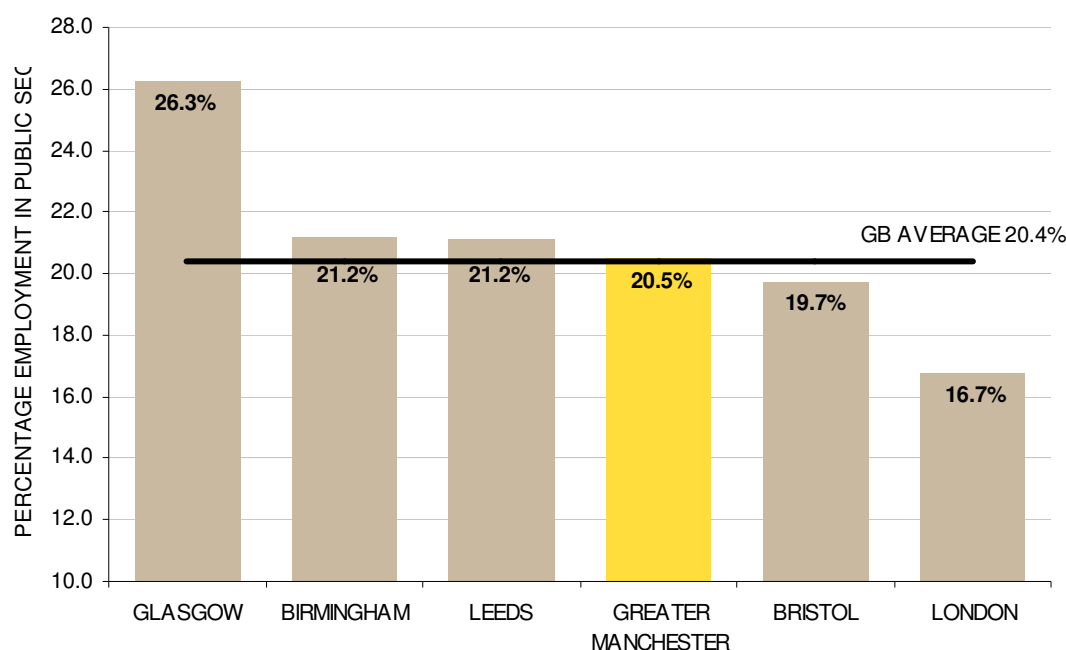
Figure 2.3: Forecast GVA and employment growth by sector in GM, 2010 to 2020



# 5 PUBLIC AND PRIVATE SECTORS

- 5.1 With the reduction in public expenditure driven by the need to tackle the fiscal deficit, current policy is clear that economic growth across the UK needs to be driven by private sector growth, with associated job creation within the private sector. Recent research by Centre for Cities highlights the variability of private sector growth across the UK, and makes a case for passing further powers to those cities that have been most successful in growing the private sector in order to boost UK growth.<sup>5</sup>
- 5.2 Greater Manchester's position in this regard is relatively strong. Public sector employment across GM is the same as the national average at around one-fifth of overall employment but it is the least dependent UK city on public sector employment outside of the London and Bristol. This again serves to highlight that Greater Manchester has a relatively strong private sector business base in a northern context, but still has some way to go to match comparators in the South of England.

Figure 2.4: Public Sector employment (% of working age population), 2008



Source: ONS, *Sub-Regional Public and Private Sector Estimates, 2010*

- 5.3 The data therefore indicates that, in light of increasing pressures to bring the national deficit under control, Greater Manchester will obviously face some

<sup>5</sup> To do this, Centre for Cities argue the case for key policies to support cities where the private sector has been growing, including the loosening of planning restrictions (for example, to increase house building) and the decentralisation of further power to such cities. <http://www.centreforcities.org/assets/files/10-06-07%20Private%20Sector%20Cities%20web.pdf>

significant challenges from fiscal contraction, although it is not especially vulnerable to such a contraction in a national context and is in a better position than many comparator cities.<sup>6</sup>

5.4 Whilst it is the case that strong public sector growth has been a feature of economic growth across the UK over the last decade, the percentage increase in public sector jobs in GM over the period in GM (+3.7%) is in fact only marginally higher than that seen in London (+3.4%) and is lower than public sector growth for GB over the same period (+4.9%).

**Table 1.4: Total Job Creation and Private Sector Job Creation, 2003 to 2008**

	TOTAL JOB CREATION 2003 to 2008		PRIVATE 2003 to 2008		PUBLIC 2003 to 2008	
	number	percent	number	percent	number	percent
BOLTON	+300	+0.3	-1,700	-2.0	+2,000	+8.9
BURY	-500	-0.8	-400	-0.9	-100	-0.6
MANCHESTER	+7,100	+2.5	+5,900	+2.5	+1,300	+2.0
OLDHAM	+100	+0.1	-2,000	-3.3	+2,100	+12.7
ROCHDALE	+500	+0.7	+800	+1.4	-200	-1.3
SALFORD	+10,300	+9.6	+9,500	+11.5	+900	+3.6
STOCKPORT	+9,400	+8.0	+9,500	+9.9	+0	+0.0
TAMESIDE	-400	-0.6	-1,500	-2.7	+1,100	+8.0
TRAFFORD	+1,300	+1.1	+1,200	+1.1	+100	+0.7
WIGAN	+1,800	+1.9	+600	+0.8	+1,400	+7.8
<b>GREATER MANCHESTER</b>	<b>+29,900</b>	<b>+2.6</b>	<b>+21,900</b>	<b>+2.4</b>	<b>+8,600</b>	<b>+3.7</b>
<i>GM North</i>	<i>+2,200</i>	<i>+0.5</i>	<i>-2,700</i>	<i>-0.8</i>	<i>+5,200</i>	<i>+5.8</i>
<i>GM South</i>	<i>+27,700</i>	<i>+3.9</i>	<i>+24,600</i>	<i>+4.3</i>	<i>+3,400</i>	<i>+2.4</i>
<b>GREAT BRITAIN</b>	<b>+1,356,700</b>	<b>+5.4</b>	<b>+1,103,100</b>	<b>+5.5</b>	<b>+253,500</b>	<b>+4.9</b>
<b>BIRMINGHAM</b>	<b>+13,400</b>	<b>+1.2</b>	<b>+200</b>	<b>+0.0</b>	<b>+13,000</b>	<b>+5.9</b>
<b>BRISTOL</b>	<b>+13,700</b>	<b>+2.7</b>	<b>+13,900</b>	<b>+3.4</b>	<b>-500</b>	<b>-0.5</b>
<b>GLASGOW</b>	<b>+62,500</b>	<b>+7.5</b>	<b>+48,700</b>	<b>+8.0</b>	<b>+14,300</b>	<b>+6.5</b>
<b>LEEDS</b>	<b>+32,100</b>	<b>+3.3</b>	<b>+34,900</b>	<b>+4.6</b>	<b>-3,000</b>	<b>-1.4</b>
<b>LONDON</b>	<b>+301,800</b>	<b>+7.8</b>	<b>+279,400</b>	<b>+8.8</b>	<b>+22,900</b>	<b>+3.4</b>

Source: ONS, *Sub-Regional Public and Private Sector Estimates, 2010*

5.5 However, the role the public sector has had in GM's growth over the last decade must not be underestimated. Despite strong absolute growth in private sector employment (+21,900 new jobs), 28.8% of all jobs created were created by the public sector (8,600 new jobs). This suggests that public sector fiscal contraction will still be an issue for GM, given the public sector has helped, along with private-sector growth in sectors like Professional Services and Retail, helping to fill the employment gap left by declining industrial industries.

