STOCKPORT METROPOLITAN BOROUGH COUNCIL

ECONOMIC PLAN

Evidence Base Emerging Findings

HATCH

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Evidence base **function**

Delivering an evidence-led economic strategy…

The Evidence base has been informed by the following four principles:

1. Quantitative and qualitative insight. Evidence marries robust quantitative socio-economic data with a rich qualitative review of local challenges and opportunities to obtain a holistic picture of place performance;

2. Contextualising the role of Stockport within the wider regional economy. The data simultaneously unpicks the challenges and opportunities both at neighbourhood and local authority level to understand the role and function of Stockport within the wider local, regional and national socio-economic context; and,

3. Focused on implications for Stockport. All analysis is action-orientated and creates a compelling narrative for place. This focuses on the policy implications for the Borough Council and its partners to ensure the Economic Plan is evidence-led.

4. Delivering a better understanding of inclusive growth. We know that on the surface, Stockport performs relatively strongly across a range of social and economic indicators. However, the overall picture can mask deeply embedded challenges that shape the lived experiences of thousands of Stockport's residents. Intra-borough disparities will be understood through mapping all key data to identify target areas for intervention through the SEP.

Purpose of the evidence base within the SEP

Evidence Base **Structure**

Introducing Stockport's evidence base:

To provide an action-orientated view of the Stockport economy, the evidence base has been split into two parts.

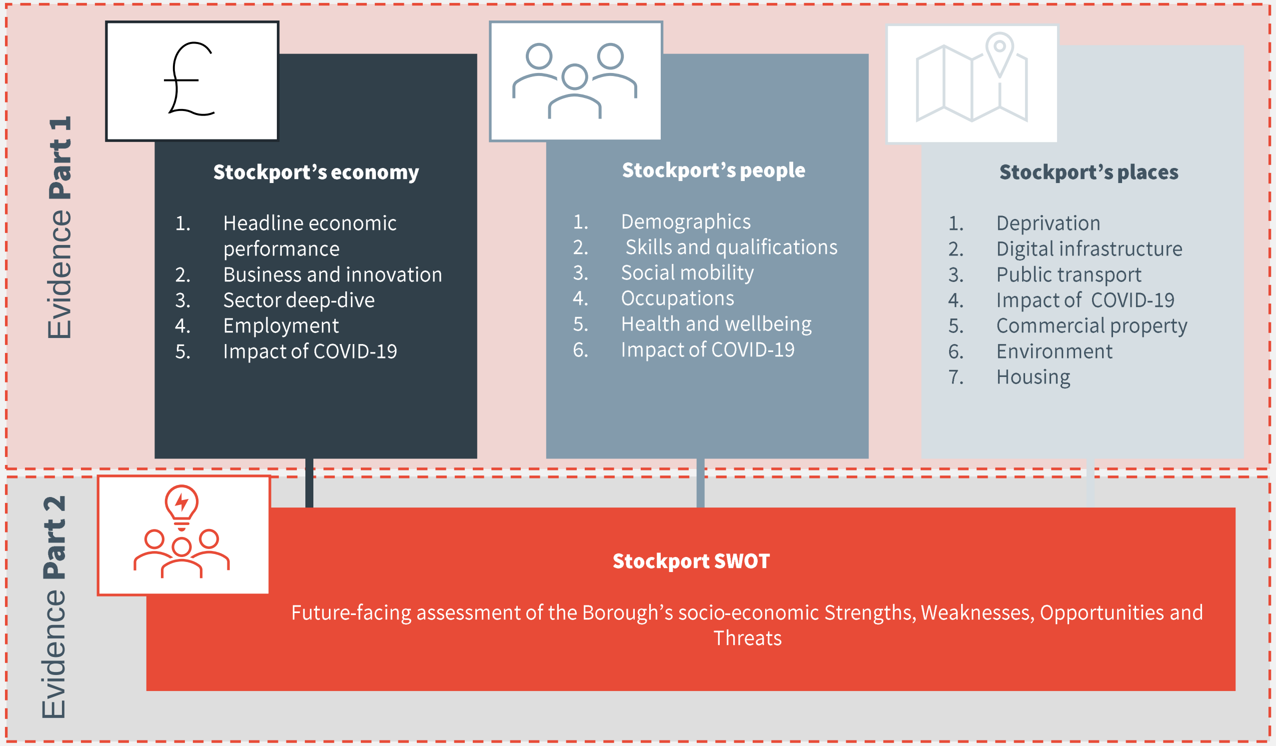
Part 1 provides a robust baseline socio-economic assessment of a range of factors affecting Stockport's prosperity. This part assesses:

