MANCHESTER
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# Manchester City Council
## Quarterly economy dashboard

## Quarter 4 2017-18

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## Contents this quarter

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# Analysis: 2017/18 in review - development, skills and jobs

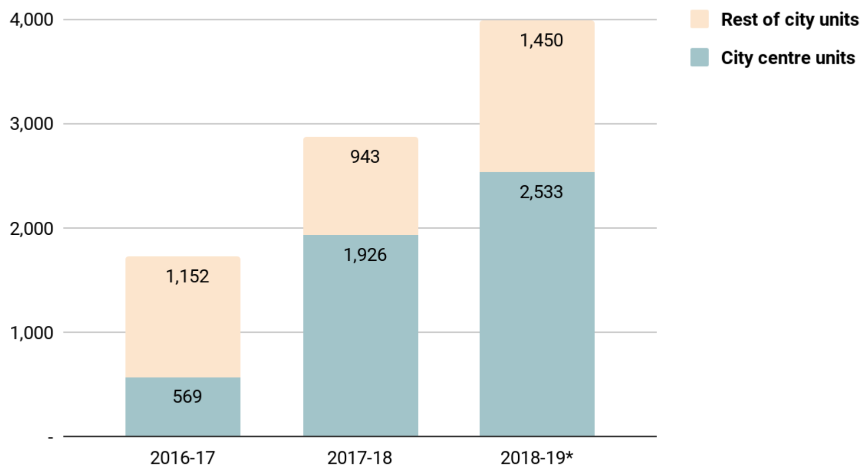
This analysis section is intended to provide a snapshot of where Manchester stands in relation to the range of economic indicators that highlight economic development and skills and jobs. Given the varied release schedules for data some items detailed will cover period prior to the 2017/18 financial year but will always be data released during that period. Footnotes confirm where this applies. The Economy Dashboard is aligned to support monitoring progress in relation to the we-wills expressed in the 'Our Manchester' strategy - this has been used as the basis for this review of the year. Where possible we have included detail on the direction of travel to put 2017/18 in context.

## Economic Development

Our Manchester

***As a thriving and sustainable City we will support the growth of established and emerging business sectors***

Alongside the substantial **residential property development** in the city centre there is a not insignificant increase in volume forecast elsewhere in the city. The chart below shows the volume of units confirmed or expected for completion.




Similarly the volume of **office, hotel, retail and educational development** in the city centre is far in excess of other comparable cities in the United Kingdom. These sectors are detailed in the second chart below.

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**Direction of travel?** The 2017 figures described here are part of a trend towards rapid and substantial development in Manchester, with the number of new starts in 2017 ensuring that the pipeline of developments across the residential, office and hotel sectors remains above that forecast for other comparable cities in the U.K.

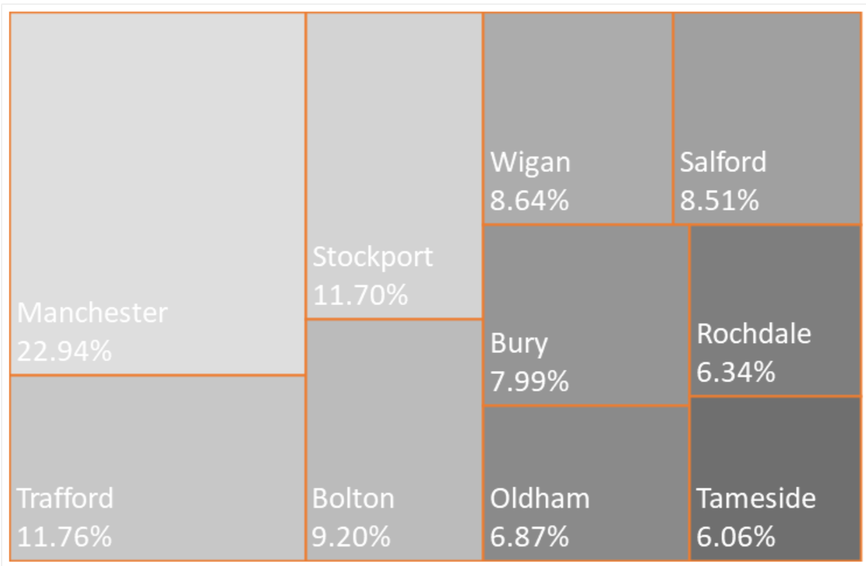
Data compiled by CBRE[1] suggested that strong take-up in the **office space market** meant that levels of availability fell during 2017, this may eventually lead to undersupply in the sector. Office space rental prices have remained stable in Manchester during the year.

***As a thriving and sustainable City we will maximise the potential of the Business Growth Hub to Support Manchester's businesses and entrepreneurs***

Analysis of annual business demography data from the Office for National Statistics[2] found that the City of Manchester is home to 22.94% of all **active businesses** in Greater Manchester by far the highest share of all the authorities.

The chart to the right shows the percentage share of the 112,390 active businesses in Greater Manchester for each authority.

The main section of this document contains new data on **business survivability**, which details the business sectors with the most new starts and details of the percentage that are still trading one, two and three years after being established.




**Direction of travel?** Manchester has seen a 64.05% increase in the number of active businesses since 2009. Whilst all the Greater Manchester authority areas have seen an increase over this period Manchester has by far the highest increase with Bury ranked second with an 34.36% increase over the period.

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*[1] https://www.cbre.co.uk/*
*[2] The most recent data available relates to 2016*
*https://www.ons.gov.uk/businessindustryandtrade/business/activitysizeandlocation/bulletins/businessdemography/2016*

