



City Football Group and Manchester City Council

Economic impact of investment and development in the City Football Academy and associated developments in East Manchester

CITY FOOTBALL ACADEMY IMPACT REPORT



In April 2016, City Football Group (CFG) commissioned New Economy to evaluate the economic impact of a number of landmark investments in infrastructure and facilities made by Manchester City Football Club and Manchester City Council (MCC) in the vicinity of the Etihad Stadium.¹



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ABOUT THE RESEARCHERS

New Economy works on behalf of the Greater Manchester Combined Authority and the Greater Manchester Local Enterprise Partnership to support economic growth and prosperity through the provision of evidence-based policy, strategy and research.

Its areas of focus include:

- Business, innovation and science
- Europe
- Planning, housing and environment
- Research, evaluation and cost benefit analysis
- Skills and employment
- Strategy

A pioneer in cost benefit analysis, New Economy often works with public and private sector organisations across the UK to evaluate the fiscal, economic and social value of projects.

New Economy was commissioned by CFG in 2015 to analyse the economic impact of recent investments made by MCFC and MCC in the vicinity of the Etihad Stadium.

This report considers all elements of the City Football Academy (CFA), Manchester City's youth development and first team training facility, which includes 16.5 football pitches, a 7,000 capacity stadium and staff offices. Built on an 80-acre site in the heart of East Manchester, adjacent to the Etihad Stadium, the Club spent twelve months remediating the polluted site before building work could begin.

As part of the joint venture between Football Club and Council, 5.5 acres of this land was donated for public use, and is now home to the East Manchester Leisure Centre (EMLC), the Connell Sixth Form College and the Manchester Institute of Health and Performance (MIHP).

Each of these facilities is a significant development in its own right. The establishment of all four in quick succession represented a once-in-a-generation opportunity to accelerate the economic regeneration of East Manchester and deliver a range of lasting social, economic and environmental benefits to the local community.

This report provides a summary of New Economy's findings on the current and projected impact of these investments to East Manchester, Greater Manchester and the UK.²

That analysis estimates the total public value benefits of these new facilities to be £206m over the next decade, including £89 million from permanent job creation, £51 million from improved educational outcomes, £38 million from health benefits and £28 million from increased visitor spending. There were also public value benefits during the construction phase.

- 1 The New Economy analysis did not measure the significant economic impact of the Etihad Stadium itself and focused exclusively on recent developments in the surrounding area.
- 2 For further information on the methodology and assumptions underpinning the analysis please refer to the final report entitled City Football Group: Economic Analysis (April 2016).

Images:

- a The 7,000 capacity Academy Stadium
- b An aerial view of the Etihad Campus
- c City Football Academy's official launch event in December 2014



£206m

Research by New Economy projects the public value benefits of the CFA, the EMLC, the Connell Sixth Form College and the MIHP to reach £206 million over the next ten years.



JOBS

Recent investments by Manchester City and Manchester City Council in new infrastructure and facilities in East Manchester have added a raft of temporary and permanent jobs to the local economy that are expected to have a positive economic impact at local, regional and national levels for at least the next decade.

The City Football Academy, the East Manchester Leisure Centre, the Connell Sixth Form College and the Manchester Institute of Health and Performance have together added as many permanent jobs to the local economy as a new medium-sized company setting up shop in East Manchester.

Findings

An estimated 5,500 people worked on the construction of the CFA and 2,000 people worked on the construction of the EMLC, the Connell Sixth Form College and the MIHP respectively.

The construction projects produced 10 million man-hours of work generating wages of £128.3 million, leading to a combined economic impact (as measured in gross value added (GVA)) of £351 million for Greater Manchester and £637 million UK-wide over the circa two-year construction period.

Over 60% of construction jobs for the CFA went to Greater Manchester residents and approximately 60% of the supply chain for the MIHP remained within Greater Manchester.

The creation of full-time equivalent jobs to staff at these four facilities is the equivalent of a new medium-sized company setting up shop in East Manchester.

