MANCHESTER CITY COUNCIL

Manchester City Council

Quarterly economy update

Quarter 2 2019-20

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Contents this quarter

A new focus: developing a more inclusive economy

We have introduced new content in order to more closely align this document with the principles expressed in ***Developing an inclusive Economy - Our Manchester Industrial Strategy***.

We will use blue highlighted sections such as this one to highlight the aspects of content that align to the strategy and will describe how they help us to measure the impact of the strategy.

The key metrics for understanding and tracking Manchester's inclusive economy have yet to be agreed so this section forms a brief and informal introduction to the topic. We will develop and expand the content over the coming year.

The **Our Manchester Industrial Strategy** is based on three main themes, people, prosperity and place.

People: equip residents and workers with the qualifications and softer skills that will enable them to access more opportunities. Interventions and programmes should prepare them for work and connect them with better quality work, including more initiatives which feature social value.

Place: ensure sustainable growth is achieved in key assets including the city centre and around Manchester Airport. Create the conditions that will deliver a more inclusive economy by investing in transport infrastructure, digital infrastructure and the environment. Although the strategy is a citywide document, it is essential that it is converted into local actions by people with a detailed knowledge and understanding of place.

Prosperity: create higher quality job opportunities including better pay, working conditions and flexibility, particularly within the foundational economy. Develop evidence based demand-side programmes, such as re-imagining and repurposing buildings, to drive more inclusive economic activity.

We will be working with colleagues across the authority and with partners to understand the most robust way that we can reflect progress towards an inclusive economy.

Metrics around **Gross Value Added**, **productivity**, the **shape of the workforce and industry** in the city, **the low carbon economy** and modes of transport are planned for inclusion. The following section suggests a number of ways that the themes of the strategy may be reflected within the context of this document. Each theme of the strategy is accompanied by a suggested metric and explanatory text on how this ties into the strategy.

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Prosperity

Considering Manchester residents age 16-64 who work **87.5%** are employees[1]

12.1% are self-employed
(England 15.4%)

5.5% are in non-permanent employment
(England 4.4%)

Annual Population Survey

Metric: Analysis of working patterns - the self-employed, employees and non-permanent workers

Provides detail the structure of the workforce and how this is changing over time and will provide a picture of the prevalence of non-permanent work in the city.

Annual pay of Manchester residents[2]

Mean = **£26,483** Median = **£31,115**

Annual pay of Manchester workers

Mean = **£30,688** Median = **£36,462**

Income (from the Annual Survey of Hours and Earnings)

Metric: the mean and median weekly and hourly pay for Manchester residents plus the same figures for those who work in the city.

Shows the disparity between the level of earnings of residents and the level of earnings of those whose work is based in the city of Manchester

Place

Whilst the majority of the city has good broadband availability, there remains wide variation across the city in the availability of faster broadband. This is illustrated by Ofcom 2019 data[3] which shows that there are areas of Miles Platting and Newton Heath and Hulme where **no premises can obtain broadband speeds above 30 Mbit/s**, whilst in other parts of these wards **100% of premises can access broadband of 300 Mbit/s.**

Broadband availability

Metric: analysis of the availability of broadband to premises in output areas across Manchester, considering speed and fibre availability.

Shows the progress of digital availability and inclusivity across the city

[1] *Source: Office for National Statistics (ONS) Annual Population Survey, period July 2018 to June 2019*
[2] *Source: ONS Annual Survey of Hours and Earnings 2019*
[3] *Source: Ofcom Connected Nations 2019*

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43,700,000 journeys were made on **Metrolink** in 2018, an increase of 6% on the preceding year[4].

42,600,000 journeys were made by **rail**, a decrease of 2% from the preceding year

Journeys by public transport

Metric: data tracking the expansion of use of public transport in the city and surrounding areas, focussing particularly on Metrolink and Rail journeys

Demonstrates the expansion of transport networks and the way improvements to access and infrastructure promotes car free travel in the region.

People

Of those Manchester residents aged 16+ with long term health conditions or illness lasting more than 12 months **44.3%** are in employment, **4.6%** unemployed and **51.2%** are classed as economically inactive

51% of Manchester residents aged 16-64 who have a long-term disability which substantially limits their day-to-day activities are classed as economically active[5].

29.5% of Manchester residents working full time received work based training in the previous 13 weeks[6] (England **25.6%**)

Annual Population Survey

Metrics: Analysis of the employment and economic status of residents with long term health conditions
&
analysis of the employment and economic status of residents with disabilities

provides insight into the impact of disability and health conditions on access to the workplace and economic activity.

Metric: Analysis of workplace based training for employees

provides an insight into the availability of workplace training as an indicator of employers investment in their workers and the building residents skills

[4] Source: TFGM
[5] Economically active refers to individuals of working age who are either employed, self-employed or unemployed.
[6] Figure for July 2018 to June 2019

Apprenticeship data

Metric: analysis of subject, level and demographic characteristics of apprentices cross referenced again intelligence on economic growth areas

details of the educational and skills opportunities available to residents with a focus on understanding how apprenticeships align with the economy particularly in terms of sectors growth and decline.

2790 Manchester residents age 16+ made a start on an apprenticeship in the first three quarters of the 2018/19 academic year[7].

% of the working age population without any formal qualifications / % qualified at NVQ level 4 and above

Metric: analysis of skills levels by National Vocational Qualification level and population demographics

detail of the educational and vocational skill levels of Manchester residents with a focus on the low and highly skilled

44.1% of Manchester residents aged 16-64 have a qualification at equivalent NVQ level 4[8]

10.5% of Manchester residents aged 16-64 have no formal qualifications

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[7] *Source: Department for Education, apprenticeship and trainee data*
[8] *Source: ONS Annual Population Survey June 2019 release*

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**	**Inclusive economy** ***People, prosperity***

Business register and employment survey

The Office for National Statistics has released further data from the Business Register and Employment Survey[9] (BRES). This update covers 2018.

BRES provides estimates of a range of workplace based metrics. Figure 1 below shows the breakdown of employment[10] in Manchester for 2018 by broad industrial areas.

The largest sectors in Manchester are the professional, scientific and technical and business administration and support services, which combined make up 25.04% of employment.

