Chapter 2: A Thriving and Sustainable City

Strategic overview

Manchester's growth over the past decade has been attributed to the stability and diversification of the city's economy. The creation of new employment opportunities has contributed to the significant growth in the city's population, which has in turn attracted further inward investment from new businesses. In recent years, the economy in Manchester has diversified towards knowledge-intensive sectors, supported by high numbers of graduates from the city's higher-education institutions. These have remained to enter employment in the fast-growing sectors of science, research and innovation; business, financial and professional services; and cultural, creative and digital.

Manchester is at the forefront of work to research, pilot and implement the use of digital technology to transform connectivity and how the city functions. The innovative solutions being developed by the facilities associated with Manchester Science Partnerships along the Oxford Road Corridor and elsewhere in the city have been groundbreaking. Plans for the development of further sites within an innovation district along the Oxford Road Corridor and elsewhere in the city demonstrate a continuing commitment to support the growth and potential of the sector.

The prolonged economic shutdown experienced throughout 2020 and early 2021 could not have been anticipated. The impacts of this are far-reaching and have disproportionately affected specific sectors of the economy and resident groups. Lockdowns and public-health restrictions have had repercussions on the hospitality, retail, culture and sport, aviation and tourism sectors, as well as the visitor economy. Residents working in insecure work have experienced greater uncertainty and may not have been protected by Government support schemes. In addition, over-50s; younger workers; Black, Asian and minority ethnic workers; and women have been disproportionately impacted by unemployment resulting from the pandemic. Employees in the gig economy and other forms of self-employment have also been exposed to greater levels of risk, with remote working not available across all sectors.

The critical role of key workers working in the foundational economy in roles in education, health and social care and other service providers has been highlighted and recognised throughout the pandemic; progressing fair and secure employment in these sectors is key to a more equitable future. Recovery from the pandemic must work towards a more inclusive economy, ensuring that residents from all parts of the city can benefit from high-quality jobs with fair pay and conditions, and opportunities for progression. There still remains a significant gap between resident and workplace wages, representing a real challenge to achieving a more inclusive economy and economic equality for residents across the city. While this gap may reduce during a recession or economic contraction if worker wages decline, the ambition is to both reduce the gap between worker and resident wages, and increase wages for both groups.

The pandemic has seen a systemic shift to online shopping, which is likely to impact on employment opportunities in future years, as well as the role of the city and district centres. The impact of the shift to remote working on employment opportunities and city centre recovery remains to be seen.

The regional, national and international visitor economy has also been a key driver in the city's economic success, supported by Manchester Airport as a global gateway. The travel restrictions curtailing domestic and international travel in 2020 and early 2021 represent an unprecedented shift to the local and regional economy, affecting businesses, supply chains, and employment opportunities throughout the north. The economic impact of these restrictions is unknown but is likely to be long-lasting and may impact upon consumer behaviour.

Analysis of progress

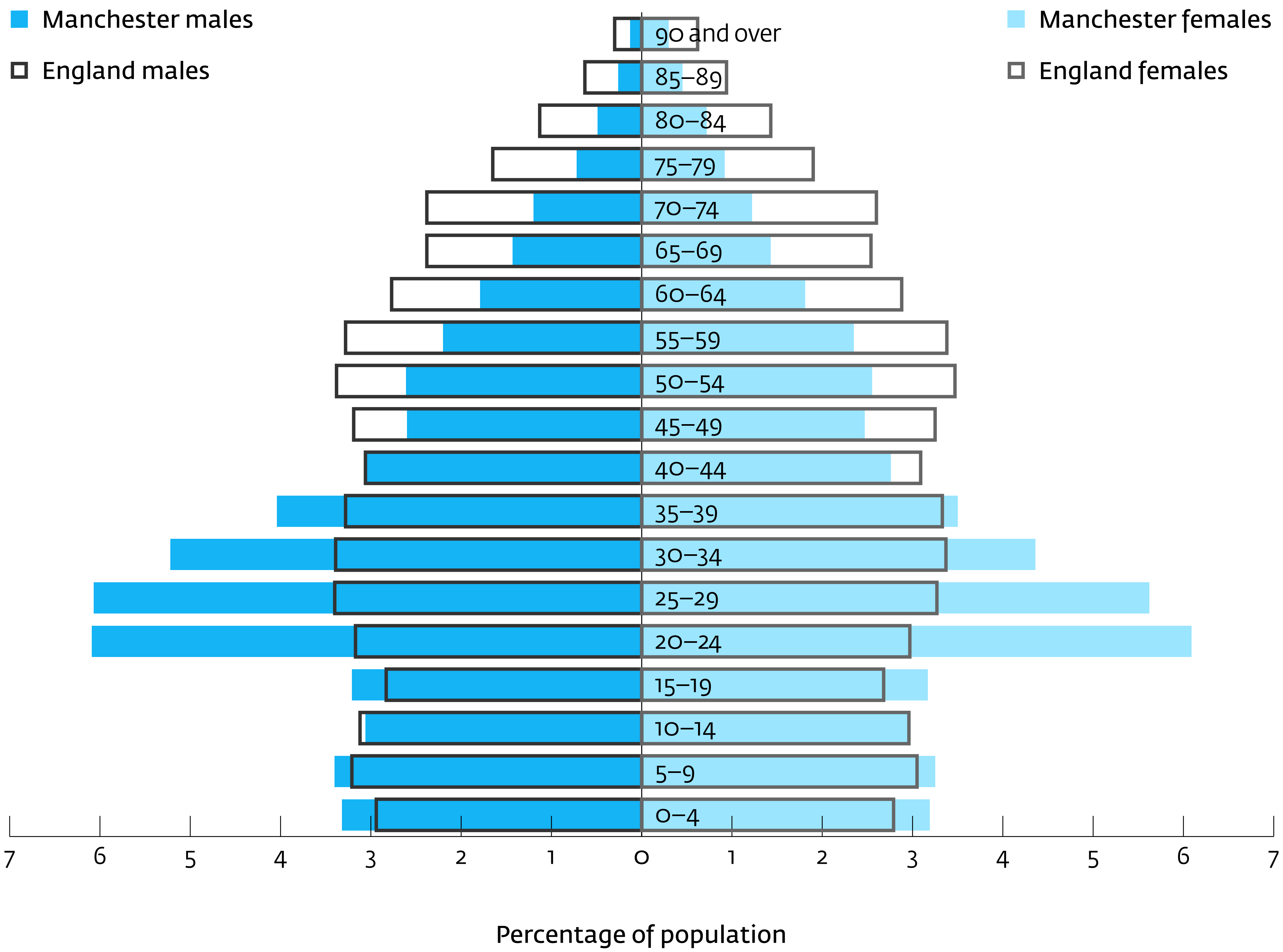
Building on our diverse and growing population

Manchester's rapid rise in population, boosted by a strong economy and the availability of new high-quality accommodation around the city centre, inevitably paused during 2020 due to the COVID-19 pandemic. Movement of people nationally and internationally was restricted, along with significantly decreased employment opportunities; the number of international students and workers choosing to make their home in the city was also curtailed by lockdown from March 2020. However, the city's universities reported that many international students remained in the city, and there is tentative confidence that the city's economy will bounce back strongly, bolstered by the successful COVID-19 vaccination programme.

International immigration is Manchester's main driver of population growth; therefore, the Office for National Statistics (ONS) has estimated very low migration growth compared to predictions in the previous 2020 mid-year population estimate due to the limitation of travel. According to ONS, the mid-year 2020 resident population is estimated to be 555,741. However, this figure is much lower than the 579,400 forecast for mid-2020 by Manchester City Council, because ONS has not factored into its estimate the extensive building programme that has taken place in recent years and the city's rising popularity as an attractive place to live, study and work.

Figure 2.1 shows the age profile of Manchester's population compared to the rest of the country, highlighting Manchester's younger resident population due to a large student population and young workers living in the city. There is now a similar proportion of residents aged 25–29 to those aged 20–24. This is because in recent years a growing number of students have remained in the city after graduating to take advantage of the attractive new accommodation offer and available career opportunities. This is not only increasingly shifting the proportion of residents aged 25–39 upwards but, combined with the steady inflow of international workers, is changing the social structure of resident adults under the age of 40 in terms of their education levels and the industries they work in. The temporary rise in numbers from 'baby boomers' over the past decade is also now reducing. This, combined with relatively low numbers of residents in their 60s, means the proportion of older residents, unlike the national trend, is decreasing, with just 9% of Manchester's population being over the age of 65.

Figure 2.1:
Mid-year population estimates by age for Manchester and England, 2020