The broader employment impact is even higher and includes the creation of 156 full-time equivalent jobs in Greater Manchester and 253 full-time equivalent jobs UK-wide.

Over the next ten years, the projected economic impact (as measured in GVA) of these permanent jobs is expected to reach £52.8 million in Greater Manchester and £89.4 million UK-wide.

Timeframe	GVA impact (present value)	
	Greater Manchester	UK
One year	£6.1m	£10.4m
Five years	£28.7m	£48.5m
Ten years	£52.8m	£89.4m



Image:

a Staff celebrate the opening of the City Football Academy

Following their completion, permanent jobs created at these new facilities include:

47

FTE¹ jobs at the City Football Academy.



24

FTE jobs at the East Manchester Leisure Centre.



56

FTE jobs at the Connell Sixth Form College.



24

FTE jobs at the Manchester Institute of Health and Performance (once all advertised positions have been filled).



1 Full-time equivalent.

HEALTH

The City Football Academy and the East Manchester Leisure Centre represent significant local investments in sporting and recreational infrastructure that are expected to deliver lasting health and associated fiscal benefits to the communities of East Manchester, Greater Manchester and the UK.



Findings

Using a model developed by Sport England, New Economy finds that:

- The health benefits associated with use of the CFA can be estimated at £432,000 per year, including quality of life improvements valued at £366,000 and health cost savings of £65,000.
- The health benefits associated with the EMLC can be estimated at £2.5 million in its first year of operation and then be expected to rise to £3.7 million in the second year and £4.3 million in the third.
- The combined health benefits of the CFA and the EMLC could be valued at approximately £38.4 million over the next ten years.

These estimates take into account the likelihood that many of the CFA's elite male and female users would still be undertaking the same amount of physical activity in the absence of the facility.

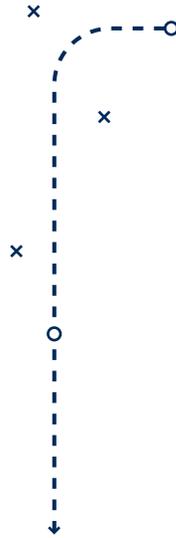


Image:

a Local children take part in free football clinics

29 hours

are allocated every week for local college, community and disability teams to use the pitches of the CFA.



£38.4m

The combined health benefits of the CFA and the EMLC to the communities of East Manchester, Greater Manchester and the UK could be valued at £38.4 million over the next ten years.



EDUCATION

The establishment of the Connell Sixth Form College is expected to have a positive effective on local educational attainment levels and the potential projected future earnings of its students.



Findings

The establishment of the Connell Sixth Form College is expected to provide approximately 220 students per year with unprecedented local access to Level 3 qualifications such as A-Level courses and BTECs in business, science and sports science.

Based on UK Treasury figures, the average benefit of moving from a Level 2 qualification to the Level 3 qualifications offered at the College is estimated to be £1,079 per year in increased annual earnings for each enrolled student.

Allowing for those students that would have likely gained an equivalent qualification, New Economy estimates an annual increase in economic benefits equating to around £119,000, applying the median uplift estimate of £1,079 to an average year's cohort of 220 students at the College. If it is assumed that an individual works for average of 40 years, the total uplift per cohort is just over £2.6 million in present value.

With 2,200 students expected to attend the College over the next ten years, the total uplift in earnings for these ten cohorts of students is projected to reach £26 million over their working lives, generating a combined economic impact (as measured by GVA) of around £5 million per cohort and £51 million for the next decade of students.

Image:

- a City Football Group Coach Patrick Vieira and youth player Kean Bryan at the launch of community consultation



£51m

The economic impact of the Connell Sixth Form College in terms of increased earnings for students gaining Level 3 qualifications is projected to average around £5 million per annual cohort and reach £51 million over the next decade.