The shape of employment in Manchester is slowly changing over time. Figure 2 (on the following page) shows change between 2015 and 2018.

The sector showing the most decline over the period is health followed by manufacturing. The sector showing the largest increase is business administration and support services.

Professional, scientific & technical	12.52%
Business administration & support services	12.52%
Health	11.27%
Education	9.76%
Accommodation & food services	9.01%
Retail	8.76%
Transport & storage (inc postal)	7.51%
Financial & insurance	4.51%
Information & communication	4.26%
Public administration & defence	4.26%
Wholesale	3.76%
Arts, entertainment, recreation & other services	3.51%
Manufacturing	2.75%
Property	2.50%
Construction	2.25%
Motor trades	0.50%
Mining, quarrying & utilities	0.31%
Agriculture, forestry & fishing	0.04%

Figure 1: Manchester employment by broad industry 2018

9 *Source: ONS Business Register and Employment Survey (BRES) https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/bulletins/businessregisterandemploymentsurveybresprovisionalresults/2018*

10 *WIthin BRES 'employment' is defined as the count of employees and the self employed*

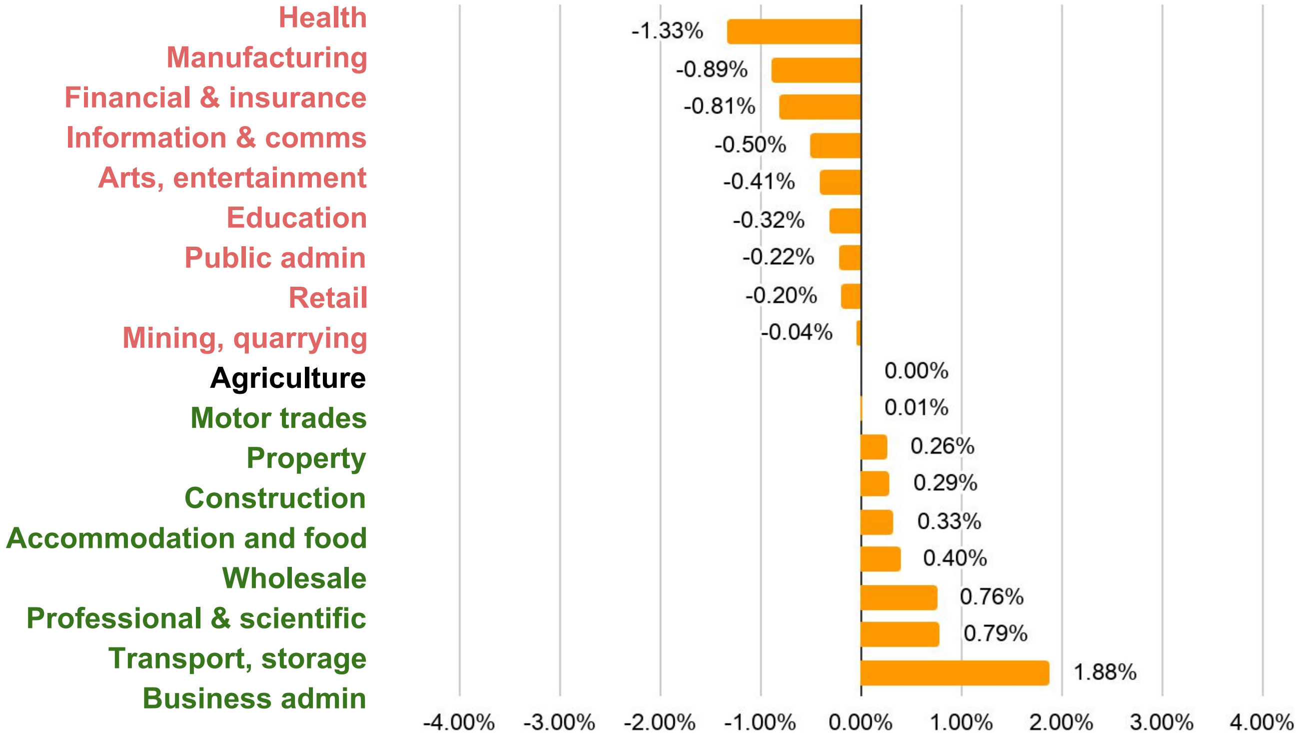

Figure 2: change in % contribution of broad industry sectors to overall employment 2015 - 2018

Figure 3 below shows the number of individuals in employment for the years 2015 to 2018, split by broad industry categories.

