Economy Update May 2023

Manchester's Economic Headlines for May 2023

1. In March 2023, the Spring Budget was announced. Within it were several key announcements relating to the economy. The budget confirmed that the Energy Price Cap guarantee will remain in place at £2,500 until July 2023. This measure is expected to save the average family £160. Additional support will be given to motorist as the 5p cut in Fuel Duty will remain in place for a further 12 months. The Office of Budget Responsibility (OBR) expects inflation to fall from its peak of 10.7% in Q4 2022 to 2.9% in Q4 2023, a fall of over two-thirds. Despite a substantial fall forecast, the inflation rate would still remain above the 2% target set by the government.

2. The first instalment of the cost of living payments have been paid by the government which could be worth up to £900 in 2023/24 for those eligible – though some people will receive up to £1,350. More than 7 million households across the UK will have been paid a £301 Cost of Living Payment. (gov.uk)

3. Manchester beat London as Best Place for New Jobs in England. Bloomberg analysed millions of job advertisements handled by the firm Reed Recruitment in England from 2018 to March 2023. London still offers the largest pool of new jobs, although it ranks 21st among larger towns and cities when figures are adjusted for the number of postings per local worker. (Bloomberg.com)

4. Diesel has continued to trend downwards, and for the 25th week in a row has declined and the price at the pump now stands at 160.35 p/L. Petrol prices have seen a period of fluctuation however the previous two weeks have seen a decline with the price at the pump now being 145.71 p/L. In comparison with the same point in 2022, the price of a litre of diesel has declined by 9.44%. The price of a litre of petrol over the same period has declined by 10.32%.

5. Provisional figures for March 2023 shows that there has been a 1.42% rise in the number of Universal Credit Claimants from February 2023. Since October 2022, the total number of Universal Credit Claimants has increased month on month. Between February 2022 and February 2023 there has been an increase of 8.0% in the number of Universal Credit claimants who are Not in Employment, over the same period the number of In Employment claimants has decreased by 3.6%.

6. 16 - 17 year olds not engaged in education, employment or training (**NEET**) increased in March 2023 to 530, this was higher than where it was in the same period in March 2022. Those who are Not Known decreased over the same period and was 12.82% lower than where it was in March 2022. When looking at the NEET and Not Known figures it is important to remember the change in the cohort size, between March 2022 and March 2023, the cohort size has increased by 8.8% and now stands at 13,792 16-17 year olds.

7. Data provided by Lightcast shows that there were 26,881 unique job posting in April 2023, this was a decline of 13.8% against March 2023. When comparing against April 2022, the decline was a lot less at 3.5%.

8. Rental prices within Manchester have continued to rise, within Manchester City Centre the average 2 bed rental cost is £1,279 per month. This is a 3.3% rise against the previous quarter. Rental prices outside of the city centre have seen a higher rate of quarterly change, rising 4.0% against the previous quarter. The number of properties that are affordable on the Local Housing Allowance (LHA) has declined drastically between 2021/22 and 2022/23**,** with only 46 properties advertised within the LHA in 2022/23. The rental date comes solely from Rightmove and only includes data of listing hosted on their site, so it will not capture all of the rental market data of Manchester.

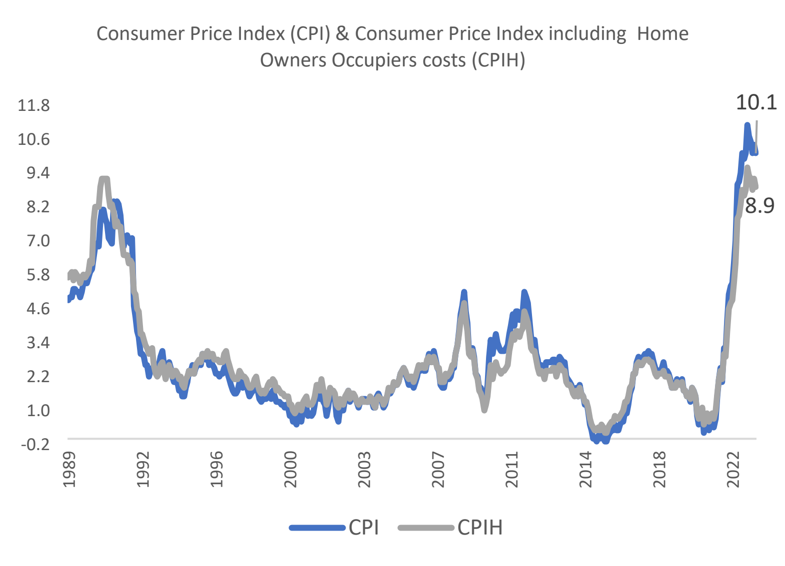
9. The residential property pipeline shows that there are over 11,000 homes under construction across the city. Of those, there are just over 1,200 affordable homes. This means that of all the new homes under construction, 11.2% are to be affordable.

10. City Centre footfall data up to the 23rd April 2023 shows that the level of footfall is up 12.5% against the same week recorded in 2022, however when comparing against the same week in 2019 the figure is substantially lower, 22.5% down. In contrast, the District centre footfall is up against the 2019 level seen the week commencing the 24th April, by 2.5%, and when compared against the 2022 level, it is higher by 12.6%.

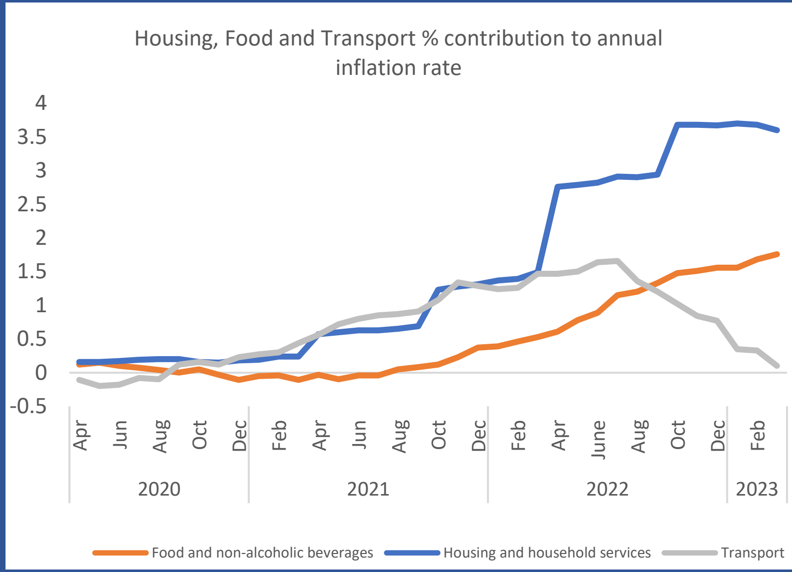
Economy Update May 2023

May 2023 **Economic Indicators**

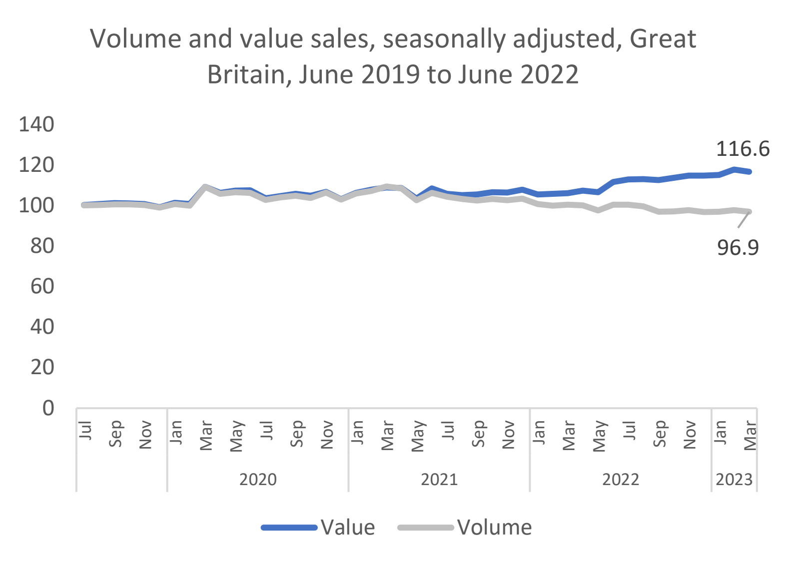
Inflation



Source: ONS, CPI & CPIH
Data released: 19/04/2023 Next Updated: 24/05/2023

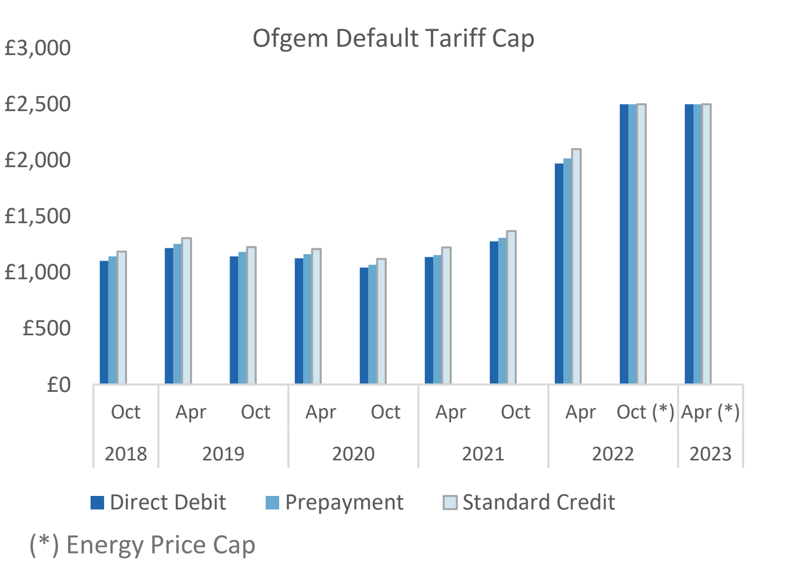


Source: ONS, Contributions to the CPIH 12-month inflation rate
Data released: 19/04/2023 Next Updated: 24/05/2023

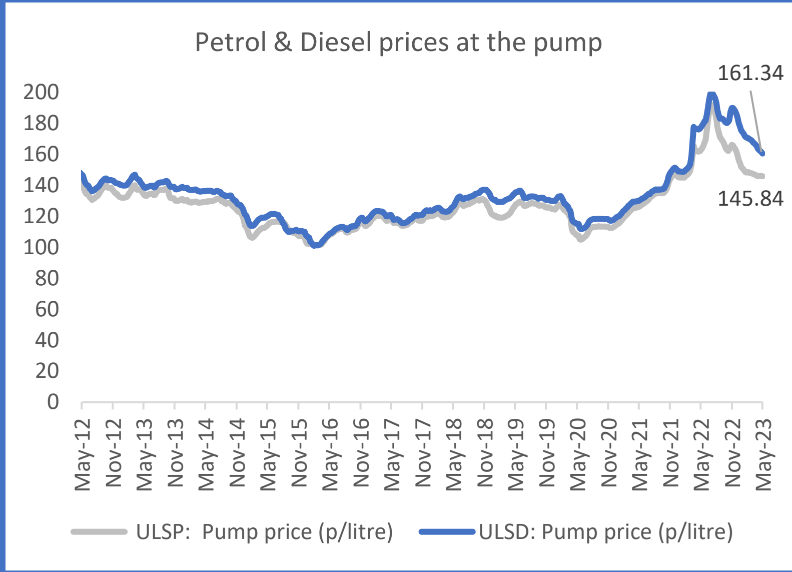


Source: ONS, Inflation and price indices.
Data released: 21/04/2023 Next Updated: 26/05/2022

Fuel & Energy Pricing

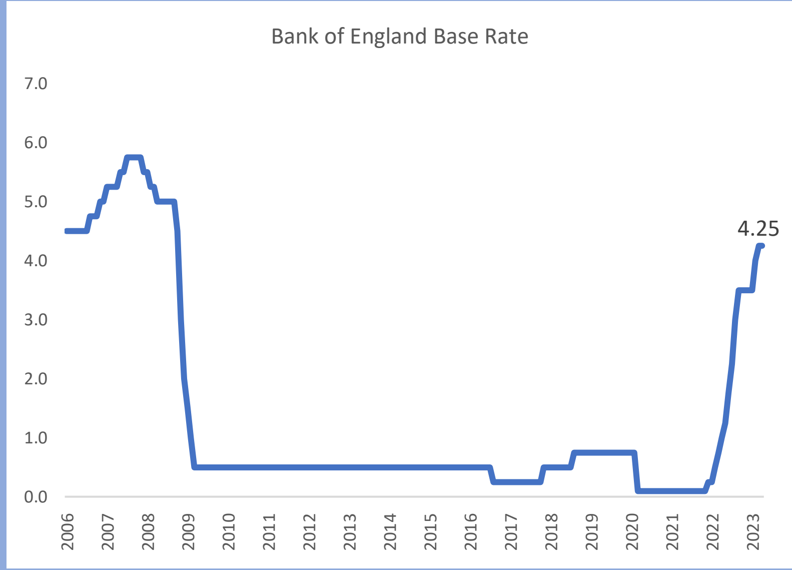


Source: Ofgem
Data released: 24/11/2022 Next Updated: TBC



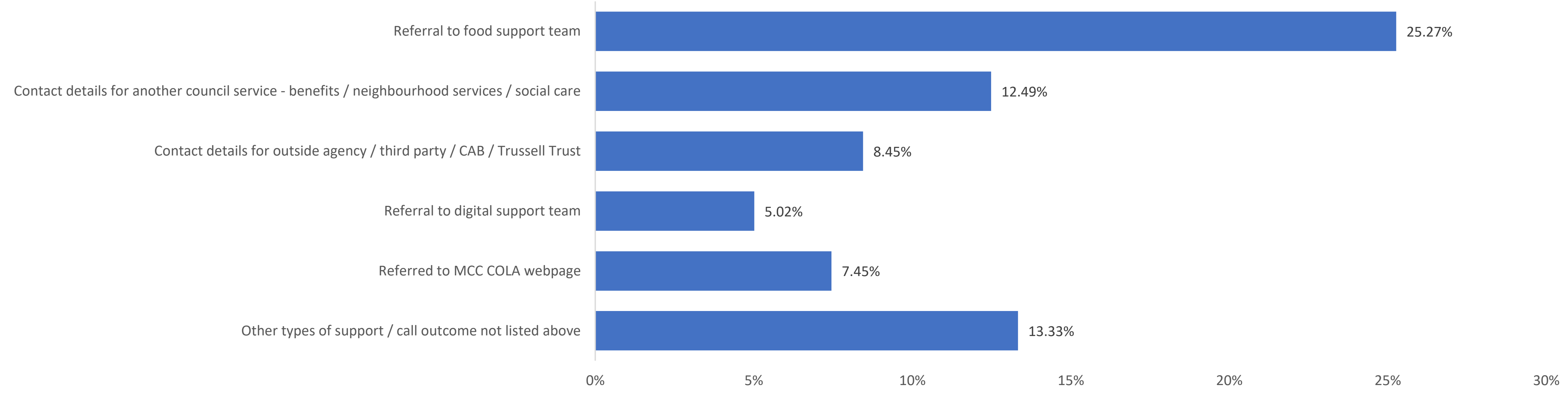
Source: Dep. for Business, Energy & Industrial Strategy
Data released: 03/05/2023 Next Updated: 10/05/2023

Interest Rate



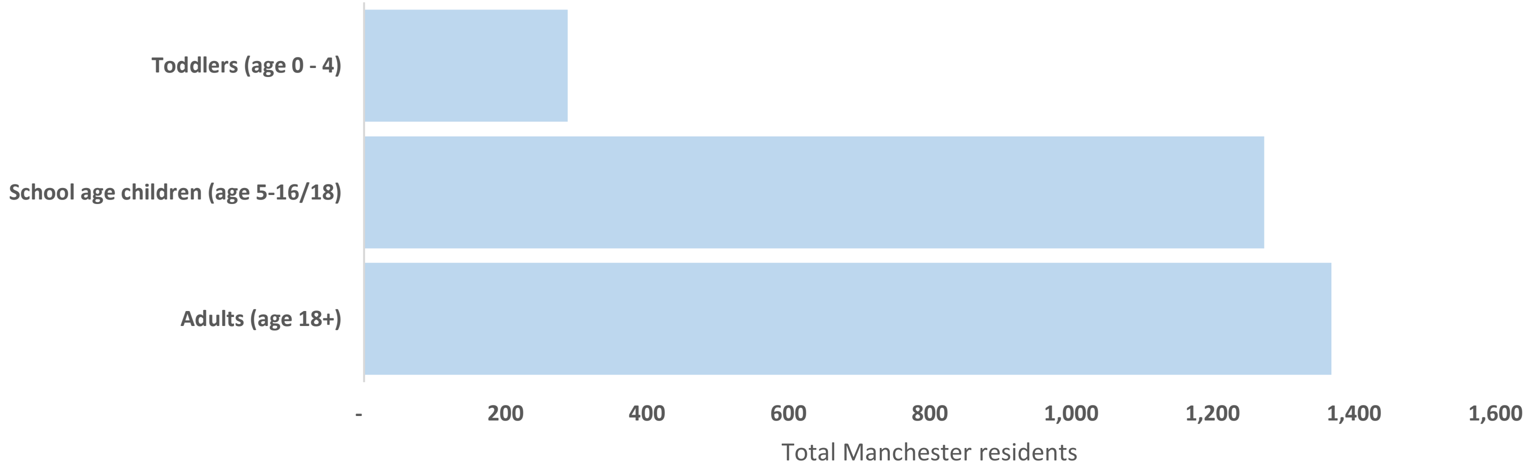
Source: Bank of England
Data released: 23/03/2023 Next Updated: 11/05/2023

The Cost of Living Advice Line has been in operation since October 2022. Over 3000 calls have been made to the advice line and offers of support are made as appropriate to the resident's circumstances. The most frequent support offers are assistance with financial issues and referral to our food support team.