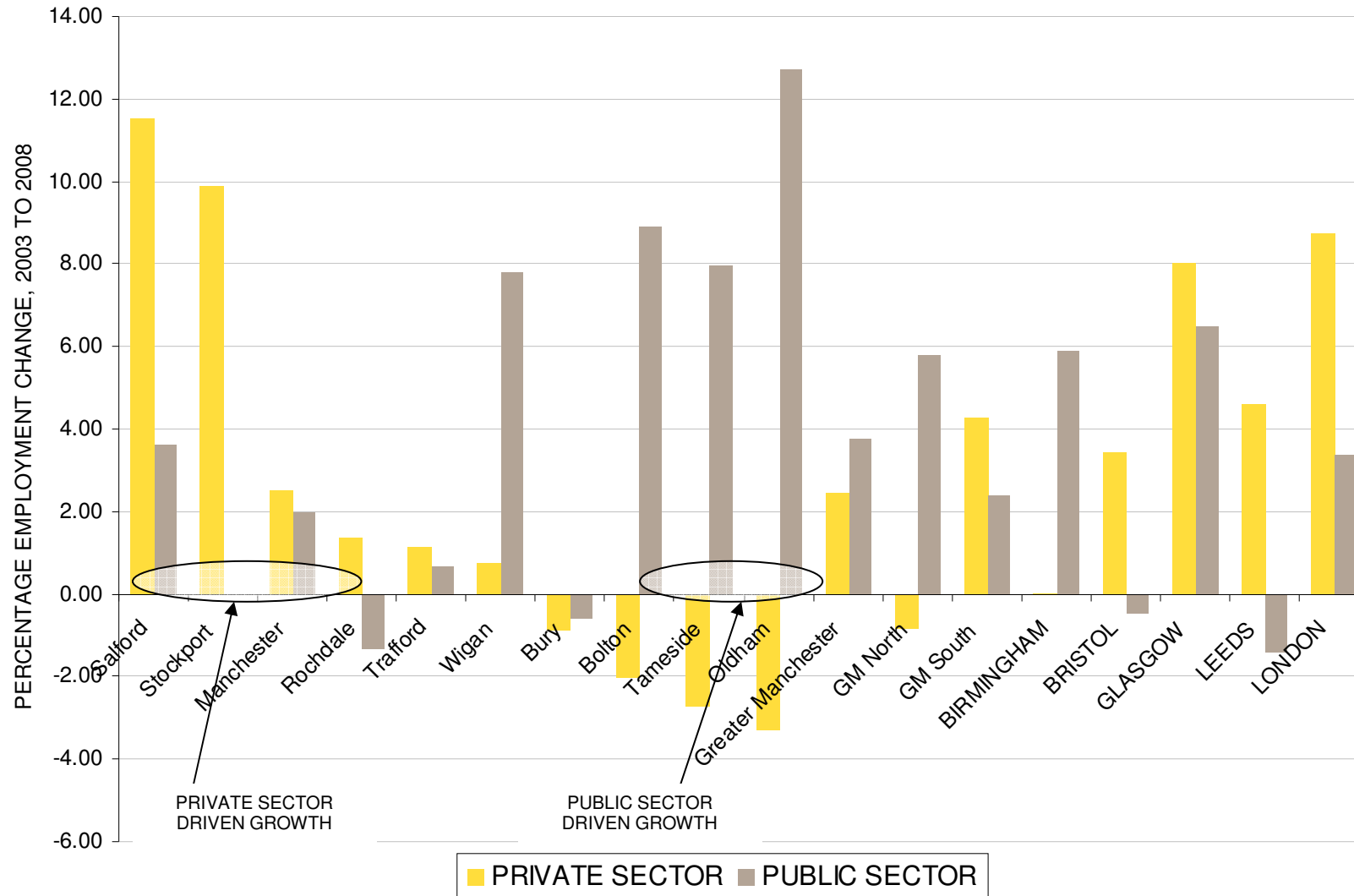
5.6 Growth in private sector employment in GM over the same period (+2.6%) has been relatively modest, and is only higher than Birmingham (+1.2%). A

<sup>6</sup> *New Economy Thinking 06: Public Sector Employment*, [http://neweconomymanchester.com/stories/1108-thinking\\_new\\_economy](http://neweconomymanchester.com/stories/1108-thinking_new_economy)

significant reason for this has been the marked dichotomy in growth within Greater Manchester itself, between the north and the south of the conurbation.

- 5.7** Whilst the majority of GM districts have seen growth in both private and public sector employment over the period, the districts in the conurbation core have seen strong private sector growth comparable with rates of growth in London – with Salford in particular experiencing very strong growth (+11.5% growth is higher than that seen in London and Bristol). In contrast, the majority of the northern districts, and Tameside, have actually experienced private sector contraction, with overall employment growth being driven by increased public sector employment – with only Rochdale and Wigan bucking this trend.

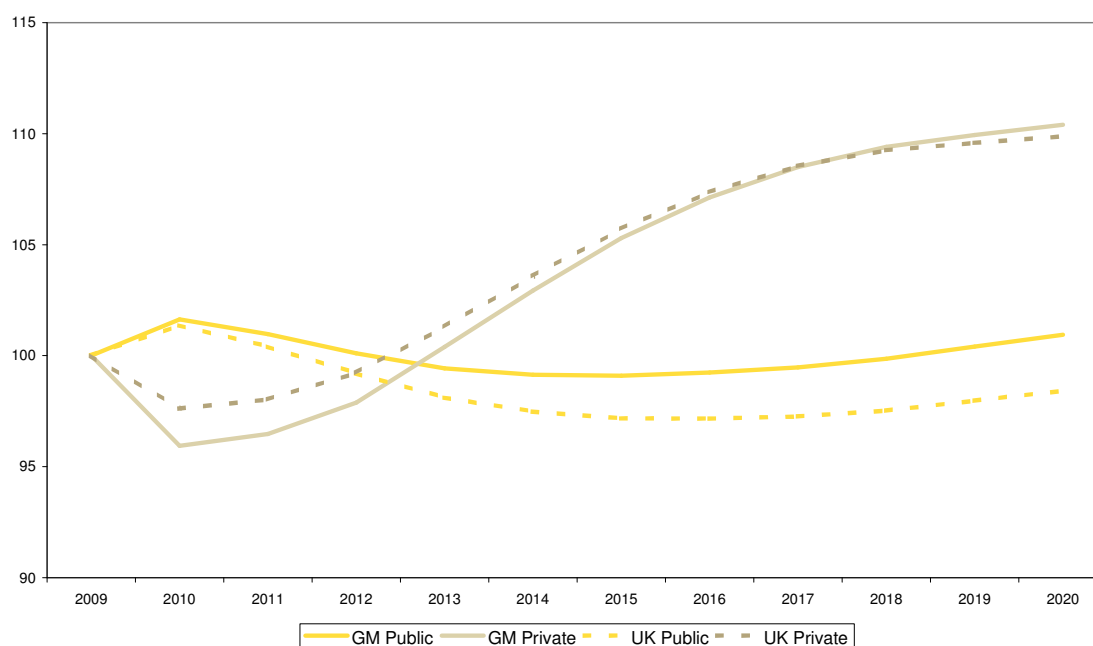
Figure 2.5: Total Job Creation and Private Sector Job Creation, 2003 to 2008



Source: ONS, Sub-Regional Public and Private Sector Estimates, 2010

- 5.8 The reasons for the dichotomy between the different districts are mixed – Bury and Rochdale have suffered from weak overall employment growth, whereas Oldham has seen growth driven by the public sector. Perhaps most concerning are Tameside and Oldham, which have seen no real jobs growth and precipitous declines in private sector employment.
- 5.9 Figure 2.6 below shows the projected growth patterns in public and private sector employment from the Greater Manchester Forecasting Model 2010. This version of the forecasting model takes account of the likely effects of imminent public spending cuts on employment in GM.
- 5.10 According to the forecasts, 8,100 jobs will be lost in the public sector between 2009 and 2015, amounting to a decrease of 2.5%. While the private sector is forecast to lose jobs between 2009 and 2012, by 2015 there will be 76,600 extra jobs, an increase of 9.7%. In comparison, the UK will also lose 4.1% of jobs in the public sector, while private sector employment will increase by 8.3%. This suggests that private sector growth in Greater Manchester is likely to be faster than the national rate, leading to a quicker recovery from public sector job losses.

**Figure 2.6: Indexed public and private sector growth forecasts in Greater Manchester and the UK 2009 to 2020**



Source: GMFM, 2010

- 5.11 The fact that GM now has a relatively diversified business base, with strengths in a variety of sectors, helps explain why the latest forecasts suggest the GM economy will suffer slightly less than the UK and wider Northwest through the current recession – maintaining its relative advantage by matching UK rates of growth in the medium term. Oxford Economics state that the sectoral pattern of the recession “is showing a particular severe impact on the industrial and

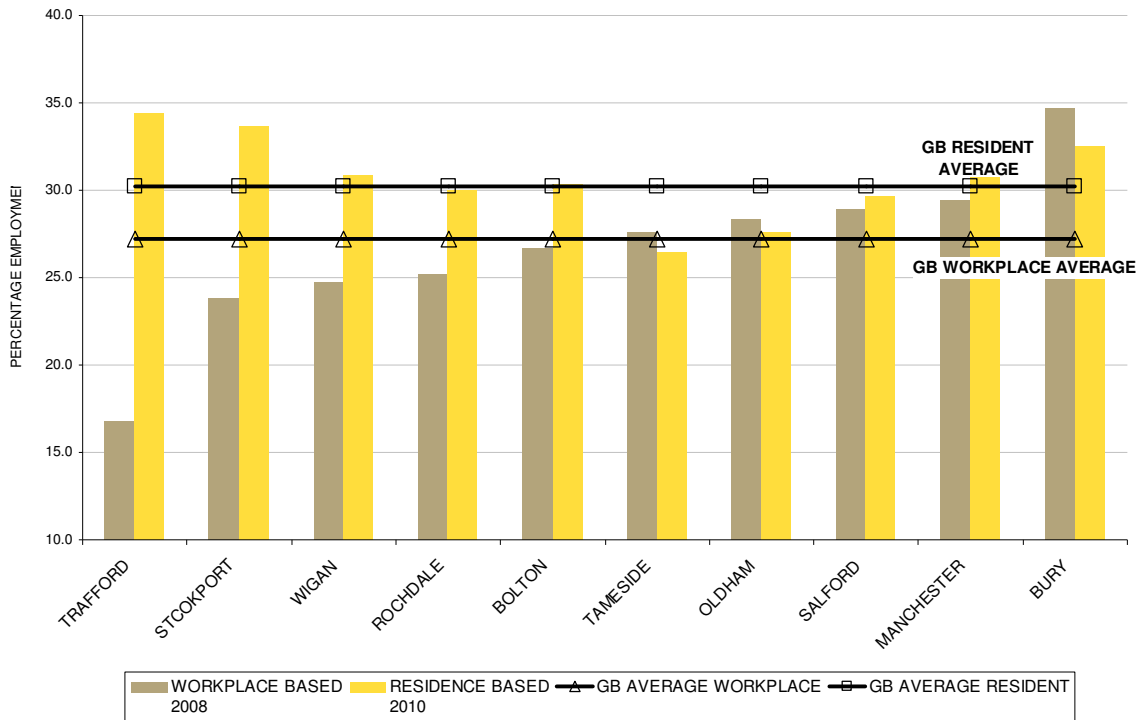
construction sectors” and that “the sectors with key concentrations in the Greater Manchester conurbation (Professional Services in particular) have a stronger outlook in medium term forecasts.”

