

Welcome to the November 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?

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 relative to 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
Investment	↓	↓	↑	New business incorporations up 22.4% Business Gateway start-ups down 25%
Labour market	↓	↑	↑	Claimant per vacancy down 0.1% points Job vacancies up 18.4%
Tourism	↑	↓	↑	Airport passenger numbers up by 1.7% Hotel room occupancy down 1.2% points
Housing	↑	↓	↑	House prices up 2.9% House sales down 6.8%
Planning and development	↑	↓	↓	Planning applications received up 8.8% Building warrants issued down 3.3%

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

(1) Investment

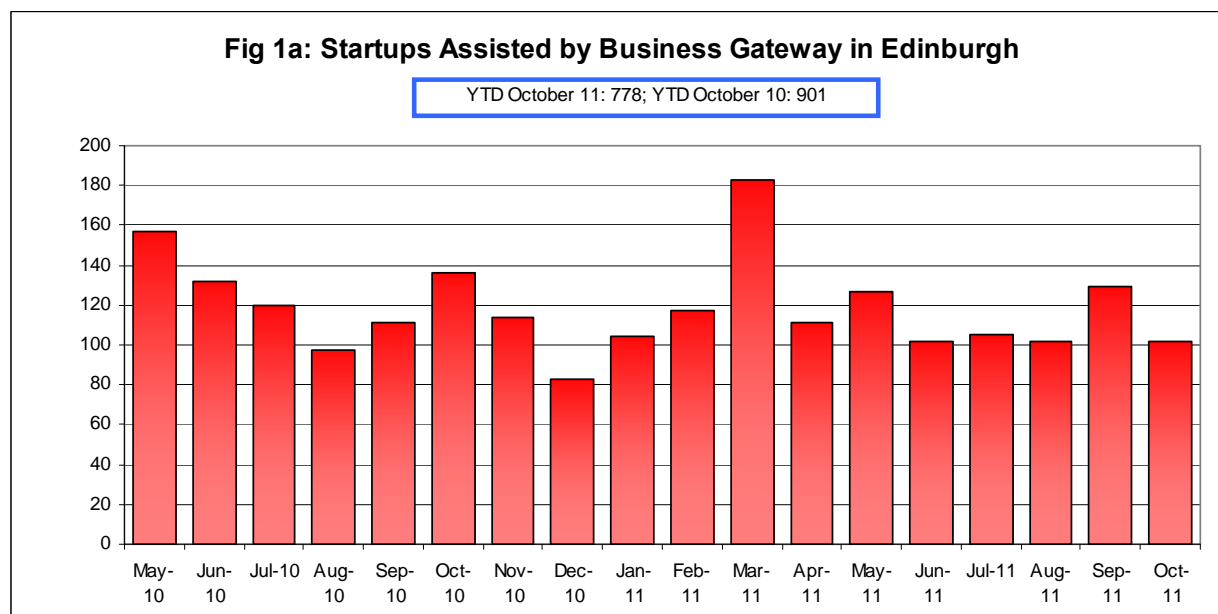
Summary Table

Indicator	Edinburgh latest month	Year to Date	Comparison with the same month last year
Business Gateway Start-ups	102	778	↓ 25.0%
Business Incorporations	427	2,974	↑ 22.4% ¹
Large-scale Foreign Direct Investments	1	26	↑ 100%

- Business Gateway start-up figures for October are 25.0% lower than for the same month last year, but still expected to meet contracted targets for the year.
- Business incorporations in the city are 22.4% up for the year to date and rising more quickly than comparator cities.
- A total of 26 large scale FDI projects have been recorded in the city so far this year up until and including October.

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

Fig 1a shows that 102 start-ups companies were assisted by the Business Gateway in Edinburgh during October 2011. This figure was down 25.0% on the 136 new firms assisted during the same month last year. It is comparable with recent month's figures (June, July and August) and performance is expected to meet contracted target figures.²

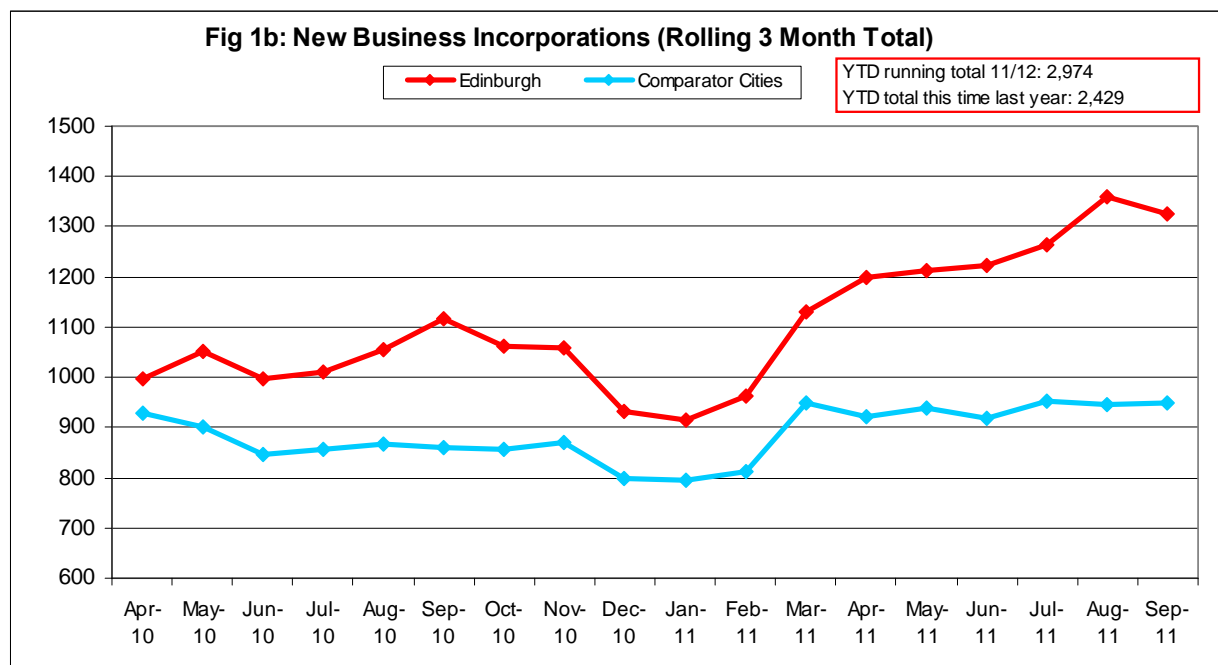


¹ Comparing a rolling 3 month average with the same period last year.

