Manchester City Council
Report for Information

Report to: Economy and Regeneration Scrutiny Committee - 5 November 2024

Subject: Evening and Night-time and Visitor Economy

Report of: Strategic Director (Growth and Development)

Summary

This report provides an overview of the visitor and night-time economy in Manchester, demonstrating the city's strong position and the scale of the opportunity in the coming years. It highlights the changes and economic challenges which all cities are grappling with and demonstrates how Manchester is well placed to capitalise on emerging trends. It also sets out the proposed next steps to ensure that we are best positioned to support growth in a way which maximises these opportunities.

Recommendations

The Committee is recommended to:

- Note the update including key trends in Manchester's night-time and visitor economy.
- Note that an Evening and Night-time Economy Strategy is currently being commissioned to enable us to better understand these trends and maximise opportunities to grow the visitor economy.
- Note that Marketing Manchester's Greater Manchester Visitor Economy Strategy will be launched in early 2025 and will be shared in a future update.

Wards Affected: All

Environmental Impact Assessment - the impact of the issues addressed in this report on achieving the zero-carbon target for the city	The growth strategies for the visitor and night-time economy will support the prioritisation of active and sustainable modes of transport. The city centre, its attractions and accommodation offer all benefit from excellent sustainable connectivity. The city centre is served by three major rail stations with connections throughout the UK and also to Manchester Airport, a major international airport which provides direct connections to around 200 international destinations. The Evening and Night-time Economy Strategy will provide the opportunity to align with the city's active travel aspirations, including the emerging City Centre Movement Plan, continuing to provide attractive and safe walking and cycling infrastructure for visitors to the city. The developing GM Visitor Economy Strategy will also have the aspiration that Manchester will be England's most sustainable city destination and in the top 50 in the world on the GDS Index with a 10% increase in passengers using connected and efficient rail services into and across Greater Manchester.
Equality, Diversity and Inclusion - the impact of the issues addressed in this report in meeting our Public Sector Equality Duty and broader equality commitments	As part of the development of a new Evening and Night-time Economy Strategy we will ensure that the research and recommendations reflect the diversity of our city, enhance our knowledge of how different communities are impacted, both positively and negatively, and highlight the opportunities to address any issues. For example, we will explore issues including accessibility, safety, and workforce. The commission sets out our intent for the work to reflect the growing and increasingly diverse city centre population ensuring that the evening economy offer is equitable, inclusive, and accessible to all. It should also recognise the diverse variety of city centre neighbourhoods which support the evening economy and the benefits that regeneration provides, including the opportunities presented by and activation of open spaces. As part of the developing GM Visitor Economy Strategy there will also be a clear aspiration that all employees in the visitor economy will be earning the Real Living Wage, as a minimum.

Manchester Strategy outcomes	Summary of how this report aligns to the Our Manchester Strategy/Contribution to the Strategy
A thriving and sustainable city: supporting a diverse and distinctive economy that creates jobs and opportunities	This report sets out the opportunity to further develop Manchester's performance as a leading visitor destination, for both business and leisure tourism. It identifies the further work we need to do to support the city to realise its full potential, enhancing the visitor experience for those travelling to the city and improving the night-time economy for visitors and residents alike.
A highly skilled city: world class and home grown talent sustaining the city's economic success	Strengthening the city centre tourist and night-time economy will safeguard the jobs of those employed within the sector in addition to supporting further investment which will create additional new employment opportunities for local residents.
A progressive and equitable city: making a positive contribution by unlocking the potential of our communities	The Visitor and Night-time Economy Strategies will set out potential opportunities to stimulate further investment, economic activity and job opportunities for local residents within the regional centre. The city centre is accessible to residents from all areas of the city and wider region.
A liveable and low carbon city: a destination of choice to live, visit, work	The further work set out in the report will seek to identify opportunities to stimulate activity within the tourism, hospitality and the evening and night-time economy. New development continues to prioritise active travel and sustainable modes of transport
A connected city: world class infrastructure and connectivity to drive growth	The city centre is an accessible destination that is well connected locally, regionally, and internationally. The aspiration is to enhance the tourism sector and the night-time economy within the city centre including the city welcome and overall visitor experience.