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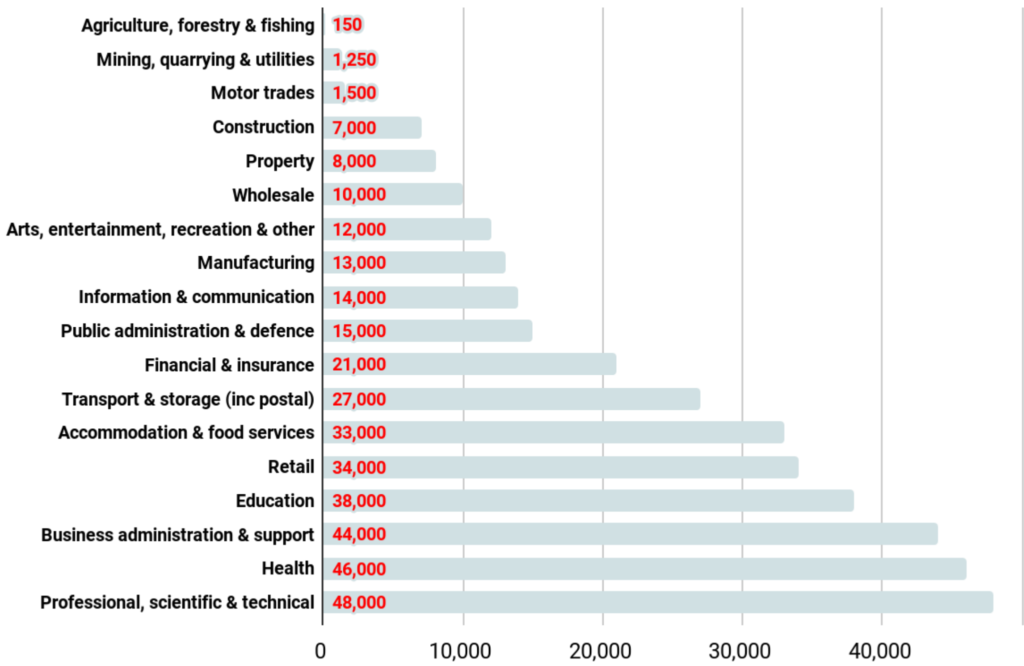
## Skills and jobs

Our Manchester

***As a highly skilled city we will use our devolved powers to align the skills system with the needs of our economy now and in the future***

The chart below shows the **composition of Manchester's workforce**[3] by the number of employees by broad industrial classification. The largest group is workers in professional, scientific and technical roles who make up 12.87% of the workforce, the smallest group is workers in agriculture, forestry and fishing related roles.




**Direction of travel?** Since 2010 the volume of employees in Manchester has increased on an annual basis. In terms of the sectors the largest increase in the volume of employees has been in business administration and support services. The largest decrease has been in public administration and defence.

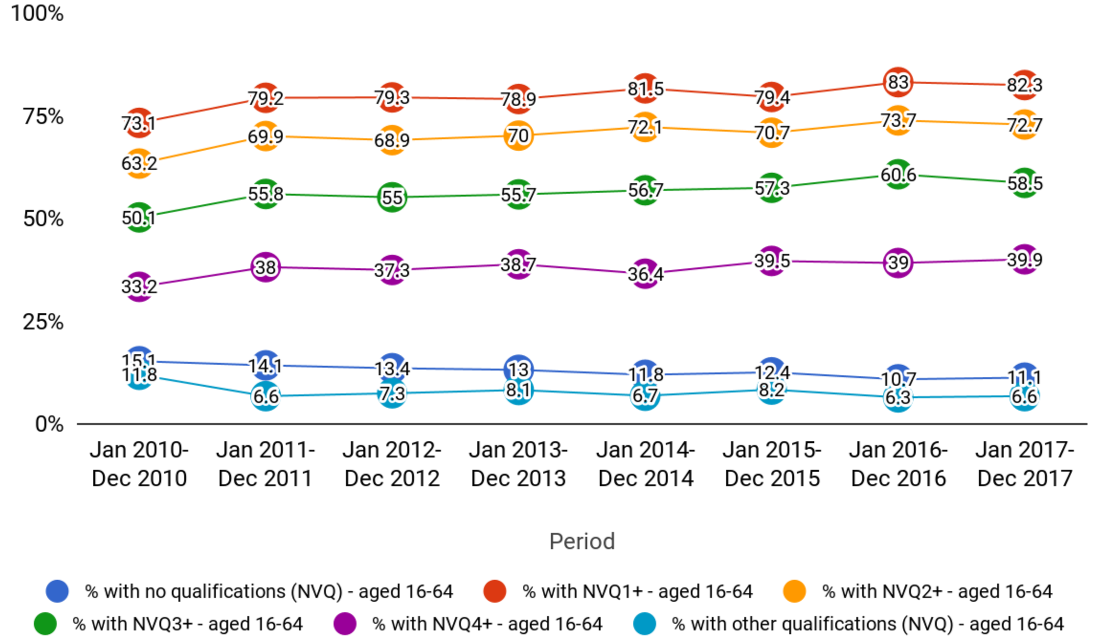
***As a highly skilled city we will inspire the next generation to be the best they can be and provide them with the knowledge, skills and resilience they require to succeed***

***As a highly skilled city we will reduce the number of people with no qualifications and increase the opportunities for people to improve their skills throughout their working lives***

The Annual Population Survey[4] provides an estimation of the **skill levels of Manchester residents**, expressed as NVQ or equivalent levels. The chart on the next page shows annual data for the period 2010 to 2017. As the data is based on a survey rather than a census the dip in percentages in some categories between 2016 and 2017 should not be taken as indicative of a

[3] *Taken from the ONS Business Register and Employment Survey via https://www.nomisweb.co.uk/*
[4] *Via https://www.nomisweb.co.uk/*

change to the long term trend. Over the full period there has been a decline in the percentage of residents who have no NVQ level qualifications and a corresponding increase in the percentage who are qualified at levels 1 upward.




***As a thriving and sustainable city we will upskill the city's workforce to ensure that Mancunians can benefit from the new jobs created here, including more and higher level apprenticeships***

The main section of this report contains the latest detail on the **volume of apprenticeship starts** for individuals resident in Manchester prior to their apprenticeship. The latest full academic year data (for 2016/17) shows an overall decline in the volume of starts but an increase in higher level apprenticeships.

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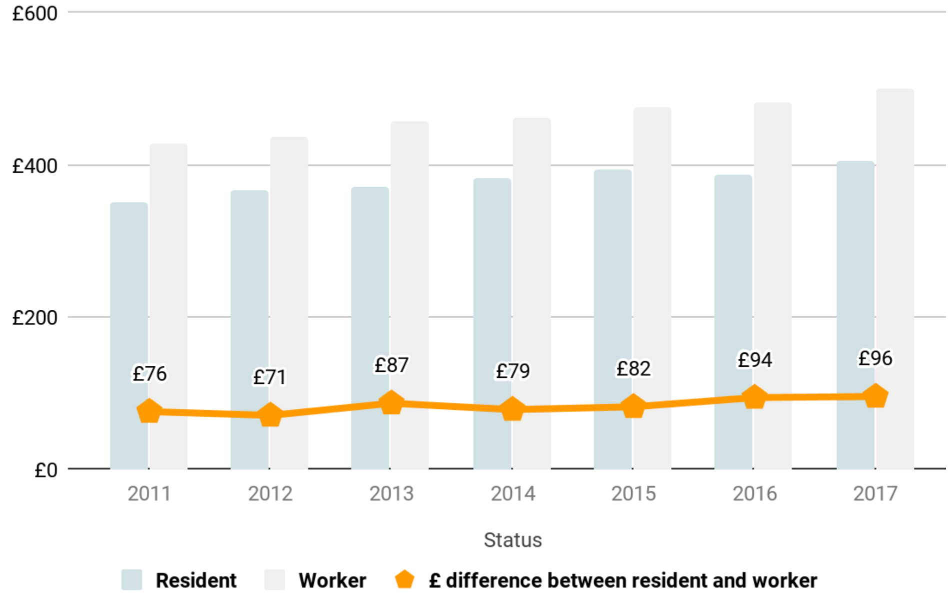
***As a highly skilled city we will work with employers to ensure that everyone is paid at least a real living wage.***

