MANDALA

Power to the people

How did Greater Manchester turn devolved power into growth, why did it work, and how can it be replicated elsewhere?

AUGUST 2026

Executive summary

MANCHESTER HAS EXPERIENCED LEADING GROWTH SINCE DEVOLUTION

41% **Increase in bus journeys** post-COVID compared to 29% across England

18% **Increase p.a. in new housing starts** between 2015/16 to 2018/19, compared to 4% p.a. across England

26% **Increase in above-average productivity jobs** compared to 14% across England since 2015

0.23 **Increase in average life expectancy years** post-devolution

IF DEEPER DEVOLUTION ENABLED ENGLAND TO REPLICATE THE PERFORMANCE OF MANCHESTER, IT WOULD MEAN...

85 million
increase in bus journeys

93,600
new homes, with a £5.6B increase in GDP

£50 - £80 billion
uplift in economic activity from higher productivity

£3.1 billion
uplift in economic activity from improved life expectancy

THE APPROACH FROM MANCHESTER SUGGESTS THE FOCUS SHOULD BE...

1. **Implement public control of transport services at strategic authority level**
2. **Establish Good-Growth funds and Mayoral Development Corporations to unlock housing and regenerate high streets**
3. **Devolve Adult Education budgets to combined authorities, enabling them to tailor skills provision to local needs**
4. **Integrate health and social care at the local level, with pooled budgets**

Manchesterism has been a journey in devolution, giving power to the people

Timeline of devolution in Manchester

2009-2023

2009
- Created a statutory city region pilot
- Began devolution across policy areas such as planning and housing, post-16 skills and transport
- Following Deal 0, the Greater Manchester Combined Authority (GMCA) was established in 2011

Deal 0

2014
- Agreement to establish a directly elected mayor
- The GMCA mayor to also fulfil the role of Police and Crime Commissioner
- Formally devolved power over planning, housing, skills and transport

Deal 1

2015
- Consolidated the £6B health and social care budget
- Creation of a Greater Manchester Land Commission
- Transfer of Fire & Rescue services to GMCA
- Further transport devolution

Deals 2-4

2016
- Established the Life Chances Fund
- Devolution of Criminal Justice
- Piloting 100% retention of business rate revenue

Deal 5

2017
- Piloting of a local industrial strategy
- Funding for homelessness services
- Implementation of Skills Advisory Panels
- Capacity funding for mayors

Deal 6

2023
- Provided GMCA with a single budget, replacing disparate funding schemes
- Retention of 100% of business rate revenue for a further ten years

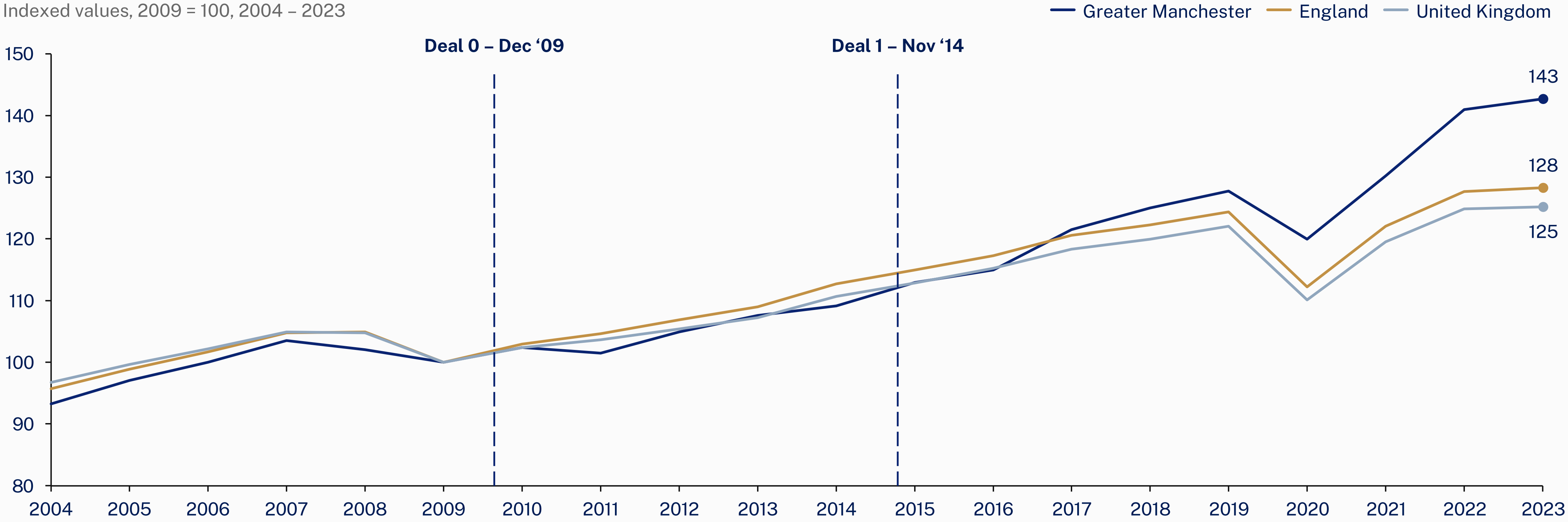
“Trailblazer deal”

Source: Greater Manchester Combined Authority (2026) *Devolution*; Mandala analysis.

Since devolution began in 2009, economic growth in Manchester has significantly outpaced England and the UK

Gross Value Added (GVA)[1]

Indexed values, 2009 = 100, 2004 – 2023



Manchester's economic outperformance has been underpinned by strong productivity gains and population growth. This suggests that Greater Manchester has benefited from agglomeration gains, whereby the concentration of businesses, workers and investment in an urban area increases economic activity through improved knowledge sharing, deeper labour markets, more efficient supply chains and greater innovation.

1 GVA measured in chained volume measures (2022 prices).
Source: ONS (2026) *Regional gross value added (balanced) by industry: all ITL regions*; Mandala analysis.

This report provides a template for how Manchesterism can be applied across the rest of England

Focus area	Key policies implemented	Outcomes	Potential value if scaled
Public transportation *(see slide 6)* 1	▪ Franchised the bus network under public control (Bee Network), the first city region outside London to do so under the Bus Services Act 2017 ▪ Introduced a £2 single fare cap and a £5 daily fare cap	▪ 41% increase in bus journeys post-COVID compared to 29% across England ▪ Overall satisfaction up 7ppt to 86%; punctuality up 8ppt to 76%	**85 million** increase in bus journeys
Housing *(see slide 12)* 2	▪ Established the Housing Investment Loan Fund in 2015, expanded into the £1B Good Growth Fund, using revolving public capital to close viability gaps ▪ Improved planning by the creation of Mayoral Development Corporations	▪ 11,000 new dwellings delivered, including 680 affordable homes ▪ £15M generated annually in council tax revenue	**93,600 new dwellings** by removing viability gaps that stop new developments
Employment *(see slide 20)* 3	▪ Devolved control of the Adult Education Budget and post-16 skills funding enabled policies to be tailored to local needs ▪ Introduced "Five Sector Development Plans" to create growth clusters	▪ Level 4+ qualifications up 7.6ppt (vs England's 6.5ppt) ▪ Employment in above-average productivity sectors grew by 26%	**£50 - £80 billion** uplift in economic activity from growth in productivity
Health *(see slide 27)* 4	▪ Established a joint health and social care governance body ▪ Integrated health and social care at the local level, with pooled budgets	▪ Life expectancy increased by 0.23 years relative to the control group ▪ Residents reporting good health increased, with the largest gains in the least healthy neighbourhoods	**£3.1 billion** uplift in economic activity from improved life expectancy

Structure of the report: This report features a deep dive on each of these focus areas.

Note: Different geographies have been used due to data availability.
Source: Mandala analysis

1	**Public transport**
2	Housing
3	Employment
4	Health

Outside of London, privatisation of bus services led to shrinking, expensive, unreliable and fragmented networks across England

The challenge in Greater Manchester

Deregulation left Greater Manchester with a smaller, costlier and less reliable bus network, split across many operators.

Passenger numbers and the network both shrank

Total annual bus journeys shrank from 355M (1986) to 182M (2019), coupled with a network ~40% smaller than in the 1970s.[1,2]

Fares rose while reliability fell

By 2022/23, some single fares exceeded £4, more than double the £1.65 London cap. Services on some routes ran late a third of the time.[2,3]

The system was fragmented across many operators

More than 830 services were run by 30 operators, using over 150 ticket types.[4] Private operators set routes, timetables and fares based on commercial viability, without prioritising service quality or reach.

The challenge across England

Across England, deregulated city regions followed the same path. London, which retained local control, grew instead.

Privatisation removed local control outside London

The Transport Act 1985 privatised bus services outside London, passing control of routes, timetables and fares to private operators.

Meanwhile, deregulated city regions declined across England

Bus journeys in other city regions more than halved from 1,810M (1986) to 845M (2019), as operators prioritised profitable routes.[1]

London services were not privatised, and service improved

Journeys almost doubled in London from 1.2B (1986) to 2.1B (2019), with improved satisfaction rates, modern vehicles and unified fares.[1]

Key groups impacted in Greater Manchester

- 27% of commuters who do not own cars[5]
- 69% of young people who use the bus to get to school[6]
- 400,000 older and disabled patrons using concession passes[7]

1 GMCA (2023) *Greater Manchester retakes control of buses with historic Bee Network launch*; 2 House of Commons Transport Committee (2023) *Written evidence submitted by Transport for Greater Manchester*; 3 Greater London Authority (2023) *March 2022 fare changes*; 4 Manchester Evening News (2022) *What do Andy Burnham's bus reforms mean for people in Greater Manchester?*; 5 GMCA (2023) *Census 2021 briefing: Car availability*; 6 GMCA (2023) *Our Pass evaluation*; 7 Trafford Council (2025) *Earlier concessionary bus travel for older and disabled people in Greater Manchester.*

Manchester used its devolved powers to become the first city region outside London to franchise its buses

Greater Manchester was the first combined authority to use the franchising powers within the Bus Services Act 2017[1]

The Act provided mayoral combined authorities with "franchising powers," allowing them to specify and control local bus services previously controlled by commercial operators.