² Source: Business Gateway

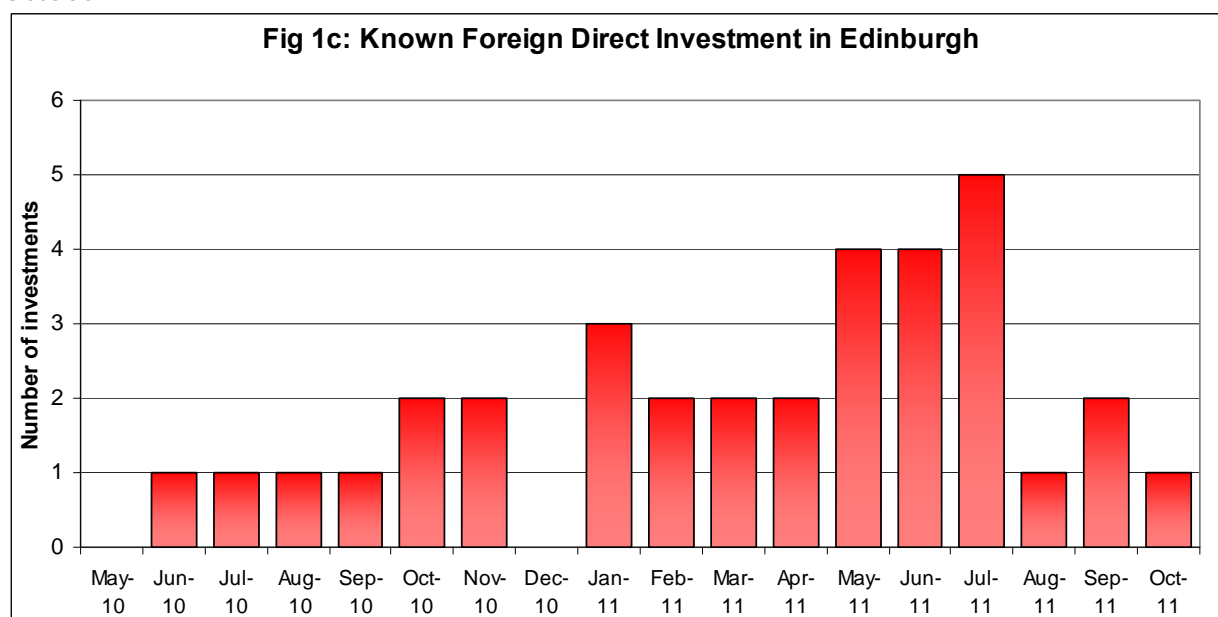
1.2 New Incorporations (Monthly Trend ▼; Annual Trend ▲; Relative to Comparator Cities ▲)

A total of 1,323 new businesses incorporated in Edinburgh during the three-months to September 2011 and 2,974 new businesses incorporated this financial year in Edinburgh. This represents an increase of 18.5% on the same period last year, compared against a 10.4% increase recorded in comparator cities across the same time period.³



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

Figure 1c shows that 34 large-scale Foreign Direct Investment (FDI) projects in Edinburgh have been recorded by FDI Markets over the past 18 months.⁴ One has been recorded for October.



³ 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.

⁴ Source: FDI Markets. NB Figures are provisional and subject to change. Figures may be added to the database retrospectively.

(2) Labour Market

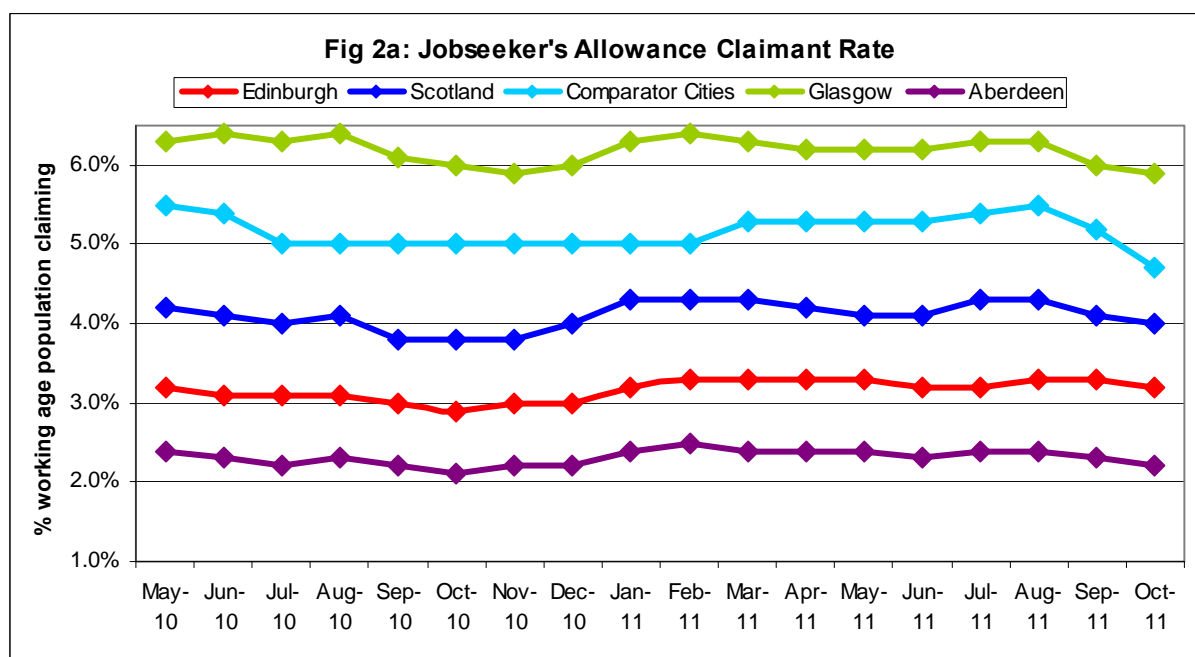
Summary Table

Indicator	Edinburgh in latest month	Comparison with the same month last year
Jobseeker's Allowance Claimant Count	11, 140	↑ 12.7%
Jobseeker's Allowance Claimant Rate	3.2%	↑ 0.3% points
Young Adult Jobseeker's Allowance Claimant Rate ⁵	4.4%	↑ 0.5% points
Vacancies Advertised by Jobcentre Plus	5,349	↑ 18.4%
Claimants Per Vacancy	2.1	↓ 0.1% 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; the trend has been broadly similar.
- There are now 2.1 Jobseeker's Allowance claimants for every vacancy advertised by Jobcentre Plus. Scotland's ratio is 3.6 and the comparator cities' average is 3.4.

