

City and National Trends Quarter 4, 2008

Welcome to the Quarter 4, 2008 edition of the Edinburgh Labour Market Bulletin, produced by the City of Edinburgh Council's Economic Development service in conjunction with Edinburgh's Job Strategy.

Summary Analysis

The final quarter of 2008 proved that Edinburgh can rapidly be affected by changing conditions in the global economy. With the announcement of the proposed merger of Lloyds TSB with HBOS, the emergency refinancing of RBS and HBOS and house sales falling by 60 per cent compared with last year, job losses are inevitable. The latest forecasts from the Fraser of Allander Institute predict 50,000 job losses across Scotland over the next two years, after which the economy will emerge from the recession.

Our 'Job News' section shows that some job losses attributable to the economic downturn took place in Quarter 3. These were largely limited to the property development sector which by nature reacts quickly to economic slowdowns. Redundancies in the finance sector, which employs 31,000 people in Edinburgh, have not been significant yet. The degree of future job losses in finance is still unclear as the larger firms are set to undergo major structural changes into 2009.

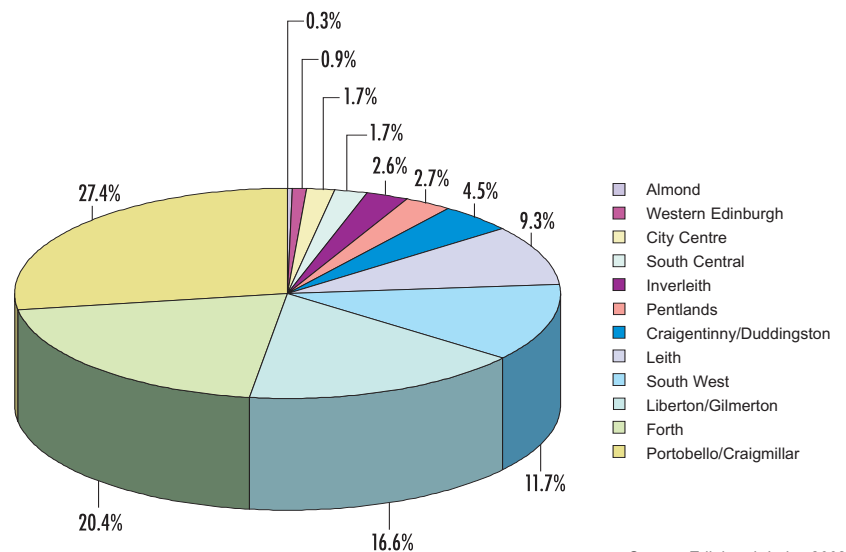
Importantly, there were encouraging job announcements in emerging sectors which will help Edinburgh weather the downturn. Unsurprisingly unemployment rose by 6.1% this quarter, bringing its annual increase to 16.1%. However at just 6,065, or 1.9% of the working-age population, it is worth remembering that unemployment remains very low and is at a similar level to May 2007. All 17 of the city's wards saw an annual claimant count increase. Sighthill/Gorgie currently has the highest rate at 4.2%, while Meadows/Morningside's rate is the lowest at just 0.8%.

Key Indicators

	Edinburgh City	Lothians	Scotland
In employment (January – December 07)	77.2%	77.9%	76.0%
Economically inactive (% working age population, Jan – Dec 07)	19.7%	18.7%	20.1%
Claimant unemployed (% working age population, Oct 08)	1.9%	2.0%	2.6%
Long term unemployed (> 12 months, October 08)	8.8%	7.8%	9.3%

Source: NOMIS

Distribution of City's 5% Most Deprived Population by Neighbourhood Partnership



Source: Edinburgh Index 2008

Job vacancies as notified by Job Centre Plus have fallen by 24% since last year, slightly less than the Scotland average of 26%. The average length of vacancy fell to just 3.8 weeks, suggesting that there is more demand for positions.

In our feature we take a look at the Edinburgh Index, a new measure developed by the City of Edinburgh Council to examine levels of relative deprivation across the city.

We hope that you find this bulletin useful and would be delighted to hear from you. To be added to the mailing list or to provide feedback, please contact David Hanna at david.hanna@edinburgh.gov.uk

An archive of previous Labour Market Bulletins can be found in the 'Useful Documents' section on the Capital Review website at www.capitalreview.co.uk



Ward Labour Supply statistics October 2008

Presented below is a labour market snapshot for each of the wards in the city. Due to the current lack of data for the new wards information is constructed using clusters of the previous wards on which statistics have been gathered. It should be noted that this is not an exact match.