+ **Stockport's Economy:** *understanding Stockport's business landscape, employment characteristics and specialisms;*
+ **Stockport's People:** *understanding Stockport's resident and worker population to ensure that the local economy meets their needs and aspirations; and,*
+ **Stockport's Places:** *understanding the spatial, social and environmental factors affecting the prosperity and vitality of Stockport's places.*

Part 2 will synthesize the evidence presented in Part 1 of the evidence base provide a future-facing assessment of the Borough's Strengths, Weaknesses, Opportunities, and Threats. This will identify key topics to explore through help to define strategic priorities for intervention.

All raw data collected as part of this baseline will be shared with the council's data team. This will allow evidence to be replicated and updated in perpetuity – enabling monitoring of change over time and progress and key performance metrics.

Evidence base structure



Comparator **geographies**

Contextualising the performance of Stockport:

To contextualise the socio-economic performance of the Borough across a range of key metrics, the study includes several comparator areas.

To obtain a better understanding of the performance of Stockport, the study has benchmarked performance against Greater Manchester and England. The comparator North West local authorities below have selected on the following basis:

+ **Trafford, Greater Manchester:** *Trafford is a relevant geographic and statistical comparator to Stockport. Trafford performs strongly against a range of socio-economic prosperity indicators.*

+ **Bury, Greater Manchester:** *Bury is already used by Stockport's data team as a close statistical comparator to the Borough.*

+ **Cheshire East, Cheshire:** *Cheshire East has been selected as Stockport's economic geography is strongly influenced by activity to its southern border as well as towards Manchester (see page 14). Around 15,000 residents move between the two local authority areas for work – meaning that economic prosperity of the two local authority areas is intrinsically linked.*