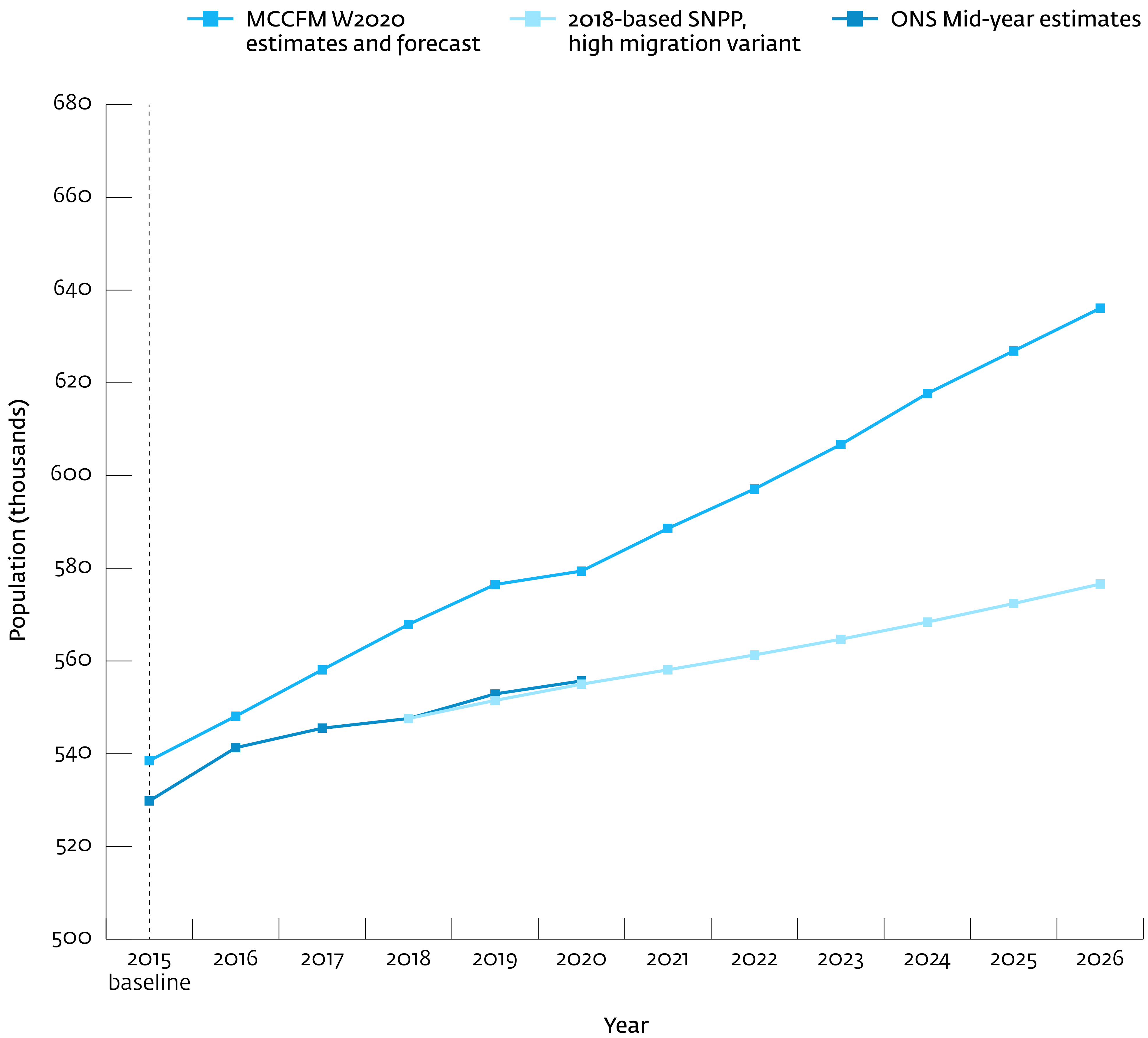


Source: 2020 mid-year population estimate, ONS © Crown Copyright 2021

ONS projections for the city's future population have not been updated since 2018, so do not take account of the rapid growth in housing stock in recent years or the multifaceted impact of COVID-19. The 2018 projections overestimate the number of EU (European Union) residents leaving the city due to Brexit and the number of graduates returning home after finishing their studies, and also underestimate the rise in international students pre-pandemic. The long-term impact of Brexit on Manchester's European population could also be further compounded by travel restrictions and changes in individual post-pandemic economic and social circumstances.

ONS is not producing a revised projection until after the publication of the 2021 census results in 2022. However, Manchester City Council's forecasting model, (MCCFM) has been updated. Figure 2.2 shows how the number of people living in the city has grown since the launch of the Our Manchester Strategy in 2016 (according to our model, ONS estimates and projections) and how it is expected to grow over the next five years. MCCFM figures have been adjusted to include the impact of COVID-19, but this forecast is likely to change due to the limited information available to verify the assumptions made, and the remaining uncertainty. It is, however, a best estimate based on the data currently available. The forecast assumes a gradual resumption of international travel during 2021, a continuation of construction projects, and a steady economic recovery over the next five years. However, as international travel is not expected to fully recover to pre-pandemic levels until 2023/2024, the forecast is likely to change.

Figure 2.2:
Manchester's population estimates and forecast, 2015–2026



Sources: Mid Year Estimates (MYE) of population and Subnational Population Projections (SNPP), ONS © Crown Copyright; MCCFM W2020, Manchester City Council (PRI)

Cosmopolitan and culturally strong

Manchester has a long welcoming history and is a vibrant blend of many nationalities and ethnicities, which is a source of pride in the city. A strong sense of unity has been evident during the pandemic, as communities helped each other and community interactions were reshaped.

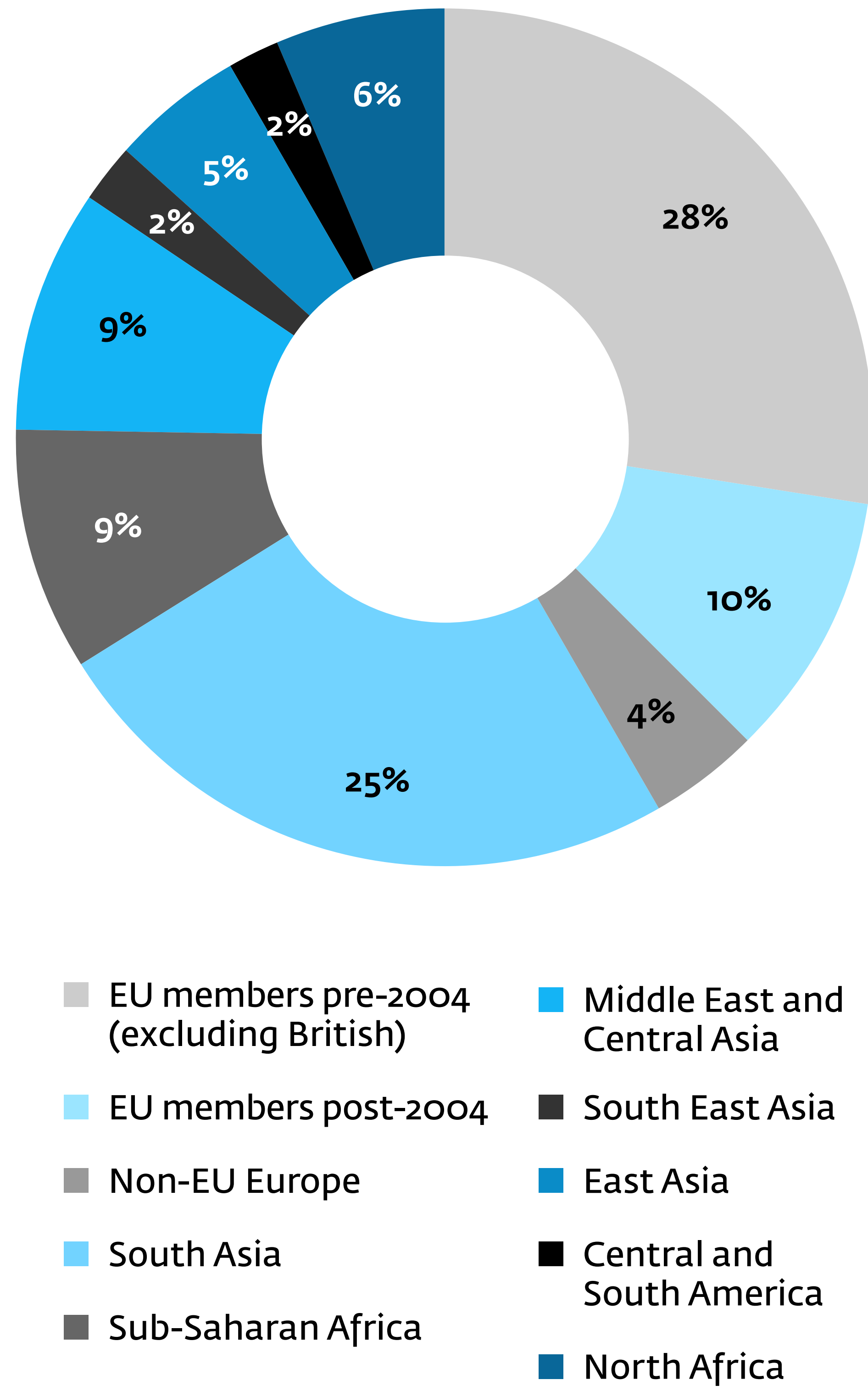
With little or no non-essential international travel throughout 2020 and early 2021, many people intending to make the city their home were unable to do so. However, Manchester's international reputation for welcoming people into the city from around the world remains strong, and it is anticipated that new residents will begin to arrive again as pandemic restrictions are lifted internationally. That said, there is likely to be a static period while confidence in travel is rebuilt and international vaccination programmes align.

Meanwhile, many international students chose to stay in the city during 2020, joining an already large number of young professionals who have taken advantage of the concentration of new apartments around the city centre. This has created diverse neighbourhoods with diverse, talented, and ambitious communities.

The ONS Annual Population survey was conducted in 2020, and as some data sets were not available, estimates are subject to wide margins of error. The survey suggests that the number of residents with a nationality other than British was a little lower for most nationalities than in 2019. However, an increased number of residents was indicated for Europeans from outside the EU, Southeast Asians and particularly North African nationalities. Bearing in mind the potential for sampling error, the survey estimates around 12,000 fewer non-British residents than at the same point in 2019. In terms of overall growth, this is more than offset by approximately 19,000 new British residents. The proportion of residents who are not British has, however, fallen as a result, from 21% of the population in mid-2019 to 18% in mid-2020.

Figure 2.3 shows the different proportions of residents whose prime nationality is not British (some may have dual nationalities). European countries now total 42% of these nationalities compared to 43% in 2019, because of an estimated decrease of 6,000. This reduction is not down to residents from countries that joined the EU after 2004 leaving, and Manchester's proportion of these residents remains at 10%. This compares to the national proportion of 32%, so is much lower than average; as such, the Brexit effect has had a minimal impact on Manchester. As mentioned, growth in North African nationalities is indicated, increasing from an estimated 1,000 residents in 2019 to 5,000 in 2020 and now forming 6% of residents whose nationality is not British. These numbers are relatively small compared to the number of Asian and Middle East nationalities, estimated at 40,000 residents and forming 41% of nationalities that are not British. Within these figures, over half this number, 24,000, have a South Asian nationality.