Two periods of consultations were undertaken, with over 12,500 responses finding 82-86% in support of the proposed franchising scheme during both rounds.[2] Services were franchised in three tranches between September 2023 and January 2025 under the 'Bee Network' brand.[3]

Enabled by devolution, reliant on Greater Manchester's strengths

While devolution granted the power to franchise, the transition relied on Greater Manchester's conditions. This included TfGM's institutional capacity as the existing Metrolink authority, and £135M of blended local and national funding.[2]

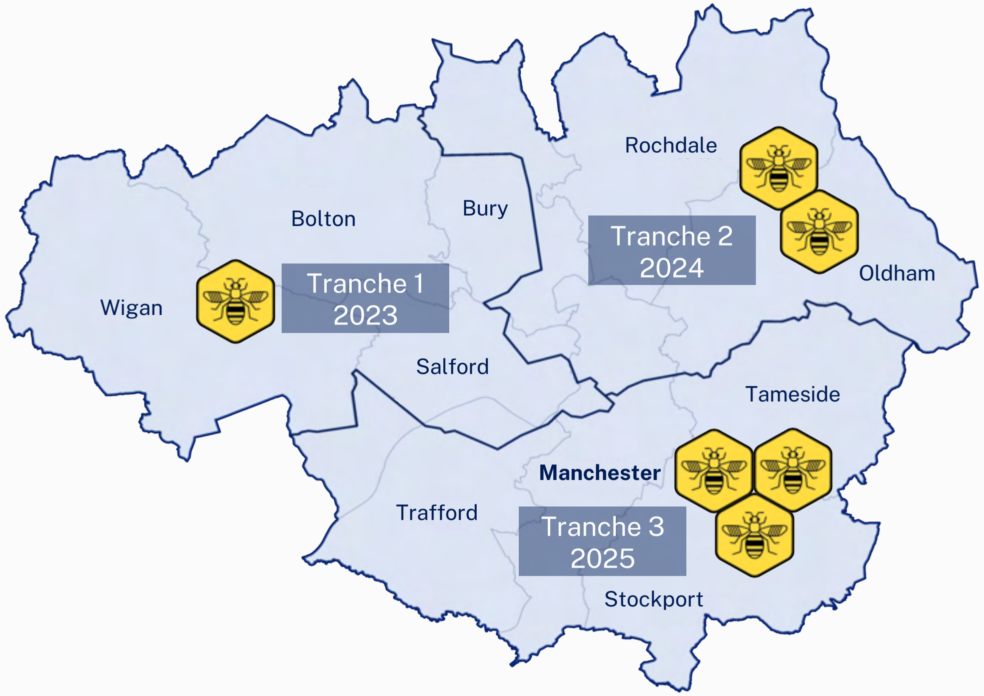
Public control but private operation

TfGM sets routes, timetables, fares and standards, while operators bid competitively to run services. They are paid against passenger-focused targets, including punctuality, reliability, and ratings.[4]

The network is designed around volume. Revenue is retained and reinvested, funding lower fares and lifting passenger journeys. This follows London's low-fare, high-patronage approach.[5]

1 UK Parliament (2017) *Bus Services Act 2017*; 2 GMCA (2021) *Greater Manchester Leaders move to decision on bus franchising for the city-region*; 3 Transport for Greater Manchester (2026) *Better bus services*; 4 GMCA (2022) *New bus network as operators appointed to run first franchised services outside of London*; 5 GMCA (2024) *Statement from the Mayor of Greater Manchester on £2 bus cap*; 6 GMCA (2022) *Lower bus fares; now live to help with cost-of-living crisis*; 7 TfGM (2026) *Fares and passes for young people*; 8 TfGM (2026) *Older person's travel pass*; 9 GMCA (2024) *Delivering the Bee Network.*

Tranches of Bee Network bus transition – Greater Manchester



Implementation ran simplest to hardest

- Outer boroughs with more self-contained networks were franchised first.
- Central Manchester, where services are busiest, was left until the final tranche.

Local control lowered fares and concessions

- The £2 single fare and £5 day cap were introduced in 2022, a year ahead of franchising. About 75% of single tickets were above the cap.[6]
- Concessions followed, with half price 28-day tickets for 18–21-year-olds in 2025 and the removal of the 9.30am restriction for older and disabled residents in 2026.[7,8]

Early successes provided social licence

- Performance data was published as each tranche went live.
- Tranche 1 punctuality reached 83% by mid-2024 from 69% a year earlier.[9]
- Initial results were visible before the rest of the network transitioned.

Early figures show patronage rising and passengers more satisfied

Decades of decline are reversing

After four decades of falling use, passenger journeys have started climbing again across England, with some of the strongest recent growth seen in Greater Manchester.

In 2025, ridership growth in Greater Manchester outpaced England…

Annual patronage grew by 11% (1% across England)

Concession patronage grew by 7% (3% across England)

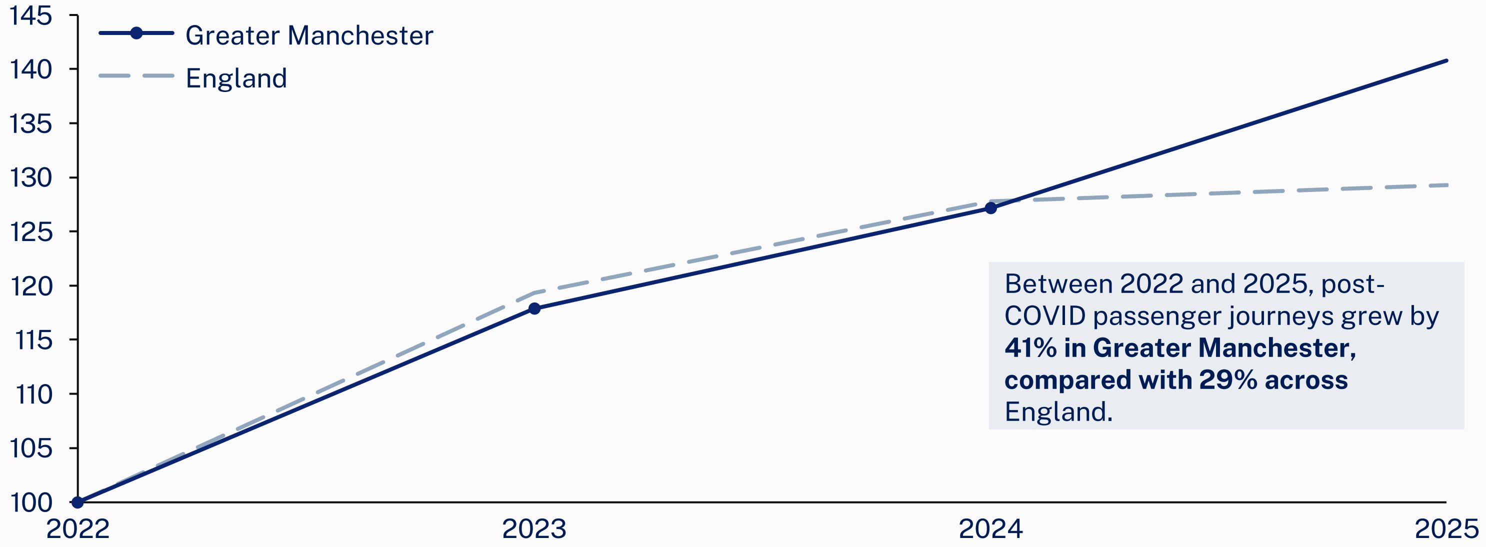
While post-COVID recovery in patronage occurred widely across England, Greater Manchester lagged other regions until 2025. These initial gains suggest the scheme is performing but remains in its infancy. Any scheme-attributable growth cannot yet be separated from the broader nation-wide recovery.

Early survey evidence points to improving satisfaction

In the independent Transport Focus survey, passenger satisfaction in Greater Manchester grew across most measures, with overall satisfaction up 7 points to 86% and punctuality up 8 points to 76%. Most of these gains were seen in 2025 – the first full year of the franchised network.

Post-COVID change in bus passenger journeys in Greater Manchester

Change in passenger journeys – 2022 = 100 (Index)



Satisfaction of bus services in Greater Manchester

Proportion of respondents that report either "Very Satisfied" or "Fairly Satisfied" by measure

	Overall	Overall (Free pass)	Punctuality	Value for money	Journey time	Waiting time
2023	79%	68%	68%	74%	79%	67%
2025	**86%**	**77%**	**76%**	**82%**	**80%**	**71%**
Change	*+7ppt*	*+9ppt*	*+8ppt*	*+8ppt*	*+1ppt*	*+4ppt*

Source: Transport Focus (2025), *Your Bus Journey;* Department for Transport (2026), *Bus Statistics Data tables.*

Public control can work without public operation with the right roll-out strategy, funding and accountability mechanisms

GOAL	**Restore public control over a fragmented, essential service to improve quality, with fares and reinvestment decided locally**			
LEARNINGS	**1 Public control does not require public operation**	**2 Sequence the rollout to manage risk**	**3 Devolved power needs local capacity and funding**	**4 Build accountability and public support**
KEY ELEMENTS	**The authority...** ▪ Sets routes ▪ Decides timetables ▪ Caps fares ▪ Sets standards ▪ Retains revenue **Operators...** ▪ Are paid to run services ▪ Compete to run efficiently ▪ Face customer-focused targets	**Control was established over multiple tranches:** ▪ Simplest networks went first ▪ Complex core was left to last **Fares were standardised, and a regional cap was introduced:** ▪ A region-wide £2 single fare and £5 day cap was introduced ▪ Concessions were widened for young, older and disabled residents	**Delivery relied on an established transport authority:** ▪ TfGM's role as the existing Metrolink operator gave it institutional capacity **~£135M in transition funding was confirmed in 2020, including:[1]** ▪ £78M of central government earn-back funding ▪ £52M from the Mayoral precept and one-off local authority contributions	**Public consultations were held:** ▪ 12,500 responses were received, with 82-86% in support of the proposed scheme. **Service performance data was made public on the TfGM website using simple metrics:** ▪ Punctuality ▪ Patronage ▪ Customer ratings
BARRIERS ADDRESSED	▪ Commercial control of routes/fares ▪ Operator incentives not aligned to customer-focused targets	▪ Up-front risks of switching a large, fragmented network to public control	▪ Franchising powers without the capacity or funding to use them	▪ Public scepticism and political risk ▪ Lack of transparency

1 GMCA (2021) *Greater Manchester Leaders move to decision on bus franchising for the city-region, numbers do not sum as the total includes other items.*

Had the rest of England (ex. London) matched Greater Manchester's growth, patronage could be 5% higher today

Most of England grew bus use slower than Manchester

Five English regions grew bus patronage more slowly than Greater Manchester between 2022 and 2025. Had they matched its rate, roughly **85M more journeys** a year would have occurred in 2025: a 5% increase. The new Labour government has announced a £2 single fare cap across England, which is expected to narrow the gap in bus ridership growth between Manchester and the rest of England.

Increasing bus journeys decreases congestion

Congestion cost the UK an estimated £7.7B in 2024, £200M higher than in 2023.[1] Every car trip replaced returns road space to remaining drivers, decreasing delays across the wider network.