Callers to the advice line who are referred for food support are asked for details of the number of adults and children in their household. This allows us to visualise the number of residents who reside in households in need.

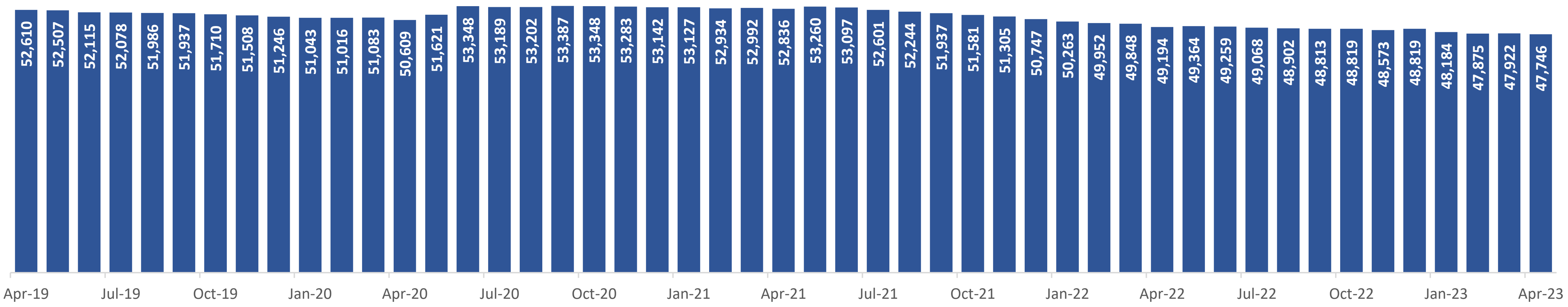
The data suggests that ~2,950 Manchester residents from around 900 households are either directly (e.g. they contacted the advice line) or indirectly (they reside in a household where there is need and someone else has contacted the advice line) impacted by issues that impact on their ability to obtain sufficient food. It is worth noting that some residents have told us specifically that they ensure that it is the adults in the household rather than the children who lack food.



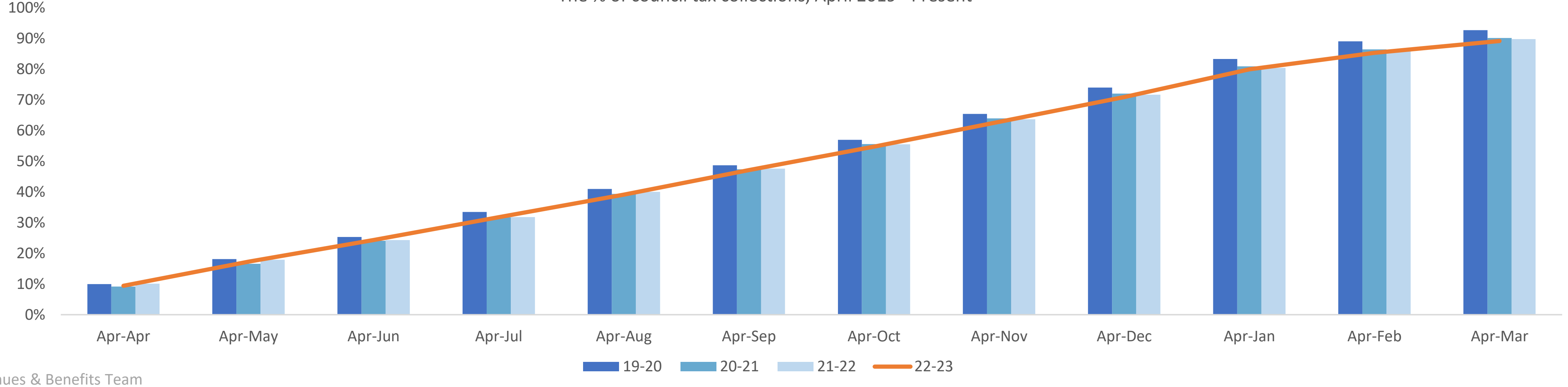
Source: NCC Cost-of-Living advice line
Data is updated daily during the working week and is available via the Cost-of-Living SharePoint resource

The number of people in receipt of Council Tax support continues to decline, with a very slight decline of 0.4% between February 2023 and March 2023. In the past 12 months there has been a 2.9% decline. Figures for April to March of the % of council tax collections shows that it is below where it was at the same point in the year 2021/ 2022 by 0.6%. Despite the collection % being lower, £17.2m more has been collected in 2022-23 than 2021-22. Apr-Apr 2023/24 show that collection rates currently stand at 8.99%.

Snapshot view of the number of people in receipt of Council Tax Support on that date

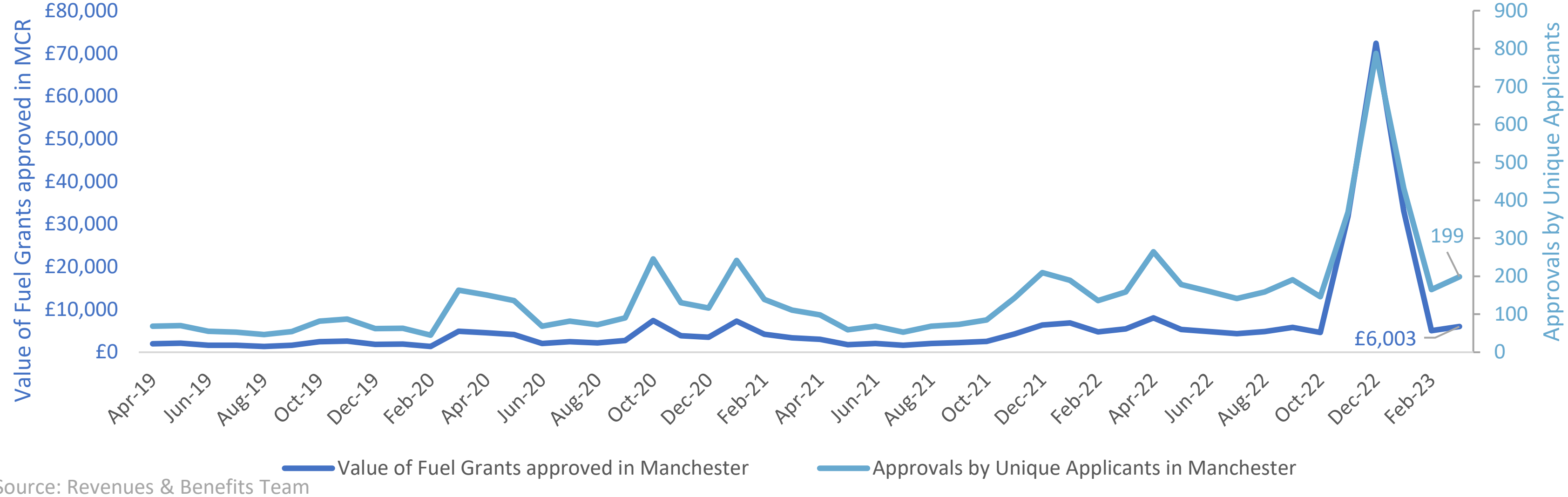


The % of council tax collections, April 2019 - Present



Source: Revenues & Benefits Team
Data released: 02/05/2023 Next Updated: 01/06/2023

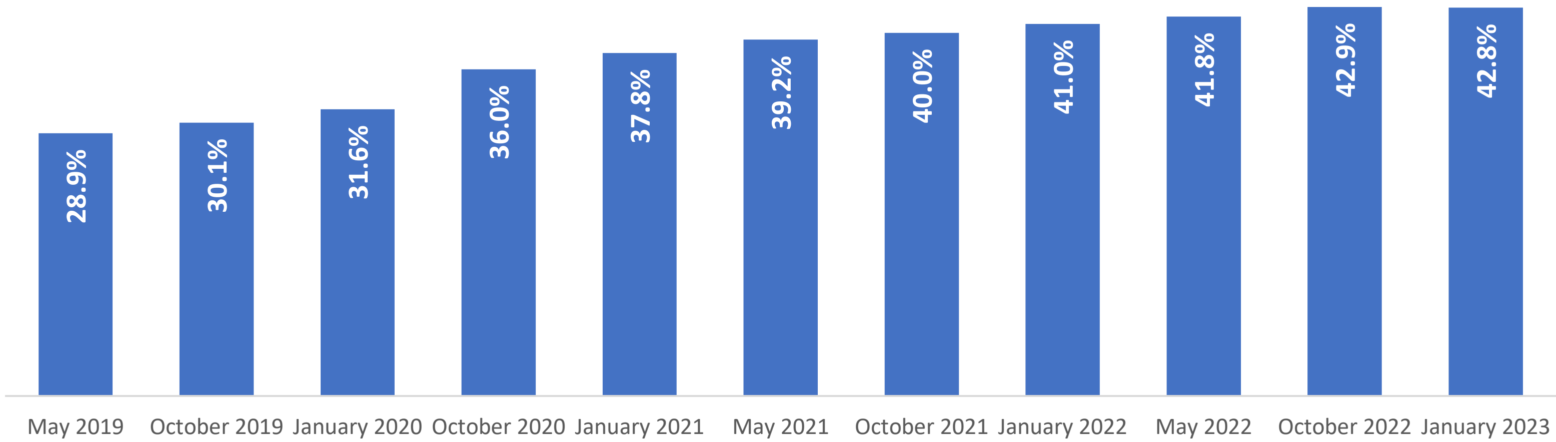
The number of fuel grant approvals by unique applicant in Manchester increased between February 2023 and March 2023 by 20.6%, and the total value of fuel grants approved in Manchester increased by 20.1% over the same period. The number of unique applicants is 25.2% higher than it was in March 2022. Free School Meal eligibility fell slightly in the January 2023 School Census, historically this figure has risen term on term however.



From November 2022 the amount of money the fuel grant could offer increased from £30 to £100, however if an award had previously been made within the last 12 months the scheme could award £70. Additional funding had been made available from the Household Support Fund. The fuel grant has now been reduced to its pre-November levels and is £30.

Source: Revenues & Benefits Team
Data released: 06/01/2023 Next Updated: 01/02/2023

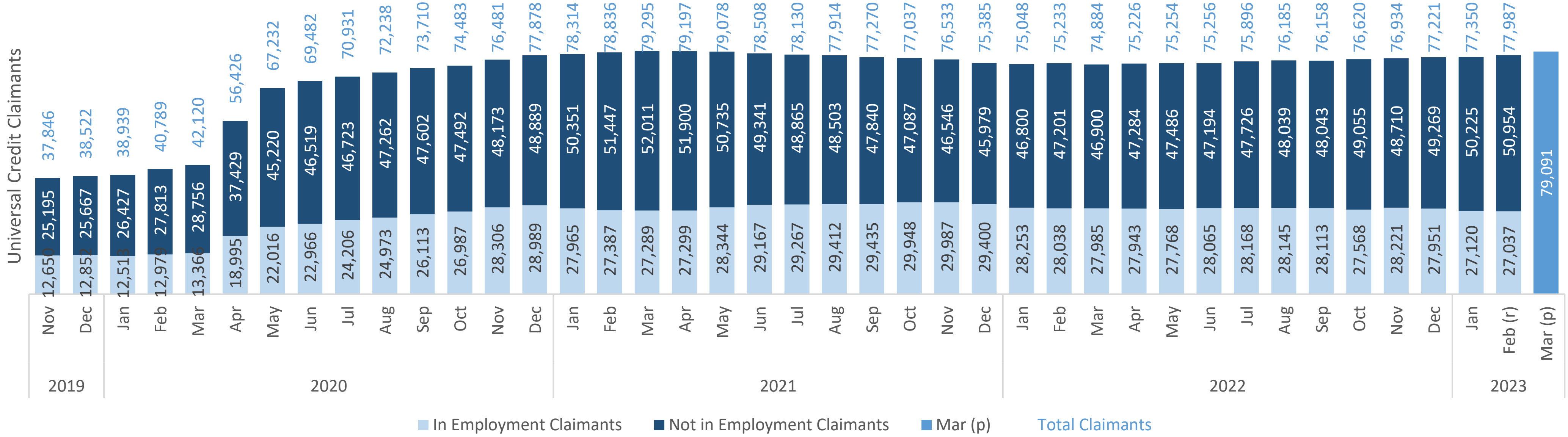
Free School Meal Eligibility



Data relates to Manchester pupils who are residents within Manchester. It should be noted that no School Census was conducted for May 2020. It should be noted that the dates relate to terms time, for example May 2019 relates to the Spring Term academic year 2018/19.

Source: MCC School Census
Data released: April 2023 Next Updated: July 2023

Provisional figures for march 2023 show a 1.42% rise against February 2023. When comparing against March 2022, there has been a rise of 5.62%.



