

GLASGOW ECONOMIC AUDIT 2007

SUMMARY REPORT

Glasgow
Economic Forum

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Economic Forum

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INTRODUCTION

In 2006, the Glasgow Economic Forum published a new ten year economic development strategy for the city, A Step Change for Glasgow. This ambitious document set out the intention of partners to make Glasgow a 'world-class city', and examined the 'step changes' needed in the city's performance to turn that aspiration into reality.

SLIMS has been commissioned to carry out the Glasgow Economic Audit 2007. This is the first attempt to provide a benchmark to measure the city's performance against the aspirations set in A Step Change for Glasgow. The Audit also aims to provide a robust set of indicators against which progress can be measured in future years.

The purpose of this Summary Report is to provide an overview of performance against the principal themes set out in A Step Change for Glasgow. These fall into two categories:

- a set of key 'macro indicators' that measure the main outcomes of economic development policy;
- a series of 'step change themes' that outline the ambitious changes that partners believe are necessary to achieve their aim of making Glasgow a world-class city.

This Summary Report will be followed by a fuller document to be completed in early 2008 that will examine the city economy in more detail.

A general point to make before beginning the examination of targets and indicators is that partners implementing local policies are not fully in control of the city economy. In many instances, notably with respect to key global influences on the city – global economic performance; UK macro-economic policy; natural or terrorist disasters – partners have little influence at all. In other fields, local influence may at best be partial or require assessment over the long term – encouraging a deeper culture of enterprise or attempts to urge managers to adopt more sophisticated production or process methods, for example.

What is clear is that the early 21st century is once again a time for cities. Glasgow does, in this new economic climate, have the opportunity to become world-class. But this can only happen if the city and economic development partners are ambitious and outward-looking and are able to take advantage of this opportunity. This requires everyone to raise their game, a challenge that A Step Change for Glasgow recognises.

EXECUTIVE SUMMARY

This Summary Report provides a brief overview of performance against the principal themes set out in *A Step Change for Glasgow*. These fall into two categories:

- a set of key 'macro indicators' that measure the main outcomes of economic development policy;
- a series of 'step change themes' that outline the ambitious changes that partners believe are necessary to achieve their aim of making Glasgow a world-class city.

MACRO INDICATORS

In terms of **Gross Value Added (GVA) per capita**, a wealth creation measure, Glasgow is one of the star performers among UK cities. The city's GVA per capita is more than one-third greater than the UK figure and even further ahead of the Scottish average. Glasgow's growth rate has been faster than Edinburgh, Scotland, the UK and any of the English Core Cities. Against a group of 35 European cities, Glasgow's average growth rate from 2000 to 2005 was exceeded by only two others.

The picture is somewhat less positive when we look at **labour productivity**. On this measure, Glasgow stands at 90% of the UK average, and is also a little behind the level for Scotland and the Core Cities. Against the same group of 35 European cities, Glasgow's annual growth rate in labour productivity from 2000 to 2005 puts it in the top ten, though the overall level of labour productivity is relatively low.

Glasgow has also been one of the fastest growing cities in the UK in its rate of job creation. Almost 80,000 new jobs have been located in the city since 1995, and almost 40,000 extra city residents have found work over this same period. This took Glasgow's **employment rate** – the share of the working age population that is in work – to 65% in 2006, a dramatic improvement from the total in 1995.

Despite this good performance, Glasgow still needs an additional 40,000 to 50,000 residents in work to bring its employment rate up to the Scotland and UK averages.

There has been a significant turnaround in the city's **population**. The total living in Glasgow in 2006 was 581,000, a figure that has been rising since the turn of the century. The working age population alone has grown by 25,000 since 2000.

These positive trends are similar to those in the Core Cities, and largely reflect the resurgence of cities as centres of growth and vitality.

Glasgow's **average earnings** in 2006 were £353 per week, slightly above the average for Scotland and close to the level in most English Core Cities. The figure is just 3% below that for the UK, but the rate of increase in earnings has not been sufficient to close that gap.

The 2007 assessment of urban **quality of living** by Mercer Human Resource Consulting places Glasgow 55th of 215 cities across the world, exactly the same position as in 2006.

EXECUTIVE SUMMARY (cont)

STEP CHANGE THEMES

It is too early to provide an assessment of progress for two of the step change themes. For the theme **Glasgow-Edinburgh: Collaborating to Compete**, it would be premature to assess economic progress and impact. Likewise, the success of the aim to make the city a **Leader in Strategic Area Regeneration** can only properly be evaluated much further down the line in relation to the major projects currently underway in Glasgow.

Build the Metropolitan Core.

Arguably, there has already been a step change in the core over the past decade. Over 60,000 new jobs have been located in the core over the last decade, more than four-fifths of all those created in Glasgow. The city centre is now home to almost a quarter of a million employees. Moreover, the city continues to rank as one of the top retail destinations anywhere in the UK, and is home to a vibrant array of museums, galleries, creative businesses and leisure facilities.

Education at the Heart of the Economy.

There are around 120,000 students in Glasgow, one of the biggest concentrations in the UK, generating substantial economic benefits for the city. A relatively large proportion of under-50s have degrees, but older people are less well-qualified than elsewhere. Moreover, the city's relatively high levels of deprivation help to produce educational attainment levels for the average school leaver that are substantially below average.

A Culture of Entrepreneurship.

The city has over 12,000 VAT-registered companies, but a low rate of new business formation compared with the UK. There are also relatively few in self-employment, while the city has experienced no job growth among the smallest workplaces (those with 10 or fewer employees). These are all common characteristics of the Core Cities. However, Glasgow does appear to have a worse record in terms of the number of new companies able to survive for more than three years.

Work for Those Without.

The total number of jobless working-age benefit claimants has dropped faster than average, and is now below 100,000. Neighbourhood deprivation also fell sharply from 2004 to 2006. Even so, over a quarter of adults still claim benefits, and the proportion claiming Incapacity Benefit is the highest of all the major UK cities. The city's resulting high rates of economic inactivity (30%) are closely related to the poor state of its residents' health. Worryingly, the health gap between prosperous and disadvantaged communities is widening on some measures.

International Positioning.

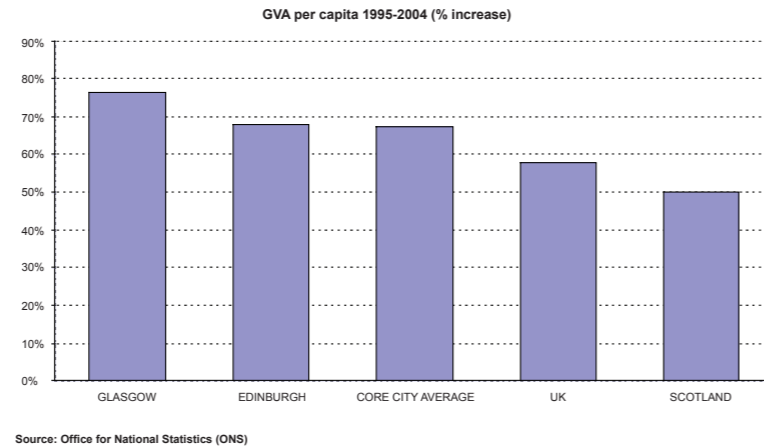
The city accounts for a relatively small proportion of Scotland's total overseas exports, but performs extremely well in its sales to the rest of the UK. Glasgow is the fourth most popular UK city destination for foreign tourists (excluding London), and one of only three UK cities to make the top 50 international conference destinations.

However, the city is placed 26th of 33 cities across Europe as 'the best place to locate a business', though it does perform well against other UK company destinations.

