MANCHESTER
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# Manchester City Council
## Quarterly economy dashboard

### Quarter 2 2018-19

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This paper copy of the dashboard is produced on a quarterly basis. This version includes only those metrics which have been updated this quarter. This is intended to make the document easier to use by focussing on the latest information available. The dashboard is published, in a format that omits restricted data, on the Council's website.

Thematically it focuses on economic development, skills and jobs, the visitor economy and housing. Data on Manchester's economy is presented, where possible, with comparison to show the outturn in context. This is typically in relation to Greater Manchester, the regions of England or within national and international contexts.

An online version containing a larger suite of metrics irrespective of the last date they were refreshed is available to council users here:

https://sites.google.com/manchester.gov.uk/economydashboard

You'll need to sign in to your MCC google account. This will allow you to access data and to leave any comments or suggestions you may have via a survey portal on the home page.

## Contents this quarter

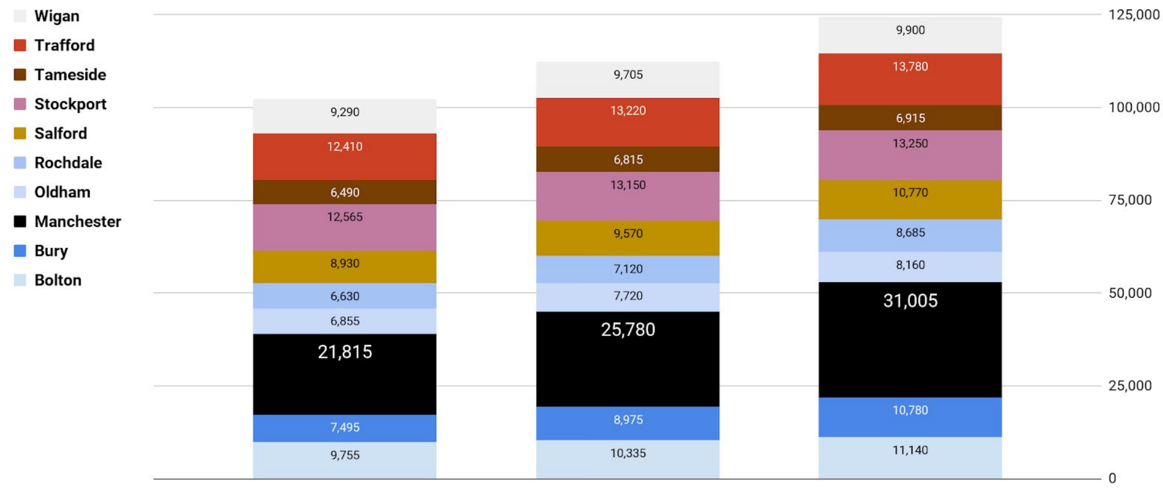
# Economic development

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

## Office for National Statistics Business Demography 2017

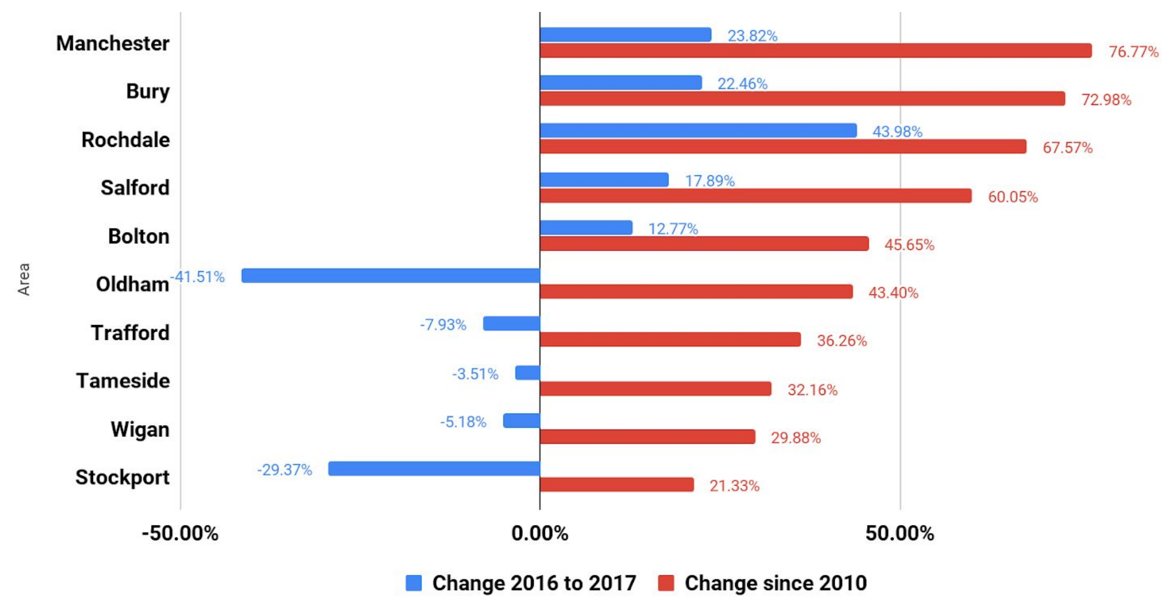
The ONS[1] have released the 2017 edition of their annual portrait of U.K. business which contains three data elements:

(i) **Active businesses** - businesses that had either turnover or employment during the reporting year




The large increase seen in 2017 has been attributed by the ONS to web-based retail companies using Manchester addresses to facilitate selling within the U.K. Work is ongoing to identify a more reliable metric of active businesses. Manchester remains the GM authority with the highest number of active businesses.

(ii) **Business births** - derived from new business registrations.




[1] *All ONS data content in this report contains National Statistics data © Crown copyright and database right 2018*

