

Welcome to the September 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](mailto: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](http://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 24.9% Business Gateway up 5.2%	<a href="#">Page 2</a>
Labour market	↓	↓	↑	Claimant per vacancy up 0.5% points Job vacancies down 9.0%	<a href="#">Page 5</a>
Tourism	↑	↑	↑	Airport passenger numbers up by 3.0% Hotel room occupancy up 2.3% points	<a href="#">Page 8</a>
Housing	↓	↑	↑	House prices down 3.2% House sales down 0.8%	<a href="#">Page 10</a>
Planning and development	↑	↑	↑	Planning applications received up 0.3% Building warrants issued down 3.7%	<a href="#">Page 12</a>

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

## (1) Investment

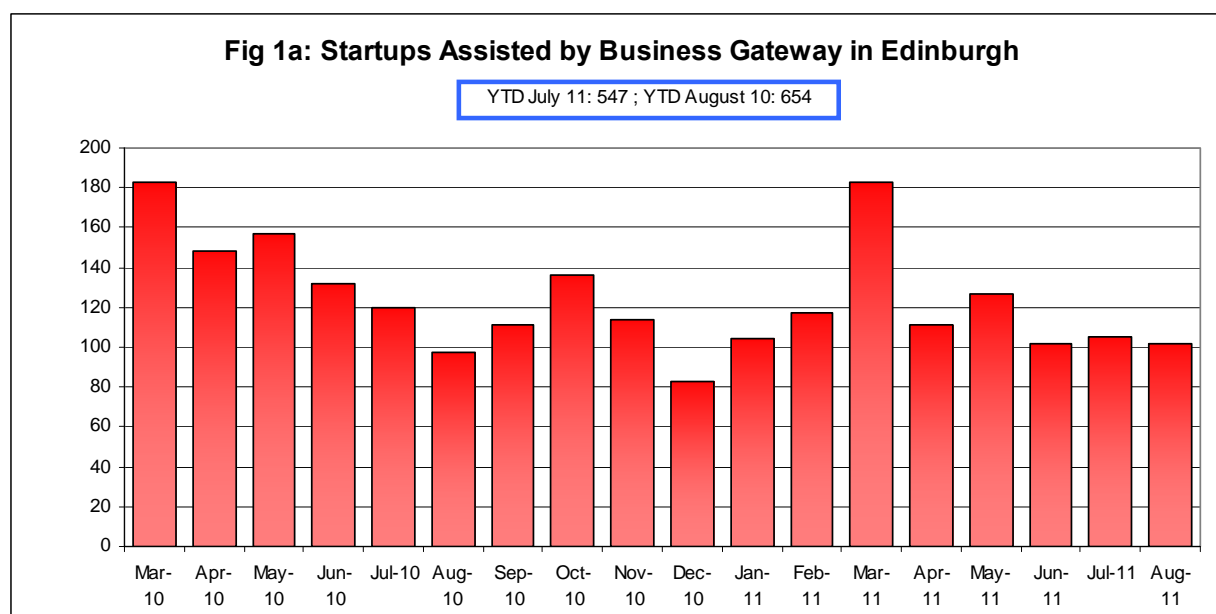
### Summary Table

Indicator	Edinburgh this month	Year to Date	Comparison with this month last year
Business Gateway Start-ups	102	547	↑ 5.2%
Business Incorporations	429	1,651	↑ 24.9% <sup>1</sup>
Large-scale Foreign Direct Investments	0	15	↓ 100%

- Business Gateway start-up figures for August are 5.2% higher than for the same month last year, remaining above contracted target levels.
- Business incorporations in the city are 24.9% 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 up until and including August.

### 1.1 Business 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 August 2011. This figure was up 5.2% on the 97 new firms assisted during the same month last year, and remains a level of performance above contracted target figures.<sup>2</sup>

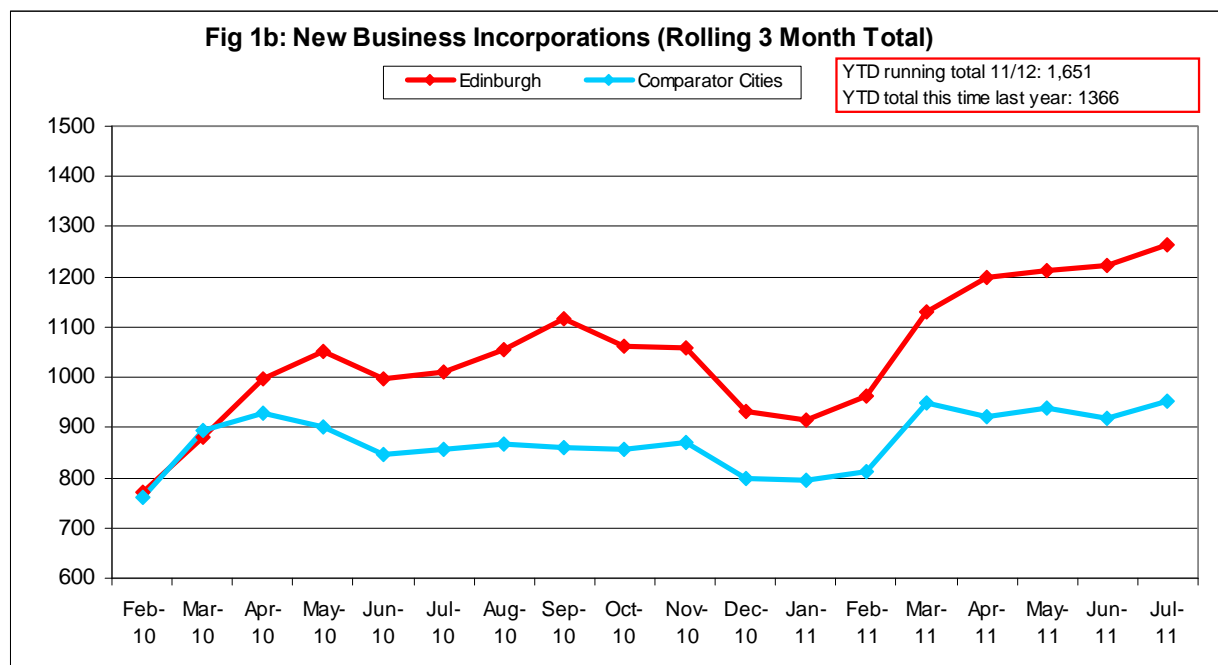


<sup>1</sup> Comparing a rolling 3 month average with the same period last year.

