

Edinburgh economy watch



Welcome to the May 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 is 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 Emma Sharp 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 23.5% Business Gateway down 25%	Page 2
Labour market	↑	↑	↑	Claimant count down 0.7% Job vacancies up 25.8%	Page 5
Tourism	↑	↑	↑	Airport passenger numbers up by 43.9% Hotel room occupancy up 8.8% points	Page 8
Housing	↓	↓	↓	House prices down 2.6% House sales down 3.8%	Page 10
Planning and development	↑	↑	—	Planning applications received up 20.5% Building warrants issued down 0.3%	Page 12

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

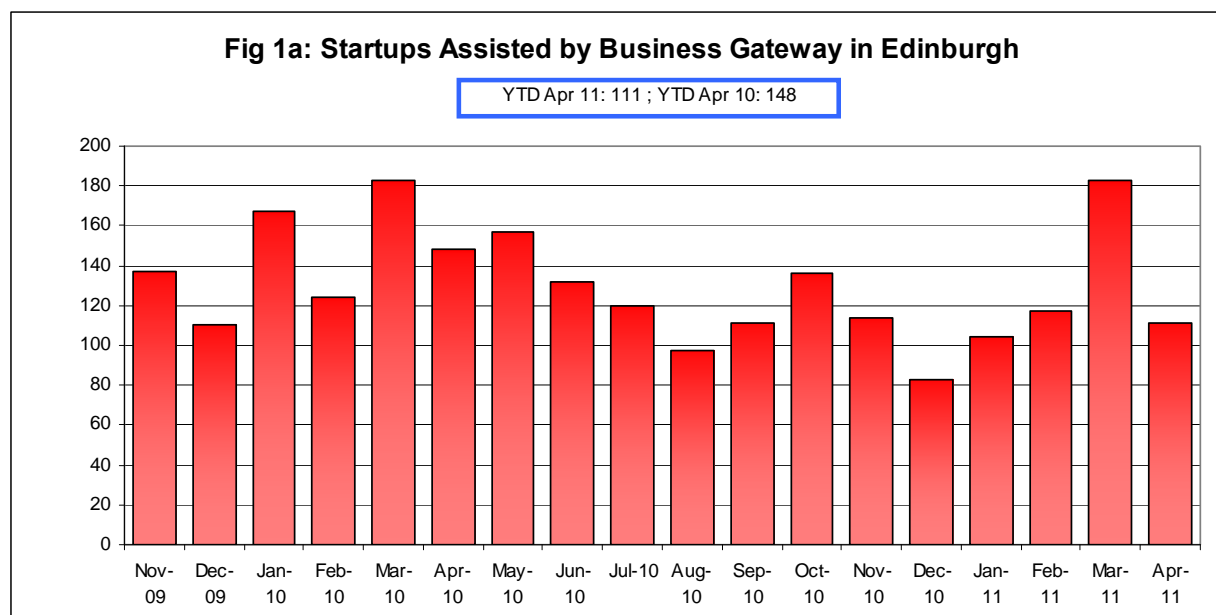
(1) Investment

Summary Table

Indicator	Edinburgh this month	Year to Date	YTD Comparison with 2010
Business Gateway Start-ups	111	111	↓ 25%
Business Incorporations	447	4,173	↑ 23.5%
Large-scale Foreign Direct Investments	2	2	— no change

1.1 Business Start-ups (Monthly Trend ▼; Annual Trend ▼)

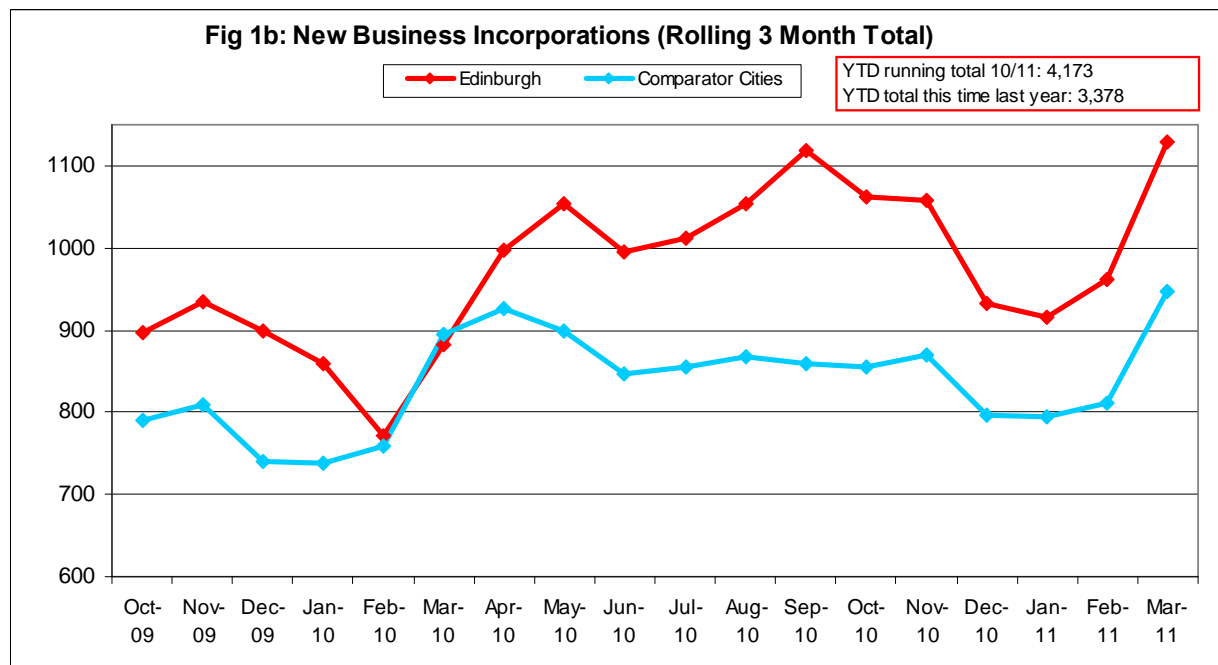
Fig 1a shows that there were 111 start-ups assisted by the Business Gateway in Edinburgh in April 2011, down 25% on April 2010's figure¹.