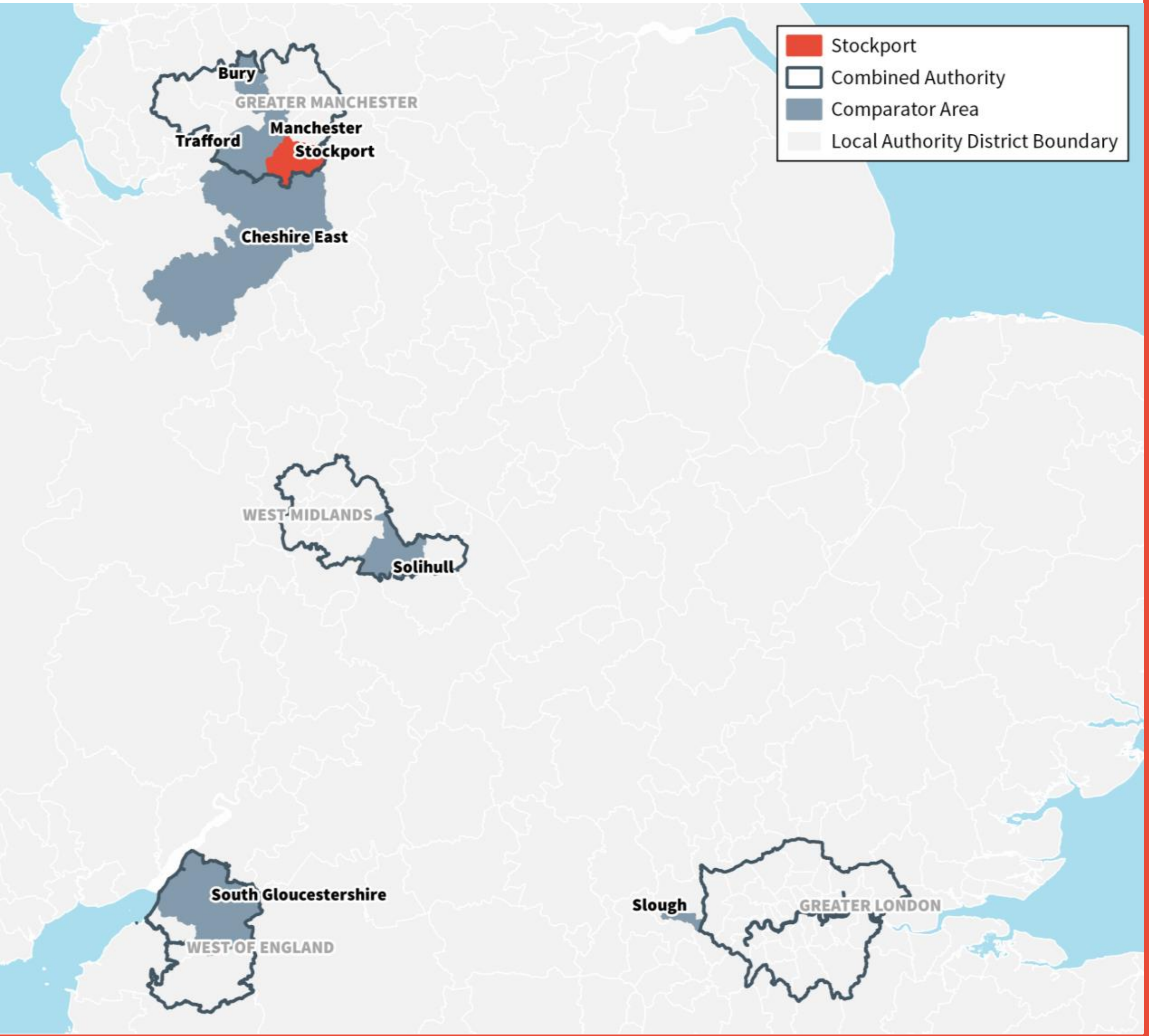
In addition to the North-west, local authority areas from regions across the UK have also been selected on the following basis:

+ **Solihull:** *Already a statistical comparator used by Stockport MBC. Its location in Greater Birmingham and perceptions of affluence make it a relevant comparator to Stockport.*

+ **South Gloucestershire:** *Similarly, South Gloucestershire's proximity to the Bristol city region makes it an interesting and relevant statistical comparator.*

+ **Slough:** *Slough is located on the outskirts of Greater London, However, it is a major economic driver in its own right. Slough has also been selected as an 'aspirational' comparator as it was recently identified in a Centre for Cities report as the most productive local authority area in the country.*

Stockport's comparator areas



Economy **Summary**

- **ish economic growth which is forecast to continue without proactive intervention.** Stockport's my grew by +24% between 2008 and 2018, which was below the national (+35%) and Greater Manchester (+38%) averages. Oxford Economics forecasts suggest that Stockport will continue to grow behind national and regional averages up to 2040.
- **Despite this, employment growth has been strong.** Between 2014 and 2019, the number of jobs in Stockport increased by 13% compared to 11% in Greater Manchester and 5% in England- **higher than all comparators.**
- **Stockport economy is micro-business dominated, but slow-growing.** Almost three quarters of Stockport's businesses employ less than 4 people, however there is little evidence of the business dynamism often seen in successful small business ecosystems – where there is often high business churn. Since 2010, business growth in Stockport was only 21% compared to 33% in England – **importance of existing business base and key employers.**
- **Reorientation and diversification required to respond to policy and macro economic changes.** Several of Stockport's specialised business and employment sectors (such as utilities and manufacturing) are forecast to decline significantly in forthcoming years.
- **Heavily impacted by COVID-19.** Using the OBR Coronavirus Reference Scenario suggests that £700m of output was lost during 2020 as a result of national and local restrictions – equivalent to c. 10% of total output which is slightly higher than the national average.
- **Sectors most exposed to lockdown and social distancing restrictions most severely impacted which could exacerbate low business survival challenges.** Accommodation and Food Service Activities was the borough's worst affected sector, losing an estimated £100m in 2020. Going into the pandemic,