Figure 2.3:
Manchester's international residents – estimate of nationality 2020



Source: Annual Population Survey, 2020, ONS © Crown Copyright

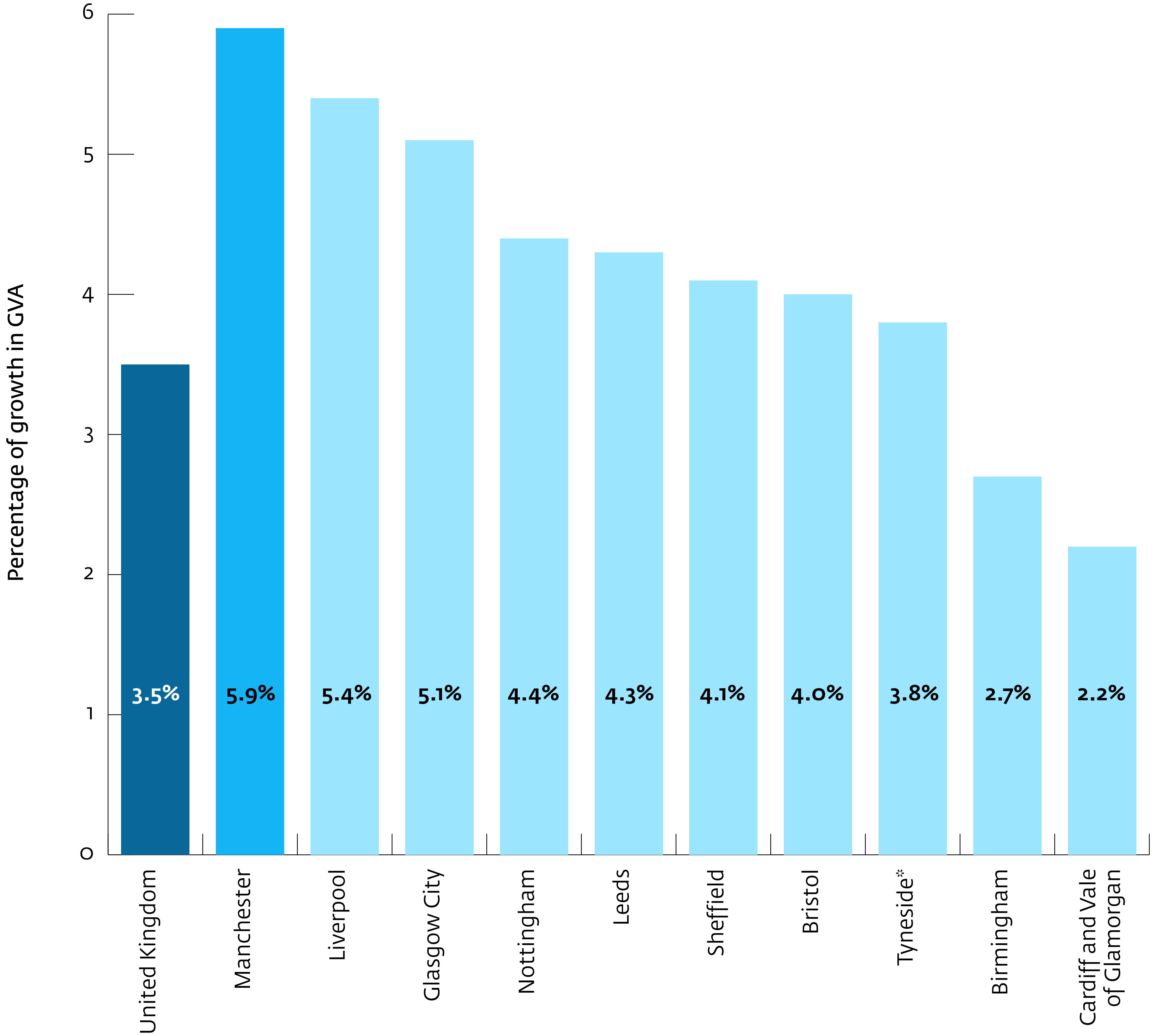
The majority of Manchester's residents from Black, Asian and minority ethnic backgrounds are British. However, the total number of residents with Black, mixed/multiple ethnicities, Asian or another ethnicity other than White British is much higher. The ONS' latest estimate, again using the Annual Population Survey, suggests that in 2019, just over 230,000 residents were likely to identify themselves as being from an ethnic group other than White British, equating to 41.6%; 100,500 of these residents being Asian/Asian British, 53,000 Black/Black British, 33,000 of mixed or multiple ethnicities, 28,000 White but not British, and almost 19,000 likely to be from a different ethnic group (eg. Arab/British Arab).

Increasing productivity for the benefit of the city and the UK as a whole

Gross value added (GVA) is a measure of the value of goods and services produced by an area and is commonly used as an indicator of economic performance. Historically, ONS has produced estimates of regional GVA using the income approach and the production approach. In 2017, the strengths from both approaches were taken to produce a new balanced measure of regional GVA – known as GVA (B) – a single measure of economic activity within a region.

Manchester's economy has continued to grow. In 2018, Manchester's GVA (B) was £23.2million, which increased to £24.5million in 2019 (provisional). Figure 2.4 shows that between 2018 and 2019, Manchester's overall GVA (B) grew by 5.9%, compared to 3.5% for the UK.

Figure 2.4:
Percentage growth in GVA (balanced approach) between 2018 and 2019 (provisional)



*Tyneside includes Newcastle, Gateshead, North Tyneside and South Tyneside

Source: Regional economic activity by gross value added (balanced), ONS © Crown Copyright

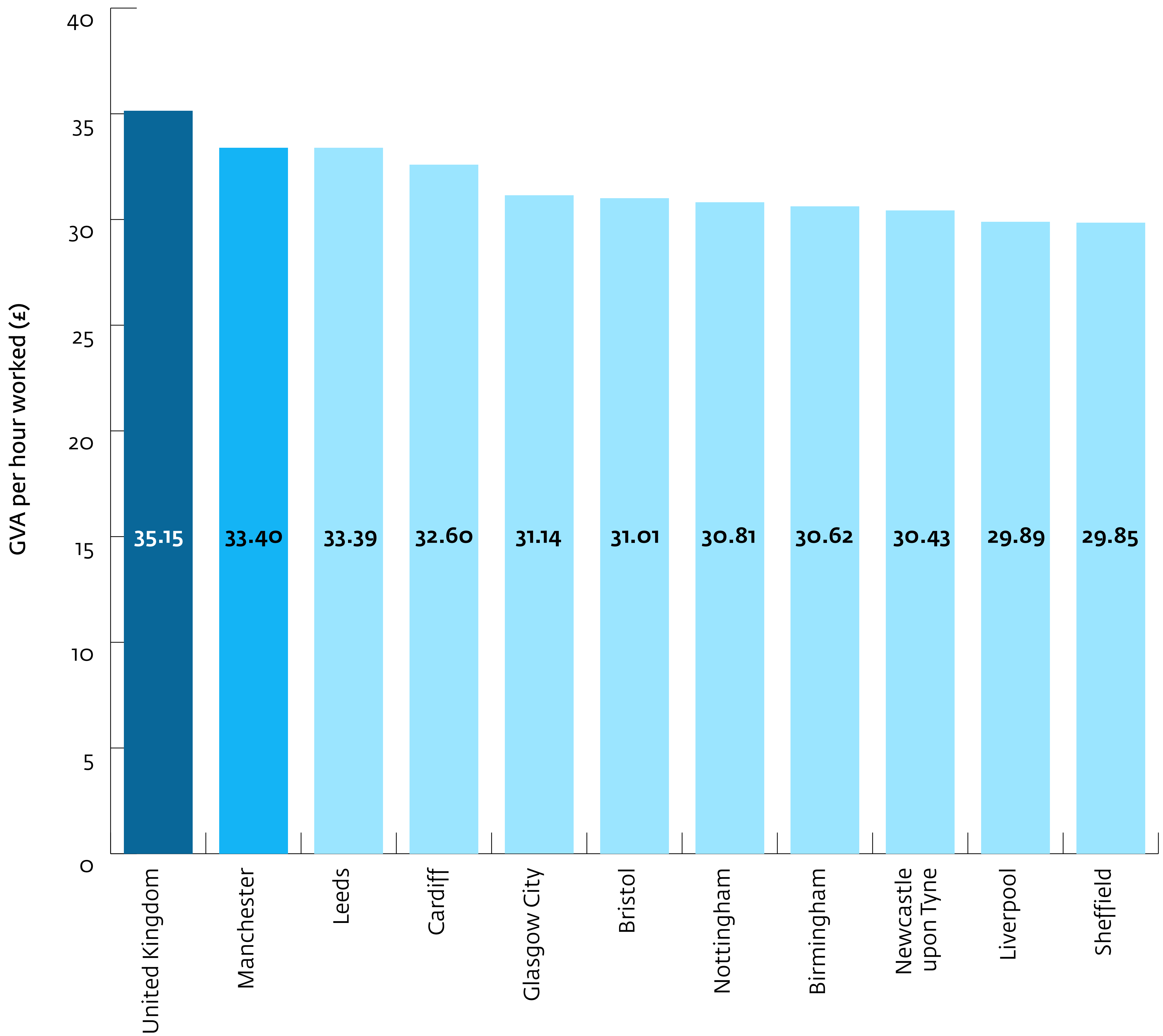
In 2019, Manchester's GVA (B) per head of resident population was £44,356, compared to £29,599 for the UK as a whole (provisional figures). This has increased from £42,284 in 2018. GVA (B) per head can be a useful way of comparing regions of different sizes. However, when assessing regional economic performance, it is now recommended to use the experimental labour productivity statistics, GVA per hour worked or GVA per job filled, as these measures provide a direct comparison between the level of economic output and the direct labour input of those producing the output.

This is not the case for GVA per head, as this measure includes people not in the workforce (including children, pensioners and others not economically active) in the calculation and can also be very heavily biased by commuting flows. This is because if an area has a large number of in-commuters, as in Manchester, the output these commuters produce is captured in the estimate of GVA, but the commuters are not captured in the estimate of residential population. In this situation, a GVA per head measure would be artificially high if used as a proxy for economic performance of an area.

As the ONS has developed these statistics, previous years' figures have been revised. According to current ONS statistics, Manchester's Nominal GVA (B) per hour worked (data smoothed using a weighted five-year moving average) has increased consistently each year, from £24.20 per hour in 2004 to £33.40 per hour in 2019.

Figure 2.5 shows that in 2019 productivity levels were similar across the UK Core Cities, ranging from £29.85 to £33.40 GVA (B) per hour worked.

Figure 2.5:
Nominal (smoothed) GVA (B) per hour worked in 2019



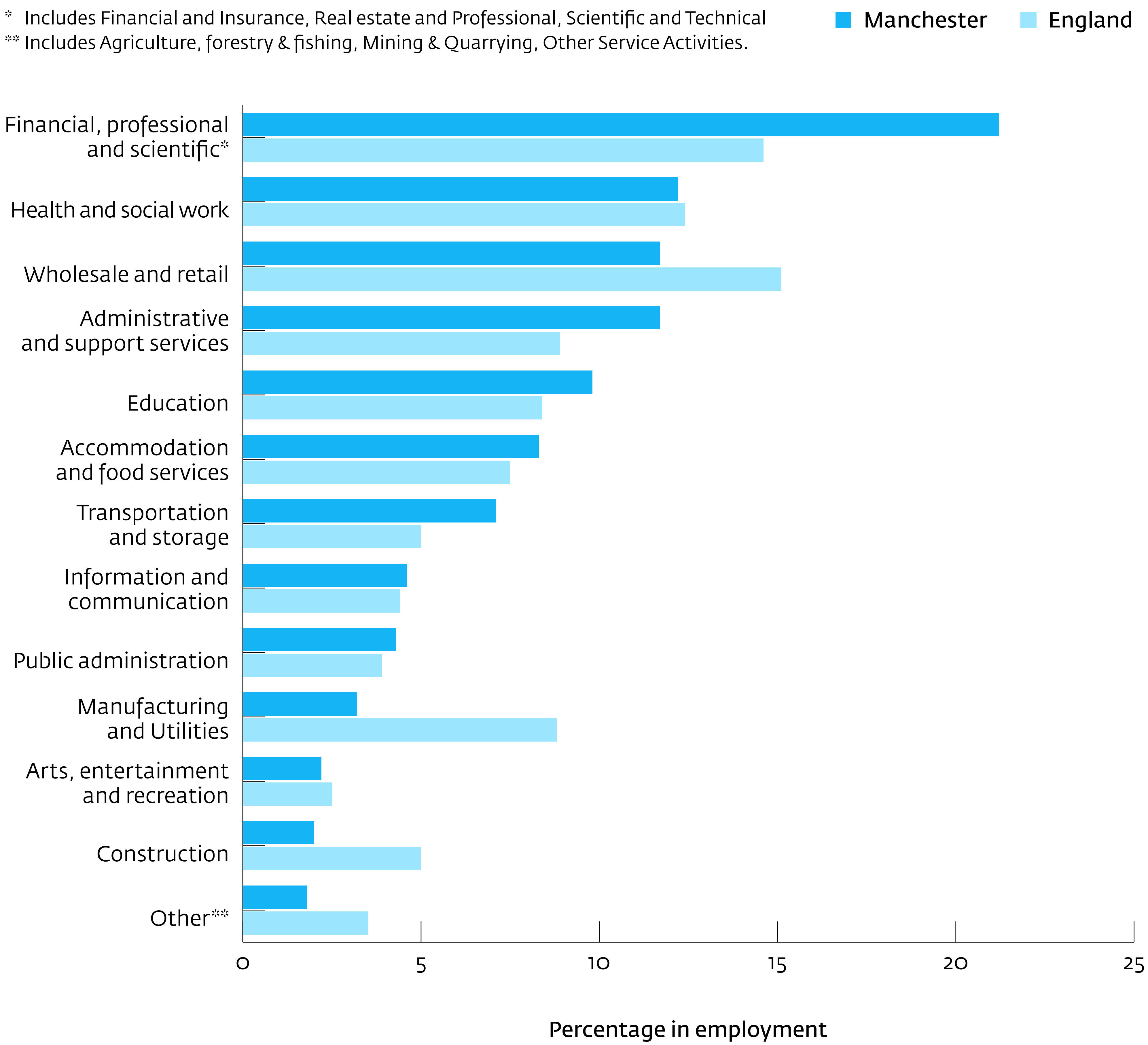
Source: Regional economic activity by gross value added (balanced), ONS © Crown Copyright