- 5.12** Whilst this may provide GM as a whole with a more positive outlook than many other provincial UK cities, it is important again to recognise that industrial sectors and public services do remain significant in large parts of the conurbation – and that the path to growth is not even across GM.

## **COMPOSITION OF PUBLIC SECTOR EMPLOYMENT**

- 5.13** Figure 2.7 illustrates the percentages of people working in the public sector as a whole (i.e. the standard industry based definition of public administration, education and health) for all the local authorities in Greater Manchester. The data serves to illustrate the significant divergence that often exists within districts between the proportions of residents employed in the public sector and the proportion of overall public sector jobs within the borough.
- 5.14** For example, across GM the least proportion of public sector employment is found in Trafford, but Trafford also has the highest proportion in GM of public sector workers amongst its own residents – a large number of which must work in public sector jobs outside the borough. The data suggests a similar scenario exists in Stockport and, to a lesser extent, Wigan.
- 5.15** At the other end of the scale, Bury has a higher proportion of public sector jobs within the borough and a higher proportion of its residents working in such jobs. It is therefore clear that the retrenchment of the public sector will impact different areas of GM very differently – an issue that is explored in greater detail in individual district chapters.

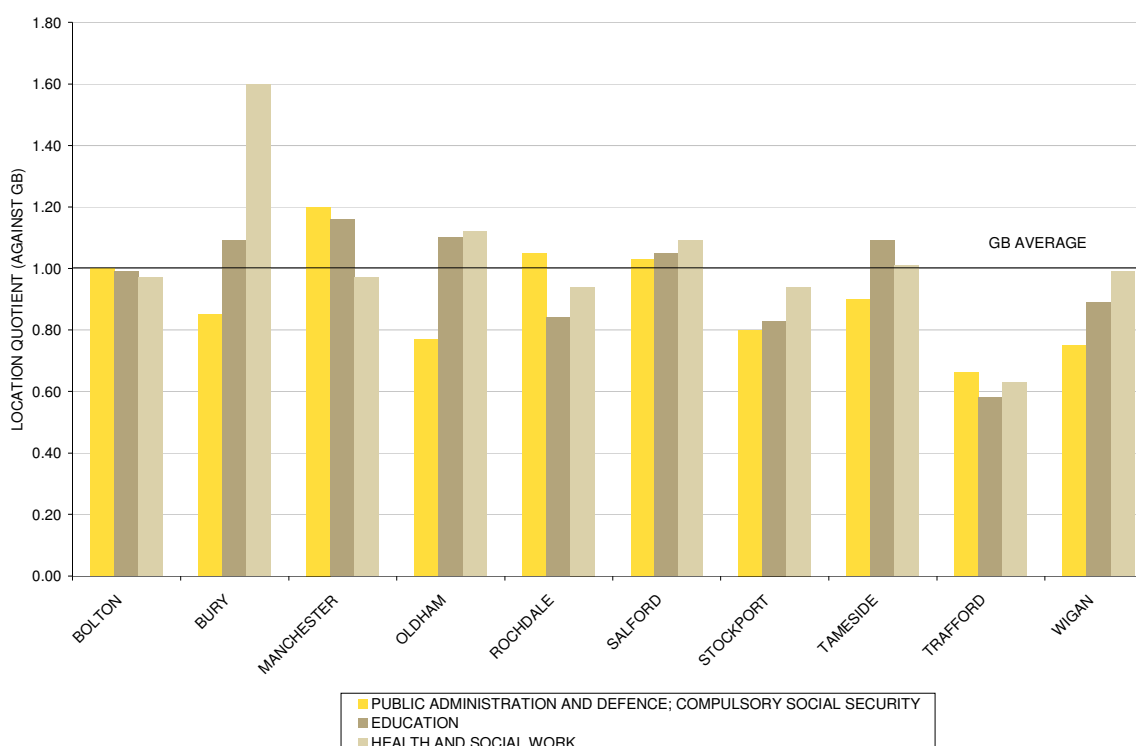
Figure 2.7: Employment in the public sector in GM local authorities, 2008-2010



Source: ONS, ABI (2008) and APS (2009), 2010

**5.16** There are also marked differences in terms of the types of public sector employment across GM, as illustrated in Figure 2.8. The chart uses location quotients, which index the percentage of employment in each sub-sector of the public sector against the average across Great Britain. This shows how proportionate the amount of employment in each local authority is compared to the national average.

**Figure 2.8: Public Sector Employment in Greater Manchester's Local Authorities, by Sub Sector, 2008**



Source: ONS, *Sub-Regional Public and Private Sector Estimates, 2010*

- 5.17** The data shows that Bury has a particularly high proportion of employment in health and social care, with 12,300 employees making up 57.1% of public sector employment in this sector. This is in comparison to 46% of public sector employment in Greater Manchester and 45.5% nationally for the same sector. Manchester has the lowest proportion of employment in this sub-sector of the public sector (40.7%), although this still represents a significant number of employees (36,700) and accounts for 25.8% of health and social care employment across Greater Manchester.
- 5.18** Manchester has the largest proportion of employment in education, with 33,400 people working in this sector, accounting for 37.1% of public sector employees. The large levels of education employment in Manchester reflects the presence of the University of Manchester and Manchester Metropolitan University, two large academic institutions, with 15,400 people working in higher education in Manchester (46.1% of total education employment). Tameside also has a high level of employment in education, with 37% of public sector employment in this sector. Bury has a low percentage of employment in this sector, with 29.6% employment.
- 5.19** Public administration and defence activities generally make up the smallest proportion of public sector employment across the conurbation, with the Greater Manchester rate of 19.4% the same as the national average. Some districts have significantly lower proportions of public administration and defence employment than the average. Bury has 13.3% of public sector

employment in this sector, accounting for 2,900 employees, whilst Oldham has 14.8% of employment, making up 3,200 employees. By contrast, Rochdale has a higher rate than the national average, at 22.7% of public sector employment and Manchester has 20,000 employees in this sector, at 22.2% of its public sector employment.

- 5.20** These issues raise several important policy questions for Greater Manchester. Foremost among them is the need to stimulate private sector led economic development in particular parts of the conurbation – addressing some of the issues discussed elsewhere in this assessment (including closing gaps with the national rates of productivity and enterprise) – whilst at the same time mitigating the effects of public sector fiscal contraction where possible.
- 5.21** As such, whilst Greater Manchester – given its overall size and importance to the North of England – is crucial to rebalancing the UK economy towards private sector growth, the city also needs to rebalance its own growth internally, creating the conditions for the private sector to thrive across the whole city and not just along its southwestern axis.

## **PUBLIC SECTOR PROCUREMENT**

- 5.22** It is important to remember that the economic impact of the public sector goes well beyond its employment impact – with the public sector being a significant procurer of goods and services. Table 1.5 provides information on local authorities' procurement spend by the location of supplier. In total the nine local authorities for which we have data procured £1.6bn of goods and services in 2009/10 of which £847m went to suppliers with a GM postcode.
- 5.23** Stockport had the highest proportion of spend going to local businesses, with half (50.1%) its procurement spend staying within its local authority boundaries. Oldham and Rochdale were the next highest with 42.2% and 38.2% respectively.
- 5.24** Bury had the lowest spend within its own local authority boundaries (just 16.0%) although this can be explained by its relatively small economy and hence limited supplier base. Reflecting this, Bury had the highest spend within the rest of GM (29.0%).
- 5.25** All local authorities procured more than two-fifths of their goods and services from within Greater Manchester. Wigan had the lowest level of spend within GM (43.8%), which, given its close economic ties to Merseyside is perhaps unsurprising. Stockport had the highest level of spend within GM (62.5%), closely followed by Rochdale (61.3%).
- 5.26** In total 44.3% of the spend for the nine local authorities we have data for leaked out of GM, a total of over £700m.