The Annual Survey of Hours and Earnings[5] provides detail of **hours worked and wages** of two sets of individuals those resident in the City of Manchester and those whose workplace is in the city of Manchester. The latest data (covering 2017) shows that the median gross weekly pay of Manchester based workers exceeds that of Manchester residents and that the gap between these two groups continues to widen. The chart on the following page shows that whilst the wages of both groups are rising the worker wages are showing a greater increase, something that is likely influenced by the prevalence of high paying sectors in Manchester.

Recent analysis (covering 2017) has highlighted that the proportion of Manchester residents earning less than the **national living wage** was 27.2% (+/-2.4%), compared to 30.5% (+/-2.7%) in 2016.




**Direction of travel?** The gap between the wages received by Manchester residents and Manchester workers continues to widen despite the improvement in the skill levels of Manchester residents. The proportion of Manchester residents earning less than the living wage has decreased when compared against 2016. The increase in higher level apprenticeships taken in the context of the apprenticeship levy could indicate that Manchester residents are actively seeking employment in the strongest sectors of the cities economy (in terms of job volumes) - professional, scientific and technical roles.

The following pages contain the regular dashboard topics and data.

[5] *Via https://www.nomisweb.co.uk/*

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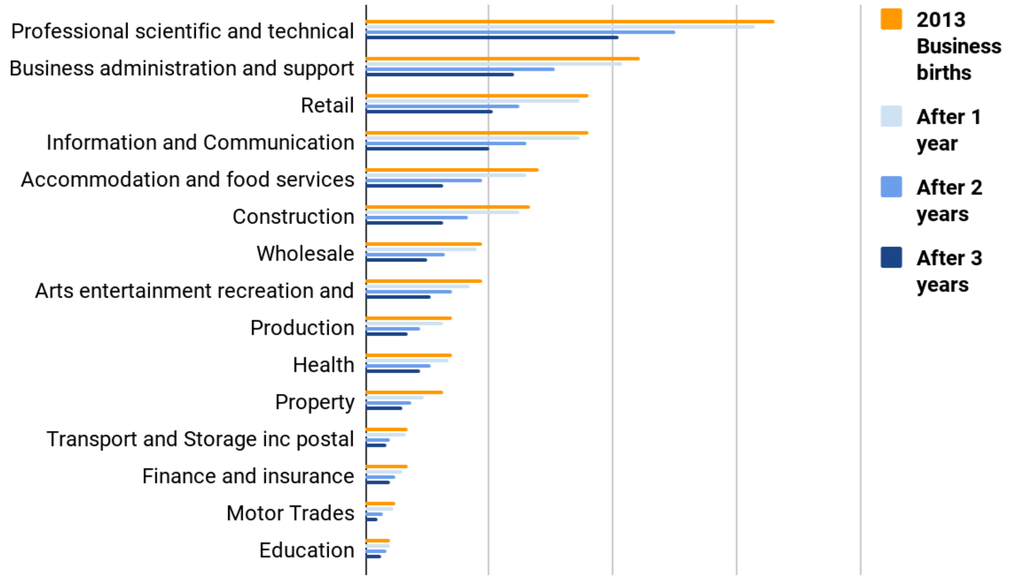
# Economic development

As a thriving and sustainable city, we will support the growth of established and emerging business sectors

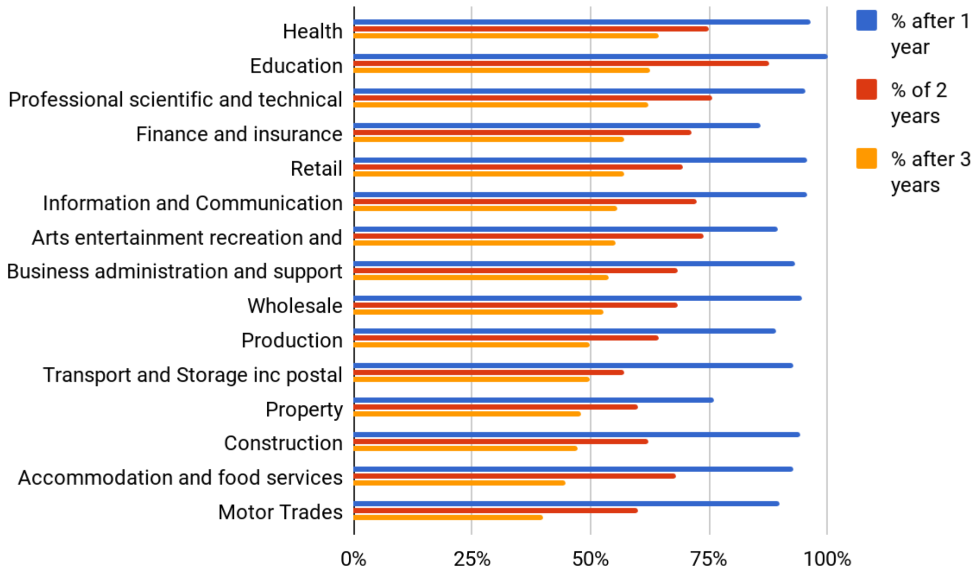
## Business survivability

Latest data from the Office for National Statistics shows that for businesses created or 'born' during 2013 the highest volume in Manchester were classed as within the professional, scientific and technical sector. The lowest volume of business births was within the education sector. The chart below shows the volume of businesses still trading after 1, 2 and 3 years.

**2013 new businesses : count of businesses by business sector after 1,2 and 3 years**




**Percentage of businesses surviving after 1, 2 and 3 years**

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The second chart (preceding page) shows that businesses within the health sector demonstrated the most resilience after three years with 64% of businesses still trading at that time. Businesses in the motor trades showed the least resilience with 40% still trading.

