

To: **Jobs and Economy Thematic Board**

On: **5th September 2015**

Report by:
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GLASGOW CITY REGION – ECONOMIC ANALYSIS

1. Summary

- 1.1. This report offers a brief summary of some of the data that has been captured during the preparation of the new Renfrewshire Economic Framework and the new Regional Economic Strategy for the Glasgow City Region.

2. Recommendations

- 2.1 It is recommended that the Board notes the content of the report.

3. Background

- 3.1 The new Renfrewshire Economic Framework presented to the Board in June 2016 involved the assessment of a large amount of data across a range of economic and related factors. Similarly the new Regional Economic Strategy that is under preparation for the Glasgow City Region has involved the same. This report aims to capture a flavour of this analysis and present a brief summary of some of the key data which allows direct comparison between Renfrewshire, the City Region as a whole and the other 7 local authority areas.
- 3.2 Whilst the new Regional Economic Strategy will aim to set policy and present an evidence base at a city-region level (and compare this to other city regions and Scotland), a significant amount of information has traditionally been gathered and monitored at a local authority level. The information presented in this report has used the authority level data to allow comparison across the 8 sub-areas but also presented the equivalent statistics for the city-region to allow direct comparison.

4. What does the data analysis reveal?

- 4.1 The following section offers a summary of some of the key issues uncovered in the latest analysis for these new strategies. The full datasets are attached at **Appendix 1** to this report.

Population size versus number of jobs

- 4.2 As would be expected in any analysis of employment and population at the Glasgow City Region (GCR) level is that the city authority itself dominates in both categories. Almost half of all jobs in the GCR are located in Glasgow City's area (48%) which dwarfs their share of the resident population (33%). Most of the other authorities are broadly proportionate in terms of share of population and share of employment, other than East Dunbartonshire and East Renfrewshire which are clearly more dormitory locations with many residents commuting out of the area for employment. This pattern is likely to be a relatively long standing characteristic of these particular areas.
- 4.3 Renfrewshire's total employment (circa 75,000 jobs) is broadly equivalent to East Dunbartonshire, East Renfrewshire and West Dunbartonshire levels combined.

Scale of business base

- 4.3 By examining the number of businesses across the city region a broadly similar pattern emerges to that of number of jobs. However, a direct comparison can be readily made by comparing this statistic pro rate by the size of the population. This reveals that authorities such as East Dunbartonshire (349) and East Renfrewshire (362) (as well as Glasgow which is perhaps as expected) have higher than average rates of firms per capita compared to GCR as a whole (332 per 10,000 people). This may reflect higher numbers of self-employed or small enterprises in these areas.

Employment and Unemployment Rate

- 4.4 This indicator is frequently used to assess the strength of local economies as generally the higher the employment rate the lower the number of people of working age who are seeking jobs. Within the city region 4 of the local authorities: Renfrewshire, South Lanarkshire as well as East Dunbartonshire and East Renfrewshire have above average employment rates (compared to GCR average of 71%). Of the other authorities none are significantly below the city region average. Glasgow has the lowest employment rate in the city region at 67%.
- 4.5 The unemployment rate across the city region in 2015 was about 6.7%. As you would expect from the above analysis of the employment rate the authorities with higher unemployment at 2015 were Glasgow and Inverclyde (both 8.5%), North Lanarkshire (at 7.3%) and West Dunbartonshire (6.9%). Renfrewshire's figure at 2015 was 5.5% which is now lower than the Scottish average also.

Youth Unemployment

- 4.6 In 2016 the Westminster Government has begun to change the measurement of income support for those sections of the population that are seeking work, with a merger of benefits under the new Universal Credit. Taking the analysis at the end of 2015 we examined the number of claimants of Job Seekers Allowance (JSA) for each of the authority areas. Glasgow and the two Lanarkshire authorities dominate the claimant numbers with almost 75% of the total for the city region.

Qualifications

- 4.7 Two of the metrics analysed were the proportion of the population with no qualifications and also the percentage who are qualified to NVQ4 or above. NVQ4 is broadly equivalent to a diploma from a higher or further education institution.