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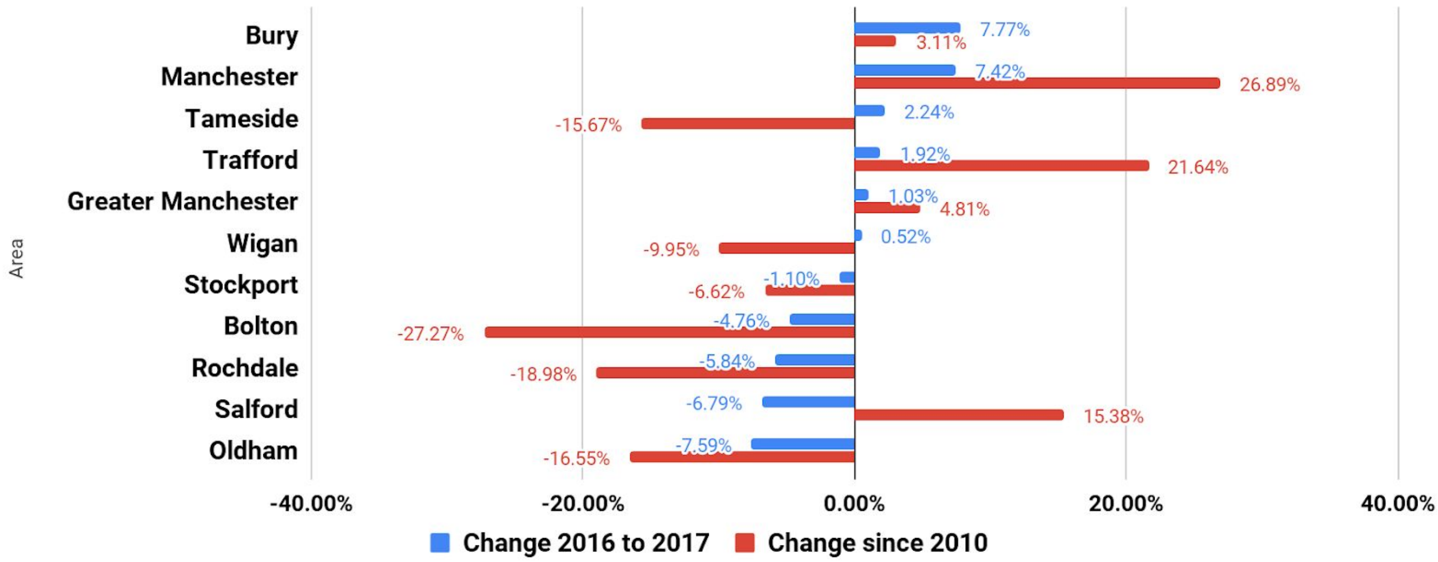
New business registrations have shown an increase across all Greater Manchester authorities from the level seen in 2010. Manchester has seen the highest increase - 76.77% when 2010 is contrasted against 2017. In terms of change since 2016 Rochdale has seen the highest percentage increase with Manchester showing the second highest (23.82%). A number of authorities (Oldham, Trafford, Tameside, Wigan and Stockport) have seen a decrease in the level of new businesses when 2017 is compared to 2016.

(iii) **Business deaths** - businesses that have ceased trading

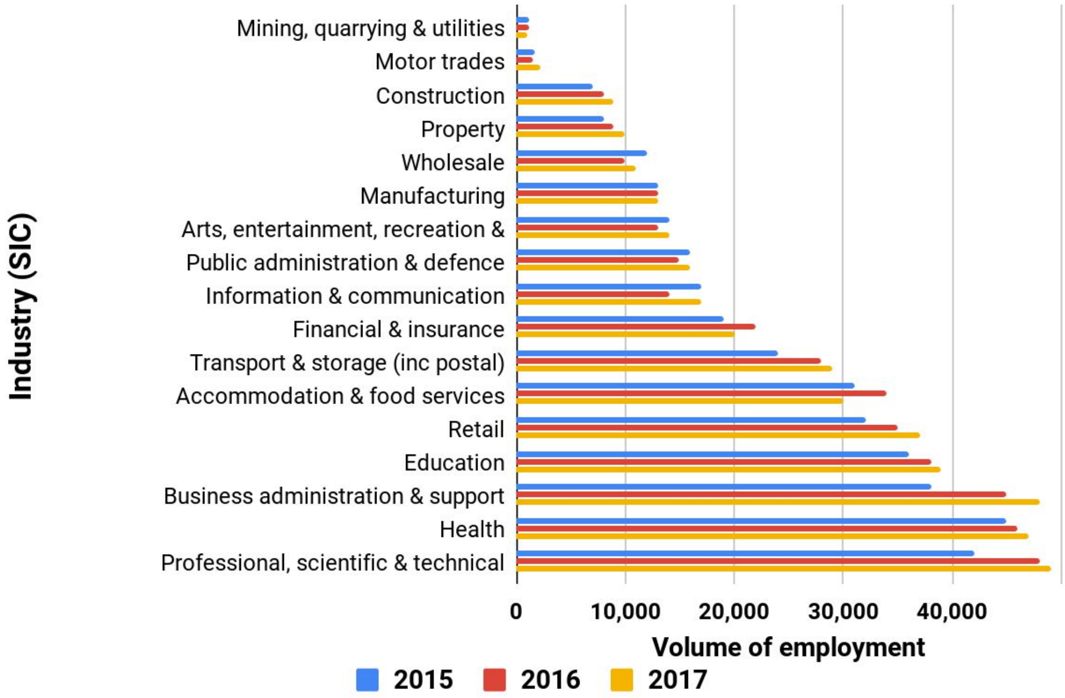



Manchester has the highest level of change in the volume of businesses that ceased trading of all the GM authorities - an increase of 7.42% on the level seen in 2016 and 26.89% on the level seen in 2010. The high levels of business deaths in Manchester is best viewed in relation to the high volume of business starts - essentially Manchester is attractive as a start-up location and this, in turn, reflects the uncertainties associated with setting up a new business.

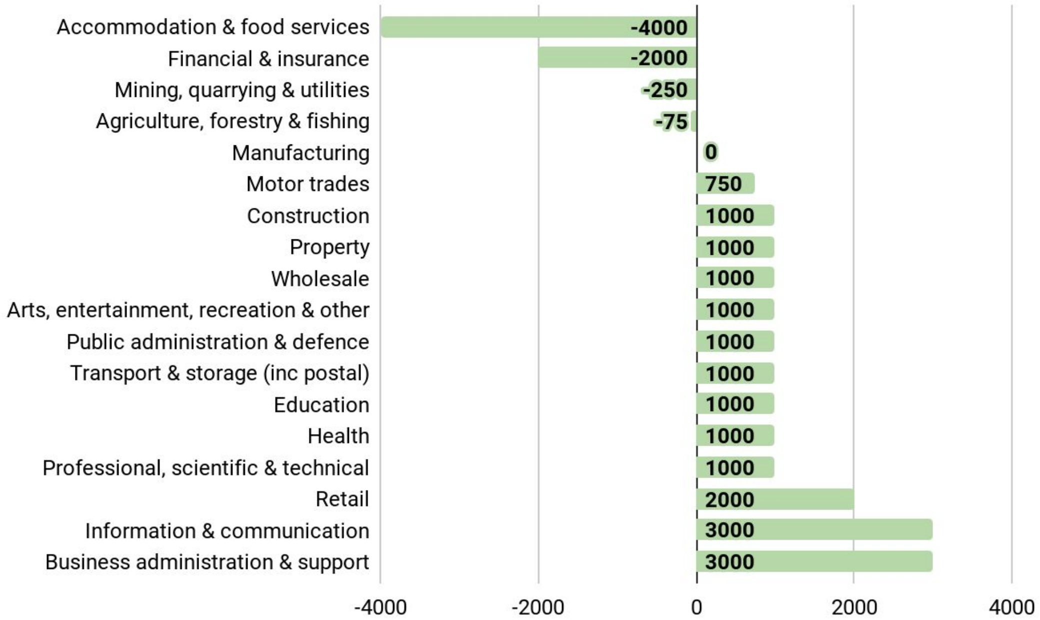
The next issue of the economy dashboard will repeat previous analysis of **business survivability** which provides further detail on this aspect. This is prepared from bespoke data prepared for Manchester City Council by the ONS so is not available at the time of preparation of this report.