Full details are in the body of the report, along with any implications for:

- Equal Opportunities Policy
- Risk Management
- Legal Considerations

Financial Consequences – Revenue

N/a

Financial Consequences – Capital

N/a

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Background documents (available for public inspection):

- **Always, Everywhere: Manchester's Cultural Ambition 2024 to 2034 | Manchester City Council**

- **greater-manchester-international-strategy.pdf**

1.0 Background and Context

1.1 Manchester's city centre is thriving and growing. At the heart of this is one of the best performing tourist and night-time economy offers in the country. This enhances the appeal of Manchester as a place to live, work, study and invest, supporting the attraction and retention of global and local talent and providing an excellent offer for residents and visitors alike. As set out below we are making progress across key areas and Manchester is well positioned to take advantage of the emerging shift from retail to leisure in city centres.

1.2 The population of the city centre has increased significantly over the past two decades. The overall city centre population is estimated at c.80,000 and is expected to rise to over 100,000 people within the next 5 years – up from around 500 in 1981.(1)

1.3 Significant regeneration activity since the turn of the millennium has introduced a variety of uses which contribute to the function and performance of the city centre. This activity has supported the creation and development of a collection of neighbourhoods, each with a distinct character, function and mix of uses which make up the city centre.

1.4 Many of these transformational regeneration schemes have supported our ambition for Manchester to be a world-class tourist hub, including reinforcing the cultural and evening offers and the city centre's function as a 24 hour a day, 7 days a week environment which contributes towards the vision for the city and offers:

- A high-quality mix of new residential accommodation providing housing to a rapidly growing and increasingly diverse population.
- An increase in employment and enterprise opportunities aligned with regional and national key growth sectors including Culture, Creative, Technology and Life Sciences.
- A mix of regional, national, and international events ranging from the Manchester International Festival, through to civic events and cultural installations such as the 2023 pop up Métiers d'art show hosted by French fashion house, Chanel.
- Market activation with a selection of makers markets and the popular annual Christmas markets.
- An evening economy which contributes towards the attractiveness of the city centre as a leading visitor destination for both domestic and international tourism. The economic value of tourism for the city region is £9.5bn and for the city, £5.16bn.

(1) Since 2001, Deansgate's population has increased from 4,294 residents to 22,384, whilst Piccadilly's population has increased from 4,411 to 17,115. However, the extended city centre boundary provides a more accurate representation of the 'city centre' incorporating parts of the Ancoats & Beswick and Hulme wards.

2.0 Visitor Economy Highlights *(2)*

2.1 Manchester is consistently the third most visited UK city after London and Edinburgh. The visitor economy and profile of the city as a destination has grown significantly in the past decade, building on the historic reputation of the night-time economy and music scene and broadening the offer.

2.2 In recent years Manchester had attracted widespread accolades as a tourist destination:

- One of the best cities in the word to visit in 2024 - ***New York Times- 52 places to go in 2024 January 2024***
- One of the best cities in the world to visit in 2024 (15th position) - ***Timeout January 2024- 2024 50 Best Cities in the World to Visit***
- Best city in the UK to visit on the 2024 list of the world's 50 best places to travel to - ***Travel Lemming - Best Place to Travel in 2024***
- Manchester has been named as a must-visit global destination – One of only 30 in the world and the only UK city on the list - ***Lonely Planet - Best In Travel 2023 guide.***
- It has also been named in the 25 most exciting places around the world to visit next for 2024 - ***AFAR - Where to Go in 2024***

(2) GM figures are used where Manchester figures are unavailable

2.3 There has been significant investment in the culture and leisure offer such as Aviva Studios, Coop Live, HOME and Manchester Museum which has widened the appeal to different audiences and multi age groups. We have also seen diversification and growth in the offer across culture, sport, leisure, music with accompanying growth in supporting infrastructure (restaurants, bars, shops, hotels).

