

Welcome to the August 2011 edition of the Edinburgh Economy Watch – a monthly update on the performance of the city’s economy produced by the Economic Development Unit of the City of Edinburgh Council.

What is it?

The Economy Watch allows readers to track the impact that the current global and national economic conditions are having on Edinburgh through monitoring a selection of economic indicators and comparing these with other cities. Information is displayed in graphs with some brief analysis. Only frequently updated indicators are used so that the latest trends can be clearly viewed. Data are displayed for up to 18 months in the past where possible.

Comparator Cities

Where comparable statistics are available, Edinburgh is benchmarked against the average of a suite of eleven comparator cities. The comparator cities are Birmingham, Bristol, Cardiff, Glasgow, Leeds, Liverpool, London, Manchester, Newcastle, Norwich and Nottingham. These cities have been selected as they represent a diverse range of mid-sized and large UK cities.

Traffic Lights

Where possible, each indicator’s performance is assessed by means of a “traffic light” system comparing it against the previous month, year and comparator cities. Green signifies improvement, amber relative stability and red worsening.

Survey

We would be grateful to hear views on the Economy Watch via our [online survey](#).

Mailing List

To subscribe to Economy Watch send an e-mail to Steven Bunch at economicstrategy@edinburgh.gov.uk with “SUBSCRIBE” in the subject line. You can access current and archive issues of the Economy Watch at www.edinburgh.gov.uk/economywatch

At a Glance...

Indicator	Annual Trend	Monthly Trend	Relative to Other Cities	Change on last year	More info
Investment	↑	↑	↑	New business incorporations up 22.7% Business Gateway down 12.5%	Page 2
Labour market	↑	↑	↑	Claimant per vacancy down 1.1% points Job vacancies up 44.8%	Page 5
Tourism	↑	↑	↑	Airport passenger numbers up by 3.2% Hotel room occupancy up 0.1% points	Page 8
Housing	↓	—	—	House prices down 2.8% House sales down 17.1%	Page 10
Planning and development	↓	↓	↓	Planning applications received down 1.6% Building warrants issued down 4.2%	Page 12

For detailed information on city centre trends, see the latest [Essential Trends](#)

(1) Investment

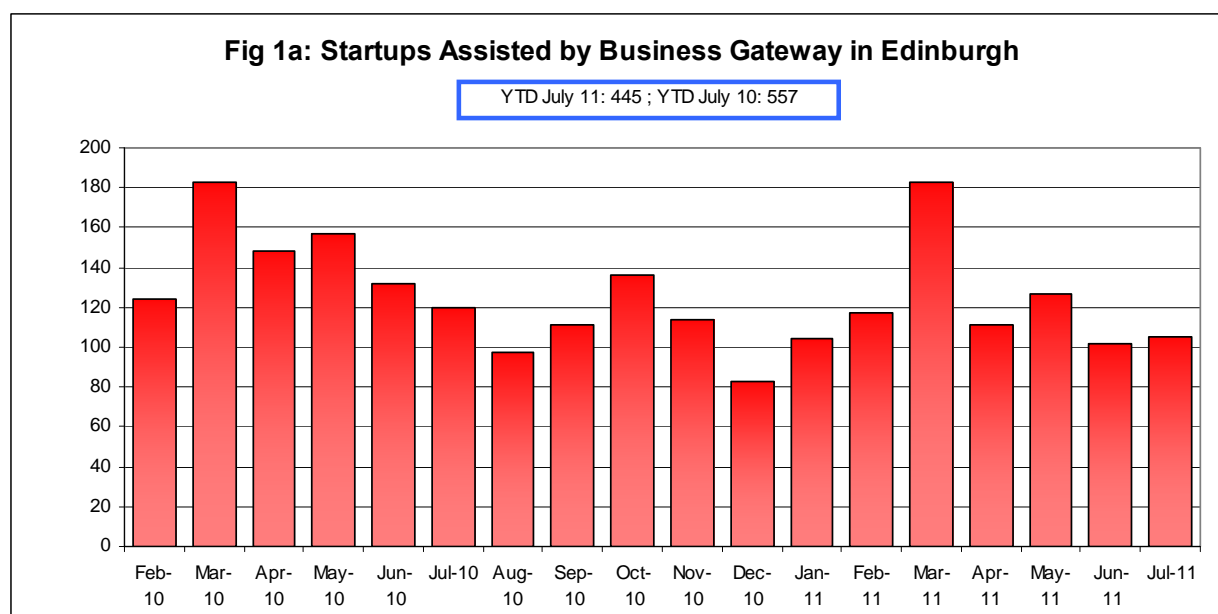
Summary Table

Indicator	Edinburgh this month	Year to Date	YTD Comparison with 2010
Business Gateway Start-ups	105	445	↓ 12.5%
Business Incorporations	436	1,222	↑ 22.7%
Large-scale Foreign Direct Investments	5	15	↑ 275%

- Business Gateway start-up figures for July are 12.5% lower than for the same month last year, but remain above contracted target levels.
- Business incorporations in the city are 22.7% up for the year to date and rising more quickly than comparator cities.
- A total of 15 large scale FDI projects have been recorded in the city so far this year.

1.1 Business Start-ups (Monthly Trend —; Annual Trend ▼; Relative to Comparator Cities N/A)

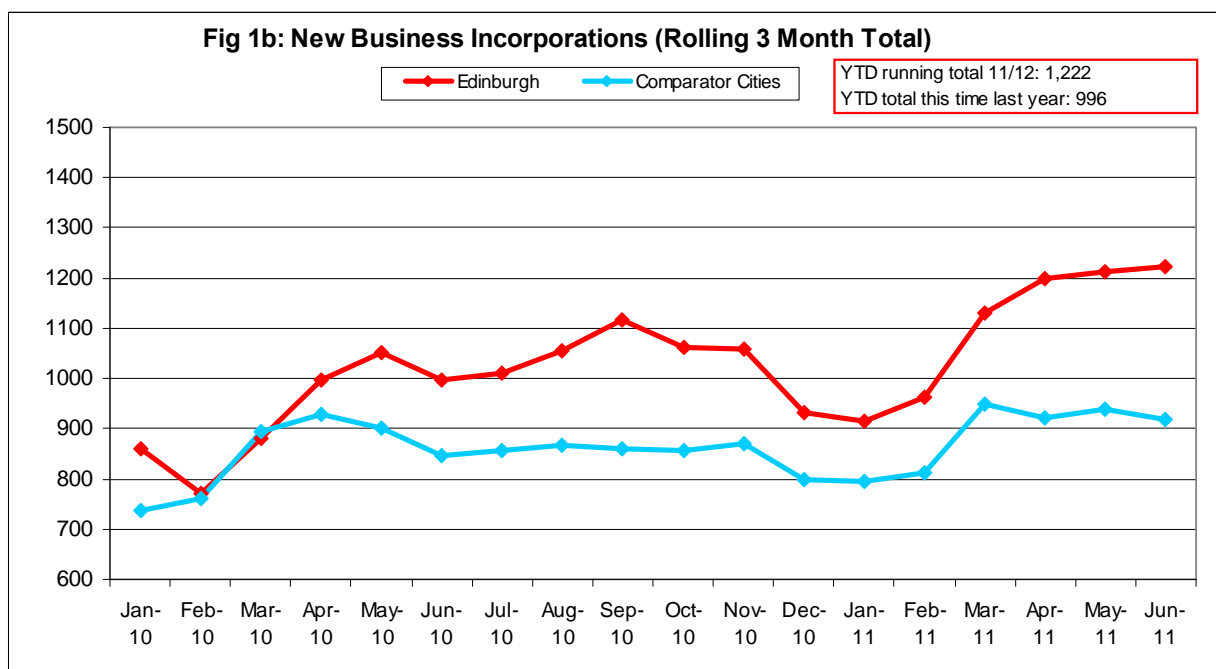
Fig 1a shows that 105 start-ups companies were assisted by the Business Gateway in Edinburgh during July 2011. This figure was down 12.5% on the 120 new firms assisted during the same month last year, but remains a level of performance above contracted target figures.¹