Priority action areas as defined in the Regeneration Outcome Agreement are **highlighted** within the relevant grouping.

All information presented in this section is sourced via the NOMIS Labour Market Statistical website and the Census data 2001. The % figures are based on the working age population living in each ward and LTU = long term unemployed.

Symbols used in the Labour Supply statistics.

The arrows denote how the claimant count unemployment rate has changed since the previous bulletin figures.

The symbols denote how the claimant count unemployment rate in each ward compares to the City rate.

Ward 1: Almond

	In Employment %	Economically inactive %	Total Claimant unemployed Q4 2008	%	% LTU >1 year	Quarterly % change	Annual % change	Direction of Annual change	Position relative to City average
Ward Data	79.4	17.6	204	1.4	4.9	16.6	33.3		
Dalmeny/Kirkliston	79.3	17.4	89	1.8	6.8	12.7	21.9		
Queensferry	82.6	14.6	75	1.3	2.7	19.0	44.2		
Cramond	75.1	21.9	40	0.9	5.0	21.2	42.9		

Ward 2: Pentland Hills

	In Employment %	Economically inactive %	Total Claimant unemployed Q4 2008	%	% LTU >1 year	Quarterly % change	Annual % change	Direction of Annual change	Position relative to City average
Ward Data	71.1	25.4	198	1.3	6.1	-1.0	14.5		
Balerno	79.2	18.2	44	0.9	4.7	22.2	57.1		
Baberton	79.1	19.1	38	0.8	10.5	15.2	15.2		
Sighthill	58.8	35.8	116	1.9	5.2	-11.5	3.6		

Ward 3: Drum Brae/Gyle

	In Employment %	Economically inactive %	Total Claimant unemployed Q4 2008	%	% LTU >1 year	Quarterly % change	Annual % change	Direction of Annual change	Position relative to City average
Ward Data	79.4	17.6	193	1.3	7.8	7.8	22.9		
East Craigs	76.5	19.5	89	1.9	6.7	-11.9	27.1		
Gyle	84.7	13.1	49	0.9	10.2	19.5	8.9		
North East Corstorphine	76.2	21.0	55	1.2	7.3	48.6	31.0		

Ward 4: Forth

	In Employment %	Economically inactive %	Total Claimant unemployed Q4 2008	%	% LTU >1 year	Quarterly % change	Annual % change	Direction of Annual change	Position relative to City average
Ward Data	66.6	28.0	809	4.1	10.9	4.9	18.4		
Muirhouse/Drylaw	54.8	37.0	303	5.8	9.9	3.1	20.7		
Pilton	67.0	27.7	238	4.6	13.0	12.3	20.2		
Granton	65.7	29.1	222	4.8	9.5	4.2	18.7		
Trinity	80.7	16.9	46	1.0	13.0	-11.5	-2.1		

Ward 5: Inverleith

	In Employment %	Economically inactive %	Total Claimant unemployed Q4 2008	%	% LTU >1 year	Quarterly % change	Annual % change	Direction of Annual change	Position relative to City average
Ward Data	79.6	17.8	174	0.9	6.3	18.4	6.7	↑	🟢
Craigleith	75.4	22.1	45	1.0	8.9	25.0	21.6	↑	🟢
Dean	82.1	15.2	36	0.7	5.6	2.9	-21.7	↓	🟢
Stockbridge	81.0	15.8	64	1.2	6.2	33.3	18.5	↑	🟢
Davidsons Mains	79.0	19.0	29	0.7	3.4	3.6	11.5	↑	🟢

Ward 6: Corstorphine/Murrayfield

	In Employment %	Economically inactive %	Total Claimant unemployed Q4 2008	%	% LTU >1 year	Quarterly % change	Annual % change	Direction of Annual change	Position relative to City average
Ward Data	77.7	19.3	177	1.3	4.5	4.1	8.6	↑	🟢
Murrayfield	79.8	17.3	37	0.8	2.7	23.3	42.3	↑	🟢
South East Corstorphine	81.9	15.8	42	0.9	2.4	-20.8	-4.5	↓	🟢
Stenhouse	70.9	25.3	98	2.2	6.1	12.6	5.4	↑	🔴