# Business register and employment survey 2017

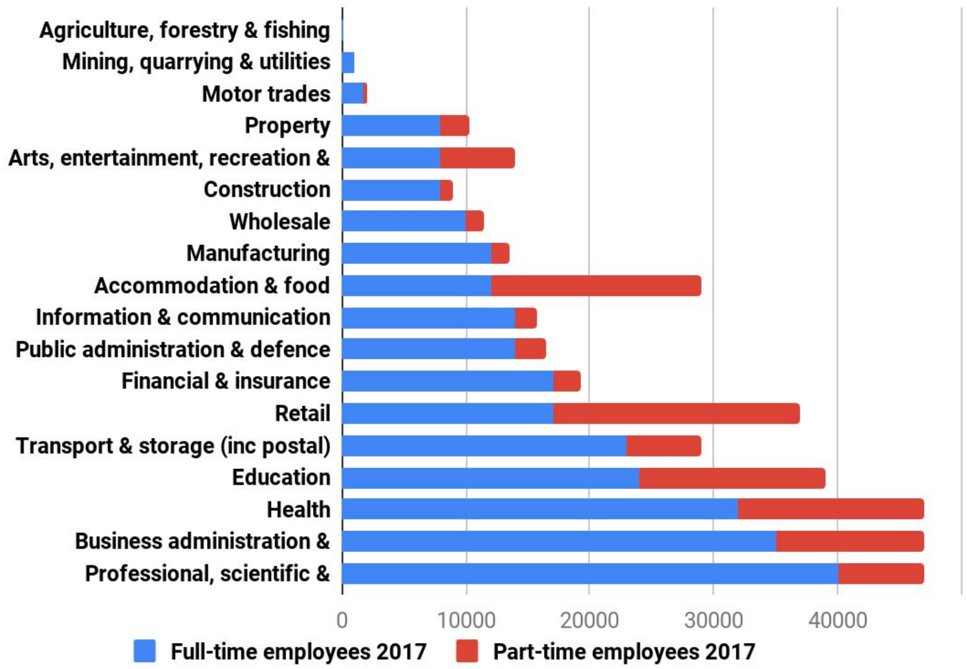
The Office for National Statistics released the 2017 update to their Business Register and Employment survey in September 2018. The release included provisional figures for 2017 and final figures for 2016. The chart below shows the total volume[2] of individuals in employment (this includes employees and the self-employed) by broad industrial area[3].




The majority of sectors saw an increase in the volume, one no change and four saw a decrease in the volume of individuals in employment.



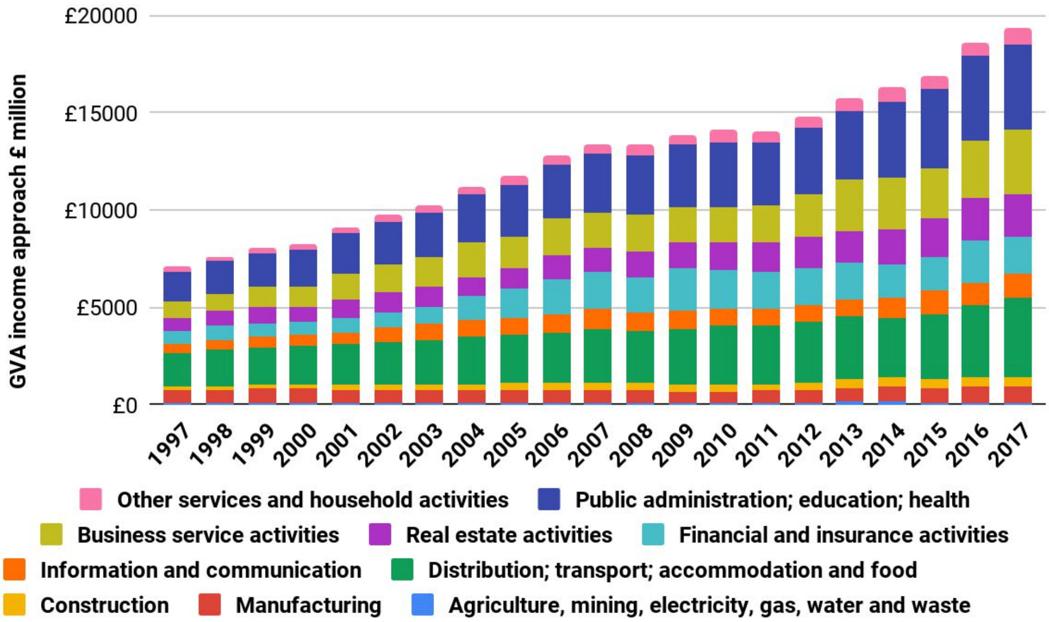

[2] The total volume is derived from a survey and is subject to rounding at local authority level
[3] Derived from 2007 Standard Industrial Classification



