

Economic challenges for the Edinburgh city region and the implications for city region strategy

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Recession lasts a year (or more?)

The image is a screenshot of the BBC News website. At the top, the BBC logo is on the left, followed by 'Low graphics' and 'Help' links. A search bar is on the right. Below this is a red banner with 'NEWS' in large white letters and 'LIVE BBC NEWS CHANNEL' with a play button icon. A navigation menu on the left lists various news categories, with 'Scotland' highlighted. The main content area shows a headline: 'Scottish economy shrinks further'. Below the headline is a sub-headline: 'Scotland's economy was in a steeper decline from April to June than the rest of the UK, official figures show.' To the right of the text is a photograph of large rolls of metal. Below the photo is a caption: 'Metals and metal products were hard hit, falling by 8.5%'. At the bottom of the page, there is a footer with the Experian logo, copyright information, and the page number '2'.

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Scottish economy shrinks further

Scotland's economy was in a steeper decline from April to June than the rest of the UK, official figures show.

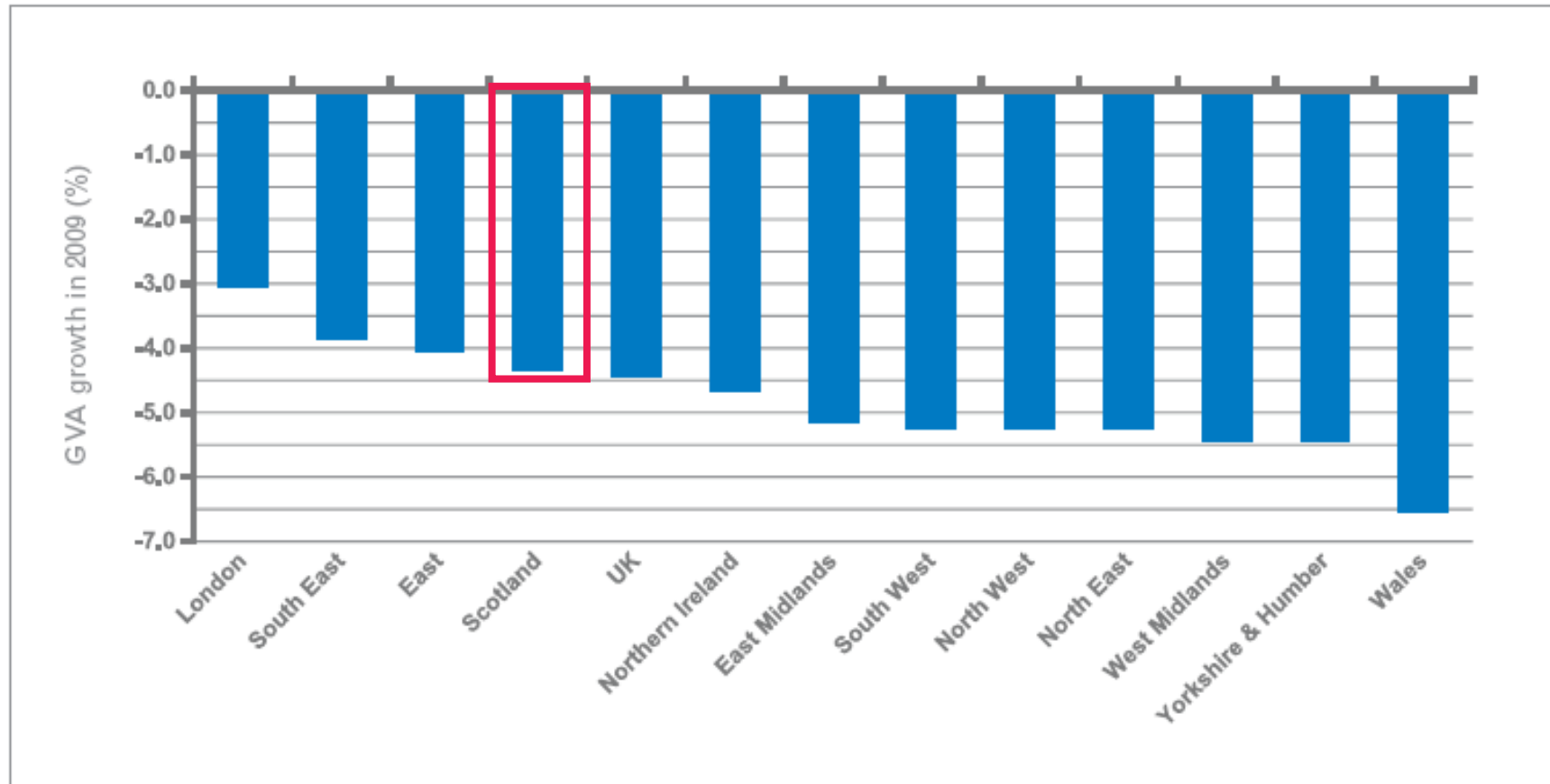
The second quarter saw the Scottish economy shrink by 0.8%, after a fall of 2.5% during the first quarter.

Gross domestic product (GDP) in the rest of the UK fell by 0.6% in the period between April and June.