Ward 7: Sighthill/Gorgie

	In Employment %	Economically inactive %	Total Claimant unemployed Q4 2008	%	% LTU >1 year	Quarterly % change	Annual % change	Direction of Annual change	Position relative to City average
Ward Data	67.9	26.6	634	4.2	6.5	1.6	23.8	↑	🔴
Parkhead	65.7	28.3	216	4.4	8.4	-3.6	18.0	↑	🔴
Moat	72.1	24.1	132	2.7	8.4	22.2	17.9	↑	🔴
Murray Burn	66.1	27.3	286	5.4	4.2	-2.1	31.8	↑	🔴

Ward 8: Colinton/Fairmilehead

	In Employment %	Economically inactive %	Total Claimant unemployed Q4 2008	%	% LTU >1 year	Quarterly % change	Annual % change	Direction of Annual change	Position relative to City average
Ward Data	76.7	20.2	149	1.0	5.4	-1.3	8.0	↑	🟢
Colinton	77.6	20.2	33	0.6	0.0	17.9	43.5	↑	🟢
Firrhill	71.7	23.1	92	2.0	7.7	-4.2	-3.2	↓	🔴
Fairmilehead	80.3	17.6	24	0.5	4.2	-11.1	20.0	↑	🟢

Ward 9: Fountainbridge/Craiglockhart

	In Employment %	Economically inactive %	Total Claimant unemployed Q4 2008	%	% LTU >1 year	Quarterly % change	Annual % change	Direction of Annual change	Position relative to City average
Ward Data	77.4	18.4	268	1.7	8.6	2.3	14.5	↑	🟢
Craiglockhart	79.0	18.5	22	0.5	4.5	-4.3	29.4	↑	🟢
Shandon	81.9	14.2	118	1.9	9.3	-6.3	11.3	↑	🟡
Fountainbridge	71.0	23.2	128	2.4	8.7	13.3	15.3	↑	🔴

Ward 10: Meadows/Morningside

	In Employment %	Economically inactive %	Total Claimant unemployed Q4 2008	%	% LTU >1 year	Quarterly % change	Annual % change	Direction of Annual change	Position relative to City average
Ward Data	69.8	26.7	176	0.8	9.2	19.7	8.6	↑	🟢
Merchiston	74.0	22.1	49	0.9	14.3	14.0	6.5	↑	🟢
North Morningside/Grange	73.0	23.7	40	0.9	12.5	17.6	-11.1	↓	🟢
Marchmont	55.9	40.0	39	0.7	2.6	2.6	-7.1	↓	🟢
South Morningside	78.6	18.8	48	1.0	6.5	50.0	65.5	↑	🟢

Ward 11: City Centre

	In Employment %	Economically inactive %	Total Claimant unemployed Q4 2008	%	% LTU >1 year	Quarterly % change	Annual % change	Direction of Annual change	Position relative to City average
Ward Data	68.8	26.1	324	1.8	8.4	13.3	11.0	↑	🟢
Dalry	72.2	22.9	157	2.4	9.6	-0.6	7.5	↑	🔴
New Town	72.1	24.3	59	1.0	10.2	40.5	18.0	↑	🟢
Tollcross	61.8	31.6	108	1.8	5.6	25.6	12.5	↑	🟢

Ward 12: Leith Walk

	In Employment %	Economically inactive %	Total Claimant unemployed Q4 2008	%	% LTU >1 year	Quarterly % change	Annual % change	Direction of Annual change	Position relative to City average
Ward Data	75.9	19.9	441	2.6	9.6	0.5	15.7	↑	🔴
Broughton	78.0	18.4	133	2.2	6.8	8.1	34.3	↑	🔴
Calton	76.1	19.8	116	2.0	11.3	-4.9	6.4	↑	🔴
Harbour	73.2	21.7	192	3.9	10.5	-1.0	11.0	↑	🔴

Ward 13: Leith

	In Employment %	Economically inactive %	Total Claimant unemployed Q4 2008	%	% LTU >1 year	Quarterly % change	Annual % change	Direction of Annual change	Position relative to City average
Ward Data	76.1	19.7	507	3.3	12.1	2.6	15.0	↑	🔴
Newhaven	73.0	22.7	209	4.1	12.0	3.0	32.3	↑	🔴
Lorne	75.3	19.8	180	3.4	12.4	-1.1	0.6	↑	🔴
Leith Links	80.0	16.5	118	2.3	11.9	8.3	13.5	↑	🔴