## Business Rates

| Net annual charges payable at snapshot date / number of properties | | | | | | | |
|---|---|---|---|---|---|---|---|
| | | *£ and % variation from a year ago* | | | *Number of properties* | | |
| **Business type** | **Apr/18** | | Value | % | **Apr/18** | **One year ago** | **Two years ago** |
| **Office** | £115.45 m | Higher | £4.09 m | 3.68% | 7,986 | 7,484 | 7,201 |
| **Retail** | £87.72 m | Higher | £2.83 m | 3.33% | 5,097 | 5,044 | 5,030 |
| **Health & Public Services** | £44.07 m | Higher | £0.13 m | 0.30% | 630 | 638 | 632 |
| **Industrial** | £36.78 m | Higher | £2.04 m | 5.86% | 4,867 | 4,751 | 4,703 |
| **Services & Food** | £22.17 m | Higher | £1.94 m | 9.58% | 1,334 | 1,277 | 1,200 |
| **Sports, Rec & Culture** | £27.65 m | Lower | -£1.51 m | -5.19% | 902 | 888 | 884 |
| **Hotels** | £18.09 m | Higher | £1.56 m | 9.46% | 94 | 90 | 87 |
| **Car Park** | £13.79 m | Higher | £0.21 m | 1.54% | 3,362 | 3,205 | 3,179 |
| **Education** | £8.84 m | Lower | -£0.27 m | -2.94% | 374 | 371 | 363 |
| **Advertising & Communication** | £5.07 m | Higher | £0.89 m | 21.36% | 1,623 | 1,453 | 1,316 |
| **Total** | £379.63 m | Higher | £11.92 m | 3.14% | 26,269 | 25,201 | 24,595 |

We have added hotels as a new category given their contribution to the business rates received. These figures represent the financial amount billed by Manchester City Council, not the financial amount of business rates collected. The most recent business rates revaluation occurred on 1st April 2017.

The data shown in the table above shows the total net annual charges payable for all business rate accounts live as at a snapshot date. Net charge is the amount due after reliefs and discounts (for example, small business rate relief, charitable relief, empty property relief).

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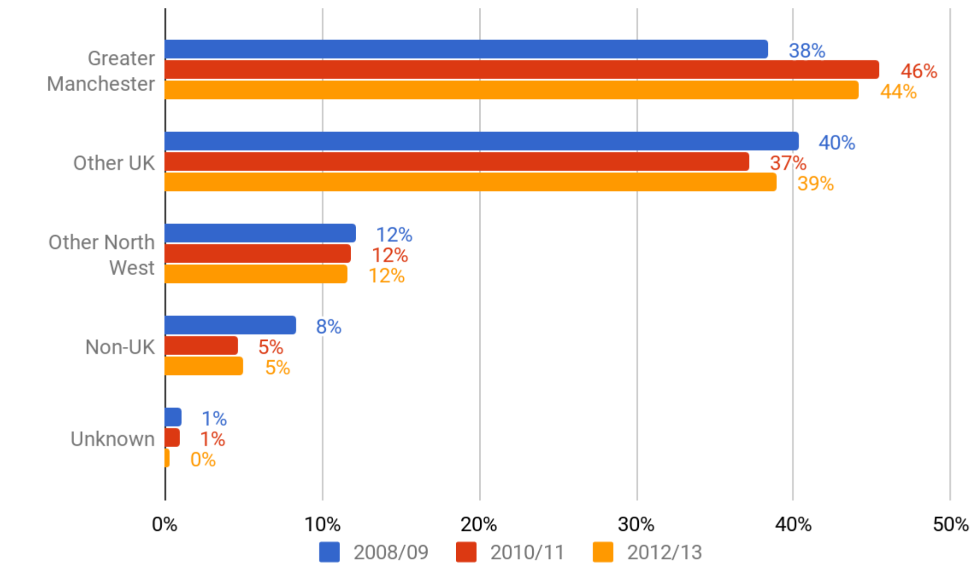
# Skills and jobs

*As a highly skilled city we will use our devolved powers to align the skills system with the needs of our economy now and in the future*

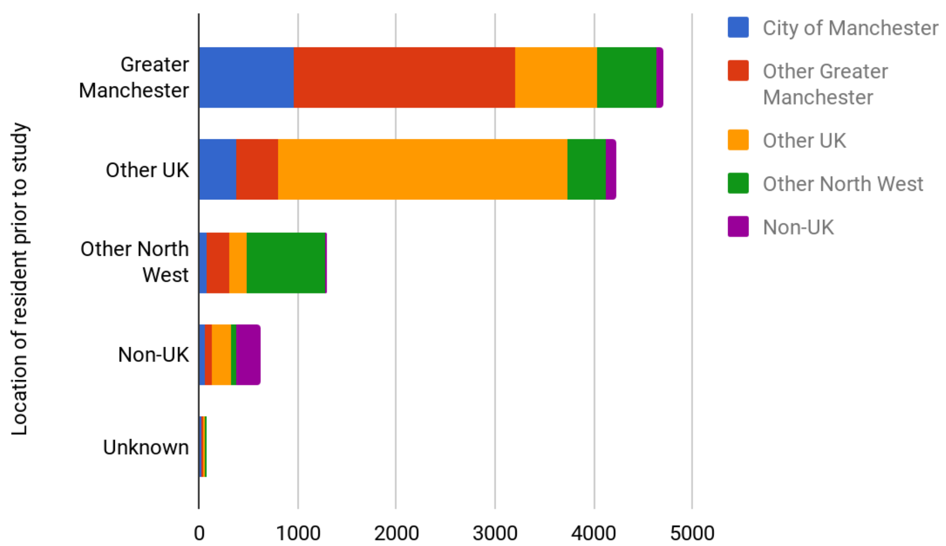
## Graduate retention

Readers may be interested in an online report prepared by the Centre for Cities[6] that highlights that Manchester has the second highest retention rate in the UK.