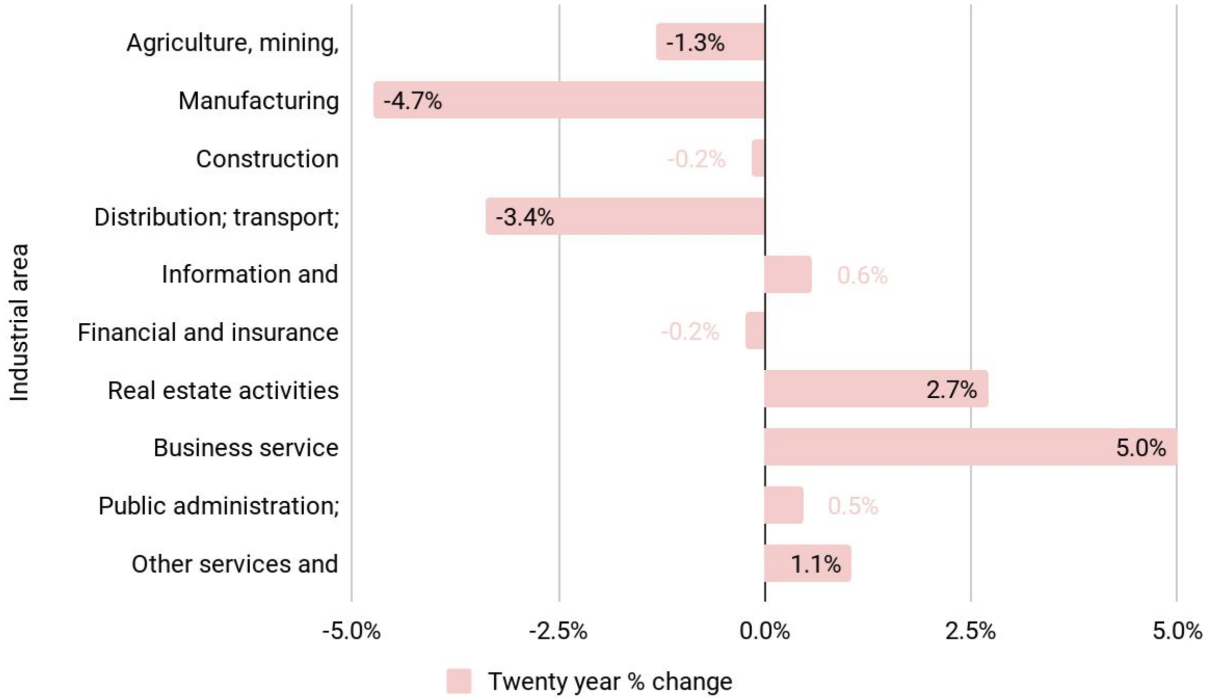

Data on full-time and part-time status is a subset of the count of employees and therefore excludes the self-employed, therefore the sums in the table above will not match those quoted for the charts showing employment. The industrial sectors with the highest level of part-time employees are accommodation and food (58.6% are part-time) and retail (54.1% are part-time). The sector with the lowest level of part-time employees is mining quarrying and utilities (7.0% are part-time) though this sector only employed around 1000 people in 2017. Of the larger employment sectors construction and manufacturing both have a low level of part-time employees (both 11.1%).

# Gross value added 2017

Gross value added (GVA) is defined as the measure of the value of goods and services produced in an area, industry or sector of an economy. The Office for National Statistics have published provisional 2017 figures, alongside revision to the preceding years. The chart below shows GVA for the city of Manchester broken down by broad industrial area[4].



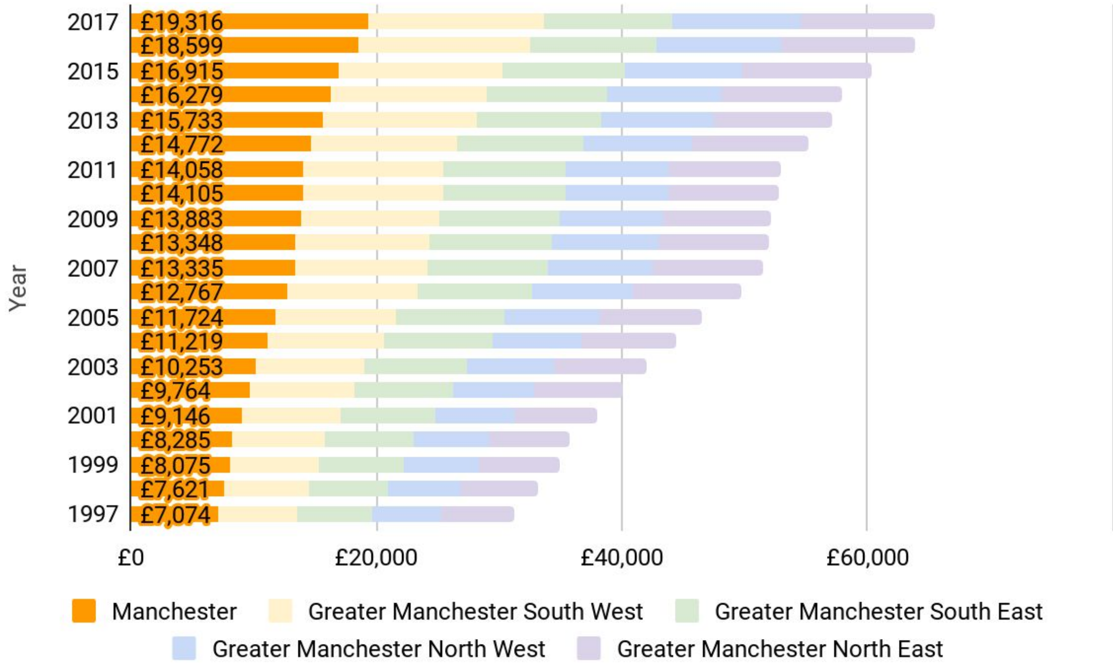

The largest contribution to the overall GVA for the city of Manchester in 2017 was from the public administration, education and health sector (22.9%), followed by the distribution, transport and food sector (21.0%). The smallest contribution came from agriculture, mining, utilities and waste (0.5%).




[4] Derived from 2007 Standard Industrial Classification

The chart above shows the respective percentage change in contribution to overall GVA for the city of Manchester in the previous twenty years. Manufacturing has seen the highest decrease in contribution (-4.7%) whilst business service activities have increased by 5.0%.

The chart below shows how Manchester, together with the other constituent Greater Manchester regions[5] contribute to the overall GVA for Greater Manchester.




The contribution of the city of Manchester to the GM total has risen from 22.6% in 1997 to 29.5% in 2017. This contribution has not risen year on year - the years 2011, 2008 and 2003 saw a decrease in the level of contribution from the preceding year.

[5] The ONS use Nomenclature of Territorial Units for Statistics (NUTS) regions in presenting GVA data

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# Business Rates

| Net annual charges payable at snapshot date / number of properties | | | | | | | |
|---|---|---|---|---|---|---|---|
| | | *£ and % variation from a year ago* | | | *Number of properties* | | |
| **Business type** | ***Oct/18*** | | Value | % | ***Oct/18*** | One year ago | Two years ago |
| **Office** | £113.66 m | Higher | £0.84 m | 0.74% | 8,104 | 7,880 | 7,480 |
| **Retail** | £82.58 m | Lower | -£2.16 m | -2.55% | 5,103 | 5,082 | 5,054 |
| **Health & Public Services** | £43.18 m | Higher | £0.78 m | 1.83% | 634 | 639 | 636 |
| **Industrial** | £35.4 m | Higher | £0.28 m | 0.79% | 4,948 | 4,838 | 4,788 |
| **Services & Food** | £21.25 m | Higher | £0.16 m | 0.78% | 1,367 | 1,324 | 1,233 |
| **Sports, Rec & Culture** | £24.55 m | Lower | -£3.58 m | -12.72% | 897 | 893 | 891 |
| **Hotels** | £18.3 m | Higher | £1.70 m | 10.23% | 94 | 91 | 90 |
| **Car Park** | £13.58 m | Lower | -£0.14 m | -1.02% | 3,455 | 3,285 | 3,241 |
| **Education** | £9.01 m | Higher | £0.38 m | 4.37% | 381 | 375 | 371 |
| **Advertising & Communication** | £4.9 m | Higher | £0.62 m | 14.43% | 1,601 | 1,633 | 1,417 |
| **Total** | £366.41 m | Lower | -£1.13 m | -0.31% | 26,584 | 26,040 | 25,201 |

The category *'Sports, recreation & culture*' includes licensed premises and the decline in this sector accounts for the lower business rates income seen this quarter.