Total Universal Credit Claimants (March -provisional*):

79,091

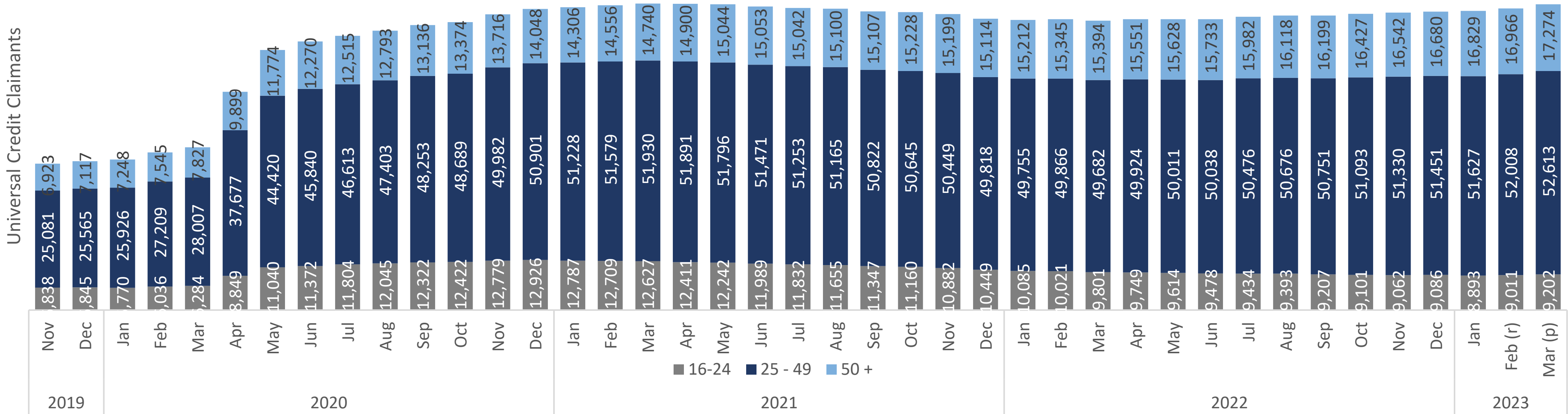
Monthly Change (Feb – Mar (p)*)

1.42%

Not in Employment Claimants (Feb (r))

50,954 (65%)

All age bands have seen a rise, 16-24 had an increase of 2.12% from February to March 2023, which was the biggest monthly change in that period.



Largest Age Group (March (p)*)

25-49 year olds (52,613)

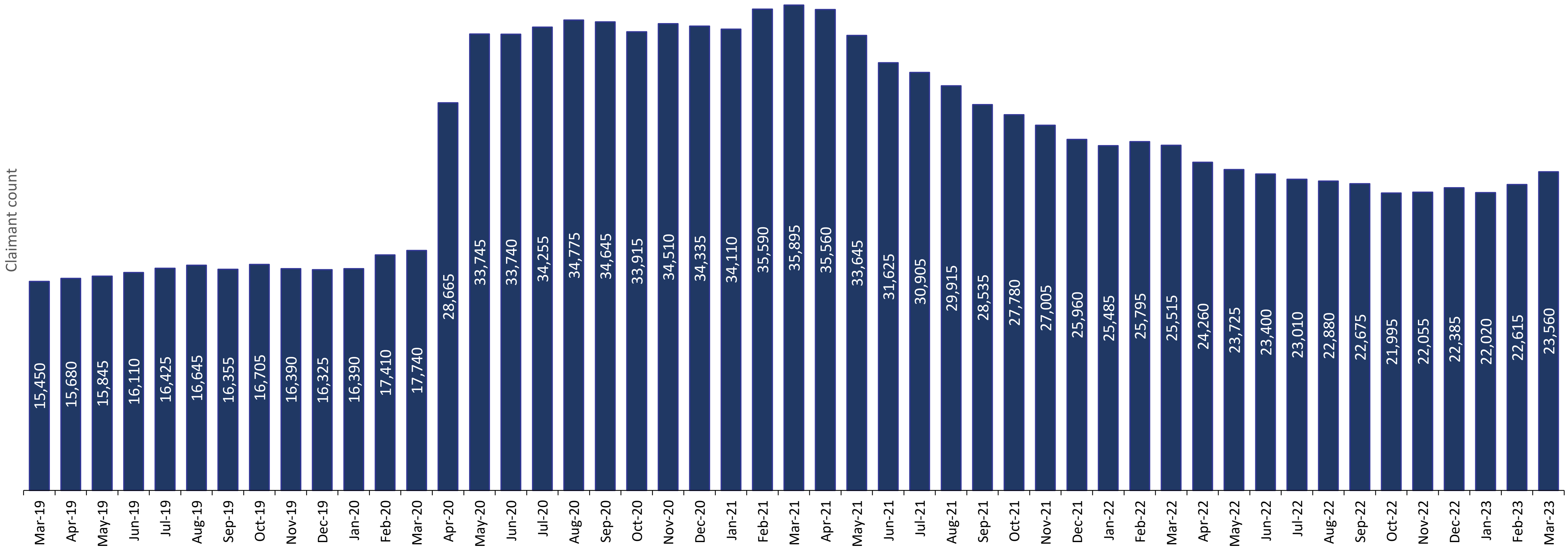
Monthly Change in 25-49 year old claimants (Feb – Mar (p)*)

1.16%

*Provisional results generally over estimate the actual no. of claimants

Source: DWP, via Stat-Xplore
Data released: 18/04/2023 Next Updated: 16/05/2023

Provisional figures for March 2023 show that the unemployment claimant count in Manchester rose by 4.18% from February 2023 to March 2023. Current figures show that in the last 12 months, March 2022 to March 2023 there has been a drop in unemployment claimant count of 7.66%.



The Claimant count measures Job Seekers Allowance (JSA) and unemployed UC claimants.

Unemployment Claimant Count
(March 2023)

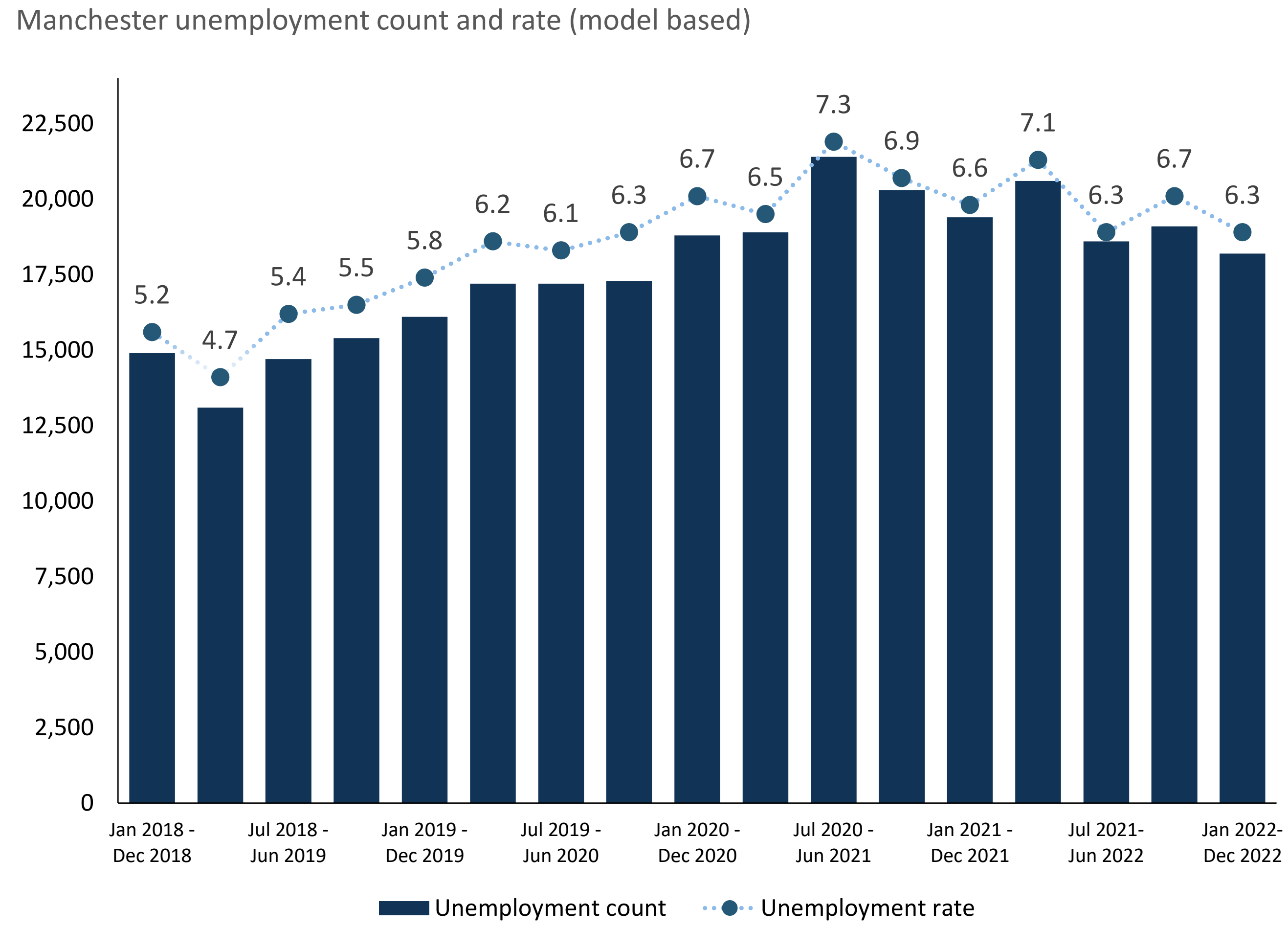
23,560

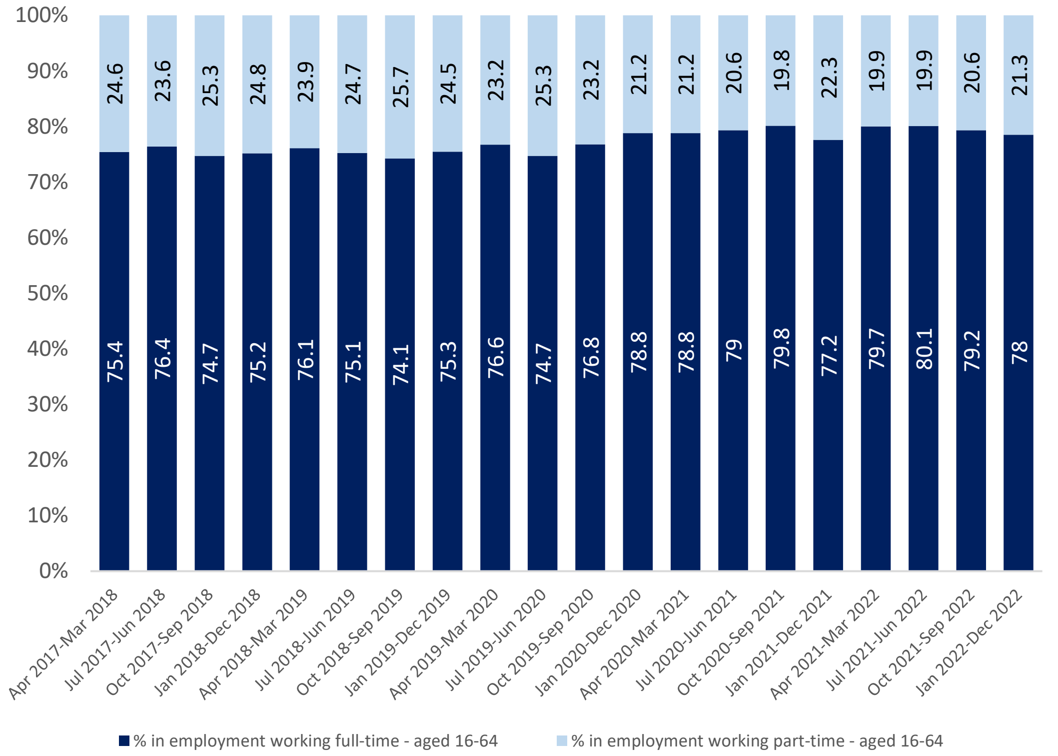
Unemployment Claimant Count Rate
(March 2023)

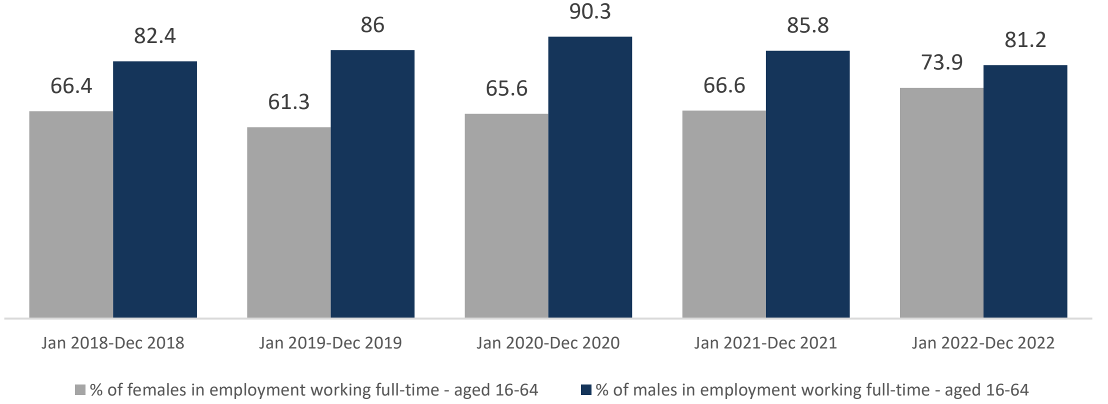
c. 6.0%

Source: Claimant Count, ONS
Data Released: 18/04/2023 Next Updated: 16/05/2023

In Manchester both the Unemployment rate and the count continue to fluctuate. In the latest data, the unemployment rate has declined to 6.3%. The % of people who are in employment working full time aged 16-64 declined to 78% in the latest figures, this is the lowest the rate has been since Jan 21- Dec 21.



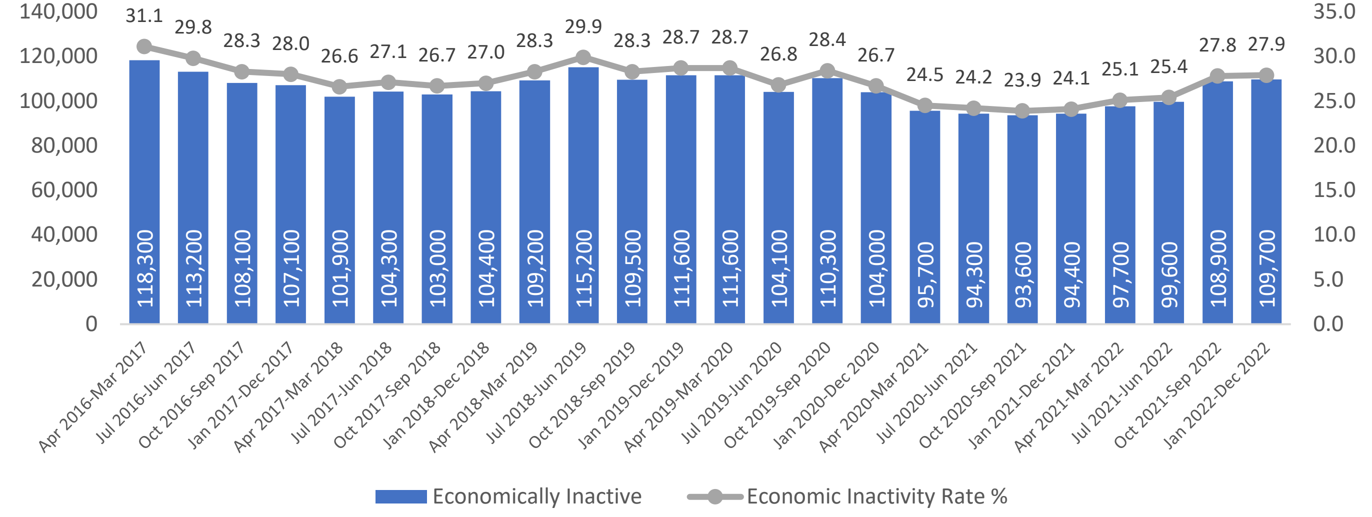




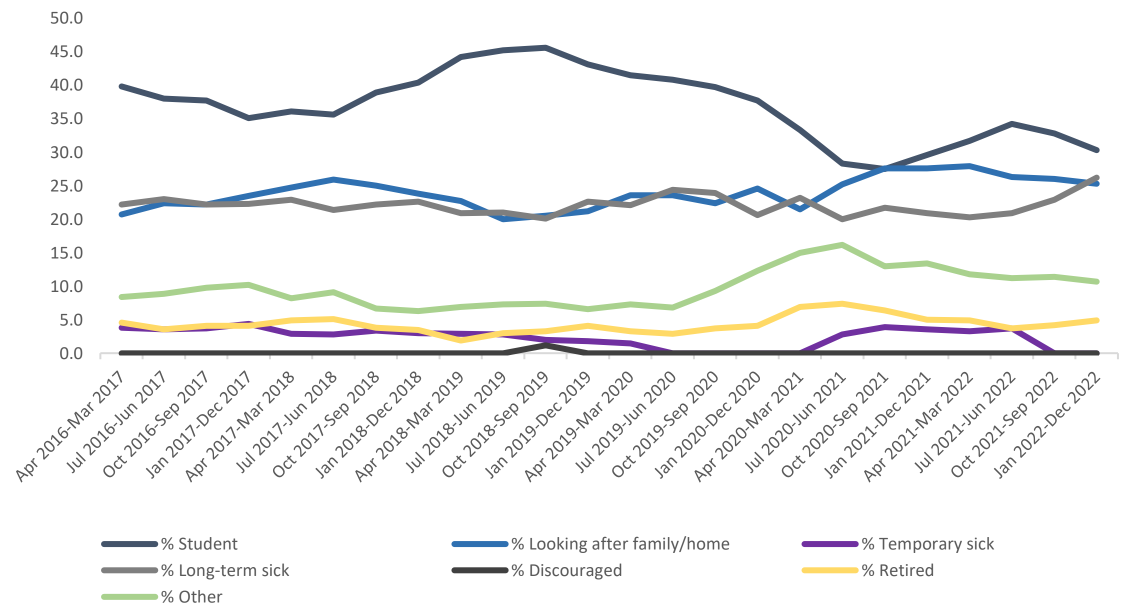
The unemployment rate is the percentage of the economically active population who are seeking work and are available to take it.