Ward 14: Craightinny/Duddingston

	In Employment %	Economically inactive %	Total Claimant unemployed Q4 2008	%	% LTU >1 year	Quarterly % change	Annual % change	Direction of Annual change	Position relative to City average
Ward Data	69.8	25.5	647	3.2	9.5	10.6	14.1	↑	🔴
Holyrood	57.9	34.8	214	4.2	5.1	11.5	23.7	↑	🔴
Meadowbank	80.3	16.5	126	2.3	11.1	15.6	15.6	↑	🔴
Mountcastle	75.4	21.0	78	1.7	10.4	0.0	-3.7	↓	🟢
Restalrig	65.1	30.1	229	4.5	12.3	11.2	12.3	↑	🔴

Ward 15: Southside/Newington

	In Employment %	Economically inactive %	Total Claimant unemployed Q4 2008	%	% LTU >1 year	Quarterly % change	Annual % change	Direction of Annual change	Position relative to City average
Ward Data	59.2	36.6	239	1.1	10.9	12.2	16.0	↑	🟢
Southside	56.2	39.1	113	1.7	15.0	21.5	17.7	↑	🟢
Sciennes	66.5	29.6	38	0.7	10.5	-2.6	15.2	↑	🟢
Newington	70.9	26.5	44	0.9	9.1	22.2	18.9	↑	🟢
Prestonfield	45.8	48.8	44	0.8	2.3	-2.2	10.0	↑	🟢

Ward 16: Liberton/Gilmerton

	In Employment %	Economically inactive %	Total Claimant unemployed Q4 2008	%	% LTU >1 year	Quarterly % change	Annual % change	Direction of Annual change	Position relative to City average
Ward Data	70.1	25.6	427	2.2	7.5	0.2	11.2	↑	🔴
Alnwickhill	74.6	22.1	67	1.5	11.9	-4.3	17.5	↑	🟢
Kaimes	65.8	29.1	124	2.6	8.9	-2.4	-10.1	↓	🔴
Moredun	64.8	29.6	161	3.5	6.2	-4.2	21.1	↑	🔴
Gilmerton	74.4	22.0	75	1.3	4.0	23.0	33.9	↑	🟢

Ward 17: Portobello/Craigmillar

	In Employment %	Economically inactive %	Total Claimant unemployed Q4 2008	%	% LTU >1 year	Quarterly % change	Annual % change	Direction of Annual change	Position relative to City average
Ward Data	70.0	25.7	497	2.8	10.1	10.7	20.6	↑	↓
Portobello	77.5	19.7	69	1.6	11.6	-2.8	1.5	↑	↑
Milton	73.0	23.0	98	2.2	11.2	12.6	15.3	↑	↓
Craigmillar	52.2	40.6	242	5.5	9.5	14.2	23.5	↑	↓
Duddingston	76.6	20.1	88	1.8	9.1	11.4	39.7	↑	↑

EDINBURGH

	In Employment %	Economically inactive %	Total Claimant unemployed Q4 2008	%	% LTU >1 year	Quarterly % change	Annual % change	Direction of Annual change	Position relative to City average
Edinburgh	77.2	19.7	6,064	1.9	8.8	6.1	16.1	↑	N/A

The base used for calculation of UNEMPLOYMENT RATES is the working age population of each ward, based on **GROS** mid year population estimates.

Demand for Labour October 2008

Labour Demand Summary Statistics

Vacancies (October 2008)	SCOTLAND		Movement since last year	EDINBURGH		Movement since last year
	Oct 2008	Last Year		Oct 2008	Last Year	
Notified	33,511	45,115	↓	4,735	6,206	↓
Average length (weeks)	4.71	5.55	↓	3.84	4.21	↓
Proportion >13 weeks old	6.0%	8.8%	↓	3.7%	5.4%	↓
...notified by Occupation						
Managers and Senior Officials	767	1,054	↓	107	200	↓
Professionals	647	966	↓	45	167	↓
Associate Professionals and Technicians	2,873	2,552	↑	553	263	↑
Administrative and Secretarial	2,296	3,816	↓	202	287	↓
Skilled Trades	3,276	4,574	↓	367	454	↓
Personal Services	2,856	2,835	↑	263	371	↓
Sales and Customer Service	7,212	11,455	↓	973	1,956	↓
Process, Plant and Machine Operatives	2,927	4,147	↓	348	289	↑
Elementary Occupations	10,657	13,716	↓	1,877	2,219	↓
...notified by Industry						
Primary Activities and Energy	948	2,493	↓	47	534	↓
Manufacturing	913	1,456	↓	89	81	↑
Construction	851	1,619	↓	56	125	↓
Distribution, Hotels and Restaurants	7,683	10,618	↓	1,364	1,851	↓
Transport and Communications	2,679	2,735	↓	774	649	↑
Financial Services	15,196	19,590	↓	1,706	2,371	↓
Public Sector and Other Services	5,241	6,604	↓	699	595	↑
Hotels and Restaurants	3,085	3,841	↓	556	763	↓
Retail	3,810	5,389	↓	704	908	↓