¹ Source: Business Gateway

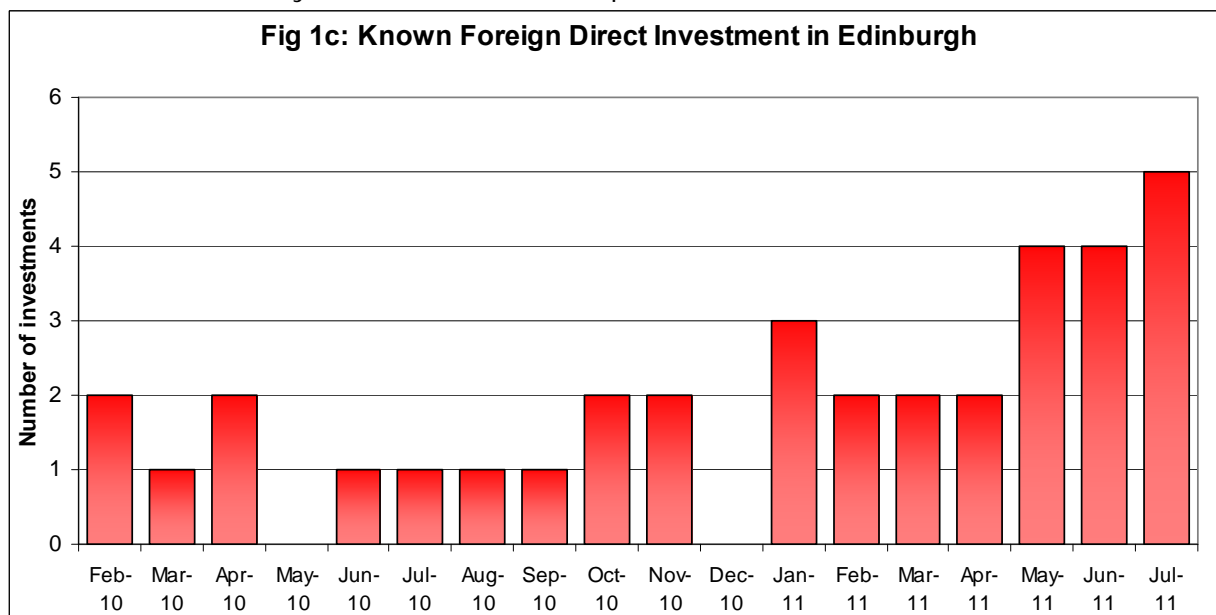
1.2 New Incorporations (Monthly Trend ▲; Annual Trend ▲; Relative to Comparator Cities ▲)

A total of 1,222 new businesses incorporated in Edinburgh during the three-months to June 2011. This represents an increase of 22.7% on the same period last year compared against a 8.5% increase recorded in comparator cities across the same time period.²



1.3 Foreign Direct Investment (Monthly Trend ▲; Annual Trend ▲; Relative to Comparator Cities N/A)

Figure 1d shows that 32 large-scale Foreign Direct Investment (FDI) projects in Edinburgh have been recorded by FDI Markets over the past 18 months.³



² Source: FAME. The comparator cities figure is an average of the monthly number of incorporations in Birmingham, Bristol, Cardiff, Glasgow, Leeds, Liverpool, Manchester, Newcastle, Norwich and Nottingham. NB Figures are provisional and subject to change. Figures may be added to the database retrospectively.

³ Source: FDI Markets. NB Figures are provisional and subject to change. Figures may be added to the database retrospectively.

(2) Labour Market

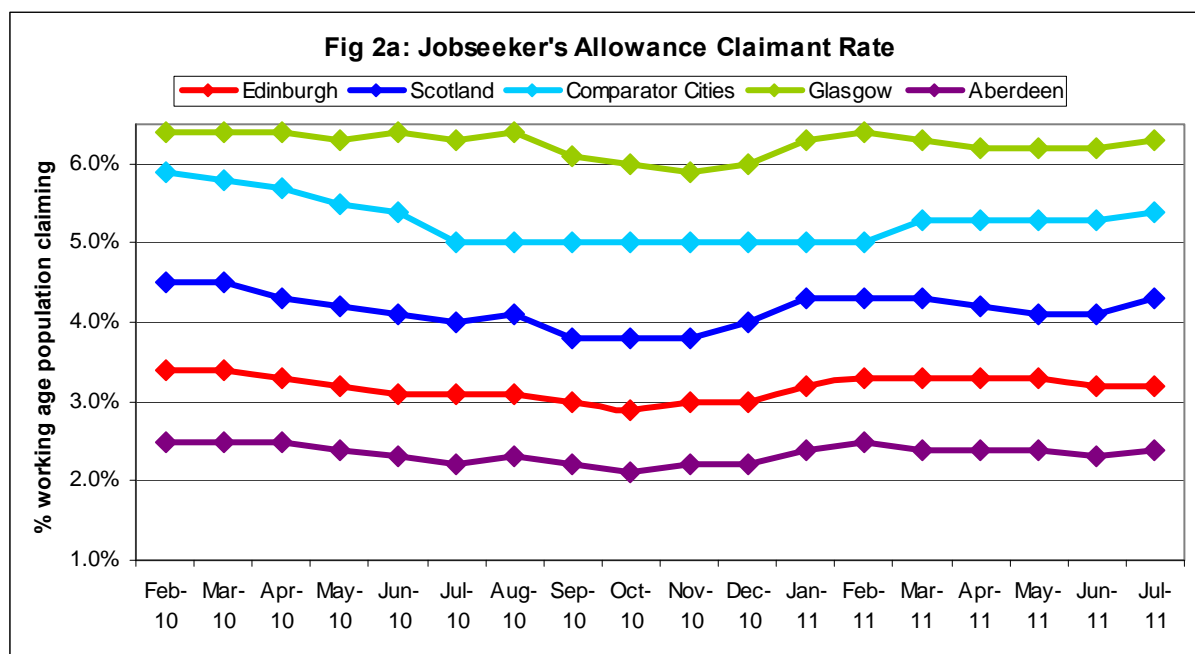
Summary Table

Indicator	Edinburgh in latest month	Comparison with this month last year
Jobseeker's Allowance Claimant Count	11,127	↑ 5.0%
Jobseeker's Allowance Claimant Rate	3.2	↑ 0.1% points
Vacancies Advertised by Jobcentre Plus	3,618	↑ 44.8%
Claimants Per Vacancy	3.1	↓ 1.1% points

- The labour market is a lagging indicator following a recession.
- The difference in claimant count between Edinburgh and comparator cities has widened slightly since the beginning of 2011.
- There are now 3.1 Jobseeker's Allowance claimants for every vacancy advertised by Jobcentre Plus. Scotland's ratio is 5.3 and the comparator cities' average is 4.6.