Full buses use less fuel than cars

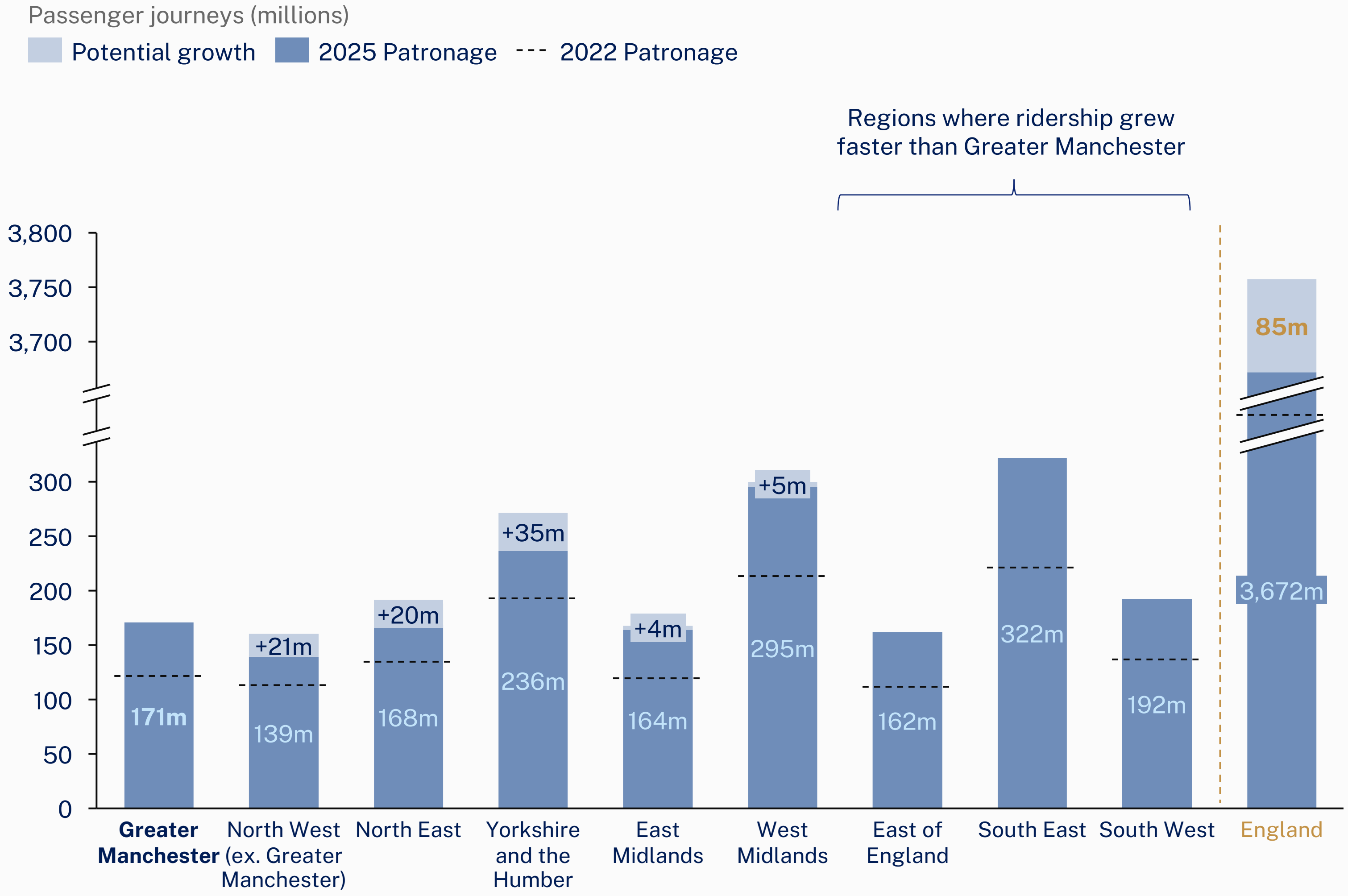
A well-loaded bus moves a passenger on roughly a third of the fuel a car uses for the same trip.[2] Increasing bus journeys therefore reduces emissions, improves air quality and frees supply for other uses across the economy.

Fewer car trips means fewer crashes

Bus travel is around ten times safer than car travel,[3] and the Department for Transport values the prevention of road collisions at more than £36B a year.[4] Shifting journeys to buses helps realise that value.

1 Intrix (2024), *Global Traffic Scorecard*; 2 Perez-Martinez and Sorba (2010), *Energy Consumption of Passenger Land Transport Modes*; 3 ETSC (2003), *Transport Safety Performance in the EU*; 4 Department for Transport (2026), *Road safety statistics.*

Increase in passenger journeys in England if regional growth (2022-25) matched Greater Manchester



Source: Department for Transport (2026), *Bus Statistics Data tables.*

1 Public transport

2 Housing

3 Employment

4 Health

Despite rapid growth in dwelling prices, rising construction costs have made homebuilding unviable, stalling delivery in Manchester and across England

The challenge in Greater Manchester

Despite fast-rising prices, Greater Manchester's housebuilding had stalled, squeezed by cost and viability pressures.

Demand has driven prices well above pre-pandemic levels
Dwelling prices have risen 50% since 2019, a signal that would normally reward development and pull new supply forward.

Yet completions have fallen, not risen
Dwelling completions in 2025 were 24% below the 2020 peak, so the price signal has not translated into homes being built.

Rising construction costs have squeezed viability
Material costs are up 39% since 2021, pushing build costs above the point at which many schemes stack up financially, particularly on marginal sites.

The challenge across England

Rising construction costs have eroded viability, despite increases in dwelling prices.

Dwelling prices are growing, but not at the same pace as Manchester
Dwelling prices have risen by 26% since 2019 across the UK.

New building starts have retreated
New dwelling starts have fallen 36% across the UK from their 2022 peak

Construction costs are rising, eroding viability
Material costs are up 39% in the UK since 2021, eroding viability regardless of local demand.

Key groups impacted

- First home buyers
- Renters
- Key workers such as nurses and police officers
- Elderly downsizers

Note: figures in the right-hand column are UK-wide. Source: Office for National Statistics (2026) *Indicators of house building, UK: permanent dwellings started and completed;* HM Land Registry (2026) *UK house price* index; Department for Business and Trade (2025) *Building materials and components statistics;* Ministry of Housing, Communities and Local Government (2025) *Table 122: housing supply; net additional dwellings, by local authority district, England*; Mandala analysis

We explore two key ways that housing has been addressed in Greater Manchester: improved planning and the application of risk capital

1 Devolved planning powers

Devolution unlocked new planning institutions
The 2017 devolution order gave the mayor powers to designate Mayoral Development Corporations (MDCs), previously limited to London.

MDCs combine planning, financial and land powers
They coordinate regeneration across council boundaries, accelerating approvals, attracting investment and unlocking stalled sites.

The model is delivering across the city region
Stockport's MDC has crowded in £600M of private investment.

2 Revolving risk capital

Public risk capital can close viability gaps
Below-market risk capital can cut financing costs, reducing the average viability gap by up to £80,500 per dwelling and unlocking stalled schemes.

A £300M seed grew into a £1B revolving fund
Since 2015 the Housing Investment Loan Fund has provided £957M to 70 developments, delivering 11,000 dwellings, and was extended through the £1B Good Growth Fund in 2025.

The model can scale nationally
Across Mayoral Strategic Authorities in England, £8.5B of public loans could unlock 93,600 homes, crowd in £21.6B of private capital and lift GDP by £5.6B.

Devolution enabled Greater Manchester to establish Mayoral Development Corporations (MDCs) to broaden regeneration

Mayoral Development Corporations (MDCs) are statutory governance boards, with members appointed by the Greater Manchester mayor to coordinate regeneration of an identified mayoral development area. These independent development experts and local council representatives provide centralised governance and certainty for developers and investors in large-scale, long-term regeneration.[1]

MDCs have broad-based planning and financial powers to address common barriers to town regeneration. They can acquire, develop and dispose of land, conduct site preparation, provide infrastructure and in some circumstances, supersede local authority planning powers.[2]

Devolution gave Manchester's mayor the powers to designate MDCs directly, granting greater autonomy over regional development priorities.[3]

MDCs can help to streamline and accelerate urban regeneration through three key channels:

- **Accelerate the delivery of new projects** by overcoming the fragmentation and delays that exist with council planning processes.
- **Attract investment** by establishing long-term, strategic partnerships and promoting urban redevelopments geared towards sustainable growth.
- **Unlock new development sites** using their statutory planning, financial and land and development powers to close viability gaps.

Sources: 1 Gov.UK (n.d.) *General Mayoral Powers;* 2 Institute for Government (2024) *Devolution and Urban regeneration;* 3 Centre for Cities (2026) *Where the next phase of devolution policy needs to focus.*

Structure and benefits of Mayoral Development Corporations

INSTITUTION UNLOCKED BY DEVOLVED POWERS

Mayoral Development Corporations (MDCs)

Pre-devolution, the powers and functions of an MDC were established in the Localism Act 2011 and only applied to London. Greater Manchester's devolution transferred these same powers to the mayor through the Combined Authority (Functions and Amendment) Order 2017.

STATUTORY POWERS OF MDCs	**Planning powers**	**Financial powers**	**Land and development powers**
	Approve proposals and initiate strategic planning with permission from local authorities.	Financial assistance (grants/loans) and discretionary business rates relief.	Site preparation (acquire, hold, dispose) and infrastructure provision.
IMPACTS	**Accelerate timelines**	**Attract investment**	**Unlock new development sites**
	Overcoming the fragmentation and delays associated with council processes.	Long term strategic planning geared towards unlocking sustainable growth, reducing risk and improving viability.	Unlocking previously unviable sites and providing adequate local infrastructure.

4 Office for National Statistics (2026) *Indicators of house building, UK: permanent dwellings started and completed by country*; 5 Office for National Statistics (2026) Indicators of House building, UK: permanent dwellings started and completed by local authority; Mandala analysis.

Greater Manchester also introduced a risk capital fund which unlocked stalled delivery by reducing financing costs, increasing the viability of building housing

By 2025, high build costs had opened viability gaps that were stalling housing delivery across Greater Manchester.