VISITOR SPENDING

The City Football Academy is expected to attract large numbers of visitors to East Manchester for football-related activities, including spectators for youth and women's team matches played at the dedicated 7,000-seat Academy Stadium and attendees for other on-site events.

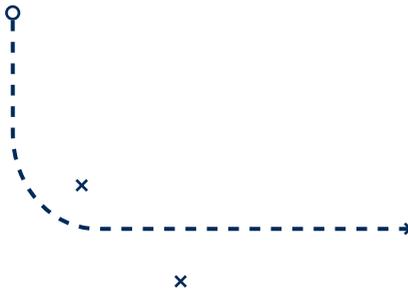


Findings

It is estimated that spectators at the Academy Stadium spend an average of £6 per match. On that basis, it is projected that the total value of visitor spending associated with match attendance at the Academy Stadium could reach £27.4 million over ten years.

The CFA also hosts a range of other events and activities that attract visitors from outside Greater Manchester. It is estimated that this non-match visitor spending could add a further £228,000 per year to the Greater Manchester economy and £415,000 to the UK economy per year.

New Economy estimates the projected economic impact (as measured in GVA) of all visitor spending at the CFA combined to reach £1.8 million per year within Greater Manchester and £3.2 million per year UK-wide, rising to £15.3 million and £27.9 million respectively over the next ten years.



Images:

- a Fans of Manchester City Women at the Academy Stadium



£15.3m

The combined economic impact of visitor spending at the CFA is projected to reach £15.3 million in Greater Manchester and £27.9 million UK-wide over the next ten years.



WIDER EFFECTS

The combined investments of Manchester City and Manchester City Council have already delivered a range of tangible and intangible benefits to the East Manchester community and contributed positively to the evolving character of this historic part of the city.



Findings

The construction of new infrastructure and facilities such as the CFA, EMLC, Connell Sixth Form College and MIHP has become a catalyst for further investment in the local economy.

For example:

- Manchester Life Development Company is the residential property development joint venture between Manchester City Council and Abu Dhabi United Group which is helping to drive driving the sympathetic and sustainable redevelopment of Ancoats and New Islington in East Manchester. Phase One is currently under construction and will deliver over 1,000 high quality homes for sale and rent, with first tenants moving in Autumn 2017.
- A new educational institution, the University College of Football Business, has been established on the Etihad Campus in 2016 to offer undergraduate and postgraduate studies in close proximity to Manchester City.

Employees at the CFA are also given free access to football and gym facilities and are encouraged to participate in a range of sporting and community events aimed at improving local health and social outcomes in the East Manchester area.

Images:

- a 2008 view of the CFA site
- b 1930 view of the CFA site
- c 1996 view of the CFA site

The development of the CFA has had a transformative impact on local environmental quality and biodiversity, including:

Remediation of

80 acres

of brownfield land.



Preservation of

46 acres

of managed grass, wildflower meadow and landscaping.



Introduction of

2,000

new mature trees.



TOTAL IMPACT FOR THE UK



Based on its analysis of construction, employment, education, health and visitor spending, New Economy has provided the following estimation of the total public value impact for the UK of the recent investments by MCFC and MCC in East Manchester over the next five, ten, 25, 50 and 60 years.

	Timeframe (including previous two-year build programme – GVA)				
	5 years	10 years	25 years	50 years	60 years
Permanent jobs	£48.5m	£89.4m	£177.1m	£254.6m	£272.7m
Construction	£637.3m	£637.3m	£637.3m	£637.3m	£637.3m
Visitors	£15.1m	£27.9m	£55.2m	£79.4m	£85.0m
Education	£25.3m	£50.7m	£126.1m	£216.1m	£227.4m
Health	£19.7m	£38.4m	£78.3m	£117.2m	£126.6m
Total	£745.9m	£843.7m	£1,074.0m	£1,304.6m	£1,349.0m

For further information on the assumptions and methodology underpinning this analysis please see refer to the full report entitled City Football Group: Economic Analysis (April 2016).





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