<sup>2</sup> Source: Business Gateway

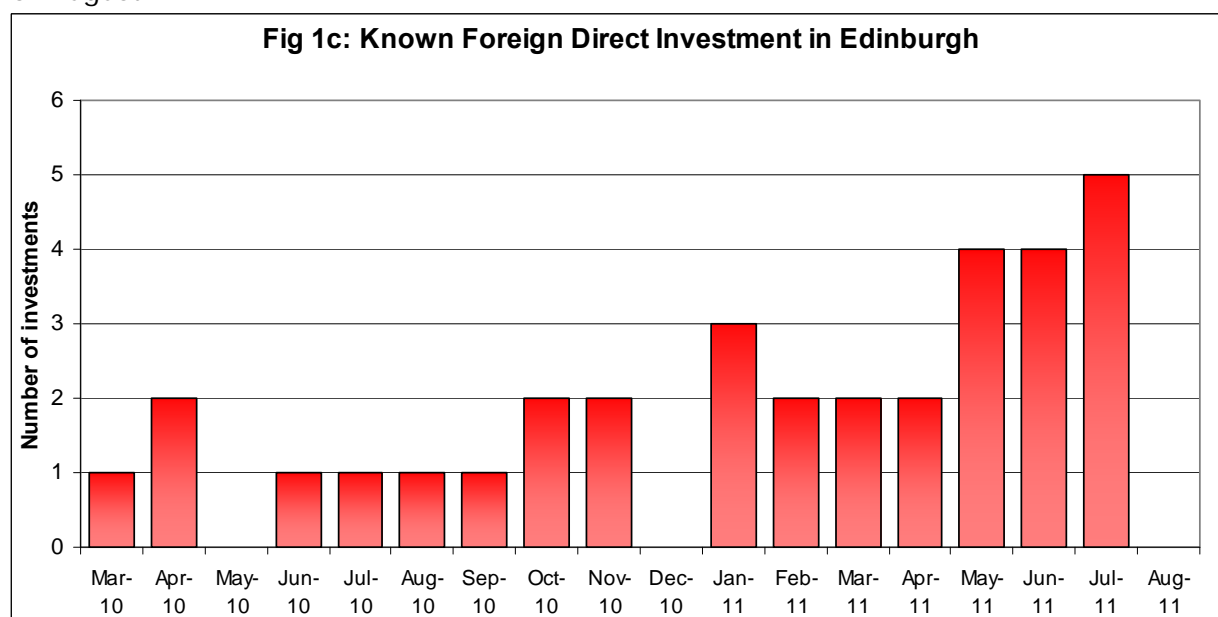
## 1.2 New Incorporations (Monthly Trend ▲; Annual Trend ▲; Relative to Comparator Cities ▲)

A total of 1,264 new businesses incorporated in Edinburgh during the three-months to July 2011 and 1,651 new businesses incorporated this financial year in Edinburgh. This represents an increase of 24.9% on the same period last year, compared against a 15.9% increase recorded in comparator cities across the same time period.<sup>3</sup>



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

Figure 1c shows that 33 large-scale Foreign Direct Investment (FDI) projects in Edinburgh have been recorded by FDI Markets over the past 18 months.<sup>4</sup> None have been recorded for August.



<sup>3</sup> 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.

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

## (2) Labour Market

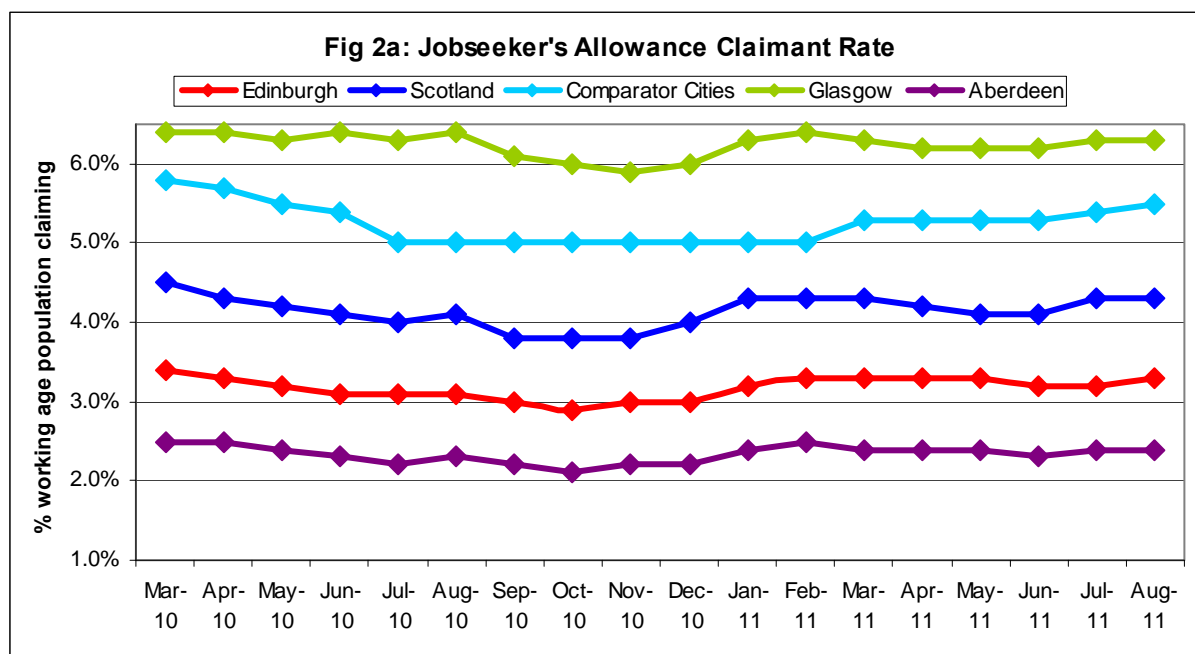
### Summary Table

Indicator	Edinburgh in latest month	Comparison with this month last year
Jobseeker's Allowance Claimant Count	11,248	↑ 6.6%
Jobseeker's Allowance Claimant Rate	3.3	↑ 0.2% points
Vacancies Advertised by Jobcentre Plus	3,323	↓ 9.0%
Claimants Per Vacancy	3.4	↑ 0.5% 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 3.4 Jobseeker's Allowance claimants for every vacancy advertised by Jobcentre Plus. Scotland's ratio is 6.3 and the comparator cities' average is 5.9.