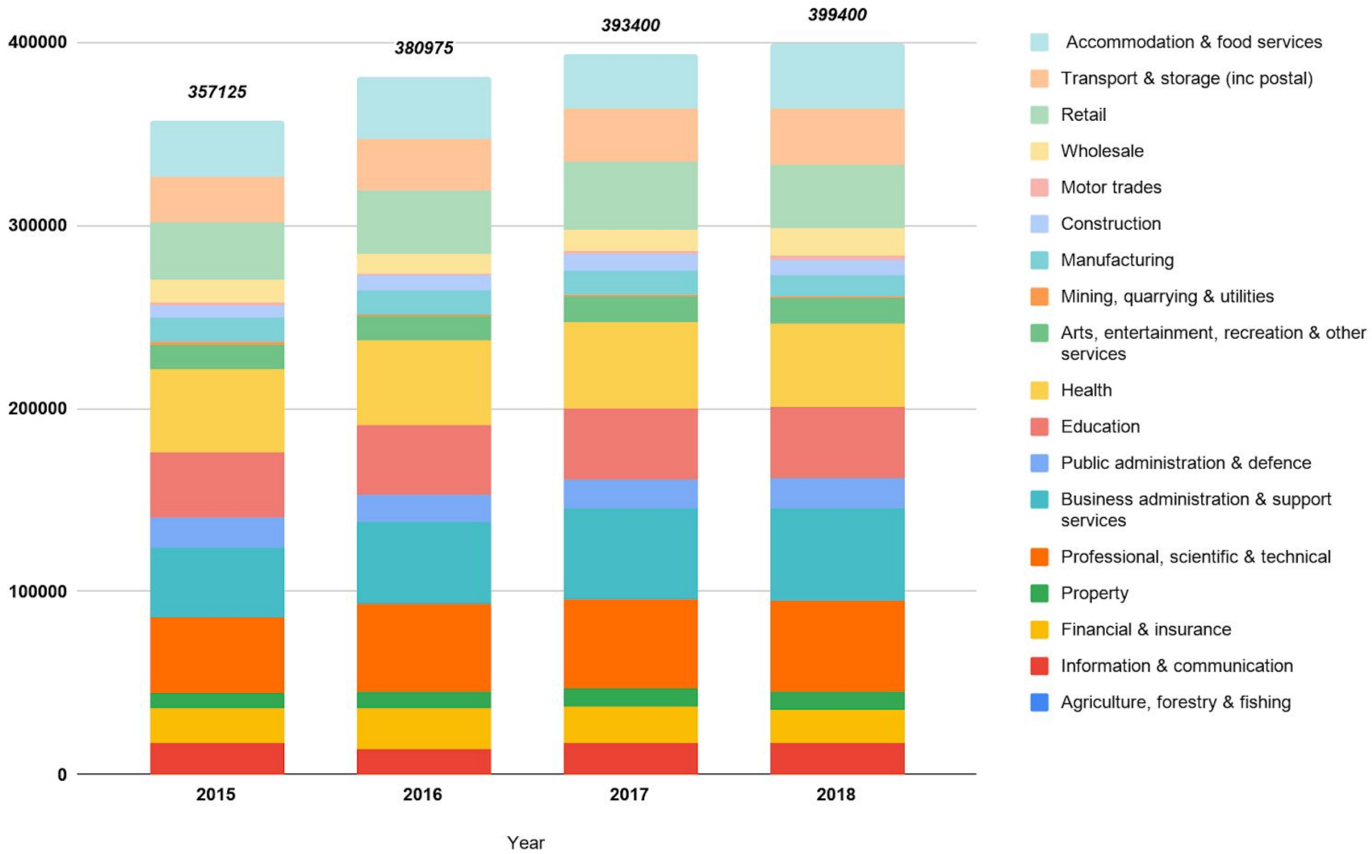

Figure 3: number of individuals in employment 2015 - 2018 by broad industry category

Economic development

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

Inclusive economy

Prosperity

Business counts

Whilst the Business register and employment survey looks at individuals in employment data is also available on the number of businesses in Manchester. **UK Business Counts**[11] are an extract compiled from the Inter Departmental Business Register (IDBR[12]) recording the number of enterprises that were live at a reference date in March of each year. These estimates can be broken down by employment size band, industry and legal status.

Note: the latest Business Count data for 2019 shows a decrease in the number of businesses in Manchester which runs contrary to the year on year trend for increase in numbers. The decrease relates to retail businesses and discussions are ongoing with the Office for National Statistics to understand the reasons behind this change. For now, caution should be exercised in respect to interpretation.

Figure 4 below shows the total number of businesses in Manchester for the years 2011 to 2019.

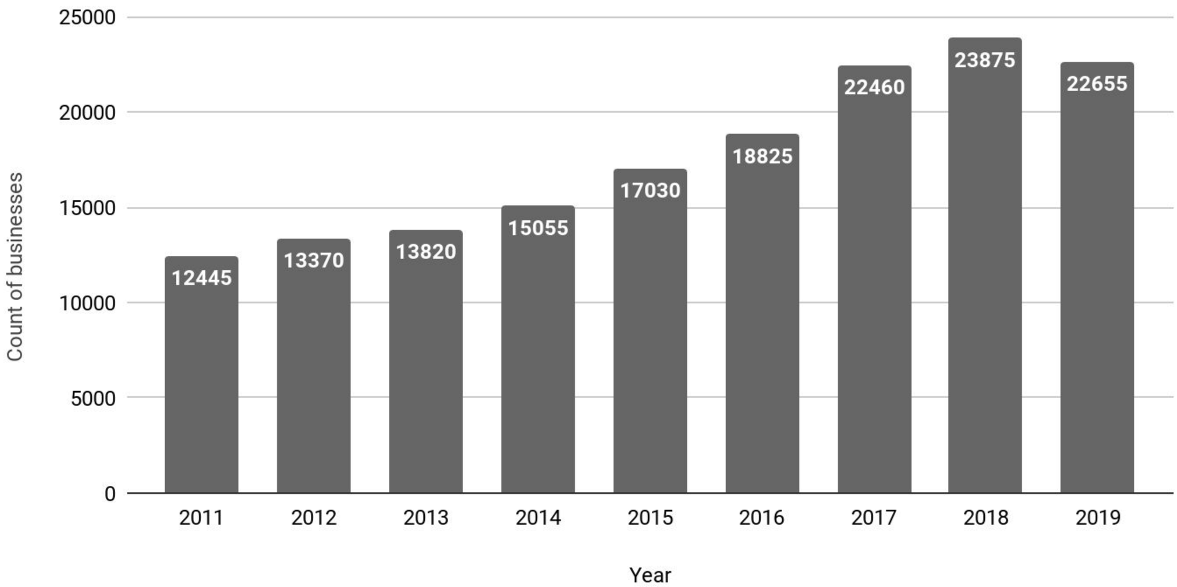

Figure 4: total number of businesses in Manchester 2011 - 19

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[11] ***Source:*** *Office for National Statistics UK business: activity, size and location. https://www.ons.gov.uk/businessindustryandtrade/business/activitysizeandlocation/datasets/ukbusinessactivitysizeandlocation*

[12] *https://www.ons.gov.uk/aboutus/whatwedo/paidservices/interdepartmentalbusinessregisteridbr*

Figure 5 below shows 2019 data broken down by the broad industry type. Care should be taken as a low number of businesses (for example *public administration and defence*) does not necessarily translate to a low number of employees. Figure 6 gives an estimate of the number of employees (by banding) for each of the industry areas.