Success through specialisation.

90% of its jobs are now in service industries and Glasgow's transformation to a service economy appears to be slightly further forward than the Core Cities. It has real strengths in finance, in business services and in creative industries. The city's overall sectoral structure appears to be favourable for continued job growth.

Glasgow has notable strengths that can be built on to create a world-class city. The UK's larger post-industrial cities are experiencing a resurgence, and it is vital to seize the opportunities that now exist. In order to tackle the twin challenges of low productivity and job market participation, policy needs to encourage step changes in areas ranging from workforce development and business attitudes to productivity, to the emphasis on health and raising global awareness of the changes that have taken place in Glasgow.



MACRO INDICATORS

GVA PER CAPITA

Glasgow and other major cities are the drivers of economic growth

Cities are the drivers of economic growth in the modern economy, and Glasgow has benefited from this resurgence of the urban economy. Glasgow's economic output totalled £13.5bn in 2004. This was more than two-thirds higher than in 1995, a faster growth rate than Scotland and the UK. The city contains 11% of Scotland's population, but produces one-sixth of total output, and accounted for 20% of the country's growth over the past decade.

In a UK context, Glasgow is a star performer

The measure most often used to examine the performance of different areas is GVA per capita, to allow for the differing sizes of each city. On this basis, Glasgow had GVA per capita of £23,400 in 2004, more than one-third greater than the UK figure and even further ahead of the Scottish average. The total is above those for most English Core Cities¹, though it does lag behind Edinburgh.

Glasgow's growth rate in GVA per capita is even better. The increase of 77% since 1995 is faster than Edinburgh, Scotland and the UK, and is also more rapid than any of the Core Cities.

Part of the explanation for Glasgow's high level of GVA per capita is the city's very 'tight' administrative boundary, which means that almost half the workforce commutes in from elsewhere. The city's GVA is therefore produced by a large workforce in contrast to a relatively small resident population used to calculate the 'per capita' figure. The figure for the city region of £15,800 per capita shows how this particular measure appears to be different when GVA per capita is examined for a much more self-contained regional economy.

Benchmarked against 35 European cities, Glasgow has been growing faster than almost all the others, but has a middle ranking overall

BAK Basel Economics have undertaken international city comparisons on behalf of Glasgow Economic Forum. They found

that, against a group of 35 European cities in 2005, Glasgow ranked 16th in terms of its GVA per capita, an improvement of two places on its position in the previous year. The city stands ahead of Barcelona, Turin and Dusseldorf, among others, though still has some way to go to make a top ten that includes Dublin, Munich and Edinburgh.

Crucially, the BAK Basel Economics analysis confirms Glasgow's first-rate growth performance in this wider European context. The city's growth rate averaged 3% per year from 2000 to 2005 – this was the third highest of the 35 cities, behind only Edinburgh and Augsburg (Germany).

The aspiration set out in A Step Change for Glasgow is to reach the GVA per capita average of the top nine cities. The city's growth rate since 2000 has been faster than all those above it in the league table (apart from Edinburgh) – this means that the city has been making significant progress. But unless there is even faster growth in Glasgow, it will take longer than a decade to realise this aspiration.

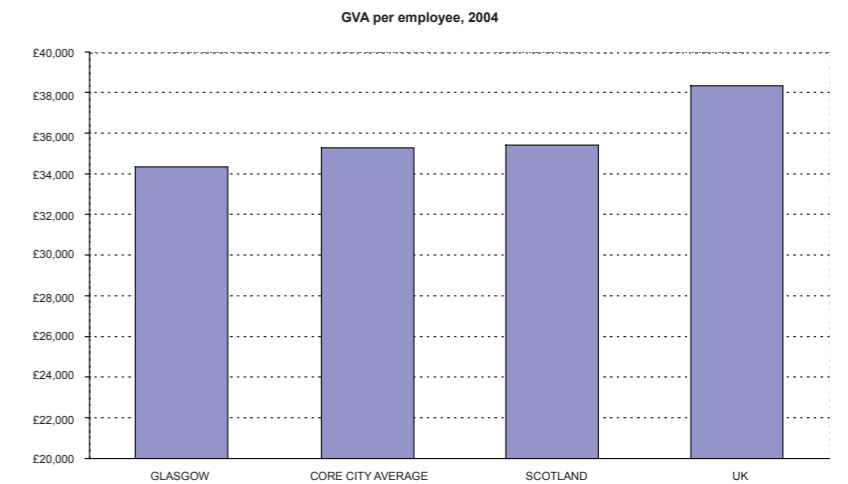
LABOUR PRODUCTIVITY

The city's labour productivity is 90% of the UK average

A different picture of Glasgow's performance emerges when we consider labour productivity. Glasgow reached an average of £34,400 per employee in 2004. This was a little behind the Scottish figure and around 90% of the UK total. The Core City average level of productivity is also a little higher than Glasgow, though these cities are also well below the British figure. Labour productivity in the Glasgow city region was £35,900, slightly above Glasgow and the Scottish average, partly as a result of the greater extent of manufacturing outside the city itself.

Cities also do less well in terms of growth rates. Glasgow's level of labour productivity has increased by around a quarter since 1998, slightly better than the performance of Scotland as a whole, and in line with the English Core Cities. The city's growth, however, was slower than the UK average, in common with the Core Cities.

The most likely explanation for the apparent difference in performance



between GVA per capita and labour productivity is that recent urban growth has been concentrated in service industries. Their average productivity levels tend to be lower than most manufacturing sectors. Moreover, a big proportion of recent job growth has been in financial services and in the public sector, where both the level and the growth rates of productivity are particularly hard to measure.

Glasgow has an above average rate of growth in labour productivity in European terms, though its overall ranking remains low

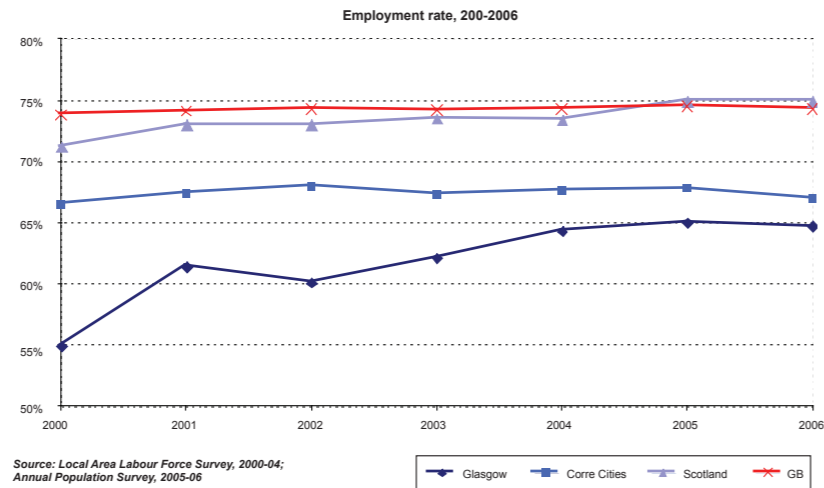
Drawing again upon the work of BAK Basel Economics to help benchmark Glasgow against the same group of 35 European cities, Glasgow averaged an annual growth rate of 2.3% in productivity from 2000 to 2005, which puts it in the top ten cities. However, Glasgow lies in 33rd place on their measure of labour productivity in 2005. While this is an improvement on its position in 2004, the city's level of labour productivity clearly remains relatively low in European terms.

