



# UK 2019 VITALITY INDEX

A DEFINITIVE HEALTH CHECK  
ON THE UK'S TOWNS AND CITIES

Lambert  
Smith  
Hampton

20 DATASETS 66  
LOCATIONS POPULATION  
GROWTH UNIVERSITY  
RANKINGS GVA  
ENERGY CONSUMPTION  
HOUSE PRICE  
GROWTH MILLENNIAL  
POPULATION RENTAL  
GROWTH BUSINESS  
DENSITY EXAM  
RESULTS WAGES

Welcome to the 2019 UK Vitality Index, our sixth annual assessment on the health of the UK's largest towns and cities outside London.

The index utilises 20 datasets to identify which locations are best placed to support growth and provide opportunities for businesses to expand.

In spite of the uncertain economic and political environment, a host of indicators reveal that the overall health of the UK's major towns and cities has improved in absolute terms since last year. We have seen real wage growth finally come through, job growth and new business formation. However, with a more subdued macroeconomic outlook in 2019, which towns and cities will be most resilient and provide the best prospects for growth?

# 2019 TOP TEN

		PREVIOUS POSITION	
▲	1	EDINBURGH	4
▼	2	CAMBRIDGE	1
■	3	MANCHESTER	3
■	4	BRIGHTON & HOVE	4
▼	5	OXFORD	2
▲	6	BRISTOL	7
▲	7	READING	8
▼	8	GUILDFORD	6
▲	9	CARDIFF	18
▲	10	COLCHESTER	11