2.1 Claimant Rate (Monthly Trend —; Annual Trend ▲; Relative to Comparator Cities ▼)

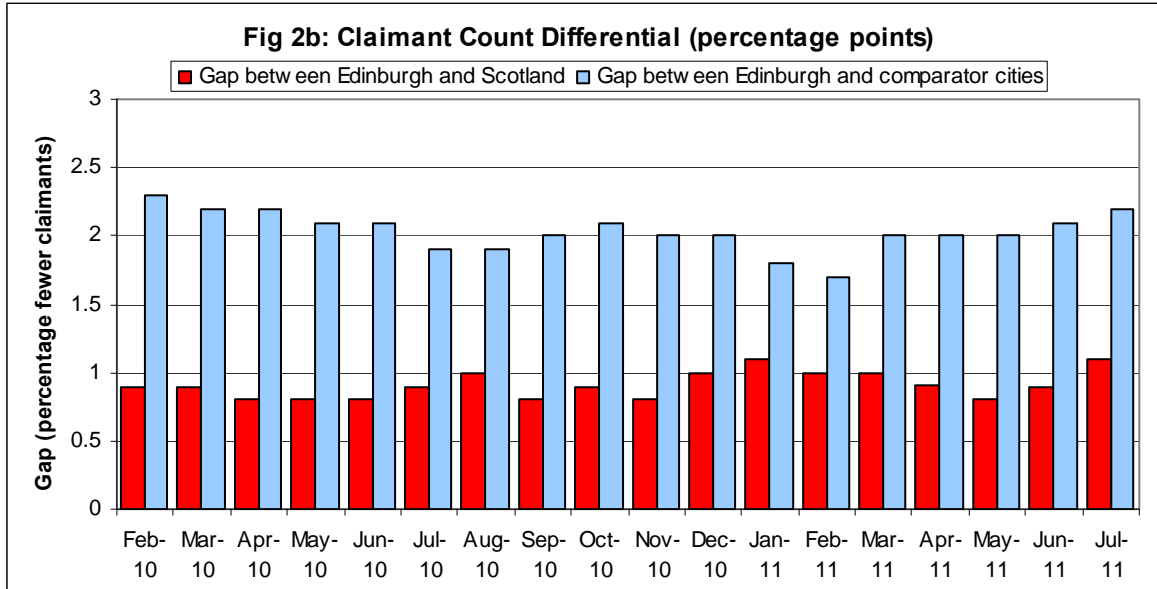
The claimant rate of Edinburgh stayed the same in July 2011 from June 2011, 3.2% of the working age population. Edinburgh's claimant rate continues to compare favourably with that of Scotland (4.3%) and comparator cities (5.4%).⁴



⁴ Source: Department for Work and Pensions. The unemployment rate is defined as the percentage of the working age population claiming Jobseeker's Allowance. The comparator cities figure is an average of claimant counts in Birmingham, Bristol, Cardiff, Glasgow, Leeds, Liverpool, Manchester, Newcastle and Nottingham.

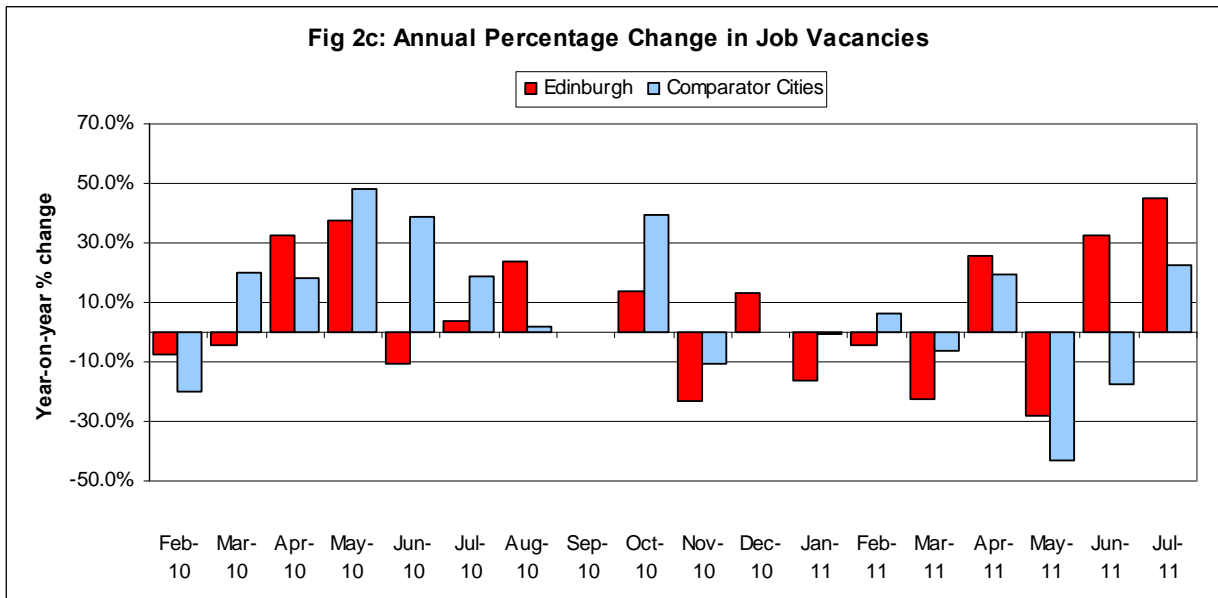
2.2 Claimant Differential (Monthly Trend ▲; Annual Trend ▲; Relative to Comparator Cities N/A)

Figure 2b highlights the difference in the unemployment rate between Edinburgh and Scotland and comparator cities. In July 2011, Edinburgh's unemployment rate was 1.1 percentage points below that of Scotland and 2.2 percentage points below that of comparator cities, slightly wider than that recorded at the beginning of this year.⁵



2.3 Job Vacancies⁶ (Monthly Trend ▲; Annual Trend ▲; Relative to Comparator Cities ▲)

Figure 2c shows that the number of job vacancies advertised by Jobcentre Plus in Edinburgh during July 2011 was 44.8% higher than that recorded in the same month last year.⁷ The total across all comparator cities was up by 22.7% compared against July 2010.