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

The claimant rate of Edinburgh decreased in October 2011 to 3.2% of the working age population. Edinburgh's claimant rate continues to compare favourably with that of Scotland (4.1%) and comparator cities (5.2%).⁶

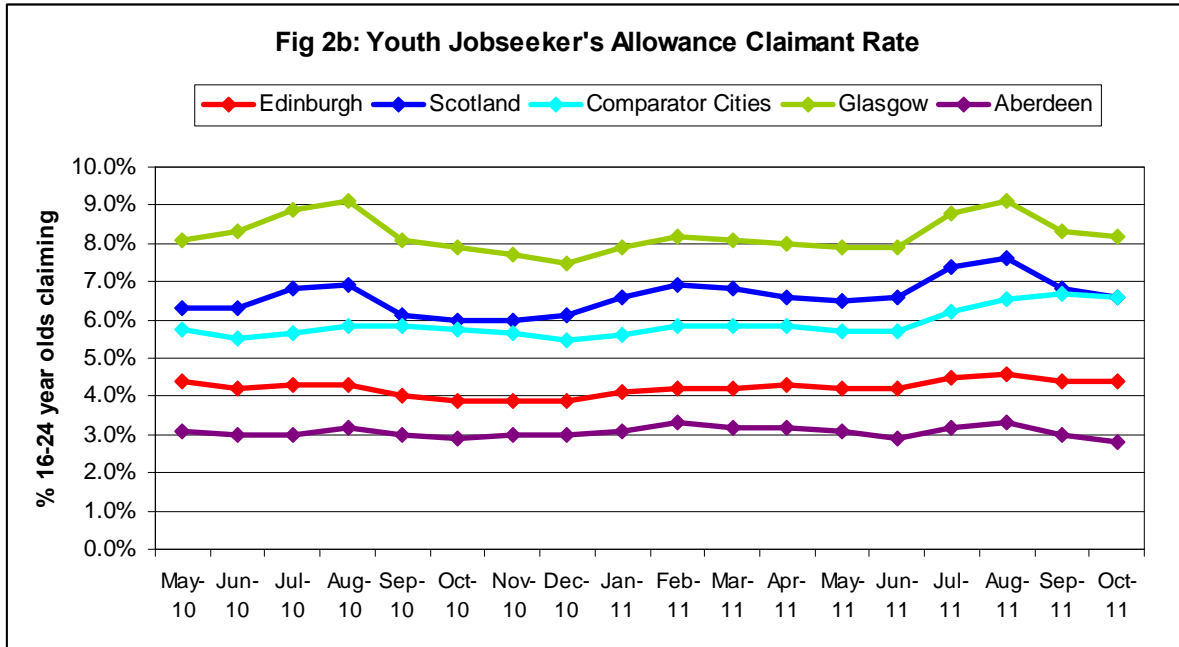


⁵ 16-24year olds

⁶ 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.

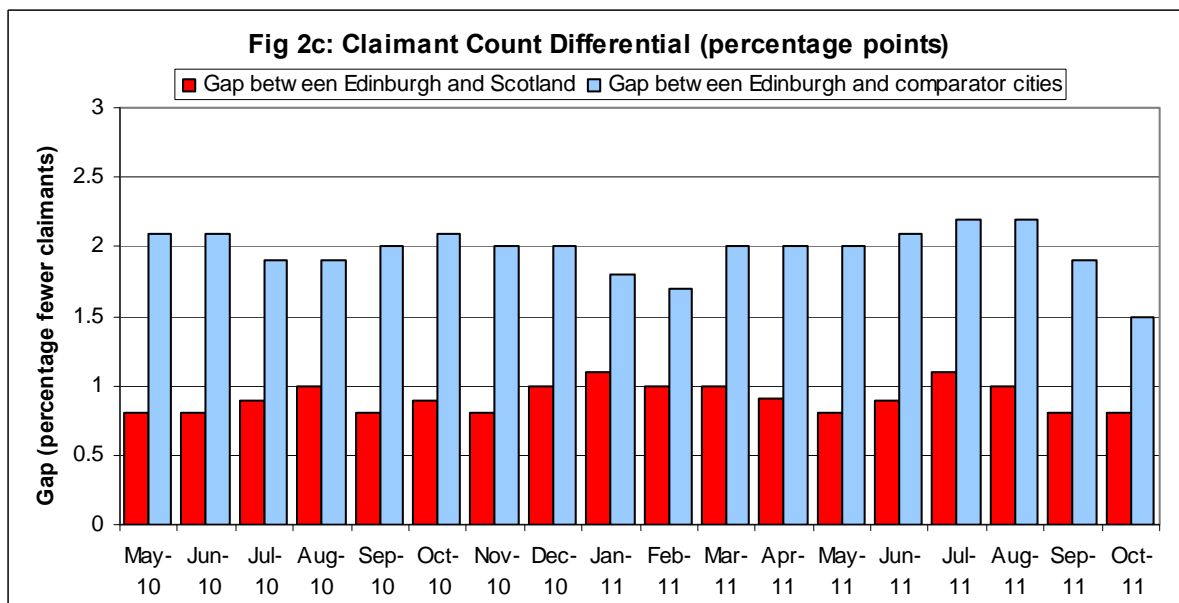
2.2 Young Adults Claimant Rate (Monthly Trend —; Annual Trend ▲; Relative to Comparator Cities ▼)

Figure 2b is a new indicator. It shows a very similar trend to figure 2.a above with the figures following the general claimant trend. Youth unemployment in Edinburgh is 4.4% an increase of 0.5% on last year's figure.



2.3 Claimant Differential (Monthly Trend ▼; Annual Trend ▼; Relative to Comparator Cities N/A)

Figure 2c highlights the difference in the unemployment rate between Edinburgh and Scotland and comparator cities. In October 2011, Edinburgh's unemployment rate was 0.8 percentage points below that of Scotland and 1.5 percentage points below that of comparator cities.⁷



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.

2.4 Job Vacancies⁸ (Monthly Trend ▲; Annual Trend ▲; Relative to Comparator Cities ▼)

Figure 2d shows that the number of job vacancies advertised by Jobcentre Plus, in Edinburgh during October 2011, was 18.4% higher than that recorded in the same month last year.⁹ Also, the figure of 5,349 vacancies is higher than the previous month's figure of 2,978. The total across all comparator cities was down by 6.3% compared against October 2010.