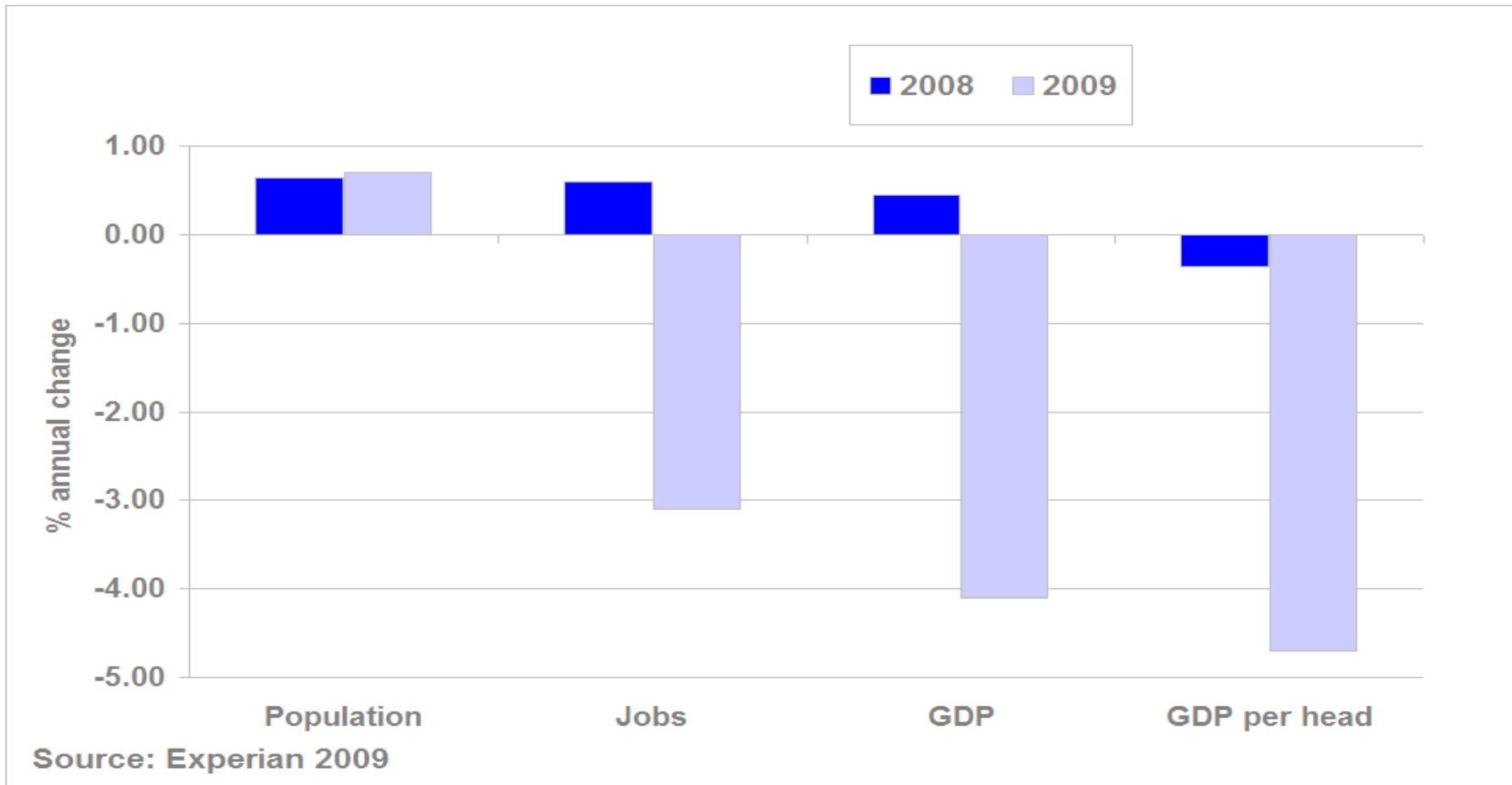
Metals and metal products were hard hit, falling by 8.5%