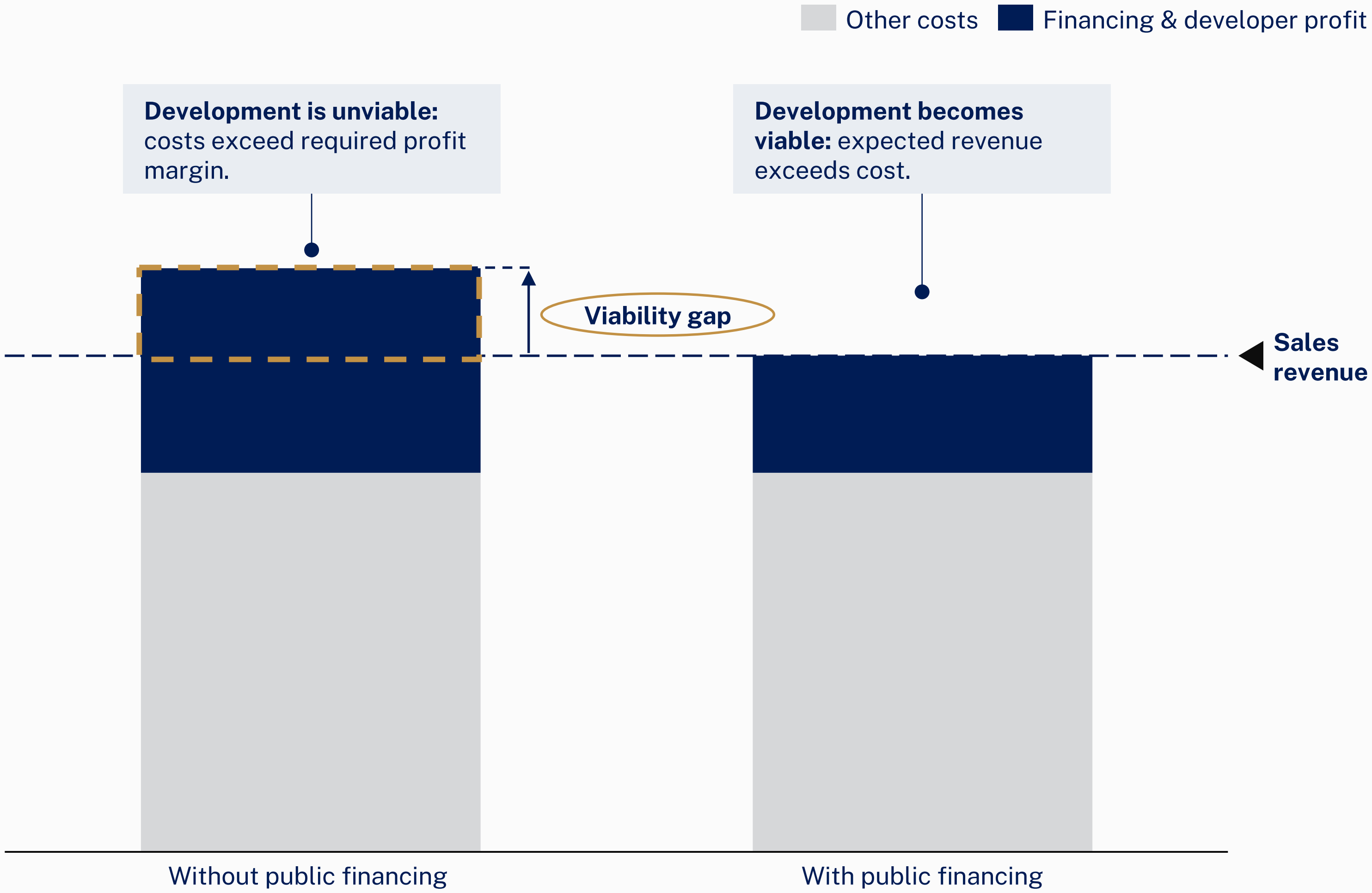
A viability gap is the difference between a development's total costs (land, construction, finance, and developer profit) and the revenue it can generate. Positive viability gaps (when costs exceed revenue) mean the project cannot proceed on commercial terms.

The GMCA removed viability gaps by reducing financing costs through loans at below market rates. These loans reduced the overall cost of financing, one of the largest contributors to project costs.

Devolution enabled the GMCA to set up its own investment fund, seeded by a grant from the UK government. In Manchester, the viability gap of the average project could be reduced by up to £80,500 per dwelling.[1]

1 CBRE (2026) *Accelerating housing delivery.*

Illustrative development costs versus sales price



Source: GMCA (2025) *Evaluation of the Greater Manchester Housing Investment Loans Fund*; GMCA (2025) *Greater Manchester approves first £400m for new homes, jobs and infrastructure*; CBRE (2026) *Accelerating housing delivery*; Mandala analysis.

Greater Manchester has provided ~£1B in risk capital and delivered ~11,000 dwellings

The GMCA received £300M in 2015 to establish the Housing Investment Loan Fund, a revolving risk capital fund to finance housing development. Rather than handing out grants, the risk capital fund is used to finance unviable housing projects. It then recovers this investment with interest once projects are built and sold. The fund can then reinvest the funds into other unviable housing projects.

Since 2015, the fund has provided £957M in risk capital to 70 developments. These 70 developments have delivered 11,000 new dwellings, including 680 affordable dwellings. These developments are projected to generate £15M annually in council tax revenue. The construction of these schemes is also estimated to support around 750 full-time-equivalent jobs each year across Greater Manchester between 2015 and 2028.

The Authority expanded this approach with the Good Growth Fund, a £1B risk capital fund launched in November 2025. Phase 1 of the fund has already helped to unlock eight major residential schemes across six boroughs in the region.

The largest, Victoria North in Manchester, uses £34.1M of loans to fund a development with 622 dwellings. In Salford's Adelphi Village, £23.4M of public loans crowd in an additional £111.4M in investment and creates 336 additional dwellings.

Timeline of Greater Manchester's loan fund

2015	2019-2024	2025
ESTABLISHMENT	**DELIVERY**	**EXPANSION**
The Greater Manchester Combined Authority (GMCA) received £300M from the UK government to establish a revolving loan fund, providing loans to developers to accelerate housing delivery.	Repaid loans were recycled back into new projects, growing total committed capital to £1B. The fund generated income for the city region, reinvested into affordable housing priorities.	GMCA secured a further 10-year extension of the fund as part of the Good Growth Fund. Greater Manchester approved the first £400M for new dwellings, jobs, and infrastructure.

£1B invested

11,000 new dwellings delivered

680 affordable dwellings

£15M council tax annually

Greater Manchester demonstrates that a **revolving public loan fund, seeded with £300M of government capital, can be recycled to deploy over £1B in housing investment**. This model, **concessional public finance that is both financially sustainable and catalytic for private investment**, offers a template other city regions could replicate.

Source: GMCA (2025) *Evaluation of the Greater Manchester Housing Investment Loans Fund*; GMCA (2025) *Greater Manchester approves first £400m for new homes, jobs and infrastructure*; Mandala analysis.

Combining devolved planning powers with risk capital can support local priorities, crowd in private investment and deliver homes while maintaining fiscal discipline

GOAL	**To build more dwellings, the government can combine improved planning with public financing to help improve the viability of projects**			
LEARNINGS	**1 Locally-led planning and delivery improves targeting**	**2 Public capital can crowd in private capital**	**3 Loans support housing while maintaining fiscal discipline**	**4 Planning reforms can improve viability but public capital may be required**
KEY ELEMENTS	▪ Devolution gave the GMCA greater powers over housing, transport, planning and policing. ▪ However, under the tight fiscal constraints of combined authorities, they are often unable to support projects that meet local goals. ▪ The Good Growth Fund (GGF) allows the GMCA to deliver targeted projects to support the local community. ▪ Where local authorities have relatively limited resources, the UK government can provide support.	▪ The GGF invests only enough public money to make each scheme viable. ▪ The first £400M of funding is expected to attract a further £1.3B in private capital. ▪ This private capital is additional; it is investment that would not have occurred otherwise.	▪ Under the updated fiscal framework, loans are defined as offsetting assets, whereas grants are defined as spending. ▪ This is because loans are repaid with interest and can be recycled into future projects. ▪ This means the GGF is a more sustainable form of subsidisation. ▪ To ensure the sustainability of this financing method, relevant accounting standards should be reviewed to ensure the loan is treated correctly and housing development is unlocked.	▪ The Government and the GMCA have worked to boost housebuilding through planning reforms. ▪ Planning reforms improve viability over the long term; however, to support development in the short term, public capital, like the GGF, may be required. ▪ The central government can unlock development by enabling growth funds to lend at below market rates where the economic benefits are warranted.
BARRIERS ADDRESSED	▪ Mismatch between government and combined authority priorities	▪ Lack of private investment in housing	▪ Tight spending constraints for the government	▪ Short-term viability gaps lowering dwelling completions

Source: Mandala analysis.

Applying GM's model across Mayoral Strategic Authorities could unlock 94K homes and lift GDP by £5.6B

CBRE and Mandala completed a study looking at applying Greater Manchester's model across existing Mayoral Strategic Authorities. We found that £8.5B of public risk capital could unlock 93,600 additional homes by 2031, on top of schemes that would proceed anyway. As investments are repaid with interest, this capital can be recycled to unlock further homes beyond initial deployment, mirroring how Greater Manchester's own fund grew from £300M to £1B.

The viability gap was assessed for representative developments in every local authority, with and without a public capital investment. The £8.5B was allocated across city-region combined authorities, directed to the developments needing the lowest public investment per home, maximising the number of homes unlocked for each pound of public capital.

Closing the viability gap makes previously unviable developments investable, crowding in £21.6B of private capital, more than double the public investment itself. The resulting construction activity supports a £5.6B cumulative GDP uplift and 71,000 jobs by 2031, not accounting for the additional development unlocked when returns are reinvested.

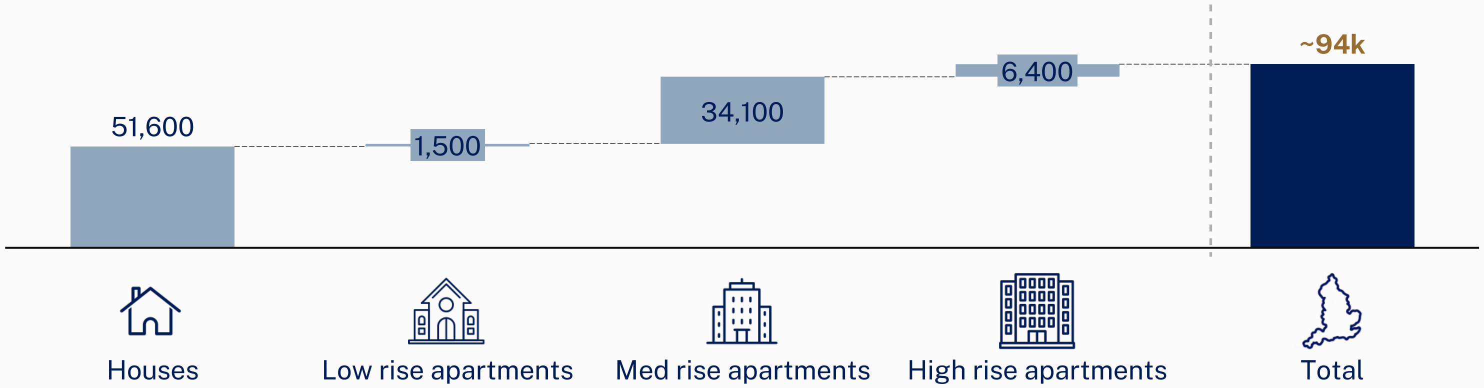
This approach would allow Strategic Authorities to ‘invest first and subsidise last’, using recyclable risk capital for near-to-viable private schemes and preserving public grant subsidy.