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

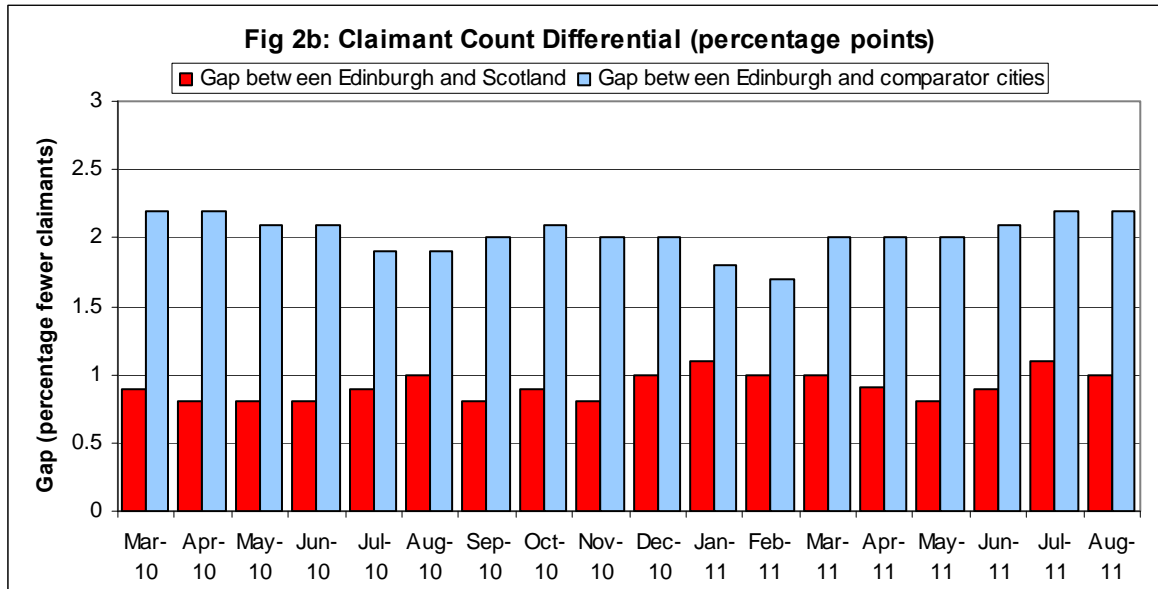
The claimant rate of Edinburgh increased in August 2011 to 3.3% of the working age population. Edinburgh's claimant rate continues to compare favourably with that of Scotland (4.3%) and comparator cities (5.5%).<sup>5</sup>



<sup>5</sup> 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.

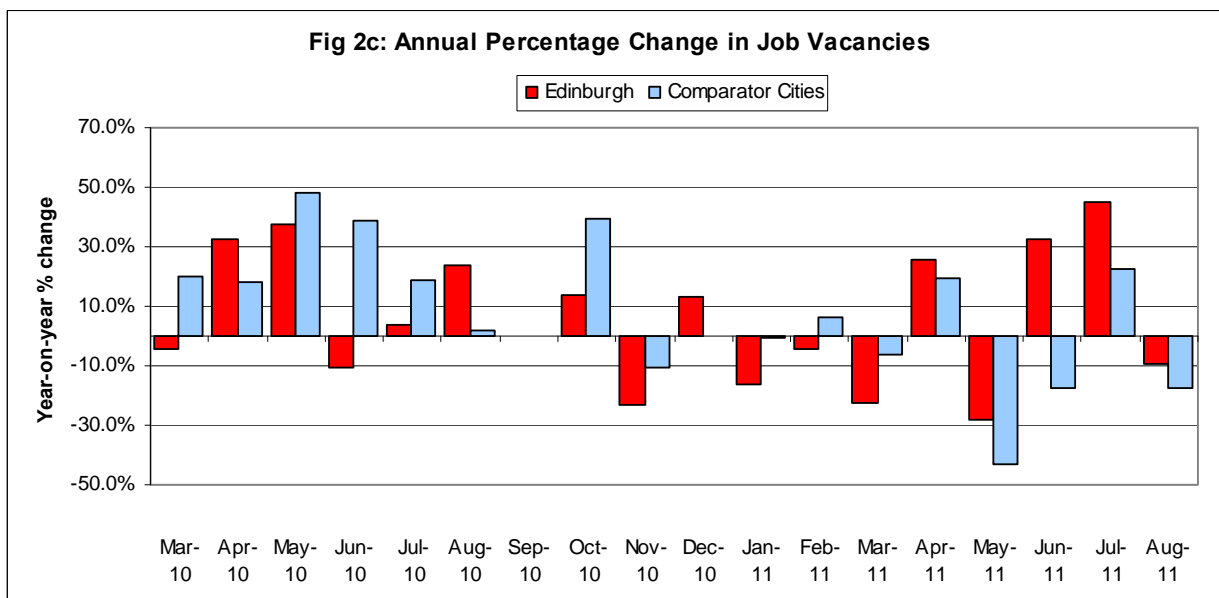
## 2.2 Claimant Differential (Monthly Trend ▼; Annual Trend ▲; Relative to Comparator Cities N/A)

Figure 2b highlights the difference in the unemployment rate between Edinburgh and Scotland and comparator cities. In August 2011, Edinburgh's unemployment rate was 1.0 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.<sup>6</sup>



## 2.3 Job Vacancies<sup>7</sup> (Monthly Trend ▼; Annual Trend ▼; Relative to Comparator Cities ▲)

Figure 2c shows that the number of job vacancies advertised by Jobcentre Plus in Edinburgh during August 2011 was 9.0% lower than that recorded in the same month last year.<sup>8</sup> Also, the figure of 3,323 vacancies is lower than the previous months figure of 3,618. The total across all comparator cities was down by 17.7% compared against August 2010.