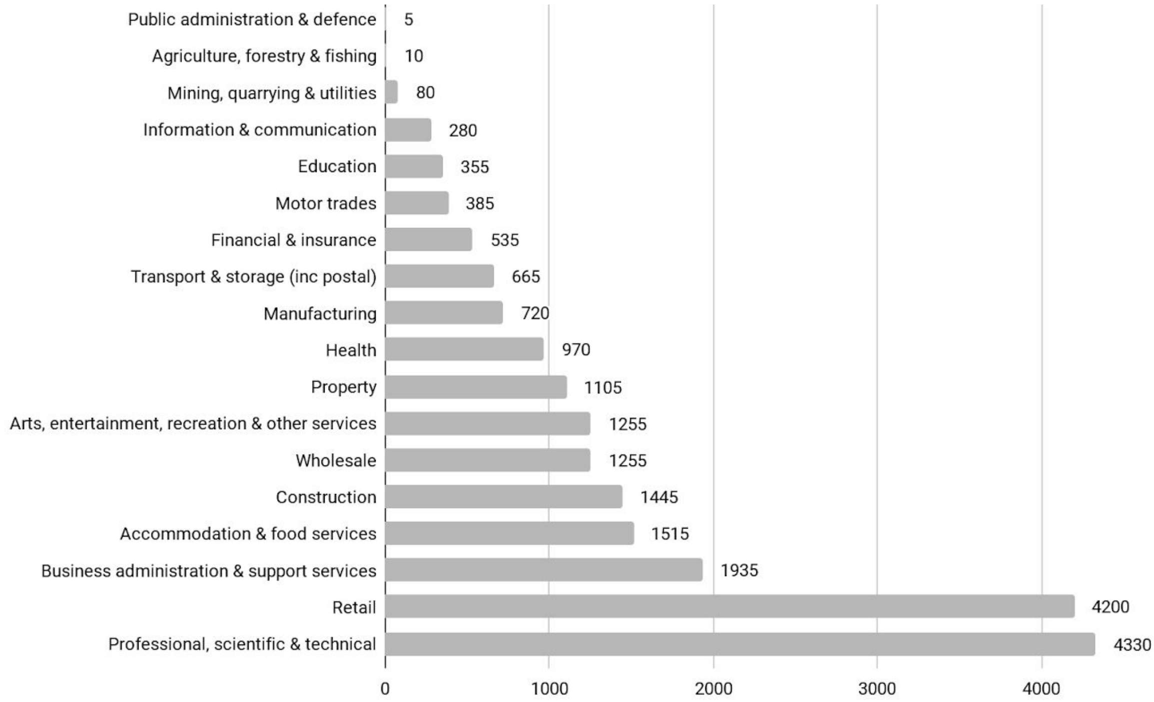

Figure 5: number of businesses in Manchester 2019 by broad industry area

In category '*public administration and defence*' all of the five organisations included have an employee count of 1000+. This is shown, alongside an analysis of the other broad industry areas in figure 6 below.

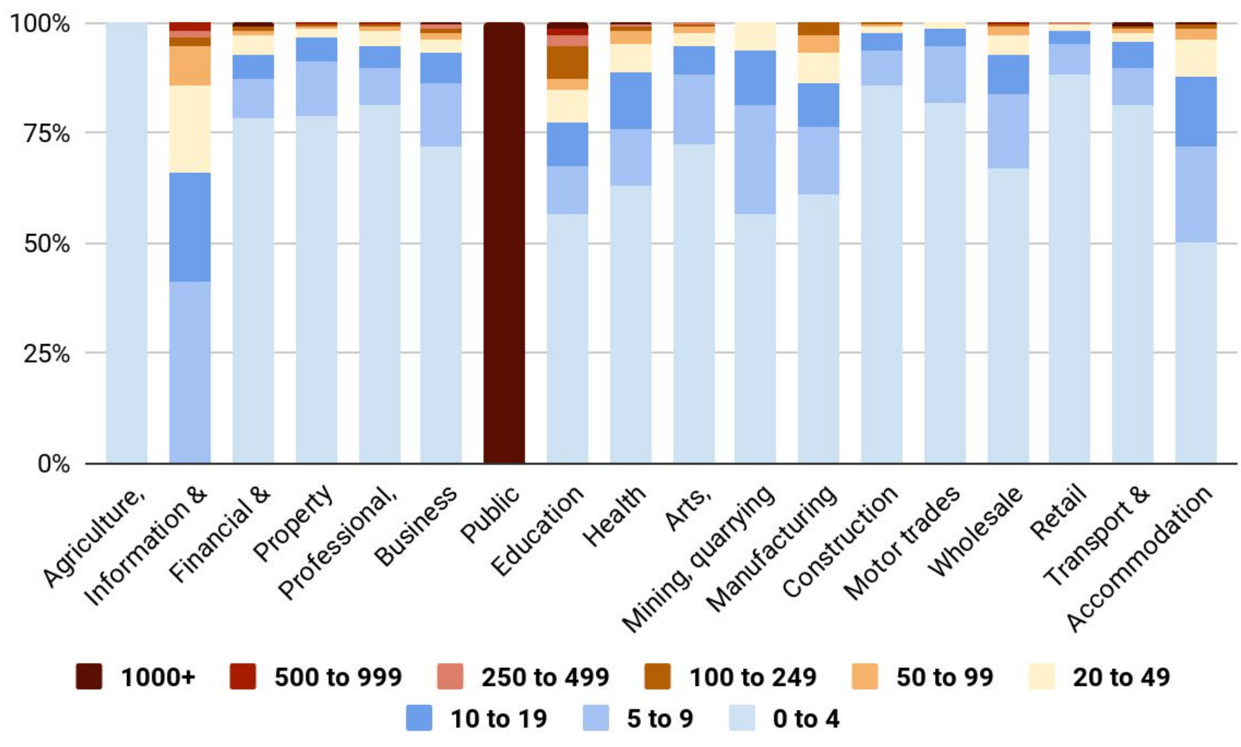

Figure 6: 2019 business counts in Manchester. employee count bands as a percentage of each broad industry area