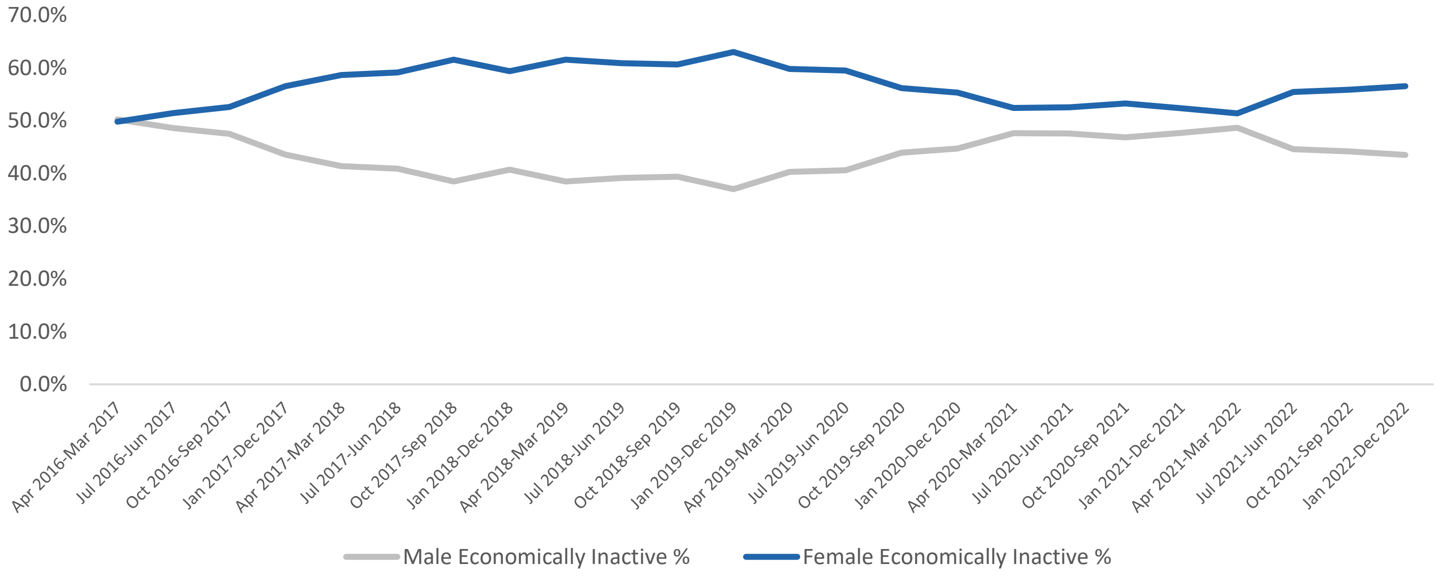
Source: Annual Population Survey, ONS
Data Released: 18/04/2023 Next Updated: 16/05/2023

The Manchester Economic Inactivity rate has continued to increase each quarter since the low point recorded in the Oct 2020-Sep 2021, when it was recorded as 23.9%. This low point was significantly influenced by the reduction in students living in Manchester during Covid. There has been an increase in the rate of people who are economically inactive due to being long term sick.

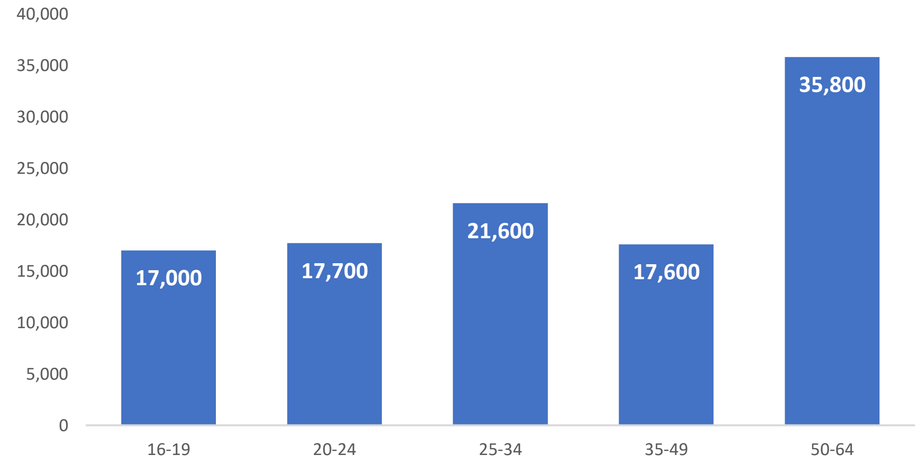


Manchester economic inactivity by Reason (16-64) rate (model based)

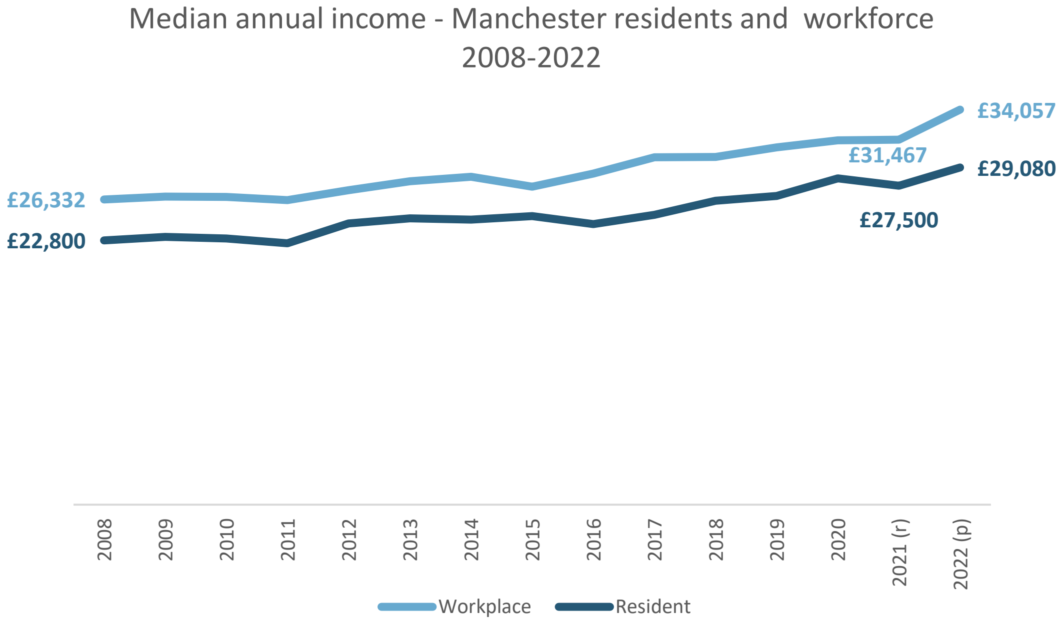


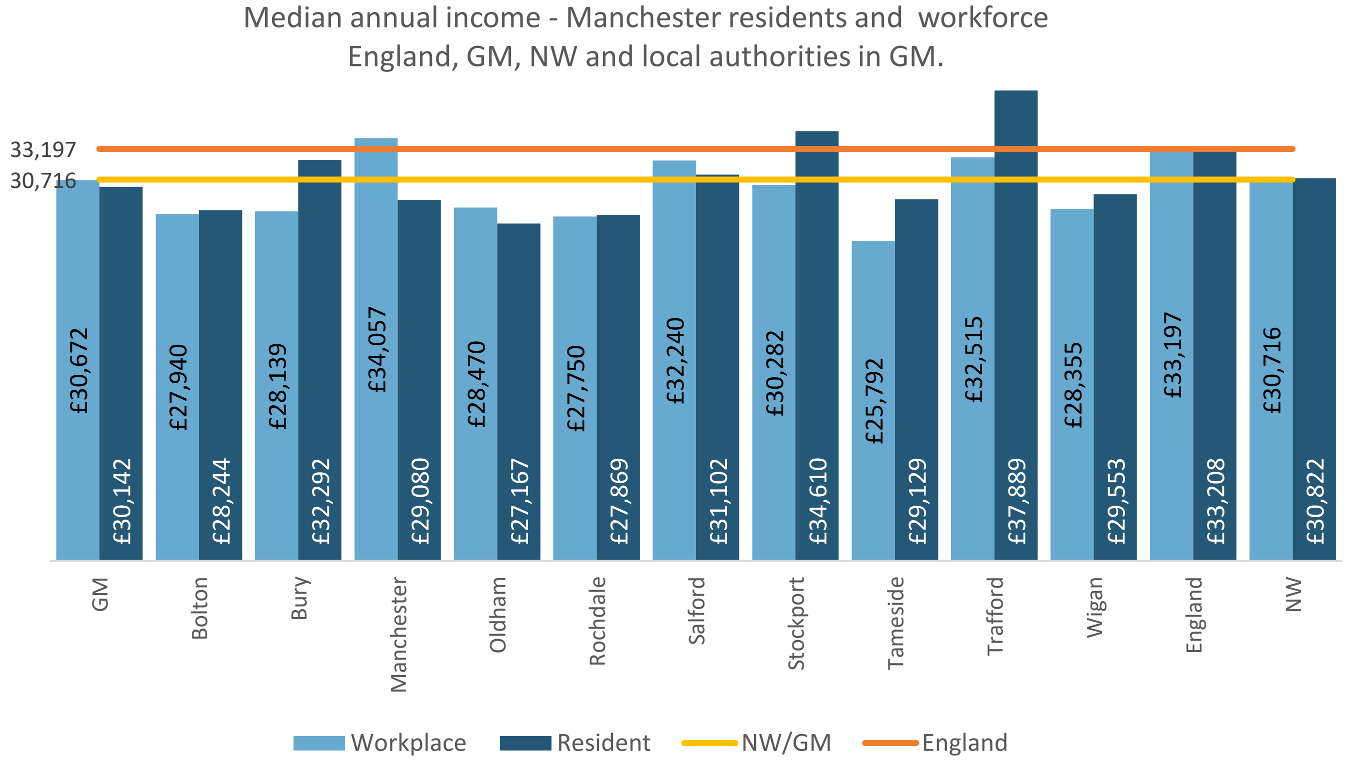


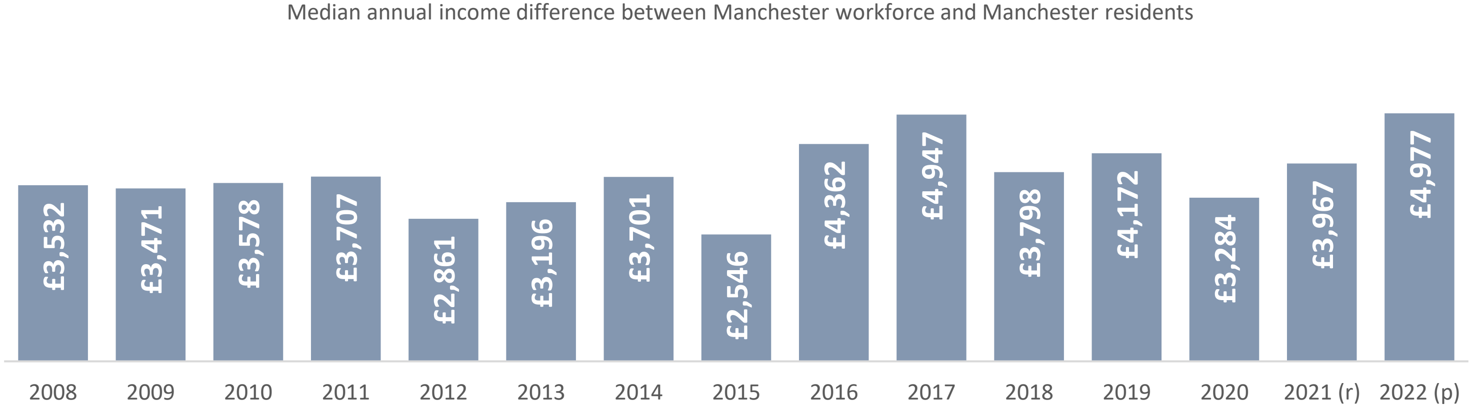
Manchester's Economic Inactivity 16-64, by age cohort, Jan 2022 - Dec 2022



According to ASHE the median annual income figure for both Manchester residents and workforce has increased between 2021 and 2022 (Gross income - Full-time). The median annual income for Manchester's workforce is higher than England, NW and GM, however, Manchester residents' median annual income is lower than England, NW and GM and is the 4th lowest in GM.