Considerations for Stockport's Economic Plan

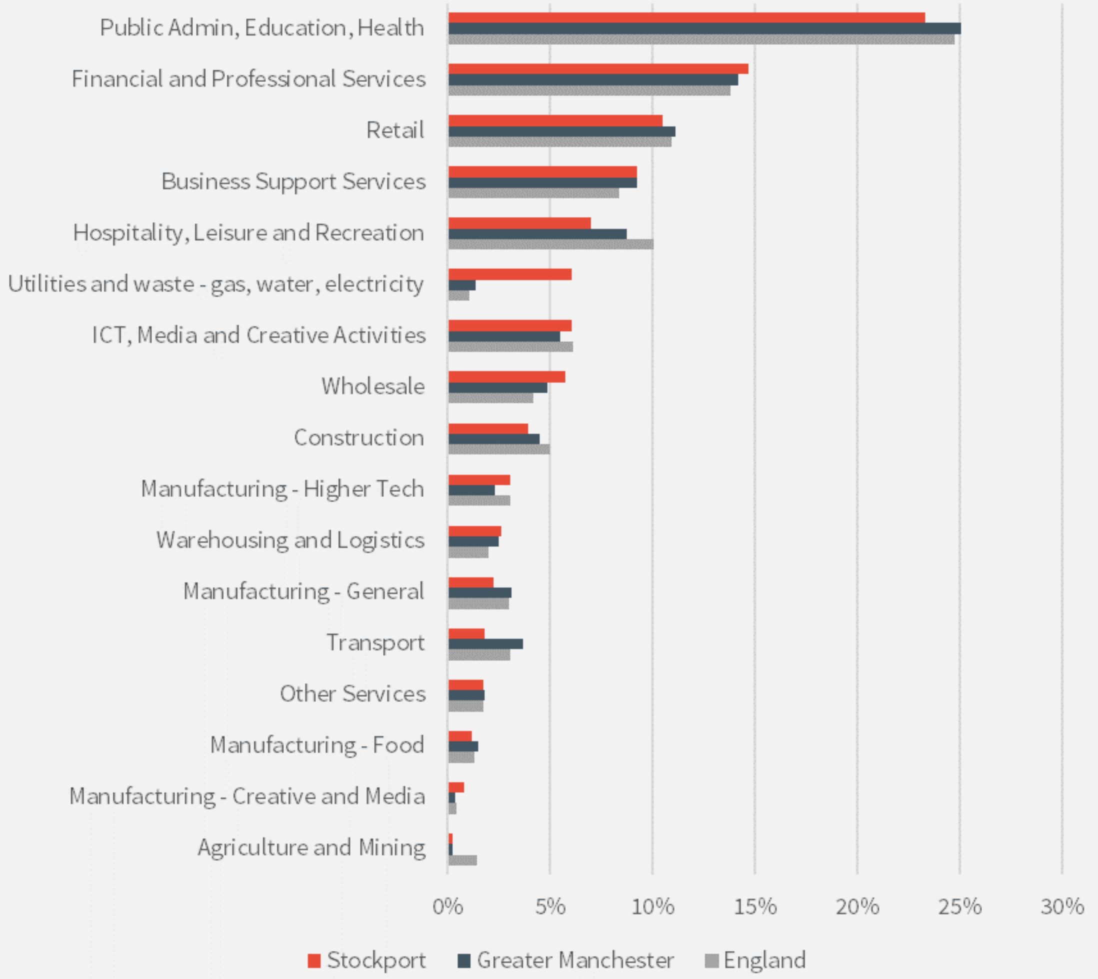
- How can Stockport continue to capture strong growth in knowledge sectors?
- Can we strengthen the small business setor in Stockport going to support its business sector?
- How can the borough ensure the right employment spaces are coming forward to meet the needs of Stockport's economy in 2040 and beyond?
- How will Stockport support the sectors worst impacted by the COVID-19 pandemic on an ongoing basis?
- How can the Economic Plan support/harness existing businesses and skills to support net zero ambitions?