**Table 1.5: Local authority procurement spend by location of supplier, 2009/10**

	Total Spend 2009/10		Within local authority		Within rest of GM		Within rest of NW		Outside NW		Unknown	
	£m	% of total	£m	% of total	£m	% of total	£m	% of total	£m	% of total	£m	% of total
<b>Bolton</b>	169.4	100.0%	55.3	32.7%	23.5	13.9%	18.1	10.7%	68.3	40.3%	4.1	2.4%
<b>Bury</b>	75.6	100.0%	13.0	17.2%	21.9	29.0%	8.9	11.8%	30.3	40.1%	1.5	2.0%
<b>Manchester*</b>	<b>FIGURES NOT AVAILABLE</b>											
<b>Oldham</b>	201.6	100.0%	85.4	42.4%	29.6	14.7%	12.2	6.1%	72.5	36.0%	1.8	0.9%
<b>Rochdale</b>	174.4	100.0%	66.6	38.2%	40.3	23.1%	13.9	7.9%	50.6	29.0%	3.1	1.8%
<b>Salford</b>	225.9	100.0%	65.0	28.8%	60.2	26.7%	26.6	11.8%	71.9	31.8%	2.2	1.0%
<b>Stockport</b>	211.9	100.0%	106.1	50.1%	26.2	12.4%	19.6	9.2%	58.6	27.7%	1.4	0.7%
<b>Tameside</b>	129.6	100.0%	33.7	26.0%	32.6	25.1%	6.7	5.2%	53.7	41.4%	3.0	2.3%
<b>Trafford</b>	147.1	100.0%	43.7	29.7%	32.4	22.0%	16.3	11.1%	48.8	33.2%	5.9	4.0%
<b>Wigan</b>	254.9	100.0%	76.7	30.1%	34.8	13.7%	40.1	15.7%	87.3	34.3%	16.0	6.3%

Source: AGMA Procurement Hub, 2010

Note: Figures for Manchester are not available as they only recently joined the AGMA Procurement Hub programme.

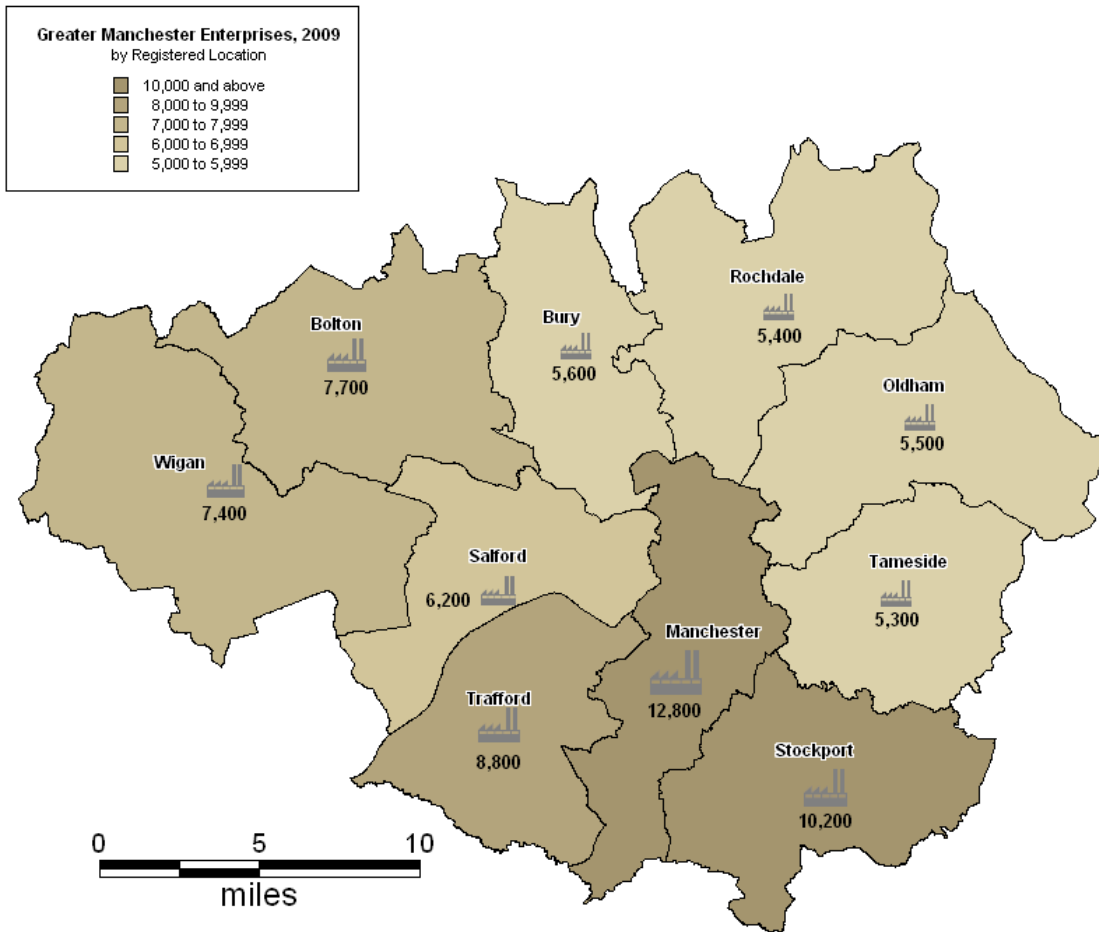
**5.27** While directly comparable figures are not available for Manchester, the Centre for Local Economic Strategies (CLES) have recently undertaken an analysis of the impact of Manchester City Council's spend on its top 300 suppliers in 2008/9. Their research found that, of the £357.3m Manchester spent on its top 300 suppliers, 51.5% was with suppliers with a base or branch in Manchester (a wider definition for local than that used above, which only looked at the base of the supplier). A total of £309.1m (86.5%) was spent with suppliers with a branch or base in Greater Manchester.

## BUSINESS DYNAMISM

**5.28** In order to continue to drive private sector growth within GM and to create employment opportunities to replace lost jobs in the public sector, it will be crucial to ensure the right conditions exist for enterprise and entrepreneurship. The ability to create opportunity and attract and accommodate new enterprises is a key component of an economies resilience and its prospects for growth.

**5.29** Latest data from the Inter-Departmental Business Register (IDBR) shows that there are almost 75,000 registered enterprises across GM (and approximately 95,000 business units), as illustrated in Figure 2.9. Unsurprisingly, the largest proportion of these enterprises are located in the central and southern districts of Manchester, Stockport and Trafford. A significant enterprise count is also found in Wigan and Bolton, whilst the lowest numbers are found in Rochdale, Oldham and Bury.

**Figure 2.9: Registered Enterprises in Greater Manchester, 2009**



Source: IDBR, 2010

**5.30** Whilst business stock data provides a measure of the size of an economy's business base, density is a measure of the overall size of the business base in relation to its working-age population. This again provides a useful indicator of levels of enterprise within an economy.

**Table 1.6: Business density (businesses per 10,000 resident working age population) in Greater Manchester, 2000 to 2008<sup>7</sup>**

	BUSINESSES PER 10,000 WORKING AGE POPULATION									2000 TO 2008 CHANGE
	2000	2001	2002	2003	2004	2005	2006	2007	2008	
BOLTON	312	312	314	314	318	321	323	336	340	+9.0%
BURY	321	325	326	325	332	334	340	347	354	+10.3%
MANCHESTER	365	354	350	340	336	337	338	331	334	-8.5%
OLDHAM	265	269	270	278	283	288	294	300	306	+15.5%
ROCHDALE	269	267	270	272	279	281	288	295	304	+13.0%
SALFORD	280	286	293	301	307	313	321	328	335	+19.6%
STOCKPORT	357	367	369	374	382	389	397	403	414	+16.0%
TAMESIDE	266	269	270	271	274	277	284	288	296	+11.3%
TRAFFORD	423	437	438	438	448	448	464	479	493	+16.5%
WIGAN	240	242	242	245	250	254	261	268	280	+16.7%
<b>GREATER MANCHESTER</b>	<b>313</b>	<b>315</b>	<b>316</b>	<b>317</b>	<b>321</b>	<b>325</b>	<b>331</b>	<b>336</b>	<b>344</b>	<b>+9.9%</b>
<b>ENGLAND</b>	381	386	388	390	396	401	406	410	419	+10.0%
<b>GREAT BRITAIN</b>	372	377	379	381	387	391	396	400	409	+9.9%
<b>BIRMINGHAM</b>	341	347	351	356	363	368	373	378	386	+13.1%
<b>BRISTOL</b>	370	376	378	385	390	392	399	396	402	+8.6%
<b>GLASGOW</b>	239	241	242	244	248	251	256	261	270	+13.3%
<b>LEEDS</b>	361	364	364	367	374	379	385	383	391	+8.3%
<b>LONDON</b>	503	506	503.5	501.5	510	516	521	536	556	+10.4%