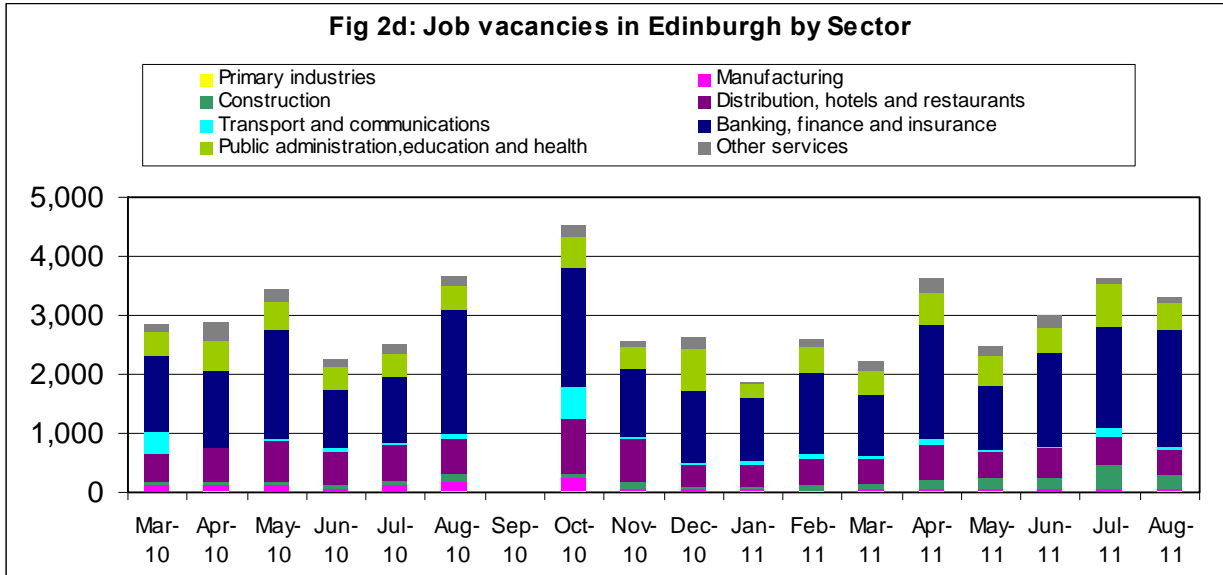


<sup>6</sup> Source: Jobcentre Plus. The comparator cities figure is an average of claimant counts in Birmingham, Bristol, Cardiff, Glasgow, Leeds, Liverpool, Manchester, Newcastle and Nottingham.

<sup>7</sup> Due to problems identified with the source data supplied by DWP, it is presently not possible to report vacancy figures for September 2010.

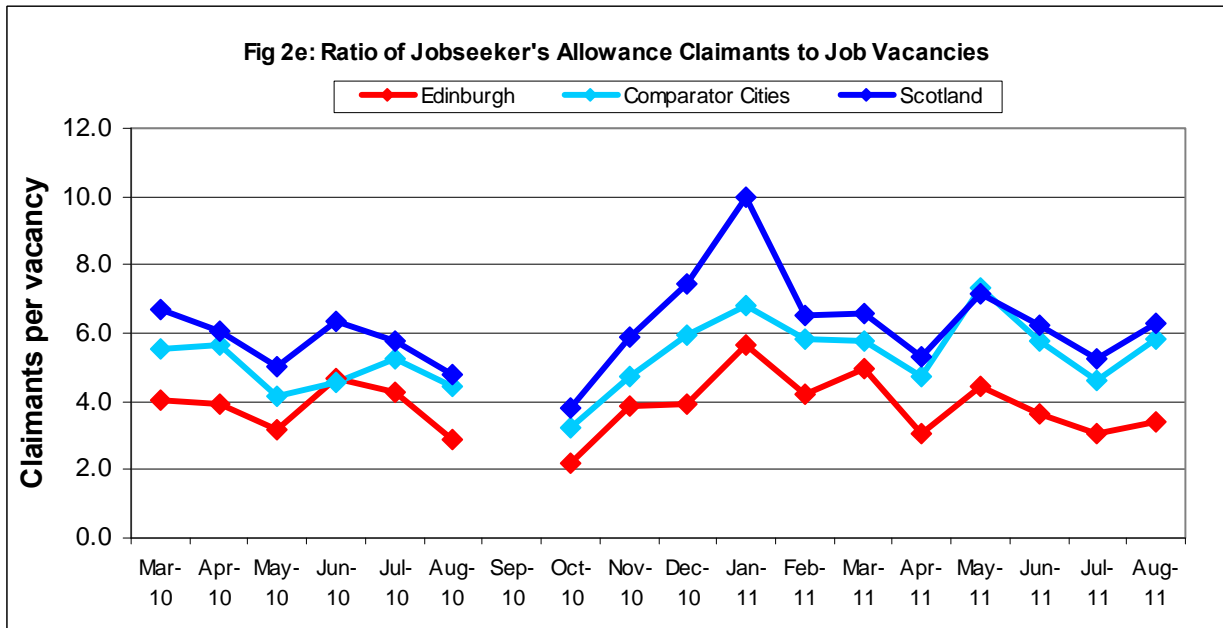
<sup>8</sup> Source: Jobcentre Plus. The comparator cities figure is a total number of vacancies in Birmingham, Bristol, Cardiff, Glasgow, Leeds, Liverpool, Manchester, Newcastle and Nottingham.

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. August 2011 saw over 3,323 jobs notified. Jobs in the construction sector saw a decrease compared to the previous month, whereas the Banking Finance and Insurance sector had an increase of 13.7%.



**2.4 Vacancy Ratio<sup>9</sup> (Monthly Trend ▲; Annual Trend ▲; Relative to Comparator Cities ▲)**

In August 2011, there were 3.4 Jobseeker’s Allowance claimants in Edinburgh for every vacancy advertised by Jobcentre Plus. Figure 2e shows that the ratio compares favourably with Scotland (6.3 claimants per vacancy) and comparator cities (5.9 claimants per vacancy) despite the gap between Edinburgh and comparator cities narrowing slightly during the previous month.