¹ Source: Business Gateway

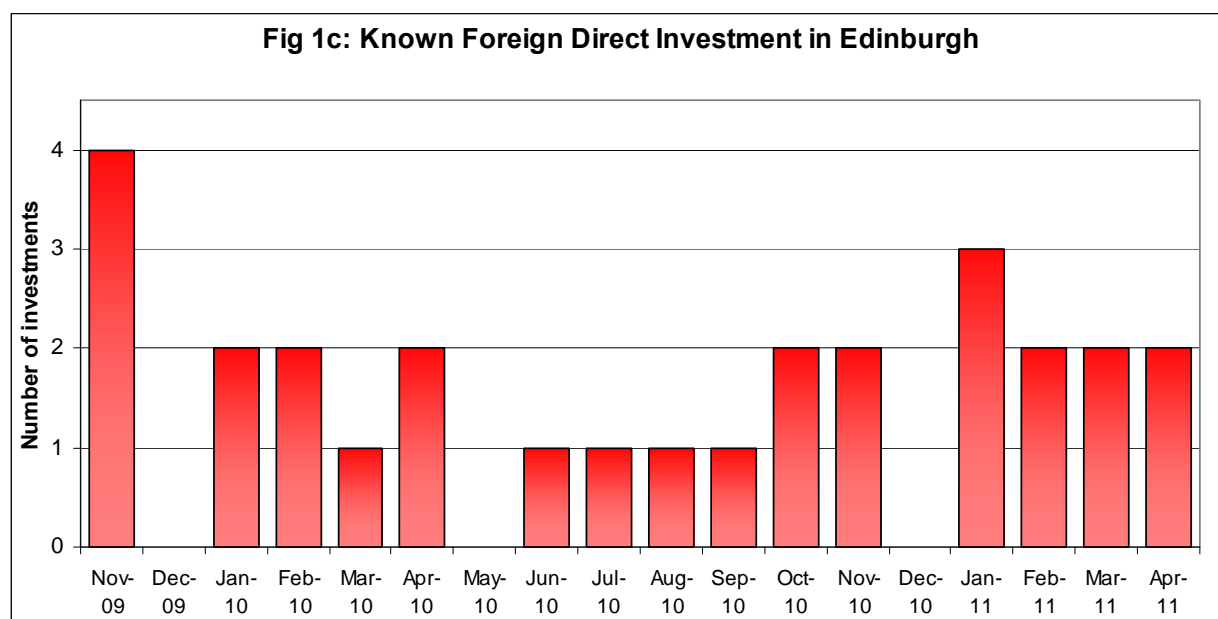
1.2 New Incorporations (Monthly Trend ▲; Annual Trend ▲; Relative to Comparator Cities ▲)

The number of new businesses incorporated in the three-month period ending March 2011 rose significantly from last month to 1,130. This represents an increase of 28.1% on last year's figure, and means the Year to Date figure is up by 23.5% on last year's year end total. Meanwhile, the average for comparator cities also saw a small increase, now standing at 948 incorporations registered in the last three months. This represents a 6% increase from last year's year end.²



1.3 Foreign Direct Investment

Figure 1d shows that 28 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

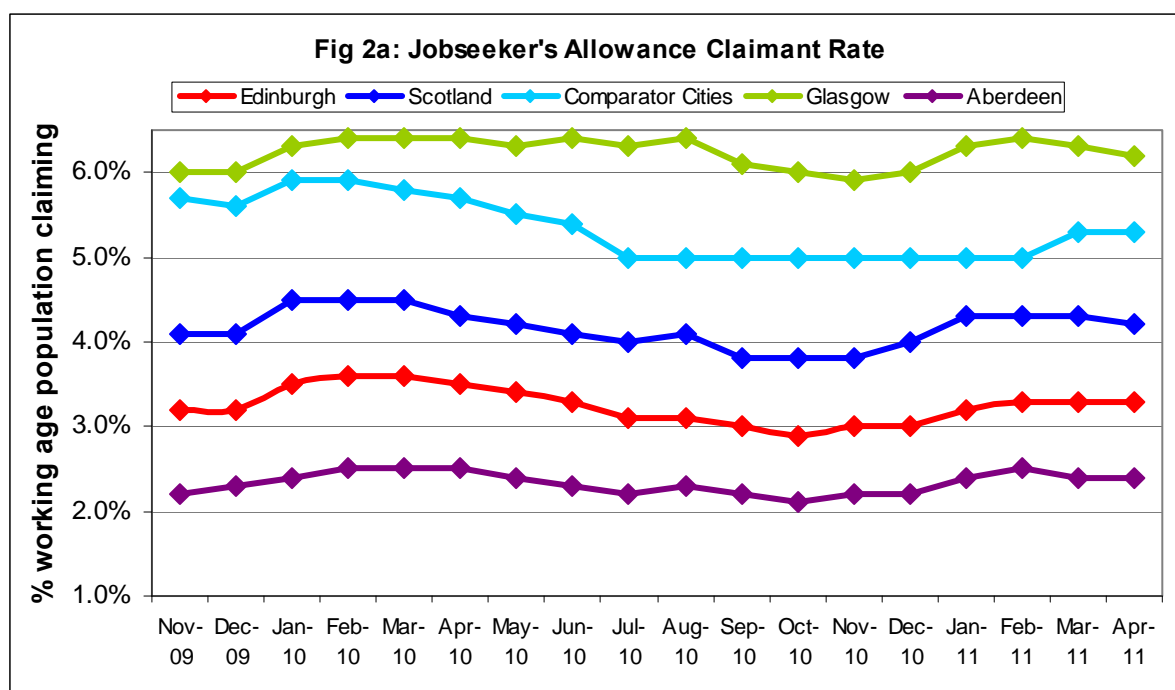
Summary Table

Indicator	Edinburgh this month	Comparison with this month last year
Jobseeker's Allowance Claimant Count	11,105	↓ 0.7%
Jobseeker's Allowance Claimant Rate	3.3%	↓ 0.2% points
Vacancies Advertised by Jobcentre Plus	3,613	↑ 25.8%
Claimants Per Vacancy	3.1	↓ 0.8% point

- The labour market is a lagging indicator following a recession.
- The difference in claimant count between Edinburgh and comparator cities has not closed significantly in the past year.
- 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 4.7.