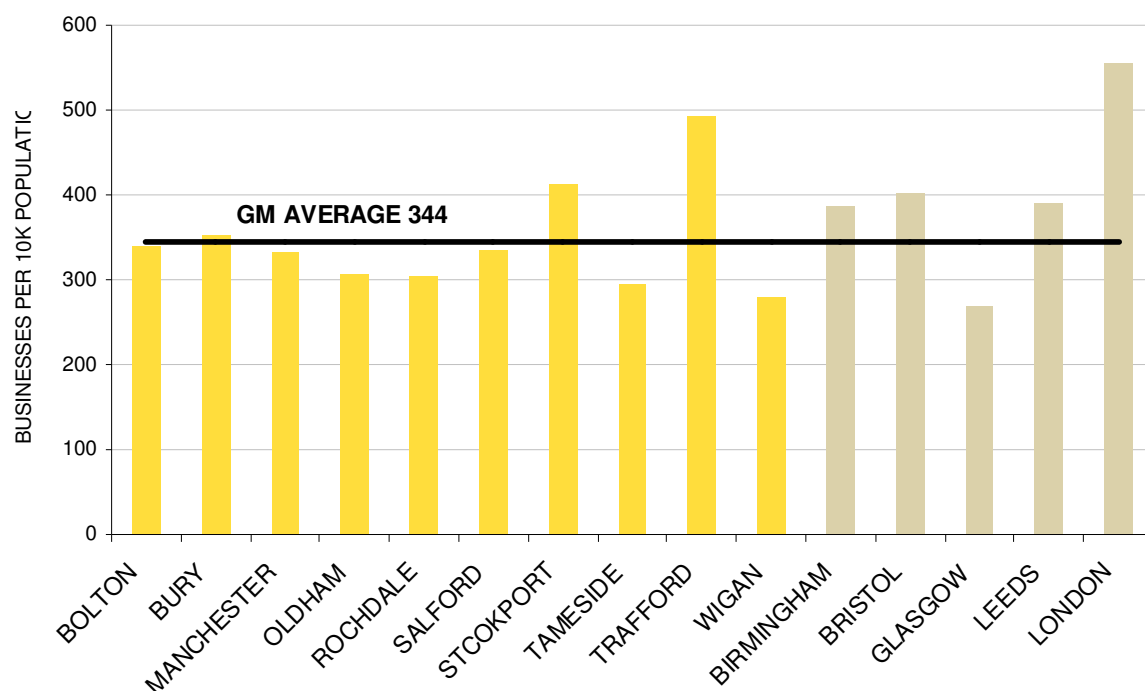
Source: IDBR, 2010

**5.31** The business density data illustrates a number of interesting trends. For Greater Manchester as a whole, business density rates are relatively low – being below national averages and those of all the comparator cities except for Glasgow. Whilst this may be partially a reflection of the fact that GM has a large population and has been successful in attracting large firms (who are fewer but employ greater numbers), it is a concern as it also indicates lower levels of enterprise and entrepreneurship. As both London and Bristol illustrate, the UK’s most successful cities do have high business densities because of a vibrant SME base – which is echoed by the strong economies of Stockport and Trafford within Greater Manchester, where densities are above the national average. Although there has been reasonable growth in business density rates over the last decade, as the economy continues to move away from traditional large employers towards smaller businesses, this ‘enterprise gap’ remains significant.

**5.32** However, once again the story is more complex when individual GM districts are considered. Whilst Trafford and Stockport have density rates above national averages and comparator cities outside London – reflecting their key roles as centers of enterprise and employment within the conurbation – the majority of GM districts have density rates that are below national averages and lag those of comparator cities.

<sup>7</sup> To calculate city-region rates mean averages have been used from individual local authority rates.

**Figure 3.0: Business density (businesses per 10,000 resident working age population), 2008**



Source: IDBR, 2010

**5.33** When looking at recent trends in the business density figures, perhaps the most marked trend is within the conurbation core, with the City of Manchester actually seeing its business density drop by 8.5% – from one of the highest in Greater Manchester to one of the lowest. This is largely due to the scale of population increase within Manchester – as whilst business stock has grown steadily in the district over the last decade (+5.3% between 2000 and 2008), the aged 16+ resident population has grown at a much greater rate (+19.3% between 2000 and 2008). It may also be a reflection of the fact that, as the city centre has grown, it has been successful in attracting larger businesses, resulting in SMEs being increasingly priced out of the city centre. However, it remains important for the long-term economic dynamism of the city to ensure that the conditions for small business growth are in place across the whole of Greater Manchester, and so this trend remains a concern.

**5.34** Table 1.6 provides data for business start-up rates across GM – another often used indicator of enterprise and business dynamism within an economy. As with the business density data, care needs to be taken in interpreting the figures. Cities may have relatively lower levels of business start-ups because of their success in offering a wide range of high-quality employment opportunities in some of the economy’s largest and most successful companies. Indeed, in successful cities, there may be a relatively lower incentive for people to start a business (or become self-employed) as an alternative to employment. Conversely, cities with high start-up rates can be

indicative of economic restructuring that has left people unable to find suitable employment, and therefore business start-up or self-employment is the best alternative. Nevertheless, business dynamism and entrepreneurship is a critical feature of successful economies, and as business structures fragment, new businesses and self-employment will continue to grow in importance as drivers of economic growth.

**Table 1.7: Business Start-Up rates (per 10,000 resident 16+ age population) in Greater Manchester, 2000 to 2007**

	BUSINESS REGISTRATIONS PER 10,000 POPULATION								2000 to 2007 percentage change
	2000	2001	2002	2003	2004	2005	2006	2007	
BOLTON	34	34	33	38	35	33	37	35	+2.9%
BURY	36	33	35	40	35	38	38	39	+8.3%
MANCHESTER	44	42	40	42	42	39	38	43	-2.3%
OLDHAM	31	27	31	29	32	29	31	31	+0.0%
ROCHDALE	26	28	28	30	29	30	31	33	+26.9%
SALFORD	34	32	37	36	32	36	37	38	+11.8%
STOCKPORT	39	34	38	40	37	39	39	43	+10.3%
TAMESIDE	30	27	27	29	29	30	28	31	+3.3%
TRAFFORD	53	45	51	53	49	51	54	58	+9.4%
WIGAN	26	22	26	30	26	27	26	33	+26.9%
<b>GREATER MANCHESTER</b>	<b>36</b>	<b>33</b>	<b>35</b>	<b>37</b>	<b>35</b>	<b>35</b>	<b>36</b>	<b>39</b>	<b>+8.3%</b>
<b>ENGLAND</b>	40	38	39	42	40	39	39	43	+7.5%
<b>GREAT BRITAIN</b>	38	36	37	40	38	38	37	42	+10.5%
<b>BIRMINGHAM</b>	35	33	36	39	37	36	36	37	+6.0%
<b>BRISTOL</b>	39	35	39	41	36	38	36	41	+5.1%
<b>GLASGOW</b>	24	23	23	25	24	25	24	31	+28.6%
<b>LEEDS</b>	35	33	36	40	37	36	35	41	+16.6%
<b>LONDON</b>	67	60	58	63	61	60	61	72	+7.5%

Source: IDBR, 2010

**5.35** These dynamics are apparent in Greater Manchester, which has start-up and self-employment rates below national averages but in line with other major UK cities. Start-up rates per 10,000 of the 16+ aged resident population have been rising over the last decade across Greater Manchester – in half of the conurbation above national trends.

**5.36** However, this should not hide the fact that start-up rates in the UK's most successful city, London, are significantly higher than the national average and the UK's other major cities, being two-thirds higher than Greater Manchester. This again reinforces the need for Greater Manchester to work to improve business start-up rates across the city as a driver for long-term economic growth and dynamism, with only Trafford even approaching the average start-up rate (per 10,000 of the 16+ resident population) seen in London.

**5.37** A strong and dynamic economy is not just about new businesses but also about its ability to sustain and grow these new businesses (Table 1.7). Again, as with other measures, care needs to be taken in interpreting survival rates,

since high rates can be associated with static and inefficient markets and risk-averse behaviour – with business failures part of the cycle of dynamic new business creation and innovation. For example, as shown in Table 1.8, survival rates in London are well below the national average and other cities, although in a context of far higher start-up rates, showing that the competitive nature of the capital's economy attracts and encourages new business investment but also makes success harder.

**Table 1.8: Survival of Newly-Born Enterprises**

	TOTAL BIRTHS 2003	PERCENT OF BUSINESSES SURVIVING				
		1 Year per cent	2 Year per cent	3 Year per cent	4 Year per cent	5 Year per cent
BOLTON	1,160	93.5	78.0	65.1	55.6	46.6
BURY	805	91.3	77.6	65.2	54.0	44.7
MANCHESTER	1,755	91.2	73.5	57.8	48.1	39.9
OLDHAM	790	93.0	76.6	63.3	53.2	44.3
ROCHDALE	735	91.8	76.2	62.6	53.1	44.9
SALFORD	785	93.6	75.8	61.8	52.9	45.2
STOCKPORT	1,310	95.0	80.2	65.3	55.3	46.9
TAMESIDE	705	91.5	75.2	60.3	51.1	44.0
TRAFFORD	1,220	93.4	77.5	61.1	52.9	45.5
WIGAN	1,025	93.2	78.0	63.9	55.1	46.8
<b>GREATER MANCHESTER</b>	<b>10,290</b>	<b>92.8</b>	<b>76.8</b>	<b>62.4</b>	<b>52.9</b>	<b>44.7</b>
<b>ENGLAND</b>	<b>236,220</b>	<b>92.6</b>	<b>77.9</b>	<b>63.5</b>	<b>54.1</b>	<b>46.4</b>
<b>GREAT BRITAIN</b>	<b>262,580</b>	<b>92.6</b>	<b>78.0</b>	<b>63.5</b>	<b>54.1</b>	<b>46.5</b>
<b>BIRMINGHAM</b>	9275	92.8	78.6	63.6	54.3	46.2
<b>BRISTOL</b>	4515	93.1	79.8	66.2	57.0	48.6
<b>GLASGOW</b>	5415	93.3	75.5	59.6	50.2	43.5
<b>LEEDS</b>	8330	93.0	77.9	62.5	53.6	45.8
<b>LONDON</b>	48810	91.5	73.7	56.5	46.6	39.4