Location of employment 3.5 years after graduation from a GM university




Location of employment of 2012 graduates by area of residence before study




[6] *http://www.centreforcities.org/reader/great-british-brain-drain/*

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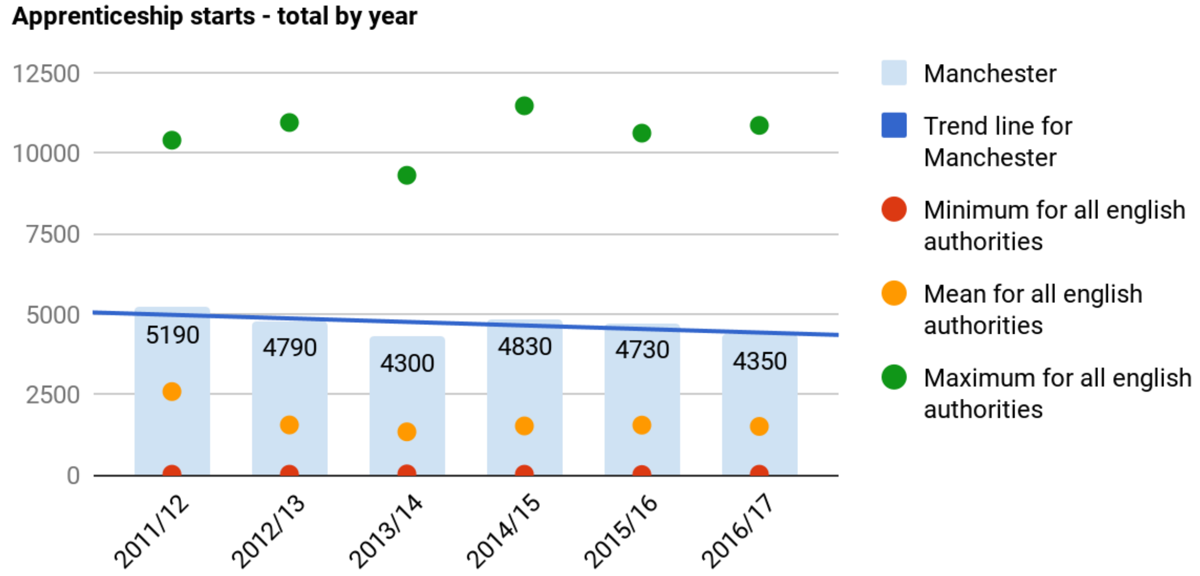
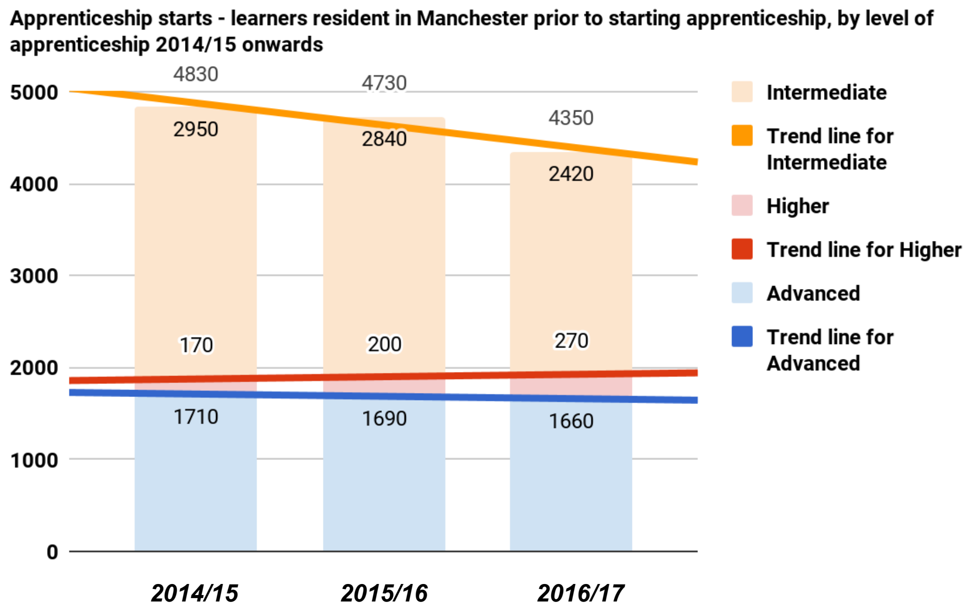
## Apprenticeships




**Important note:** apprentices can start more than one apprenticeship in each academic year and will therefore appear twice in the totals in the chart above. Rounding has been applied to the figures.




The chart above details the number of individuals who started an apprenticeship (at any point during the academic year) on an annual basis for the period 2014/15 to 2016/17.

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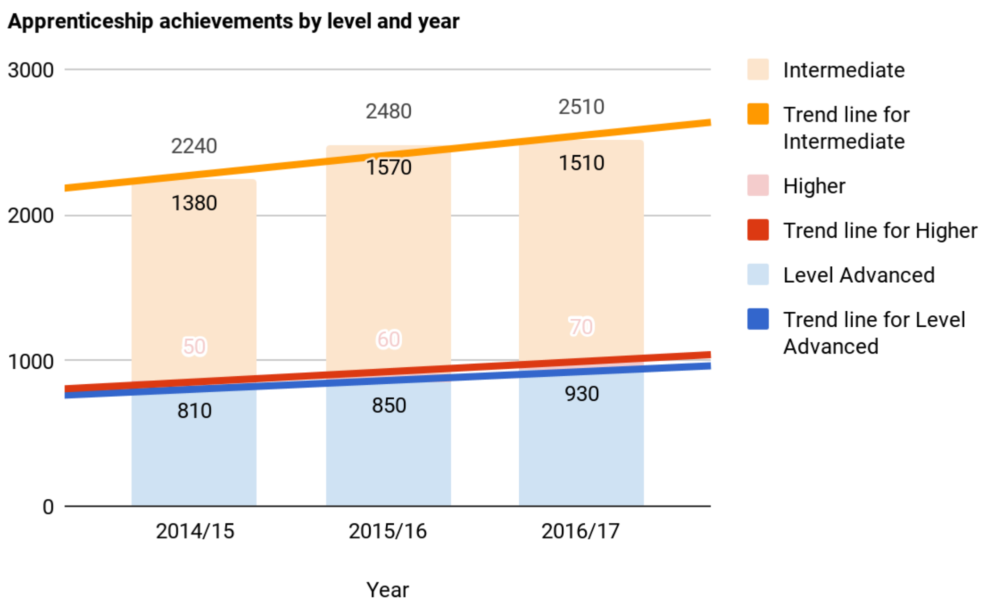
The overall total is shown above each column and the data is broken down by the level of apprenticeship[7] and trend lines have been added to highlight changes over time. Whilst apprenticeships overall declined in the three years the number of higher level apprenticeships has increased and advanced level remained stable between 2015/16 and 2016/17. Whilst these figures relate to the period just prior to the start of the Apprenticeship Levy provisional data for the 17/18 academic year suggests here has been a drop in apprenticeship starts nationally. This can perhaps be attributed to some businesses not yet fully understanding what is required from them to take advantage of the levy and employers may have delayed apprentice recruitment until the introduction of the levy and receiving access to the new digital system. This adjustment period must be taken into account before any firm conclusions are drawn on the impact of the levy.




The chart above relating to apprenticeship achievements counts the volume of individuals who complete their apprenticeship at any point during the academic year.