Scotland's downturn steep but not the worst



Source: Experian Regional Planning Service, Spring 2009

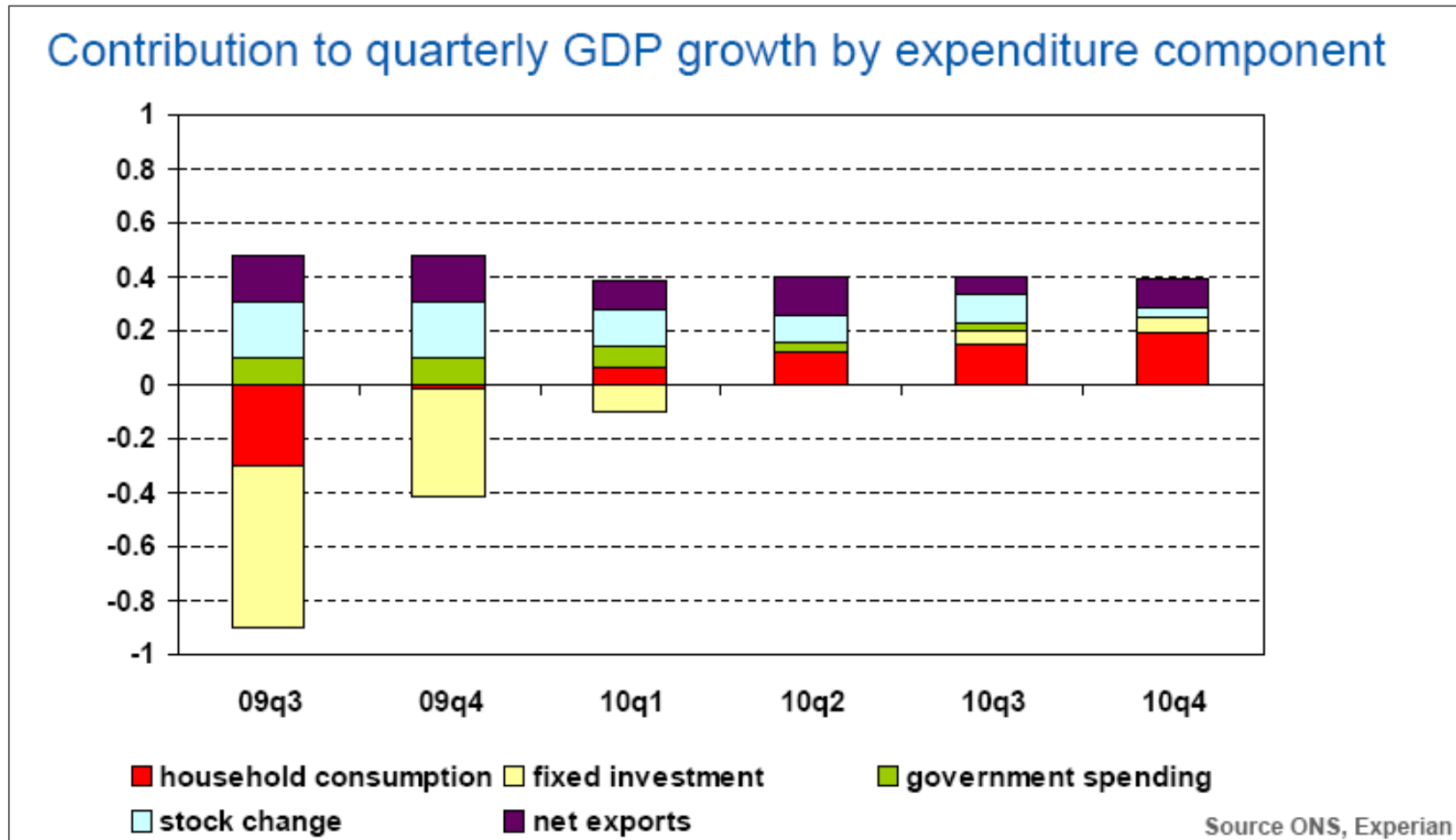
Downturn has taken its toll on the city region