Source: NOMIS

Property Development

Among developers, **Gregor Shore**, which were involved heavily in the Waterfront development, has been placed in administration jeopardising the jobs of its 120 employees. **Cala Homes** cut down on its projects and announced 30 job losses. Following losses and declines in sales, upmarket developer **Applecross** cut 20 of its staff and is leaving its Edinburgh Park office.

Property solicitors **Leslie Deans & Co** and **VMH** both made 10 staff redundant as a result of the depressed property market. Meanwhile, estate agency **Hunter Residential** made 10% of its workforce redundant following a sharp fall in residential house sales. One-fifth of employees at surveyor and private estate agent **Rettie and Co** also lost their jobs due to conditions in the housing market.

Financial

Glaswegian broker **Moneyquest** closed its Edinburgh office and made 35 staff members redundant. Investment management company **Martin Currie** cut up to 18 staff from its Saltire Court headquarters. The independent financial adviser **Oriegen**, a subsidiary of Aegon UK, announced that up to 100 jobs across the UK will be lost as part of a savings drive. It is unclear how many jobs will be lost at the firm's branch office on Dundas Street.

On a positive note, London-based broker **Cenkos Securities** bolstered its Edinburgh office by hiring three senior financiers away from the Glasgow office of investment manager Brewin Dolphin. Cenkos, which opened a fifth location on Hanover Street in October of last year, is seeking to expand its presence in Scotland.

Education

Heriot-Watt University has announced that it is to create 175 new jobs as part of a ten year expansion plan intended to establish the University as a world-class research institution. The £3 million recruitment drive includes 25 academic positions.

Hospitality

The £40 million renovation of a trio of Georgian townhouses into a 167-bedroom boutique hotel by the **Fitzpatrick Hotel Group** will generate over 100 jobs. The hotel, which is anticipated to open in 2010, will feature a conference centre, cocktail bar and restaurant.

The **Royal Exchange Coffee House** has re-opened in Mary King's Close, not far from the premises it occupied before closing in the mid-1800s. The venture is expected to benefit from the growing number of visitors to The Real Mary King's Close.

Retail

Tesco has opened a 5,000 square feet superstore in Hermiston Gait. The new store will create a number of local jobs, and follows the closure of a branch in Wester Hailes in the summer.

Science and Technology

The receipt of a £1.8 million research grant from Scottish Enterprise has helped **Alba Bioscience**, an NHS spin-off, create 16 new high-value jobs.

Floridian software firm **ASG Software Solutions** is to open a branch in Edinburgh Park. The company, which has more than 70 offices worldwide, is aiming to consolidate its presence in Scotland and cultivate relationships with businesses based in Edinburgh. Meanwhile, Californian software developer **Adobe Systems** is to expand its presence in Edinburgh after acquiring a ten year lease on large premises in Hermiston Quay 2.

Edinburgh-based firm **Wolfson Microelectronics** issued a profit warning in October and announced that job losses are likely.

Business Services

London-based firm **Venturehaus** has established a dedicated support office in St Andrew Square. The firm has existing relationships with Edinburgh businesses such as Standard Life and the Royal Bank of Scotland.

Bilfinger Berger, the German multi-service group responsible for the construction of Edinburgh's tram system, has announced that it will be bringing 50 new jobs to the capital, including engineering and managerial positions, as construction work continues.

Total known short-medium term gain: 69

Total known short-medium term loss: 123

This column is intended to provide a snapshot of recent events in Edinburgh's labour market and should in no way be considered a comprehensive list of all redundancies and appointments. While every effort has been made to ensure a high degree of accuracy the authors can make no guarantees as to the accuracy of information quoted and interested parties should seek clarification from the companies concerned if further details are required.

Edinburgh Index 2008

The Edinburgh Index has been developed by the City of Edinburgh Council to examine levels of relative deprivation across the city.