[7] An **Intermediate Apprenticeship** is equivalent to five good GCSE passes. An **Advanced Apprenticeship** is equivalent to two A-level passes. Intermediate and advanced apprentices work towards work-based learning qualifications such as an NVQ Level 2 or 3 respectively, Key Skills and, in most cases, a relevant knowledge-based certificate such as a BTEC. **Higher apprentices** work towards work-based learning qualifications such as an NVQ Level 4 and, in some cases, a knowledge-based qualification such as a Foundation degree. New Higher Apprenticeship frameworks were developed as part of the Higher Apprenticeship Development Fund. Apprentices can also progress to higher education, including university degrees.

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# Housing

As a liveable and low carbon city: we will provide a diverse supply of good quality housing in clean, safe, more attractive and cohesive neighbourhoods across the city

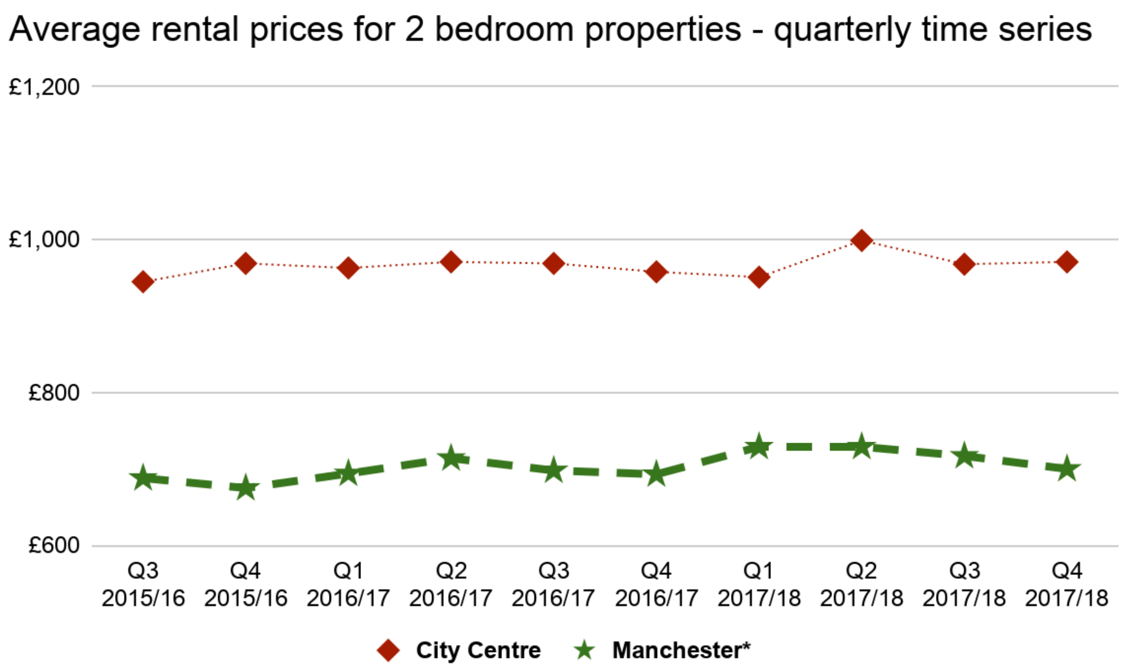
## Property market data

**Property prices and sales during the quarter (derived from Land Registry data)**

| | | | Variation from last quarter | | Variation from a year ago | |
|---|---|---|---|---|---|---|
| | | 2017 Qtr3 | Number | % | Number | % |
| **Number of properties registered as sold** | **Manchester city centre** | 742 | -255 | -25.58% | -336 | -31.17% |
| | **Manchester excluding city centre** | 1,402 | -201 | -12.54% | -235 | -14.36% |
| **Mean Price** | **Manchester city centre** | £193,874 | -£5,442 | -2.73% | -£14,799 | -7.09% |
| | **Manchester excluding city centre** | £185,003 | -£3,454 | -1.83% | £11,975 | 6.92% |

Data availability means that sales data is reported **one quarter in arrears**

## Rental market data



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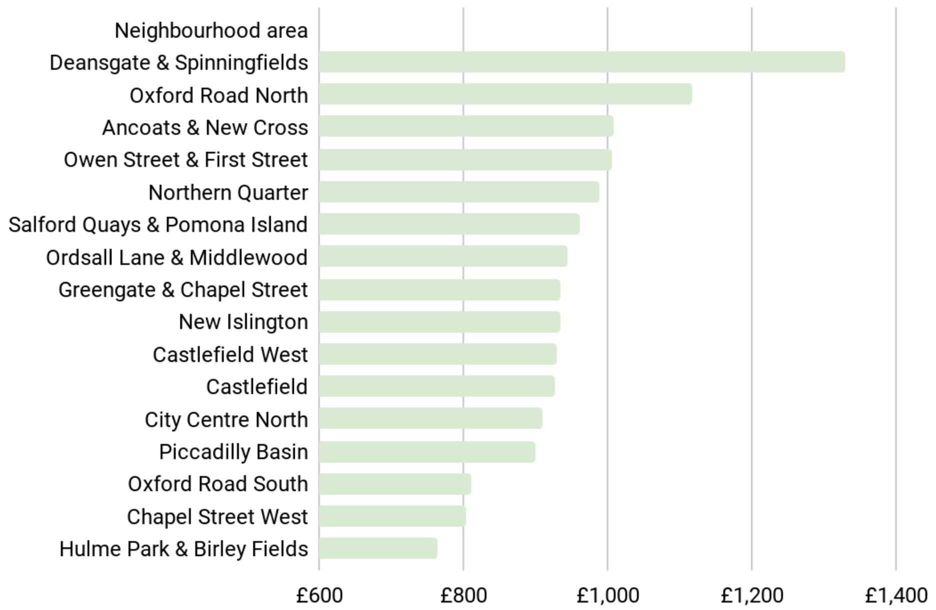
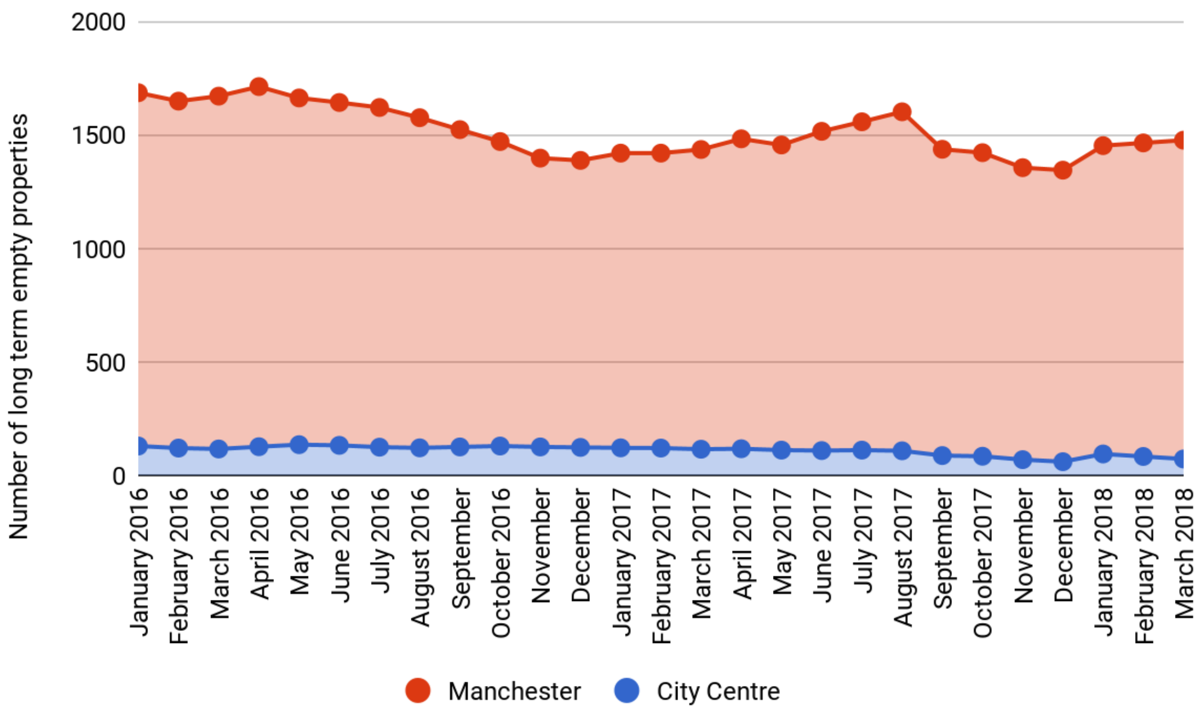
There is variation amongst rental prices for two bedroom properties in the city centre. The chart below shows the range of average rental prices as at quarter 4 2017/18 for city centre neighbourhood areas:




## Volume of long term empty properties[8]




[8] *Manchester data shows properties excluding those in the city centre*

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# Visitor economy

*As a liveable and low carbon city: we will invest in cultural and sports facilities for the benefit of the city's residents and to improve the city's international attractiveness*

## Hotel stock

***Publication deadlines mean that the latest data available relates to mid-February 2018.***

| Hotel accommodation stock | | | | | |
|---|---|---|---|---|---|
| **Number of rooms in Manchester city centre (snapshot at month end)** | | **Quarterly change** | | **Annual change** | |
| | **Feb/18** | **Number** | **%** | **Number** | **%** |
| **4 & 5 star hotels** | 4136 | 0 | 0.00% | 2 | 0.05% |
| **3 star and below hotels** | 4355 | 16 | 0.37% | 432 | 11.01% |
| **Self-catering and serviced apartments** | 1015 | 114 | 12.65% | 178 | 21.27% |
| **Total rooms** | 9506 | 130 | 1.39% | 612 | 6.88% |

***Source: STR - publication or other reuse of this data without permission is strictly prohibited***

Manchester is England's most visited local authority for domestic staying visits (2.5m) - followed by Birmingham and the City of London (Great Britain Tourism Survey). Manchester also consistently receives the third most international visits to a UK destination (1.2m) behind only London and Edinburgh (International Passenger Survey, 2016) – an increase of 30% between 2006 and 2016.

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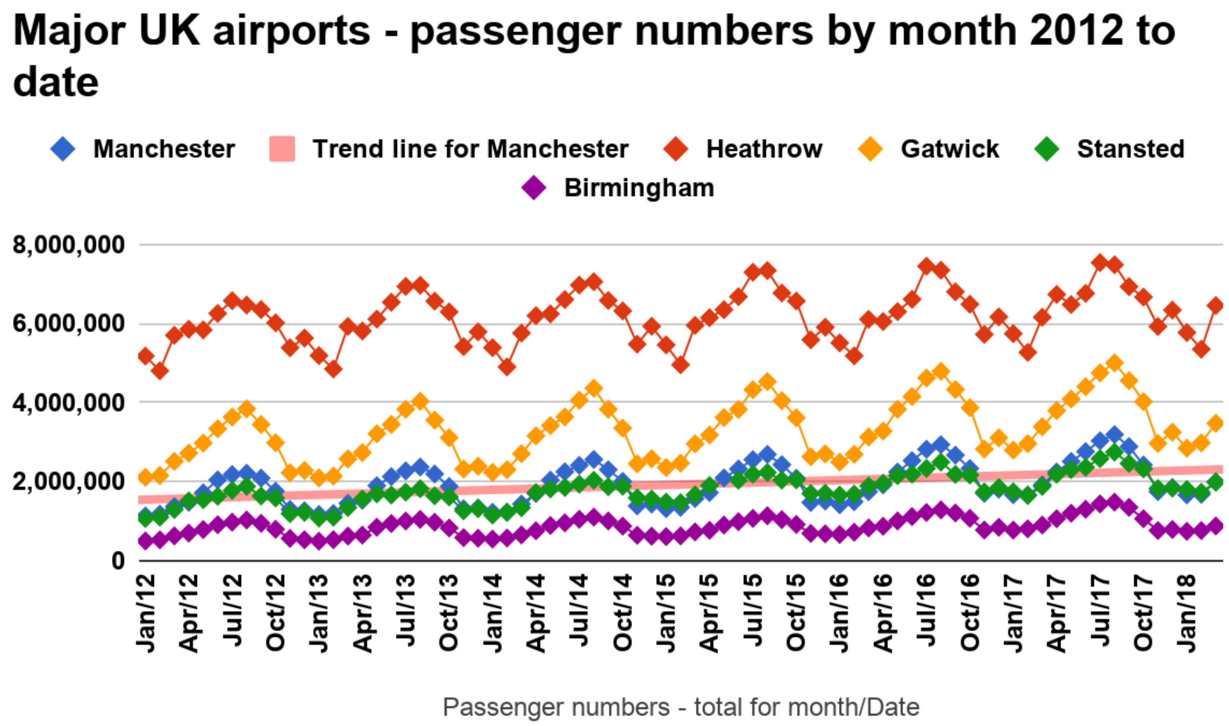
# Visitor economy

***As a Connected City we will capitalise on the increased capacity at the airport and the connectivity and logistics benefits of Airport City to boost the economy***

## Manchester Airport data




| | *Passenger numbers year to date as at* | *Annual change* | | *Biennial change* | |
|---|---|---|---|---|---|
| | Mar/18 | *Actual* | % | *Actual* | % |
| *Manchester* | 1,994,767 | 74,126 | 3.86% | 247,661 | 14.18% |
| *Heathrow* | 6,451,345 | 294,053 | 4.78% | 348,853 | 5.72% |
| *Gatwick* | 3,476,905 | 86,069 | 2.54% | 347,555 | 11.11% |
| *Stansted* | 1,989,109 | 106,874 | 5.68% | 96,876 | 5.12% |
| *Birmingham* | 879,517 | -25,297 | -2.80% | 48,343 | 5.82% |

## Business travel to and from Manchester airport

This section of the dashboard tracks the expansion of flights from Manchester to the major financial centres of the world. The ranking utilised for financial centres is taken from the Global Financial Centres index which measures the competitiveness of centres using a variety of indices. The ranking quoted below is from index 23 which was published in March 2018. London remains at position one in the index.