2.4 In recent years Manchester has continued to attract leading international leisure and hospitality brands, demonstrating the confidence that operators have in the city. This is predominantly clustered with the diverse mix of neighbourhoods which collectively form the city centre. Recent Food & Beverage offerings include operators such as Sexy Fish and Mnky House who's locations are limited to Manchester. London, Miami, Doha and Riyadh. This is also a trend amongst hoteliers with Manchester set to house only the third Treehouse Hotel alongside London and Silicon Valley and the planned opening of the industry leading W Hotel brand at St Michael's.

2.5 Prior to the Covid-19 pandemic, the economic value of tourism to the region is £9.5bn and for the city, £5.16bn. The 2020 and 2021 figures were significantly impacted by the pandemic dropping to £3.0 billion and £4.4 billion respectively. The latest data for 2022 shows a significant bounce back to £8.7 billion for Greater Manchester, with £4.65 billion of this being attributed to Manchester alone.

2.6 Again, pre-pandemic (2019), the tourism sector supported 102,500 FTEs in GM and 54,900 within Manchester. Impacted by Covid-19 restrictions, 2021 figures dropped to 47,300 and 23,900, respectively. In 2022 this rose to 87,500, of which 45,600 jobs were in Manchester. This further demonstrates the ongoing recovery of the sector and its continued importance to our economy.

2.7 The latest data shows that there is an estimated 4.2m domestic staying visits annually to Greater Manchester, behind only Greater London (14.4m).

2.8 Business visits, conferences and meetings are also a key driver. In 2017, conferences and meetings generated an estimated 4.4 million trips to Greater Manchester. The value of this sector to Greater Manchester was £904m (£862m from core activity and £42m from leisure extensions).

2.9 Football in Greater Manchester plays a significant role in attracting visitors. There is evidence that it creates a major uplift in occupancy, motivates visitors (particularly international) who would not otherwise come, generates high levels of spend (football visitors are estimated to spend a third more than other visitors.(3) The city is also synonymous for its two premier league football teams, with the stadia of both Manchester City and Manchester United a short walk from the city centre.

(3) *Report 'Analysing the value of football to Greater Manchester'*

2.10 As described below, culture is a critical part of Manchester's tourist appeal and our continued cultural success will help to secure ongoing economic returns for other sectors too, such as cafes, bars, hotels and transport services.

3.0 The Visitor Experience

3.1 Among leisure visitors, culture, eating out and shopping are key components of their trip. More than half of all visitors to Greater Manchester ate out during their visit (59%). 56% visited a museum or gallery and 49% visited a historical site or building, while 44% went shopping.

3.2 The latest GM Leisure Visitors survey undertaken in 2023 showed an average score of 4.52, up from 4.47 in 2018 (out of 5). Over half (54%) rating their visit as 'excellent' (up on 51% in 2018), and another 44% rating their visit as 'good'.

3.3 The most improved rating received in 2023 was for overall cleanliness and signage for getting around on foot. These were followed by the shopping offer and overall welcome and service received which also scored higher in the latest 2023 survey than in 2018.

3.4 Visitors were asked a net promoter score (NPS) question about how likely they would be to recommend Greater Manchester to a friend, family member, or colleague. This resulted in a strong NPS score of 53 (out of a maximum 100), and with a score of over 50 being considered as excellent.

3.5 Visitors were asked how likely they were to make a future leisure visit to Greater Manchester in the next two years. 82% said this was very likely, and another 17% said it was likely – in total 99% said that a future leisure visit to Greater Manchester was likely for them in the next two years.

4.0 Visitor Attractions and Cultural Offer

4.1 In 2002/23 it was estimated that the city's cultural organisations generated a total of 4,4,64 Full Time Equivalent jobs and an estimated economic impact of £264.4million GVA. The estimated Social Value in the same year was £6.5million (*2023 Culture Impact Survey- based on responses from 43 cultural organisations*).