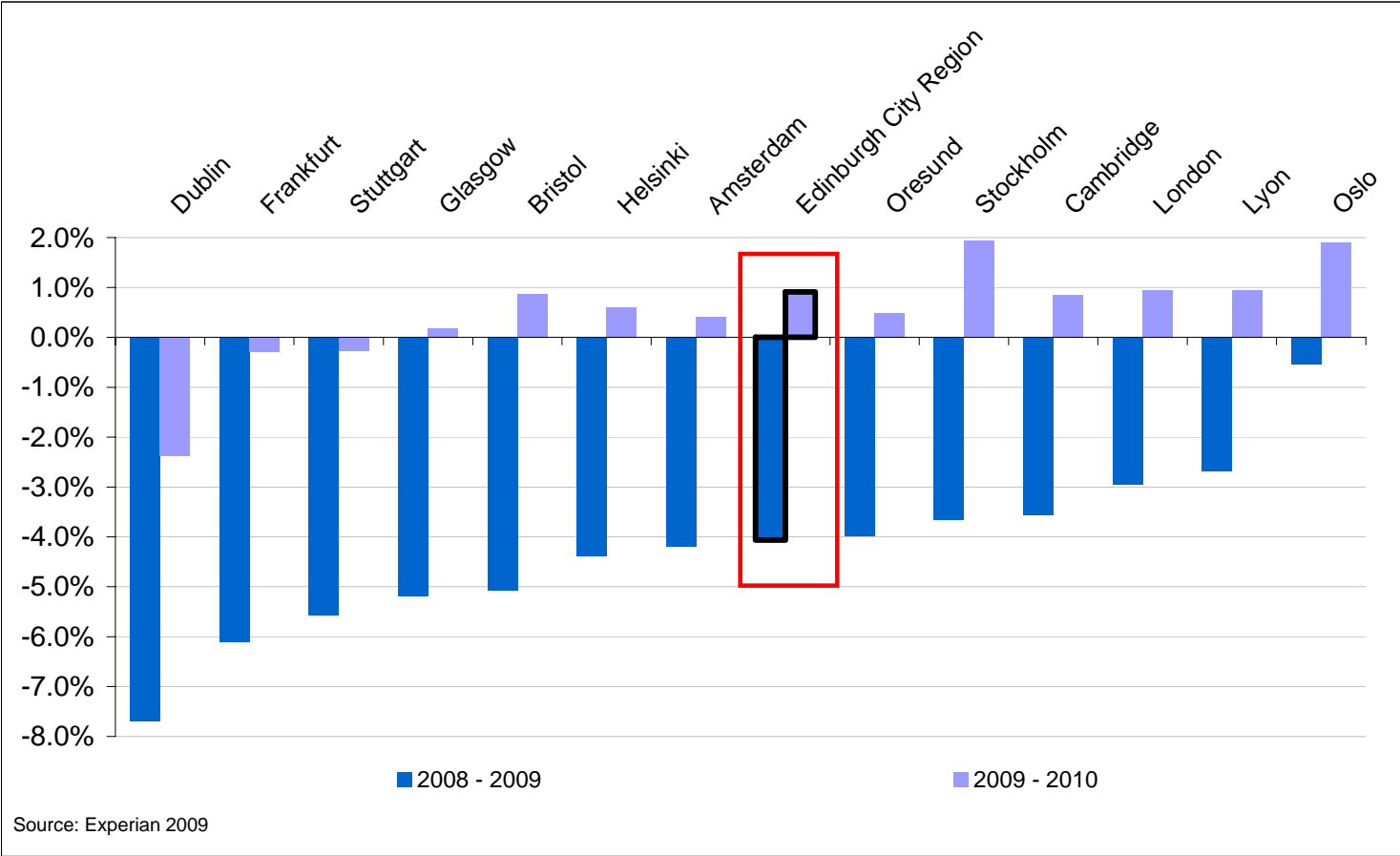
End not quite in sight

Indicator	Annual Trend	Monthly Trend	Relative to Other Cities	Last Month...
Housing	↓	↔	↑	House prices level at 0.0% House sales up 1.2%
Planning and development	↓	↔	No data	Planning applications received up 4.4% Building warrants issued down 5.1%
City centre performance	↓	↓	↔	Footfall down 1.4% Parking utilisation down 3.2% points
Tourism	↑	↑	↑	Airport passenger numbers up 6.0% Hotel room occupancy up 3% points
Labour market	↓	↓	↑	Claimant count up 2.2% Vacancies up 0.9%
Investment	↔	↔	↔	New incorporations down 9.4% Business Gateway startups up 50%