EDINBURGH RISES TO THE TOP

TOP TEN DEBUT FOR  
CARDIFF & COLCHESTER

THE SOUTH EAST  
REGION IS HOME TO  
FOUR OF THE TOP TEN  
LOCATIONS

FASTEST GROWING:  
MILTON KEYNES

BIGGEST RISER:  
ABERDEEN

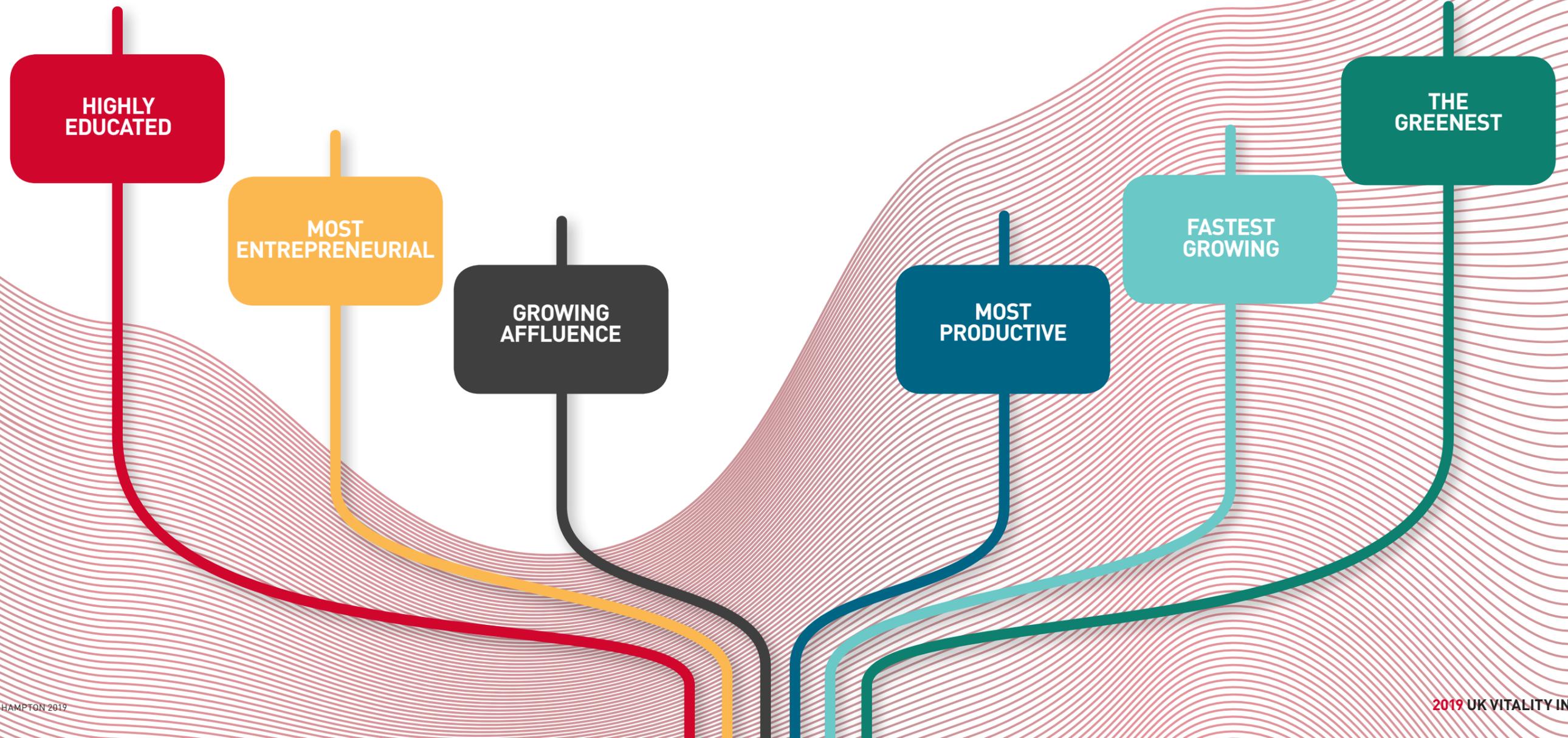


▲ RISER    ▼ FALLER    ■ NO CHANGE

# THE MAIN INDEX

Our main index provides a comprehensive assessment of the health of the local economies of the UK's main regional towns and cities. It identifies which destinations are best placed to support future economic growth and provide opportunities for businesses to expand over the coming year.

Alongside several other indicators, the main index is the aggregate position of six thematic sub-indices, set out below.





# KEY FINDINGS

## EDINBURGH RISES TO THE TOP

For the first time, Edinburgh takes the top spot in this year's ranking, surging from fifth place last year and knocking Cambridge off the top spot for the first time since 2016. The only Scottish location in the top 10, Edinburgh has a highly qualified population and is forecast to see one of the strongest rates of job growth over the next five years of the 66 locations.

Strong demand for residential and commercial property alike has driven considerable growth in both prices and rental levels in Edinburgh. The Haymarket, one of the city's most prominent regeneration sites, was bought by M&G in June 2018, with proposals for the site to include three office buildings, retail and hotels.

## CARDIFF BREAKS INTO THE TOP TEN

Wales is represented in the top 10 for the first time, with Cardiff climbing from 18th position last year to ninth place. The Welsh capital saw strong house price growth, increasing 5% over the last 12 months. Cardiff is also forecast to see job growth of 6% over the next five years, the strongest of all the locations. The employment base is boosted by the BBC Cymru Wales' new £100m HQ which staff are due to occupy at the end of 2019, and sure to stimulate activity in the TV and media sector.

## COLCHESTER IS A NEW ENTRANT TO THE TOP TEN

Rising one place from 11th place last year, Colchester has edged up into the top ten this year for the first time. The Essex town is forecast to see one of the fastest rates of job growth over the next five years and has recently witnessed sizeable growth in commercial property rents.

Occupying fourth place in the Fastest Growing index, Colchester has ambitious growth plans and is undergoing a £3bn transformation. This includes the Northern Gateway development, comprising 76 acres of sports and leisure facilities due for construction in 2019, along with residential and business space. Meanwhile, The University of Essex has been undergoing a £250m expansion programme, with the latest addition set to be the £10m Innovation Centre which opens in 2019 at the Knowledge Gateway.

## SOUTH EAST DOMINATES THE TOP TEN

Despite a marked improvement among key northern cities, the South East continues to dominate with four locations featuring in the top 10. Brighton retains its position in fourth place, holding the top spot for growth in commercial property rents as well as scoring well across the majority of metrics. While Oxford and Guildford both fell slightly in the ranking, they remain in the top 10. Elsewhere, Reading has moved up one place from last year to seventh position, having seen a substantial improvement in wage growth.