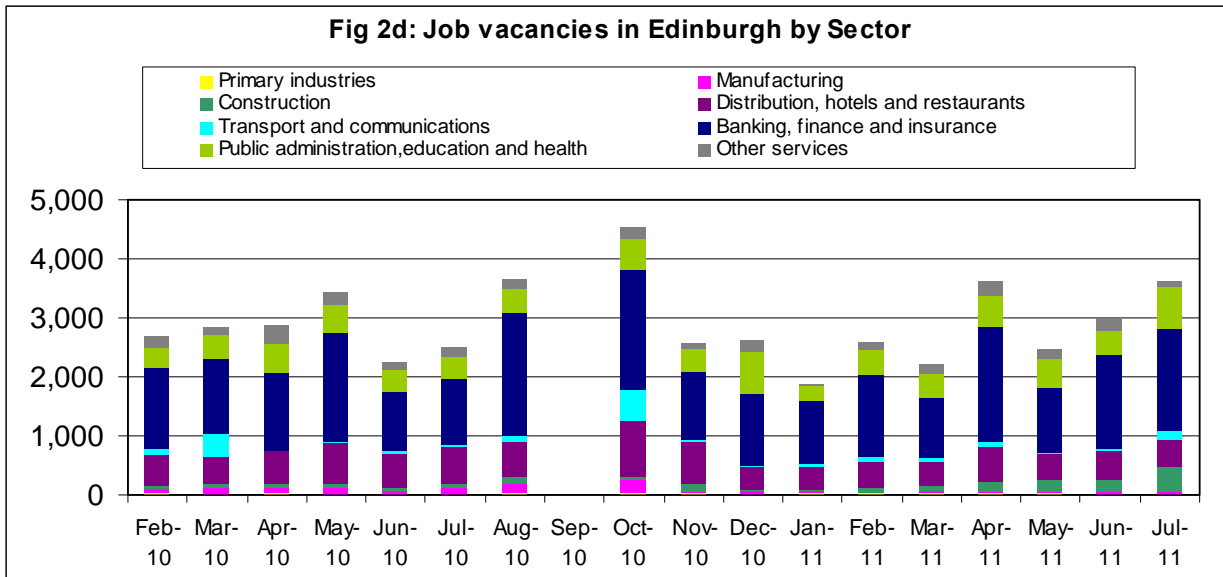


⁵ Source: Jobcentre Plus. The comparator cities figure is an average of claimant counts in Birmingham, Bristol, Cardiff, Glasgow, Leeds, Liverpool, Manchester, Newcastle and Nottingham.

⁶ Due to problems identified with the source data supplied by DWP, it is presently not possible to report vacancy figures for September 2010.

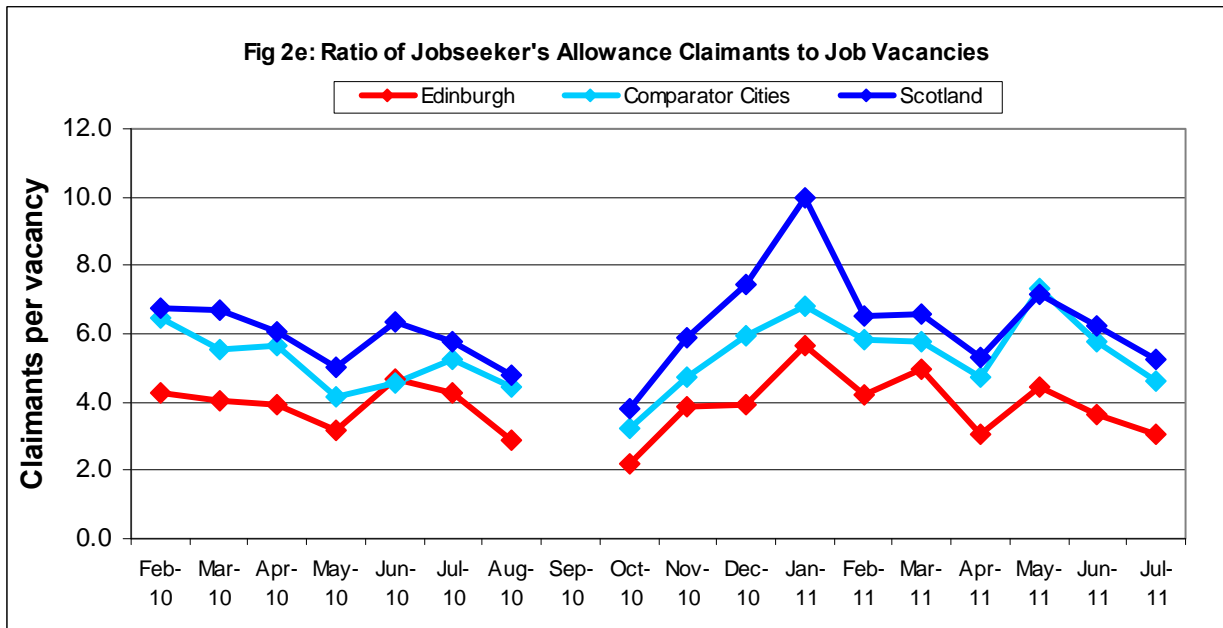
⁷ Source: Jobcentre Plus. The comparator cities figure is a total number of vacancies in Birmingham, Bristol, Cardiff, Glasgow, Leeds, Liverpool, Manchester, Newcastle and Nottingham.

Figure 2d shows the breakdown of job vacancies in Edinburgh notified by Jobcentre Plus by the sector they appear in. Vacancies notified by Jobcentre Plus represent approximately one third of all vacancies. July 2011 saw over 3,600 jobs notified. Jobs in the construction and transport & communication sector both saw a significant increase compared to July 2010, whereas distribution, hotels and restaurants had a decrease of 24%.



2.4 Vacancy Ratio⁸ (Monthly Trend ▼; Annual Trend ▼; Relative to Comparator Cities ▲)

In July 2011, there were 3.1 Jobseeker’s Allowance claimants in Edinburgh for every vacancy advertised by Jobcentre Plus. Figure 2e shows that the ratio compares favourably with Scotland (5.3 claimants per vacancy) and comparator cities (4.6 claimants per vacancy) despite the gap between Edinburgh and comparator cities narrowing slightly during July 2011.



⁸ Due to problems identified with the source data supplied by DWP, it is presently not possible to report vacancy figures for September 2010.

2.5 Job News

Figure 2f details a number of job announcements made in Edinburgh over the month of July 2011.

Fig 2f. Job announcements in Edinburgh in July 2011				
Employer	Sector	Location	Potential job gains/losses	Timescale
Avaloq	ICT	Unknown	500	Over 5 years
Independent Living Services	Care work	South Gyle	50	Ongoing
Travelodge	Tourism	Princes Street	40	Ongoing
Towergate Partnership	Financial services	Queen Charlotte Street	40	Ongoing
Junk-it Scotland	Waste management	Leith	8	Ongoing
Dynamic Colour	Business services	Kittle Yards	3	Ongoing
Peckham's	Retail	Raeburn Place	-Unknown	July 2011
Royal Bank of Scotland	Financial services	Various	-Unknown	Summer 2011
Scottish Environmental Protection Agency	Public	Riccarton	-Unknown	2013

For information about the labour market at a ward level, or any other detailed enquires, please send your request to: economicstrategy@edinburgh.gov.uk