4.2 In 2023 our 5 most visited attractions were the Manchester Museum, HOME, Manchester Art Gallery, Science and Industry Museum and The Whitworth and the past two years have seen the opening of major new cultural venues including:

- Aviva Studios, which opened in October 2023 is the UK's largest investment in a national cultural project since the opening of Tate Modern in 2000. The new venue will create and support up to 1,500 direct and indirect jobs and will add £1.1bn to Manchester's economy over a decade.
- Co-op Live represents further major investment into the city's cultural offer. The 23,500-capacity venue will make it the biggest indoor arena in the UK. The £365m venue located within the Etihad Campus is set to open in April 2024.

4.3 Other cultural highlights include the Portico Library being awarded a £455,000 Heritage Lottery Fund grant in 2023 to develop the unique historic library into an expanded, accessible and sustainable space for arts, books, food and learning.

4.4 The Manchester Museum, one of the UK's largest university museums also reopened in 2023 following a £15m redevelopment. Prior to its closure for refurbishment, the venues annual visitor numbers peaked at over 520,000.

4.5 The city has continued to attract major international conferences and events. Chanel selected Manchester for its 2023/24 Métiers d'art show, describing the city as 'one of the most effervescent cities of pop culture and an avant-garde one, whose bands, spanning all genres, have changed the history of music'. The event generated £8m impact for the local economy.

4.6 We have recently published our new Culture Strategy, which sets out a more detailed evidence base and a vision for impact, improvement, investment and inspiration. It describes our ambition for culture in our city to be of a global standard, and relevant to the global diversity we celebrate, establishing a stronger connection with people and a more visible presence across the city. The focus is on the huge quality and variety of our publicly supported cultural sector, but we also celebrate and connect to the commercial small and large-scale cultural, leisure and sporting events that matter so much to our citizens and visitors alike.

5.0 Travel and Transport Highlights

5.1 Manchester Airport is the 3rd busiest airport in the UK after Heathrow & Gatwick, serving 23.4m passengers in 2022, and is key to supporting our strong and growing international tourist market. The forecast for 2023/24 is 24.7m passengers, equivalent to 95% of 2019 levels.

5.2 The airport also has a significant catchment of around 22 million people and 60% of all UK businesses within a two-hour drive time. It directly supports 20,000 jobs and 56,000 indirectly and contributes £1.4 bn GVA to the national economy and £3.6 bn GVA indirectly (2022).

5.3 In September 2024, a new night-time bus service was launched as part of a pilot until September 2026. The aim is to support people enjoying and working within Greater Manchester's night-time economy. As of October 2024, around 7,000 people have used the new 24/7-night buses since their launch at the start of the previous month. (4)

(4) *This initial offer connects the City Centre with Leigh and Bolton via Salford, with the V1 and 36 services now running at least hourly in each direction, 24 hours a day, seven days a week and on most bank holidays.*

6.0 Hotels and Accommodation in Manchester

6.1 There has been significant growth in hotel room numbers and occupancy data further illustrates demand.

6.2 Latest occupancy data for city centre hotels, for August, shows a slight drop on the previous year, 74% from 75% in August 2023 (81 % in August 2019). Weekend occupancy for August is 83%, compared with 87% last year and 2019. Weekday occupancy in the city centre is 70%, a slight fall on 72% in 2023 (79% in 2019).

6.3 Given the increase in stock over recent years, 74% occupancy is very strong for August which is traditionally a quieter month in the city for the sector. This still represents an additional 840 rooms sold each night compared to 2019.

6.4 The current hotel stock is 265 properties (13,181 rooms). Hotels in the pipeline will take future stock to 282 properties/ 15,358 rooms (this figure is based on those developments with planning permission – timescales will vary).

6.5 New openings – 2024 has so far seen the opening of Malmaison Manchester Deansgate (70 rooms), Maldron Hotel Cathedral Quarter (188 rooms), The Reach at Piccadilly Manchester (215 rooms) and TRIBE Manchester Airport (412 rooms) making a total of 885 new rooms.