Source: ASHE model based, ONS
Data Released: Nov 2022 Next Updated: Nov 2023

The monthly job postings in Manchester declined by 13.8% between March 2023 and April 2023. Compared to April 2022, job posting have declined 3.5%

Unique job postings in April 2023:

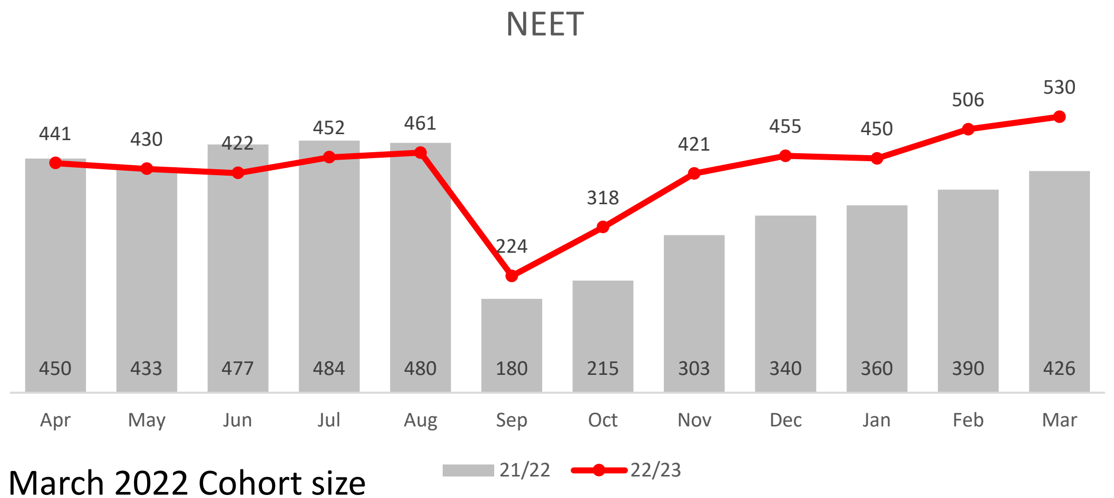
26,881

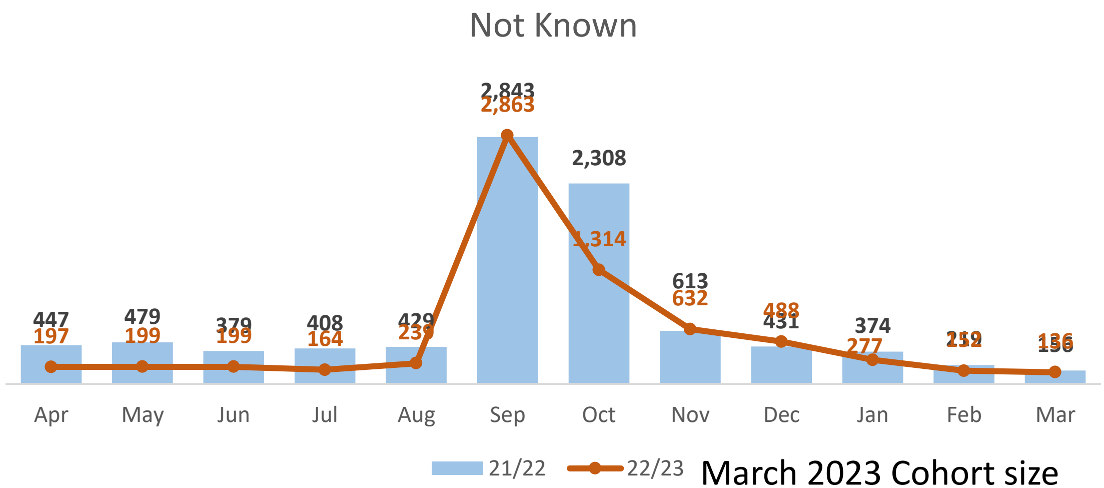
% change in monthly job posting vs previous month (March 2023):

-13.8%

Source: Burning Glass Technologies - Labour Insights
Data released: 09/05/2023 Next Updated: 09/06/2022

In March 2023 there were 530 16-17 year olds who were NEET, an increase of 24.1% since March 2022. Despite the cohort size increasing during that time by 8.8%, there was still a rise in the % of NEET within the cohort when compared with March 2022. Not Knowns in March 2023 were 136, a reduction of 12.8% March 2022.





March 2022 Cohort size
12,681

NEET
426 (3.4%)

Not Known
156 (1.2%)

Combined
582 (4.6%)

Category	16 Yrs	17 Yrs	Total
Participation in education and training	95.1%	89.2%	92.3%
Meeting the Duty	95.4%	89.6%	92.6%
Participating in RPA compliant education and training	95.0%	89.1%	92.2%
Working towards meeting the duty	0.4%	0.4%	0.4%
Temporary break from Learning	0.3%	0.5%	0.4%
Not Known	28	108	136
Not Known %	0.4%	1.6%	1.0%
In Learning	6,784	5,951	12,735
In Learning %	95.1%	89.2%	92.3%
Actual NEET	198	332	530
Actual NEET %	2.8%	5.0%	3.8%
Combined NEET and Unknown	226	440	666
Combined NEET and Unknown %	3.2%	6.6%	4.8%

March 2023 Cohort size
13,792

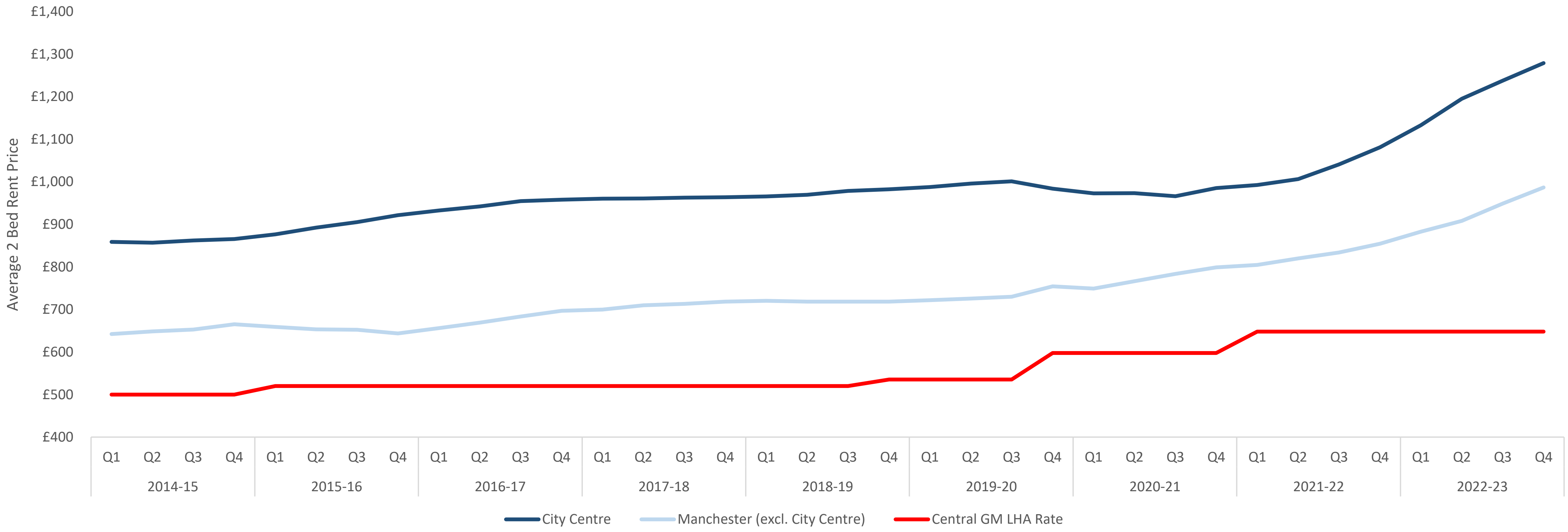
NEET
530 (3.8%)

Not Known
136 (1.0%)

Combined
666 (4.8%)

Source: EYES, NEET
Data Released: 20/04/2023 Next Updated: May 2023

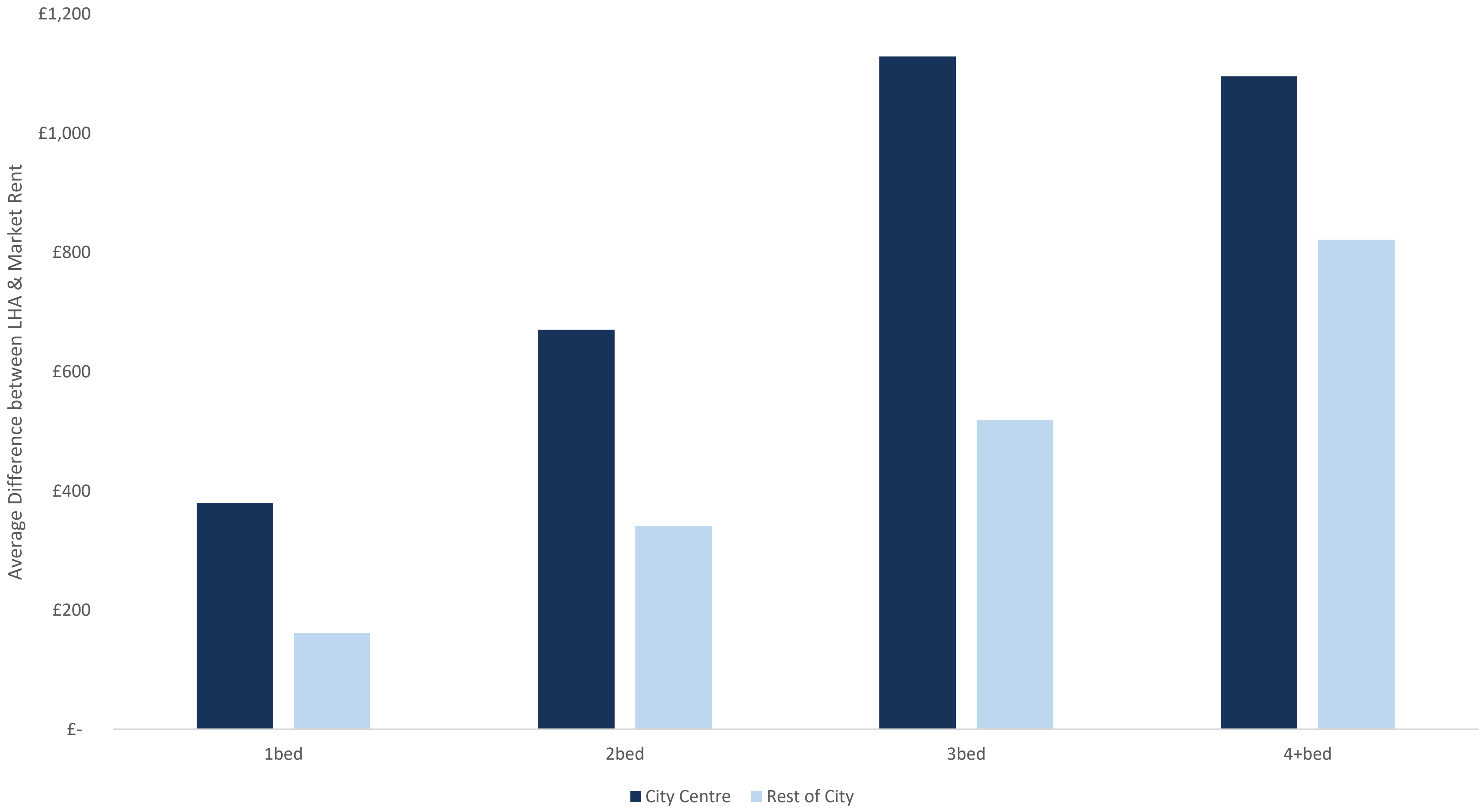
Sustained demand continuing to increase rents away from LHA – affordability pressures exacerbated by announcement that freeze on LHA is to remain in place throughout 2023-24



City Centre		Rest of City	
2Bed Rent	Quarterly Change	2Bed Rent	Quarterly Change
£1,279	**3.3%**	**£987**	**4.0%**

Source: Rightmove
Data released: 06/04/2023 Next Updated: 06/07/2023

Gap between market rents & LHA larger for larger homes – average rents in 4+ bed properties £1,096 higher than LHA in the city centre & £821 across the rest of the city. Just 46 properties in Manchester currently affordable on LHA (almost all 1beds)*

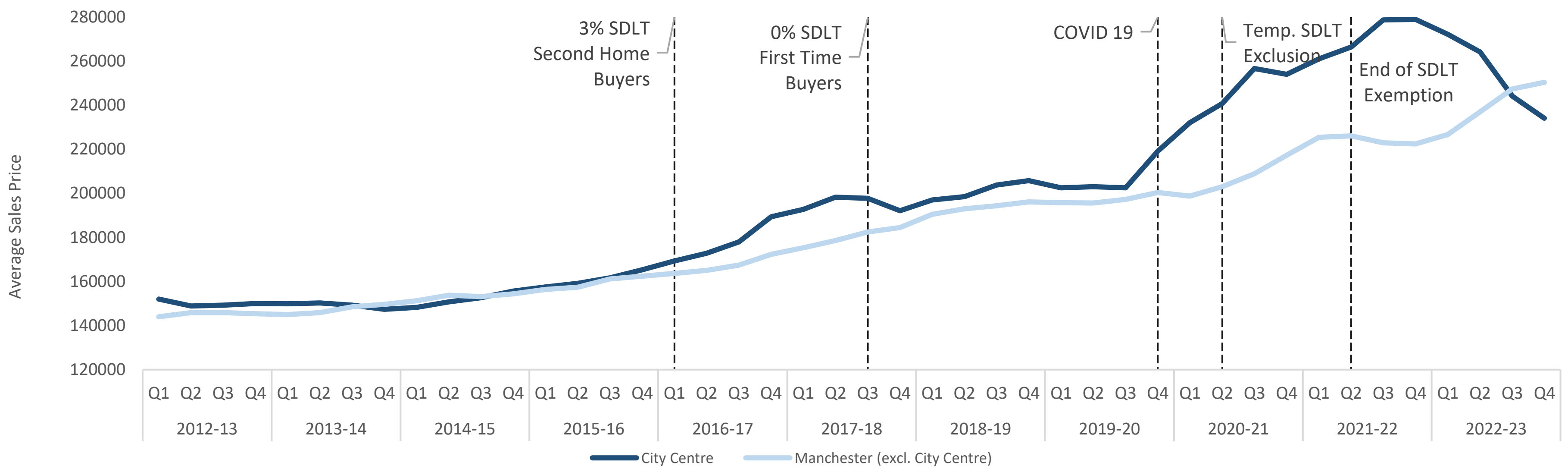


Number of Bedrooms	Properties affordable on LHA (2022-23)
1 bed	38
2 bed	3
3 bed	3
4+ bed	2

*It should be noted that not all rental data is included within this data set. This is because the data comes solely from properties listed for rent on Rightmove, and it does not include rental properties that are let through the informal market.

Source: Rightmove
Data released: 06/04/2023 Next Updated: 06/07/2023

Average sales price higher outside the city centre for the first time in a decade – lower value secondary market accounting for a greater proportion of sales in the city centre as completions fall



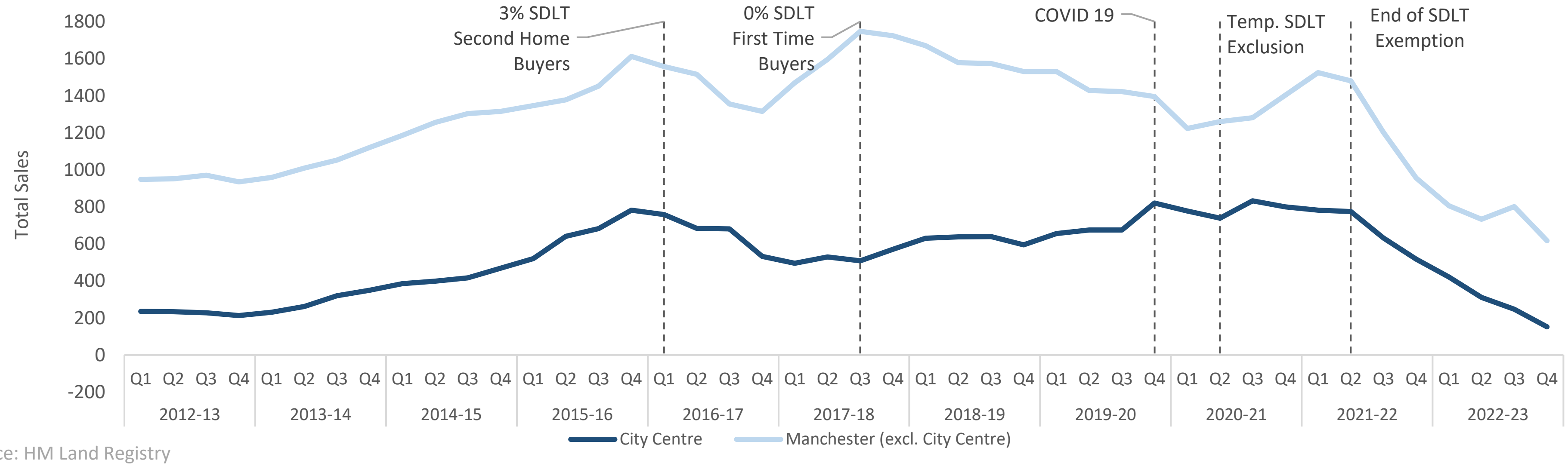
City Centre Average Sales Price

£234,230

Manchester (excl. City Centre) Average Sales Price

£250,458

Sales market activity at it's lowest point at any time in the last decade linked to slowdown in completions – new build sales over 90% lower in the city centre & 25% across the rest of the city compared to 2020-21