(3) Tourism

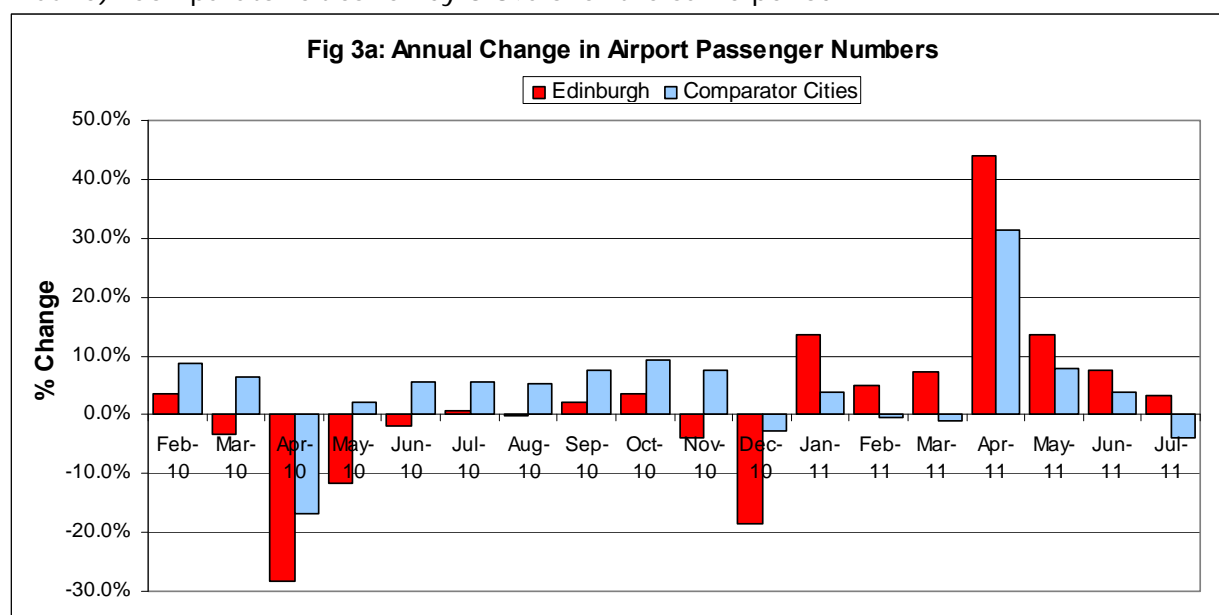
Summary Table

Indicator	Edinburgh in latest month	Comparison with this month last year
Airport Passenger Number	992,462	↑ 3.2%
Hotel Room Occupancy	91.2%	↑ 0.1% points
Revenue Per Available Room	£77.23	↓ 2.1%
Total Visitor Numbers ⁹	590,767	↑ 6.3%

- Airport passenger number increased by 3.2% in July 2011 compared to July 2010 whereas comparator cities fell by 3.8%.
- Hotel room occupancy stayed around the same at 91.2% in July 2011 compared to last year's figure, whereas revenue per room saw a drop of 2.1%.
- Total visitor numbers in selected attractions fell in June 2011 to 590,767, which were a 6.3% increase from June 2010 and 9% decrease from last month.

3.1 Airport (Monthly Trend ▲; Annual Trend ▲; Relative to Comparator Cities ▲)

Passenger numbers at Edinburgh Airport were up by 3.2% in July 2011 in comparison to the 2010 figure. In total, 992,462 passengers passed through the airport in July (919,319 in June). Comparator cities fell by 3.8% over the same period.¹⁰

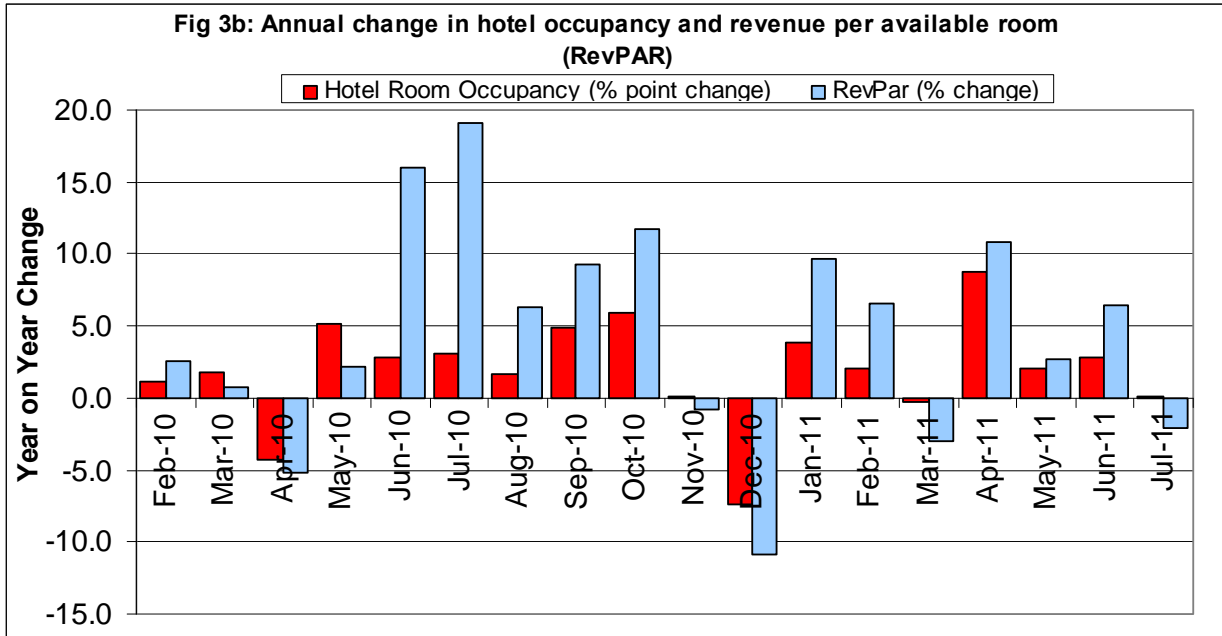


⁹ Visitor number figures are always two months behind the current month.

¹⁰ Source: Civil Aviation Authority. The comparator cities figure is an average of year-on-year changes in passenger numbers at Birmingham, Bristol, Cardiff, Gatwick, Glasgow, Heathrow, Leeds, Liverpool, London City, Luton, Manchester, Newcastle and Stansted airports.