It is worth pointing out that Glasgow's relatively poor performance in this

benchmarking exercise is partly the result of its location within the UK, which is a low-productivity economy in comparison with many of its mainland neighbours. The precise explanations for the country's performance are the subject of some debate, but include factors such as the UK's relatively high levels of part-time employment, high employment rates and smaller manufacturing sector, as well as less easily definable influences such as the country's investment climate and approach to work organisation and management.

The aim in A Step Change for Glasgow is for labour productivity to reach the top half of this group of cities. If Glasgow's productivity continues to grow at its present rate for the next ten years, it will just about reach the productivity level currently enjoyed by the mid-ranking city. Clearly, productivity elsewhere is unlikely to stagnate – other cities will also be trying to improve their performance. It will therefore require more than a decade to reach this aspirational target, unless there is a rapid acceleration of the city's productivity growth.

¹ A group of the eight largest cities in England outside London that can be considered suitable benchmarks against which Glasgow's economic performance can be judged: Birmingham, Bristol, Leeds, Liverpool, Manchester, Newcastle, Sheffield and Nottingham.



Source: Local Area Labour Force Survey, 2000-04; Annual Population Survey, 2005-06

EMPLOYMENT RATE

Glasgow's employment rate has improved dramatically, but is still a long way below UK levels

Glasgow has had great success in creating employment since the mid-1990s. The number of jobs located in the city grew by almost 80,000 in the ten years to 2005, making it one of the fastest growing cities in the UK.

Not all of these new posts are taken up by city residents – half the Glasgow workforce commutes into work from elsewhere, and is disproportionately concentrated in the better paid jobs. This emphasises that the Glasgow labour market cannot be seen in isolation from the rest of the city region, which forms a highly self-contained unit when taken as a whole.

Even so, almost 40,000 more city residents found work over this same period. This took Glasgow's employment rate – the share of the working age population that is in work – to 65% in 2006, a dramatic improvement from the total in 1995.

Looking at the Core Cities, Glasgow's employment rate is a little lower than

the Core City average, though Glasgow currently has a higher employment rate than Birmingham, Liverpool and Manchester. It should also be pointed out that there has been no change at all in the Core City average rate since 2000, in contrast to the growth in Glasgow. However, Glasgow still lags well behind the Scottish and UK averages (of 75% and 74% respectively). The city region as a whole also has a substantially higher employment rate (71%).

Commuting patterns and the arrival of migrants into the city have a major impact on employment, but are impossible to monitor accurately

Allowing for the margins of error in the statistics, it seems that Glasgow residents have found it more difficult to find employment since 2004. This may be the result of greater competition from those who live in other parts of the city region deciding to commute in the absence of suitable job opportunities in their own area. Alternatively, it may be that new in-migrants resident in the city have taken up many of the new jobs in Glasgow, but that these people are not fully represented in the survey that calculates the resident employment rate.

There has clearly been an in-flow of immigrants from the 'A8' countries of the EU since 2004, but it is not possible to say precisely how many are working in Glasgow (or any other part of the UK). Government figures suggest that 3,700 arrivals from the A8 countries registered for work in Glasgow from 2004 to 2006 (a total that was only half the numbers arriving from the rest of the world). A recent report commissioned by the Council estimated that the likely number of A8 migrants in Glasgow is above 5,000 and could be up to 7,000 by 2008.

A Step Change for Glasgow sets an aspiration for Glasgow's employment rate to reach the Scottish average. Depending on the overall growth of the Scottish economy, this target will require a further 40,000 to 50,000 Glasgow residents in work over the next ten years. This is approximately the performance over the last decade, but recent progress in Glasgow has slowed and those who remain out of work are probably further away from being able to hold down a steady job than those who have benefited from the growth of recent years.

POPULATION

The city's population has stabilised and shows signs of growth after a long period of decline

In 2006, official figures estimate that Glasgow's population was 581,000. This figure represents an important turnaround in the city's fortunes. Both the total population and working age population have begun to grow since 2000, reversing a decline going back many years. The increase in the total since the turn of the century has been around 4,000 – but the growth of the working age population has been 25,000.

Comparing Glasgow to the Core Cities, a similar pattern emerges. Most cities, like Glasgow, turned the corner sometime around 2001 and began to see growth in their total numbers. Moreover, each city has had a much more positive change in its working age population than in the total.

Glasgow stands at the heart of a city region that is home to 2.1m people. It too has seen a stabilisation in total numbers, as well as some growth in the working age population. The region's relatively good transport links means that nearly all

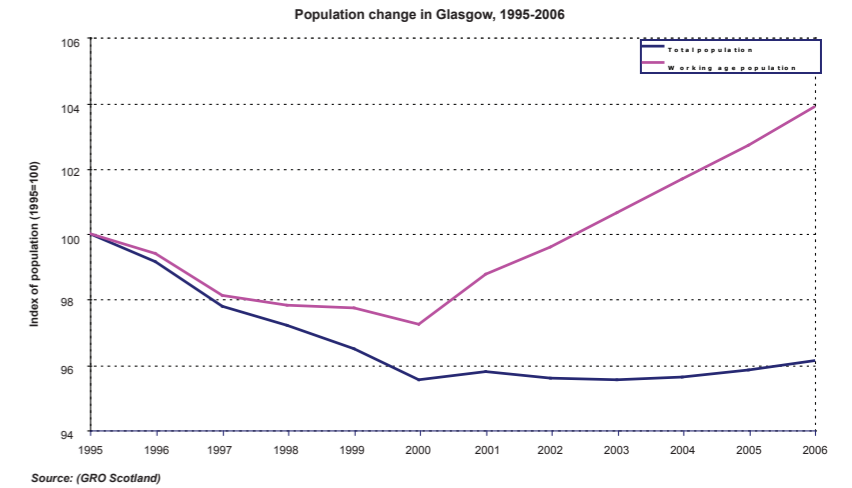
these residents are within easy travelling distance of the city for work, shopping or other leisure activities.

The biggest part of the transformation results from incomers drawn by the city's economic success

To a large extent, the reversal of population decline in Glasgow and the other Core Cities is the result of their economic success. Sustained economic growth helps to attract people into cities, further encouraged by the regeneration efforts that have taken place in major urban centres across Britain. The absence of economic factors encouraging people to leave cities has also contributed to this. The substantial growth in the working age population in each city reflects the fact that this is the age group attracted by economic regeneration. It should be noted that this reversal pre-dates the accession of the new EU member states from Eastern Europe.

New arrivals to the city are largely of working age, while those over retirement age continue to leave, in contrast to the trends in the surrounding city region

These trends have given Glasgow a different age structure than the rest of the



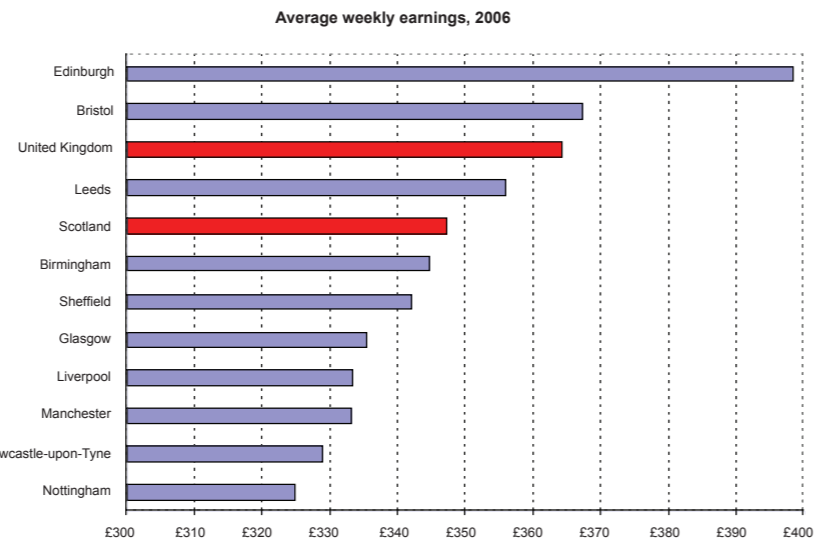
Source: (GRO Scotland)

country. There is a pattern of residents over retirement age moving out of the major cities, alongside a substantial movement of younger people – whether from within the UK or from abroad – into urban centres. It may also be the case that the size of the group over retirement age in Glasgow and other Core Cities reflects the higher death rates in Britain's more deprived areas. The same patterns have also been evident in the Core Cities, in contrast to the trends across Britain as a whole.