<sup>9</sup> 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 August 2011.

<b>Fig 2f. Job announcements in Edinburgh in August 2011</b>				
<b>Employer</b>	<b>Sector</b>	<b>Location</b>	<b>Potential job gains/losses<sup>10</sup></b>	<b>Timescale</b>
Andrew Ovens Stationers	Retail	Constitution Street	(4)	Unknown
Sykes	Business Process Outsourcing	various	200	90 day consultation
Prezzo	Bar/Restaurant	North Bridge	20	Unknown
Nujira	Electronics	St Andrew Square	80	Q4 2012

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

<sup>10</sup> Losses are shown in parentheses

### (3) Tourism

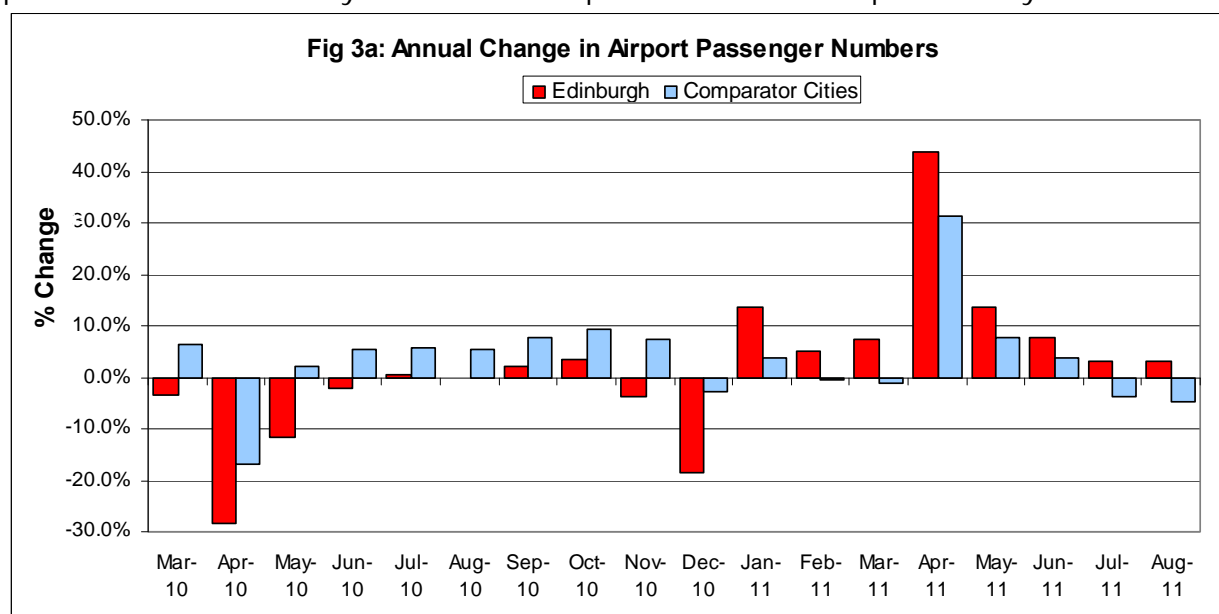
#### Summary Table

Indicator	Edinburgh in latest month	Comparison with this month last year
Airport Passenger Number	954,832	↑ 3.0%
Hotel Room Occupancy	93.2%	↑ 1.5% points
Revenue Per Available Room	£107.67	↑ 6.1%
Total Visitor Numbers <sup>11</sup>	833,834	↑ 11.3%

- Airport passenger number increased by 3.0 % in August 2011 compared to August 2010 whereas comparator cities fell by 4.9%.
- Hotel room occupancy increased to 93.2% in August 2011, an increase of 1.5% compared to last year's figure. Revenue per available room saw an increase of 6.1% from August last year to £107.67 in August 2011.
- Total visitor numbers in selected attractions increased in July 2011 to 833,834, which was an 11.3% increase from July 2010 and 47% increase from last month.

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

Passenger numbers at Edinburgh Airport were up by 3.0% in August 2011 in comparison to the 2010 figure. In total, 954,832 passengers passed through the airport in August compared with 992,462 in July. Comparator cities passenger numbers increased on the previous month but fell by 4.9% when compared with the same period last year.<sup>12</sup>

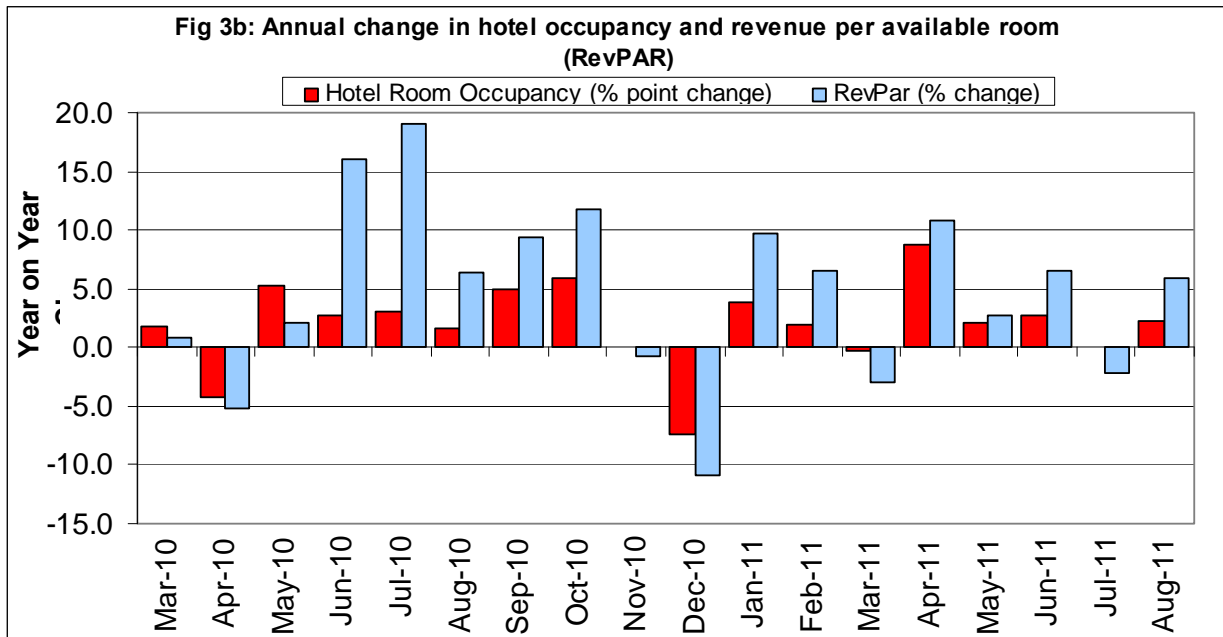


<sup>11</sup> Visitor number figures are always two months behind the current month.