3.2 Hotel Room Occupancy (Monthly Trend ▼; Annual Trend —; Relative to Comparator Cities N/A) and Revenue per Available Room (Monthly Trend ▼; Annual Trend ▼; Relative to Comparator Cities N/A)

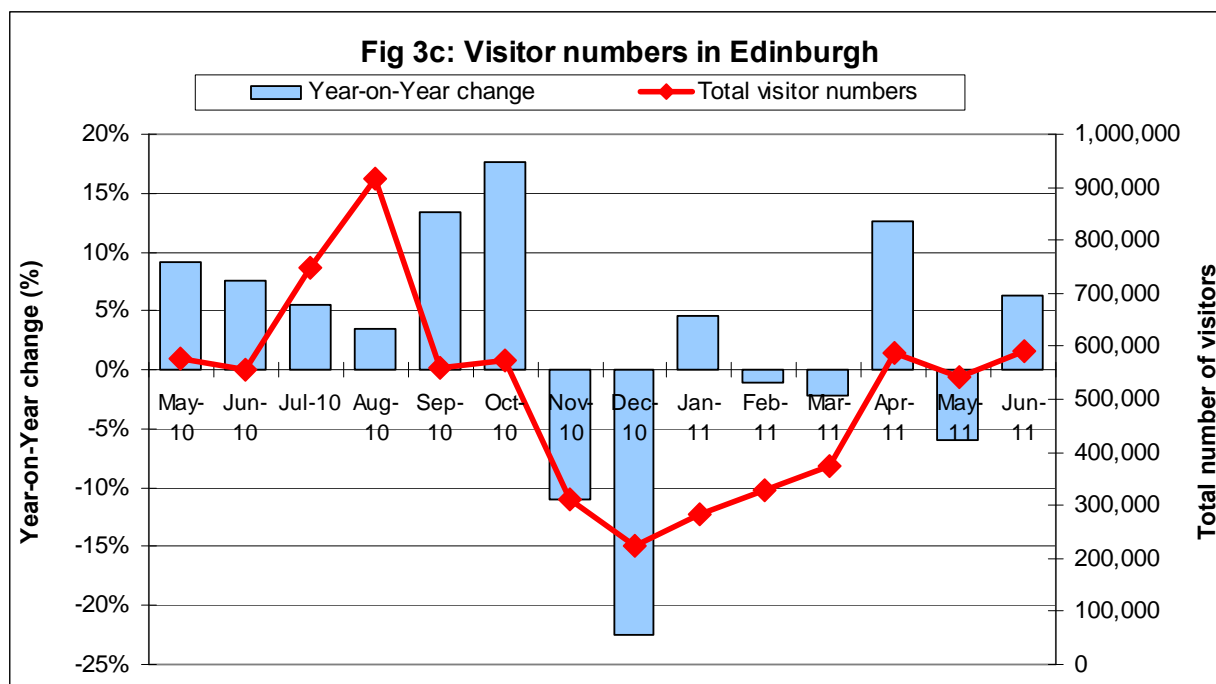
Hotel room occupancy rates were recorded at 91.2% during July 2011, an increase of 0.1% percentage points over the same month in 2010. Revenue per available room (RevPar) decreased in July 2011 compared with 2010, to £77.23 – down 2.1% from last year.¹¹



¹¹ Source: STR Global

3.3 Visitor Attractions (Monthly Trend ▲; Annual Trend ▲; Relative to Comparator Cities N/A)

Total visitor numbers at a selection of the most popular attractions in Edinburgh were 590,767 in June 2011. This represents an increase of 6.3% from 2010.¹²



For more information on tourism in Edinburgh, visit the Edinburgh Inspiring Capital website at www.edinburgh-inspiringcapital.com or the ETAG (Edinburgh Tourism Action Group) website at www.etag.org.uk

¹² Source: DEMA. The tourist attractions are: Edinburgh Castle, Botanic Gardens, National Museum of Scotland, National War Museum of Scotland, National Gallery Complex, Our Dynamic Earth, Edinburgh Zoo, St Giles Cathedral and Scottish Parliament Visitor Centre.

(4) Housing

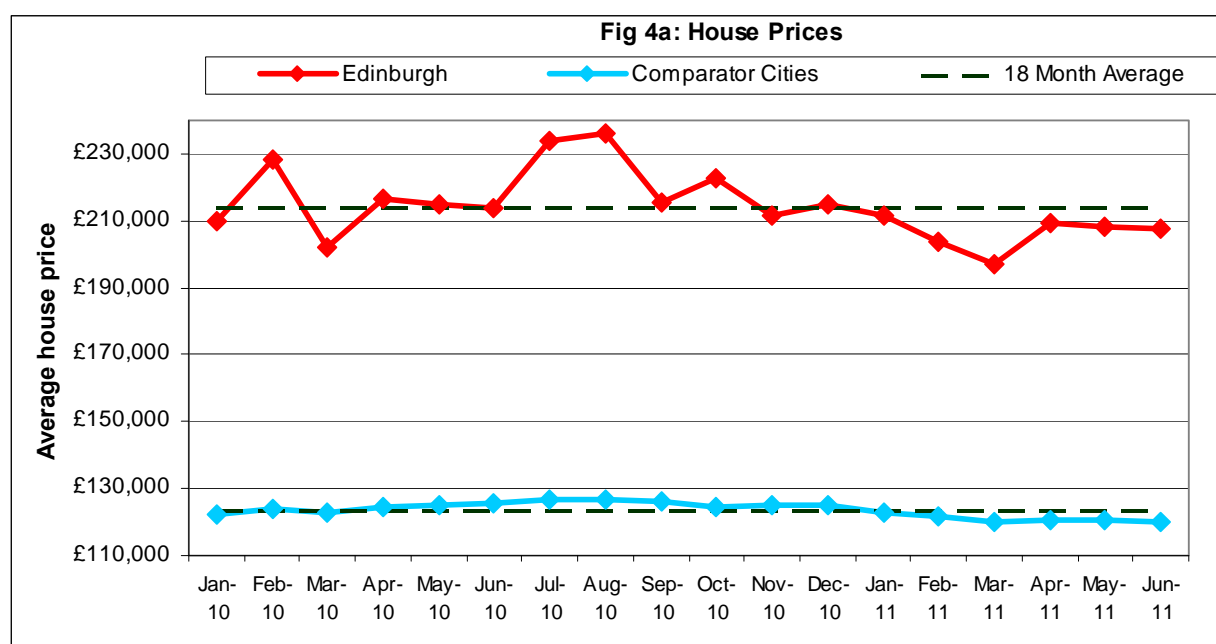
Summary Table

Indicator	Edinburgh in latest month	Comparison with this month last year
House Prices	£207,718	↓ 2.8%
House Sales	656	↓ 17.1%

- Average house prices in June 2011 remained steady at just under £208,000, this was 2.8% below the figure recorded in June 2010.
- 656 homes were sold in Edinburgh during June 2011, which is 17.1% below the number recorded in June 2010.