The aspiration from A Step Change for Glasgow is for Glasgow's population to comprise 12% of Scotland's population, up from 11% at present. On present official population projections, this will require an increase of 50,000 in the city's total, or an annual net increase of around 5,000 each year. This is faster than the rate of growth in the last few years, but with a growing working age population likely to result in a higher birth rate, it certainly seems to be an achievable goal, assuming continued economic growth in Glasgow.

Change in population by age group (%), 1996-2006					
	0-14	15-24	25-49	50-retirement	Over retirement
Glasgow	-18%	13%	2%	3%	-14%
Core City average	-12%	23%	3%	7%	-7%
Scotland	-10%	3%	-4%	18%	7%
GB	-5%	11%	0%	17%	6%

Source: GRO (Scotland); ONS



AVERAGE EARNINGS²

Wages are almost on a par with the UK and close to most Core Cities

Wage levels are one of the key outcome measures for economic development policy. If Glasgow is successful in its aim of creating a more prosperous city with high value-added jobs, it should follow that average earnings are relatively high.

Average earnings for those working in Glasgow in 2006 were £353 per week, slightly above the average for Scotland and a little below the UK average, although this figure is inflated by London and South East England. This figure is also close to those in most of the Core Cities.

Earnings growth has been close to the average, but not sufficient to close the gap with the UK

Glasgow's average earnings have grown by over a quarter since 1998. This increase closely aligns to growth rates across Scotland and the UK – but also means that the gap with the UK has not narrowed since 1998. The rate of growth in Glasgow has been similar to many of the Core Cities.

Glasgow's disposable income per resident is relatively low in UK terms

Earnings information, by definition, applies only to those who are in work. A more complete measure of prosperity is to be found in disposable income per head³. The 2005 figure for Glasgow was £11,700 per person. At just 88% of the UK average, this was one of the lowest levels of disposable income in Scotland's Central Belt. The average level of disposable income per head in Glasgow has grown by half over the past decade,

though this has barely kept up with growth across Scotland and the UK.

A Step Change for Glasgow set the aspiration to move average earnings from 5% below the UK to match the national figure. On the measure discussed here (the 'median' rather than the 'mean'), Glasgow is 3% below the UK, and has been for the last few years. It does not seem like a big gap to close, but it will require perhaps a higher proportion of new jobs over the next ten years to be at the higher end of the earnings spectrum than has been the case in the past.

QUALITY OF LIVING

Glasgow has held its position in the international Quality of Living rankings

The benchmark for quality of living used in A Step Change for Glasgow is an index produced annually by Mercer Human Resource Consulting. The 2007 assessment places Glasgow 55th of 215 cities for its quality of living, in exactly the same position as in 2006. This listing puts Glasgow on a par with Birmingham and Los Angeles, and only just behind major cities such as Milan, New York and Lisbon. The five cities deemed to have the best quality of life are Zurich, Geneva, Vancouver, Vienna and Auckland. The aim set out in A Step Change for Glasgow is to reach the top 40 in this ranking.

The Mercer index is based on an assessment of 39 separate indicators, covering the categories that range from a city's political, social and economic environment to the local quality of recreation, consumer goods and housing. The city's precise ranking in a decade from now will depend, as does its progress on most of the other macro

indicators, on whether the rate of improvement is faster than in other cities. However, it should be noted that the aim of the index is to provide multinational companies with a guide to the degree of hazard faced by staff sent to work in the listed cities. It is not, therefore, the same as an evaluation of the quality of life led by the residents of each city.

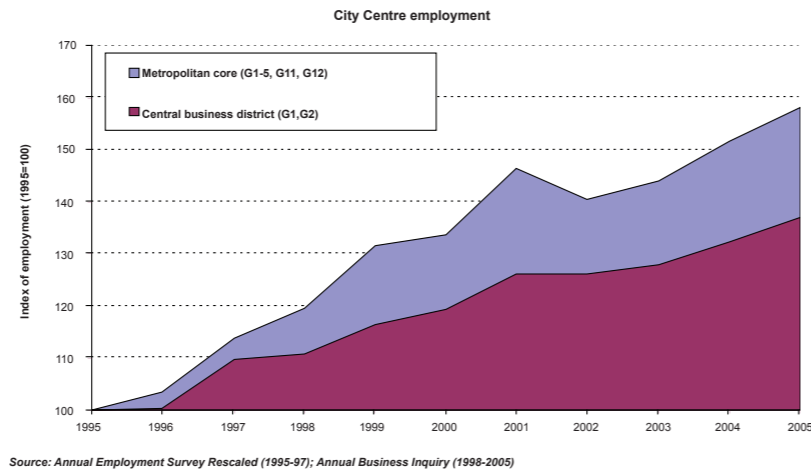
Glasgow is less highly thought of by its residents than elsewhere in Scotland, but is a mid-ranking city on an EU-wide basis

There are other measures that more directly try to assess the views of those who live in the city. The Scottish Household Survey asks people how they rate the quality of their neighbourhood as a place to live. The combined proportion saying that Glasgow is 'very' or 'fairly' good stands at 85%, though this is somewhat below the Scotland average. Moreover, the proportion rating their neighbourhood in Glasgow as 'very good' is the lowest of any council area in Scotland, and the city has been in that position since the start of the Survey in 1999-2000.

Looking more broadly, the EU's Urban Audit has carried out a quality of life study of the perceptions of the residents of 75 cities. In this survey, the overall level of satisfaction with living in the city is in the middle of the rankings. Most positively, of all the cities surveyed, a greater proportion of Glasgow residents think the city will be a better place to live in five years' time. The city also comes quite high up the list on topics such as people feeling safe, the quality of public transport and thinking it is easy to get a decent job.

² In this Summary Report, we use a measure of average earnings known as the 'median'. This is the point at which 50% of the workforce earns less than that figure and 50% earn more. This measure has the advantage of stripping out the distorting impact of the relatively few individuals on very high earnings.

³A measure of the total amount of money available to each person in the average household after taking account of all types of income, and allowing for essential financial outgoings.



STEP CHANGE THEMES

BUILD THE METROPOLITAN CORE

Glasgow's city centre has been at the heart of the city's job growth over the last decade

Glasgow's economic success over the past decade has been based in the city centre, the heart of the 'metropolitan core' that runs from the University of Glasgow in the west to Dennistoun in the east, and encompasses the south side of the river from Pacific Quay to Gorbals. The core is now home to almost a quarter of a million employees following the creation of over 60,000 jobs in the central business district over the last decade. These represent more than four-fifths of all new jobs in Glasgow over that period. This is dramatic progress by any standards, and clearly explains why Glasgow has begun once more to make its mark as a resurgent city.