City Centre Quarterly Change*

-38.46

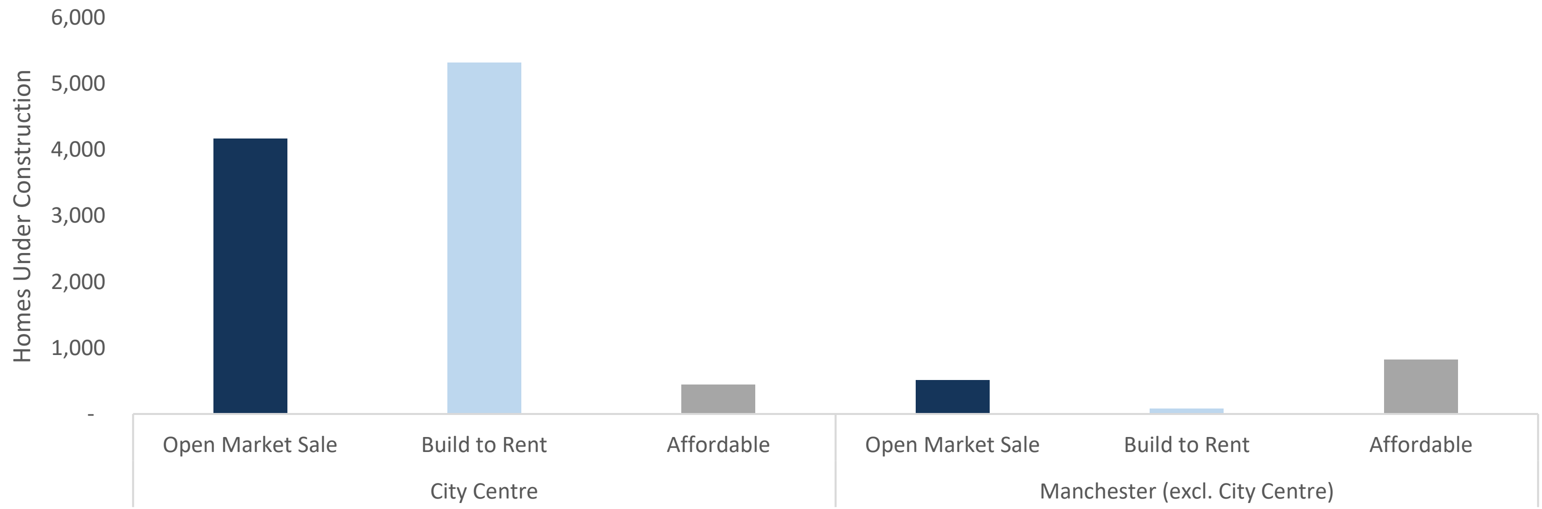
Manchester (excl. City Centre) Quarterly Change*

-22.97

Source: HM Land Registry
Data released: 28/04/2022 Next Updated: 28/07/2023

* Large numbers of sales are backdated in future releases so these figures are expected to increase in future updates

Over 11,000 homes under construction across the city – including over 1,200 affordable homes (*)



City Centre Homes Under Construction

9,932

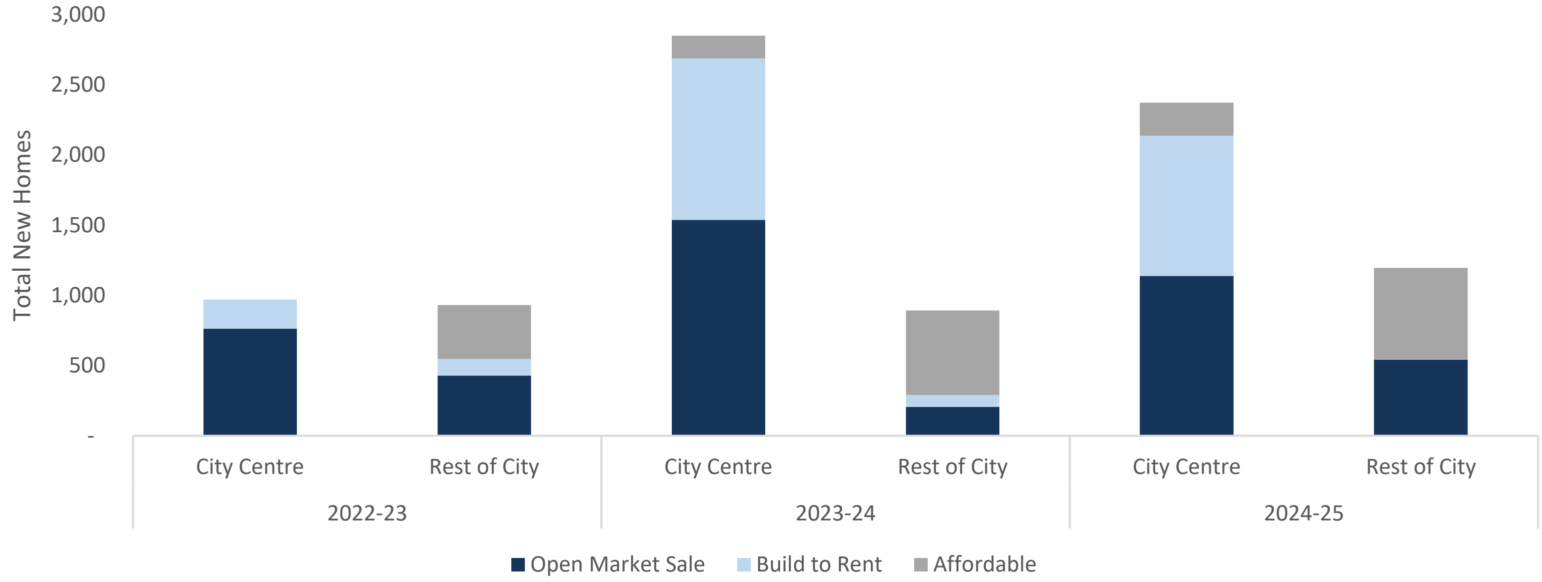
Rest of City Homes Under Construction

1,413

Affordable Homes Under Construction

1,266

c.1,900 homes completed in 2022-23 - pipeline expected to recover from 2023-24 onwards



Total Completions – 2022-23

1,898

Expected Completions – 2023-24

3,740

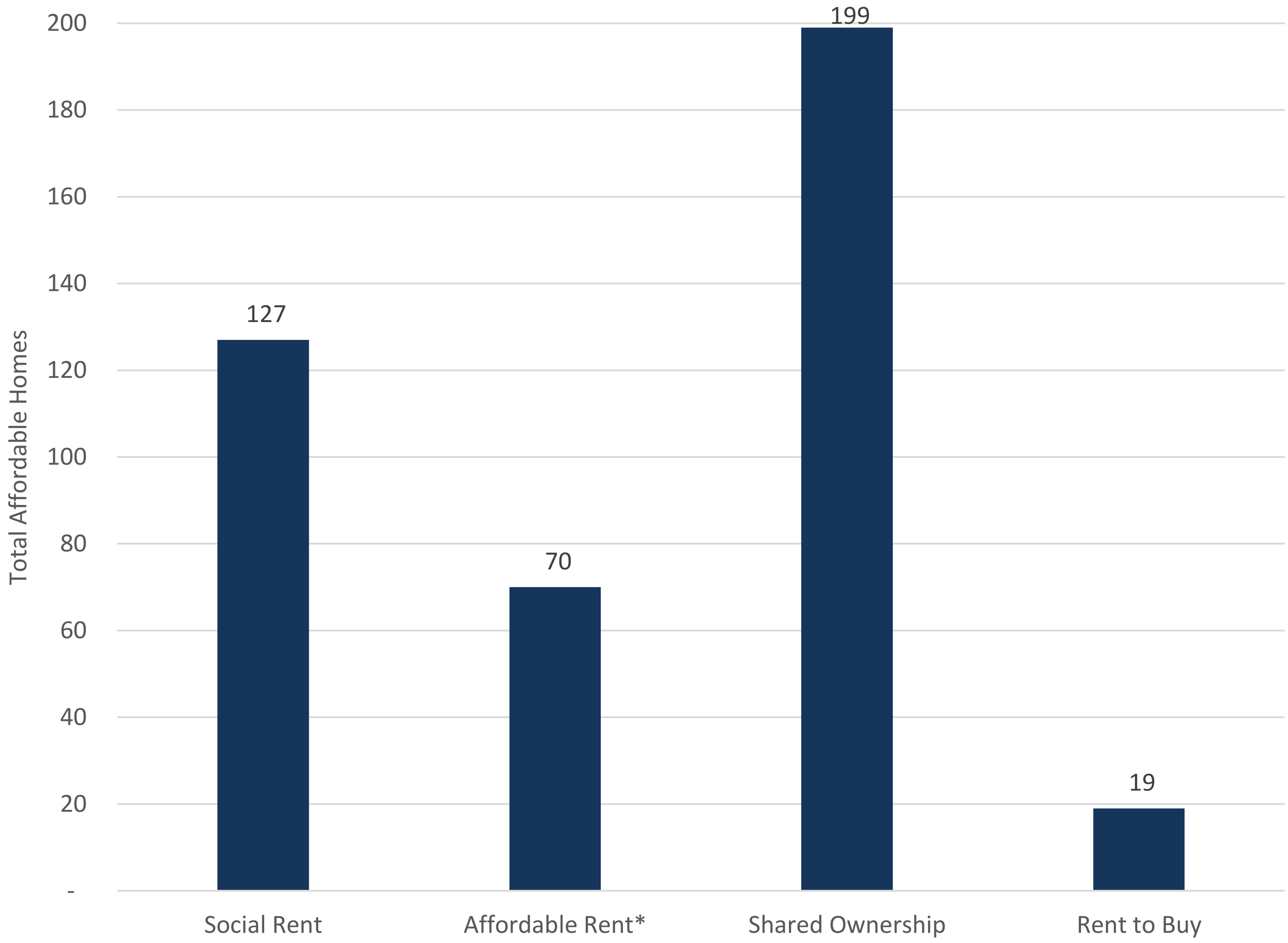
Expected Completions – 2024-25

3,566

Source: MCC Residential Development Tracker
Data released: 24/04/2023 Next Updated: 24/07/2023

(*) **Affordable homes:** all homes sold or let for below market value - this includes social rent, affordable rent, shared ownership, rent to buy and homes let at the newly launched Manchester Living Rent

415 new affordable homes completed in 2022-23 - c.20% lower than in 2021-22 as the construction sector struggles with rising costs & supply chain issues albeit total completions remain higher than 2010-17 figures (c.250 homes annually)



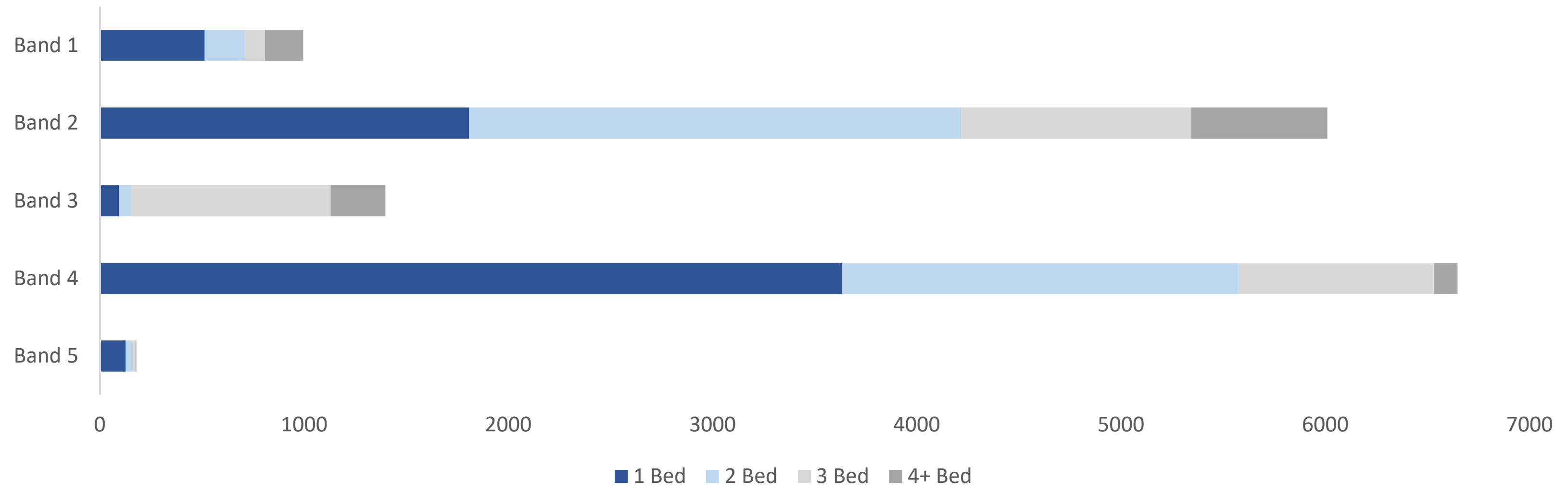
	Total Homes	%
One Bedroom	112	27.1%
Two Bedrooms	173	41.8%
Three Bedrooms	91	21.8%
Four+ Bedrooms	39	9.3%
City Centre	2	0.5%
Rest of City	413	99.5%
Small Site	122	29.4%
Medium Site	165	39.7%
Large Site	128	30.9%

Small sites – Under 25 homes, Medium sites – 25-75 homes & Large sites – Over 75 homes

Source: MCC Residential Development Tracker
Data released: 24/04/2023 Next Updated: 24/07/2023

* Incl. Manchester Living Rent homes

A snapshot of the figures show that the majority of households in Housing Need continue to require 2 or more bedrooms. Between the January 2023 snapshot and the April 2023 snapshot there has been a 2.7% increase in the number of housing applicants.