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Economic development

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

Inclusive economy

Place, prosperity

Valuation Office Agency

Business Rates

Net annual charges payable at snapshot date							
	This quarter	Previous quarter snapshot (July 19)			Previous year snapshot (Oct 18)		
Business type	Oct/19	*Value*	Variation £	Variation %	*Value*	Variation £	Variation %
Office	**£119.22 m**	*£120.32 m*	-£1.11 m[13]	-0.92%	*£113.66 m*	£5.56 m	4.89%
Retail	**£79.63 m**	*£79.89 m*	-£0.26 m	-0.32%	*£82.58 m*	-£2.94 m	-3.56%
Health & Public Services	**£43.43 m**	*£43.76 m*	-£0.33 m	-0.76%	*£43.18 m*	£0.26 m	0.59%
Industrial	**£35.14 m**	*£35.67 m*	-£0.53 m	-1.49%	*£35.4 m*	-£0.26 m	-0.73%
Services & Food	**£22.04 m**	*£22.05 m*	-£0.01 m	-0.06%	*£21.25 m*	£0.79 m	3.72%
Sports, Rec & Culture	**£25.1 m**	*£25.82 m*	-£0.72 m	-2.80%	*£24.55 m*	£0.55 m	2.23%
Hotels	**£19.84 m**	*£19.2 m*	£0.64 m	3.32%	*£18.3 m*	£1.54 m	8.42%
Car Park	**£14.23 m**	*£14.04 m*	£0.19 m	1.37%	*£13.58 m*	£0.65 m	4.77%
Education	**£9.08 m**	*£9.28 m*	-£0.20 m	-2.13%	*£9.01 m*	£0.07 m	0.73%
Advertising & Communication	**£5.53 m**	*£5.48 m*	£0.05 m	0.97%	*£4.9 m*	£0.63 m	12.84%
Total	**£373.24 m**	*£375.52 m*	-£2.28 m	-0.61%	*£366.41 m*	£6.83 m	1.83%

Over the preceding dashboards we have tracked the *'Retail'* category which was identified as showing a decrease in business rates contrasted with the snapshot taken a year previously[14].

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*[13] The trend in office businesses remains upward (both in terms of the number of businesses and the rate charges) reflecting the market described elsewhere in this report, variation between quarters within one financial year should not be taken as indicative of trend - factors such as reliefs applied can influence the rates due figure, the **number** of properties liable for business rates increased by 100 from the previous quarter.*

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[14] 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.

This quarter has seen the continuation of this trend. Caution should be exercised in drawing conclusions from individual quarterly snapshots but we will continue to monitor variation over the coming year and will return to the topic if necessary.

The chart overleaf below the variation in the *number* of business properties that make up the rates due shown above. In contrast to the decline in value the retail sector shows a modest increase over the past two annual snapshots.

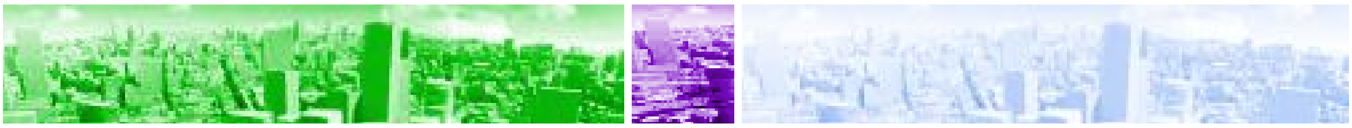
	Number of properties - one and two years previous		
Business type	**Oct/19**	**One year ago**	**Two years ago**
Office	8,360	8,104	7,880
Retail	5,116	5,103	5,082
Health & Public Services	626	634	639
Industrial	5,072	4,948	4,838
Services & Food	1,396	1,367	1,324
Sports, Rec & Culture	906	897	893
Hotels	98	94	91
Car Park	3,479	3,455	3,285
Education	379	381	375
Advertising & Communication	1,585	1,601	1,633
Total	27,017	26,584	26,040

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.

Inclusive economy

Place



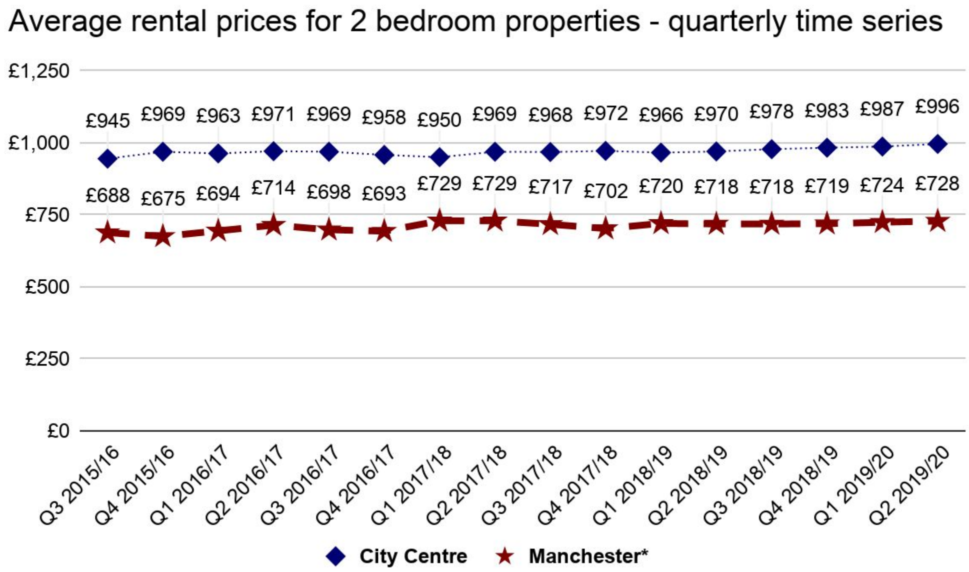
Housing market data

Data source: MCC Housing Market Intelligence Sheet

Property prices and sales during the quarter (derived from Land Registry data)				
			Variation from last quarter	Variation from a year ago
		2019/20 Qtr1	**Number**	***Number***
Number of properties registered as sold	**Manchester city centre**	690	72	-144
	Manchester excluding city centre	1,941	41	-124
Mean Price	**Manchester city centre**	£206,920	-£5,937	£2,790
	Manchester excluding city centre	£200,161	-£838	£5,104