Employment across the sectors

Figure 2.6 shows the distribution of employment across sectors in Manchester and England as a whole throughout 2019. The data shows that the largest number of employees in Manchester, 21.2% up from 19.5% in 2018, remain employed in the financial, professional and scientific sectors, compared to just 14.6% in England as a whole. This highlights that the city continues to benefit from diversifying its economy towards knowledge-intensive sectors.

Manchester's high-growth sectors in terms of GVA and number of jobs have remained consistent over recent years with business, financial and professional services; cultural, creative, and digital; and wholesale and retail remaining major growth sectors. However, the pandemic disrupted many of these sectoral strengths, significantly impacting upon culture and retail. There is currently no data or analysis on the true scale and impact of the pandemic on employment structures, but it is known that unemployment and the claimant count significantly increased. The true impact is likely to become known after the end of the furlough scheme in late 2021. New ways of working and changes in consumer behaviour will embed and bring further sectoral and structural changes impacting upon employment opportunities in the city.

Figure 2.6:
Structure of employment (percentage by sector), 2019 (provisional)



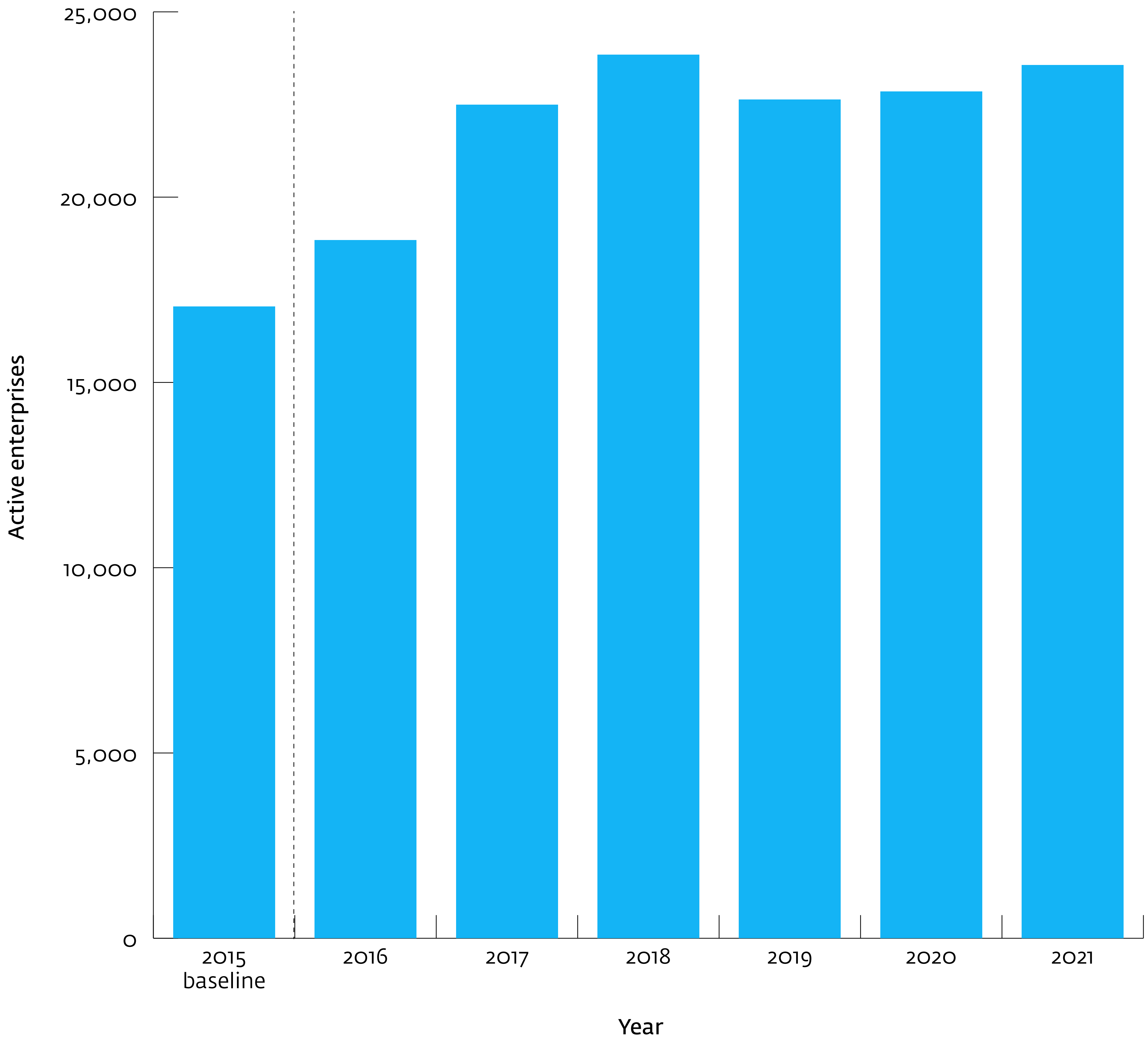
Source: ONS Business Register and Employment Survey, ONS (provisional 2019) © Crown copyright

Supporting the growth of established and emerging business sectors

Manchester has had a strong and leading reputation for enterprise and in recent years experienced high levels of confidence, evidenced by the large-scale development and regeneration programmes continuing across the region.

The ONS UK business activity, size and location figures are based on a snapshot of the Inter-Departmental Business Register taken in March each year, which includes all businesses registered for Value Added Tax (VAT) and/or Pay As You Earn (PAYE). Figure 2.7 shows how the number of active enterprises increased year on year since the publication of the Our Manchester Strategy, rising from 17,045 in 2015 to 23,845 in 2018. The number dropped in 2019 but has continued to increase since, with the latest March 2021 snapshot reporting 23,565 active enterprises, an increase of 715 from the previous year. The decrease to 22,630 in 2019 can be largely attributed to online retail businesses, which decreased by 34.2% between 2018 and 2019, from 3,995 to 2,630 businesses. The number of online retail businesses has continued to decrease, to 1,680 in 2021. It is worth noting that since 2015, foreign online sellers selling their goods in the UK have needed to register for VAT with HMRC. Very often, these VAT registrations use the UK address of a management company or accountancy firm, so it can be difficult to identify and exclude these businesses from the publications. The decrease in online retail businesses over the past few years may be in part due to the identification and exclusion of more of these foreign online sellers from the overall business count.

Figure 2.7:
Number of active enterprises in Manchester



Source: UK Business activity, size and location, ONS © Crown copyright

A place for innovation

The continued attractiveness of the city as a location for the digital and tech sectors has played an important part in the north west region being described as the perfect breeding ground for technology start-ups and scale-ups.[1] The Manchester-Liverpool region has ranked ninth globally among emerging ecosystems for start-ups in the 2020 Global Startup Ecosystem Report.[2]

International cybersecurity consultancy Coalfire has announced it is to set up its new European headquarters in City Tower in 2021 and intends to double its workforce in Manchester by 2023. The rapidly growing Norwegian health tech, Dignio, has also chosen the city to be its growth location in the UK and will be setting up its office in the Piccadilly area. In addition, a digital security innovation hub is to be set up in the heart of the city centre to complement the recently arrived GCHQ office. This will act as a focal point for Manchester's thriving digital security ecosystem and be a place where start-ups and growing businesses can be nurtured.

Work is being carried out to develop new offices and refurbish existing offices with tech-enhanced measures that can control the heating, ventilation and lighting to create efficient and sustainable workspaces through the collation of real-time data about how and when the building is used. When completed, occupiers of the new development at No. 9 First Street will be able to collaborate with technology provider Smart Spaces to create their own app, giving them control over their own workspaces and transforming the environment for the benefit of the people using them.

There has been a further boost for Manchester's Oxford Road Corridor innovation district, which is already Europe's largest clinical academic campus and home to half the city's life-science businesses, making it one of the North's most important commercial areas[3] with the completion of Citylabs 2.0. Once the building has been fitted out it will be wholly occupied by global molecular diagnostics company Qiagen for its Global Centre of Excellence for Precision Medicine, which will be supported by existing companies from Citylabs 1.0. Following planning permission being granted in early 2020, the construction of Citylabs 4.0 is underway adjacent to Citylabs 2.0 with completion due in 2022. This will provide seven floors of office and lab space and discussions are already underway with potential occupiers who are looking for space to expand from other Manchester Science Park sites. The development of Citylabs 4.0 will also see sustainability measures being implemented as part of a commitment to become net zero-carbon by 2030.

Having been delayed by COVID-19 disruptions, work has also begun on the Manchester Science Park site to replace the Base building with a five-storey block of workspaces specifically designed for companies working in high-growth sectors, such as low-carbon, computer and energy technology, gaming and animation, and material sciences. There will be a particular focus on prototyping new products or modifying existing ones. The building is also to be home to the new Manchester Innovation Activities Hub, a community upskilling and training facility focused on specialist technical skills for the low-carbon and other knowledge-economy industries.

Such clustering of expertise along the Oxford Road Corridor enables the city to remain at the forefront of developing and piloting innovative solutions to the health, mobility and environmental challenges that are faced by cities throughout the world. Early 2020 saw the completion of the city's two European funded 'smart city' projects, 'smart energy' project Triangulum, and the city data project Synchronicity. However, some pilots from these projects continued with the adoption of the Manchester-I platform urban data hub as part of The University of Manchester's Urban Observatory, and TfGM continued to use Synchronicity sensors and cameras for real-time data on pedestrian and cycle-road use.