## ABERDEEN BOUNCES BACK

Looking outside the top 10, Aberdeen saw the largest upward movement in the rankings, climbing a massive 25 places to 16th position. The northernmost location in the index, Aberdeen has benefited from the recent recovery in the North Sea oil and gas industry during 2017, reflected in significant growth in the number of new businesses across the city.

Coventry climbed 16 places to 21st position, driven by an improvement in a number of metrics including wage growth, economic output and residents' qualifications. The city has been awarded the UK City of Culture for 2021, which will help to galvanise wider plans for regeneration in the city centre. Coventry will soon be home to the National Battery Manufacturing Development Facility following the Government's £80m funding pledge.

## YORK AND LEICESTER TAKE A TUMBLE

York and Leicester were the largest fallers of the 66 locations, both dropping 17 places down the rankings to 30th and 39th place respectively. Despite its appeal as a historic tourist destination, York has seen low levels of wage growth and the lowest increase in economic output of all the locations. While Leicester saw one of the strongest growth in house prices of all the locations, a number of metrics recorded a weakening, including wages growth and retail catchment spend.

# DIG DEEP

## THE SUB-INDICES

RANK	VS LAST YEAR	TOWN / CITY	REGION
1	◀▶	CAMBRIDGE	EE
2	◀▶	WARWICK	WM
3	▲	YORK	YK
4	▼	OXFORD	SE
5	◀▶	EDINBURGH	SC
6	▼	GUILDFORD	SE
7	▼	ST ALBANS	EE
8	◀▶	EXETER	SW
9	▲	BRISTOL	SW
10	▼	READING	SE

### MOST HIGHLY EDUCATED

Cambridge retains its place at the top of this index for the third year running, being home to the UK's top ranked university and one of the highest proportions of residents qualified to a degree level or above. Bristol is a new entrant to the top ten this year, having seen one of the strongest improvements in school exam results, along with a high proportion of qualified residents.

This index reflects the level of educational attainment of each town or city's residents, incorporating exam results, proportion of residents with a degree level qualification or above and the presence of a university, scored by its position in the national league tables.

RANK	VS LAST YEAR	TOWN / CITY	REGION
1	▲	WINDSOR & MAIDENHEAD	SE
2	▲	MACCLESFIELD	NW
3	▲	MANCHESTER	NW
4	▼	ST ALBANS	EE
5	▼	WARWICK	WM
6	▲	ABERDEEN	SC
=7	▼	LUTON	EE
=7	▼	MILTON KEYNES	SE
9	▼	BRIGHTON & HOVE	SE
10	▼	WOKINGHAM	SE

### MOST ENTREPRENEURIAL

Windsor & Maidenhead has replaced St Albans as this year's top ranked location, with the second highest business density per capita of the 66 locations. Aberdeen is a new entry into the top ten this year, jumping from 31st to sixth place, having seen one of the highest number of new enterprises per capita of any location. Aberdeen has evidently benefited from the recovery in the North Sea oil and gas industry during 2017.

This index provides a top-down view of which towns and cities have proven to be the most supportive business environments, including metrics on business density and new enterprises.

RANK	VS LAST YEAR	TOWN / CITY	REGION
1	▲	EDINBURGH	SC
2	▲	WARWICK	WM
3	▲	MACCLESFIELD	NW
4	▲	OXFORD	SE
5	▲	DERBY	EM
6	▲	ST ALBANS	EE
7	▲	GLASGOW	SC
8	▲	GUILDFORD	SE
9	▼	CHELMSFORD	EE
10	◀▶	MAIDSTONE	SE

### GROWING AFFLUENCE

Edinburgh has risen to the top of the the ranking, having seen one of the highest rates of house price growth of any location, alongside strong wage growth. Derby was the biggest riser, moving from the bottom of this index to fifth place, on the back of strong growth in both house prices and wages.

The 'Growing affluence' index combines house price growth, wage growth, along with socio-economic demographic data.

RANK	VS LAST YEAR	TOWN / CITY	REGION
1	◀▶	OXFORD	SE
2	◀▶	MILTON KEYNES	SE
3	◀▶	CAMBRIDGE	EE
=4	▲	EDINBURGH	SC
=4	▲	ABERDEEN	SC
6	◀▶	SLOUGH	SE
=7	▼	READING	SE
=7	▲	MANCHESTER	NW
9	▼	CRAWLEY	SE
10	▲	GUILDFORD	SE

### MOST PRODUCTIVE

Oxford retains its place at the top of ranking for a third successive year, with the fastest rate of workforce job growth forecast over the next five years. On top of an already high GVA per capita, it is forecast to increase 5.8% from 2018-2023, well above the UK total of 2.9%.