Applicants in Priority Bands 1-3 (In Housing Need)

8,404

Proportion of Applicants in Housing Need Requiring 2+ Beds

68%

Source: Manchester Move
Data released: 17/04/2023 Next Updated: May 2023

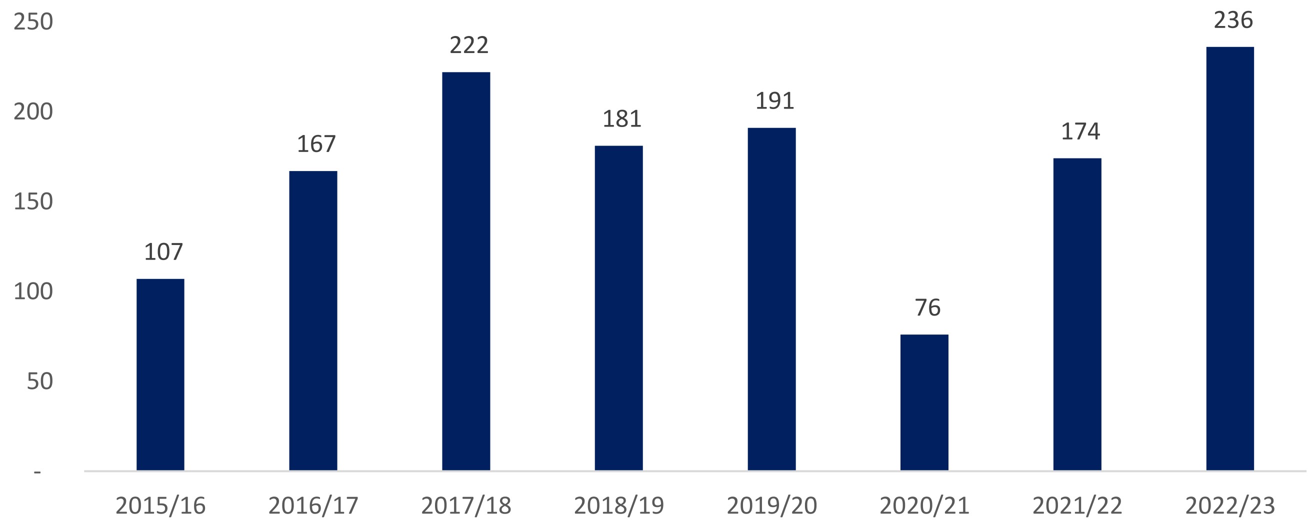
Right to Buys recovered to pre-Covid levels

Total Right to Buys (2022-23)

236

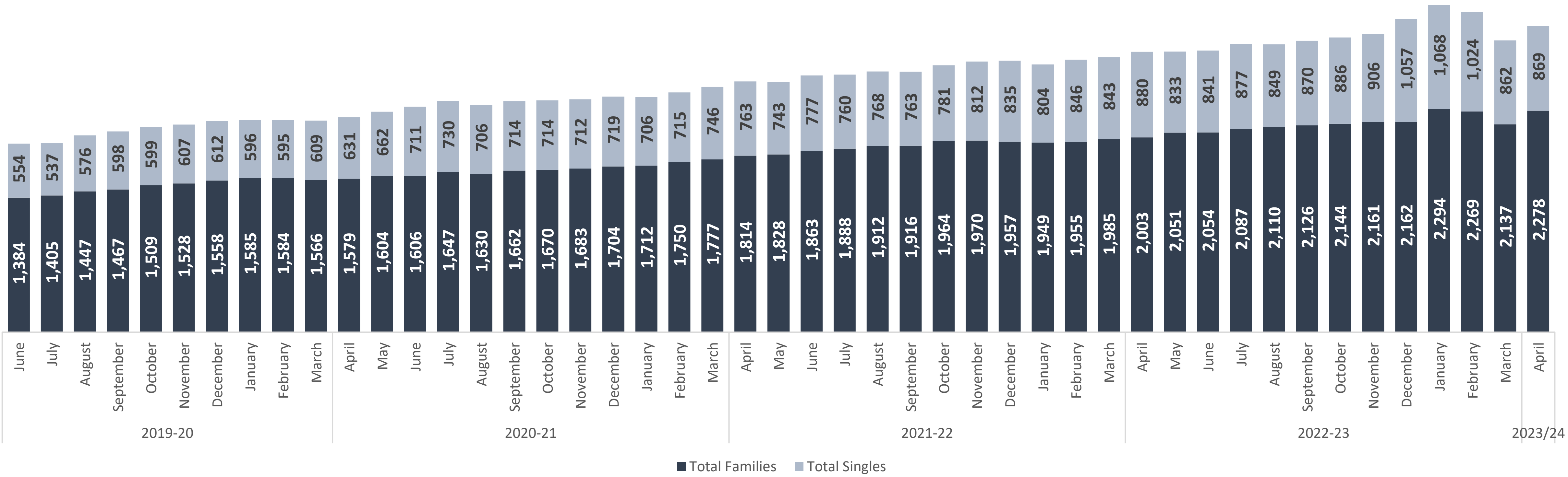
Amount in the Housing Affordability Fund

£9.31m



Source: MCC Housing Operations
Data released: 24/04/2023 Next Updated: 24/07/2023

Figures for April 2023 show that in the last 12 months the total number of families and singles in Temporary Accommodation has increased by 9.2%. Between March 2023 and April 2023 there was a 6.6% rise in the number of families, a 0.8% rise in the number of singles and a rise of 4.9% in the total Temporary Accommodation.



Families in TA
(April 23)

2,278

(14% annual change)

Single Person Households in TA
(April 23)

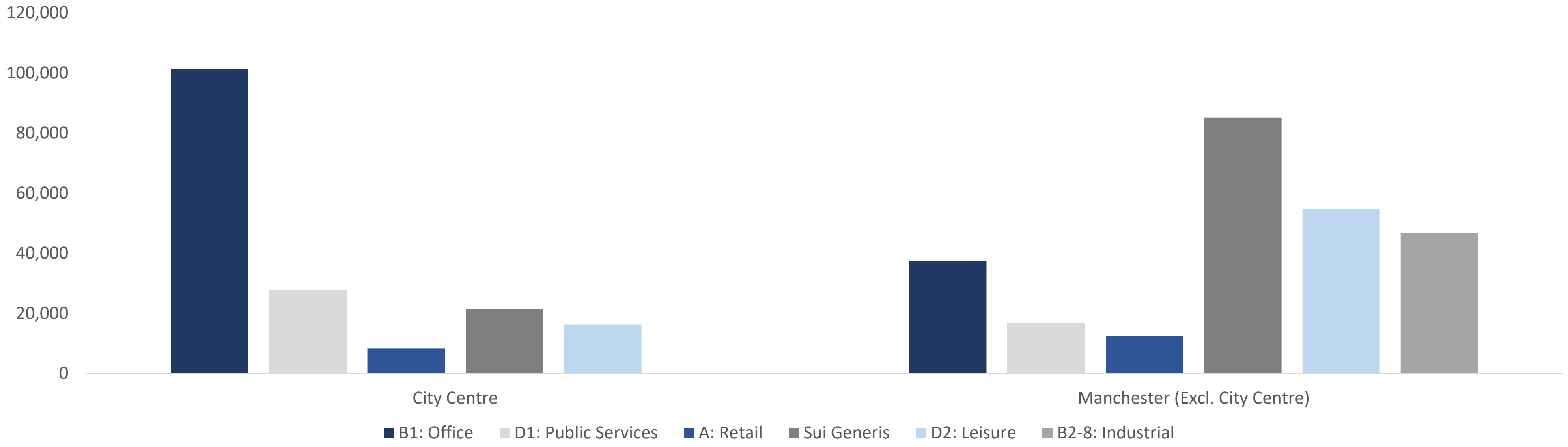
869

(-1% annual change)

Source: Homeless TA Monthly Figures
Data released: 03/05/2023 Next Updated: 01/06/2022

* MCC have recently announced the intention to end the use of B&Bs to house families

101,293m² of office space is currently on-site in the city centre. Outside of the City Centre there is 54,740m² of on site classed as Leisure.



Total Office Space Under Construction

101,293m²

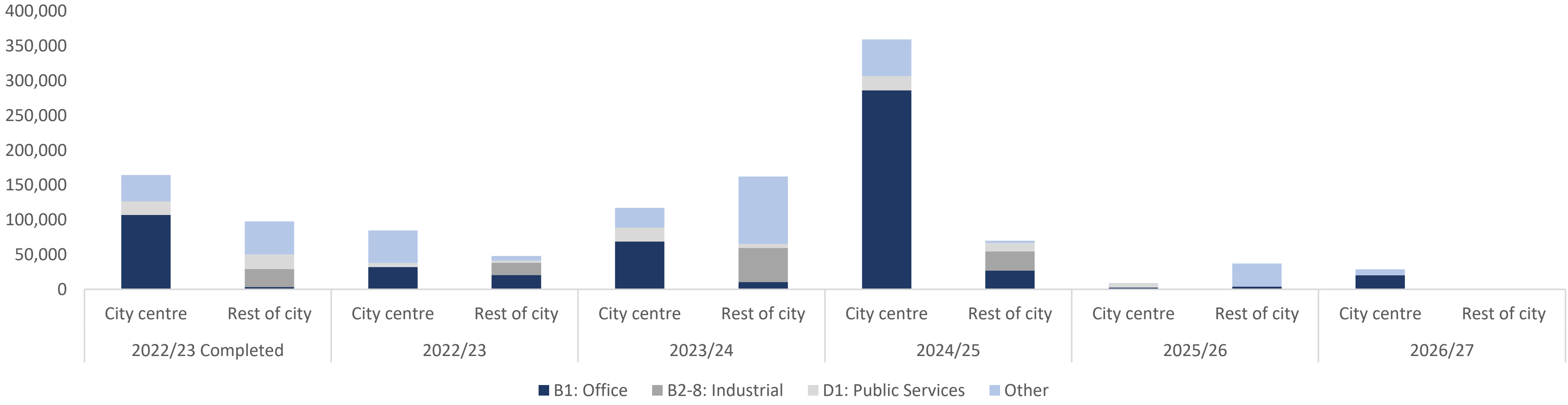
Expected City Centre Office Space Completions
2022-22 – 2024-25

517,288m²

Expected Rest of City Office Completions
2022-23 – 2024-25

65,983m²

Commercial Developments – Completions & Expected Completions (2022-23 – 2026-27)



Expected City Centre Completions
(2021-22 – 2026-27)

762,998m²

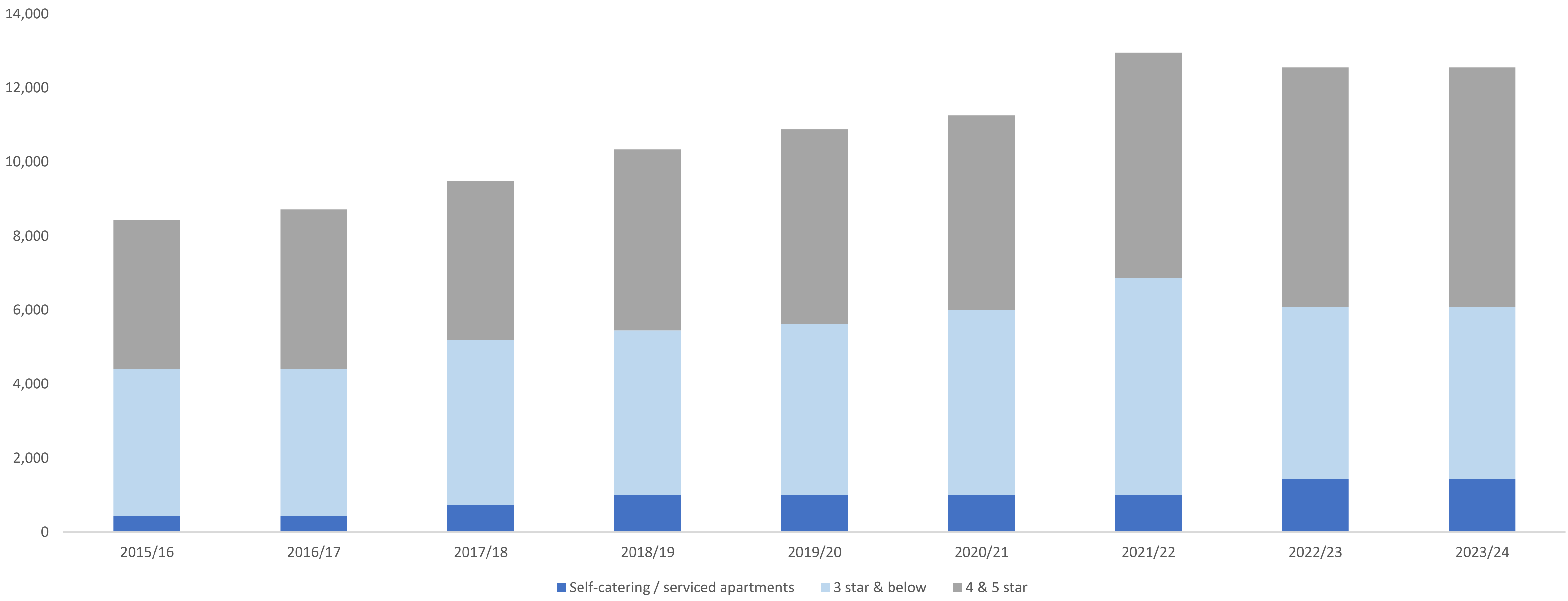
Expected Rest of City Completions
(2022-23 – 2026-27)

415,062m²

Source: EGI and MCC Planning Application Portal
Data Released: 11/05/2023 Next Update: August 2023

***Please note that this is experimental data and is subject to a process of manual validation.**

There remains 6,466 hotel rooms in the City Centre that are 4 and 5 stars, with the majority being 4 stars. Manchester provides 46.1% of all of the visitor accommodation stock rooms within Greater Manchester.



City Centre Hotel Rooms Constructed 2022

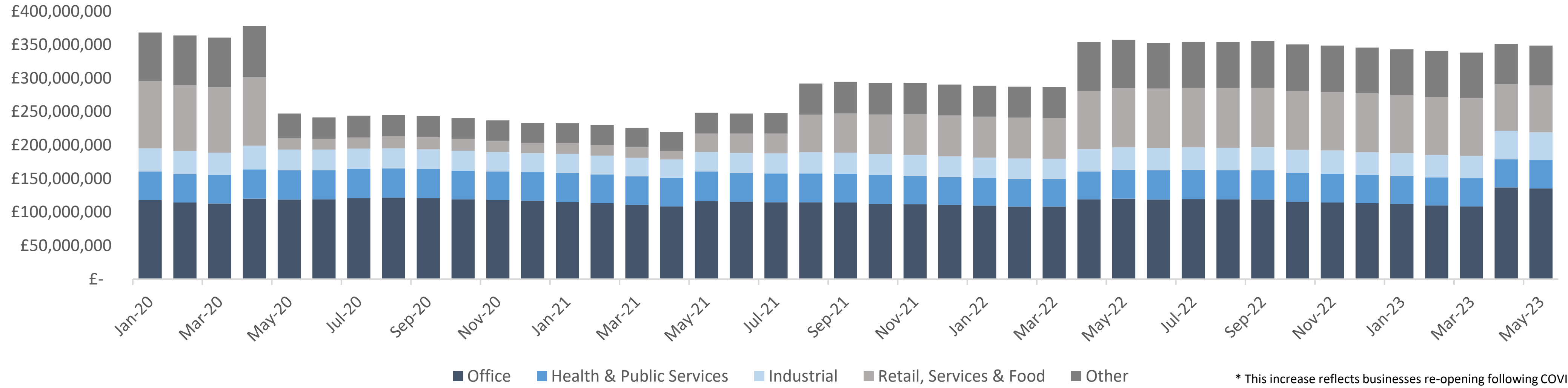
1,466

City Centre Expected Completions (Rooms) 2023 - Onwards

1,962

Source: Marketing Manchester
Data released: 26/04/2022 Next Updated: 31/05/2022

Total business rates charged decreased by £2.53m between April and May 2023. When comparing May 2022 with the latest figures, the amount of business rates charged is down £8.8m

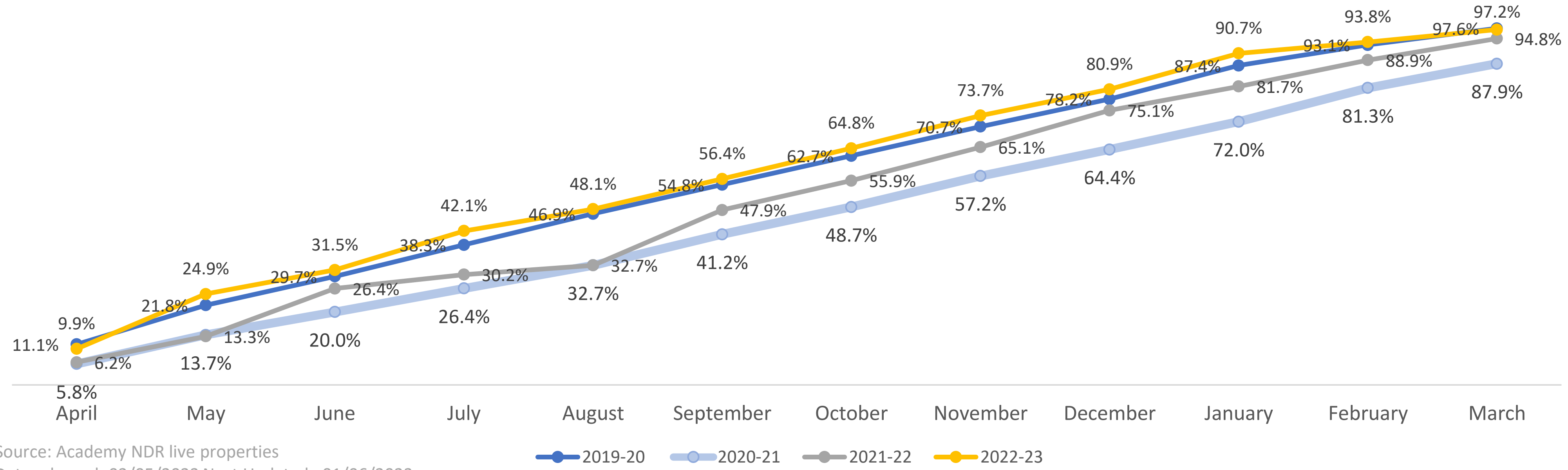


Total Annual Business Rates Charged (May):

£348.8m

* This increase reflects businesses re-opening following COVID and business rates relief slowly being wound down

Business revenue collection rate 2022-23 ended the year on 97.2% which is higher than it was in both 2020/21 and 2021/22. It is slightly below where the year finished in 2019/20, which ended the year on 97.6%.