Source, IDBR, 2010

- 5.38** After year one, average survival rates across Greater Manchester are slightly higher than national averages, although this trend is reversed over later years, though the difference is relatively small. Again the marked feature of the Greater Manchester economy are particularly low survival rates within the City of Manchester, which are around five percentage points lower than the city as a whole. This may partly reflect the dynamism of the city centre economy, with high absolute numbers of business births and strong competition for these new businesses making survival relatively more difficult.
- 5.39** However, taken in conjunction with the low levels of new start-ups and comparatively low density levels, may present a weakness at the heart of the conurbation's economy that will prove problematic over the next few years of lower forecast growth. Those areas better able to create and maintain new businesses can expect to suffer from lower levels of unemployment and create a virtuous cycle of growth through new spending within the economy. It is for these reasons that closing the 'enterprise gap' that exists in Greater

Manchester in comparison with the UK's most dynamic cities, such as Bristol, has been taken forward as a key priority of the Greater Manchester Strategy.<sup>8</sup>

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<sup>8</sup> Prosperity for all: *The Greater Manchester Strategy (GMS)* – August 2009, [http://neweconomymanchester.com/stories/842-greater\\_manchester\\_strategy](http://neweconomymanchester.com/stories/842-greater_manchester_strategy)

# 6 ENSURING PRIVATE SECTOR GROWTH

## HIGH GROWTH FIRMS

- 6.1 Whilst the overall size and structure of an economy's business base has clear implications for growth, research suggests that it is a very small proportion of this overall business base that is responsible for creating the majority of new jobs.<sup>9</sup> Recent research by NESTA found that 6% of companies accounted for over half of new jobs created within the UK economy between 2002 and 2008.<sup>10</sup>

*A better way to understand the dynamics of private sector growth in the economy is to think about the performance of actual firms. Research shows that a relatively small number of high growth firms are where most new jobs tend to come from. These firms are visible right across the industrial spectrum, rather than being located in any one particular sector.<sup>11</sup>*

- 6.2 There are a number of ways of defining a high-growth business (sometimes described as 'Gazelles') – normally related to growth in employees or turnover. Business Link Northwest data on high-growth firms – defined as those firms with particularly strong growth in employment or turnover<sup>12</sup> – shows that there are over 2,500 such firms across Greater Manchester (this is below some other estimates that use a less strict criteria). The data illustrates that whilst most of these firms (88%) are small businesses, employing between 10 and 49 people, they are significant employers – employing 94,500 people across GM (approximately 8.5% of the total workforce).
- 6.3 Figure 3.1 illustrates that over 40% of the Northwest's high-growth firms are found in GM – by far the largest proportion of any other city in the Northwest. Furthermore, these firms represent 1.82 % of the Greater Manchester business base, a higher proportion of the total business base than seen elsewhere in the Northwest.

<sup>9</sup> <http://www.kauffman.org/newsroom/high-growth-firms-account-for-disproportionate-share-of-job-creation-according-to-kauffman-foundation-study.aspx>

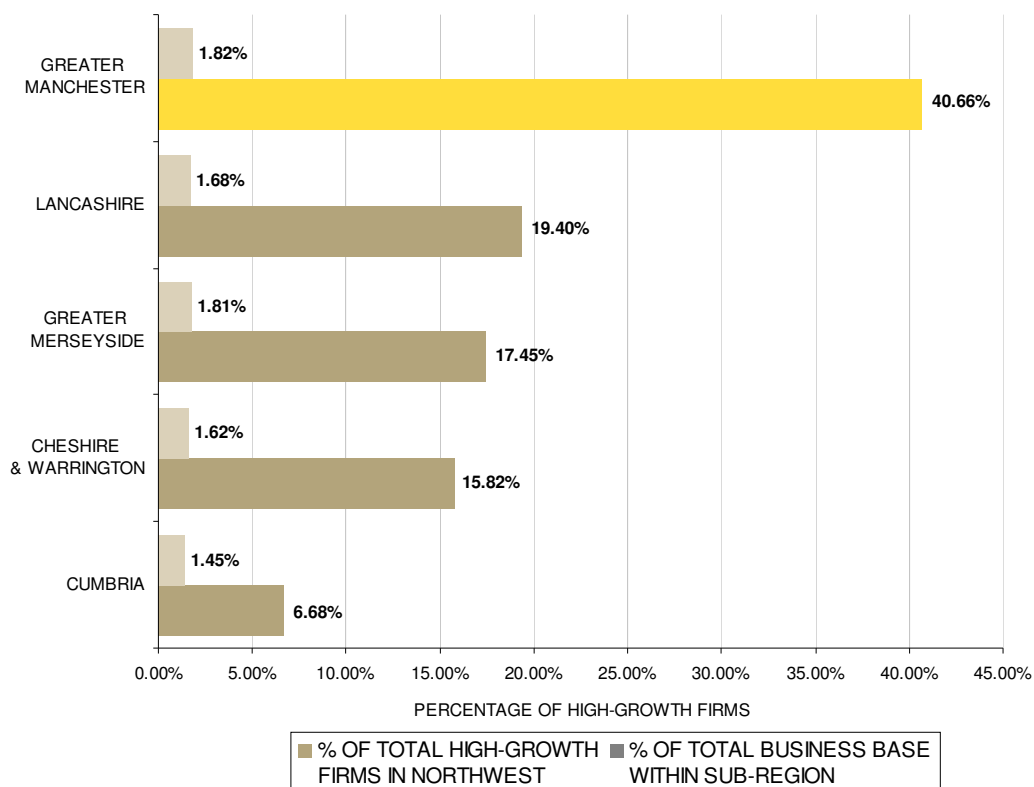
<sup>10</sup> NESTA (October 2009), *The Vital 6 per cent: How high-growth innovative businesses generate prosperity and jobs*, <http://www.nesta.org.uk/library/documents/Vital-six-per-cent-Nov2010-v3.pdf>

<sup>11</sup> Centre for Cities (September 2010), *Firm Intentions*, <http://www.centreforcities.org/firmintentions>

<sup>12</sup> Data produced by Business Link from Experian databases. Business Link define a high-growth firm as a business that:

- Is less than 10 years old and has between 10 and 249 employees (at the start of the period) with a 20 % increase in turnover or number of employees in the last year
- Has 10+ employees that has reached an annual turnover of £1M in its first 3 years and who exhibits a potential to grow by 20 % each year for the next 3 years
- Is in a "High Growth Commercial" MOSAIC type and therefore exhibits characteristics or behaviours that are known high-growth drivers.

**Figure 3.1: Location of High-growth Firms within the Northwest, 2009**



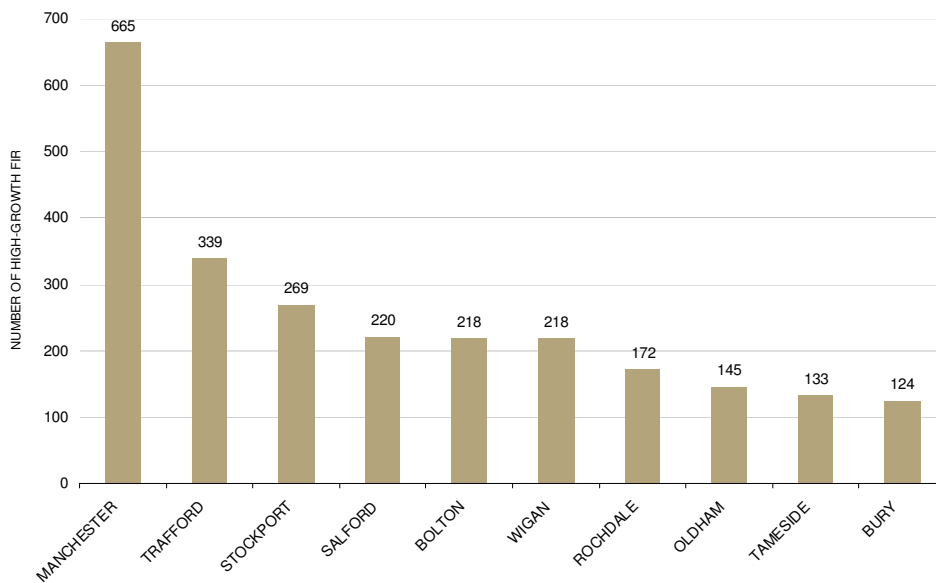
Source: *BusinessLink North West, 2010*

- 6.4** Whilst the MIER illustrated how important large established firms are to the long-term success of the Greater Manchester economy<sup>13</sup>, the fact that there are a higher proportion of these highly productive firms in Greater Manchester highlights the relative strength of the private sector in Greater Manchester. This also appears to support findings in the MIER that firms in the conurbation have higher productivity than firms elsewhere in the Northwest.<sup>14</sup>
- 6.5** As would be expected, high-growth firms are notably concentrated in the core of the conurbation, accounting for nearly 2.5 % of the business base in the City of Manchester, as illustrated in Figure 3.3. Trafford also stands out as a district with both high absolute and relative numbers of high-growth firms. Although the percentage difference between the districts appears small, such differences can be significant given the disproportionate effect such firms have on growth overall.