Stockport's **employment profile**

While office-based jobs account for the largest proportion of Stockport's jobs, the borough's specialisms and fastest growing sectors are in industrial and logistics roles…

Public Admin, Education, and Health; and Financial and Professional services account for over 1 in 3 jobs in Stockport (38%). Despite this, the fastest growth has been within Warehousing and Logistics (+243%) and Utilities and Waste (+143%). This growth has cemented these sectors as significant local employment specialisms – with Stockport retaining higher concentrations of industrial and logistics employment than the national average. Stockport's employment sector specialisms are explored in more detail on the following pages.

Proportion of employment by sector, 2019



Sector profile of Stockport's employment: change, Location Quotient, size

	5-year change (2014-2019)	LQ 2019	Sector size 2019
Agriculture and Mining	3%	0.2	310
Business Support Services	29%	1.1	13,465
Construction	0%	0.8	5,720
Financial and Professional Services	20%	1.1	21,465
Hospitality, Leisure and Recreation	5%	0.7	10,180
ICT, Media and Creative Activities	38%	1.0	8,815
Manufacturing - Creative and Media	-16%	1.9	1,155
Manufacturing - Food	0%	0.9	1,750
Manufacturing - General	-6%	0.8	3,290
Manufacturing - Higher Tech	24%	1.0	4,460
Other Services	6%	1.0	2,505
Public Admin, Education, Health	9%	0.9	33,995
Retail	-1%	1.0	15,295
Transport	22%	0.6	2,645
Utilities and waste - gas, water, electricity	143%	5.9	8,825
Warehousing and Logistics	243%	1.3	3,820
Wholesale	16%	1.4	8,345
Total	19%	1.0	146,040

*Red denotes sector specialism

Source: ONS BRES

Forecast Sector Change: **Employment**

Decline forecast across Stockport's key employment sectors to necessitate economic diversification and reorientation…

The Oxford Economics Forecasting model suggests a large fall across several of Stockport's current employment specialisms which is likely to require economic reorientation to protect jobs and livelihoods over the long-term. Across Manufacturing; Electricity, Gas Steam, and Air, there is forecast to be a loss of over 5,600 jobs by 2040. Simultaneously, there is forecast to be significant employment gains across a range of knowledge intensive roles including Professional, Scientific, and Tech (+5,080), and Human Health and Social Work (+5,280).This is likely to dictate the demand for future commercial space and should be considered through the forthcoming Local Plan.