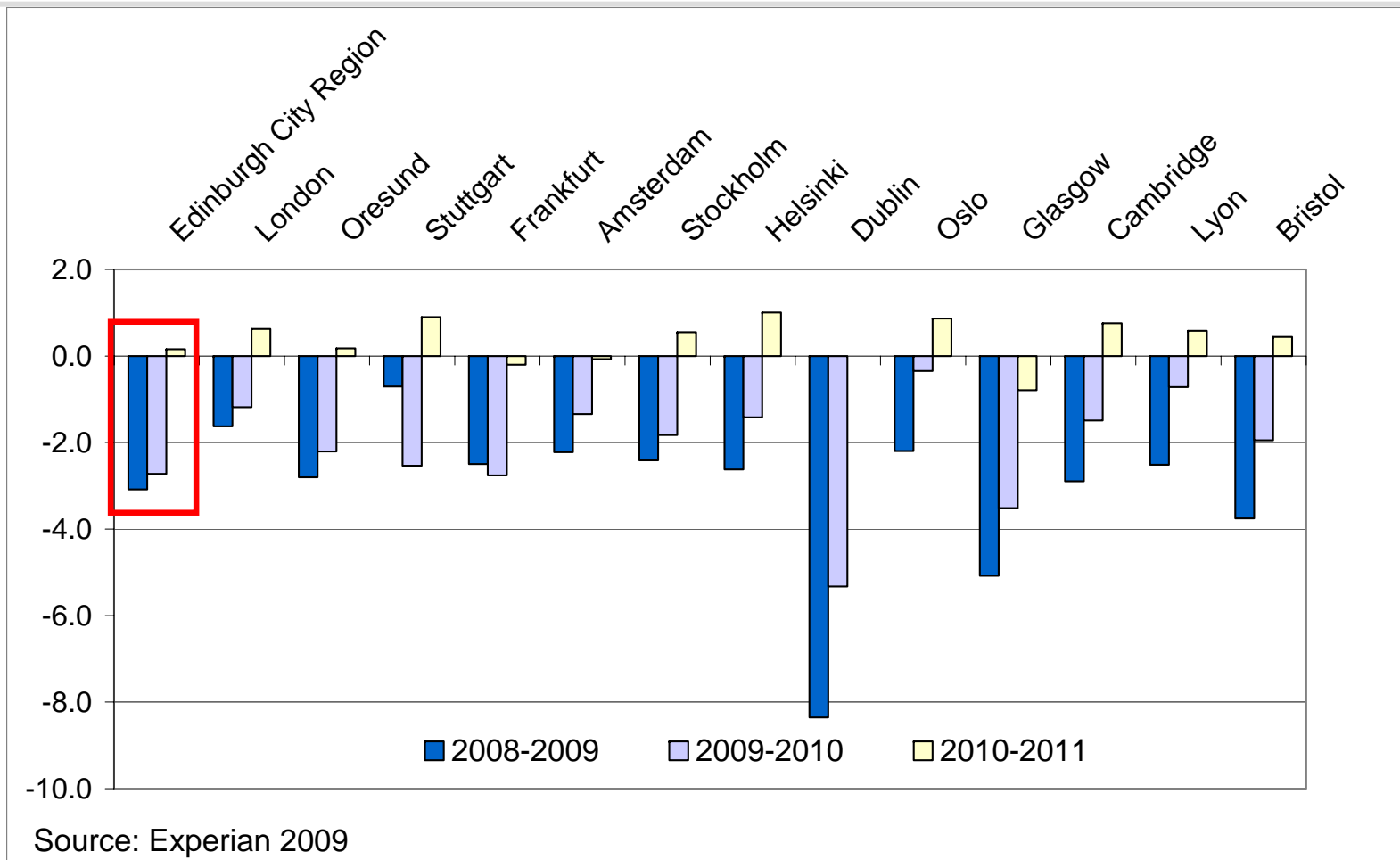
UK recovery likely to be gradual



Edinburgh city region return to growth next year



But jobs growth will take longer to recover

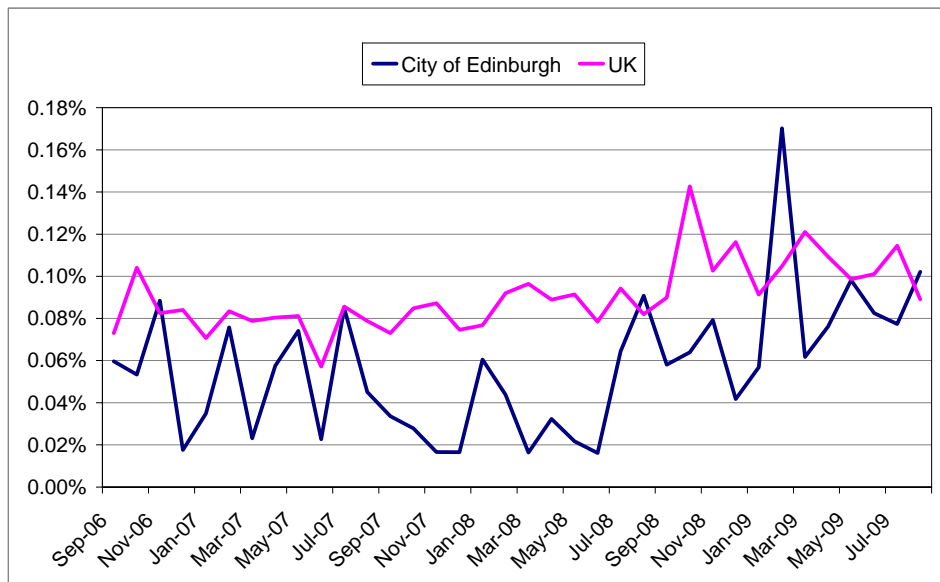


City region's resilience driven by several factors