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

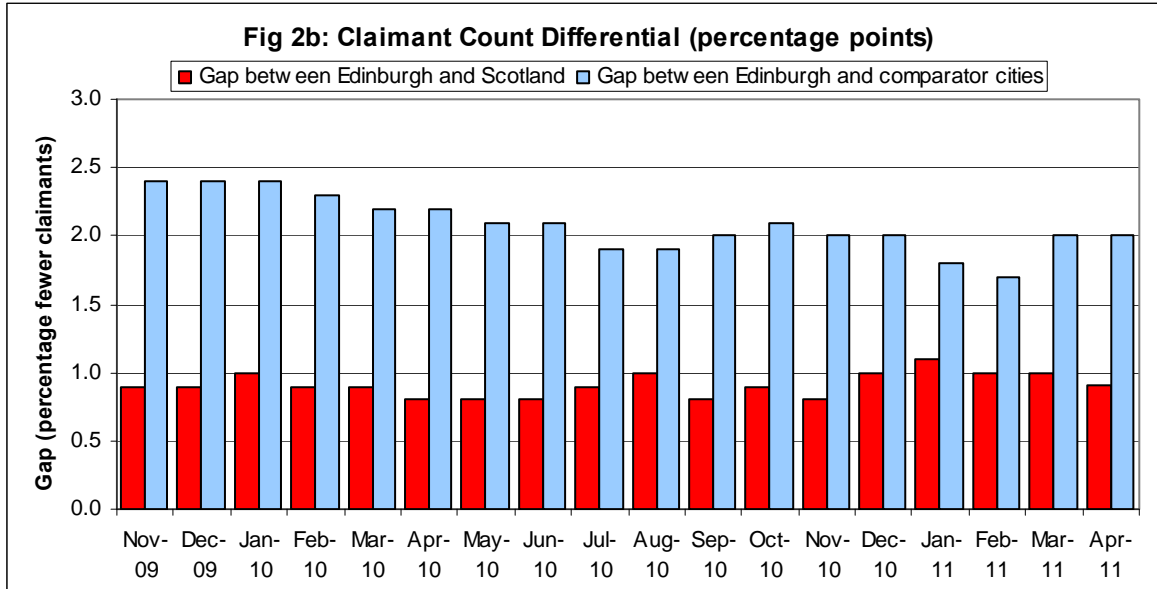
The claimant rate of Edinburgh remained the same in April 2011 from March 2011, 3.3% of the working age population. Edinburgh's claimant rate continues to compare favourably with that of Scotland (4.2%) and comparator cities (5.3%).⁴



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.

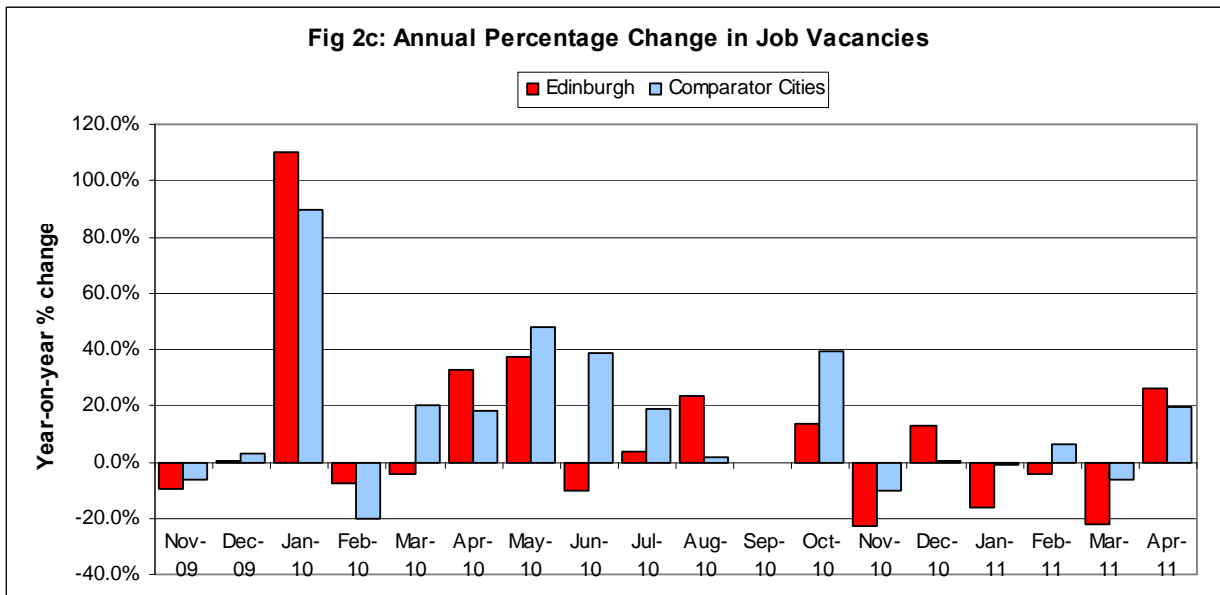
2.2 Claimant Differential (Monthly Trend —; Annual Trend ▼)

Figure 2b highlights the difference in the unemployment rate between Edinburgh and Scotland and comparator cities. In April 2011, Edinburgh's unemployment rate was 0.9 percentage points below that of Scotland and 2 percentage points below that of comparator cities – a slightly narrower gap than a year ago.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 was more than last year. In April 2011, there were 3,613 job vacancies advertised by Jobcentre Plus in Edinburgh – 25.8% more than in April 2010.⁷ Comparator cities also increased compared to last year, by 19.6%.