The city continues to rank at the top of UK retail destinations

Glasgow, according to most analysts, is one of the UK's leading retail destinations. The city has long been viewed by Experian as the UK's best retail centre behind the West End of London, while CACI ranks Glasgow in third place, behind Birmingham as well as London's West End. According to

the Javelin Group, it is inappropriate to view the West End as a single retail destination, and on this basis they see Glasgow as the top shopping venue in the UK.

The economic significance of such a substantial retail presence should not be underestimated. It acts as an 'export' generator for the city, in that retail spend is drawn to the city rather than going to other locations. Glasgow's regional market share is greater than most comparable cities. It is also a factor in the city's attractiveness as a weekend break destination.

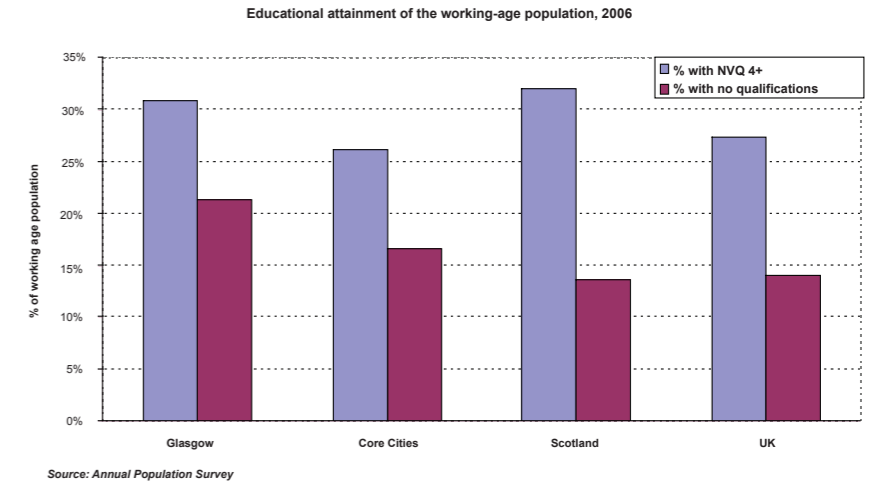
The city centre has great vitality

Glasgow clearly provides substantial cultural and leisure opportunities, though the 'buzz' of a modern city centre is difficult to assess by traditional quantitative measures. For example, the reopening of Kelvingrove Museum has added to the city's impressive array of visitor attractions, with almost two million visitors in 2006, while King Tut's Wah Wah Hut has been voted best UK music venue for three consecutive years. The 2008 edition of The Rough Guide to the World has named Glasgow as a centre of excellent live rock music and a "must-do" experience.

SLIMS has devised an indicator to examine the density of retail, catering and cultural venues in the city centre. If we look at postcodes G1 and G2 alone, we can see that Glasgow city centre has 134 such workplaces per 10,000 population. This is above the averages for Scotland, Britain and the Core Cities, and on a par with Edinburgh.

In relation to other cities, Glasgow has a very high share of employment in creative sectors such as advertising, newspaper publishing, radio and TV production, and even in the number of people employed as artists. The attraction and retention of staff in such creative work is increasingly regarded as being essential to the success of the modern city.

Overall, the city has certainly come a long way in the building of a highly successful metropolitan core. In fact, it has probably achieved a step change in this regard already over the past decade.



EDUCATION AT THE HEART OF THE ECONOMY

Education can make a contribution to the economy in three principal ways: the outcomes of the system in producing well-educated individuals; the direct economic contribution of staff and students to local spending; and the indirect contribution of educational institutions to the economy, through their reputation for excellence or through the creation of spin-off companies, for example.

Glasgow's school attainment is poor and the numbers of young people not in education, employment or training are high

The relatively low skill levels of many of the city's residents remains a major challenge facing local policy-makers. Less than one-fifth of Glasgow's leavers obtained three good Highers in 2006, the worst results in Scotland. It is therefore not surprising that the city has fewer new graduates from Higher Education institutions per head of population than the Scottish average.

The proportion of 16-19 year olds who are not in education, employment or training across Scotland was estimated to fall slightly from 14% in 2005 to 12% in 2006. The official estimates for Glasgow are less statistically reliable, but the proportion in the city is at least half as high again as the national average.

The city also has more individuals with no educational qualifications whatsoever

Glasgow has a much worse record than the UK and the Core Cities concerning those with no qualifications, with more than one-fifth of all working age residents possessing no qualifications in 2006. The figures are particularly poor among the over-50s, though the share of under-25s in Glasgow without qualifications is lower than in either the Core Cities or the UK average.

The adult population is relatively well-qualified

These factors are not necessarily reflected in the adult population as a whole, since Glasgow's position as a major economic hub attracts many graduates from elsewhere. As a result, over 30% of adults in Glasgow possess degrees, above both the Core Cities' and UK average. The city is therefore relatively well-placed in this regard, at least in a UK context, but has fewer graduates than the Core City and UK averages among its over-50s.

The case for greater emphasis on workforce development is strong

The majority of Glasgow's 2020 workforce have already completed their statutory education. The extent to which the current working age population can attain higher skill levels is vital to

the city's future prosperity. At present, one-tenth of the city's workforce receive job-related training over a four-week period, on a par with both the Core Cities and the UK as a whole. However, fewer Glasgow residents take part in adult learning both at and outside work. A greater enthusiasm for lifelong learning and workforce development will be needed in future among both employers and the future workforce.

Glasgow is one of the biggest centres of further and higher education in the UK

In 2004, there were around 120,000 students in Further Education (FE) and Higher Education (HE) institutions in the city, a quarter of the Scottish total. These numbers mean that Glasgow has the biggest concentration of students of anywhere in Scotland, and one of the largest in any city in the UK outside London. The students attending the city's universities and colleges make an economic contribution to the city with their spending on local goods and services. This is especially true of students not originally from Glasgow. Their fees and spending is in fact an export earning from the education sector.

EDUCATION AT THE HEART OF THE ECONOMY (cont)

The academic research ranking results of the city's universities are mixed

In terms of the government's official rankings of the academic research standards of all university departments across the UK, the Glasgow HE institutions have mixed results. The University of Glasgow has a high proportion of top-rated departments, while the proportion in the University of Strathclyde is somewhat lower, and Glasgow Caledonian University has no such top ratings.

While academic research standards comprise only part of the work of Glasgow's universities, these rankings are important in that a top-rated department can help to attract high-quality researchers from around the world. There are clearly a number of departments across the city that have this potential.

Scotland has an excellent record in the generation of university spin-out companies

There is relatively little information available about the nature and extent of the direct links between academia and business in Glasgow. Some data are available for Scotland, and show that the country's universities appear to punch above their weight in terms of the numbers of university spin-out companies. International comparisons show that there are more university spin-out companies per head of population in Scotland than in either the USA or Canada.

One of the keys to a successful step change in Glasgow's economy over the next decade has to be an improvement in school performance so that those leaving full-time education are not disadvantaged relative to young people elsewhere. Glasgow's poor school attainment levels, however, are closely linked to poverty and deprivation. Achieving a step change in this field is therefore closely linked to other goals, and cannot be tackled in isolation.

A CULTURE OF ENTREPRENEURSHIP

Glasgow has low rates of new business formation and self-employment – but so do the Core Cities and the whole of Scotland

There are a number of ways that we can try to measure enterprise, though relatively few take account of individual attitudes, which in many ways is the heart of the issue.