As well as promoting the innovative ideas coming out of the city on a national and international stage, efforts are being made to ensure local businesses also benefit though programmes such as Sustainable Cities and Infrastructure. These aim to give small and medium-sized businesses (SMEs) in the region the opportunity to work alongside large corporate businesses and leading academics on fresh approaches to the urban environment. Through this they are enabled to access new markets by focusing on the innovation and new technologies that will help create a cleaner and smarter place to live and work. Also, as part of

1 https://www.investinmanchester.com/media-and-events/industry-news/2021/2/8/north-west-england-perfect-growth-area-for-tech-startups-a2862

2 https://www.investinmanchester.com/media-and-events/industry-news/2020/7/10/manchester-ranked-top-10-emerging-global-centre-for-startups-a2800

3 https://www.investinmanchester.com/media-and-events/industry-news/2020/7/17/next-stage-of-manchesters-health-innovation-campus-takes-shape-a2802

the Greater Manchester AI Foundry project led by Manchester Metropolitan University, expertise in artificial intelligence is being shared with a minimum of 170 Greater Manchester SMEs to help them develop new products and services. In addition, The University of Manchester has established the Innovation Factory, which has the objective of creating 15–20 new spin-out companies each year based on the novel ideas being developed by its faculties. Funding has been provided for TfGM by the Department of Digital, Culture, Media, and Sport (DCMS) to test the use of AI-controlled traffic-control systems to reduce congestion and pollution and improve productivity by cutting waiting times at traffic lights.

The innovations achieved in digital health provision became vitally important during the COVID-19 pandemic in supporting the needs of people unable to access physical appointments. Particularly significant was the use of the Greater Manchester Care Record. This brought together all existing borough-based care records to create a single joined-up care record for Greater Manchester, and during the pandemic its use and the data flows into it increased rapidly. New information included whether a patient had been tested or diagnosed with COVID-19 to ensure continuity of care across different care settings. It also provided a means to support other digital projects, such as the remote monitoring of COVID-19 patients' oxygen levels, digitising heart-failure care plans, and home blood-pressure monitoring for pregnant women. In addition, the use for research of de-identified patient data informed the health and care response to the pandemic and the understanding of COVID-19 trends, assisting the control and prevention of the spread of COVID-19.

Digital innovations accelerated by the COVID-19 pandemic also include:

- The Early Years App, which helps identify developmental issues earlier and ensures support for children and their families is provided quicker
- The Community Hub App, which matches volunteers with vulnerable people in need of support
- Services to provide mental-help support
- A reporting system to monitor PPE stock levels, staff availability, infection rates and outbreaks to be shared via a visual dashboard to present a clear picture of operational pressures during the pandemic.

Maximising the potential of the Business Growth Hub to support Manchester's businesses and entrepreneurs

The Business Growth Hub (BGH) provides a fully funded offer to encourage businesses to start up and grow across Greater Manchester. The Hub is funded by a range of local, national and European funders, including the European Regional Development Fund (supported by The Ministry of Housing, Communities and Local Government); the Greater Manchester Combined Authority; the Department for Business, Energy and Industrial Strategy; and the Greater Manchester Local Enterprise Partnership. Local data from the Business Growth Hub shows an increasing number of businesses being supported year on year from 2015. In 2019/20 there was a sharp increase with 701 businesses supported as businesses required additional support due to the impact of the COVID-19 restrictions. In addition to support from the Business Growth Hub, thousands of businesses in Manchester have been financially supported via Government grants and business rates relief since the start of the pandemic in March 2020.

Working with employers to promote fair contracts and payment of at least the Real Living Wage

Ensuring that Manchester has a strong inclusive economy where residents are recognised for their contribution via fair contracts and are paid at least the Real Living Wage is a key premise of the Our Manchester Strategy – Forward to 2025.

As detailed in this report, the last year has been an extremely challenging period for the city, it's economy and residents. COVID-19 has resulted in a significant rise in poverty, evident by a 90% rise in the number of unemployed people claiming benefits between March and May 2020. The true extent of in-work poverty has also come to light in the past year and by the end of 2020, 37% of Universal Credit claimants were in work but eligible for benefits to meet their shortfall in income. This rise is also reflected in the demand for food support in Manchester – food parcels were delivered to over 2,000 households daily during the first wave of the pandemic. As food banks and community food services provide for the majority of residents in need of food support, this does not accurately reflect the scale of the need for it across the city. However, the increase in the need for food provision support highlights the growing extent of poverty in the city. While this inequality of wealth existed in the city pre-COVID-19, the pandemic and related economic conditions have highlighted and exacerbated the issue. Family poverty is discussed in more detail in the 'A progressive and equitable city' chapter.

In light of the significant economic and social challenges caused by COVID-19, there has been growing recognition across Greater Manchester and nationally that social value can and must play an increasingly essential role in tackling poverty, and that in turn it must support a more inclusive and sustainable economy. Social value refers to wider value to residents and communities that organisations can generate via their local spending power; additional value can be achieved in a number of ways, eg. via mandating for good employment conditions, including fair contracts and payment, and ensuring local jobs for residents.

The Council has a long commitment to promoting social value. Since introducing its 2007 Social Value Policy, socially responsible procurement has been a key policy feature. In the past year, to support a sustainable and inclusive citywide recovery plan, the Council reviewed and strengthened its approach to social value for the benefits of achieving equality and inclusion for Manchester's residents. The policy was approved by the Executive in March 2021. Plans to promote and implement the policy's priorities are now underway with employers and partners across the city. In brief, the review set out the following priorities:

- **Priority cohorts** – in recognition of the fact that the impact of the pandemic was felt more acutely by certain groups, including the over-50s, young people and people from Black, Asian and ethnic minority communities, the review recommends that social value efforts are targeted at these priority groups
- **Prioritising specific actions to support the city's recovery**, such as maximising new job creation with new and existing job opportunities aimed at the priority cohorts
- **Procurement** – for the existing minimum social value weighting, which is applied to all tenders to be increased over time to a 30% weighting for all contracts (20% social value and 10% environment)
- **Greater Manchester Good Employment Charter** – for the Council's social value policy to endorse and encourage its supply chain to adhere to the principles
- **Anchor institutions** – for anchors to have a central role in supporting the economic recovery of the city through the championing of social value objectives.

Social value was embedded as a key objective of the city's high-profile Our Town Hall project. In the past year, social value has taken on an even greater significance.

Case study: Our Town Hall security contractor, Marpol

A great benefit the Our Town Hall renovation project has brought to Marpol has been the ability to provide high-quality work for officers assigned to the project team, new employees, and apprentices resident in Manchester.
Our presence as security contractor from start to finish enables us to make long-term employment plans. This longevity has driven greater predictability and stability in work patterns, including the introduction of a 48-hour weekly minimum contract, an opportunity for relevant continued professional development, an improved work-life balance, as well as remuneration in line with the Manchester Living Wage.

In response to how the national lockdown disproportionately affected young people, we adapted our apprentice-recruitment process to consider applicants without the required licensing certification. By starting with a work-experience placement, then supporting the candidate to achieve their SIA Badge, we have provided a route into security as a career path for individuals who would not have previously been eligible.

Our commitment to undertake a wide range of socially responsible activities, including volunteering, work-experience placements, and apprenticeships, has seen us get involved with a wide range of initiatives; these include Manchester school careers events; providing care packages on behalf of a social-enterprise centre in Levenshulme; and promoting employment opportunities for looked-after young people engaging in their first employment through work experience.
Not only has this been helpful to Manchester residents, but the business has benefited from improved community involvement and a local focus for growing our company culture.

National Minimum Wage and the Living Wage

The Living Wage Foundation campaigns for a National Living Wage to ensure that everyone can earn a Real Living Wage that meets living costs, not just the minimum set by the Government. The new Real Living Wage rates are announced in November each year, with Living Wage employers expected to implement the rises by May the following year. Currently, the Real Living Wage is set at £9.50 per hour. From school-leaving age to the age of 24, workers are entitled to a national minimum wage. This varies depending on the different ages between 16 and 24. From age 25, workers are entitled to the National Living Wage. Table 2.1 shows the different rates depending on age (April 2021).

Table 2.1:
National Minimum and National Living Wage by age, April 2021

Age group	Wage
23 and over	£8.91
21 to 22	£8.36
18 to 20	£6.56
Under 18	£4.62
Apprentice	£4.30

Source: https://www.gov.uk/national-minimum-wage-rates

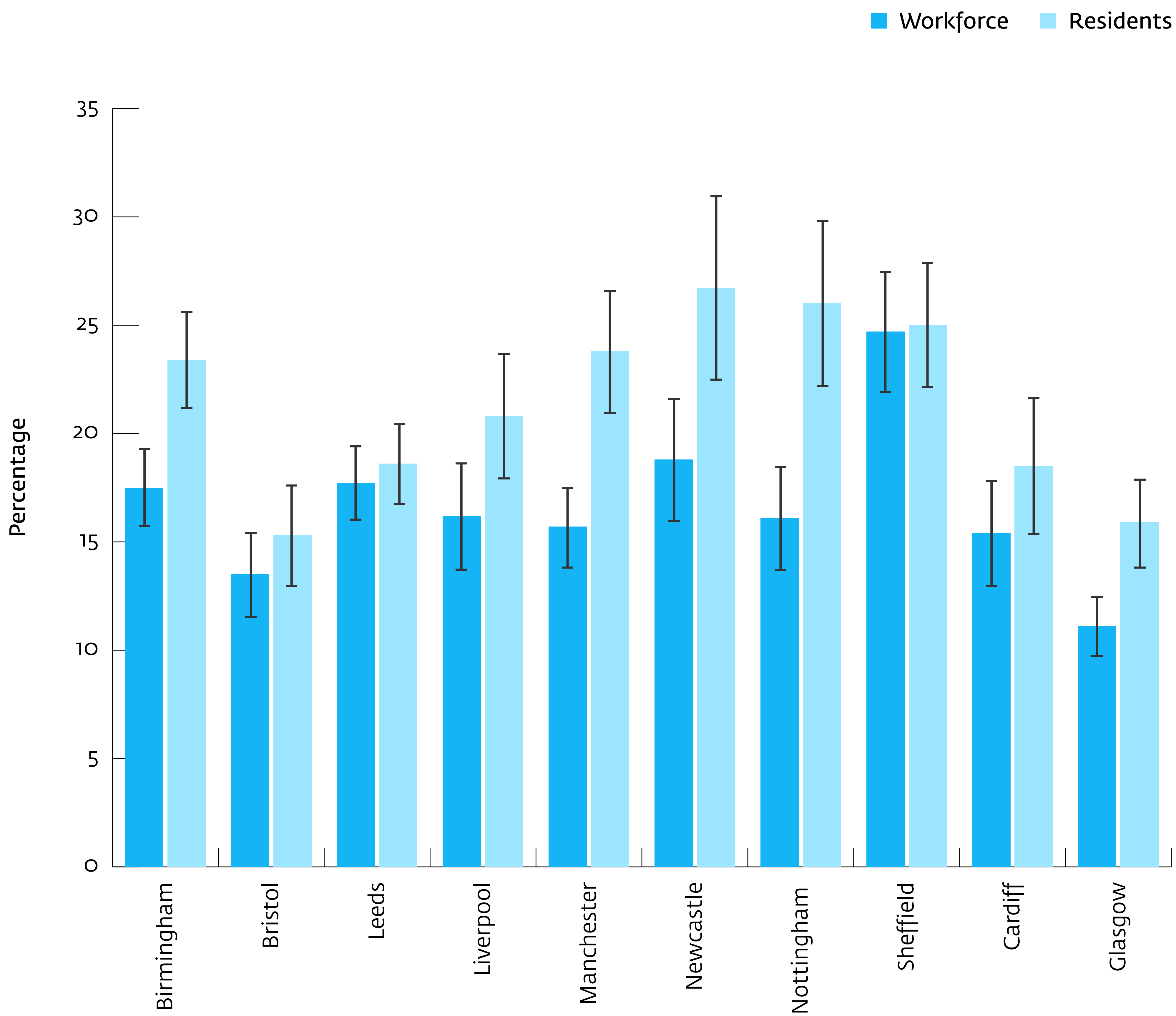
The Living Wage is a key policy feature of Manchester City Council's social value policy review and has become a significant priority in Manchester. The Real Living Wage has long been recognised as key to lifting children, families, and individual residents out of poverty and in turn improving their life outcomes. This was echoed in the Family Poverty Strategy reprioritisation carried out in 2020; achieving Living Wage accreditation was identified as a key priority in tackling inequality and poverty, including in-work poverty. The need for employers to pay the Real Living Wage was also a consistent theme in the consultation for the Our Manchester Strategy – Forward to 2025 and is now included as a key priority under the thriving and sustainable theme of the Strategy.