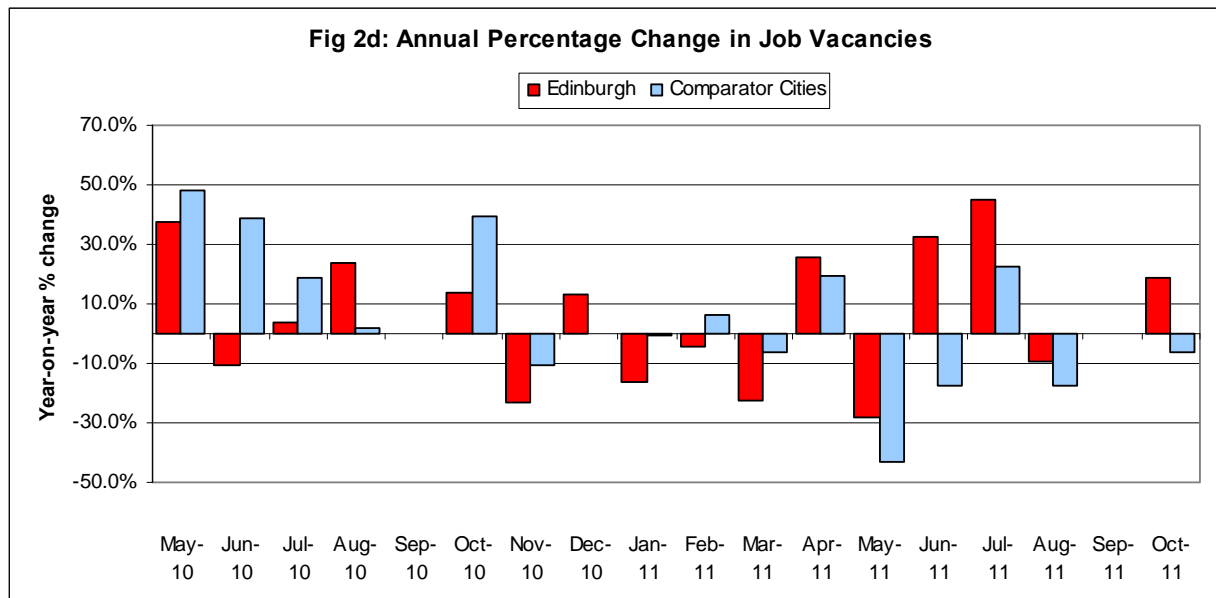
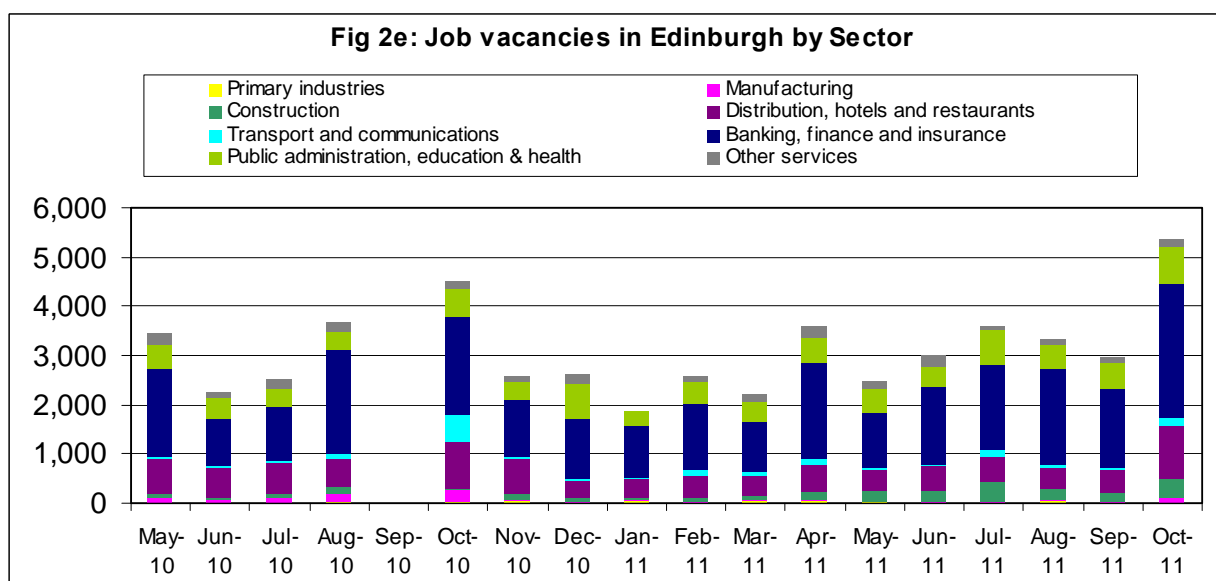


Figure 2e shows the breakdown of job vacancies in Edinburgh notified by Jobcentre Plus by the sector they appear in. Vacancies notified by Jobcentre Plus represent approximately one third of all vacancies. October 2011 saw over 5,349 jobs notified. Jobs in the distribution, hotels and restaurants sector and banking, finance and insurance sector saw the largest increases on the previous month. All sectors saw job vacancies advertised increase with the exception of the other services.

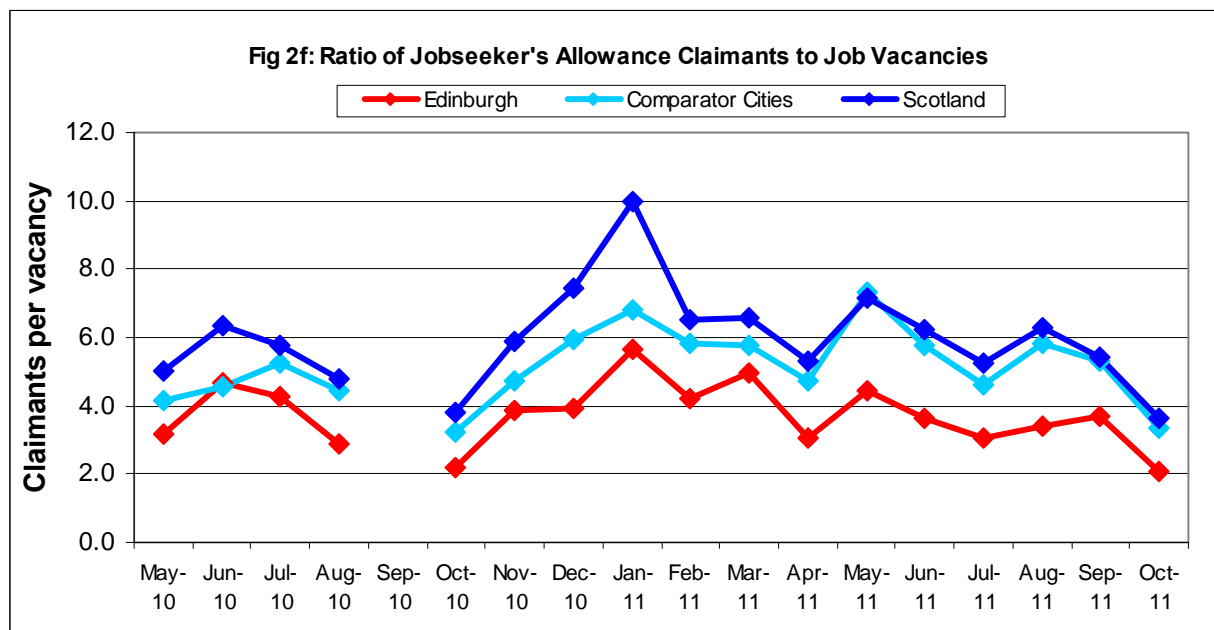


⁸ Due to problems identified with the source data supplied by DWP, it is presently not possible to report vacancy figures for September 2010.