<sup>12</sup> 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)**

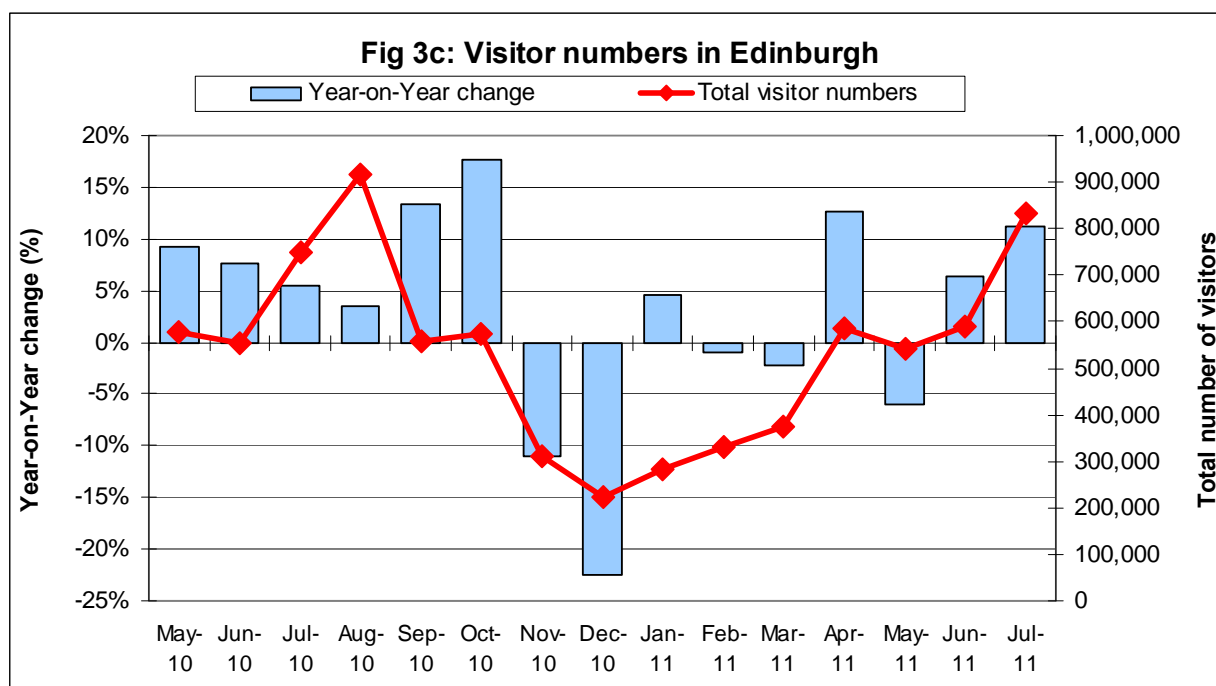
Hotel room occupancy rates were recorded at 93.2% during August 2011, an increase of 1.5% percentage points over the same month in 2010 and an increase of 2.0% on the previous month. Revenue per available room (RevPar) increased in August 2011 compared with 2010, to £107.67; an increase of 5.9% from last years figure. This is also an increase on the previous months RevPar figure of £77.23.<sup>13</sup>



<sup>13</sup> 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 833,834 in July 2011. This represents an increase of 11.3% from 2010.<sup>14</sup>



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

<sup>14</sup> 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

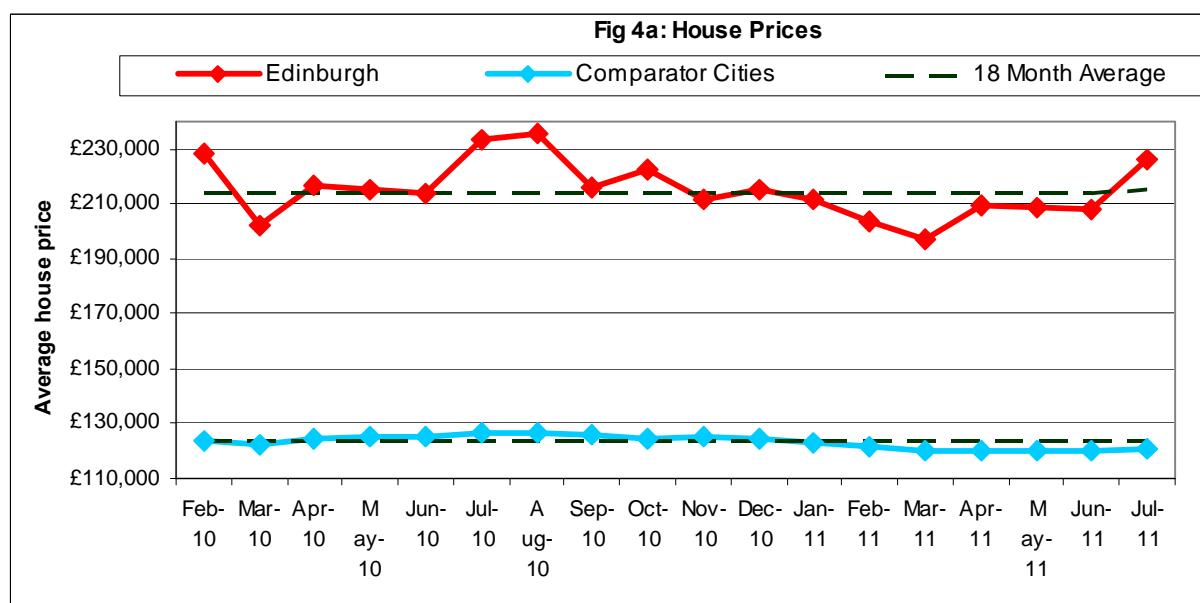
### Summary Table

Indicator	Edinburgh in latest month	Comparison with this month last year
House Prices	£226,196	↓ 3.2%
House Sales	751	↓ 0.8%

- Average house prices in July 2011 increased to £226,196
- The Average house price increased in July by 8.9% on the previous month, this was still however, 3.2% below the figure recorded in July 2010.
- 751 homes were sold in Edinburgh during July 2011, which is 0.8% below the number recorded in July 2010.