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

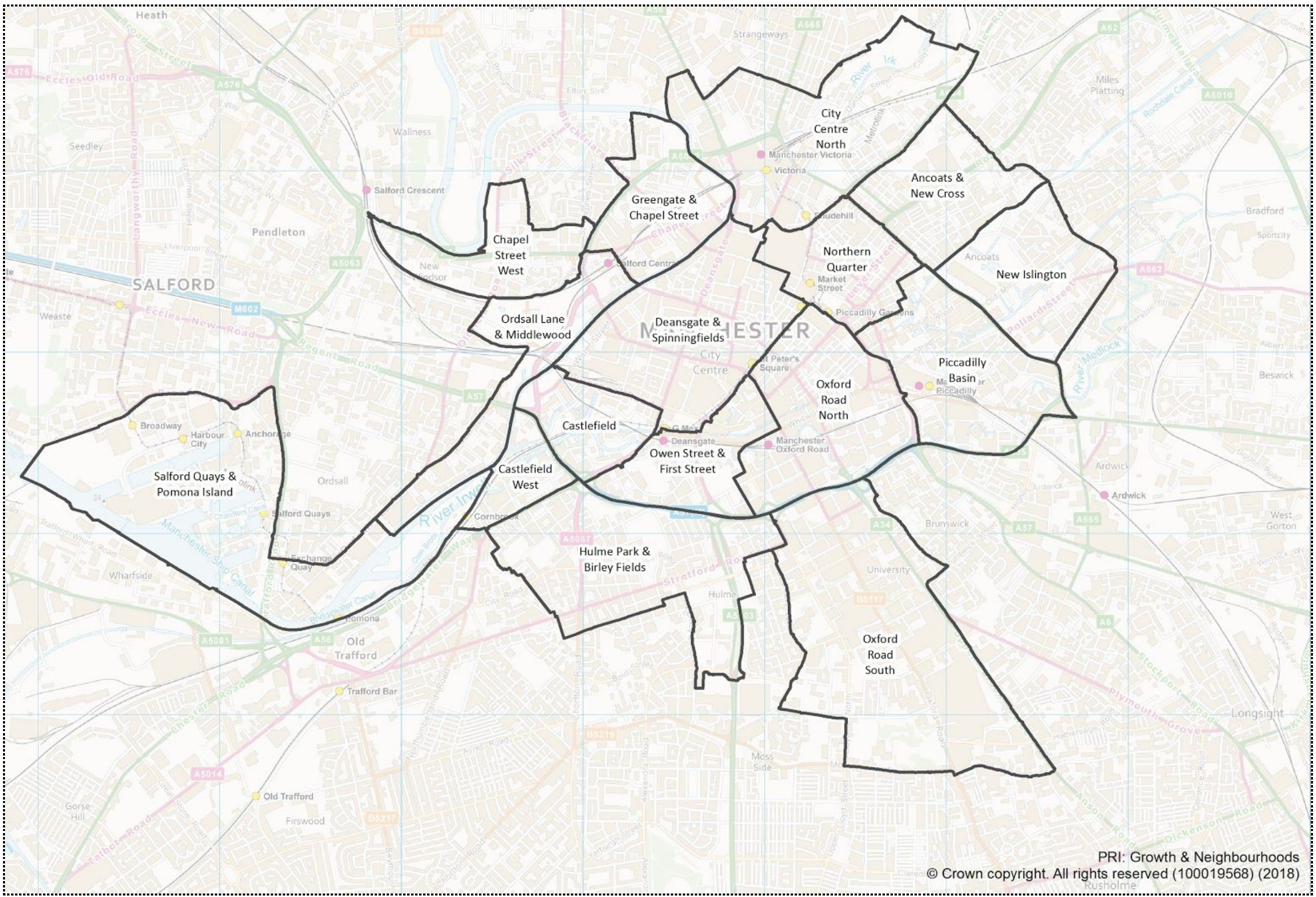
Rental market data



*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 1 2019/20 for city centre neighbourhoods:

The map below shows the borders of each *neighbourhood* area referred to in the chart above.



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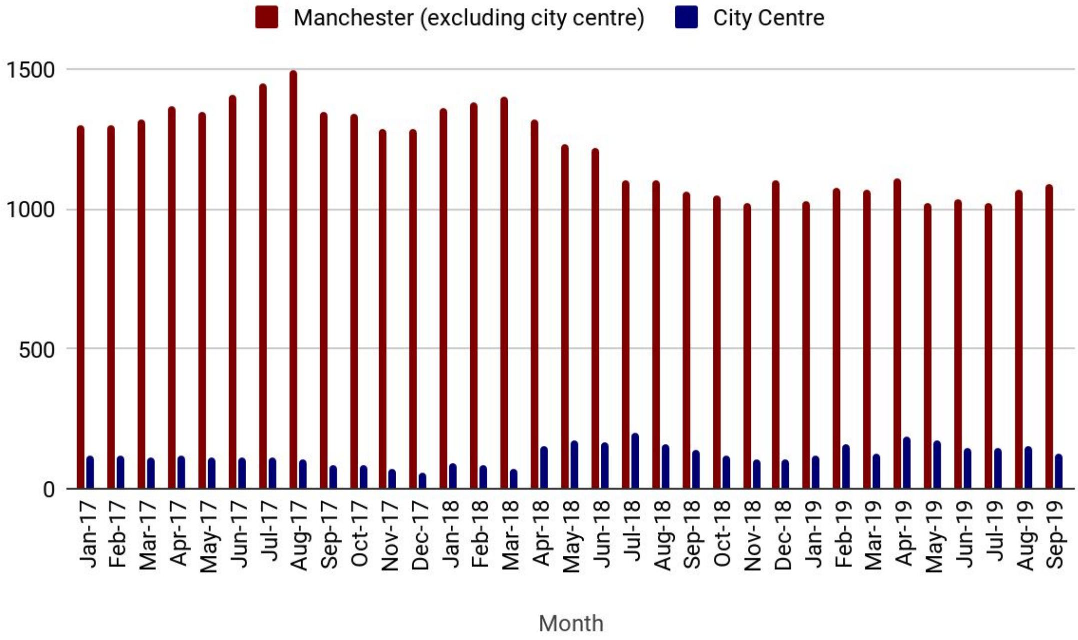
Volume of long term[15] empty properties



The chart above shows the number of empty properties and is updated monthly as per the period covered by this dashboard. The chart displays the number of empty properties in the city centre and across Manchester. The second figure ***excludes*** those empty properties in the city centre.