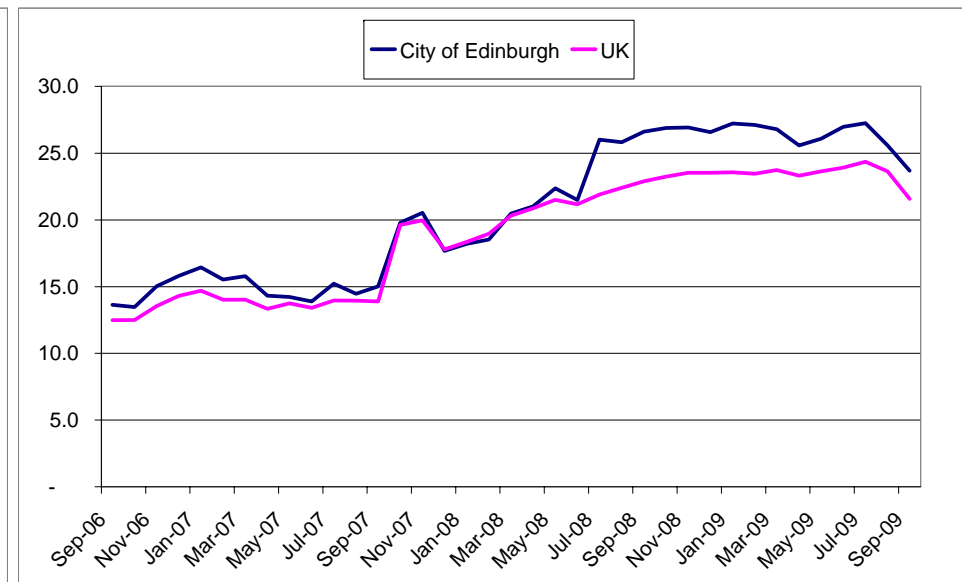


Business in the city remain under pressure

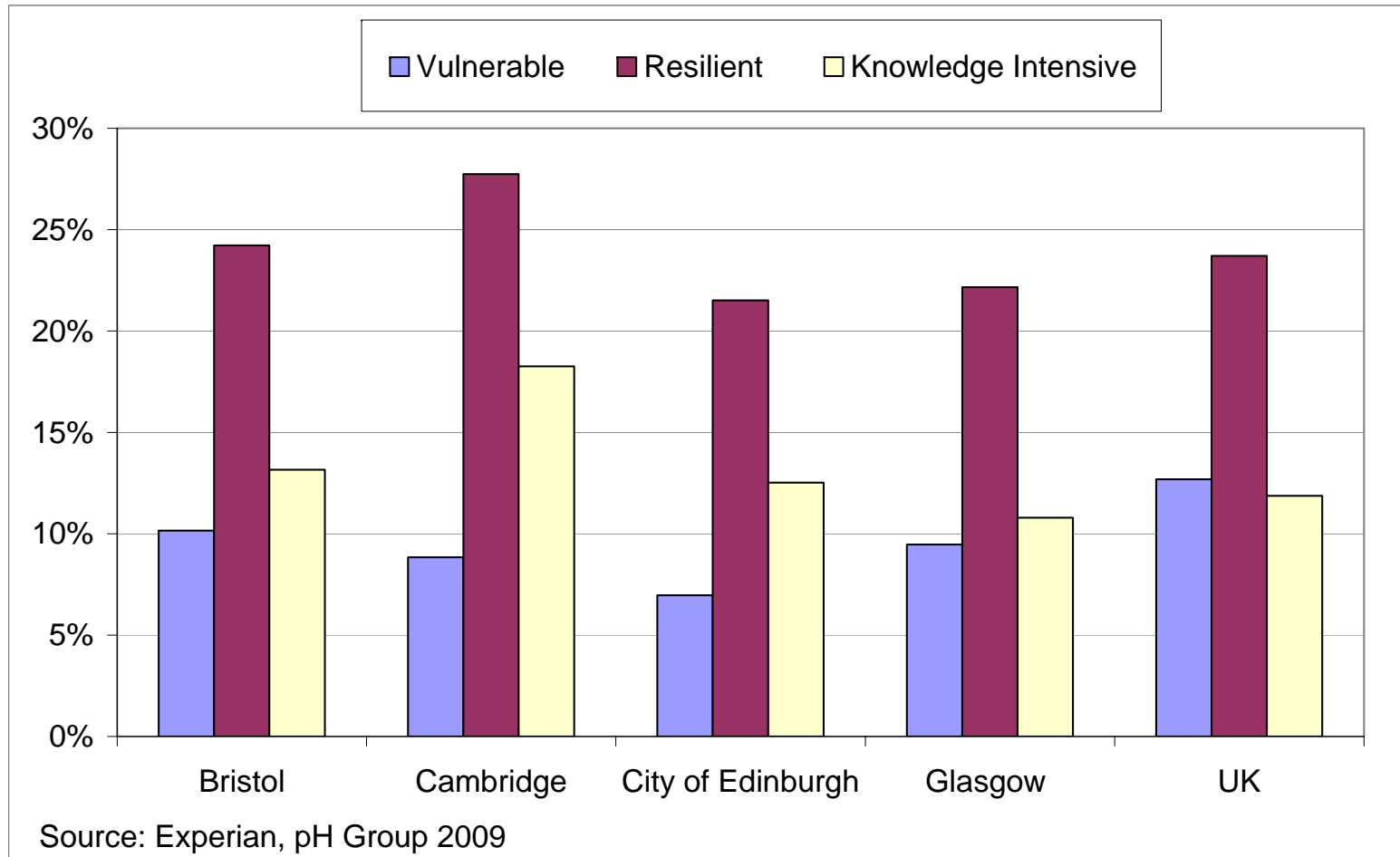
Insolvency Rates



Days beyond terms



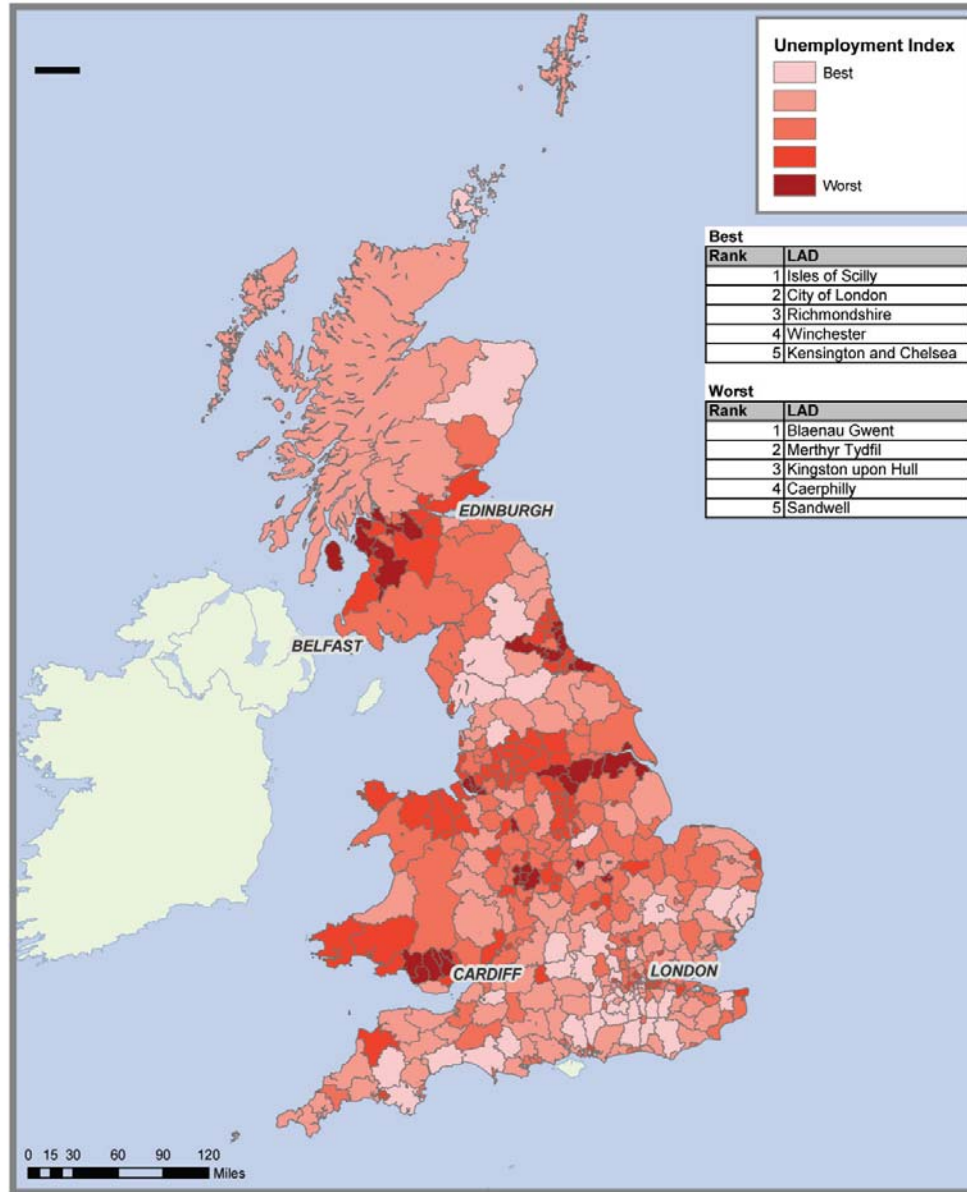
Positive mix of sectors will boost relative resilience