Read more in the Mandala and CBRE report, *Accelerating housing delivery through risk capital approaches*.

Number of new dwellings, 2027-2031

Delivery of new homes by typology unlocked by public capital deployment

£8.5B of public loans issued with an IRR of 4.4% could unlock...



£8.5B targeted government risk capital

£21.6B private investment crowded in

£5.6B GDP uplift

71,000 jobs supported

Source: Mandala (2026) *Accelerating housing delivery.*

1 Public transport

2 Housing

3 **Employment**

4 Health

Manchester grew jobs faster than productivity and skills, and closing that gap would unlock its potential to lead growth outside of London

The challenge in Greater Manchester

Strong economic growth and job density had not yet translated into productivity gains or better-paid work

Productivity gap

Manchester's employment density, jobs per resident, exceeded the national average (0.88 vs 0.77) but that did not translate into a productivity premium.

Skills disparity

27% held postgraduate qualifications, but 16% of the workforce (32% of the unemployed) held no qualifications at all.

Talent loss

Manchester attracted and retained young skilled workers well but was still losing a large share of its mobile, highly skilled workers to London and the South East.

The challenge across England

National productivity growth collapsed after the financial crisis, predominantly hurting non-hub city regions

Productivity inequality

London and the South East significantly outperform other English regions on productivity to an "almost unique degree" among peer economies

Regional skills penalty

Following the GFC, regions outside major city hubs which have higher shares of low-skilled workers saw the sharpest increases in unemployment.

Funding and talent skew

Major city regions lose talent to London and the South East, where public investment has driven greater employment opportunities.

Key groups impacted

- Residents with low or no qualifications at risk of being left behind
- Skilled young residents who have to move away to find employment
- Residents working in low-productivity sectors

Source: Manchester Independent Economic Review Panel (2009) *Manchester Independent Economic Review*; Nathaniel Lichfield and Partners (2009) *Greater Manchester Employment Land Position Statement*; ONS (2026) *Jobs Density*; UKCES (2014) *The Labour Market Story: The UK Following Recession*; Mandala analysis.

Greater Manchester has used devolved powers to rebuild its skills pipeline and target five growth sectors

Devolution gave Greater Manchester the tools to shape its own labour market

Since the Greater Manchester Combined Authority (GMCA) formed in 2011, successive devolution deals have handed it powers over post-16 education and growing control of transport, housing and innovation funding.[1]

GMCA has used these powers to reshape both how the region trains its workforce and how it creates jobs.

GMCA has used its skills powers to rebuild the training pipeline

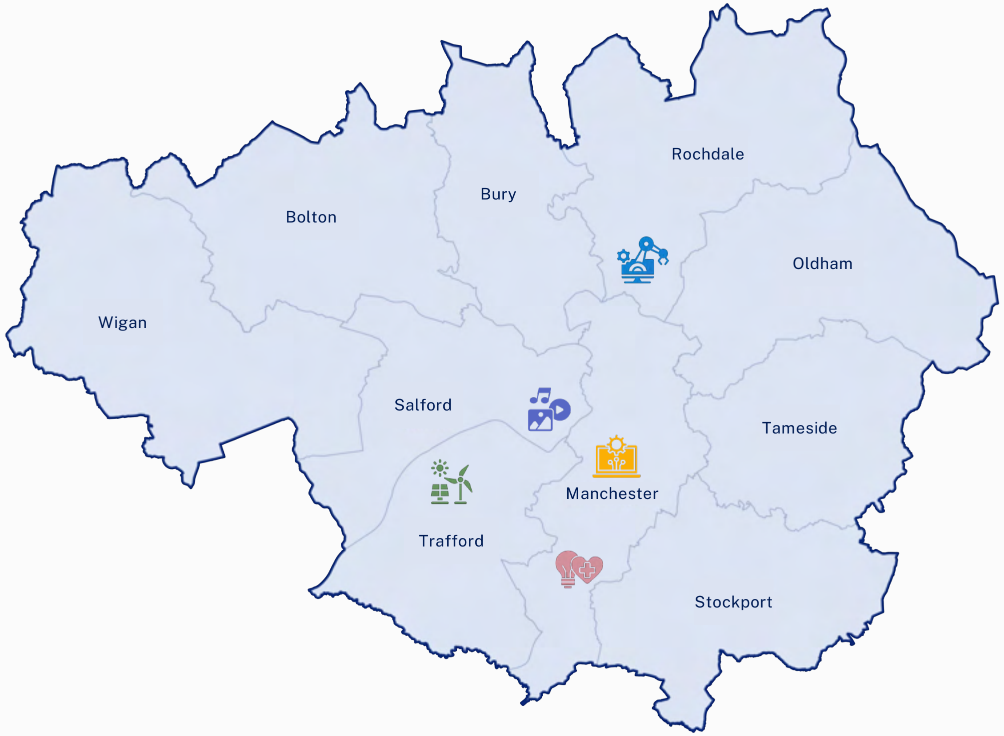
Control of the Adult Education Budget from 2019/20 let GMCA tailor provision to the region's actual demand for skills.[2] The Manchester Baccalaureate, an EBacc alternative now rolling out, adds a direct pathway into vocational and technical study.

GMCA has anchored five priority sectors in cluster locations across the region

The 2019 Local Industrial Strategy identified five priority sectors for Greater Manchester.[3] Five Sector Development Plans then set out how to grow each one, anchored in five cluster locations across the region, shown on the map.[4]

Source: 1 AGMA (2009) *The Manchester Statutory City Region*; 2 GMCA (2020) *Greater Manchester Adult Education Budget Annual Report*; 3 GMCA (2019) *Greater Manchester Local Industrial Strategy*; 4 GMCA (2025) *Sector Development Plans.*

Greater Manchester's growth-driving clusters



Health Innovation & Life Sciences	Creative Industries	Low Carbon	Digital, Cyber & AI	Advanced Materials and Manufacturing
Home to The Christie, this cluster offers opportunities for skilled clinical, research and technical workers.	A base for the BBC and ITV, the creative sector plans to grow apprenticeships to bring more young people into media roles.	This sector already employs nearly 60K people, and Greater Manchester plans to establish Innovation Zones to attract innovators and enterprises.	Already a £5B tech ecosystem, this cluster plans to drive AI adoption economy-wide and build infrastructure for data-intensive sectors.	This sector draws closely on the R&D assets of Greater Manchester's universities and is now shaping curriculum and placement design with employers.

Source: GMCA (2026) *Mayor sets out plan to reindustrialise birthplace of industrial revolution with five global clusters*; GMCA (2026) *Economic growth in Greater Manchester.*

Stronger productivity and skills growth have followed Greater Manchester's employment and education reforms

Skills growth has outpaced England more broadly.

Greater Manchester's growing control over technical and adult skills funding, alongside its already well-regarded universities, has helped push the share of residents with Level 4+ qualifications up 7.6 ppt between 2011 and 2021, a greater gain than England's 6.5 ppt increase over the same period.[1]

Employment is tilting towards higher-productivity sectors.

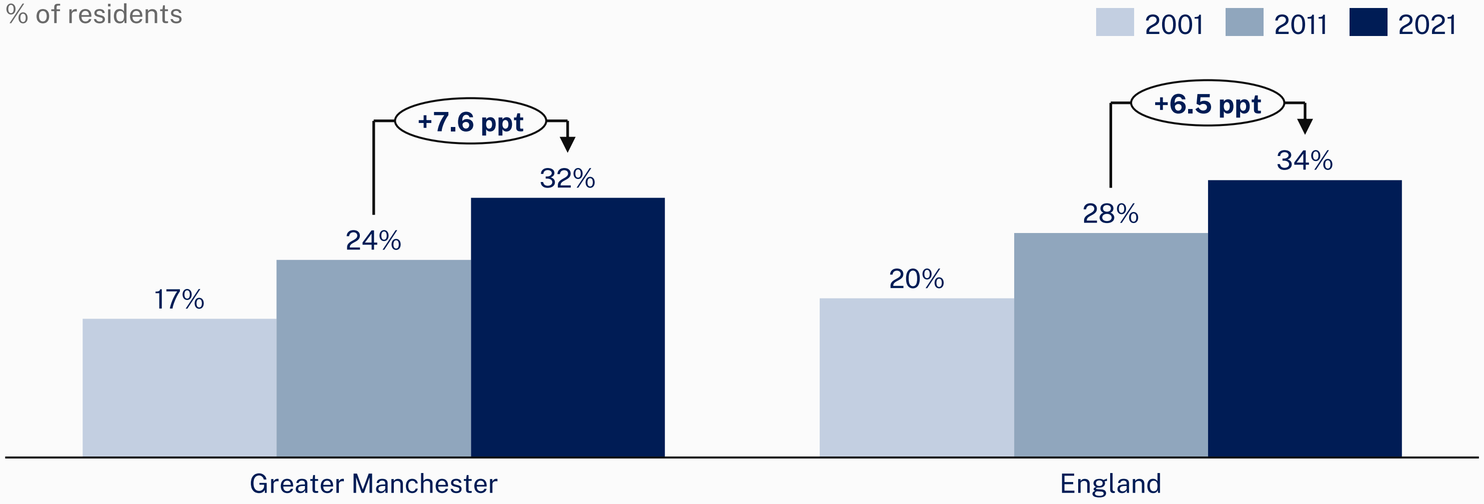
Between 2015 and 2024, jobs in above-average productivity sectors (i.e., sectors with productivity above the national average) grew 26%, compared with 18% in sectors with below-average (lower) productivity. Professional, scientific & technical services led the above-average group, adding ~57K jobs, while Health, a core care sector, was the single largest contributor to below-average job growth, adding ~67K jobs.

Below-average sectors still account for the larger share of employment in absolute terms, but the faster pace of growth in higher-productivity sectors points to a job mix that has potential to grow the region's economy.

Source: 1 GMCA (2026) *Economic growth in Greater Manchester;* Mandala analysis.