<sup>13</sup> MIER *Inward and Indigenous Investment*, p50, <http://www.manchester-review.org.uk/projects/view/?id=721>

<sup>14</sup> MIER *The Case for Agglomeration Economies*, p4. <http://www.manchester-review.org.uk/projects/view/?id=718>

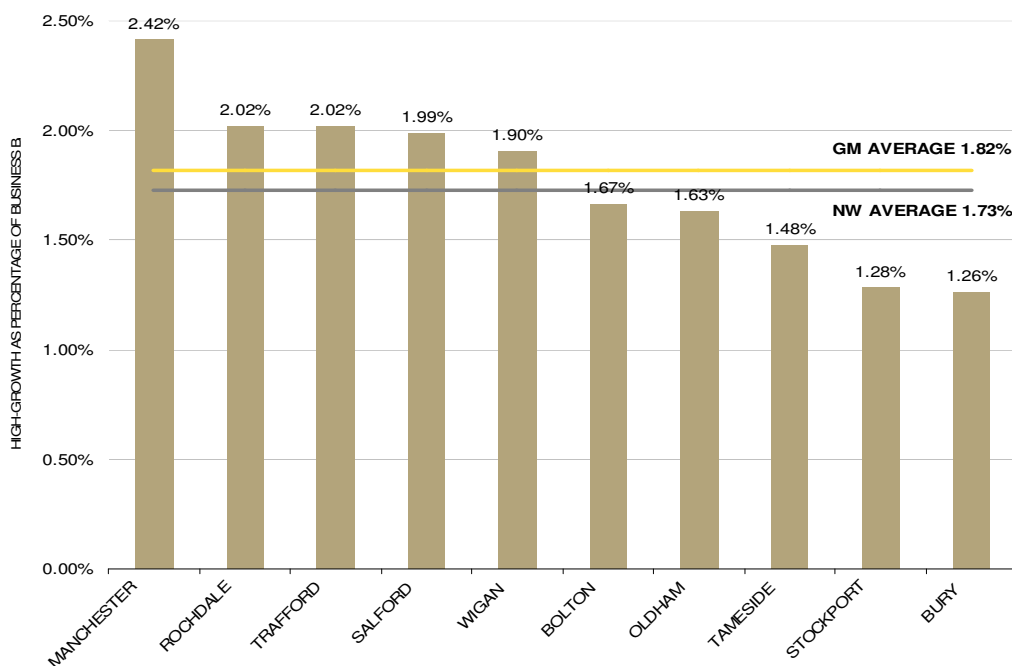
**Figure 3.2: Location of High-growth Firms within Greater Manchester, 2009**



Source: Business Link North West, 2010

**6.6** Whilst smaller in terms of absolute numbers, Rochdale, Salford, and Wigan all have an above average proportion of high-growth firms within their business base, as illustrated in Figure 3.3. In contrast, the two commuter areas of Bury and Stockport have relative low proportions of high-growth businesses (though Stockport's absolute number is third highest in the conurbation) – a trend that may reflect the fact that entrepreneurs from these areas are more willing to commute and to start businesses in the conurbation core.

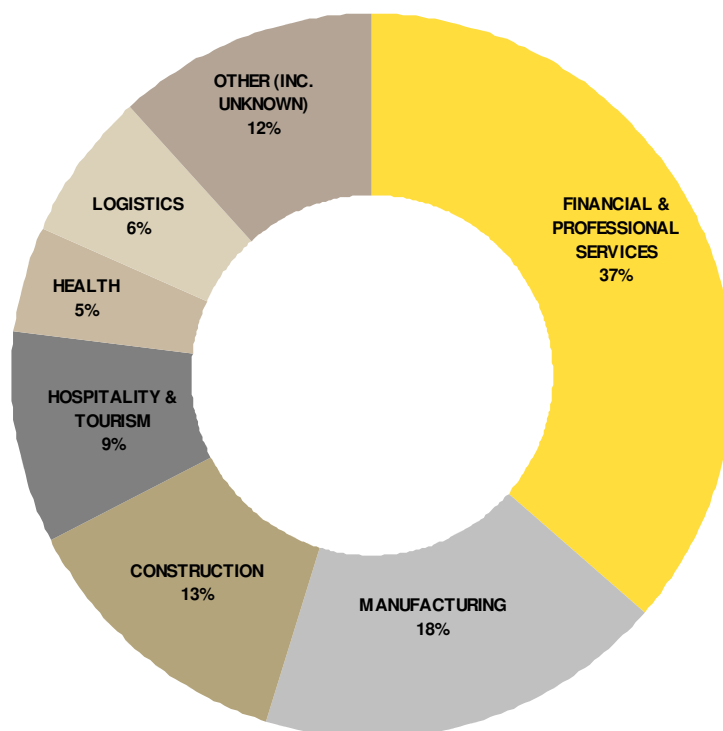
**Figure 3.3: Percentage of High-growth Businesses within GM districts, 2009**



Source: Business Link North West, 2010

- 6.7** What is particularly interesting from the spatial distribution of these firms across Greater Manchester (as presented in Figure 3.3), is that this distribution does not simply mirror the concentration of economic activity within the city core. Whilst it is perhaps unsurprising that Manchester, Salford and Trafford have amongst the highest concentrations of high-growth firms, Rochdale and Wigan also have relatively high concentrations – whilst the southern districts of Stockport and Tameside have the lowest concentrations.
- 6.8** A possible reason for this might be provided by the data in Figure 3.4, which highlights the key role that the Manufacturing sector continues to play in driving growth and productivity across Greater Manchester. The data illustrates that, across the conurbation, the sectoral breakdown of high-growth firms is extremely diverse, with nearly 40 % of high-growth firms operating in Financial and Professional Services, but almost a fifth (18%) sixth are in the Manufacturing sector. Construction (13%), Hospitality and Tourism (9%), Logistics (6%) and Health (5%) also all have significant numbers of high-growth firms.
- 6.9** The fact that manufacturing firms form a disproportionate number of high growth firms (manufacturing accounts for just over 10% of employment in GM) may explain how traditional centres of manufacturing in Greater Manchester, such as Wigan and Rochdale, also have relatively high concentrations of high-growth firms in a Greater Manchester context. This finding highlights the key role that this sector continues to play in Greater Manchester, particularly their role in driving productivity and growth, and supports the previous analysis of sector productivity which found that the GVA per employment of manufacturing and food and drink sectors are higher than Greater Manchester and national sector averages. This issue is currently being explored further in the Advanced Manufacturing research study.

**Figure 3.4: Sectoral Composition of High Growth Firms: numbers of high growth firms as a percentage of all high growth firms, Greater Manchester<sup>15</sup>**



Source: *Business Link North West, 2010*

## INWARD INVESTMENT

- 6.10** Securing higher levels of inward investment has long been a target for policy given its importance in driving productivity and employment growth. Successfully attracting further investment to the conurbation will become increasingly important as government investment is increasingly scarce and there is greater competition for a smaller pot of private sector money.
- 6.11** The MIER found that Manchester has had a successful experience of inward investment in recent decades – with investment creating employment (especially skilled employment) whilst not crowding out the investment of domestic firms, as has been the case elsewhere in the UK.<sup>16</sup>
- 6.12** Encouragingly, the latest available data from Greater Manchester’s inward investment agency MIDAS (Manchester Investment Development Agency Service) shows that there has been an increase in successful inward investment projects through the recessionary period.

<sup>15</sup> Activities that can not be categorised within New Economy Key Sectors included in ‘Other (Inc Unknown)’

<sup>16</sup> MIER *Inward and Indigenous Investment*, p50, <http://www.manchester-review.org.uk/projects/view/?id=721>

**Table 1.9: Inward investment projects, 2007/08 to 2009/10**

	2007/08	2008/09	2009/10
TOTAL NUMBER OF SUCCESSFUL PROJECTS	76	83	94
JOB PER PROJECT	61	57	53
ACTUAL JOBS CREATED AND SAFEGUARDED	4,638	4,735	4,959
ACTUAL JOBS CREATED	3,106	3,129	3,609
ACTUAL JOBS SAFEGUARDED	1,532	1,606	1,350

Source: MIDAS Annual Report, 2010

NB: Data relates to UK and foreign-owned companies

- 6.13** The data shows a successive increase in the number of inward investment projects that have been secured over the last 3 years in Greater Manchester. The data therefore provides evidence to support MIER findings that such investment, whether from UK firms or in the form of Foreign Direct Investment (FDI) has helped increase employment in Greater Manchester, rather than crowding out or displacing local investment.
- 6.14** When looking at the types of project secured, perhaps the most striking trend is that there has been a notable increase in investment in Advanced Engineering/Manufacturing projects, and associated employment created in the sector (+767.9% over the last 3 years) – creating by far the largest increase in new inward investment jobs over the last 3 years. This is significant as it highlights the potential that exists to create further value from manufacturing and engineering specialisms that exist locally. This issue is explored further in the Advanced Manufacturing study.