In November 2019, Manchester City Council was formally accredited by the Living Wage Foundation as a Living Wage Employer. Discussions are currently taking place between the Council and its partners on making Manchester a 'Living Wage Place'. According to the Living Wage Foundation, there are 95 accredited Living Wage employers headquartered in Manchester. This equates to a pay rise for 3,826 people, putting approximately £11million back into workers' pockets.

Provisional figures from the ONS Annual Survey of Hours and Earnings show that in 2020 an estimated 15.7% (+/–1.9%) of the employees working in Manchester and 23.8% (+/–2.9%) of employees living in Manchester were paid less than the Real Living Wage, which was £9.30 at that time. Figure 2.8 shows that the disparity between Manchester resident employees and Manchester workforce employees earning less than the Real Living Wage stands at approximately 8.1%, slightly higher than Newcastle at 7.9%. Although the gap has reduced slightly from last year's 8.8%, it has the fifth-highest disparity in comparison to all other UK local authorities, behind Portsmouth, Tower Hamlets, Nottingham and Slough. However, Manchester has the sixth-lowest proportion of workforce employees paid less than the Real Living Wage in the north west region, with Salford taking the top spot (14.5%, +/–2.8%).

In Manchester a lower proportion of full-time workers were paid less than the Real Living Wage in 2020: 8.1% (+/–1.6%) compared to 13.7% (+/–3%) of full-time Manchester resident employees. In addition, a lower proportion of part-time workers were paid less than the Real Living Wage: 37.1% (+/–4.9%) compared to 43.1% (+/–5.6%) of part-time resident employees. For both the workforce and residents it is the part-time employees who are much more likely to be earning less than the Real Living Wage. These trends are mirrored for the north west region and nationally.

Figure 2.8:
Percentage of employees paid less than the Real Living Wage in 2020 (provisional) – UK Core Cities



Source: Annual Survey of Hours and Earnings, 2020 (provisional), ONS © Crown Copyright

Powering Recovery: Manchester's Recovery and Investment Plan

The Powering Recovery: Manchester's Recovery and Investment Plan sets out how Manchester will emerge reinvigorated from the economic shock of the COVID-19 pandemic and other challenges, such as the uncertainties of Brexit. It has been developed by Manchester City Council with the support of city business leaders and is a statement of confidence in the future of the city's economy. It shows a resilient city with a diverse economy and strengths in key growth sectors, as well as strong existing partnerships and a track record of delivery. It has two main elements: early actions to cushion the impact of the COVID-19 pandemic downturn on Manchester people and businesses, and ready-made long-term investment programmes in key sectors to help power the recovery by creating new jobs and acting as a catalyst to further investment.

Development in the city centre

Manchester's city centre has transformed and grown in recent years and is a major asset for the city. It successfully provides:

- A range of good-quality employment opportunities across a range of key sectors, supporting businesses and enterprises to grow and thrive
- High-quality and well-connected homes for residents
- A popular destination for domestic and international visitors, resulting in a strong visitor economy
- A broad range of retail and leisure amenities, which contribute to a vibrant city centre
- World-class educational institutions and facilities, which create a pipeline of talent.

Over the past 12 months, cities around the world have been acutely impacted by the COVID-19 pandemic. Facing these challenges, Manchester has maintained momentum and continued its pre-pandemic growth trajectory, driven mainly by the city centre. Manchester's Recovery and Investment Plan will help to ensure that this growth continues, and that the challenges raised by the pandemic are met in collaboration with our partners across the city.

A strong, co-ordinated and collaborative response will help to support those most in need, build resilience, and ensure that Manchester continues to successfully and sustainably develop as an international city.

Following an initial slowdown in March 2020, construction activity continued at a rapid pace. Schemes progressed in the east of the city in Ancoats and at Mayfield; to the north at NOMA and Victoria north; and to the south in Castlefield and Hulme, including at St John's. Vibrant, mixed-use development has continued to transform the city's skyline to further cement Manchester as a leading city to live, work and visit. Examples are provided below.

NOMA
A refreshed Strategic Regeneration Framework (SRF) was approved by the Council in August 2020. This captured the progress made to date on this major regeneration scheme and set out the key challenges and opportunities for the next phases of development. To date the scheme has delivered:

- Some 563,000 square feet of office development, split between new-build space and the refurbishment of the area's heritage buildings, which support a significant proportion of the 5,300 existing jobs within the NOMA neighbourhood
- An exciting mix of retail and leisure spaces
- New high-quality residential development at Angel Gardens creating 458 new homes
- New public realm, including the delivery of Sadler's Yard
- £1.28million of investment into community and educational projects, alongside the generation of £4.5million of social value through volunteering, training, apprenticeships, and health and wellbeing initiatives.

Since the approval of the updated framework, work has started on the next exciting phase of development. This will see the delivery of a further 1.1million square feet of commercial development and 150,000 square feet of retail and leisure space, which combined will support an additional 5,300 jobs, doubling the number of people working within the area. This includes the innovative net zero-carbon scheme, No. 4 Angel Square, where development started on-site in December 2020.

St Mary's Parsonage
Developed in collaboration with a number of major landowners in the area, an SRF for the St Mary's Parsonage area was approved in July 2020. The framework sets out the overarching vision for the neighbourhood as a commercially led, mixed-use district set around high-quality public spaces.

Development in this location will reinvigorate the neighbourhood by:

- Enhancing permeability and connections to adjacent city centre neighbourhoods
- Building on the attractive public realm at Parsonage Gardens and enhancing other public spaces, such as Motor Square, further increasing the attractiveness of the area
- Delivering development that responds to the demands and requirements of the city centre, safeguarding the long-term future of heritage buildings, such as the Grade II-listed House of Fraser department store building, as well as developing new buildings.

In addition, the development could support:

- Flexible Grade A city centre office space
- A potential high-quality (4/5 star accredited) or boutique hotel offer
- A distinctive retail and leisure offer.

St John's
St John's is the £1billion development of the 13-acre former ITV Granada site being delivered in partnership between Manchester City Council and Allied London. The project is delivering a mix of new development, alongside the renovation and repurposing of the area's historic buildings, and when complete will provide:

- Enterprise City, the commercial area of St John's, providing 560,000 square feet of workspace
- The Factory
- A 179-bed hotel
- A mix of residential accommodation
- Up to 10,000 new employment opportunities.

Enterprise City will form an integral part of a new mixed-use neighbourhood providing a broad range of business space in a mix of buildings, targeting creative, media and tech businesses from large fast-growing companies to new start-ups.

The past 12 months has seen a significant level of construction activity within the St John's neighbourhood. The refurbishment of the Bonded Warehouse, a former 1860s warehouse, is now complete and provides co-working facilities and small suite space targeted at start-ups, entrepreneurs and SMEs within the digital and creative sectors.

This first phase of St John's has also seen the development of Manchester Goods Yard. This 300,000 square feet building, which is almost complete, will provide flexible workspaces and will become the new global headquarters for e-commerce giant Booking.com. It will be home to more than 1,500 staff, creating a dynamic workplace and hub for talent. Alongside this, other commercially led developments include ABC (107,000 square feet) and Globe and Simpson (90,000 square feet), which will be completed in 2021 and 2022 respectively.

St John's will be home to The Factory, a cultural powerhouse that will be used for theatre, music, dance, art and other performance-related events and conferences. The Factory will be one of the largest and most significant developments of its kind in Europe. It is anticipated that it will add £1.1billion to the city's economy, supporting up to 1,500 full-time jobs, and provide a permanent home for Manchester International Festival (MIF). Construction has progressed apace over the past few months, and is scheduled for completion in 2022.

Great Jackson Street

Over the past 12 months, delivery at Great Jackson Street has continued at a rapid pace. Transforming the skyline of Manchester at the southern edge of the city centre, the full development will provide more than 6,300 new homes.

Deansgate Square represents the first phase of the development, which comprises four residential towers providing 1,500 new homes, including the 64-storey South Tower – the UK's tallest building outside of London. Development is now complete and 90% of the homes have been sold. Currently, 1,700 residents are living at Deansgate Square, and a further 3,000 are set to move in over the next 12 months. Alongside this, all 11 commercial units at Deansgate Square are let or under offer, and the mix of exciting businesses is expected to be operational in 2021.

Significant progress has also been made at the Crown Street site, which will provide a further 664 apartments. The Victoria residence was completed in October 2020 and is now fully sold; Elizabeth Tower is set for completion in 2022 and is already 98% sold. Future phases of development at Crown Street are also progressing, and plans are in place for a significant new city centre green space and a new primary educational facility.

In addition to the above initiatives, several significant schemes and projects remain either under development or in the pipeline for the city centre. These include Piccadilly, Mayfield, ID Manchester, Circle Square and St Michael's.

Visitor economy and international profile

The value of the visitor economy to the wider Greater Manchester economy pre-pandemic was £9billion. Marketing Manchester estimates that in 2020 at least 70% of that value was lost, resulting in more than a £6billion loss to the economy, as well as thousands of jobs across the tourism, hospitality, leisure, and culture sectors.