Top/bottom 3: Employment change, 2019-2040

Growth

+36% Professional, Scientific, and Tech vs. 25% in the UK and 37% in GM

+29% Human Health and Social work vs. 23% in the UK and 29% in GM

+19% Arts, Entertainment and Recreation vs. 18% in the UK and 21% in GM

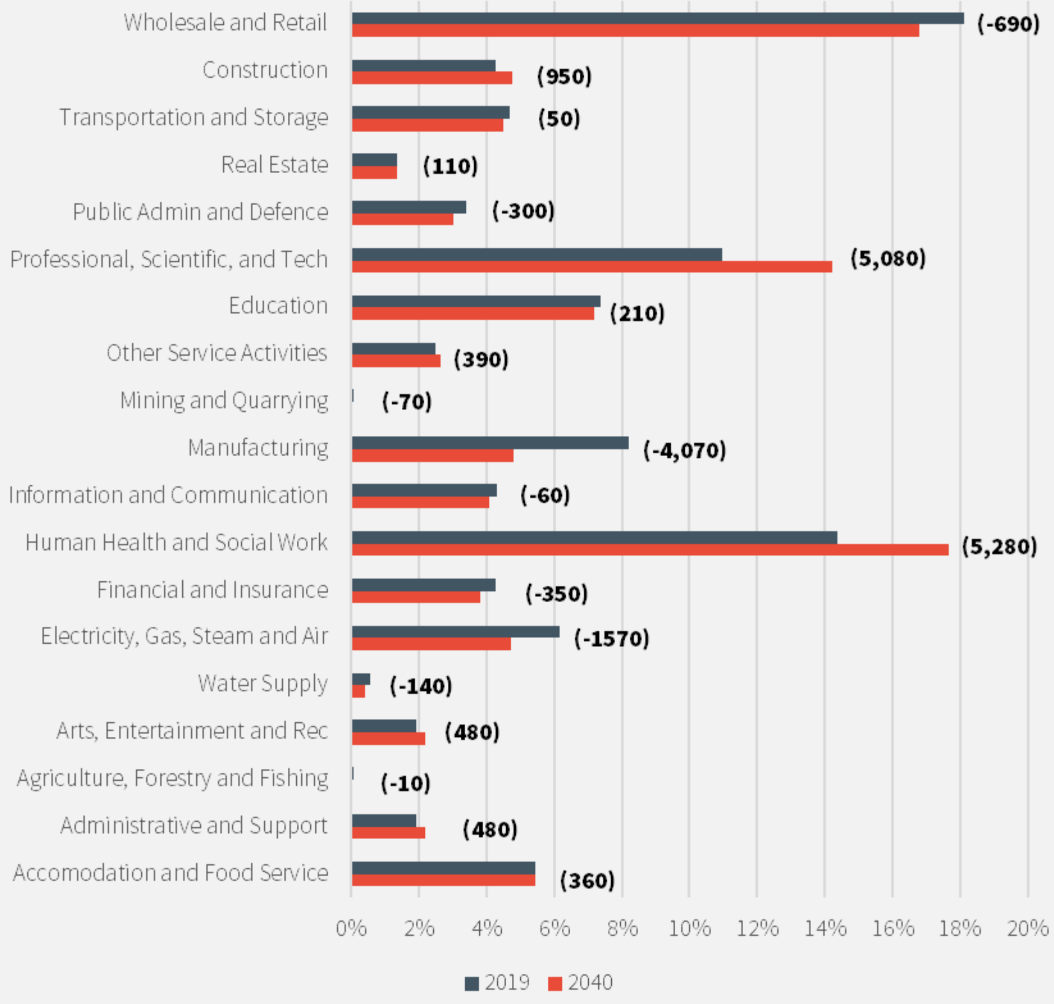
Decline

-58% Mining and Quarrying vs. -54% in the UK and -53% in GM

-39% Manufacturing vs. -38% in the UK and -40% in GM

-20% Electricity, Gas, Steam and Air vs. -14% in the UK and -20% in GM

% of total employment by sector, 2019 vs 2040 (absolute change)



Source: Oxford Economics

Place **Summary**

- **Stockport has concentrated pockets of deprivation and 26% of neighbourhoods are within the most deprived 30% of neighbourhoods nationally.** Areas of Stockport town centre, Brinnington, and Reddish contain some of the most deprived neighbourhoods nationally which affect the opportunity and prosperity in these places.
- **However, these areas are at the heart of Stockport's regeneration vision.** Areas such as Bredbury and Town Centre West are integral to the Council's growth ambitions, meaning the Economic Plan should consider on how these developments benefit local communities.
- **Stockport's future economic growth and commercial property offer.** Although office vacancies have increased to 7% during the last year, deals and leases have remained consistent with previous years – suggesting resilient demand.
- **The quality of Stockport's commercial offer is likely to take on enhanced significance.** If Stockport is to cement its professional service offering in the borough, delivering the quality of office space should be a key focus. Currently, only 12% of office space is Grade A or B, meaning the majority of space is of poor quality.
- **Recent house price growth is making Stockport increasingly unaffordable for Stockport's most disadvantaged residents**. In 2020, house prices were 8 times annual salary compared to the GM average of 6.4%. This has been exacerbated during the pandemic, with house prices in Stockport rising by 14% over the last 12 months. The biggest increases have been to the north of the town centre – meaning the cost of living is rising for some of the borough's most deprived residents.