These figures represent the financial amount billed by Manchester City Council, not the financial amount of business rates collected. The data is taken as a snapshot as at the first day of the month after quarter end. 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). The figures quoted above are not adjusted to reflect bad debts or appeals to avoid distortion to the profile of the business types with rates payable.

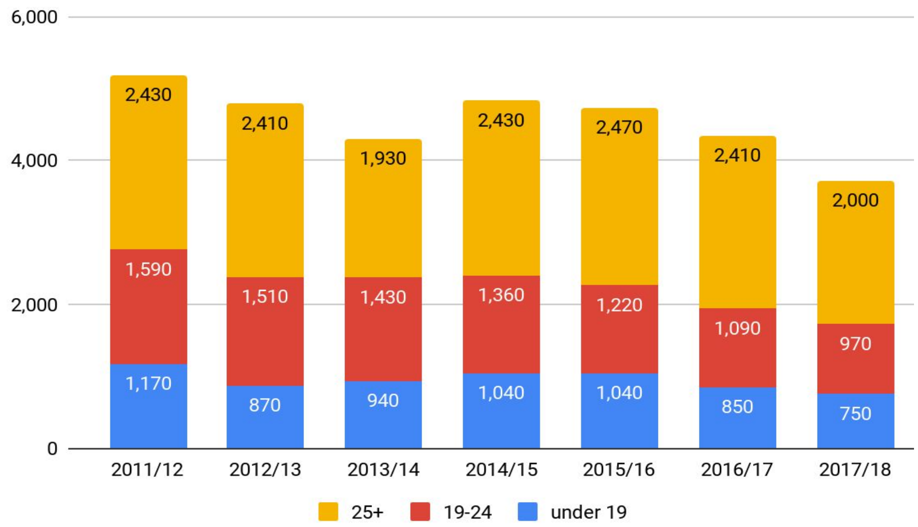
# Skills and jobs

**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**

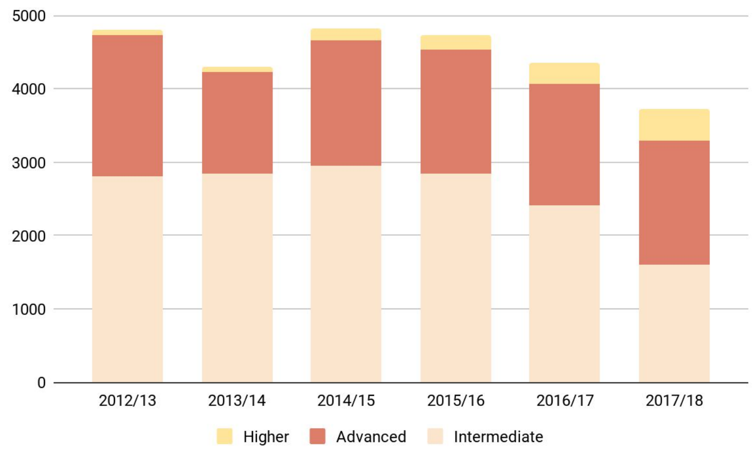
## Apprenticeships 2017

The Education and Skills Funding Agency have released the full year 2017/18 dataset covering apprenticeships. The following tables relate to apprentices who were resident within the city of Manchester before commencing their course.

**Apprenticeship starts:** the chart below provides detail of the number of apprenticeship starts by age band of the apprentice for the academic years 2011/12 to 2017/18.




The volume of apprenticeship starts has fallen across the following comparator geographies: Manchester, Greater Manchester, the North West and in England. The volume of total apprenticeship starts seen in Manchester has declined by 28% since 2011/12. 2017/18 saw a 14.5% decrease in starts when compared to 2016/17.




The chart to the left shows the distribution of apprenticeship levels over the period 2011/12. Despite the trend to lower levels of starts, the number of higher level apprenticeships is growing.

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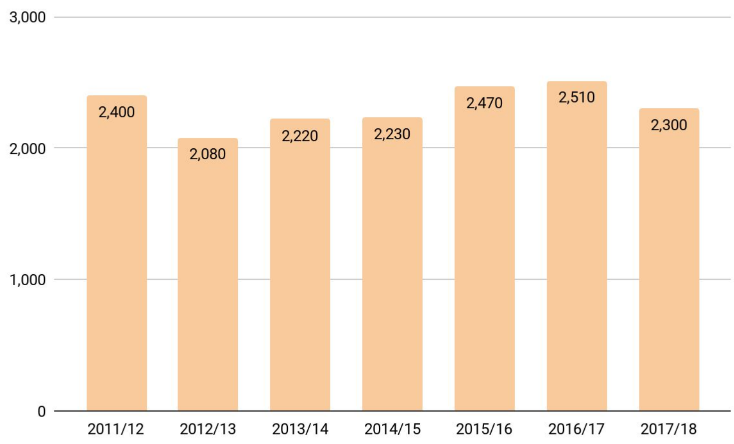
**Apprenticeship achievements:**




Given the lag between starting an apprenticeship and successfully finishing one the count of apprenticeship achievements in the chart to the left remains relatively stable. There is no standard length for an apprenticeship as the duration is based on the course level and whether the apprenticeship is undertaken on a full or part time basis. Typically though apprenticeships can last for between one and four years, which suggests the recent decrease in starts will start to impact in the apprenticeships data between 2018/19 and 2020/21.