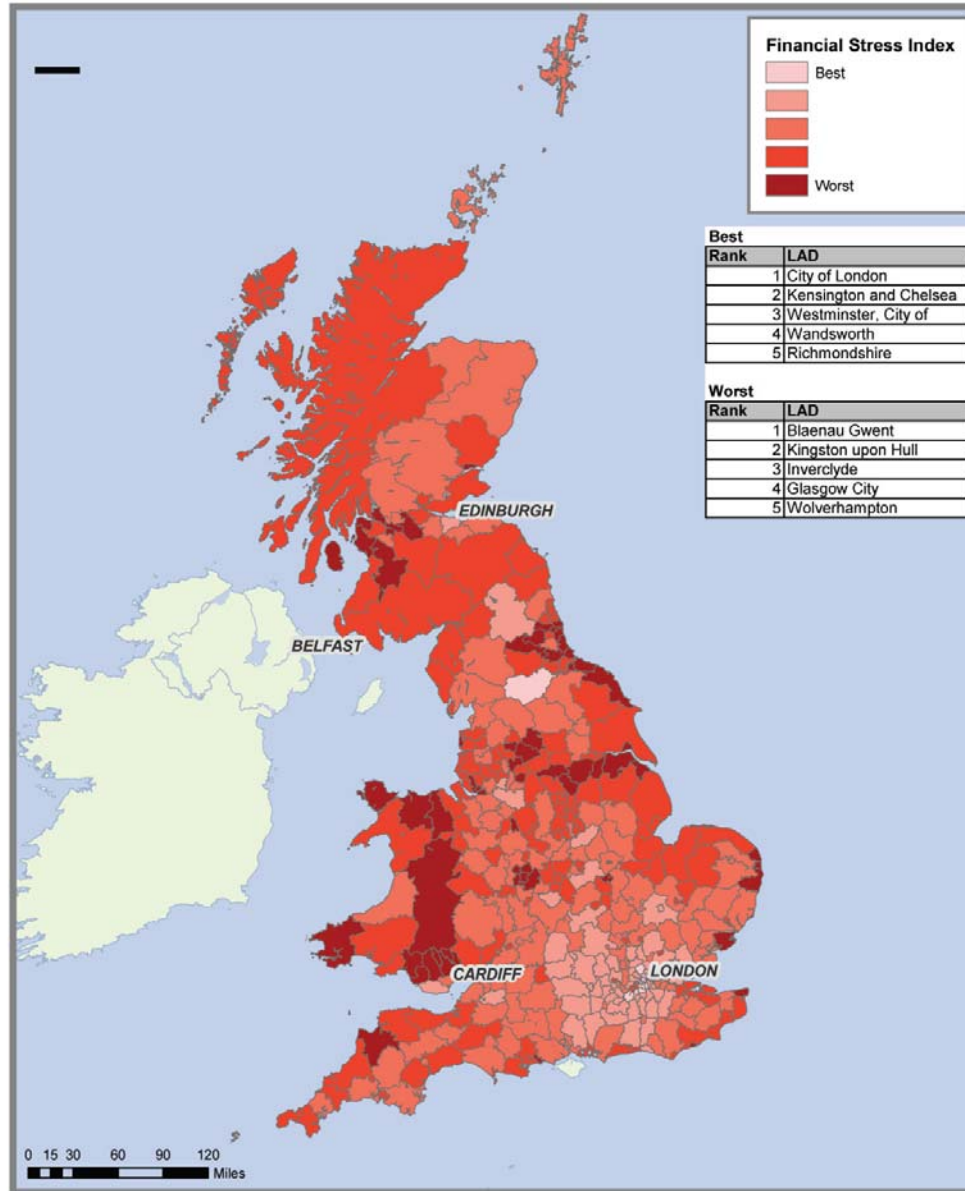
Unemployment Stress Index

Local Authority Level



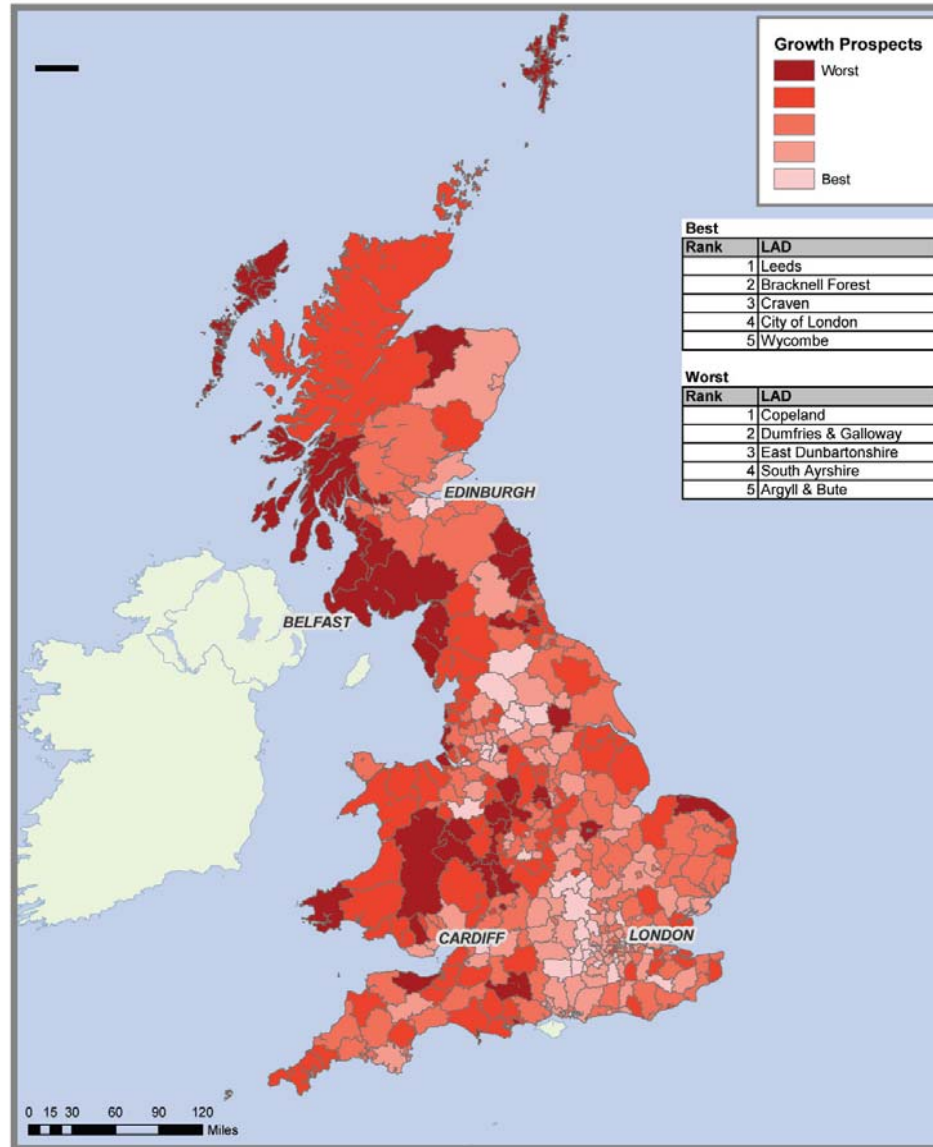
Household Financial Stress Index

Local Authority Level



Growth Prospects for Local Economies

Local Authority Level



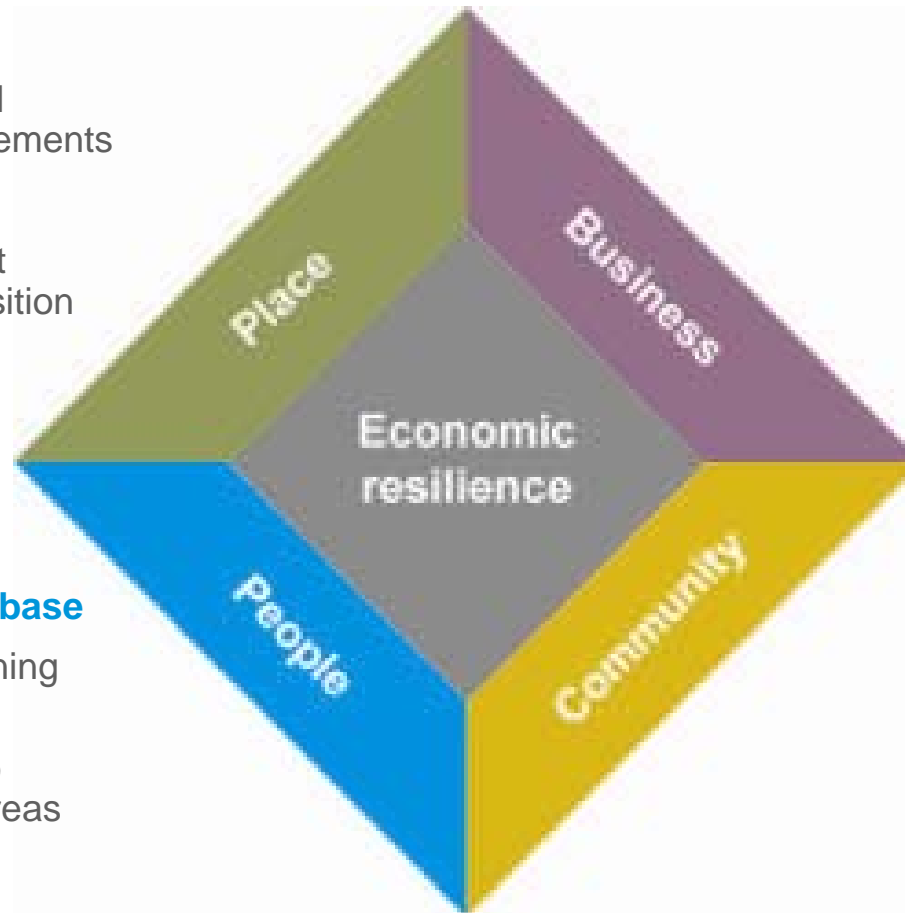
Optimising resilience

Quality of place

- Internal and external infrastructure improvements
- City centre vitality
- Capitalise on current investor value proposition

Strengthening skills base

- Maintaining and retaining talent pool
- Addressing low or no skills levels in some areas



Supporting SMES

- Improve early warnings
- Minimize the cost of doing business
- Compete hard for new investment
- Getting finance to the right companies
- Paying bills on time

Tackling worklessness

- Early intervention
- Focus and target support towards young people
- Skills matching

Implications for Regional Economic Framework

- Greater prioritisation of regional priorities for investment, underpinned by best insight
- Opportunity to capitalise on quality value proposition
- Greater need for collaboration – lobby, compete, share resources
- Bigger picture still a positive one – but no room for complacency!



<http://publicsector.experian.co.uk/>

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