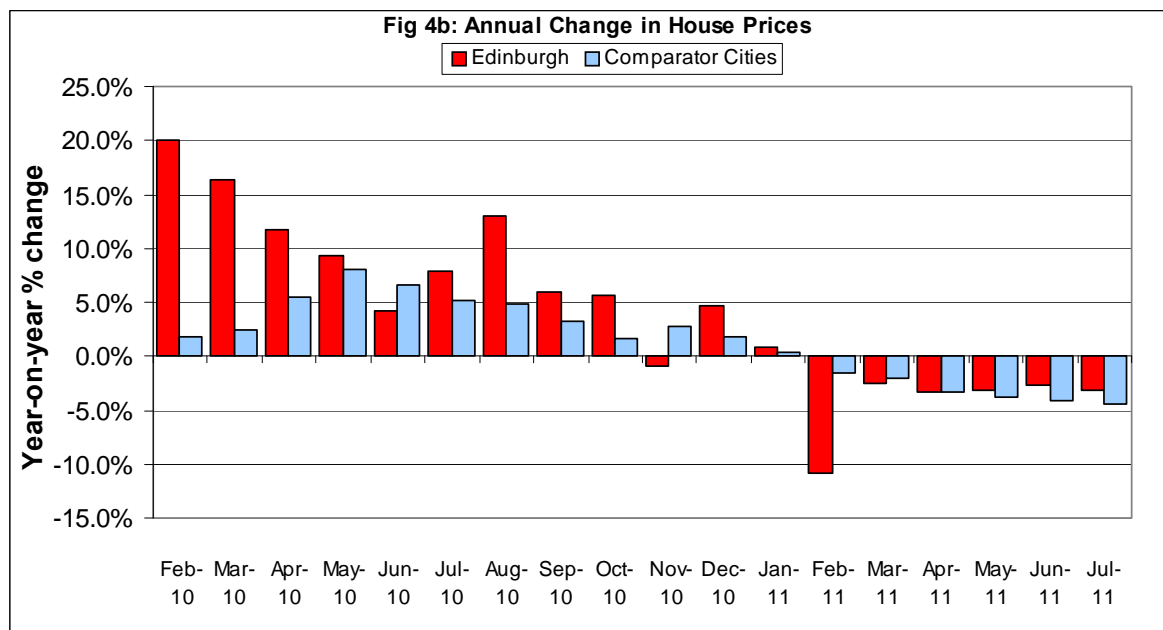
#### 4.1 House Prices (Monthly trend ▲; Annual Trend ▼; Relative to Comparator Cities ▲)

The average house price in Edinburgh increased in July to £226,196. This is still significantly higher than the average across comparator cities, which remained static in July and remained close to their 18 month average of £123,460.<sup>15</sup>



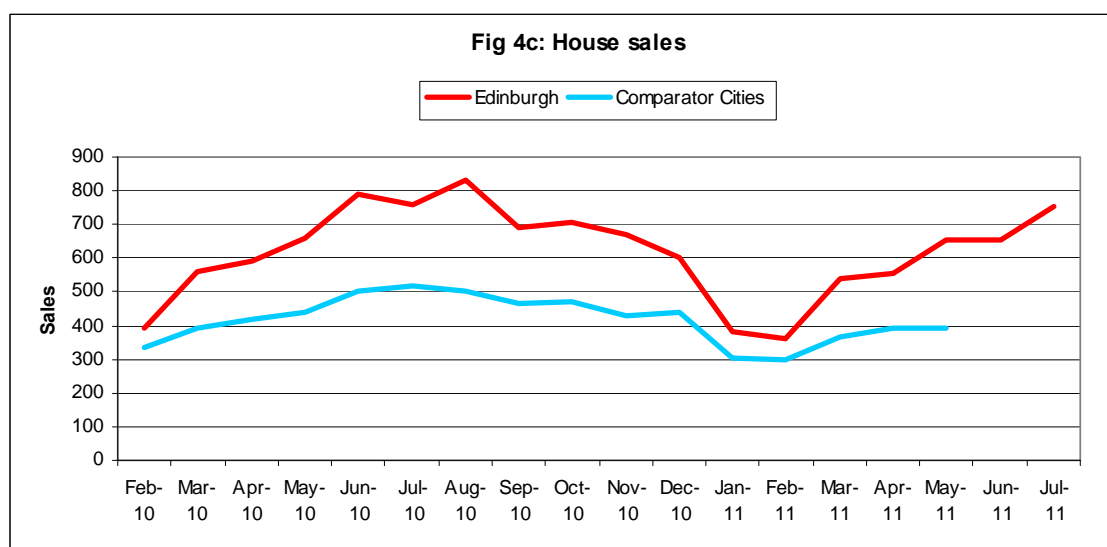
<sup>15</sup> Source: Registers of Scotland (Scottish cities); Land Registry (English & Welsh cities). The figure quoted for comparator cities is based on an average of house prices in Birmingham, Bristol, Cardiff, Glasgow, Leeds, Liverpool, Manchester, Newcastle and Nottingham. NB Figures are provisional 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 July 2011 were 3.2% below those recorded in July 2010. House prices in comparator cities also fell year-on-year by 4.4%.<sup>16</sup>



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

751 homes were sold in Edinburgh in July 2011. This represents 0.8% fewer houses sold compared to July 2010.<sup>17</sup>