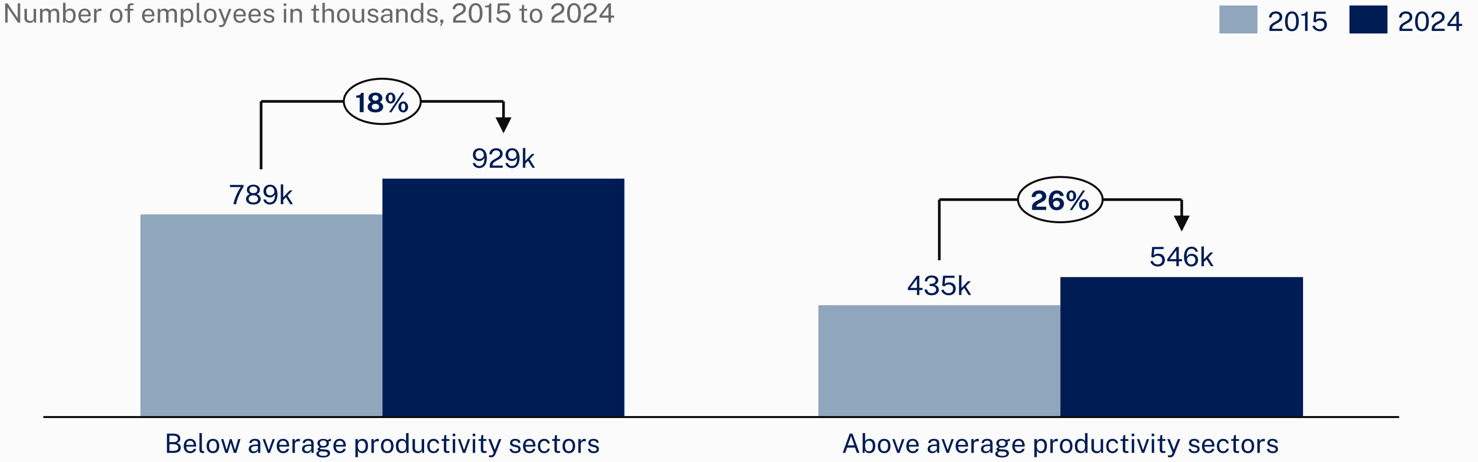
Proportion of working age with Level 4+ qualifications

% of residents



Jobs in Greater Manchester in above- vs below-average productivity sectors

Number of employees in thousands, 2015 to 2024



Source: GMCA (2023) *Census 2021 Briefing*; Office for National Statistics (2025) *Business Register and Employment Survey*; University of Cambridge (2023) *Understanding sectoral sources of aggregate productivity growth: A cross-country analysis*; Mandala analysis.

ONS data shows that Greater Manchester's employment growth in productive sectors is one of the highest in the country

Between 2015 and 2024, jobs in above-average productivity sectors grew 26% in Greater Manchester, nearly double the 14% rate for England, and second only to the West of England (33%) among combined authorities.

Furthermore, Greater Manchester is one of the largest labour markets outside London, so the 26% growth rate represents a significant absolute increase in high-productivity jobs.

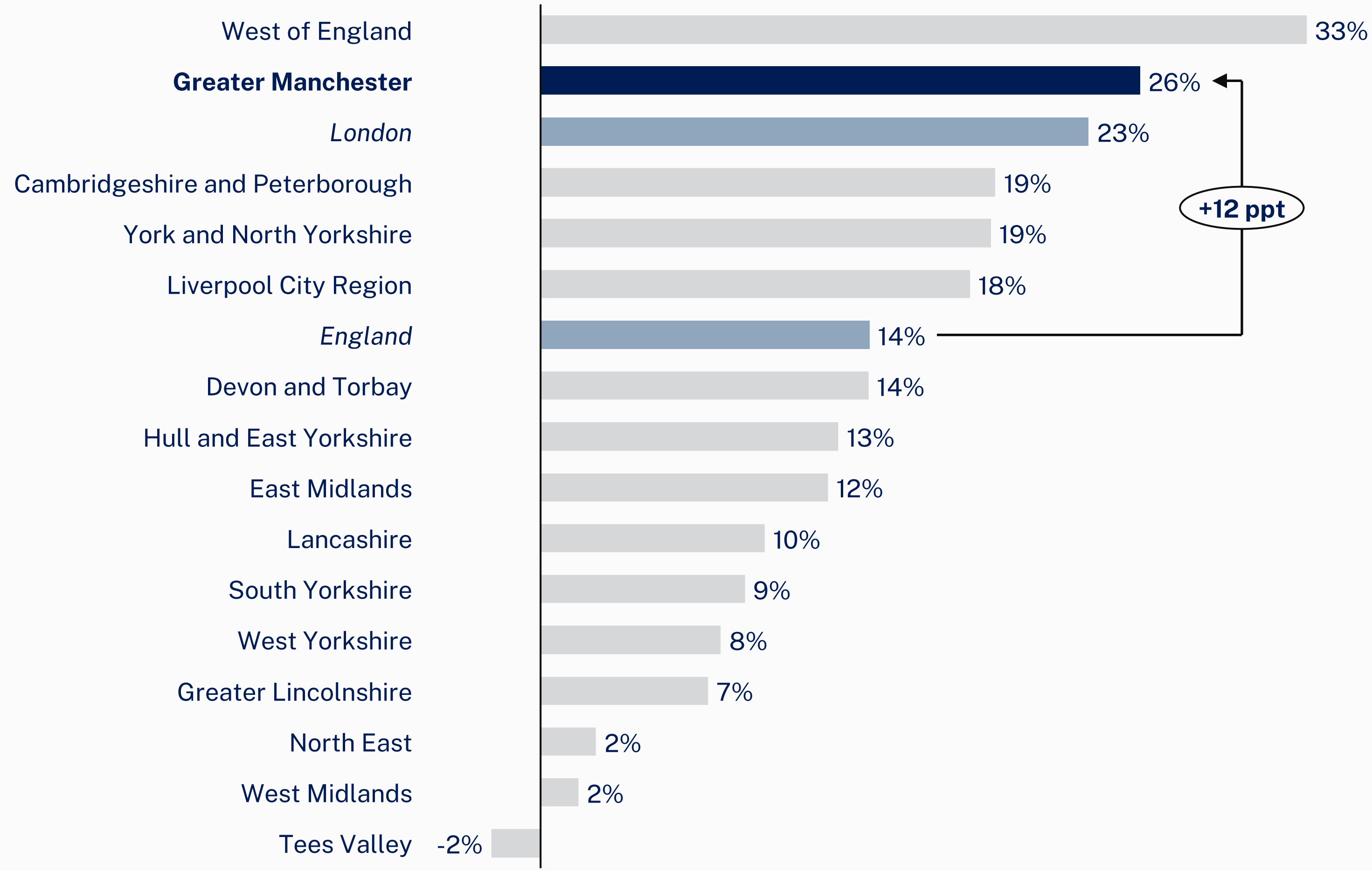
Greater Manchester's growth rate acts as a benchmark for what a more productive national job mix could look like. The implications of a more productive job mix include:

- **Higher output and wages**: more workers in high-productivity sectors lifts GDP per hour worked and average pay
- **Stronger tax base**: higher-paying, higher-output jobs typically generate more income tax, NI, and corporate tax receipts
- **Greater regional economic diversity**: growth in high-productivity jobs would drive knock-on investment in housing, health, public services, and civic amenities

We note that the Centre for Cities cautions that ONS subregional productivity estimates may overstate growth, though its alternative measures still show Manchester ahead of the Great Britain average. We use ONS data for its regional coverage and present a range for the GDP uplift to reflect this sensitivity (*see slide 26*).

Growth of jobs in above-average productivity sectors in combined authorities

%, 2015 to 2024



Source: Centre for Cities (2025) *How productive are the UK's big cities?*; Office for National Statistics (2025) *Business Register and Employment Survey*; University of Cambridge (2023) *Understanding sectoral sources of aggregate productivity growth: A cross-country analysis*; Mandala analysis.

Manchester’s position as a growth leader is a function of a skills strategy tailored to the strengths of the region backed by strong infrastructure

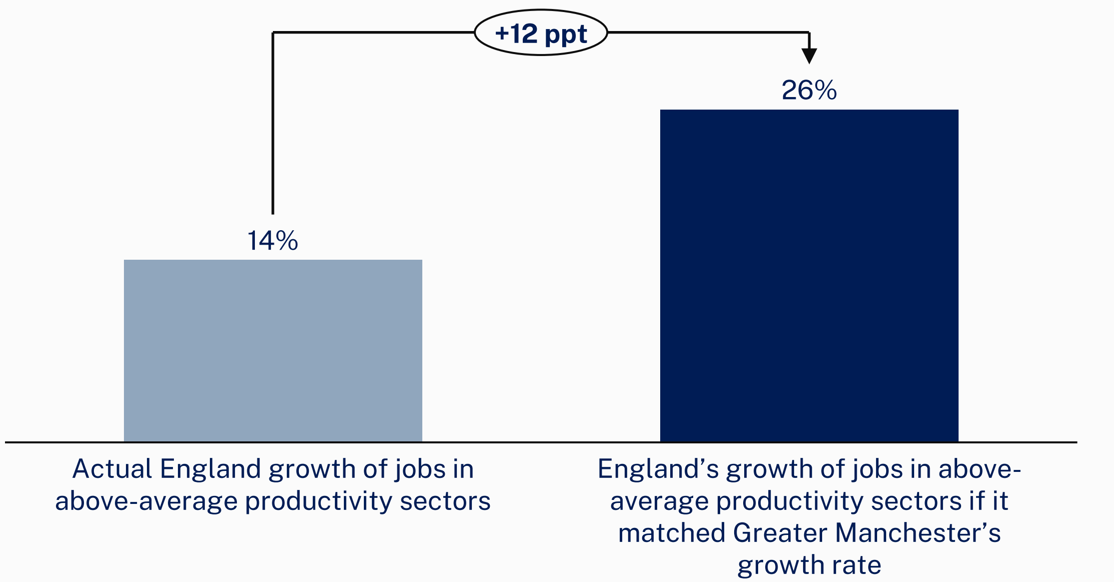
GOAL	**Use devolved powers to specifically target the skills issues faced by residents, and unlock valuable employment opportunities tailored to local needs**			
LEARNINGS	**1 Correctly diagnose the issue**	**2 Tailor approach to local needs**	**3 Build enabling infrastructure**	**4 Spread investment across sectors**
KEY ELEMENTS	▪ Commissioned an independent, rigorous evidence before designing any intervention ▪ Identified that it was skills and productivity, rather than job creation that was the constraint on economic growth ▪ Used the diagnosis as the foundation for the reforms that followed	▪ Secured control over adult education funding to redesign how funding is distributed locally ▪ Developed new approach to qualifications like the Manchester Baccalaureate, to build stronger vocational and technical pathways	▪ Bundled skills funding along with investment in transport, housing and innovation ▪ Ensured that residents could physically reach and afford to live near the new jobs being created	▪ Spread investment across fast-growing, high-potential sectors ▪ Anchored each growth sector to geographic clusters that have pre-existing strength ▪ Created Sector Development Plans that are live and continuously updated
BARRIERS ADDRESSED	▪ Misallocation of effort and investment in improving skills and employment outcomes	▪ Mismatched training and local employer demand	▪ Talent loss and low labour mobility	▪ Investment not targeted at sectors that matter to residents

Source: Mandala analysis.