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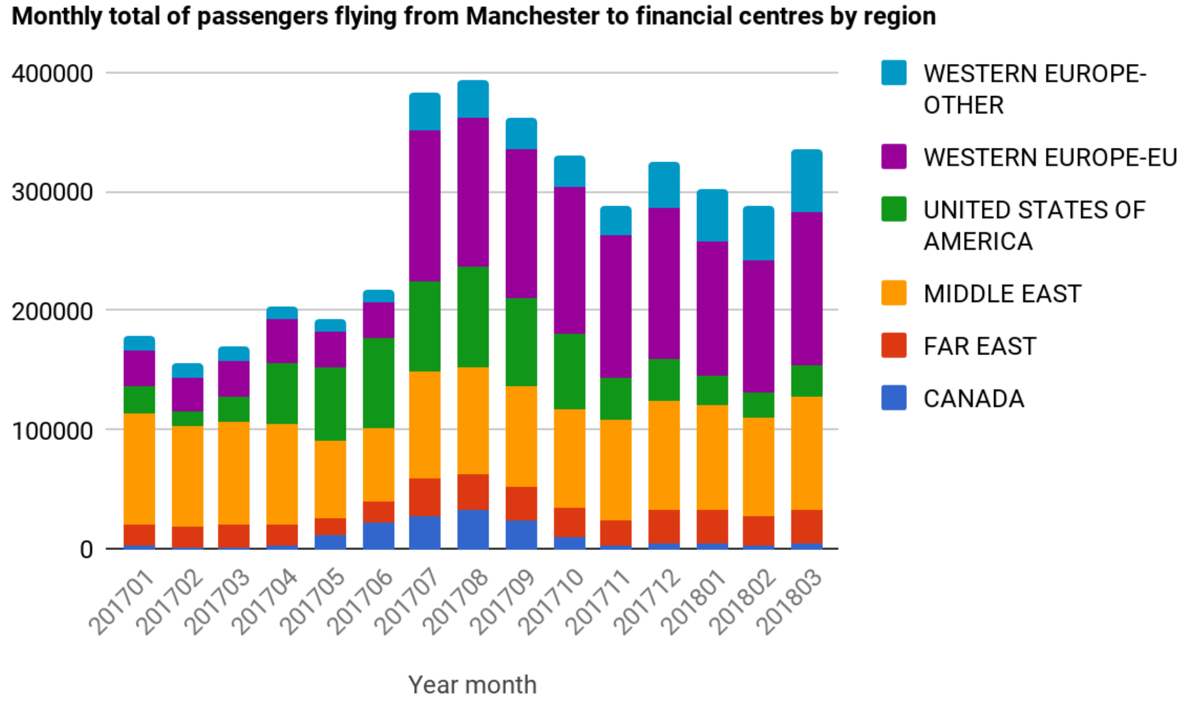
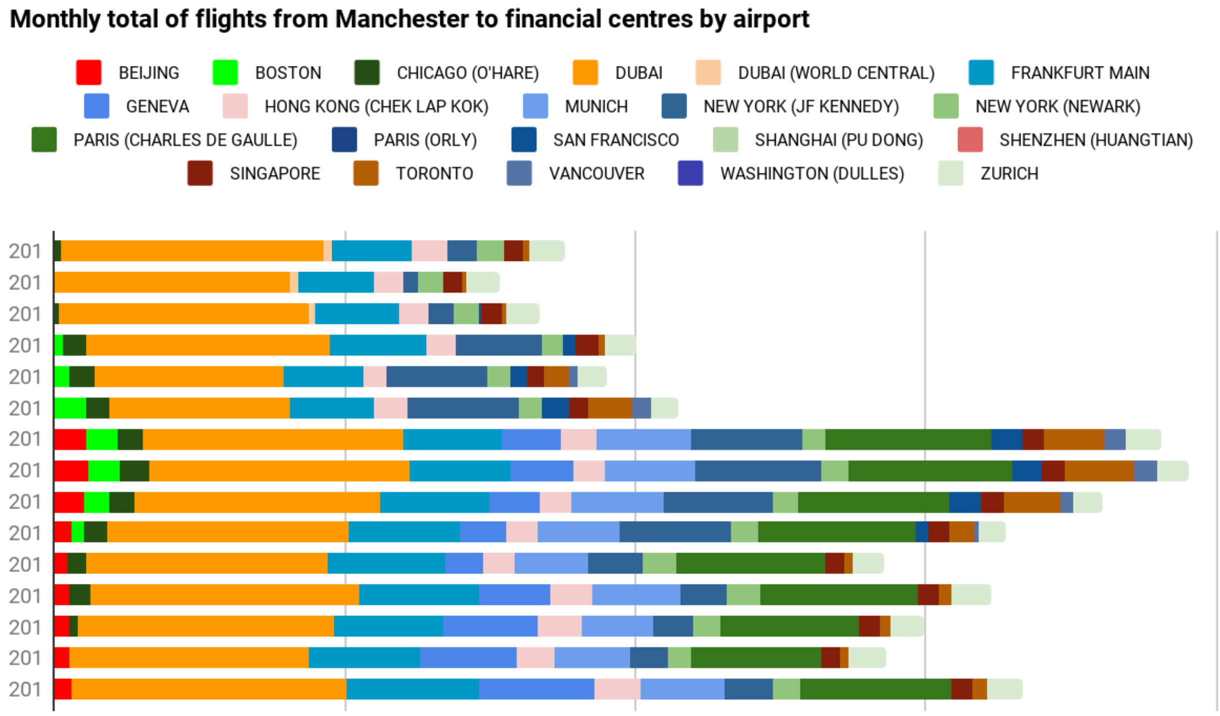



The chart below shows the month on month total number of passengers on flights to and from Manchester for the *current* top twenty financial centres from 2017 to March 2018.




***Ends***