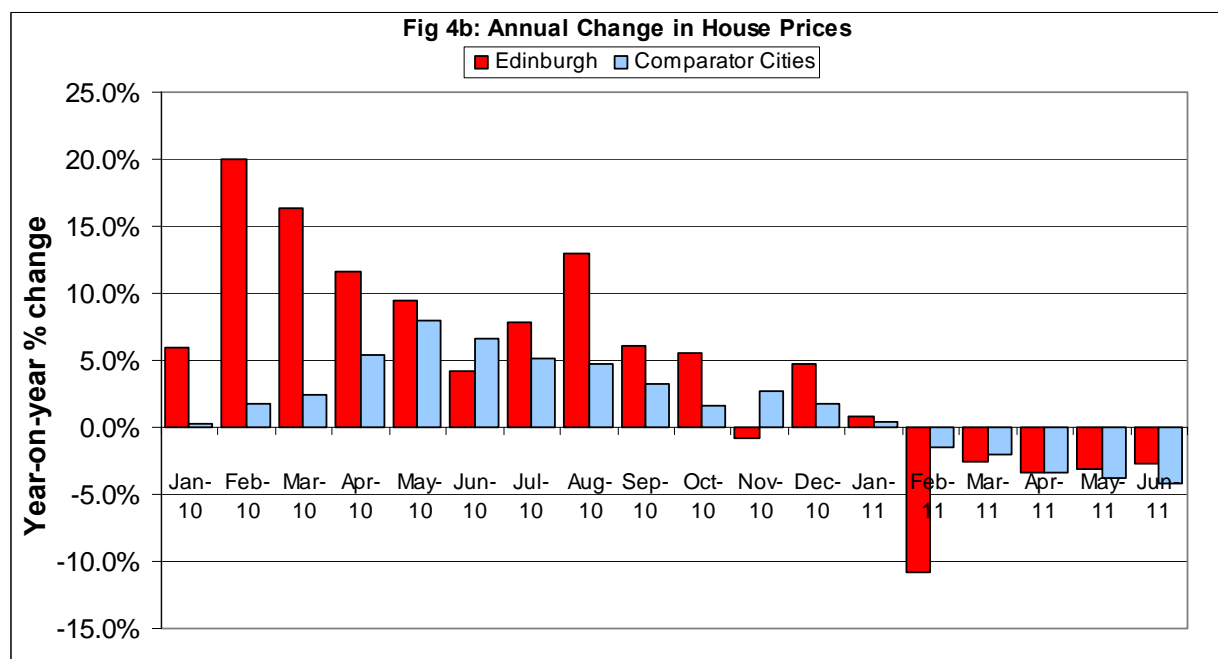
4.1 House Prices (Monthly trend —; Annual Trend ▼; Relative to Comparator Cities —)

The average house price in Edinburgh stayed around the same in June at £207,718. This is still significantly higher than the average across comparator cities, which also remained static in June and remained close to their 18 month average of £123,478.¹³



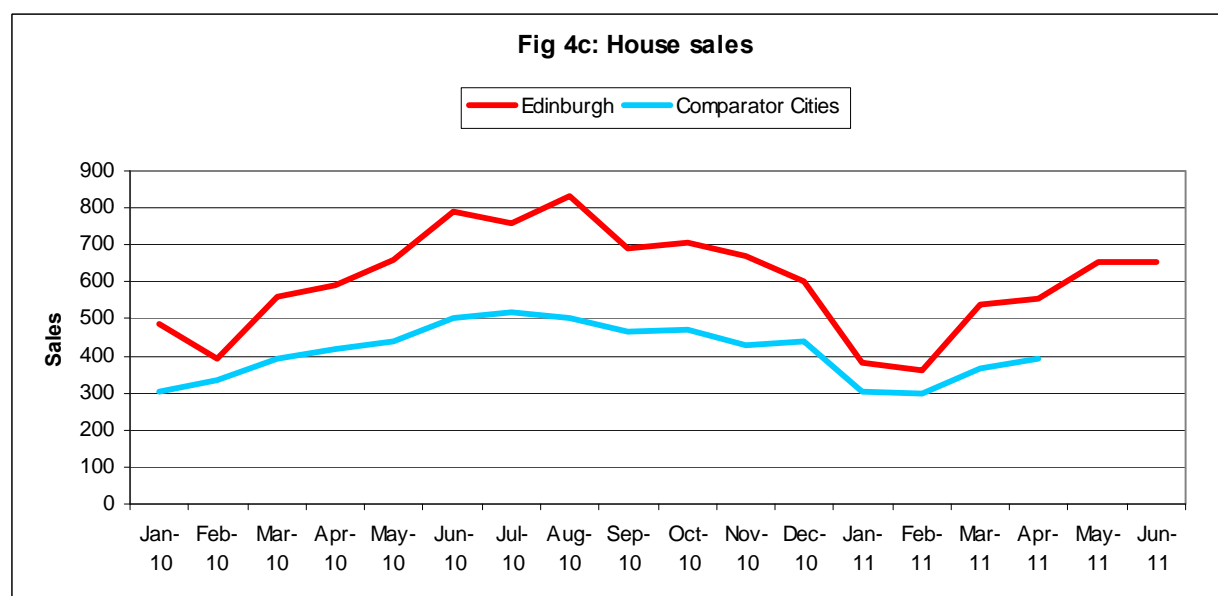
¹³ Source: Registers of Scotland (Scottish cities); Land Registry (English & Welsh cities). The figure quoted for comparator cities is based on an average of house prices in Birmingham, Bristol, Cardiff, Glasgow, Leeds, Liverpool, Manchester, Newcastle and Nottingham. NB Figures are provisional and subject to change. Figures may be added to the database retrospectively.

Figure 4b shows how prices have changed compared with the same month last year. House prices in Edinburgh during June 2011 were 2.8% below those recorded in June 2010. House prices in comparator cities also fell year-on-year by 4.1%.¹⁴



4.2 House Sales (Monthly trend —; Annual trend ▼; Relative to Comparator Cities N/A)

656 homes were sold in Edinburgh in June 2011. This represents 17.1% fewer houses sold compared to June 2010.¹⁵



For further information about Edinburgh's housing market, see the latest [Housing Monitoring Report](#).

¹⁴ Ibid

¹⁵ Ibid

(5) Planning and Development

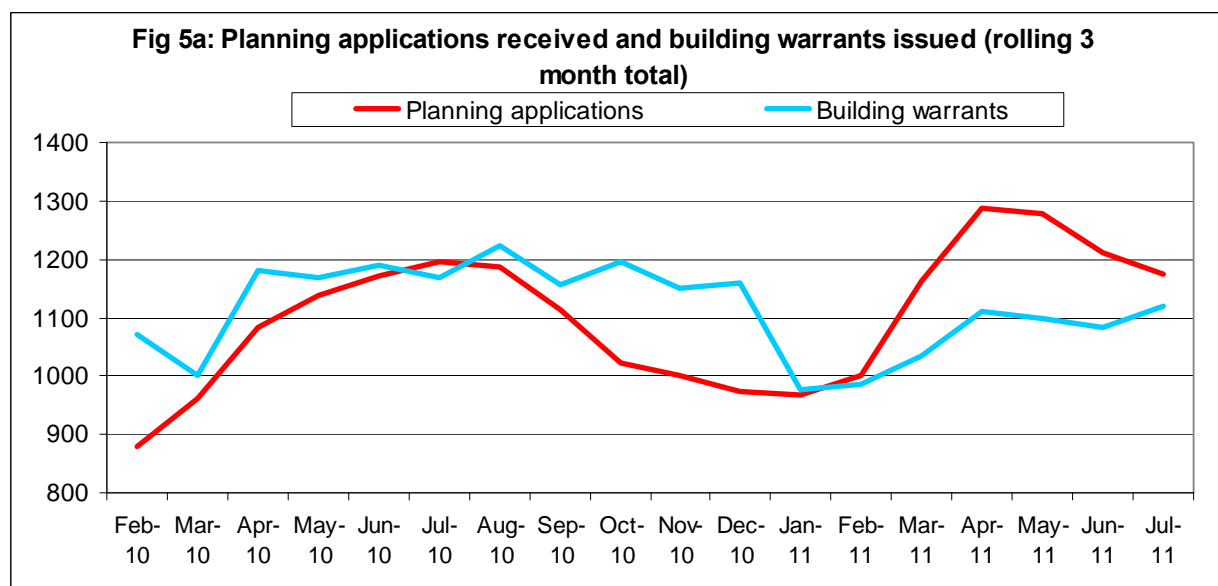
Summary Table

Indicator	Edinburgh in latest 3 month period	Comparison with same period last year
Planning Applications Received	1,176	↓ 1.6%
Building Warrants Issued	1,121	↓ 4.2%