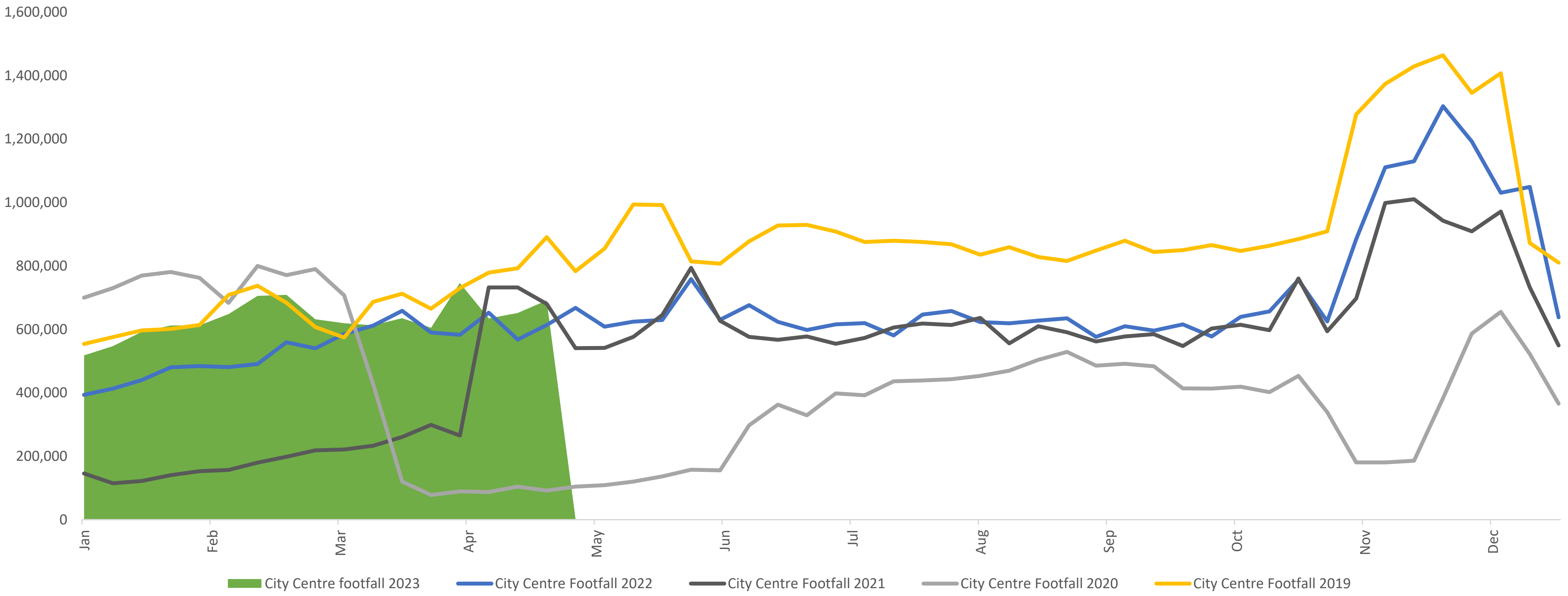
Total Collection Rate 2022-23 (April):

97.2%

Source: Academy NDR live properties

Data released: 02/05/2023 Next Updated: 01/06/2023

City Centre footfall in the third week of April was 690,755, which was only the second highest recorded weekly total for April. Compared with the same point for 2022, footfall is significantly higher. Even when taking into account the large spike seen in April 2019, footfall remains substantially below the 2019 baseline.



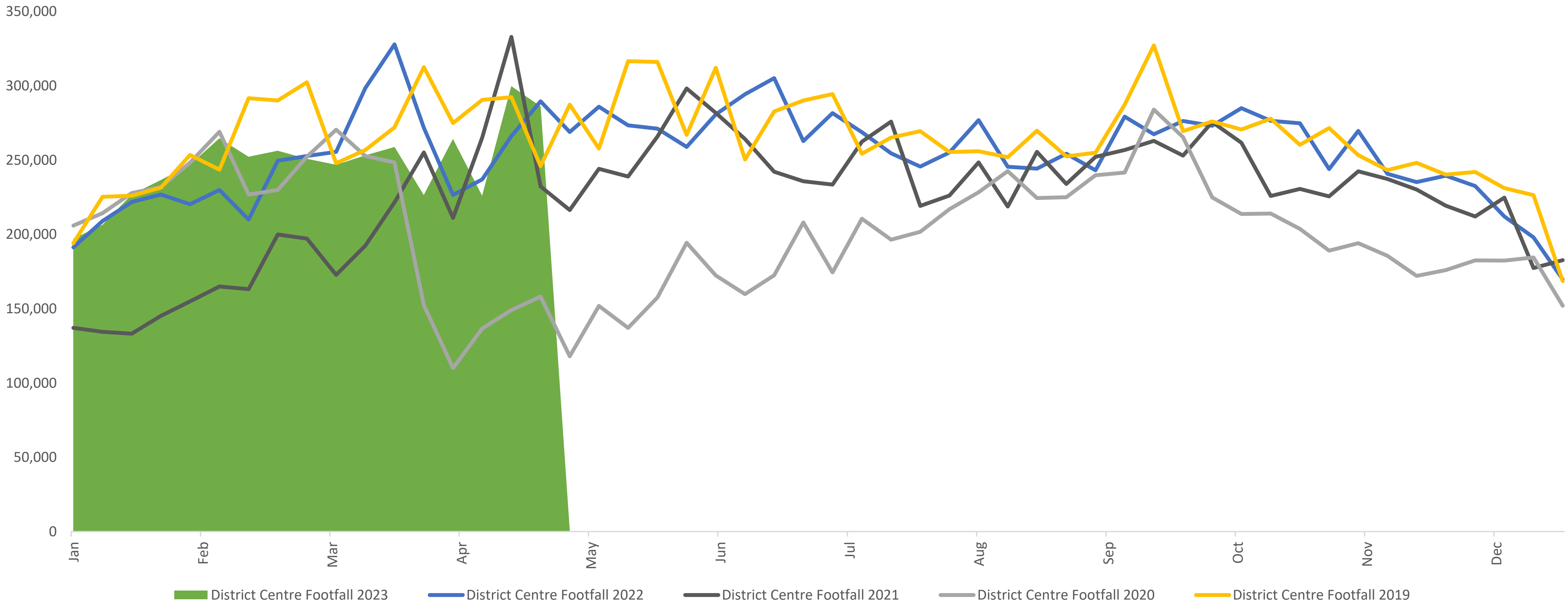
Source: Springboard /CityCo
Data released: 03/05/2023 Next Updated: 10/05/2023

City Centre* Footfall
(w/s 23rd April):

Change v 2022	**Change v 2019**
12.49%	**-22.45%**

* City Centre data on Market St, Exchange Square, St Ann's Square & King St
** District Centres data on Blackley, Cheetham Hill, Chorlton, Fallowfield, Gorton, Harpurhey, Levenshulme, Northenden, Rusholme & Withington

District Centre footfall up to the last week of April 2023 is above where it was at the same point in 2022, and is slightly above where it was at the same point in 2019. The footfall figure for the last week of April 2023 was 286,245, which is the second highest total recorded so far in 2023, with the highest week being recorded for the third week of April.



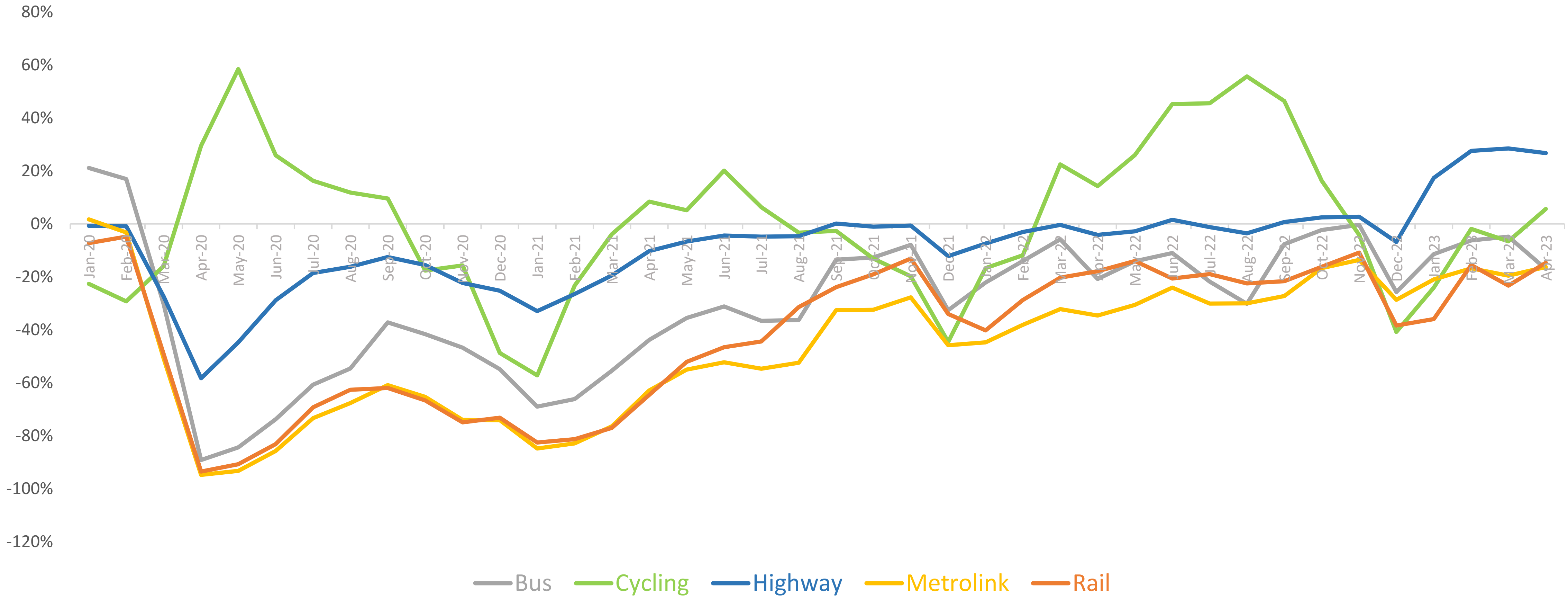
Source: Springboard /CityCo
Data released: 03/05/2023 Next Updated: 10/05/2023

District Centres Footfall**
(w/s 24th April):

Change v 2022	**Change v 2019**
12.61%	**2.53%**

* City Centre data on Market St, Exchange Square, St Ann's Square & King St
** District Centres data on Blackley, Cheetham Hill, Chorlton, Fallowfield, Gorton, Harpurhey, Levenshulme, Northenden, Rusholme & Withington

Except for Highways and Cycling all other forms of transport have declined over the month of April 2023 in comparison with the 2019 baseline. Cycling has increased and this could be due to the improvement in the weather. Continued rail disruption may have led to more people driving than getting onto trains.

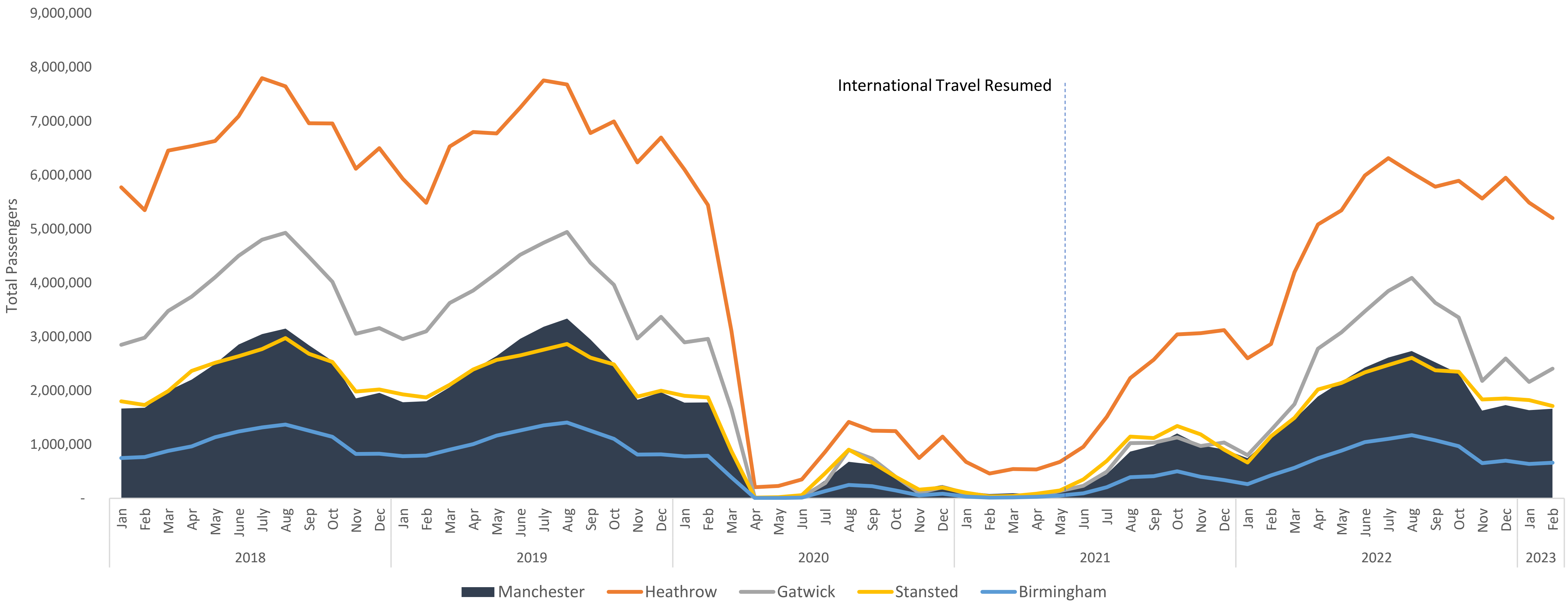


* Rail data from Manchester Piccadilly

Bus	Cycling	Highways	Metrolink	Rail
-17%	**6%**	**27%**	**-16%**	**-15%**

Source: Transport for Greater Manchester
Data released: 04/05/2023 Next Updated: 05/06/2023

Manchester saw a slight increase of 1.81% in the number of airport passengers between February 2023 and March 2023. Over the same period both Heathrow and Stansted saw a decline in their passenger numbers. When compared against February 2022, Manchester has seen an increase of 46.66% in the number of passenger.



Manchester Airport Passengers (February)

1,663,358

Monthly Change (January - February)

-1.81%

Source: Civil Aviation Authority, UK Airport Data
Data released: 17/04/2023 Next Updated: May 2023