There are over 12,000 VAT-registered businesses in Glasgow. The city showed some improvement in new company formation rates during the second half of the 1990s, but has since fallen back to the level of a decade ago. The Glasgow formation rate is the same as that for the Core Cities, above the Scottish average, but below the UK figure. Glasgow therefore may be more similar to the other Core Cities in its start-up characteristics than it is to the rest of Scotland, which has a very low rate compared with the UK average.

It is estimated that 7% of Glasgow's workforce were self-employed in 2005. The city has consistently been well below the Scottish and UK averages. The 2005

rate is lower than it was in 1996 – but the UK rate also fell over that period. In fact, all the Core Cities have levels of self-employment below the UK average, although Glasgow has tended to be lower than the others for most of the past decade.

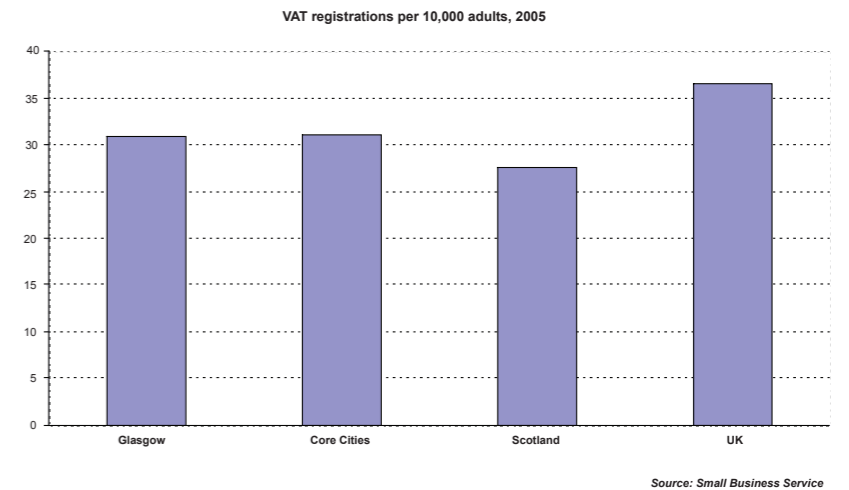
The survival rate of new companies is an important measure of not just the strength of the economy and, partly, the quality of business assistance, but also of the extent to which new and smaller companies can go on to become the wealth and employment creators of the future. In Glasgow in 2005, 89% of the new VAT registrations from 2004 had survived, while 62% of those that had started three years earlier were still in business. Glasgow's one-year survival rates almost match those in the Core Cities, but the city is further behind on three-year rates and this gap has widened since the mid-1990s.

Despite the city's excellent job creation record, the new posts have not been spread evenly by workplace size. In fact, there has been little change in employment among the smallest workplaces in Glasgow (those with up to 10 employees)

since 1998. Around half the increase in employment since 1998 took place in workplaces with 11-199 employees, and the remaining half in those with over 200. These patterns are similar to those in both Scotland and most of the Core Cities, though not to the UK, where more than one-tenth of new jobs were in the smallest workplaces.

The concentration of employment growth in medium and large employers may be another characteristic of cities, in that the bigger national and multi-national companies tend to locate many of their sites in larger urban areas. These workplaces may well be seen as a more secure option than self-employment.

In terms of enterprise and business starts, Glasgow does not perform well, but neither do most of the Core Cities. The self-employment rate and survival rates are also low. These figures emphasise the urban-ruralsplit in many of these indicators. The city does not, however, seem to be closing the gap with the national averages on these key measures.



GLASGOW AND EDINBURGH – COLLABORATING TO COMPETE

Glasgow and Edinburgh are the largest cities in Scotland and rank as major players within the UK, but do not individually possess the scale to be 'world cities'. Together, however, their potential is global. The two cities are home to over a million residents, while more than 3m live in the two city regions. Successful selective collaboration is likely to offer the cities benefits that neither can achieve alone, and an opportunity to compete effectively on a global stage.

"Bigger cities will have a larger catchment population, better quality of labour market and a greater breadth and diversity of services and assets such as universities, cultural institutions, research centres, etc. These are all key considerations in attracting both investment and people in a highly competitive international market place"

(Prof Stuart Gulliver, 2003).

Moreover, the performance of Glasgow and Edinburgh over the past decade demonstrates just how crucial they have been in driving the entire Scottish economy. Taking just the two cities together, Glasgow and Edinburgh account for a fifth of Scotland's total population, but generated two-fifths of

the country's economic growth over the last decade. Barely 30% of the country's jobs are based in the two cities, but they have been the location of almost half of all employment growth since 1998.

The establishment of *Glasgow:Edinburgh – Collaborating to Compete* as a project is the first major step that will pave the way for future joint work. The project has set itself the aim of making progress on three themes: inter-city connectivity, support for key sectors, and international openness and talent attraction.

In relation to the support for particular industries, three key sectors have been identified: financial services, tourism and creative industries. These are industries in which Glasgow and Edinburgh are already strong in many ways, a position that can be built on for the future.

For example, around two-thirds of Scotland's financial services jobs are based in the two cities, and the sector has gone from strength to strength with the success of the Royal Bank of Scotland and HBOS in recent years. In the creative industries, almost all the job growth of the past few years has taken place in the cities, while tourism is also a sector that has seen faster employment increases in Glasgow and Edinburgh than in the rest

of the country. In particular, the hotel sector has been booming in the two cities, boosted perhaps by the growing number of city breaks which are themselves the result of the resurgence of the city as a place of culture and leisure.

In essence, the success of collaboration will be evident if there are achievements that would not have been possible if each city had acted alone. However, it is too early to make an assessment of real progress towards the achievement of the goals of this theme.

In future, the range of indicators that could help to assess the success of this theme could include the share of Scottish GVA growth in the two cities; the proportion of new inward investment projects coming to Glasgow and Edinburgh; the quality of transport links between the cities (recently earmarked for substantial upgrading); the joint performance in financial services, tourism and the creative industries; and the number of in-migrants attracted to and retained by the two cities.

LEADERS IN STRATEGIC AREA REGENERATION

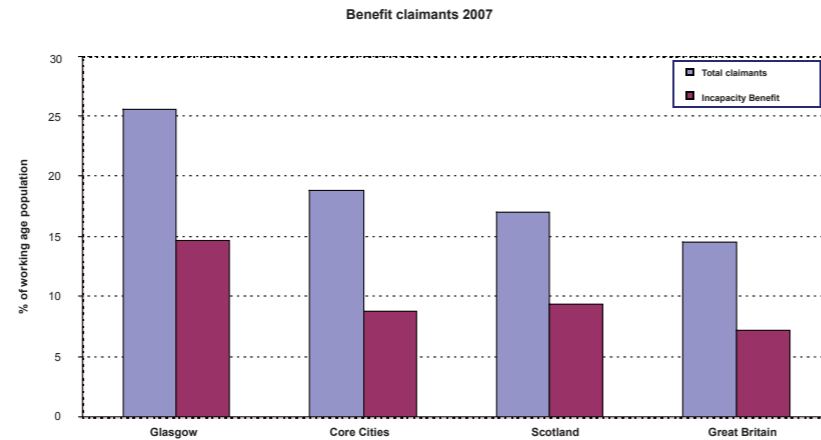
Glasgow's economic history has presented the city with a number of huge regeneration challenges. Large-scale physical regeneration remains essential to the continuing success of Glasgow as a growing, modern city.

The city has two major initiatives recognised by the Scottish Government as being of national importance. The Clyde Waterfront and Clyde Gateway initiatives aim to tackle the legacy of the city's industrial decline and help to make the city a much more attractive proposition for 21st century investors and residents.