Considerations for Stockport's Economic Plan

- How does the Economic Plan put existing communities at the heart of the growth happening within the borough's most deprived neighbourhoods?
- How will we ensure that Stockport hosts the right quality, as well as quantum, of commercial space?
- What is the function and role of Stockport's neighbourhood centres in supporting economic growth?

People **Summary**

The evidence base deploys spatial data visualisation to get under the skin of these challenges and this should be explored further through the consultation to enable spatial targeting of interventions. The evidence shows:

- **Stockport's ageing population is a multi-faceted challenge.** Overall, Stockport has a paucity of young professionals. The population aged 16-39 accounts for 47% of people in Stockport compared to 50% in England. This will have significant implications for the role and function of Stockport's town and neighbourhood centres with many of the southern suburbs containing a significantly older median age population.
- **Population challenges forecast to become further entrenched.** Although Stockport's population is forecast to grow by over 5,000 people over the next five years, this is primarily forecast to be concentrated amongst retirees. Over the next ten years, the number of people aged over 60 is predicted to grow by forecast to increase by 13%. Conversely, school-aged children (-3%) and young professionals (-7%) are both forecast to shrink over the next decade without targeted intervention.
- **HE participation** across the borough is amongst the highest in the country, but within deprived neighbourhoods is amongst the lowest. Similarly, Stockport's young people are less likely to continue to sustained education at higher level. A higher proportion of young people enter employment in Stockport (5%) than is seen at the national level (3%) following completion of KS4.
- **Males, early career, and older workers have also been significantly impacted by COVID-19.** Aggregating claimant count data by age and gender shows that the biggest increases in claimants have been amongst younger and older workers. Whilst government has provided support for early career professionals through the Kickstart programme, the SEP might want to consider bespoke support for Stockport's older workforce.

Considerations for Stockport's Economic Plan

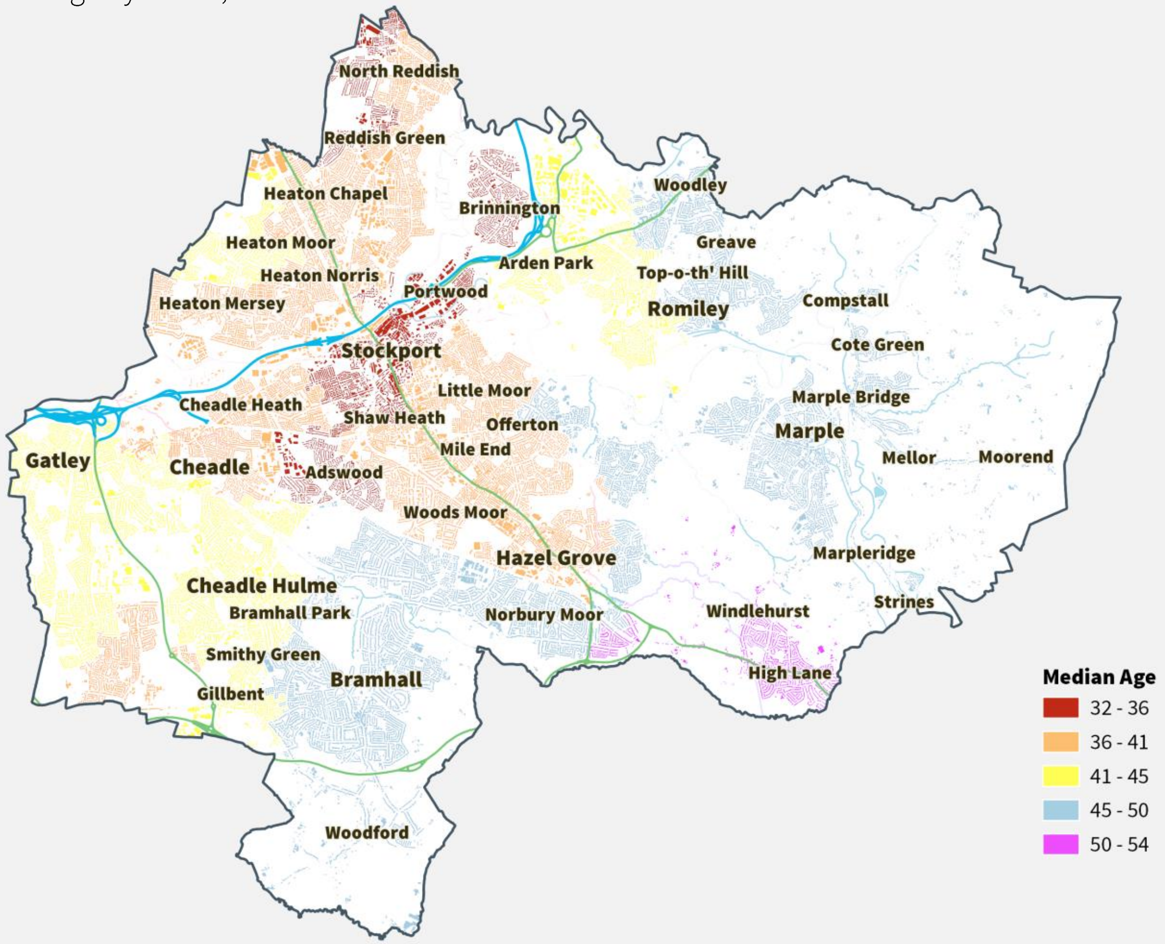
- How does the Economic Plan consider the needs and aspirations of the established as well as new communities?
- What levers does the council have to pull to address attainment and aspiration challenges in Stockport's most deprived communities?
- How should the Economic Plan seek to prioritise the needs of different age groups within the labour market? i.e. early career professionals vs. workers aged 50+