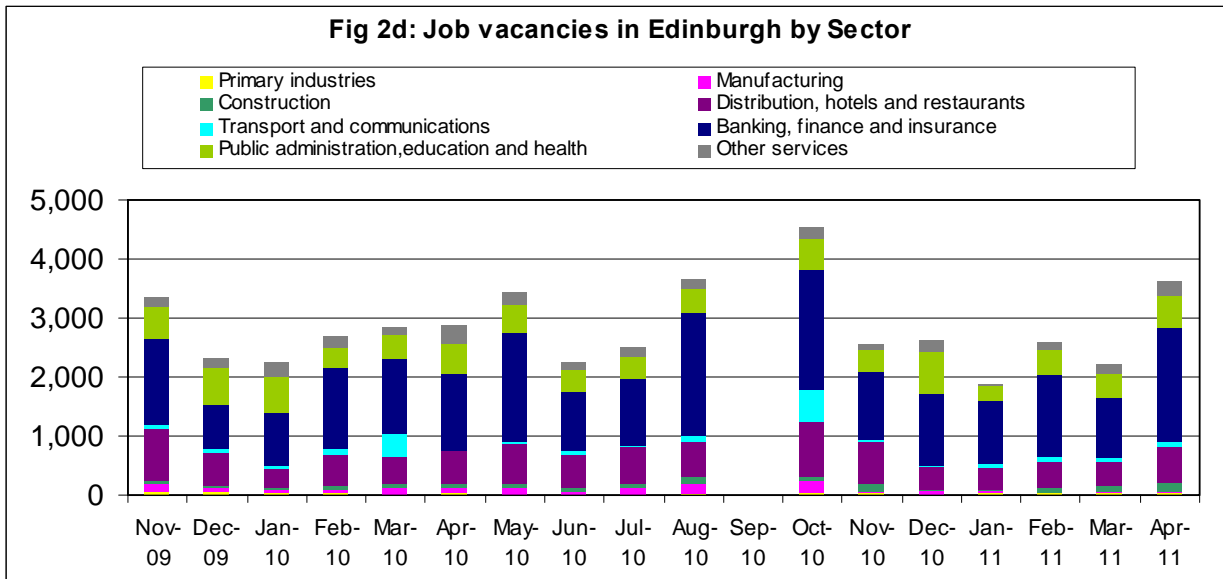


⁵ Source: Jobcentre Plus. The comparator cities figure is an average of claimant counts in Birmingham, Bristol, Cardiff, Glasgow, Leeds, Liverpool, Manchester, Newcastle and Nottingham.

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

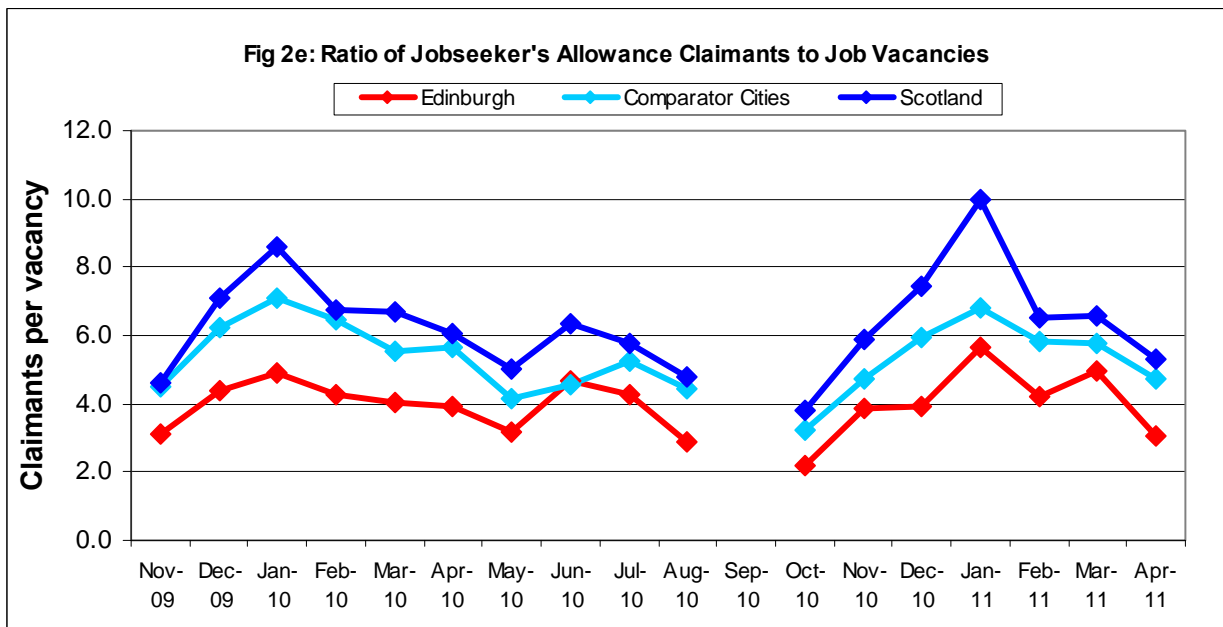
⁷ Source: Jobcentre Plus. The comparator cities figure is an average of claimant counts in Birmingham, Bristol, Cardiff, Glasgow, Leeds, Liverpool, Manchester, Newcastle and Nottingham.

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. April 2011 saw over 3,600 jobs notified.



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

In March 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), while comparator cities also saw a rise this month (4.7 claimants per vacancy).⁹



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

⁹ Ibid

2.5 Job News

Figure 2f details some of the job gains and losses in Edinburgh over the month of March 2011.