There is no doubt that the completion of the Clyde Waterfront and Clyde Gateway projects in themselves will bring about a step change to the economic potential of the city. It will be more difficult to assess whether the regeneration of the city has been carried out in such a way as to give Glasgow a reputation as a leader in the field. This can only be done over a long period.

We feel this theme is also one for which it is too early to make a genuine assessment of progress, although many aspects of the major regeneration schemes are currently underway. Among the indicators that could be used in future

to assess their success are the numbers of jobs created (net of deadweight and displacement) and the quantity of private investment levered in for each pound of public sector regeneration expenditure. Measures of house prices and the mix of housing tenure and quality may also help to assess the degree to which communities are more prosperous and sustainable. The extent to which the quality of regeneration in Glasgow is perceived as being high is outside the scope of most quantitative measures.



Source: Department of Work & Pensions (DWP)

WORK FOR THOSE WITHOUT

Economic inactivity and the benefit claimant total have been falling in Glasgow, but the city still has among the worst rates in the UK

As well as a relatively low employment rate, Glasgow also has a high proportion of adults who are 'economically inactive' – that is, people of working age who are not in work or actively seeking a job. Around 30% of the city's workforce are inactive, half as much again as the Scottish average, and also well above the proportions in the Core Cities and the UK. The inactivity rate for over-50s in Glasgow is a long way above comparable figures elsewhere.

The total numbers claiming benefits have fallen more rapidly since 2000 in Glasgow than elsewhere, but the city still has a major problem. While the total has now dropped to 99,000, this figure represents over a quarter of working age adults (26%). Additionally, Glasgow is the city with the highest proportion of Incapacity Benefit claimants, at 15% - twice the UK total.

Among the differing sections of the workforce, the disabled and ethnic groups from outside the UK seem to fare especially badly in the Glasgow job market

The city's labour market problems do not affect all sections of the community equally. On the basis of the information that is available, the employment rates for the disabled and for non-white non-UK nationals in Glasgow seem to be well below average. In particular, the employment rate of non-white non-UK nationals in the city is around half the figure for Scotland or the UK.

The poor health of Glasgow residents is closely associated with deprivation and with the city's labour market position more generally

Analysts and commentators have come to stress the links between ill-health and employment in recent years, a theme that is taken up in A Step Change for Glasgow. In particular, a close analysis points very clearly to the strong link between deprivation and ill-health.

On the one hand, the city as a whole has relatively poor health outcomes on a wide range of measures. But, in addition, the gap between prosperous and deprived areas of the city is wide and appears to have been growing on indicators such as life expectancy, alcohol or drug dependency and death rates from cancer or heart disease.

Glasgow saw a sharp reduction in the very worst levels of multiple deprivation from 2004 to 2006

The Scottish Index of Multiple Deprivation for 2006 shows that, although the city had improved significantly on its 2004 position, no other part of Scotland approaches its level of deprivation. In 2006, around a quarter of Glasgow's entire population lived in the most deprived 5% of Scotland's neighbourhoods, while almost half lived in the most deprived 15% of areas.

The reduction in the incidence of the worst deprivation in Glasgow from 2004 to 2006 must be seen as a considerable success for the city economy and its policies over this period. But even after such a sizeable improvement in the city's relative deprivation, Glasgow still contains much more deprivation than any other part of Scotland. This emphasises the scale of the challenge facing the city over the coming decade.

The numbers in work in the city have been rising over the last decade. As a consequence, the level of economic inactivity and the numbers of benefit claimants have dropped. Despite the progress so far, Glasgow still has a very long way to go to reach the UK averages set as the goal of A Step Change for Glasgow. It will require another decade at least to make a further substantial reduction in the city's figures. In particular, policy needs to pay close attention to the factors associated with ill-health and multiple deprivation that are so closely associated with inactivity across the city.

GLASGOW'S CHANGING DEPRIVATION LEVELS, 2004 & 2006		
Most deprived 5% of data zones	2004	2006
No. of zones	226	169
% of local population in these zones	32%	23%
Most deprived 15% of data zones	2004	2006
No. of zones	373	330
% of local population in these zones	53%	47%

Source: Scottish Index of Multiple Deprivation (SIMD) 2004 & 2006, Scottish Executive

INTERNATIONAL POSITIONING

Glasgow's position in the world can be assessed from a number of angles, from success in trade and inward investment to growth in tourism and its overall reputation as a good place in which to do business.

Glasgow is highly regarded as a business location within the UK, but less so internationally

From a domestic viewpoint, the Cushman & Wakefield UK Cities Monitor 2007 ranked Glasgow 6th out of 15 as the best place in which to locate a business. In the 2006 survey of Britain's Best Cities by OMIS Research, Glasgow was placed 2nd overall, a move up from 7th place in the same survey two years previously.

The Cushman & Wakefield European Cities Monitor looks at the views of around 500 senior executives from European companies. Out of 33 cities, Glasgow's overall ranking as 'the best place to locate a business' was 26th in 2007. The city seems to be less well known as a business location than most other cities and this perception needs to be changed if it is to improve its ranking.

More positively, Glasgow is placed in the top ten on cost of staff, and has seen a number of major investments in recent years by large UK and multinational companies, including JP Morgan, O2, BNP Paribas Securities Services, Morgan Stanley and Dell. A substantial proportion of the expansion of the city's financial sector has been fuelled by these and other inward investments, and indeed their subsequent expansion in some cases.

Glasgow has relatively low export sales abroad, but a high level of income from other parts of the UK

Glasgow's overseas exports amount to just 8% of the Scottish total – much less than the city's share of total output. This reflects the low share of manufacturing industry in the city. But when 'exports' to the rest of UK are taken into account, Glasgow is one of the major export centres in Scotland, since a high proportion of such sales come from financial & business services, tourism and education.

Glasgow is a popular destination for both domestic and foreign tourists

The number of overseas visitors to Glasgow grew to over 700,000 in 2006, placing the city as the fourth most popular UK city destination (excluding London). Edinburgh retains a substantial lead on this measure, but Glasgow is not very far behind Manchester and Birmingham. Overseas tourists spent between £150m and £200m in the city in 2006. In addition, there were a further 2m UK visitors to the city in 2006, spending around £500m. *The Glasgow: Scotland with style* brand was launched in 2004, and has been a major factor in the growth of visitors to the city. Targets for increased hotel occupancy have been exceeded, with 360,000 additional visitors since the launch, bringing in over £40m in additional economic benefit.

The major guide books single out Glasgow's impressive array of museums and galleries, and agree that the city has been revitalised. For example, the Rough Guide states that "Glasgow's

image of itself has changed irrevocably ... the city is, in its own idiosyncratic way, a cultured and dynamic place well worth getting to know." To Frommers, Glasgow "is arguably more vibrant than Edinburgh ... it exemplifies urban Scotland: historic, dynamic, increasingly cosmopolitan, and attuned to the world."

The fastest growth in visitors in recent years has been in discretionary business tourism. The city has a higher share of business trips than Scotland as a whole, and one-fifth of all hotel beds are occupied by conference delegates. In fact, Glasgow is one of only three UK cities (alongside London and Edinburgh) to make the top 50 in the 2006 rankings of international conference destinations.

Expenditure from visitors sustains many jobs in Glasgow, but using the standard definition of tourist employment, Glasgow has the lowest proportion of tourism jobs of any region in Scotland. Against the Core Cities, Glasgow is an average performer in terms of its employment share. There is therefore considerable scope for the city to further increase tourism revenue and employment.