Mapping **Stockport's population**

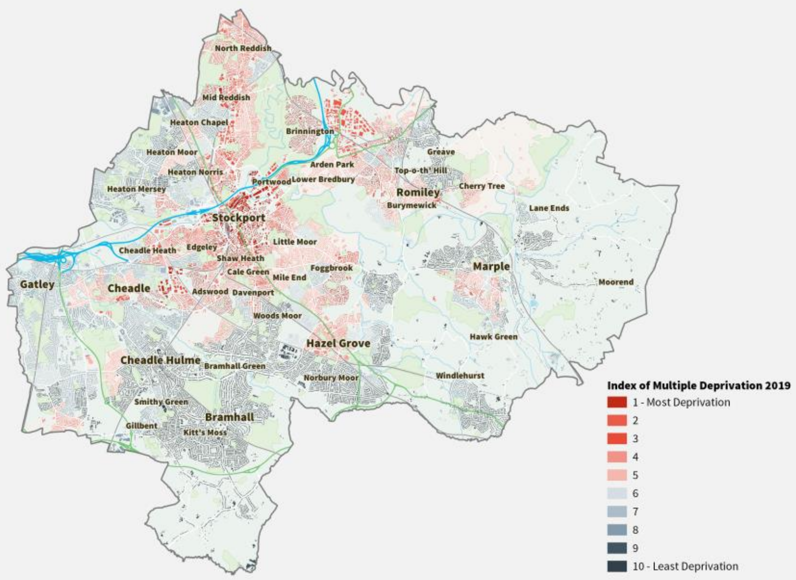
But the demographics within the borough vary significantly and young people are living in the most deprived neighbourhoods...

Using ONS Mid-Year Population Estimates it is possible to understand how Stockport's demographics are distributed across the borough. Stockport's ageing population is concentrated in the suburbs which is driving overall demographic challenges. Parts of Stockport town centre are up to 22 years younger than some of the borough's suburbs such as Windlehurst. The average age mirrors Stockport's deprivation patterns – with the most deprived neighbourhood's typically having the lowest median age.

Stockport median age by MSOA, 2021



IMD, 2019



Economic Plan **Engagement**

Engagement overview:

- One to One engagement including businesses
- 3 workshops
- 10 focus groups including two for business groups
    - Industrial/manufacturing/utilities/distribution
    - Business and professional services
    - To include small and large businesses

Schedule