# Housing

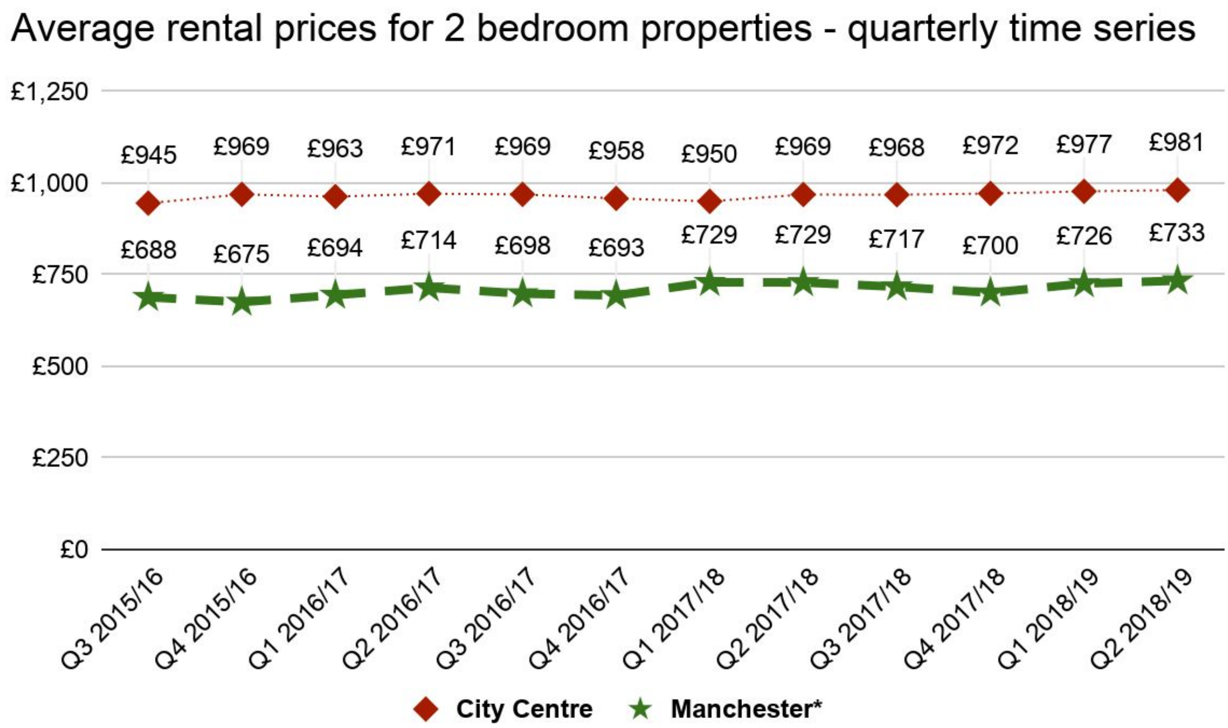
**As a liveable and low carbon city: we will provide a diverse supply of good quality housing in clean, safe, more attractive and cohesive neighbourhoods across the city.**

## Housing market data

| Property prices and sales during the quarter (derived from Land Registry data) | | | | | | |
|---|---|---|---|---|---|---|
| | | | *Variation from last quarter* | | *Variation from a year ago* | |
| | | 2018/19 Qtr1 | Number | % | Number | % |
| **Number of properties registered as sold** | **Manchester city centre** | 496 | -140 | -22.0% | -151 | -23.3% |
| | **Manchester excluding city centre** | 1,362 | -109 | -7.4% | -120 | -8.1% |
| **Mean Price** | **Manchester city centre** | £211,755 | £5,539 | 2.7% | £9,758 | 4.8% |
| | **Manchester excluding city centre** | £182,204 | -£94 | -0.1% | £5,045 | 2.8% |