6.6 5,927 new rooms are confirmed for Greater Manchester, from new openings and property extensions, a growth of 20% on the current supply. In terms of Manchester city centre, a planned 2,416 rooms are due to be completed that would increase the current supply by 18%.

6.7 4* accommodation currently accounts for 48% of the total provision within the city centre and is the largest segment of provision. 5* provision represents for just 3% of stock whilst 3* and serviced apartments account for 29% and 11% respectively.

6.8 Introduced in early 2023, the Accommodation Business Improvement District (ABID) seeks to drive an uplift in overnight stays in the city, particularly during periods when occupancy rates are usually lower. A £1 levy on room bookings generates income, the deployment of which is overseen by the ABID Board. Workstreams relate to targeted marketing, increasing business events, increasing visitor events, and improving the city welcome

7.0 Evening and Night-time Economy Overview

7.1 The evening economy in Manchester experiences weekend-led demand spikes (Friday and Saturday), with an estimated 200,000 people visiting each weekend in addition to seasonal spikes or demand increases centred on major events such as the annual Christmas Markets and bi-annual Manchester International Festival.

7.2 Bars, pubs, restaurants & nightclubs are perhaps most synonymous with the night-time economy. This mix of uses represents a fundamental sector within the city centre economy, and one which directly contributes towards the city centres attractiveness as a destination to visit and spend time

7.3 Between 2014 and 2022, the number of licenced premises in the city centre increased by 26% from 815 to 1029. The NTE forms an important part of the city's economy with around 18,000 people working in accommodation and food services.

7.4 Some areas of the city change dramatically at night and the need for compliance, regulatory and support resources is significantly higher than in other city centre neighbourhoods: e.g., the Village, Peter Street, and the Northern Quarter. All have high licenced premises concentrations and are high demand generators.

7.5 Notable changes since 2018 include the establishment of a relatively new NTE offer around Ancoats, changes around the Deansgate Locks area particularly with the creation of Home/Tony Wilson Place, the Village area extending toward Piccadilly with the creation of developments like Kampus, and newer establishments in former industrial areas such as Mayfield and the railway arches around Temperance Street. There are now more outdoor event spaces not just in established spots like Exchange Square and Spinningfields but also around Thomas Street and Lever Street in the Northern Quarter, and Circle Square.

7.6 In addition to the cultural, tourism and visitor economy described above, the city centre's evening economy is spread across a wide mix of uses, which also includes the Retail Sector & Leisure Sectors.

8.0 Retail and Leisure Highlights

8.1 Manchester has a burgeoning retail offer, much of which straddles both daytime and evening function. A large proportion of this is concentrated within the Central Retail District, an area which also benefits from the Heart of Manchester Retail BID.

8.2 The leisure offer within the city centre represents a rapidly growing sector, which now exceeds the traditional retail offer. The sector is particularly varied and covers a diverse mix from experiential leisure such as karting, crazy golf and escape rooms through to cinemas, gyms and spas.

8.3 In 2023 the combined retail and leisure vacancy rate within the city centre was 11.7% which is lower than many other major cities and the GB average of 13.9%. Within this overall vacancy rate of 11.7%, the 2023 leisure vacancy rate within the city centre of 7.9% was lower than the retail vacancy rate 15.3% and has decreased from 8.5 % in 2023.

8.4 In 2015 Manchester's retail / leisure split within the city centre was 58% retail and 42% leisure. Comparatively in 2023 this figure is now 52% retail and 48% leisure. This 6% percentage change represents a shift from retail to leisure in line with the broader national shift in consumer and visitor preferences.

8.5 Manchester's split between independent and multiple businesses within the city centre is 58% independent 42% multiple. The city centre has experienced a gradual shift from 54% independent operators in 2015 to the current split.

9.0 Opportunities and Challenges

9.1 In a post-pandemic world, the nature of city centres has changed and there has been a need for cities to both recover and adapt. As described above, Manchester, like all cities, faces changing consumer and visitor trends with a shift from retail to leisure within the city centre. However, Manchester, with its growing leisure, culture and night-time offer, is well placed to take advantage of these trends and embrace the scale of the opportunity for growth in the visitor economy sector.