Data collection for 2019 was delayed due to COVID-19 response and is not yet available. Data collection for 2020, involving gaining information from businesses, began in line with staff returning to businesses in the sector but has been impacted by pressures experienced as businesses aim to survive and adapt to new ways of working. Remaining sectoral closures, limitations to visitor numbers due to social distancing and disparity between venues with the opportunity to adapt to outdoor provision remain a real concern.

International position

Manchester maintained its position as the third most-visited UK city for international visits between 2003 and 2019 behind London and Edinburgh[4] attracting 1.66million visits in 2019 – a growth of 38% between 2015 and 2019. This compared favourably with 11% growth across the UK for the same period. The top five markets for leisure visits to Manchester prior to COVID-19 were the Irish Republic, Germany, China, USA and Spain.

4 International Passenger Survey 2003–2019; Office of National Statistics and supported by VisitBritain

The travel and tourism statistics published by the ONS are usually based on the results of the International Passenger Survey (IPS), but the survey was suspended on 16 March 2020 because of the COVID-19 pandemic. The 2020 published figures are only available for the UK and are based on administrative sources and modelling (with the exception of Q1 2020 when the IPS was in operation) and should therefore be viewed with caution. The UK figures estimate 11.1million inbound visits in 2020, a 73% decline from the visit levels seen in 2019. The majority (63%) of the visits to the UK were in Q1, before any worldwide travel restrictions were put in place.

Visit Britain's latest inbound forecast for 2021 produced in May, estimates 11.3million visits to the UK, up 2% on 2020 but only 28% of the 2019 level. The forecast assumes the start of a recovery from May, albeit slow at first, with a step change in the summer followed by gradual recovery throughout the rest of the year as international travel opens up to and from a growing number of markets. Inbound tourism is still likely to remain well below normal levels throughout the rest of the year and by the end of 2021 Visit Britain still do not expect inbound tourism to be back to, or even close to, normal levels. Suppressed demand for city destinations and from international markets, corporate business, conferences and major events will all have a significant impact on the speed of Manchester's tourism recovery.

According to Oxford Economics, international inbound visits are not expected to return to pre-pandemic levels until 2023/24.[5] Countries within the EU accounted for six in ten (60%) inbound international visits to the Greater Manchester subregion in 2019. While it is too early to quantify, there is expected to be a negative impact on the visitor economy arising from Brexit, with the impact of the pandemic potentially compounding this as personal financial limitations and lifestyle changes become evident.

Domestic position

Manchester's tourism sector is also heavily supported by visitors from within the UK (staying visitors and day trippers).

Owing to COVID-19, significant parts of Manchester's tourism industry were closed throughout 2020, eg. theatres, museums and galleries, concert venues, sporting stadiums and conference centres. In addition, there was widespread cancellation of mass-attendance events and festivals.

The diverse and attractive offer of the tourism industry contributed to the fact that prior to the pandemic, Manchester was host to the second-largest number of overnight visits by a UK local authority, behind only Cornwall County Council and ahead of local authorities including Edinburgh, Birmingham, and the London borough local authorities.[6] It is estimated that Manchester attracts 29.7million tourism day visits per year, making it the second-most-visited local authority for day trips, behind the 54.8million day trippers per year to the City of London.[7]

The pandemic has presented unparalleled challenges to Manchester's domestic market throughout 2020 and early 2021. The visitor numbers in Manchester's indoor-based tourism industry were impacted by safety measures aimed at best-managing the pandemic, including reductions in capacity, social distancing, reduced opening hours, and limits on inter-household mixing. Indoor-based tourism was further impacted by a reduction in consumer confidence and the increased risk of contracting COVID-19 within an indoor environment.

Restrictions to travelling and capacity on public transport has also affected the visitor economy; 77% of visitors to Manchester typically travel into the city via public transport,[8] which had a higher level of risk associated with catching the disease than travelling in private transport. The reduced frequency of public transport services due to decreased day-to-day demand was also a consideration for potential visitors. Owing to its strong connectivity, Manchester is a destination choice for multiple households from around the region to meet up, and the restrictions to household-mixing led to the cancellation of many of these visits.

Manchester, and the wider Greater Manchester region, had a relatively high incidence rate of COVID-19 for much of 2020, compared to the UK average and many other destinations, and was as such impacted by additional restrictions for considerable periods of time. These factors led to decreased consumer confidence in travelling to Manchester, along with the fear that advanced

5 Oxford Economics, as quoted in evidence submission of VisitBritain for DCMS Select Committee: https://committees.parliament.uk/writtenevidence/3984/html/

6 Great Britain Tourism Survey 2019; VisitEngland

7 Based upon the Great Britain Day Visits Survey using a 2017–19 average

8 Greater Manchester Leisure Visitors Survey; Manchester sample; Marketing Manchester

bookings may be subject to last-minute cancellation if further restrictions were brought in. Managing the incident rate of the virus will be critical to the city's recovery, eg. those expressing they were not planning to visit in October 2020 cited 'the incidence rate of COVID-19 in Greater Manchester' as the biggest barrier to visiting.[9]

Manchester's full tourism offer is dependent on mass-attendance events, such as sporting matches, theatre shows, concerts and other live events. The city's vibrancy and atmosphere depend on large volumes of people being able to access the city safely and spend time in multiple indoor settings. Consequently, the visitor economy will be subject to further damage if restrictions on any of these activities are necessary to safely manage the spread of the disease and mitigate the risk to public health.

There is expected to be pent-up demand to visit the city and experience its offer when the virus is managed and businesses are able to open freely to the general public. New attractions, at both new and existing businesses, will further provide an additional incentive to re-engage with Manchester and encourage visits to the area. These include The Factory, Science and Industry Museum, and Manchester Jewish Museum, in addition to RHS Bridgewater and Therme Manchester, which are both on Manchester's doorstep.

Conference and business events

Conference and business events have a critical part to play in Manchester's ability to support jobs and generate economic impact through the visitor economy. The value of this activity was last estimated to be £536million in economic impact and supporting 22,140 jobs. This is through business events that attract 2.6million delegates annually; additional value also comes from leisure extenders: delegates who stay on after a conference to experience their host city, and those who may not have considered visiting Manchester before and return for a leisure visit.[10]

Fifty-two major conferences were due to take place in Manchester in 2020; only two took place before the closure of venues and public gatherings. At the beginning of April 2020, 15 conferences were cancelled outright, resulting in an economic impact loss of some £13million to the city. Marketing Manchester has been working to support the organisers of the remaining 35 conferences, ensuring that the postponed events are rescheduled and not cancelled, thus ensuring the city can benefit in the future. In doing so, £44million of economic impact from these conferences has been secured. Despite it being a hugely challenging year for business meetings and events, Marketing Manchester submitted 12 bids for conferences and sporting events to be hosted in 2022 and beyond. The potential economic impact of these bids is £92.6million with a potential 12,962 attendees. In addition, five bids for future major conferences were confirmed, set to bring an economic impact of £4million and 2,575 attendees.

The Government's spring 2021 roadmap included steps for this sector to reopen, but is subject to change as it responds to infection and transmission rates. Conference and business events are expected to take some time to recover due to the long lead times between organisers feeling confident to start planning their events again and the length of time before the date of the event.

As expected, international conferences have been the worst hit, and Marketing Manchester is striving to keep as many as possible in the city. Faced with the dual challenges of living with COVID-19 and leaving the EU there is a vital need to have a clear plan and resources to ensure the recovery and regrowth of this important sector. Manchester's Convention Bureau is delivering the priorities outlined in the Business Tourism 10-Point Plan to rebuild Greater Manchester's business tourism sector.

As the sector gradually reopens, priorities will include building confidence through messaging and promoting venues signed up to Government-recognised standards: Good to Go, All Secure and Project Confidence; working with the organisers of cancelled or postponed events and encouraging the future return of the event to Manchester; working with partners to develop their product to adapt to the changing needs in the marketplace; developing domestic marketing 'meet' campaigns to position the city for the domestic opportunities expected to come first; and working with ambassadors to build the longer-term pipeline.

Impact of the pandemic on the tourism industry and employment

Marketing Manchester was supported by NatWest to undertake a Tourism Business barometer, working with its network of contacts at Destination Management Organisations across the North of

9 Marketing Manchester UK Consumers Intentions and Sentiments Survey; Marketing Manchester; October 2020

10 Conference Value & Volume 2018; reporting on 2017; Manchester local authority dataset; Marketing Manchester.

England to understand and track the impact of the pandemic. The barometer identified significant concerns for Manchester-based businesses operating within the visitor economy and for the jobs these businesses supported:

- An average of 58% of Manchester businesses reported revenue levels to be over 75% down on business-as-usual July to October 2020, considerably higher than the 27% for the North of England.
- An average of 51% of Manchester businesses reported visitor numbers to be over 75% down on business-as-usual July to October 2020, considerably higher than the 26% for the North of England.
- By February 2021, 36% of businesses had concerns about their viability, in line with the average of 38% for the North of England; 64% envisaged making redundancies, significantly higher than the 31% for the North of England.
- By March 2021, Manchester businesses reported that, on average, 57% (the median value) of their February 2020 permanent workforce had been sustained, significantly lower than the 85% for the North of England, showing a significant loss of jobs in the city during the pandemic.
- In March 2021, 91% of Manchester businesses considered targeting new audiences/markets, and 55% considered diversifying their offer/experiences to support their recovery – to adapt to the changes in the business environment, at least over the short to medium term.
- In March 2021, 60% of Manchester businesses anticipated a return to operating financially at pre-pandemic levels by the end of 2022, 30% during 2023, and 10% after 2023.

Visitors' economic contribution

All visitors to the city make a huge contribution to Manchester's tourism sector and the economy in general. This is illustrated in Table 2.2, which summarises the visitor value to Greater Manchester from a sample of visitor types, with figures taken from a range of different sources. It is expected that the Greater Manchester Leisure Visits Survey will next be carried out in 2022; the last survey was done in 2018.

Table 2.2:
Summary of the visitor value for a sample of visitor types

Visitor type to Greater Manchester	Spend per day	Average length of stay	Spend per trip
Leisure day visitor	£46	1 day	£46
Conference day delegate Could be attending a conference for more than one day but not staying over	£62	–	£93
Leisure visitor staying in paid-for accommodation	£130	2.7 nights	£351
International association delegate	–	–	£333

Sources: Greater Manchester Leisure Visits Survey 2018 (leisure visitors) and Conference Value and Volume 2018, reporting on the 2017 market (delegates)

According to STEAM's Tourism Economic Impact Model[11] (the recognised measure of the value of tourism in the UK), the 4.9million staying visits and 61.8million day visits in 2018 were worth £4.86billion to Manchester's economy and supported 53,400 jobs. These figures represent a huge level of growth over the five years since 2013, when the visitor economy was worth £3.71billion and supported 46,000 jobs. There were delays to the STEAM programme related to the pandemic; therefore, STEAM 2019 and STEAM 2020 updates are due to be reported before the end of 2021.