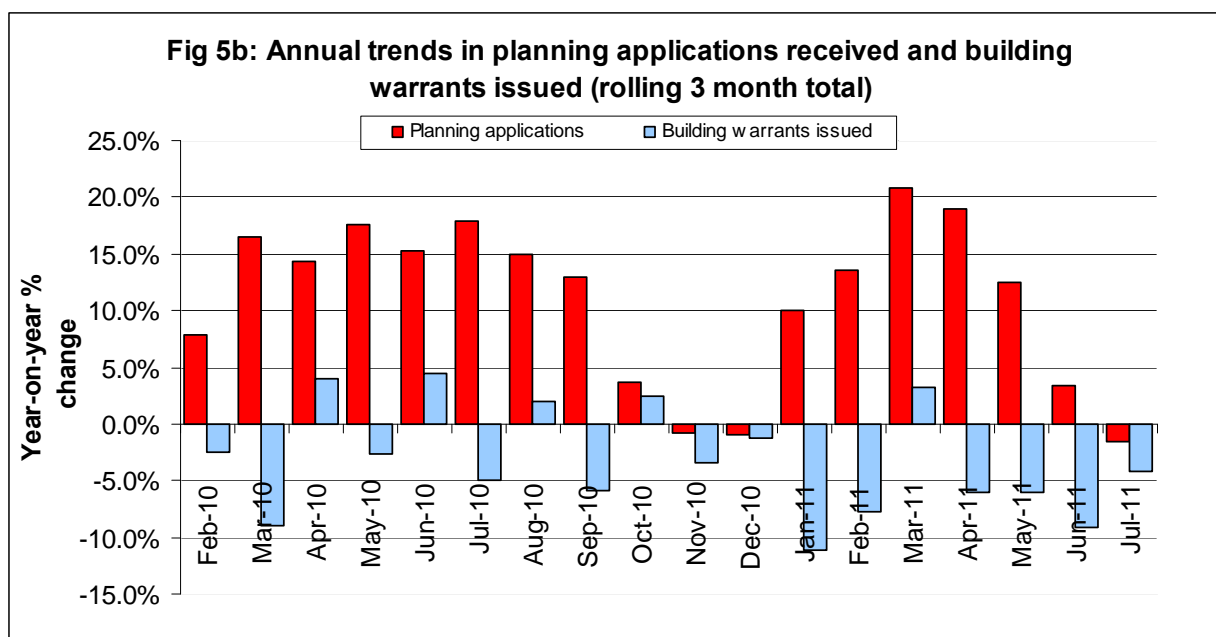
- The City of Edinburgh Council received 1,176 planning applications in the three-month period ending in July 2011, which is 1.6% lower than the same period last year.
- The City of Edinburgh Council issued 1,121 building warrants in the three-month period ending in July 2011, which is 4.2% lower than the same period last year.

5.1 Planning Applications Received (Monthly Trend ▼; Annual Trend ▼; Comparator Cities N/A) and Building Warrants Issued (Monthly Trend ▲; Annual Trend ▼)

In the three-month period ending in July 2011, the City of Edinburgh Council received 1,176 planning applications, 3% fewer than the number received in the three months to May 2011, and a 1.6% decrease on that recorded over the same period in 2010. A total of 1,121 building warrants were issued in the three months to July, a drop of 4.2% compared against the same period in 2010.¹⁶ These trends are illustrated in Fig 5a and Fig 5b.



¹⁶ Source: City of Edinburgh Council, Planning Information team. The number of planning applications can vary substantially from month to month, so year on year comparisons of a single month would be likely to fluctuate quite widely and obscure trends. Using a rolling 3 month average gives a truer representation of the underlying trends.



5.3 Number of Proposal of Application Notices (Monthly Trend ▼; Annual Trend ▼; Comparator Cities ▼)

Proposal of application notices (PANs) have been a statutory requirement for “major” developments since August 2009. Fig 5c shows the number of PANs received by month in Scotland’s four city local authorities. There have been 36 PANs received in Edinburgh over the last 13 months – more than any other Scottish city. Edinburgh’s Proposal of Application Notices received decreased by 100% in July 2011 from June whereas the comparator cities total stayed at 9.

Fig 5c: Proposals of Application Notices Received (4 Scottish City Local Authorities)

	Aberdeen	Dundee	Edinburgh	Glasgow
July 2010	1	0	4	3
August 2010	5	0	2	4
September 2010	0	0	2	4
October 2010	0	0	3	4
November 2010	0	1	4	3
December 2010	0	1	3	3
January 2011	3	0	1	1
February 2011	0	0	3	1
March 2011	0	1	3	2
April 2011	0	0	1	1
May 2011	1	3	6	5
June 2011	3	1	4	5
July 2011	1	1	0	7
Total	14	8	36	40

Source: Local Authorities’ Planning websites. Methods of recording PANs may vary. NB Figures are provisional and subject to change. Figures may be added to the database retrospectively. For any corrections, please contact economicstrategy@edinburgh.gov.uk

For further information on planning issues in Edinburgh, see the latest [Planning News](#)

(6) Useful Links

Council Information

The statistics presented in the Economy Watch represent only a sample of the total number of economic indicators which are monitored by the Council. Raw figures, supporting data and detailed source information are available on request.

You can find more useful economic information and publications at www.edinburgh.gov.uk/economicdata

External Links

BBC Economy Tracker

<http://news.bbc.co.uk/1/hi/business/7844962.stm>

BBC European Comparator

<http://news.bbc.co.uk/1/hi/business/10150007.stm>

Centre for Cities City Tracker

<http://citytracker.org.uk/>

City of London Economic Digest

http://www.cityoflondon.gov.uk/Corporation/LG_NL_Services/Business/Business_support_and_advice/Economic_information_and_analysis/Research_publications/Research+periodicals.htm

Office of National Statistics indicators (UK Level)

<http://www.statistics.gov.uk/instantfigures.asp>

PKF hotel statistics (UK Level)

http://www.pkf.co.uk/news/Hotel_Monthly_Press_Release&category=News%20%5E%20views&subcategory=News&gobackto=4

Scottish Parliament Information Centre Economic Briefings (Scottish Local Authority Level)

<http://www.scottish.parliament.uk/business/research/subject/EcoFin.htm>

The Guardian: Leading Economies by Size of GDP

<http://image.guardian.co.uk/sys-files/Guardian/documents/2009/12/08/Recession.pdf>

The Guardian: The rise and fall of the UK's gross domestic product

<http://www.guardian.co.uk/business/interactive/2008/oct/22/creditcrunch-recession>

The Scottish Government: State of the Economy Updates

<http://www.scotland.gov.uk/Topics/Economy/state-economy>

West Lothian Key Economic Indicators

[West Lothian Business Portal - West Lothian's Economy](#)