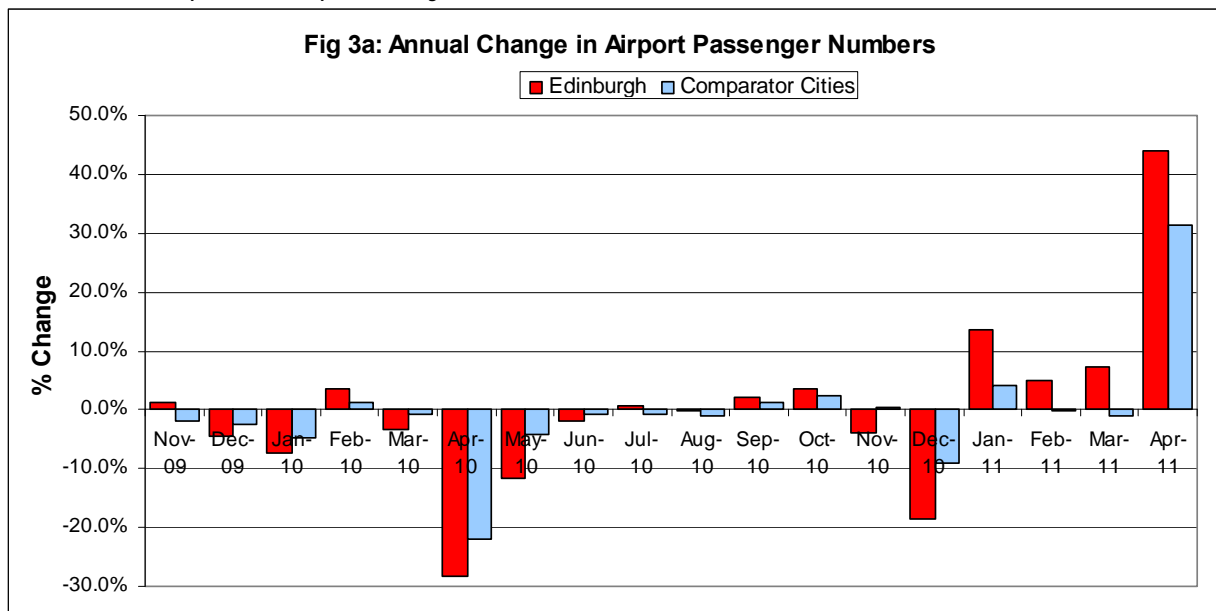
Fig 2f. Job announcements in Edinburgh in April 2011				
Employer	Sector	Location	Potential job gains/losses	Timescale
Sharkey	Construction	Advocate's Close	150	April 2011 to December 2013
Krispy Kreme	Hospitality	Hermiston Gait	100	(Subject to Planning consent)
KFC				
The Mercat	Hospitality	West Maitland Street	5	Ongoing
ICON Clinical	Life sciences	South Gyle	-60	Ongoing
Fleishman Hillard	Marketing	Calton Road	-5	Ongoing
Navyblue	Marketing	Constitution Street	-5	Ongoing

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

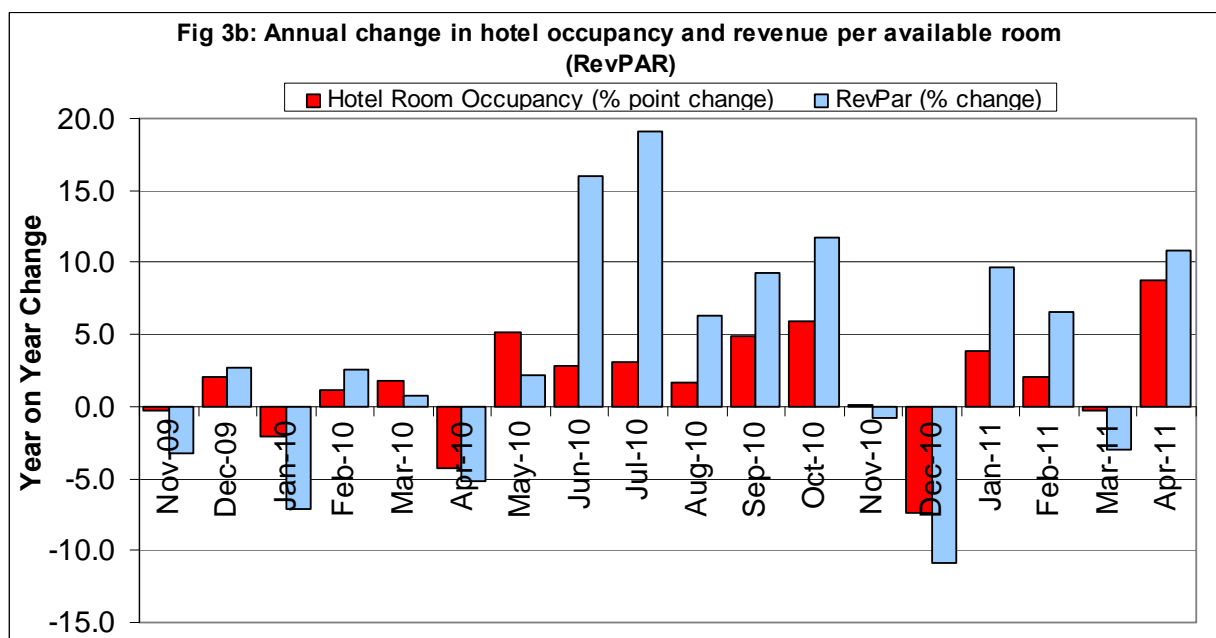
3.1 Airport (Annual Trend ▲; Relative to Comparator Cities ▲)

Passenger numbers at Edinburgh Airport were up by 43.9% in April 2011 in comparison to the 2010 figure. In total, 776,406 passengers passed through the airport in April. Comparator cities rose by 31.4%. In part, both of these high increases can be attributed to closures at airports in April last year due to ash clouds.¹⁰



3.2 Hotels (Annual Trend ▲)

Hotel room occupancy grew in April 2011, compared with 2010, by 8.8% points to stand at 82%. Revenue per available room (RevPar) increased in April 2011 compared with 2010, to £55.97 – up 10.8% from last year.¹¹