The impact of COVID-19 effectively stalled Manchester's tourism sector, with borders closed and airlines grounded. As domestic and international travel has opened up, restrictions, ongoing uncertainty, and confidence levels continue to significantly curtail the visitor economy, so

11 STEAM (Scarborough Tourism Economic Activity Monitor), Global Tourism Solutions (UK) Ltd – 2018 report

forecasting at this time remains difficult. It is evident that many of Manchester's tourism businesses were negatively affected throughout 2020 and continue to be impacted into 2021. The implications for the wider economies and workforce that depend upon them are likely to be long-lasting. The challenge is ensuring a targeted response to sectoral and resident recovery support, and making sure those most affected can succeed and thrive.

Hotels and short-term lets

In the period prior to COVID-19, there was a huge (and at times unmet) demand for visitor accommodation in the city. The growth in the number of people visiting and staying in Manchester had pushed city centre hotel occupancy to a record high of 81% in 2019, despite capacity increasing by 70% (circa 4,300 additional rooms) between 2009 and 2019. Similarly, over the past five to ten years there has been a huge growth in short-term lets (STLs), which continued up to the beginning of the COVID-19 pandemic in the UK. According to Airdna, the number of Airbnb listings in Manchester (by far the largest actor in the STL market) peaked in Q4 2019 at around 3,430 (1,740 entire homes and 1,690 shared accommodation listings).

However, while Manchester's hotel and short-term lettings markets traded broadly as normal for the first two months of 2020, the UK went into a national lockdown in March. This meant accommodation providers were closed to the general public and only open to cater for emergency response and to provide accommodation for public health professionals and the homeless community. When the sector reopened on 4 July 2020 the restrictions (limits on the number of households and rules for social distancing) significantly affected consumer demand. Some providers remained temporarily closed, and by the end of July, Greater Manchester had enhanced restrictions compared to the rest of the country, which further curtailed trade. At the end of October, Greater Manchester entered Tier 3 restriction and from this point onwards travel in and out of the area was not permitted and accommodation providers were only open for those requiring accommodation for work or to study. This remained the case for the remainder of the year due to national or local restrictions.

As a consequence of this incredibly challenging business environment, the hotel occupancy rate for Manchester city centre in 2020 dropped to 36%. Similarly, the decline in demand for short-term lets during the lockdown saw listings for Airbnb's in Manchester decrease by 540 (16%) from the peak in Q4 2019 in the period up to Q2 2020, before subsequently remaining flat. This was attributed to landlords switching Airbnb properties (primarily in the city centre) from the short-term lettings market to the mainstream market as a means of managing the sudden drop in business.

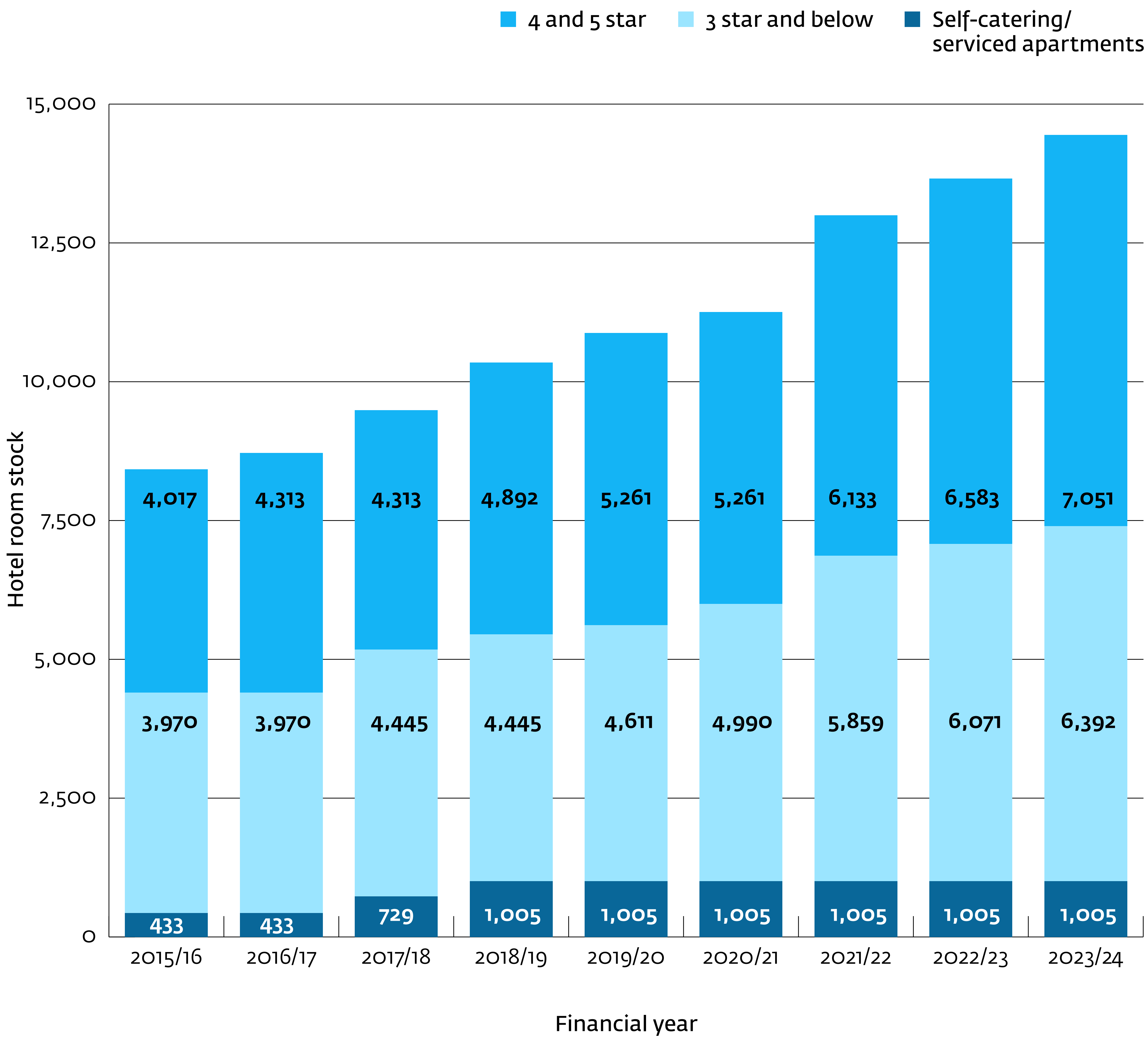
This dramatic decline in demand for visitor accommodation, along with a temporary pause in construction activity on some hotel development sites following the introduction of the Government's lockdown measures in March 2020, delayed the completion of a number of hotels expected to be finished in 2020/21. Despite this, two city centre hotels, with a total of 379 rooms, were finished towards the end of 2020:

- Hampton by Hilton Manchester Northern Quarter (3 star) – 221 rooms
- Premier Inn at Circle Square (3 star) – 158 rooms (opened to the public in May 2021).

This is unsurprisingly below the total city centre completions for 2019/20 (670 rooms across five new hotels) and the five-year average of 567 new rooms per annum. Nevertheless, the total number of rooms in the city centre under construction remains at almost record levels; 2,397 rooms are currently on-site, and a further 2,280 rooms have planning permission (as of Q1 2021/22). 428 of the rooms with planning permission, yet to start on-site, had their planning applications submitted and approved during 2020/21, suggesting significant confidence in Manchester's hotel market despite all the challenges the pandemic has created.

The hotel pipeline therefore continues to reflect an unprecedented level of growth in visitor accommodation in the city centre. Figure 2.9 demonstrates that, given the delays to construction in 2020/21, this increase in the city centre is expected to be most acute in 2021/22, when there is projected to be some 1,740 rooms added to the total stock.

Figure 2.9:
Growth in city centre room stock based on the consented hotel pipeline



Sources: Manchester City Council Business Rates (existing room stock, 2015/16 to 2019/20), Manchester City Council Expected Commercial Completions List (expected growth, 2021/22 to 2023/24)

Assuming that the pipeline is delivered as expected (notwithstanding the potential impacts of COVID-19 on hotel operators and construction plans), the scale of hotel development means the city now faces a dual challenge of not only recovering occupancy rates to pre-pandemic levels, but also doing so at a time when the number of hotel rooms in the city centre is forecast to increase at an unprecedented rate.

In the short term, this means hotel operators were working towards unrestricted opening from (no earlier than) 17 May 2021. It is understood that bookings made since the roadmap out of lockdown was announced were generally leisure (weekend) bookings and there are concerns about business tourism and the viability of delivering events and conferences with restricted capacity (a key element of demand for visitor accommodation). Therefore, the lifting of all limits on social contact (on 19 July) whereby large events can go ahead, will be key to rebuilding the city's visitor economy.

In the long-term Manchester will have to attract significantly more overnight visitors to the city if occupancy rates are going to be maintained in the city's hotels, given the anticipated growth in room stock. This will be a challenge because of the ongoing impact of COVID-19 on global tourism, intense competition for tourists (both domestically and internationally), and the yet unknown consequences of Brexit on visitor numbers to the UK. New brands and properties coming into the city should present further opportunities for Manchester to strengthen its appeal across its international markets and increase its capability to bid for larger business and sporting events in its key sectors. New hotel operators building in the city and due to open over the next five years include Germany-based Meininger Hotels, Japan's Toyoko Inn, Portugal's Pestana Hotel Group, and the Netherlands-based QBIC. There are also existing hotel operators that will bring an additional brand to Manchester to include new properties such as Accor TRIBE property, Dalata Hotel Group's Maldron property, Malmaison's Hotel Du Vin property, and Marriott International's MOXY property. Recognising this, Marketing Manchester, Manchester City Council, CityCo and the Manchester Hoteliers Association are working in partnership to increase the resources going into the promotion and marketing of Manchester as a destination to visit for work and leisure.

In the short-term the level of new supply entering the market will disperse the staying visits generated over a wider supply base and could result in a slower pick-up of occupancy rates.

Conclusion

As detailed in this chapter, Manchester's recent history has seen economic success and diversification bolstered by internationally renowned sectoral strengths attracting businesses and talent to the city. The resilience of Manchester's economy has been tested throughout the economic closures, downturn and the seismic shift in travel following COVID-19.

Cities with large populations, in particular young adult populations, are likely to experience higher levels of economic disruption and unemployment in the wake of an economic crisis. A successful economic recovery will be based around Manchester's globally recognised sectoral strengths and its key assets (including the city centre). It will also require a renewed focus on people, ensuring all the city's residents have the right skills and qualifications to access new opportunities, such as in the zero-carbon economy. The pandemic has also provided an opportunity to refocus Manchester's economy to be more equitable, inclusive, and sustainable.

By working on these priorities, Manchester can achieve its strategic goal of becoming a thriving and sustainable world-class city by 2025 – a city in which all its residents can participate in and benefit from a strong and fair economy regardless of their socioeconomic background. In addition, the strength and sustainability of Manchester's economy supports residents across the region and, as detailed in this chapter, many international residents too.