- 4.8 More than 1 in 10 of the city region population has no qualifications currently. This ranges from 1 in 7 in West Dunbartonshire to 1 in 20 in East Renfrewshire. Renfrewshire area figure is just over 10% of the population.
- 4.9 Almost 42% of the city region's population are categorised as having qualifications equivalent to NVQ4 or above. Again there are significant variations within the region where West Dunbartonshire have only 32% of their population in this category, while both East Dunbartonshire and East Renfrewshire are the areas with the highest proportion (almost 54%). Renfrewshire sits very close to the city-region average at 43%.

Deprivation

- 4.10 Pockets of deep seated social and economic deprivation has been one of the legacies of the post-industrial years in the West of Scotland including the Glasgow city region. Of the most deprived areas in Scotland (the lowest ranked 325 communities) almost 70% of these are in GCR. This includes a significant concentration in Glasgow (45% of the most deprived communities in Scotland).
- 4.11 In comparison a number of the other authorities in the Glasgow city region have significant pockets of deprivation but in numbers terms they are significantly lower than the challenges facing Glasgow's concentration. Renfrewshire has just over 4% of these most deprived communities (13 datazones). Of the other areas in the region only North Lanarkshire (23 datazones) (and Glasgow) have more.

Average pay

- 4.12 The 8 local authorities have broadly similar levels of average annual gross pay per job. East Dunbartonshire and East Renfrewshire exhibit levels well above the regional average of £28,845. However, all other authorities have average pay levels below the GCR average. Renfrewshire's average annual pay is just over £28,000.

House building

- 4.13 House building has long been an important element of the Scottish construction sector. Despite significant reductions in the number of new homes being built since the economic recession of 2008, construction remains an important element of the Glasgow city region economy.
- 4.14 However, house building (pro rata) in the city region has for some time lagged behind the Scottish average. This could be as a result of the higher proportions of local authority housing stock that exist in the city region compared to other parts of Scotland or there may be other factors. The figures that have been examined as part of the analysis presented in this report show the total number of new homes built since 2008 (almost 35,000 across the city region). This is taken as a start year due to the impact of the credit crunch and the significantly different levels of output experienced prior to this event.
- 4.15 Also presented is the average number of new homes built per year over this 7 year period since 2008 (almost 5,000 across the city region). In order to aid comparison on an equal footing these average outputs are then assessed against the respective populations of the 8 areas. As can be seen in Appendix 1, Inverclyde has the highest house building rate across the city region since 2008 (34 homes per 10,000 population). South Lanarkshire (33), East Dunbartonshire (31) and Glasgow (27) are also above the city region average (of 24). Renfrewshire has built 26 new homes per 10,000 population. Of the 8 authorities, North Lanarkshire has the lowest level of house building in recent years compared to the size of its resident population

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Local authority	Population (2014)	Total employment (2014)	% of city region pop.	% of city region employment	Number of businesses per 10,000 pop	Employment Rate (% of Working Age Population; 2015)	Job seekers allowance recipients aged 18-24 (Nov 2015)	Unemployment rate (2015)	% of population with no qualifications	% of population qualified to SVQ4+ level	% of most deprived datazones (5%) in Scotland	Average annual gross pay (£)	Total new homes built (2008-15)	Average new homes built per annum (2008-15)	New homes built per 10,000 pop
East Dunbartonshire	106,700	25,862	6%	3%	349	75	130	4.3	5.4	53.6	0.62	32,016	2,300	329	31
East Renfrewshire	92,400	20,760	5%	2%	362	75	100	4.0	5.3	53.6	0.3	34,772	1,547	221	24
Glasgow City	599,600	404,501	33%	48%	379	67	1,420	8.5	13.0	46.3	45.5	27,417	11,658	1,665	27
Inverclyde	79,900	30,293	4%	4%	264	68	220	8.5	13.4	35.4	4.3	27,071	1,903	272	34
North Lanarkshire	338,000	133,325	19%	16%	274	72	620	7.3	13.2	32.9	7.1	26,293	5,229	747	22
Renfrewshire	174,200	75,406	10%	9%	324	74	250	5.5	10.1	42.8	4.3	28,032	3,116	445	26
South Lanarkshire	315,300	116,115	18%	14%	333	76	690	4.6	9.1	37.8	3.4	28,192	7,373	1,053	33
West Dunbartonshire	89,700	30,264	5%	4%	253	69	240	6.9	14.3	32.0	3.7	26,966	1,597	228	25
Glasgow City Region	1,795,900	836,526	100%	100%	332	71	3,660	6.7	11.4	41.6	69.2	28,845	34,723	4,960	24