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

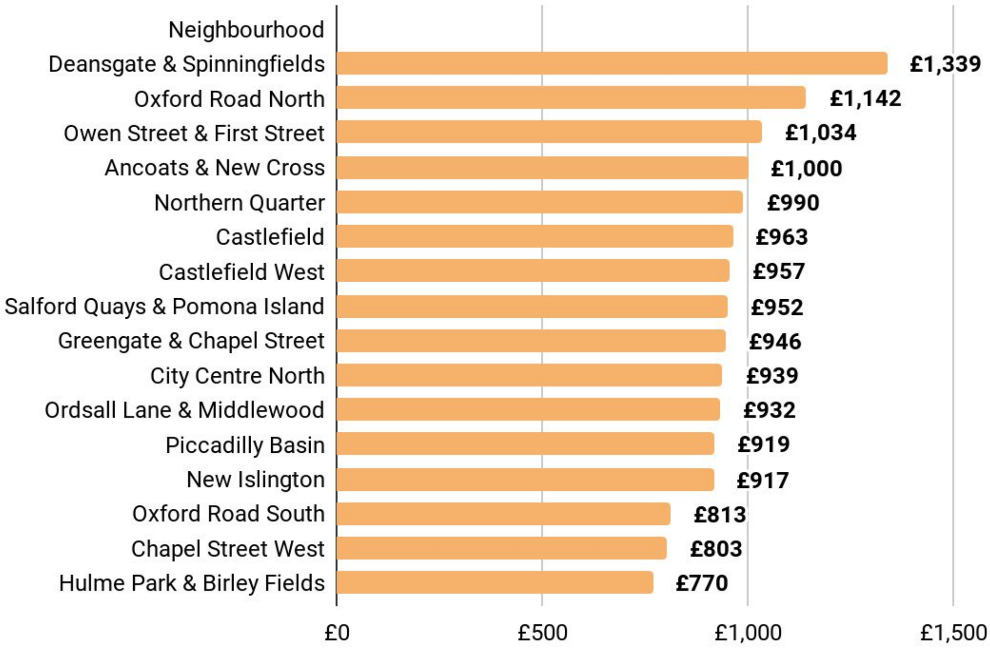
# Rental market data



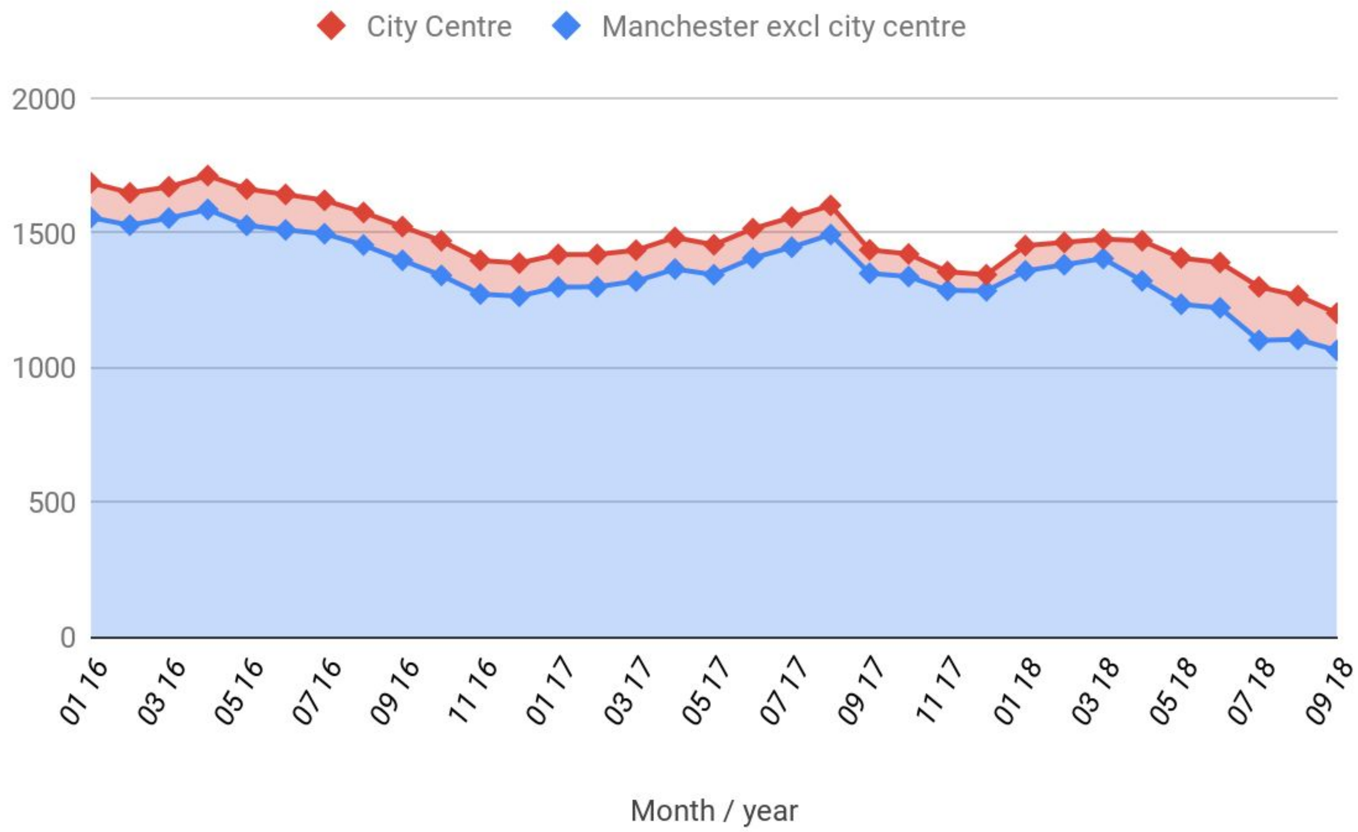

*Rental price data is retrospectively amended to incorporate the latest available intelligence. Previous quarters may not match figures in preceding dashboards.*

**Manchester refers to the City of Manchester not Greater Manchester*

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 2 2018/19 for city centre neighbourhoods:



## Volume of empty properties[6]




# 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

***Note: data availability means that the latest data available relates to a snapshot as at the start of September 2018, the annual comparison is against a snapshot as at 30th September 2017***

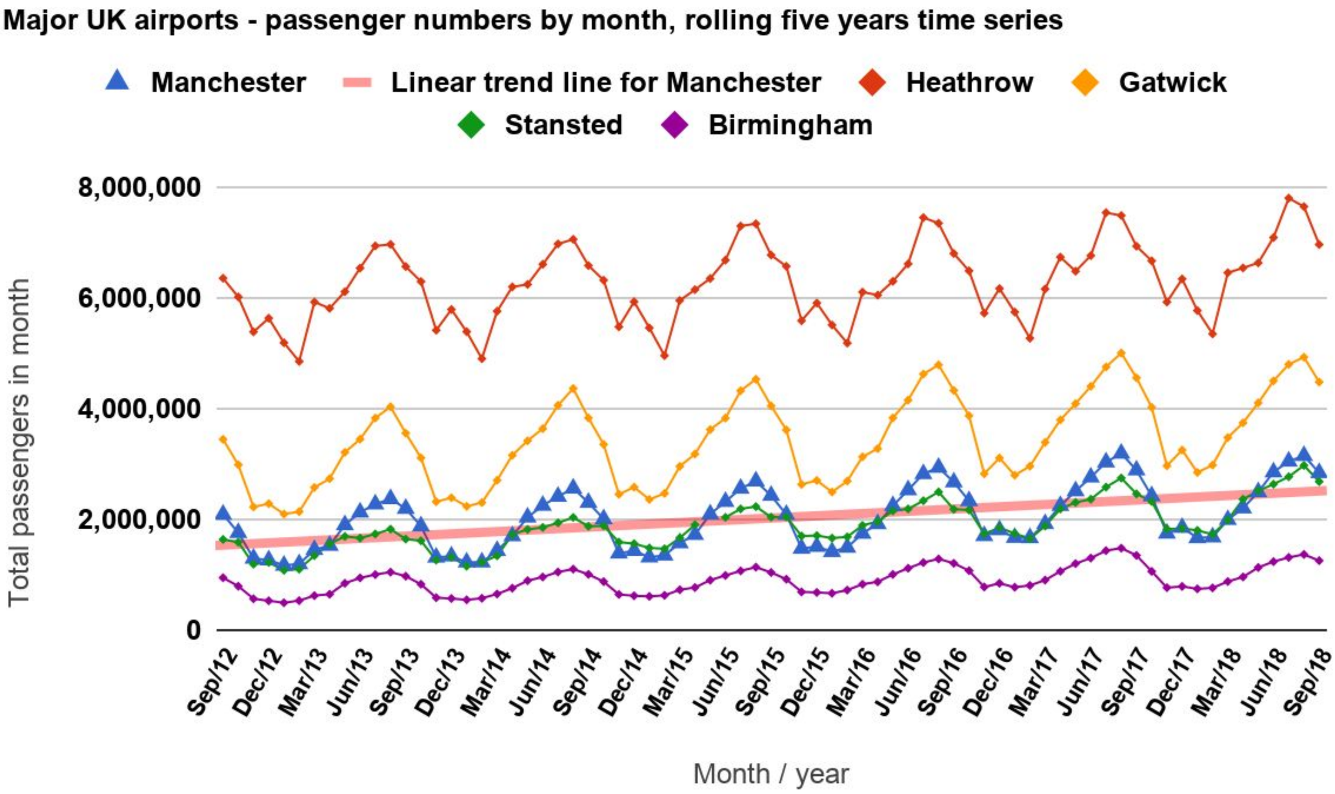
| Hotel accommodation stock | | | | | |
|---|---|---|---|---|---|
| **Number of rooms in Manchester city centre (snapshot at month end)** | | **Quarterly change** | | **Annual change** | |
| | **Sep/18** | **Number** | **%** | **Number** | **%** |
| **4 & 5 star hotels** | 4463 | 328 | 7.91% | 327 | 7.96% |
| **3 star and below hotels** | 4347 | 0 | 0.18% | 8 | 10.81% |
| **Self-catering and serviced apartments** | 1070 | 0 | 18.76% | 169 | 27.84% |
| **Total rooms** | 9880 | 328 | 5.38% | 504 | 11.09% |