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

<sup>16</sup> Ibid

<sup>17</sup> Ibid

## (5) Planning and Development

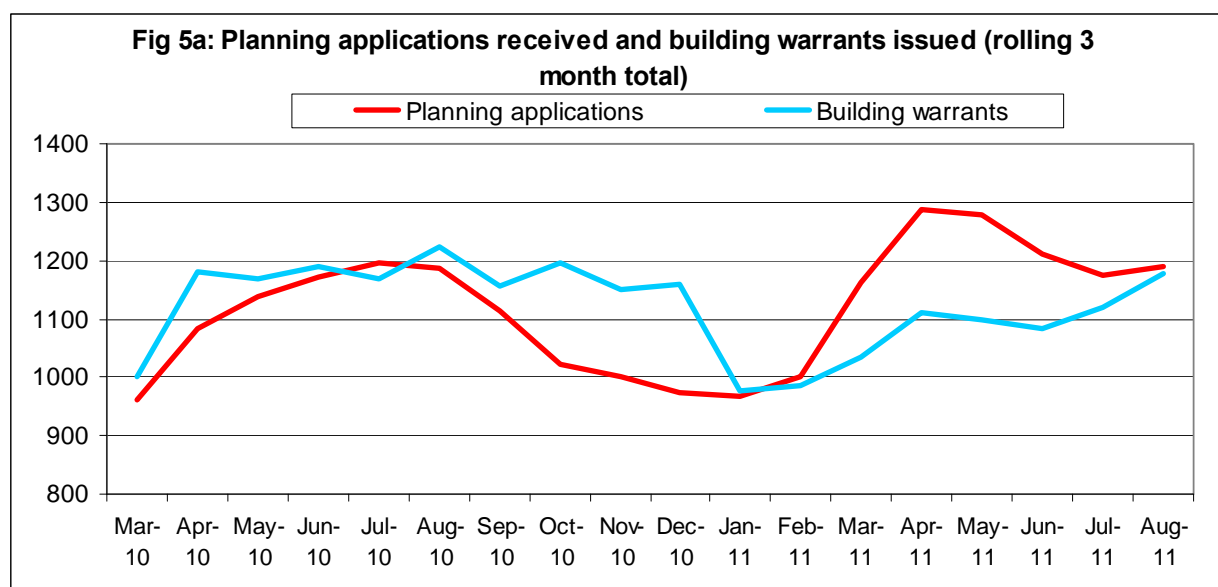
Summary Table

Indicator	Edinburgh in latest 3 month period	Comparison with same period last year
Planning Applications Received	1,190	↑ 0.3%
Building Warrants Issued	1,179	↓ 3.7%

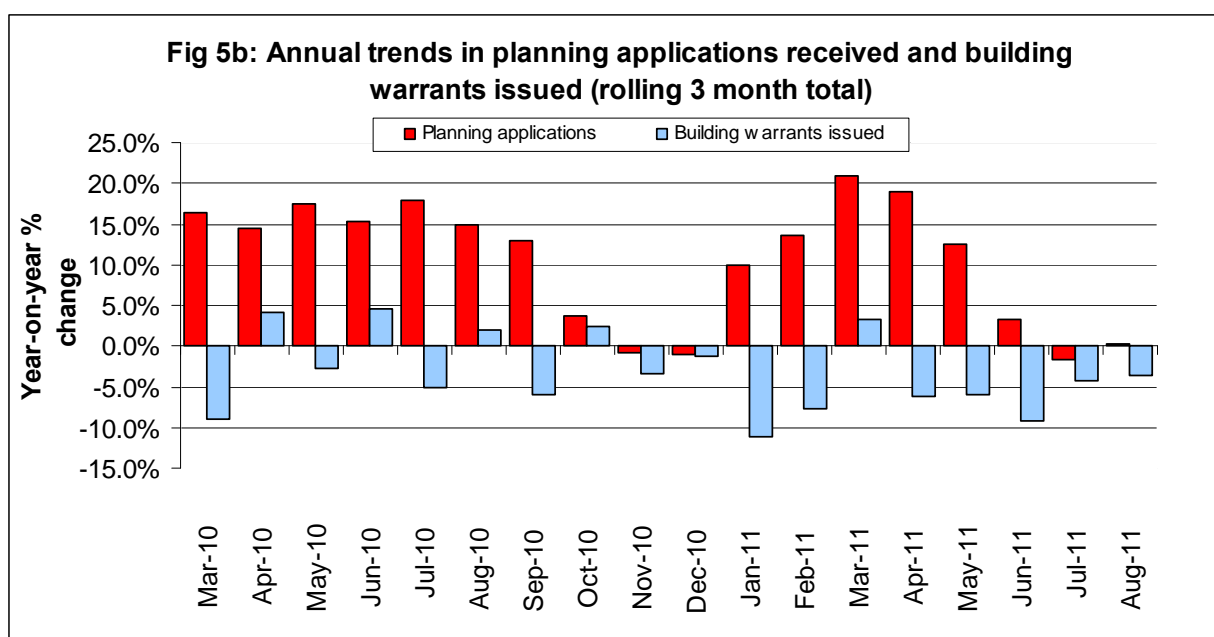
- The City of Edinburgh Council received 1,190 planning applications in the three-month period ending in August 2011, which is 0.3% higher than the same period last year.
- The City of Edinburgh Council issued 1,179 building warrants in the three-month period ending in August 2011, which is 3.7% lower 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 August 2011, the City of Edinburgh Council received 1,190 planning applications, 1.2% fewer than the number received during the 3 month period to July 2011. This is a 0.3% increase on that recorded over the same period in 2010. A total of 1,179 building warrants were issued in the three months to August, a decrease of 3.7% compared against the same period in 2010.<sup>18</sup> These trends are illustrated in Fig 5a and Fig 5b.



<sup>18</sup> 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<sup>19</sup> ▲)

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 39 PANs received in Edinburgh over the last 14 months. Edinburgh’s Proposal of Application Notices received increased by 3 in August 2011 from July whereas the comparator cities decreased by 5.

**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	0	0	3	4
<b>Total</b>	<b>14</b>	<b>8</b>	<b>39</b>	<b>44</b>

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](mailto:economicstrategy@edinburgh.gov.uk)

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

<sup>19</sup> Edinburgh’s performance relative to comparator cities.

## **(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](http://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](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](#)