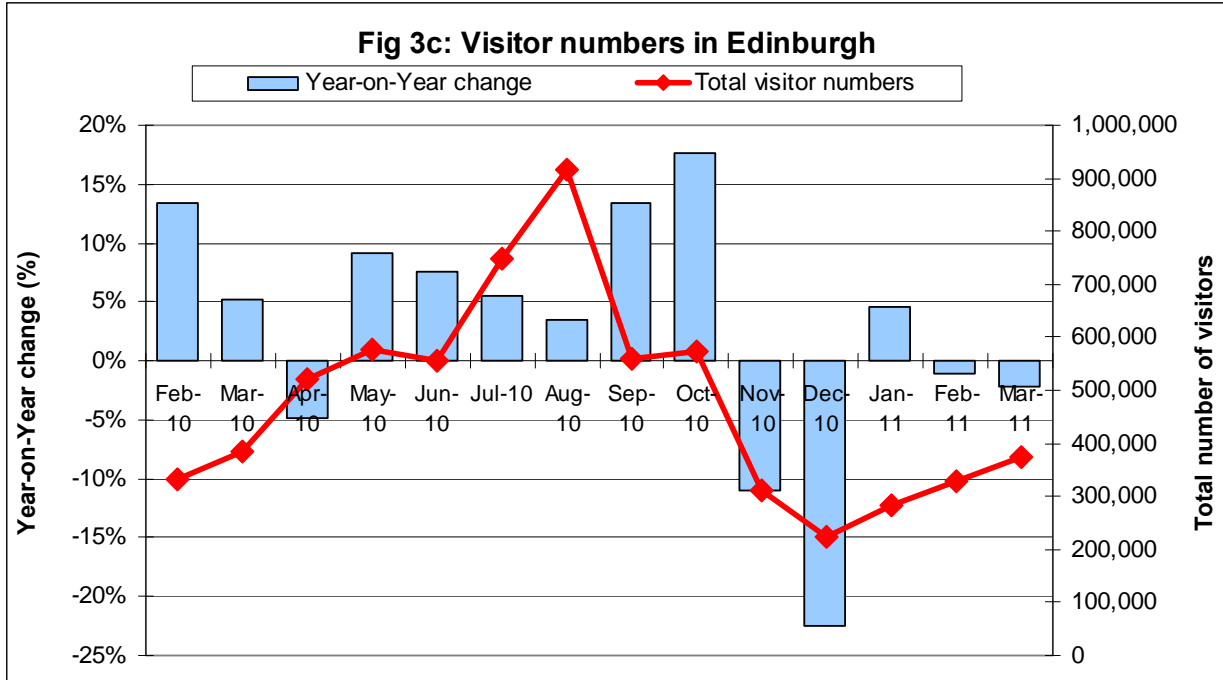


¹⁰ Source: Civil Aviation Authority. The comparator cities figure is an average of year-on-year changes in passenger numbers at Birmingham, Bristol, Cardiff, Gatwick, Heathrow, Leeds, London City, Luton, Manchester, Newcastle and Stansted airports. Please note there was an error in last month's reported figure for Edinburgh. The true figure was 719,797; a 7.2% increase from the previous year.

¹¹ Source: STR Global

3.3 Visitor Attractions (Annual Trend ▼)

Total visitor numbers at a selection of the most popular attractions in Edinburgh were 375,753 in March 2011. This represents a small decrease of 2.2% 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

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

The average house price in Edinburgh fell in March to £197,158. This is still significantly higher than comparator cities, who saw a small fall from February but stayed around their 18 month average of £123,755.¹³