⁹ Source: Jobcentre Plus. The comparator cities figure is a total number of vacancies in Birmingham, Bristol, Cardiff, Glasgow, Leeds, Liverpool, Manchester, Newcastle and Nottingham.

2.5 Vacancy Ratio¹⁰ (Monthly Trend ▼; Annual Trend —; Relative to Comparator Cities ▲)

In October 2011, there were 2.1 Jobseeker's Allowance claimants in Edinburgh for every vacancy advertised by Jobcentre Plus. Figure 2f shows that the ratio compares favourably with Scotland (3.6 claimants per vacancy) and comparator cities (3.4 claimants per vacancy) despite the gap between Edinburgh and comparator cities narrowing slightly during the previous two months.



2.6 Job News

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

Fig 2g: Job announcements in Edinburgh in September 2011

Employer	Sector	Location	Potential job gains/losses ¹¹	Timescale
Cook	Food and Drink	Morningside	Unknown	Unknown
RMJM	Architects	Dean Village	Up to 20	Unknown
Places for People	Property	Unknown	640	Over the next 3 years
Edinburgh Zoo	Tourism	Corstorphine	12	Unknown
Infosys	ICT	Unknown	Unknown	Over the next 15 months
Genius Foods	Food and Drink	Northumberland Street	12	Unknown

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

¹⁰ Due to problems identified with the source data supplied by DWP, it is presently not possible to report vacancy figures for September 2010.

¹¹ Losses are shown in parentheses

(3) Tourism

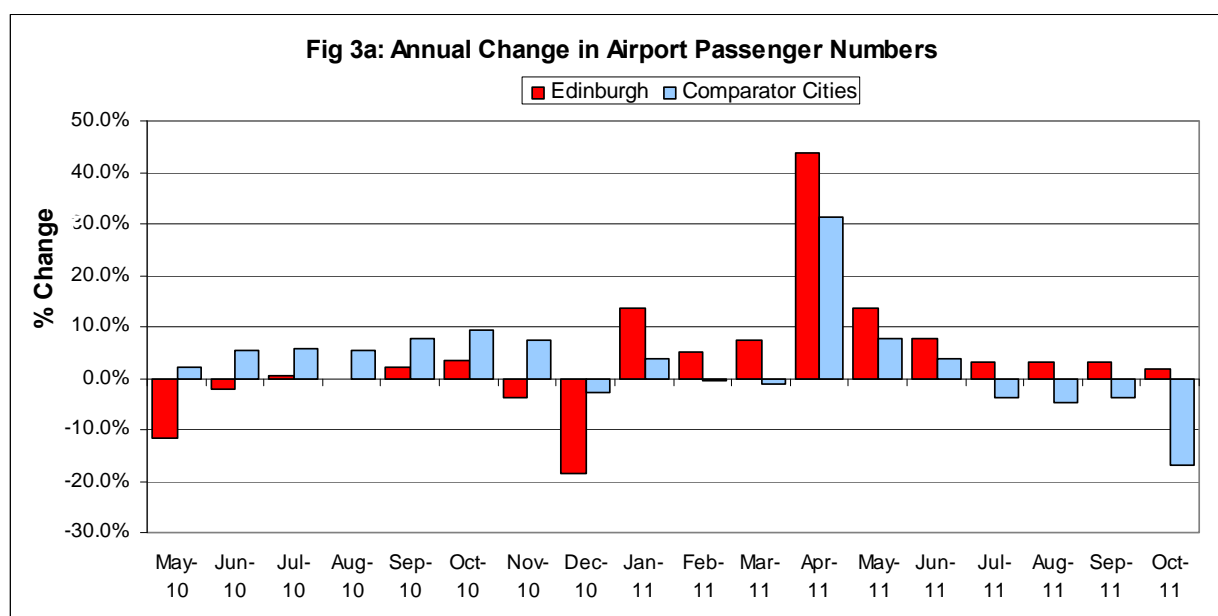
Summary Table

Indicator	Edinburgh in latest month	Comparison with the same month last year
Airport Passenger Number	868,664	↑ 1.7%
Hotel Room Occupancy	83.4%	↓ 1.2% points
Revenue Per Available Room	£60.05	↓ 5.0%
Total Visitor Numbers ¹²	681,095	↑ 22.0%

- Airport passenger number increased by 1.7% in October 2011 compared to October 2010 whereas comparator cities fell by 16.8%.
- Hotel room occupancy fell slightly to 83.4% in October 2011; this is a decrease of 1.2% compared to last year's figure. Revenue per available room also saw a decrease of 5.0% from October last year to £60.05 in October this year.
- Total visitor numbers in selected attractions increased in October 2011 to 681,095 this is a 22.0% increase from October 2010.

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

Passenger numbers at Edinburgh Airport were up by 2.4% in October 2011 in comparison to the 2010 figure. In total, 868,644 passengers passed through the airport in October compared with 900,049 in September. Comparator cities passenger numbers fell by 16.8% when compared with the same period last year.¹³