Month	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19
City centre	121	158	123	185	173	146	145	152	126
Manchester (excluding city centre)	1026	1075	1068	1108	1024	1032	1,023	1,067	1,086

The table above contains the number of empty properties, by month, in 2019 for both the city centre and the remainder of the City of Manchester.

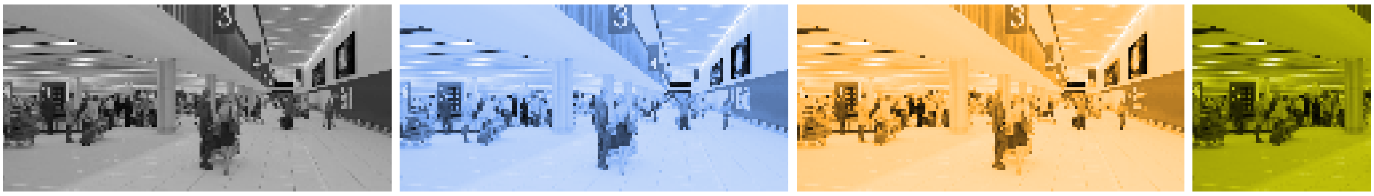
[15] *Refers to properties vacant for more than six months*

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

Inclusive economy

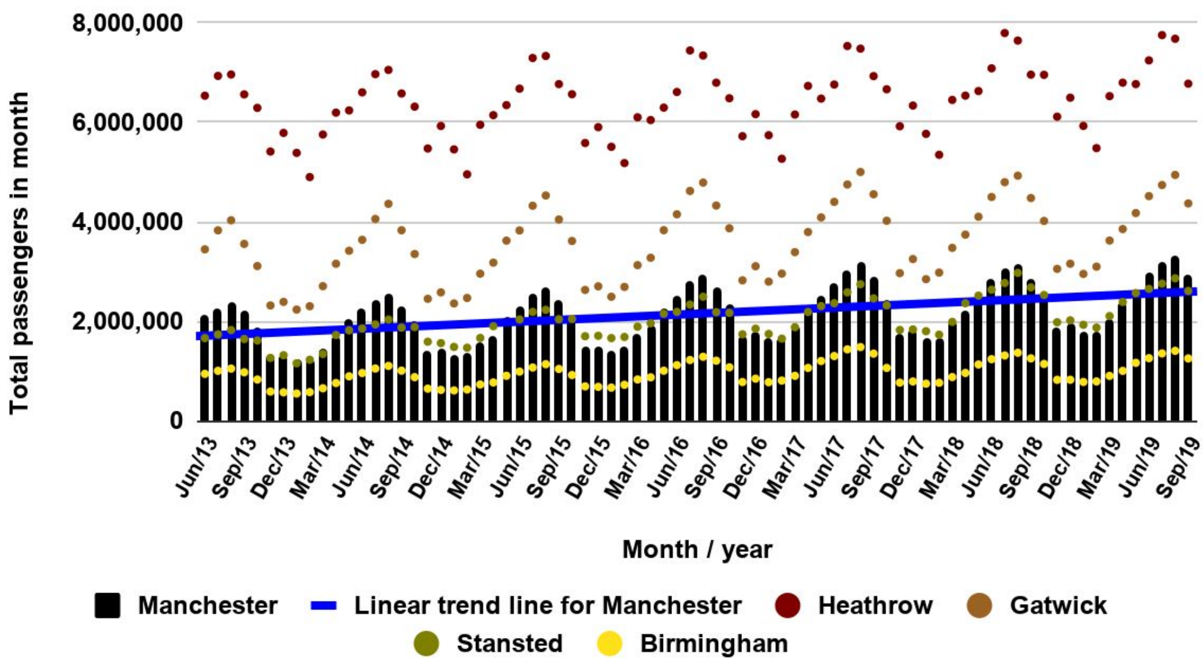
Place, prosperity



Manchester Airport data

Data source for all subsequent airport related data: Civil Aviation Authority

Major UK airports - passenger numbers by month, rolling five years time series



	Passenger numbers during month:	*Annual change*		*Biennial change*	
	September 2019	*Actual*	*%*	*Actual*	*%*
Manchester	**2,945,698**	**105,020**	**3.70%**	**57,729**	**2.00%**
Heathrow	**6,777,720**	**-181,348**	**-2.61%**	**-152,483**	**-2.20%**
Gatwick	**4,370,314**	**-108,837**	**-2.43%**	**-184,919**	**-4.06%**
Stansted	**2,611,175**	**-71,074**	**-2.65%**	**150,121**	**6.10%**
Birmingham	**1,254,144**	**-1,262**	**-0.10%**	**-96,487**	**-7.14%**

September sees the start of a decline in passenger numbers over the winter period, however when considered in comparison to 2018 and 2017 September of 2019 showed an increase in passenger numbers. Manchester was the only major U.K airport to show a higher level in both years. **Note: Thomas Cook** ceased trading on 23rd September so the impact on passenger numbers will not be reflected in the chart above, but may be apparent next quarter..

Visitor economy

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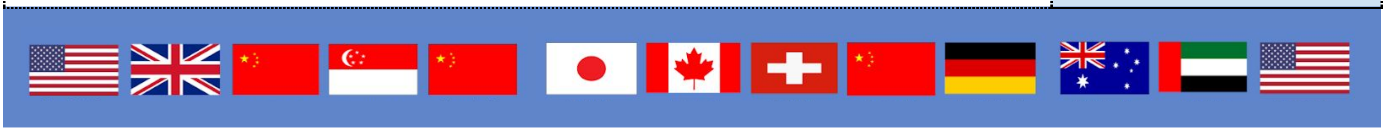
Inclusive economy