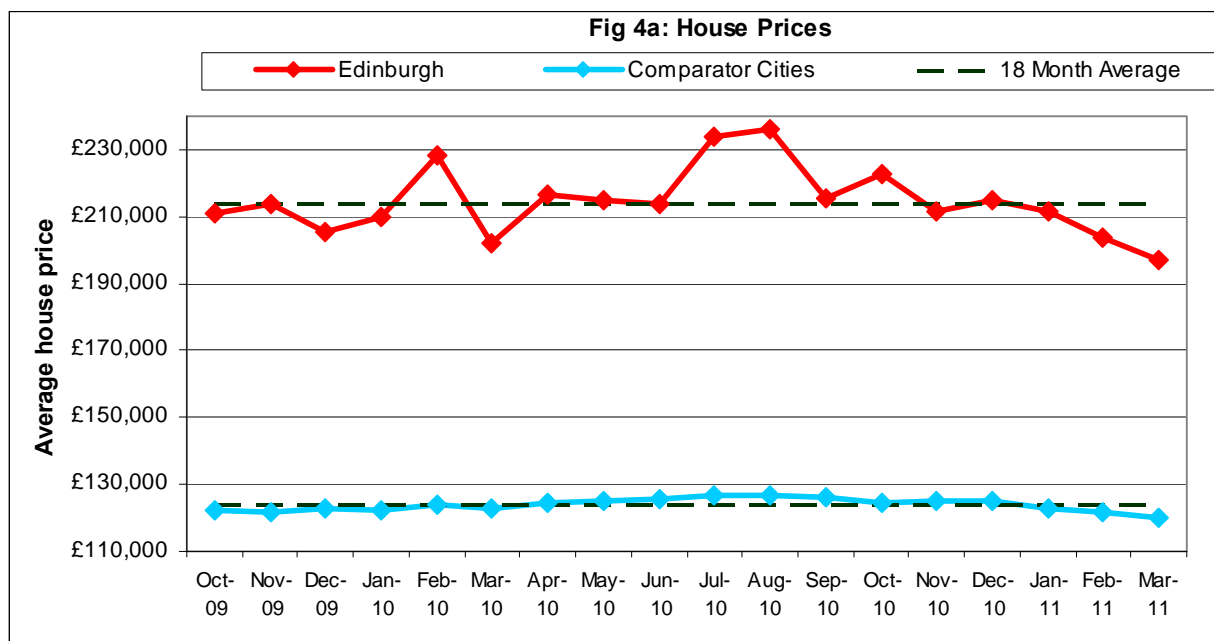
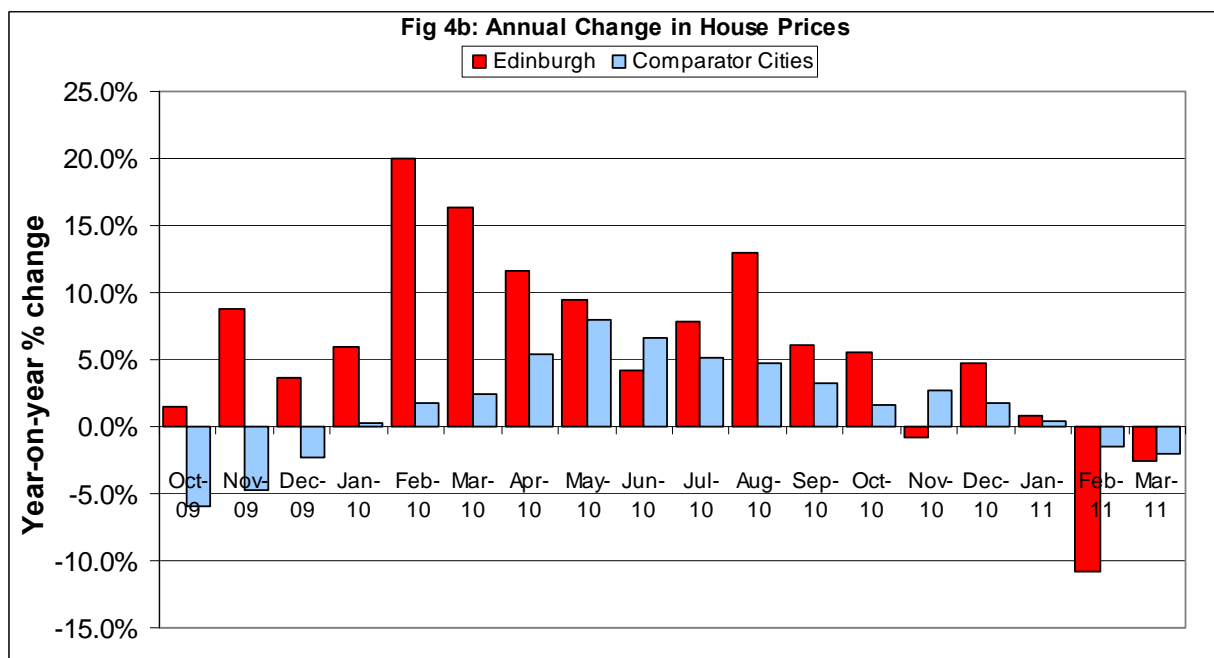


Figure 4b shows how prices have changed compared with the same period last year. House prices in Edinburgh fell by 2.6% from March 2010. House prices in comparator cities fell year-on-year by 2%.¹⁴

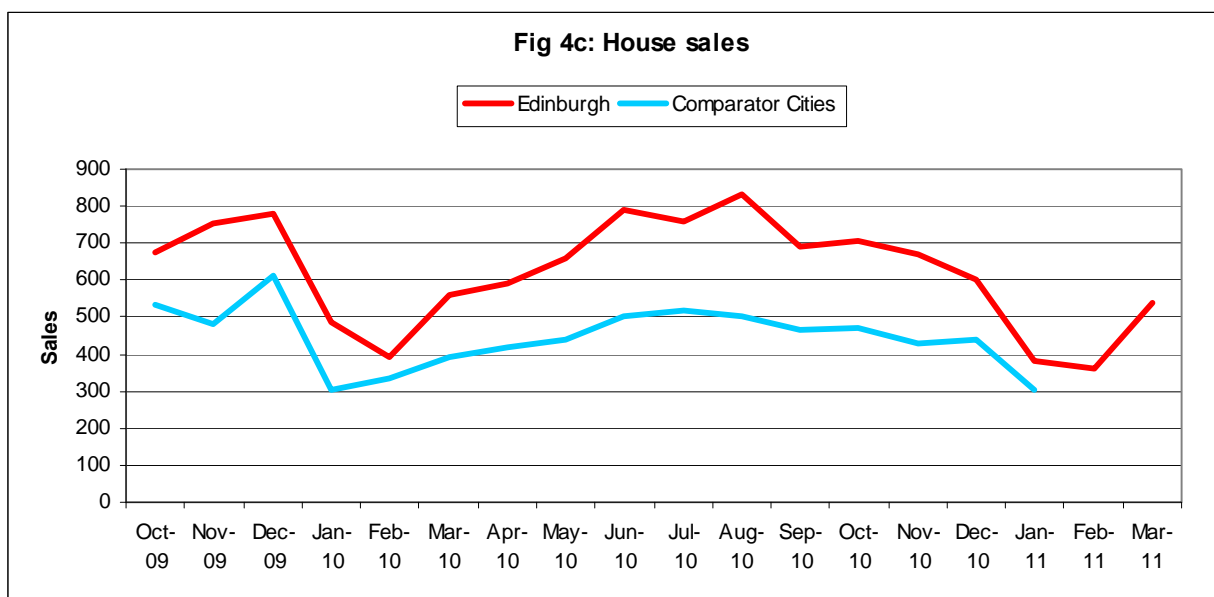


¹³ Source: Registers of Scotland (Scottish cities); Land Registry (English & Welsh cities). The figure quoted for comparator cities is based on an average of house prices in Birmingham, Bristol, Cardiff, Glasgow, Leeds, Liverpool, Manchester, Newcastle and Nottingham. NB Figures are provisional and subject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