If England's employment growth in high-productivity sectors matched Greater Manchester, it could have realised up to £50-80B p.a. in additional economic activity

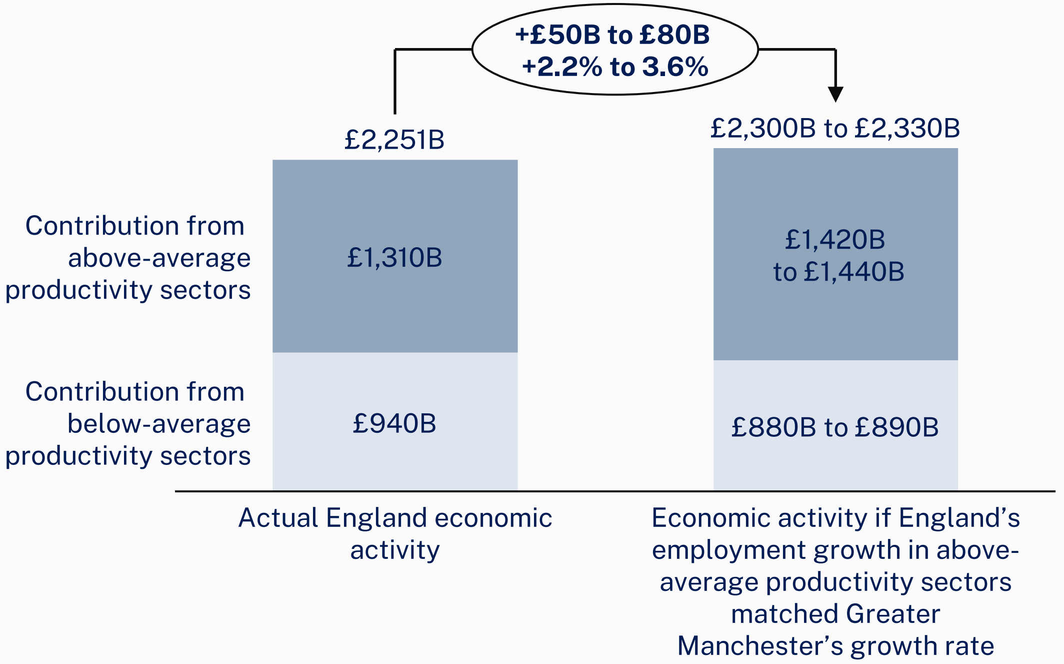
Growth of jobs in above-average productivity sectors

%, 2015 to 2024



England economic activity in 2024

£



The Centre for Cities cautions that ONS subregional productivity estimates may be overstated due to self-employment measurement issues, though its alternative measures still show Manchester's productivity growth at around three times the Great Britain average (2019 to 2023). We use ONS data for its comprehensive regional coverage, and the range shown reflects this sensitivity.

Notes: We assume England achieves a 12 ppt uplift in the growth of jobs in above-average productivity sectors from 2015 to 2024 by redirecting jobs from below-average productivity sectors to above-average productivity sectors (i.e., the total number of people employed remains the same under both scenarios). Figures may not sum due to rounding.
Source: Centre for Cities (2025) *How productive are the UK's big cities?*; Office for National Statistics (2025) *Business Register and Employment Survey*; University of Cambridge (2023) *Understanding sectoral sources of aggregate productivity growth: A cross-country analysis*; Somerset Council (2022) *Productivity by Industry*; Mandala analysis.

1 Public transport

2 Housing

3 Employment

4 Health

Greater Manchester exemplified England's health challenges prior to devolution, with poorer health outcomes, constrained access to care and greater inequality

The challenge in Greater Manchester

Greater Manchester has some of the lowest life expectancy in England, and significant health disparities exist within its localities.

A growing and diverse population, with different care needs
Manchester local authority had its population grow by 16.9% between 2004 and 2014, which was double the UK growth rate. 26% of its population was ethnically diverse, 20% of its population was aged below 15 years and 16% aged 65+.

Some of the most disadvantaged areas in England
In 2015, around 680K of the 2.8M Greater Manchester residents lived in areas that fell into the 10% most disadvantaged nationally. Unemployment was higher than the national average, with income deprivation at 19% and child poverty at 22.8%.

Significantly worse population health than the nationwide average
Healthy Life Expectancy in Greater Manchester was 60 years in 2013-15, compared to 63.45 years for the rest of the UK. Social determinants for health were also poorer than average, with smoking prevalence in Greater Manchester at 20% compared to the England average of 16.9%.

The challenge across England

The NHS is under significant strain, with an ageing population and social risk factors placing increasing pressure on services.

More patients are going without care
The waiting list for routine hospital treatment in England is currently 7.3M, an increase from 4.6M prior to the pandemic. Approximately 2.5M patients have been waiting for over 18 weeks.

Average life expectancy has stagnated
Over the past decade, improvements in life expectancy and healthy life expectancy among the UK population have stalled. In 2003, the UK ranked 24th of 38 countries for female life expectancy at birth. By 2023, it had fallen to 29th place and was 0.1 years below the OECD average.

Inequalities in health outcomes are widening
Those living in more deprived areas of the country have a lower life expectancy and spend a greater proportion of their life in poor health. For women, there is a gap of almost 20 years in healthy life expectancy based on where they live.

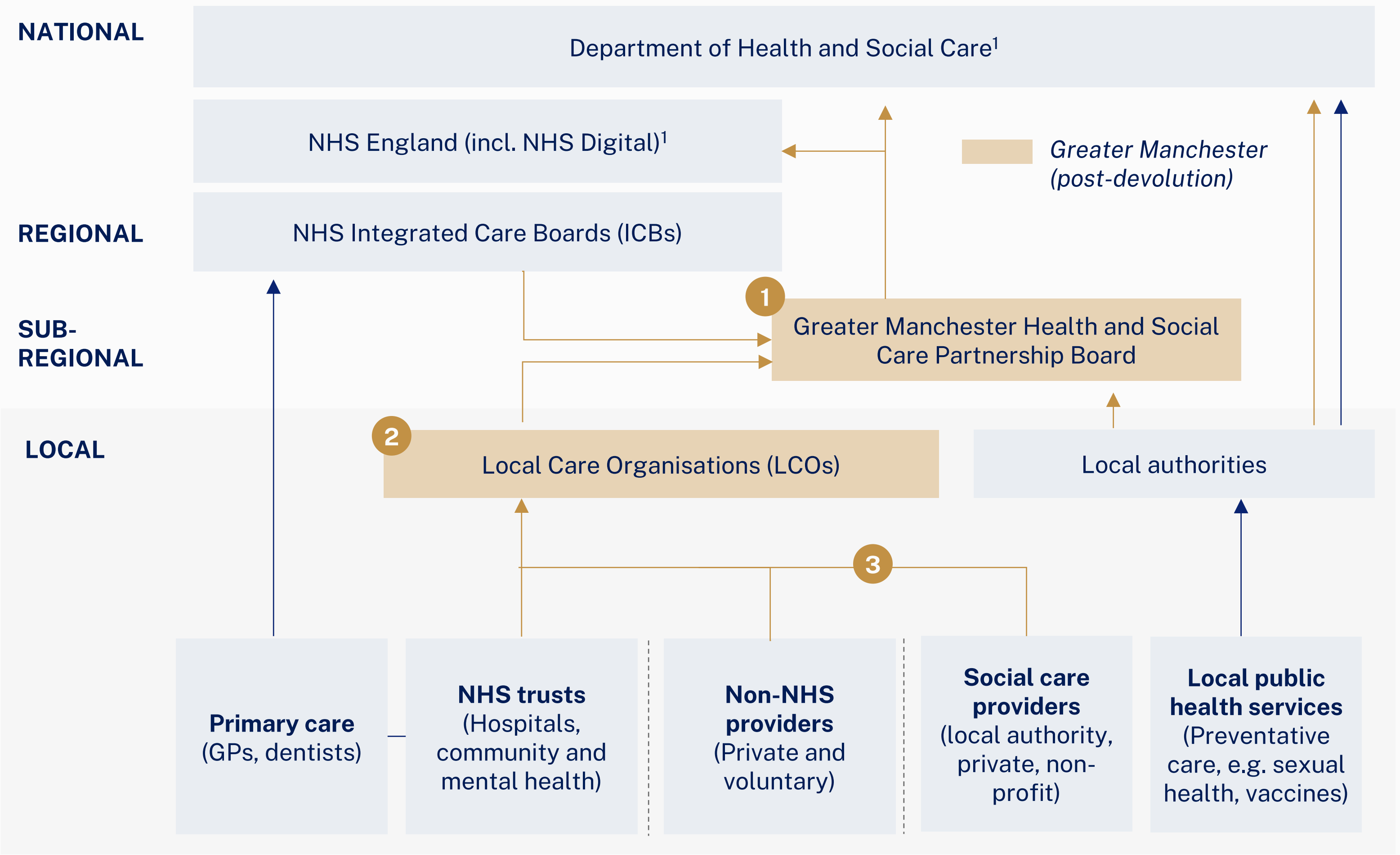
Key groups impacted

- Residents with high social risk factors for illness (e.g. smokers, inactive residents)
- Unemployed residents with long-term health conditions
- Parents and children at risk of poor health during developmental years

Source: Health Foundation (2024) *Trends in international life expectancy*; OECD (2025) *Health at a Glance*; British Medical Association (2026) *NHS Backlog data analysis*; GM Integrated Care (2016) *Population health plan 2017-2021*; Health Foundation (2023) *Nine major challenges facing health and care in England*; UK Health Security Agency (2015) *Greater Manchester Devolution*; Visit North West (2026) *Greater Manchester Population.*

Greater Manchester used devolution to integrate health and social care governance and delivery

NHS governance structure before and after Greater Manchester's devolution



Key reforms introduced after devolution

1. **Established a joint health and social care governance body**
   - Decision-making was delegated to the Greater Manchester Health and Social Care Partnership Board
   - Brought together the NHS, local government, charities, voluntary organisations and social enterprises under a shared governance model

2. **Integrated health and social care at the local level**
   - Established Local Care Organisations across Greater Manchester's ten local authorities
   - Allowed each locality to tailor service integration to local needs

3. **Integrated funding and commissioning**
   - Pooled health and social care budgets
   - Managed through a single integrated commissioning function

1 NHS England is currently in the process of being integrated and merged back into the Department of Health and Social Care (DHSC).
Source: House of Commons (2023) *Structure of the NHS in England*; Local Government Association (2016) *Charting progress on the health devolution journey.*

Evidence suggests Greater Manchester's devolution improved population health, particularly in disadvantaged communities

Following "Deal 2" in 2015, Greater Manchester gained responsibility for integrating health and social care, alongside partial control of a £6B health budget and full control of a £450M transformation fund. These powers enabled investment in prevention, community care and locally tailored health interventions.