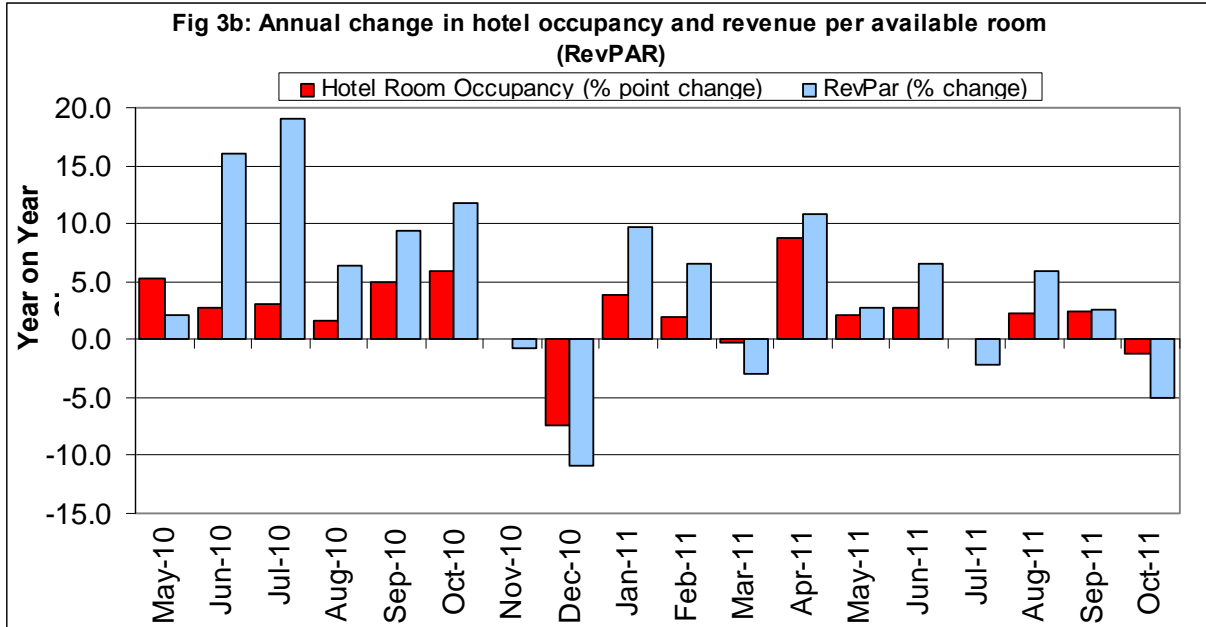


¹² Visitor number figures are always two months behind the current month.

¹³ 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.

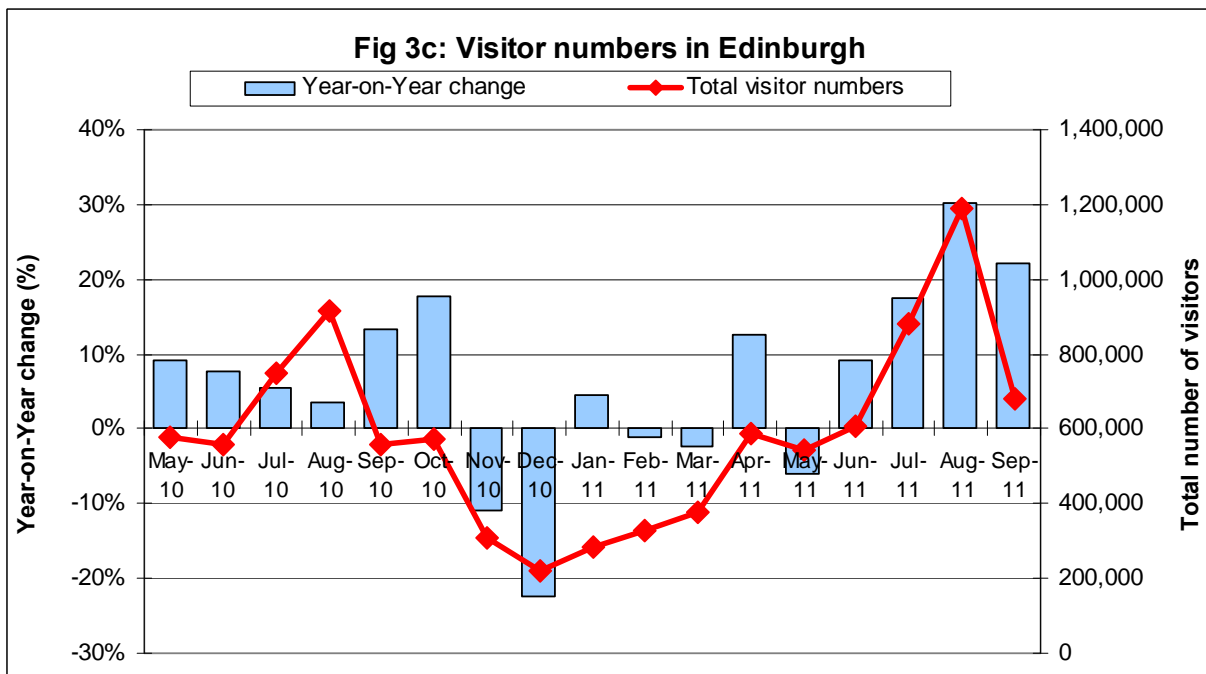
3.2 Hotel Room Occupancy (Monthly Trend ▼; Annual Trend ▼; Relative to Comparator Cities N/A) and Revenue per Available Room (Monthly Trend ▼; Annual Trend ▼; Relative to Comparator Cities N/A)

Hotel room occupancy rates were recorded at 83.4% during October 2011, a decrease of 1.2% percentage points over the same month in 2010 and a decrease of 8.7% points on the previous month. Revenue per available room (RevPar) decreased in October 2011 compared with 2010, to £60.05; a decrease of 5.0% from last years figure.



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 681,095 in September 2011. This represents an increase of 22.0% from 2010.¹⁴



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

¹⁴ Source: Marketing Edinburgh. 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

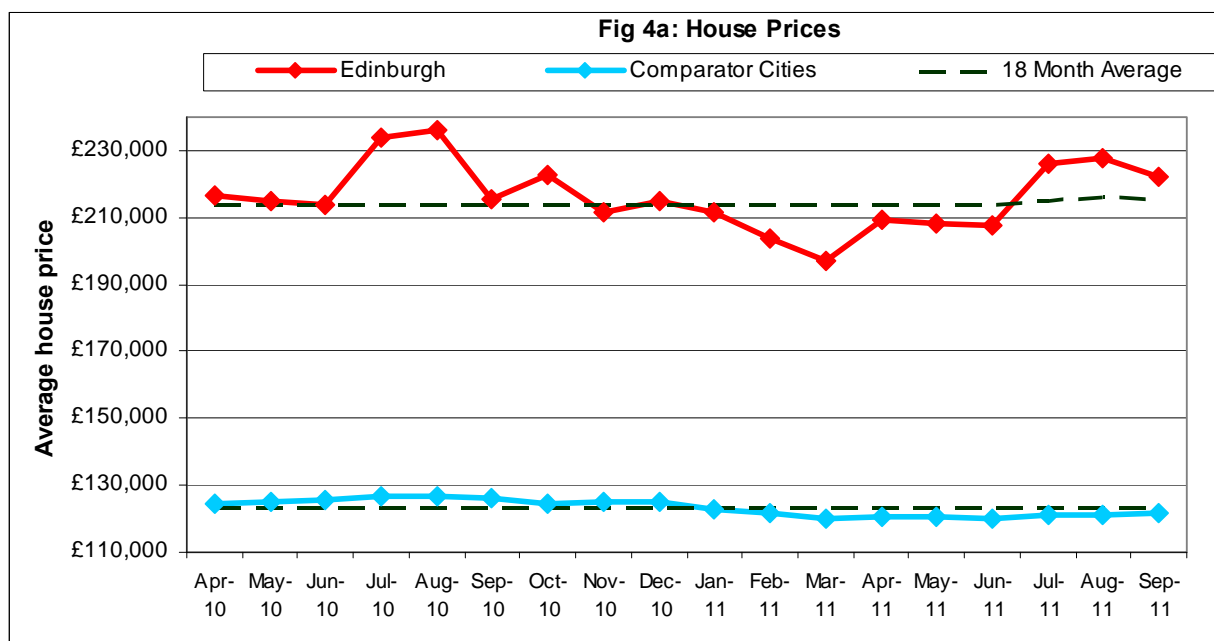
Summary Table

Indicator	Edinburgh in latest month	Comparison with the same month last year
House Prices	£221,876	↑ 2.9%
House Sales	642	↓ 6.8%