¹⁴ Ibid

4.2 House Sales (Monthly trend ▲; Annual trend ▼; Relative to Comparator Cities →)

537 homes were sold in Edinburgh in March 2011. This represents 3.8% fewer houses sold compared to March 2010.¹⁵



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

¹⁵ Ibid

(5) Planning and Development

5.1 Planning Applications Received (Monthly Trend ▲; Annual Trend ▲) and Building Warrants Issued (Monthly Trend ▲; Annual Trend —)

In the three-month period ending in April 2011, the City of Edinburgh Council received 1305 planning applications and issued 1179 building warrants. ¹⁶

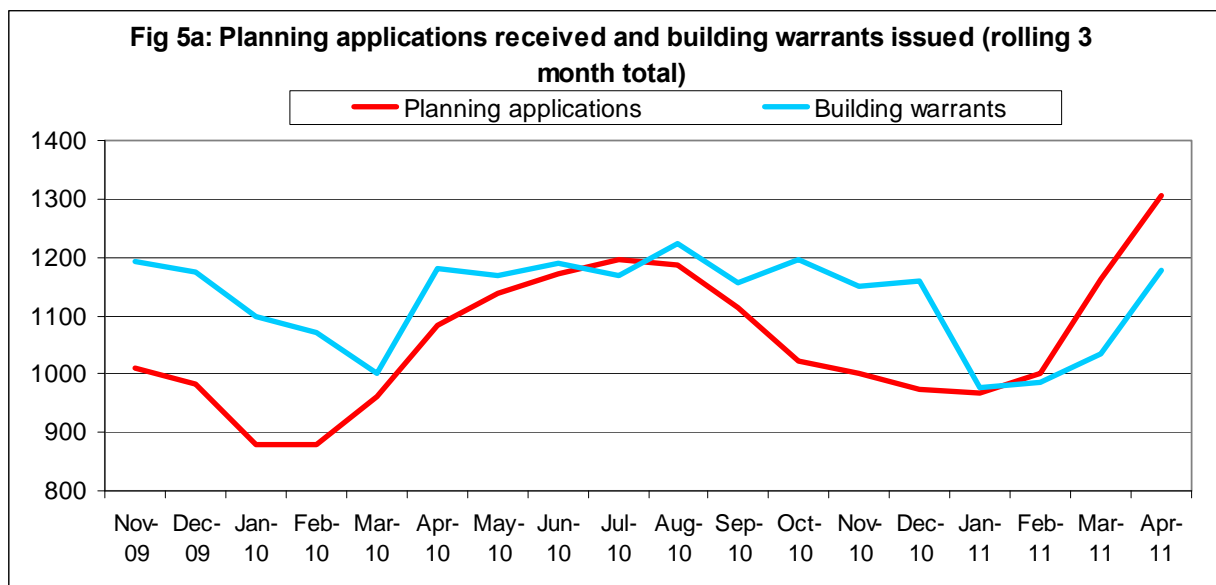
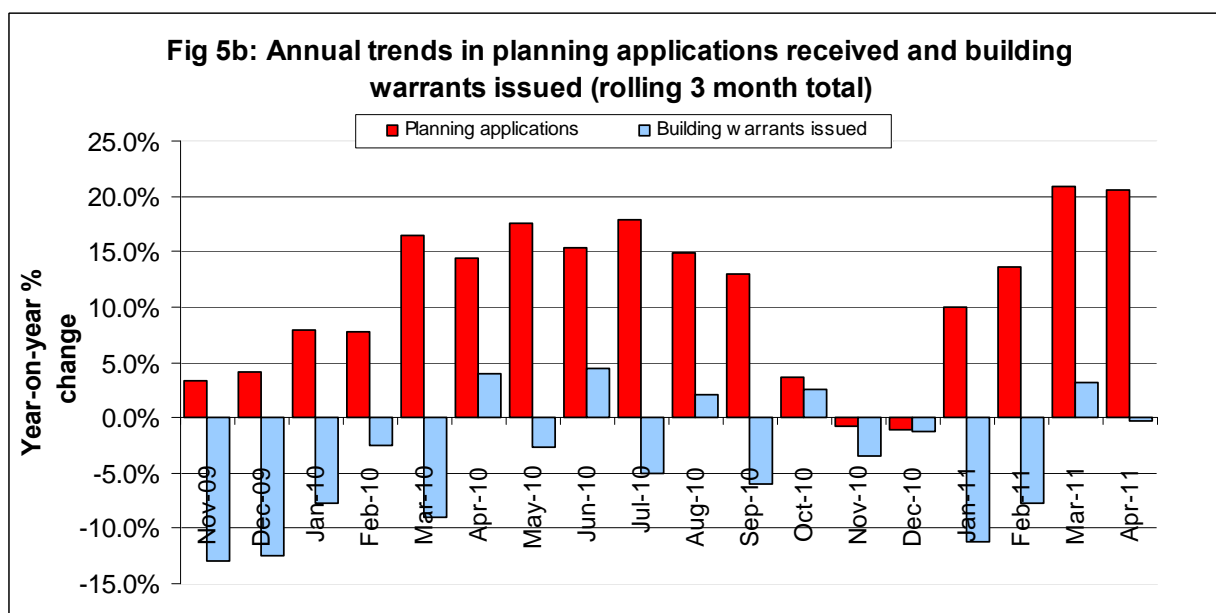


Fig 5b shows that the annual change in planning applications has increased in the month of March 2011, up 20.5% on last year. The number of building warrants issued decreased slightly, by 0.3% on last year's figure.



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

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 31 PANs received in Edinburgh over the last 12 months – more than any other Scottish city.

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

	Aberdeen	Dundee	Edinburgh	Glasgow
May 2010	2	0	2	2
June 2010	0	2	3	1
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
Total	11	5	31	26

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

The [Edinburgh Resilience Action Plan](#) provides a plan of action to address the economic challenges facing the City of Edinburgh and the wider city region as a result of the current economic climate.

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/LGNL_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

<http://www.wlinfo.org.uk/Economy.asp>