The Index allocates a score of 0 to 100 (with 100 being the most deprived) to around 3,900 Census Output Areas in the city based on a variety of themes that contribute to overall deprivation. Developed from the model of the Scottish Government's 2006 Scottish Index of Multiple Deprivation (SIMD), the Index has several advantages:

- it provides a finer local analysis to the SIMD as it draws data from 3904 Census output areas compared to the 549 data zones in the SIMD;
- it identifies low-income households rather than just benefit claimants to give a better measure of poverty (studies have shown that 38 per cent of households in poverty in Scotland have someone in work);
- it uses data collected routinely by the Council and other community planning partners, allowing it to be updated annually;
- it identifies deprivation relative to other areas in the city rather than other areas of Scotland, making it particularly useful for guiding local policy making and resource allocation (eg Fairer Scotland Fund).

The five themes used in the Index are income, employment, health, education and crime.

The Index has made it possible to identify small concentrations of deprivation in areas such as Drylaw, West Granton, Muirhouse, North Leith, Restalrig, Magdalene, The Inch, Hyvots,

Gracemount and Wester Hailes which were not visible in the Scottish Index of Multiple Deprivation in 2006.

Work continues to develop and update the Index, to widen data sources and to refine and improve data quality and analysis.

For further information about the Edinburgh Index please visit the Edinburgh Partnership website www.edinburgh.gov.uk/internet/council/Partnerships/Edinburgh_Partnership/CEC_edinburgh_index_2008 or contact **Iain Bell** on 0131 469 3852 or at performance@edinburgh.gov.uk

The following table reflects the composite Index in 2008 for the output areas ranked as the most deprived 5%, 10% and 15% areas in the city and shows the total numbers of deprived people living in each Neighbourhood Partnership area who fall into these 'bands'.

Neighbourhood Partnership	Total NP population	Living in the 5% Band (and % of city total population)	Living in the 10% Band	Living in the 15% Band
Almond	24,432	82 (0.3)	282	663
City Centre	26,169	443 (1.7)	619	1,124
Craigentinny/Duddingston	25,571	1,160 (4.5)	2,863	5,431
Forth	29,783	5,212 (20.4)	8,288	9,926
Inverleith	29,866	668 (2.6)	1,248	1,810
Leith	52,746	2,375 (9.3)	5,158	7,229
Liberton/Gilmerton	33,095	4,240 (16.6)	8,388	13,222
Pentlands	47,040	690 (2.7)	1,796	2,850
Portobello/Craigmillar	25,204	7,008 (27.4)	9,571	10,812
South Central	64,960	442 (1.7)	979	2,263
South West	58,009	2,979 (11.7)	8,709	12,770
Western Edinburgh	44,177	239 (0.9)	239	2,110
Edinburgh	461,052	25,538	48,140	70,210

Useful Definitions, Documents and Links

Unemployment

Unemployment rates are based on Job Seekers Allowance (JSA) Claimant Count data which records the number of people claiming JSA and National Insurance credits at Job Centre Plus local offices.

Economic inactivity

Economic inactivity is a measure of the proportion of the working aged population who are not actively seeking employment. This would include those on long-term disability benefits, students and home-makers.

Long-Term Unemployed (LTU)

Are defined as those in receipt of Job Seekers Allowance for 12 months or more.

Economic activity

Economic activity is a measure of the proportion of the working aged population considered to be playing an active role in the labour market. This therefore includes those who are unemployed but available for and actively seeking work as well as those currently in employment.

Vacancies notified

Data about vacancies is based on the total vacancies notified to employment service job centres in any given period. Since not all vacancies are notified in this way these data are not a comprehensive source and provide only an indication of the type and level of vacancies available at any time.

ROA wards

The Regeneration Outcome Agreement is a commitment with Central government to support the regeneration of communities falling within the worst 15% of data zones, as defined in the Scottish Index of Multiple Deprivation (SIMD 2004). Further details can be found at;

http://www.joinedupforjobs.org.uk/employment/docs_agreements.shtml

Ward Boundaries

Maps of the 'New' (fourth review) and 'Old' (third review) ward boundaries used in the bulletin can be found at <http://www.bcomm-scotland.gov.uk/index.html>

For more information visit our websites or contact the Access to Employment team



JOINED UP FOR JOBS
Edinburgh's Jobs Strategy

Joined up for Jobs website (Labour Market information)
<http://www.joinedupforjobs.org.uk>



Capital Review website (Economic information)
<http://www.capitalreview.co.uk>

• EDINBURGH •
THE CITY OF EDINBURGH COUNCIL

DESIGN: THE CITY OF EDINBURGH COUNCIL • CORPORATE SERVICES • 0100/CD/AD/ NOVEMBER 2008