These initiatives had two aims: improve population health and reduce health inequalities.

Improving population health: Greater Manchester strengthened primary care by expanding prevention and early intervention services, including social prescribing (e.g. referrals to community services such as cooking classes and wellbeing programmes) and other non-clinical support.

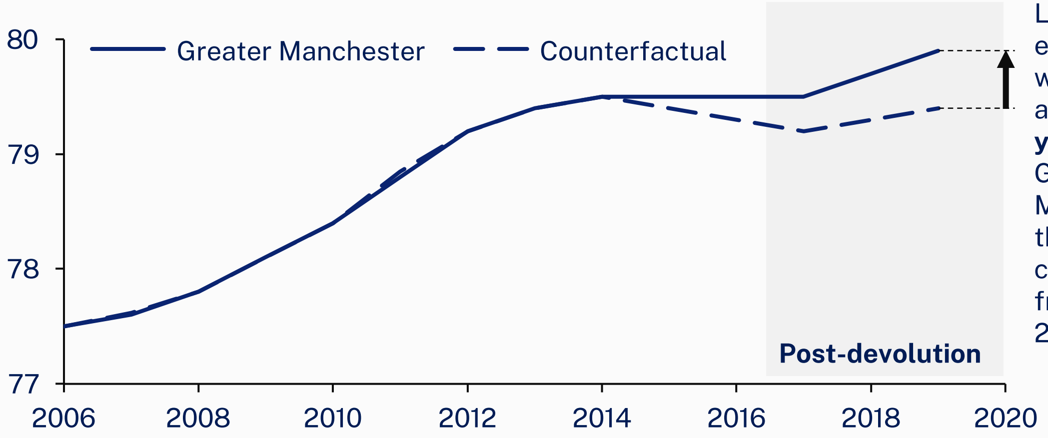
Reducing health inequality: Integrated community and social care enabled targeted interventions in disadvantaged communities. Programmes focused on key drivers of poor health, including smoking in pregnancy and oral health, supported by evidence-based risk assessment.

Source: Britteon et al (2024) *The Impact of devolution on local health systems: Evidence from Greater Manchester*; GM Integrated Care (2016) *Population health plan 2017-2021.*

Evidence of improved health outcomes following devolution

Population health

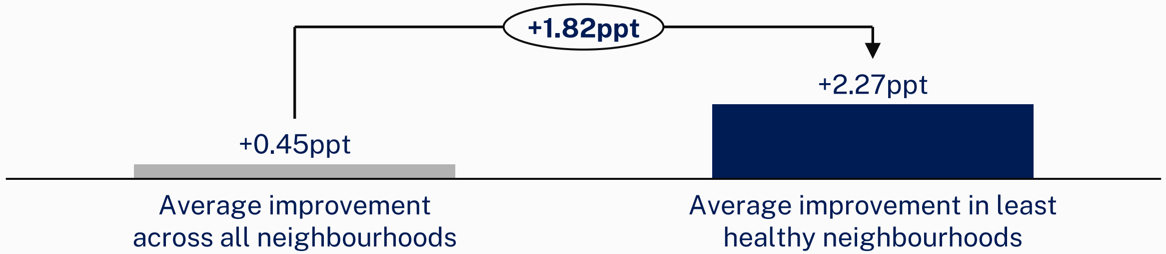
Life expectancy at birth (years), 2006 to 2019



Life expectancy was on average +**0.23 years** higher in Greater Manchester than the control group from 2016 to 2019

Health equality

Increase in share of residents reporting good health in Greater Manchester compared to matching non-devolved areas, 2011 to 2021



Health improvements were greatest in Greater Manchester's least healthy neighbourhoods, suggesting devolution helped narrow health inequalities rather than simply improving average outcomes.

Source: Britteon et al (2024) *The Impact of devolution on local health systems: Evidence from Greater Manchester;* Sweeney et al (2025) *Devolution, health and health inequalities in Greater Manchester.*

Greater Manchester shows devolution delivers the greatest benefits when local leaders can address regional health needs

GOAL	**Use devolved powers to integrate health and social care and target region-specific drivers of poor health.**		
LEARNINGS	**1 Integrated governance enables collaboration**	**2 Local solutions better address local health needs**	**3 Local autonomy encourages innovation**
KEY ELEMENTS	▪ Devolution established formal governance between NHS agencies and local government, strengthening collaboration and joint decision-making. ▪ This enabled a collaborative approach across health, social care and other public services, including housing, education and transport. ▪ Pooled budgets, joint commissioning and transformation funding aligned incentives across different public bodies.	▪ Greater Manchester adopted an integrated, preventative approach across health and social care. ▪ Local authorities combined clinical expertise with local knowledge to design interventions around community needs. ▪ Resources shifted towards upstream drivers of poor health, rather than focusing solely on clinical care.	▪ Devolution gave local leaders greater flexibility to design services beyond the national NHS model. ▪ Greater responsibility for delivery encouraged innovation and evidence-based experimentation. ▪ New care models could be tested locally before wider rollout.
BARRIERS ADDRESSED	▪ Broke down organisational silos by aligning incentives and accountability across health and social care.	▪ Social determinants differ across regions and require locally tailored responses.	▪ Local autonomy enabled solutions that may not have emerged under a nationally standardised system.

Source: Mandala analysis.

Expanding devolution to the whole of England could deliver £3.1B p.a. in additional economic activity

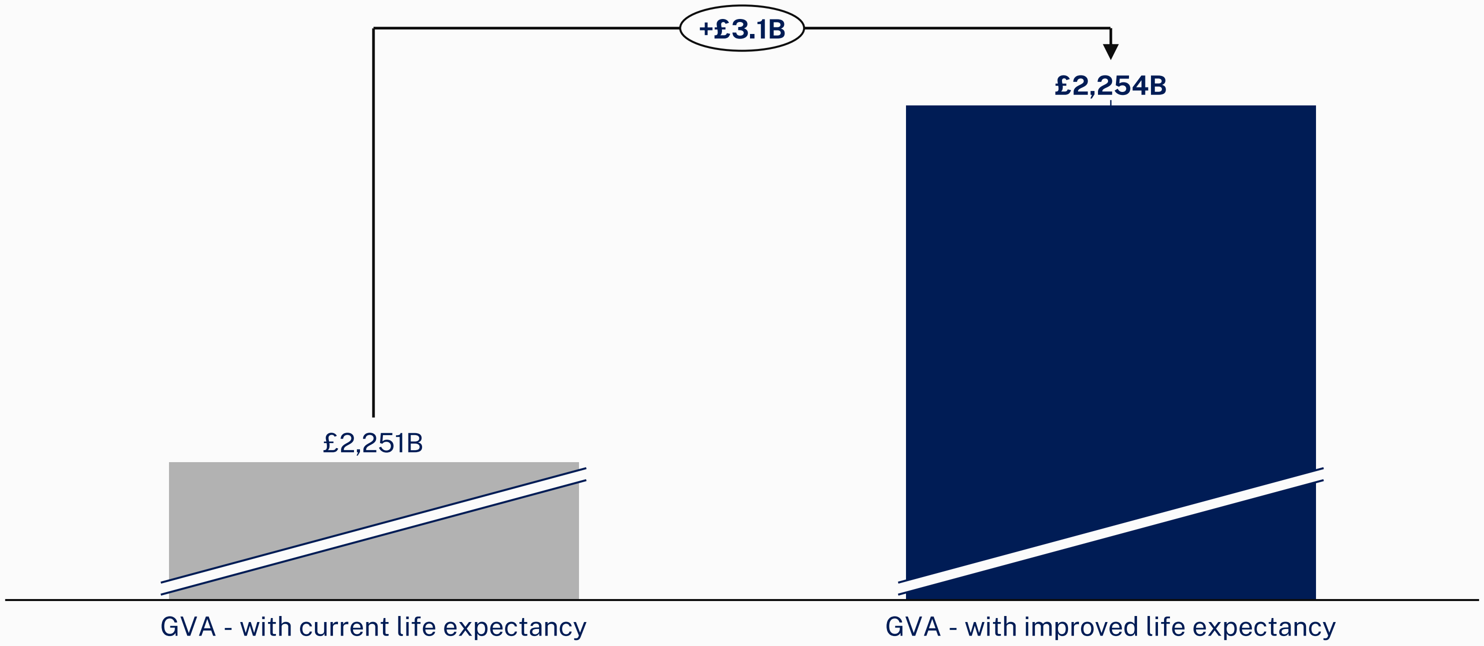
If England saw an improvement in life expectancy equivalent to the magnitude associated with devolution in Greater Manchester, the average life expectancy in England would increase by 0.23 years to 81.6 years.

This would translate to an additional £3.1B in GVA p.a. across England and the equivalent of 39,700 full-time workers p.a. added into the economy. GVA in 2024 terms would increase from £2,251B to £2,254B.

We derived this by calculating the increase in duration an average person spends in the workforce as a share of an increase in life expectancy. Calculated GVA per worker provided an estimate of the additional economic activity that is associated with improvements in life expectancy.

Increase in economic activity across England if average life expectancy improved

GVA, £ billions, 2024



If average life expectancy in England increased by 0.23 years, as seen in Greater Manchester post-devolution, it would deliver £3.1B in additional economic activity across England.

Note: We used the latest release of life expectancy data in England, which was from 2022-2024. All other values are therefore expressed in 2024 terms.
Source: Office for National Statistics (2025) *National life tables – life expectancy in the UK: 2022 to 2024*; Britteon et al (2024) *The Impact of devolution on local health systems: Evidence from Greater Manchester;* Mandala analysis

Source: Office for National Statistics (2026) *Quarterly regional GDP, England and Wales. Note Quarterly regional GDP estimates are measured using the output approach where gross value added (GVA) is considered a proxy for GDP. Figures are rounded.* Office for National Statistics (2026) *All people - Economically active – In employment England*; Cubi-Molla, P. et al. (2021) *Resource allocation in public sector programmes: does the value of a life differ between governmental departments?* Mandala analysis.

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Note: All monetary values are presented in pounds sterling (£, GBP) unless otherwise indicated.