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

# 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



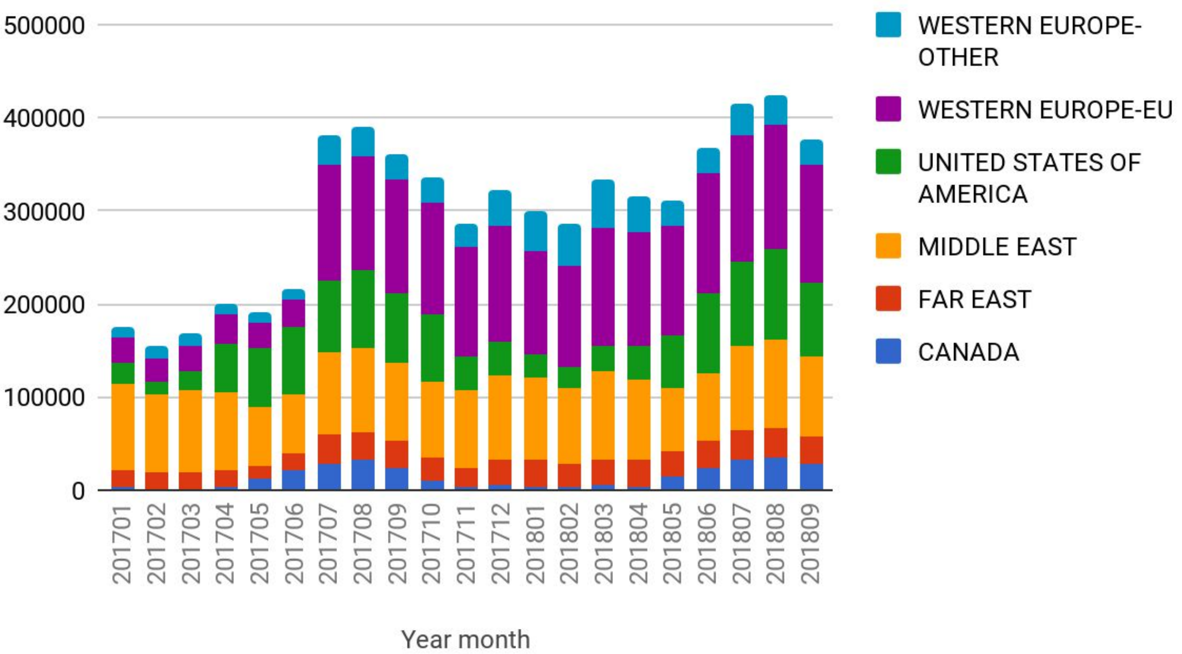

| | *Passenger numbers during month of:* | *Annual change* | | *Biennial change* | |
|---|---|---|---|---|---|
| | Sep/18 | *Actual* | % | *Actual* | % |
| *Manchester* | 2,840,678 | -47,291 | -1.64% | 168,343 | 6.30% |
| *Heathrow* | 6,959,068 | 28,865 | 0.42% | 161,298 | 2.37% |
| *Gatwick* | 4,479,151 | -76,082 | -1.67% | 151,357 | 3.50% |
| *Stansted* | 2,682,249 | 221,195 | 8.99% | 497,823 | 22.79% |
| *Birmingham* | 1,255,406 | -95,225 | -7.05% | 46,825 | 3.87% |

# 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 24 which was published in September 2018. London has ceded position one in the index to New York. The other changes relate to changes in ranking within the top twenty other than Montreal who have slipped to position 24. Guangzhou in China has entered the top twenty at nineteenth position.

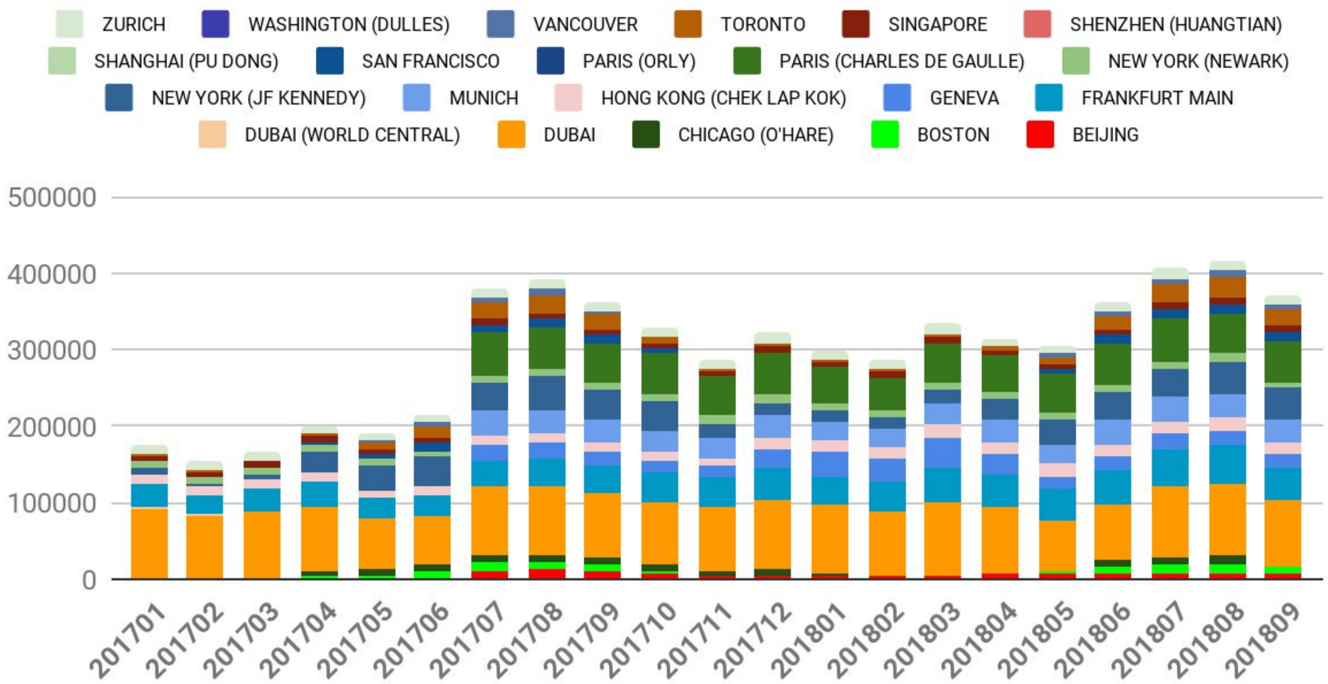
Data availability means that at present we cannot differentiate between passengers who fly to the airports included as their final destination and those who transit on to other final destinations.

**Monthly total of passengers flying from Manchester to financial centres by region**




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.

**Monthly total of flights from Manchester to financial centres by airport**




***Ends***