- Average house prices in September 2011 decreased from August to £221,876.
- The Average house price saw an increase of 2.9% on the previous year whilst comparator cities saw a fall of 3.5%.
- 642 homes were sold in Edinburgh during September 2011, which is 6.8% below the number recorded in September 2010.

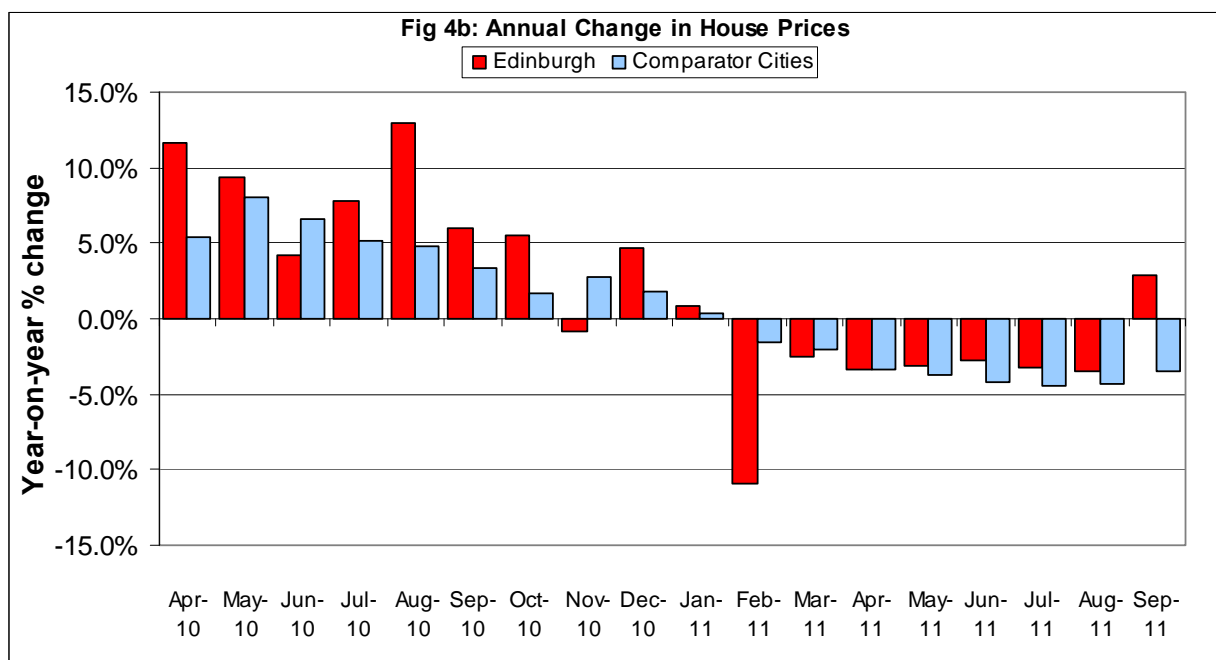
4.1 House Prices (Monthly trend ▼; Annual Trend ▲; Relative to Comparator Cities ▲)

The average house price in Edinburgh decreased in September to £221,876. This is still significantly higher than the average across comparator cities, which remained static in September and remained close to their 18 month average of £123,252.¹⁵



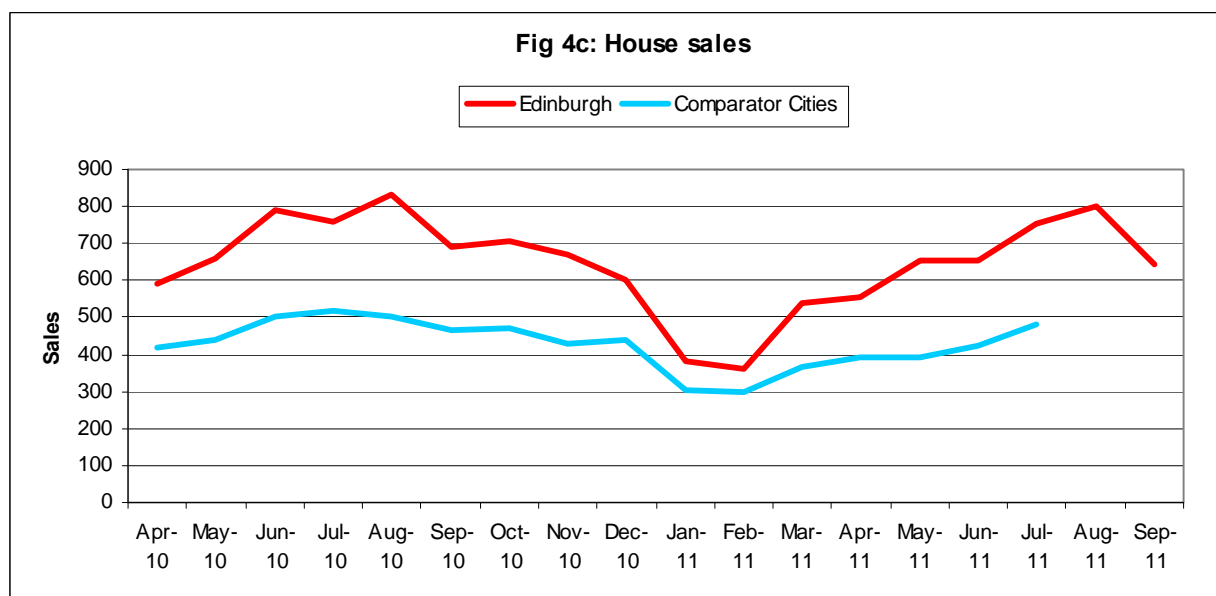
¹⁵ Source: Registers of Scotland (Scottish cities); Land Registry (English & Welsh cities). The figure quoted for comparator cities is based on an average of house prices in Birmingham, Bristol, Cardiff, Glasgow, Leeds, Liverpool, Manchester, Newcastle and Nottingham. NB Figures are provisional and subject 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 September 2011 were 2.9% above those recorded in September 2010. House prices in comparator cities fell year-on-year by 3.5%, which is less than the previous month.¹⁶