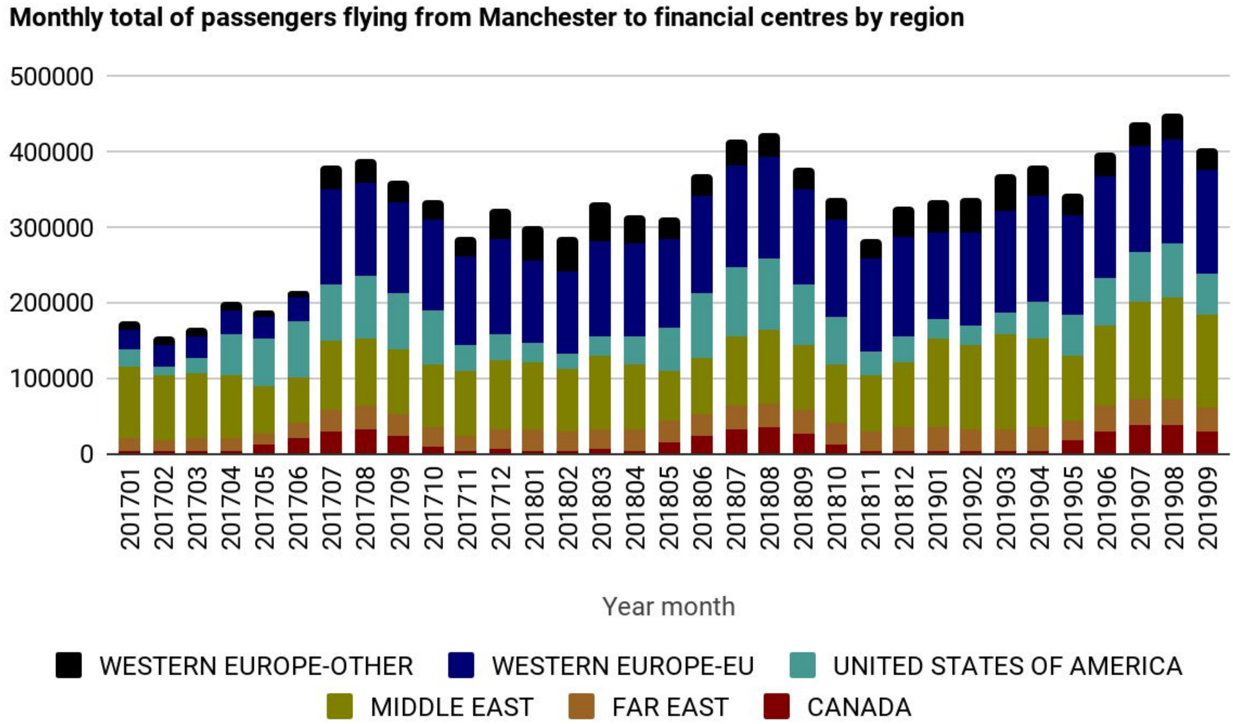
Place, prosperity



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 25 which was published in June 2019. London remains in second plan in the index behind New York. The other change in the ranking (other than position in the top 20) is that Montreal which returns to the top twenty displacing Guangzhou in China.

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.



Note: *The increase in the number of passengers flying from Manchester in July 2017 resulted from a combination of new routes to Beijing and several European destinations, plus increased traffic in established routes such as Manchester - Dubai. The current rankings (published June 2019) have been applied from January 2019 onwards for in-year comparison and to avoid sudden change in passenger numbers as financial centres enter or leave the ranking. Prior to this date the rankings applicable at the time of the flight data are shown.*

The chart overleaf 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 September 2019. There were no flights to Melbourne during the period and London is excluded as it is not an international destination.

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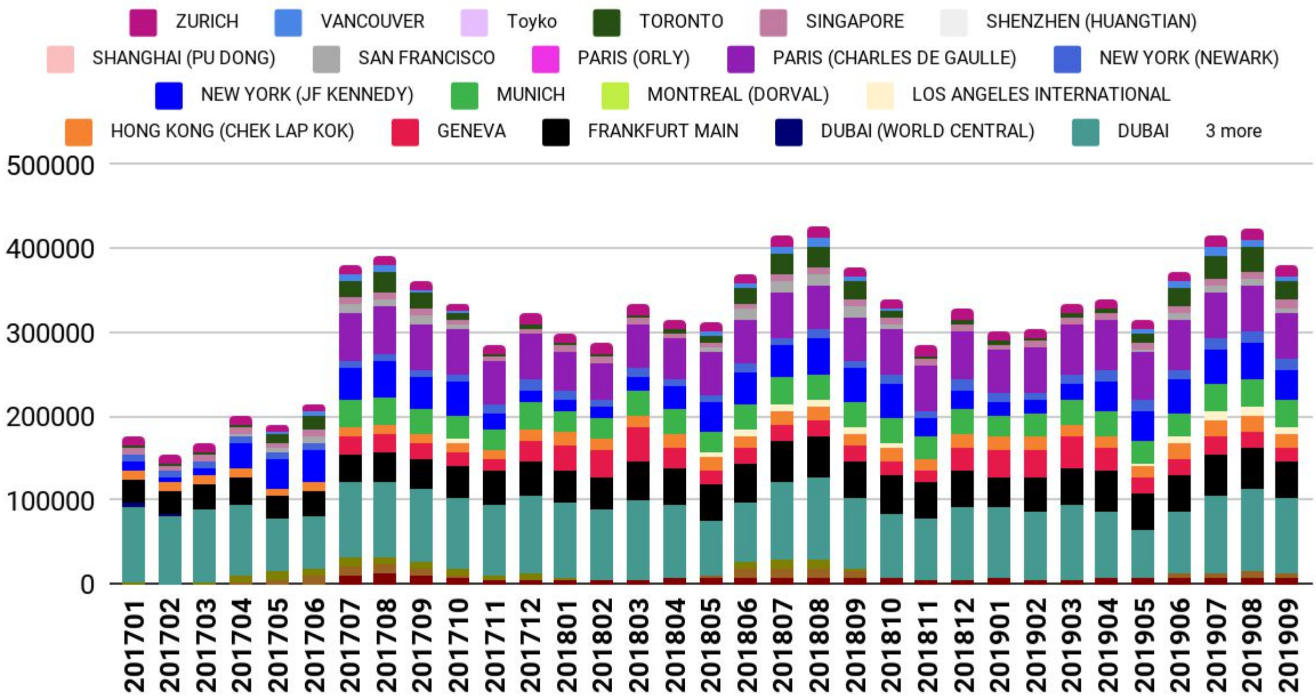
Monthly total of flights from Manchester to financial centres by airport



Ends