9.2 Recent and planned investments will support growth in the sector, including:

- The growth and development of neighbourhoods as visitor destinations such as China Town, The Gay Village, NOMA, Ancoats, Media City and the Northern Quarter.
- Opening of new cultural assets across Manchester
- Improving transport infrastructure, including the redevelopment and expansion of Manchester Airport and new planned air routes which will support global connectivity. At a more local level, new walking and cycle routes, tram investment, and the Bee Network can play a part.
- Continuing expansion in hotel bed spaces (1,500 in the current pipeline)
- Revitalisation and reinvention of town centres across GM, including capital investment through the Town Deal and Levelling Up schemes supporting vitality and the development of distinctive offers associated with key assets in each centre

- The launch of the Accommodation Business Improvement District (ABID) will put on new events, create awareness and encourage new visitors to the city region
- The Local Skills Improvement Plan (LSIP) will work with employers in the sector to align skills demand with supply to boost the skills pipeline.

9.3 There will also be a number of key considerations as we work to support this growth. For example, we will need to:

- Ensure that our strategies and approaches reflect the growing and increasingly diverse city centre population ensuring that the evening economy offer is equitable, inclusive, and accessible to all.
- Acknowledge the role of the city centre as the major economic and employment centre for the region and addressing potential conflicts between daytime and evening uses within a 24/7 city centre. Providing an economic appraisal of the visitor and evening and night-time economy to underpin and support the outputs.
- Align our strategies with an effective, safe and sustainable approach to movement and transport to, from and around the city centre (as set out in the emerging City Centre Movement Strategy).

10.0 Next Steps

10.1 In order to enable us to mitigate these challenges and maximise the opportunities we are undertaking further work. We will shortly be commissioning the development of a Night-time Strategy which will:

- Provide deeper intelligence and insights which can be used to inform the future development of an evening and night-time economy strategy which supports Manchester's continued development as a leading, world class evening destination.
- Capture trends and the evolution of the city centre evening economy following the pandemic and the wider economic environment with outputs which respond to this context.
- Include the voices and views of Manchester's diverse communities and stakeholders through a comprehensive programme of engagement and qualitative research to understand people's perceptions and experience of the evening and night-time economy.
- Provide clear recommendations and actions to guide the Council and its partners approach towards developing the city centre evening economy these recommendations should:
- Support the diversity of the city centre, both in respect of the people and communities that the city centre and its evening economy caters for, in addition to the rich and varied functions that the city centre provides.
- Reflect an approach to the delivery and operation of a safe, and well managed evening offer that is complementary to how the city centre functions as a destination of choice to live, work and study.
- Provide a baseline which reflects the strengths of the current city centre evening & night-time economy as well as any areas where Manchester is underperforming or facing challenges

- Provide insights and narrative relating to the evening economy offer of both UK core cities in addition to benchmarks against best-in-class international cities.

10.2 Complementing our city ambitions, the Greater Manchester International Strategy 2022-2025 sets out an ambition for Greater Manchester to be 'a world class visitor hub for business and leisure tourism, continuing to sustainably increase the value and volume of visitors to the city region and ensuring that the economic impact and benefits of tourism are felt across the whole of Greater Manchester'. Marketing Manchester are in the process of developing a new Visitor Economy Strategy for Greater Manchester.

10.3 The new strategy will cover a 5-year period from 2025 – 2030: more detailed Action Plans will be set out in two shorter term Destination Management Plans covering the periods 2025-2028 and 2028-2030. Each of the 10 GM Boroughs will be encouraged and supported to develop their own local priority Action Plans within the context of the GM Framework.

11.0 Recommendations

11.1 It is recommended that the committee:

- Note the update including key trends in Manchester's night-time and visitor economy
- Note that an Evening and Night-time Strategy is currently being developed to enable us to better understand these trends and maximise opportunities
- Note that Marketing Manchester's Greater Manchester Visitor Economy Strategy will be launched in early 2025 and will be shared in a future update.