**Table 2.0: Sectoral breakdown of inward investment projects, 2009/10**

INWARD INVESTMENT PROJECT SECTOR (FDI & INDEGENOUS)	TOTAL EMPLOYMENT CREATED	07/08 TO 09/10 PERCENTAGE CHANGE
ADVANCED ENGINEERING & MANUFACTURING	1,346	+767.9%
BIOMEDICAL	119	-86.7%
PROFESSIONAL SERVICES	3,815	+75.4%
CHEMICALS	191	-79.1%
CREATIVE & DIGITAL	1,166	+21.2%
ENERGY & ENVIRONMENT	58	+33.3%
FINANCIAL & PROFESSIONAL SERVICES	1,720	-41.9%
FOOD & DRINK	1,110	+303.8%
ICT DIGITAL	82	-58.0%
LOGISTICS & DISTRIBUTION	445	-97.3%
MANUFACTURING	450	+157.7%
OTHER	450	+860.0%
PUBLIC/NOT-FOR-PROFIT	2,013	-90.6%
RETAIL/HOTELS/LEISURE	840	-53.9%
<b>TOTAL</b>	<b>13,805</b>	<b>+6.9%</b>

Source: MIDAS Annual Report, 2010

## LOW CARBON ECONOMY

- 6.15** The recent publication of a Low Carbon Industrial Strategy for the UK recognises the crucial role that the Environmental sector, Renewable Energy sector and emerging Low Carbon sector are expected to play within global markets.
- 6.16** Greater Manchester has recognised for some time the crucial role which these industries can play in the development of its own economy, and the 'Mini-Stern' 2008 identified a potential £20 billion opportunity cost if the city does not adapt and respond to this agenda.<sup>17</sup>
- 6.17** Recent UK government strategies including the Low Carbon Industrial Strategy and Low Carbon Transition Plans have increased the focus on the low carbon sector and provided additional financial stimulus to selected technology and sub sector areas. These include offshore wind, marine energies, low carbon vehicles and a tightening of the standards for new buildings.
- 6.18** Research recently undertaken for the Commission for the New Economy shows that Greater Manchester currently accounts for 40% of the North West's and 4% of the UK's low carbon economy (by market value)<sup>18</sup>. The data below highlights how this translates in to market value for individual sectors within Greater Manchester.

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<sup>17</sup> [http://neweconomymanchester.com/stories/837-low\\_carbon\\_economy](http://neweconomymanchester.com/stories/837-low_carbon_economy)

<sup>18</sup> Innovas Solutions Ltd, *Low Carbon Industrial Goods and Services Sector Analysis for Greater Manchester*, [http://neweconomymanchester.com/stories/837-low\\_carbon\\_economy](http://neweconomymanchester.com/stories/837-low_carbon_economy)

**Table 2.1: Greater Manchester Low Carbon Market, by sub sector and market value in £m, company and employment numbers, 2008/09**

	<b>GM MARKET VALUE (£m)</b>	<b>GM COMPANIES</b>	<b>GM EMPLOYMENT</b>
AIR POLLUTION	51	56	435
ENVIRONMENTAL CONSULTANCY	36	26	297
ENVIRONMENTAL MANAGEMENT	5	0	53
MARINE POLLUTION CONTROL	5	0	38
NOISE AND VIBRATION CONTROL	7	1	63
CONTAMINATED LAND	59	34	491
WASTE MANAGEMENT	109	51	969
WATER AND WASTE WATER	226	100	1883
RECOVERY AND RECYCLING	288	147	2187
HYDRO	14	6	133
WAVE AND TIDAL	3	0	21
BIOMASS	155	62	1463
WIND	521	228	4132
GEO THERMAL	279	123	2300
RENEWABLE CONSULTING	18	9	175
PHOTOVOLTAIC	149	76	1233
ALTERNATIVE FUEL VEHICLE	608	259	4896
ALTERNATIVE FUELS	933	373	7008
ADDITIONAL ENERGY SOURCES	73	32	615
CARBON CAPTURE & STORAGE	35	16	297
CARBON FINANCE	8	2	40
ENERGY MANAGEMENT	109	50	920
BUILDING TECHNOLOGIES	562	242	4471
<b>TOTAL</b>	<b>4253</b>	<b>1893</b>	<b>34120</b>

Source: Innovas, 2010

**6.19** Furthermore, the research highlights that Greater Manchester has comparative economic strengths on a market value basis against the Northwest and the UK in the following sub sectors:

- Contaminated Land Remediation (leading position UK)
- Carbon Capture and Storage (leading position UK)
- Additional Energy Sources (leading position UK)
- Alternative Fuels
- Alternative Fuel Vehicles
- Environmental Consultancy

**6.20** It has slightly above average performance in the following of the larger sub sectors:

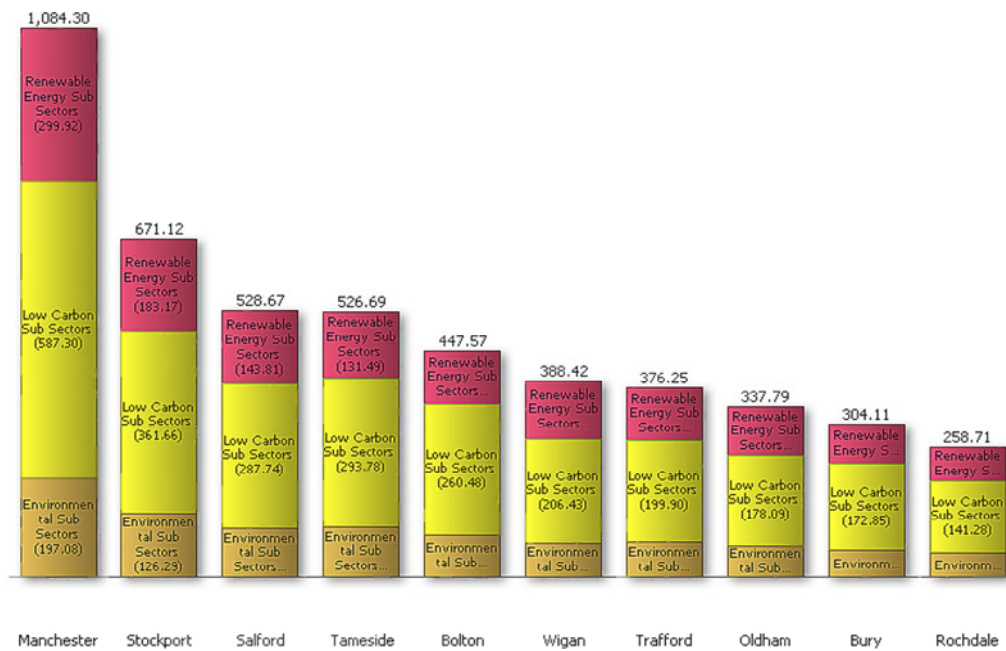
- Building Technologies
- Energy Management
- Wind Energy

**6.21** Though there are clear areas of real strength such as contaminated land remediation, additional energy sources and carbon capture and storage, these are relatively small. For example, in the case of Carbon Capture and Storage,

new and emerging technology still has to realise full commercial possibilities due to the untested nature of the technologies. However this does highlight the comparative strength of the research and development of new and emerging technologies in the Greater Manchester region.

6.22 The graph below illustrates the estimated value of the carbon economy within each of the Greater Manchester local authority districts. Although the largest local authority areas by overall market value are Manchester, Stockport, Salford, and Tameside, it is clear that the carbon economy has a significant presence in all Greater Manchester authorities.

Figure 3.5: Total Sales £m, by Local Authority District, 2008/09



Source: Innovas, 2010

6.23 In terms of employment from the carbon economy, across Greater Manchester, the Table 2.2 highlights figures for 2008/09 with forecast employment for 2011/12. The authority that shows the largest forecast increase in employment is Stockport with about a +35% increase forecast, followed by Bolton (+31%) and the City of Manchester (+29%).

Table 2.2: Forecast employment in the Carbon Economy, 2008/09 to 2011/12

	2008/09	2011/12	DIFFERENCE	DIFFERENCE %
BOLTON	3,498	4,584	1,086	+31.1%
BURY	2,244	2,442	198	+8.8%
MANCHESTER	8,381	10,782	2,401	+28.7%
OLDHAM	2,808	3,277	469	+16.7%
ROCHDALE	2,045	2,290	245	+12.0 %
SALFORD	4281	5,101	820	+19.2%
STOCKPORT	6,181	8,331	2,150	+34.8%
TAMESIDE	4,449	5,428	979	+22.0%
TRAFFORD	2,330	2,524	194	+8.3%
WIGAN	3,377	4,311	934	+27.7%
<b>TOTAL</b>	<b>39,594</b>	<b>49,069</b>	<b>9,475</b>	<b>+23.9%</b>

Source: Innovas, 2010