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

642 homes were sold in Edinburgh in September 2011. This represents 6.8% fewer houses sold compared to the previous year.¹⁷



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

¹⁶ Ibid
¹⁷ Ibid

(5) Planning and Development

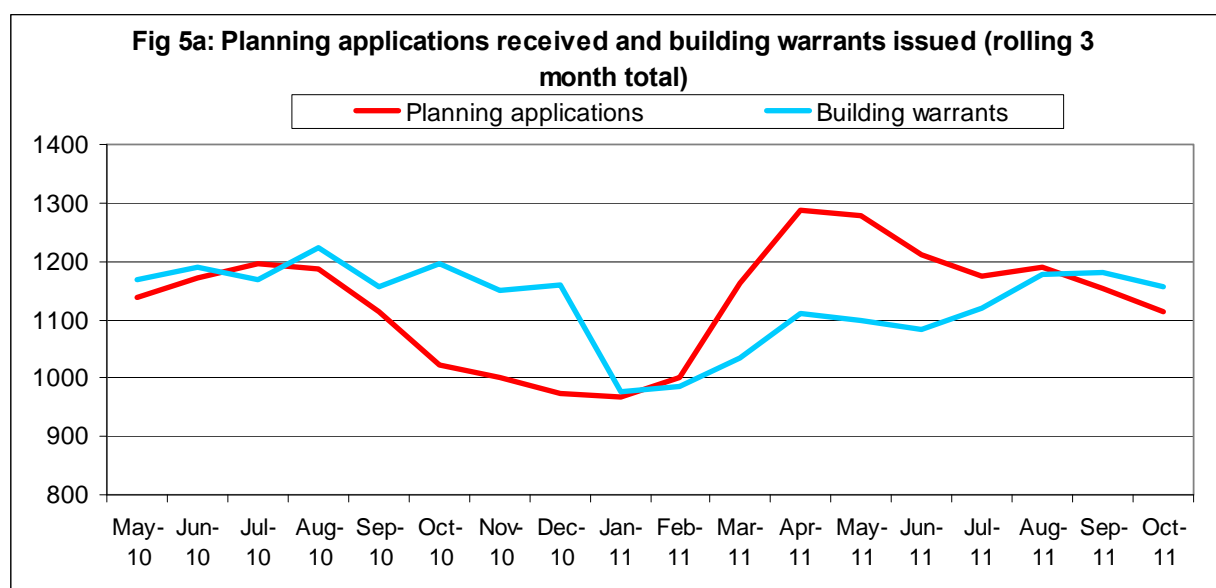
Summary Table

Indicator	Edinburgh in latest 3 month period	Comparison with the same period last year
Planning Applications Received	1,113	↑ 8.8%
Building Warrants Issued	1,156	↓ 3.3%

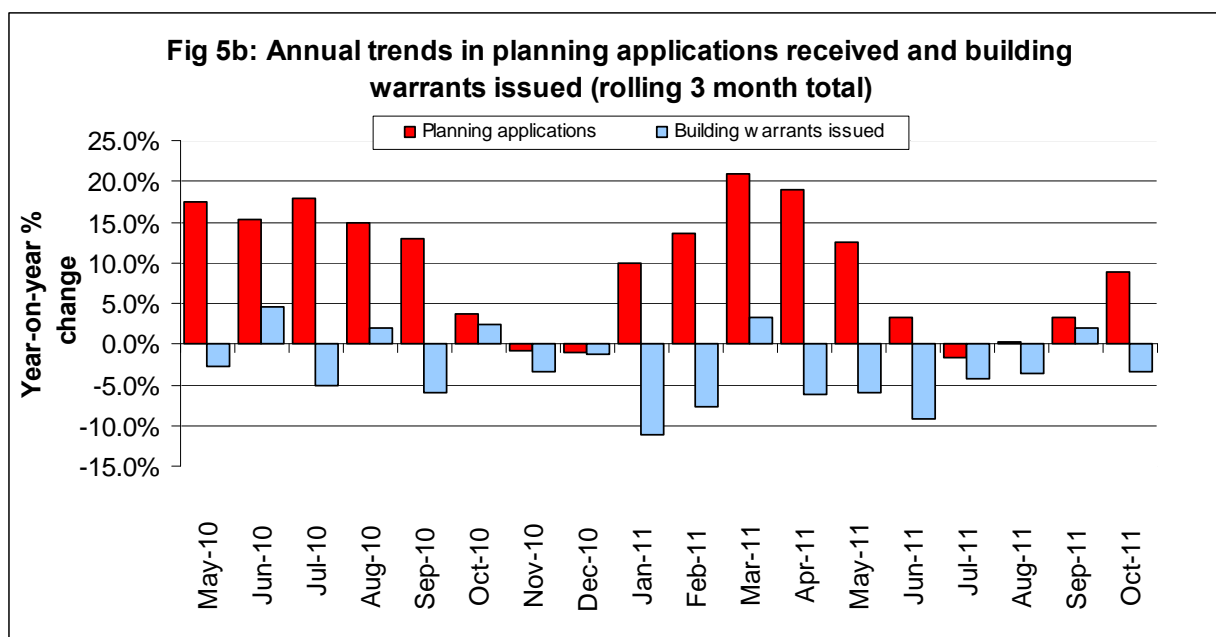
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- The City of Edinburgh Council received 1,152 planning applications in the three-month period ending in September 2011, which is 8.8% higher than the same period last year.
- The City of Edinburgh Council issued 1,156 building warrants in the three-month period ending in September 2011, which is 3.3% 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 September 2011, the City of Edinburgh Council received 1,113 planning applications, an 8.8% increase on that recorded over the same period in 2010. A total of 1,156 building warrants were issued in the three months to September, a decrease of 3.3% compared against the same period in 2010.¹⁸ These trends are illustrated in Fig 5a and Fig 5b.



¹⁸ 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 Cities¹⁹ ▼)

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 42 PANs received in Edinburgh over the last 15 months. Edinburgh’s Proposal of Application Notices received was the same as the previous month (3) whereas the comparator cities decreased by 1 in total.

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
August 2011	0	0	3	4
September 2011	1	1	3	1
October 2011	1	0	0	2
Total	16	9	42	47

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/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>

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](#)

¹⁹ Edinburgh's performance relative to comparator cities.