This index identifies the most economically productive towns and cities in the UK. In addition to using GVA per capita, which is the conventional measure of economic output, we have included forecasts on workforce job growth.

RANK	VS LAST YEAR	TOWN / CITY	REGION
1	▲	MILTON KEYNES	SE
2	◀▶	MANCHESTER	NW
3	▲	BRIGHTON & HOVE	SE
4	▲	COLCHESTER	EE
5	▲	ST ALBANS	EE
=6	▼	CAMBRIDGE	EE
=6	▲	GUILDFORD	SE
8	▲	EXETER	SW
=9	▲	BIRMINGHAM	WM
=9	▲	COVENTRY	WM

### FASTEST GROWING

Milton Keynes has replaced Cambridge as this year's fastest growing location, having seen the strongest GVA growth of any location. In second place, Manchester is the sole northern location to rank within the top ten on this measure, seeing strong growth in both population and commercial property rents.

The 'Fastest growing' index ties in a combination of population, growth in economic output and commercial property rental data to show which towns and cities have seen the fastest rate of growth over recent years.

RANK	VS LAST YEAR	TOWN / CITY	REGION
1	◀▶	BOURNEMOUTH	SW
2	◀▶	SOUTHEND	EE
3	▲	POOLE	SW
4	▲	IPSWICH	EE
5	▼	BRISTOL	SW
=6	▲	LUTON	EE
=6	▲	PLYMOUTH	SW
8	▲	SOUTHAMPTON	SE
9	▲	CAMBRIDGE	EE
10	▼	READING	SE

### THE GREENEST

Bournemouth holds on to its place at the top of this index for the third year running, with the second lowest level of CO<sub>2</sub> emissions per capita and the fourth lowest energy consumption per capita of all the locations. Poole is the most improved in the index, climbing 13 places to third position, with the lowest energy consumption per capita.

The 'Greenest' index ranks UK towns and cities on environment and sustainability performance, including metrics of household recycling, energy consumption and CO<sub>2</sub> emissions per capita.

# HOW WE DID IT

The UK Vitality Index is informed by 20 datasets relating to the many different aspects of a town or city's economic vitality. The combination of demographics, educational attainment, business activity levels, economic output, affluence, sustainability and commercial property data provides a thoroughly rounded view of the health of those locations assessed.

66 UK towns and cities are ranked according to each of the 20 datasets, to give an update on last year's report. To compile the main index these ranking scores were then added up to give an overall index which provides the most complete view of the towns and cities.

In order to focus on particular aspects of these local economies, we have also segmented the datasets into six thematic sub-indices. These sub-indices show which towns and cities have the most highly educated workforce; which are the most economically productive; which are doing best on various sustainability measures; which are the most entrepreneurial; which are the fastest growing; and which are of growing affluence.



**Isabel Watterson**  
Senior Research Analyst  
+44 (0)20 7198 2258  
iwatterson@lsh.co.uk



**Steven Norris**  
Director – Regeneration  
+44 (0)20 7198 2281  
snorris@lsh.co.uk

**Lambert  
Smith  
Hampton**

[lsh.co.uk](http://lsh.co.uk)

DATASET	SOURCE
Population growth	ONS
Socio-economic groups	Experian
Standard Occupation Classification 2010	ONS
% Millennial residents	ONS
GCSE results	Department for Education
Average weekly pay	ONS
% Population with degree level qualification	ONS
University ranking	The Guardian 2019
Average house prices	Land Registry, Registers of Scotland
Establishment of new enterprises	ONS
Business density	ONS
Business services & technical job growth	Experian
GVA per capita	Experian
GVA growth	Experian
Workforce jobs forecast	Experian
Household waste recycled	DEFRA
Energy consumption per capita	DECC
Carbon dioxide emissions per capita	DECC
Retail spend	Experian
Commercial property rental growth	Lambert Smith Hampton

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