The city's good record in attracting inward investors and as a major conference destination is perhaps a more accurate reflection of its position as a business location than the relatively low position recorded in the European Cities Monitor. Moreover, Glasgow appears to perform reasonably well as a visitor destination. To become a top UK urban destination, however, means that Glasgow will have to attract significantly more visitors. The city is certainly performing well in the business market and has the opportunity to develop a strong niche sector over the next 10 years.

SUCCESS THROUGH SPECIALISATION

Glasgow's employment is now dominated by financial & business services, the public sector and other service industries.

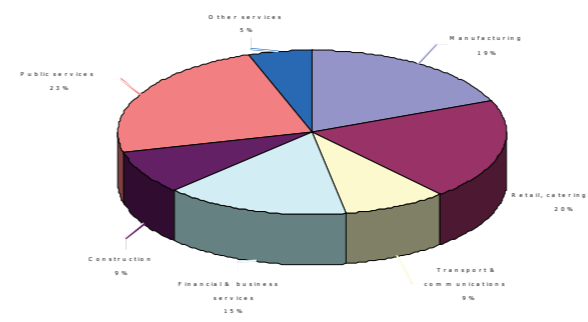
Glasgow has now travelled a long way from being a manufacturing city. Just 6% of all employees in the city worked in manufacturing companies in 2005, compared with almost a fifth in the early 1980s. In fact, the manufacturing share of employment in Glasgow is well below the current average in Scotland, the UK and the Core Cities. All in all, the service industries employ nine in ten of all workers in Glasgow.

Just under one-third of the city's jobs can be found in public services, only marginally above the Scottish average. Glasgow's real specialisation is in financial & business services, which account for over a quarter of all employees. This is well above the figure for Scotland, though substantially behind the proportion in Edinburgh.

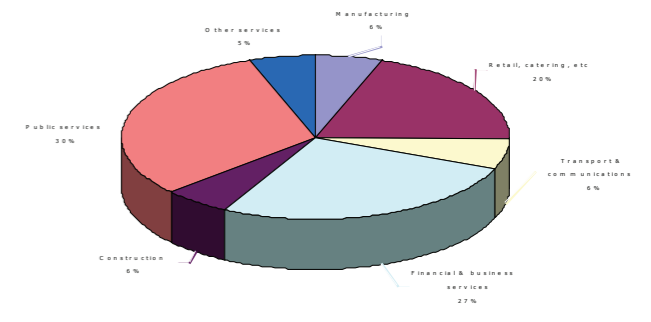
However, it should be pointed out that Glasgow's level of specialisation in financial & business services is only just ahead of the Core Cities. In other words, Glasgow's transformation from a manufacturing to a service economy

may be slightly further forward than the English Core Cities, but the overall structure of its economy is not that different from its peers.

Employment by sector in Glasgow, 1981



Employment by sector in Glasgow, 2006



SUCCESS THROUGH SPECIALISATION (cont)

The Glasgow economy appears to be more specialised in service industries than the Core Cities

Glasgow, like Edinburgh, is more highly specialised in service industries than the Core Cities, most of which have retained a higher share in their traditional manufacturing industries. Even though the number of people employed in these sectors in the Core Cities is now quite low, these differences could mean that Glasgow is better placed to continue its rapid job growth than its English competitors.

The key question for wealth creation, however, is not just whether Glasgow has large numbers of jobs in growing industries, but whether these industries and individual companies can deliver high productivity. Unfortunately, it is almost impossible to answer this question, because of the lack of official information. What we can

say, based on Scottish figures for productivity, is that Glasgow has a high proportion of jobs in service industries with above average labour productivity in Scottish terms.

Among the priority industries identified by Scottish Enterprise, Glasgow specialises in financial services and in shipbuilding

Scottish Enterprise has identified **12 priority industries** that will be targeted in its policies. Glasgow specialises in two of these when compared to the Scottish average: financial services and shipbuilding/marine. In addition, by virtue of its scale and importance, the city's tourism sector is also designated as a national priority by Scottish Enterprise.

In financial services, most Core Cities have specialisation above the GB average. Glasgow is therefore by no means exceptional, and has less than half the employment share of Edinburgh.

Financial services growth has also been faster than most other Core Cities.

Despite the loss of shipbuilding jobs over the years, the remaining yards give Glasgow a position in this sector that is unmatched by any of the other Core Cities.

The life sciences sector is more important to the local economy than its relatively low employment total might suggest. The Scottish Enterprise definition excludes people working in university research departments who may well be active in this field, as well as those in the health sector. There are a number of strategically important institutions within the city and the surrounding region – including the Beatson Institute for Cancer Research – that should mean the area is well placed to take advantage of the exciting developments that are in prospect in this industry.

CONCLUSIONS

It is clear that Glasgow has been a fast-growing city in terms of both economic output (GVA) and jobs since the mid-1990s. This Summary Report shows that it is one of the best performing cities in the UK on these measures. The city economy's other strengths include:

- a renewed growth in population – a crucial factor in the city's confidence and in helping to accelerate economic growth still further;
- a dynamic city centre, home to almost a quarter of a million jobs (and rising), top quality retailing, and with one of the most diverse and attractive ranges of cultural and leisure facilities in the UK;
- a high share of people aged under 50 with degrees;
- one of the largest concentrations of students and educational institutions in the UK, making a substantial contribution to the economy;
- strength in cultural and creative industries, in financial services and in business services;
- the most rapidly falling levels of benefit claimants and overall deprivation levels in Scotland, as a result of both the city's economic growth and of local policy measures.

Equally, though, the city does not perform as well in some of the key drivers of economic growth:

- despite a good growth rate in labour productivity, the city's level of productivity remains low against comparable European cities;

- too many adults have low skill levels;
- rates of self-employment, business formation and new-company survival are low.

These, it is important to appreciate, are challenges that are faced equally by the English Core Cities. They are characteristics common to the UK's post-industrial cities as they transform themselves into economic and cultural centres for the 21st century. Policy-makers should be aware that they may therefore be able to learn from each other's successes in tackling some of these common problems.

However, Glasgow does appear to face some specific and significant challenges:

- the number of adults disengaged from the city's growing job market is much higher than other cities;
- the proportion of over-50s outside the labour market is worryingly high, and this group also has particularly poor levels of educational attainment;
- both these issues seem to be closely linked to the poor health of the city's residents, with problems that are highly acute in the more deprived communities.

In view of both the strengths and the continuing challenges facing the city economy, A Step Change for Glasgow is surely correct to assume that 'more of the same' for the next decade will not necessarily produce the desired outcome, and that substantial improvements in performance – both in economic terms and in relation to local policies – are needed to move Glasgow towards its desired status as a world-class city.

Turning to the issue of the city's relatively low level of productivity, it is important to realise that there may be a higher proportion of manufacturing in many of the European comparator cities. This may be one of the reasons for the gap in average productivity levels that already exists between the UK and many other European economies.

Having said that, it does appear that the city does have a serious issue of relatively low productivity. Glasgow's specialisations are, mostly, in sectors that have good average levels of productivity, at least as far as service industries are concerned. The fact that the city still lags behind the Core Cities suggests that the companies located in Glasgow may hold part of the explanation. In other words, city employers may not be as productive as their peers elsewhere in the UK.

In public policy terms, tackling productivity at the level of the individual firm is perhaps one of the most difficult things to attempt. However, it will be essential that more research is done on this topic to help identify Glasgow's particular problems more precisely. Employers also need to play a full part in raising their game to help the city achieve its step change in productivity.

It will require a concerted and multi-faceted policy effort to enhance the employability of the city's economically inactive adults. Sustained efforts in the fields of workforce development, lifelong learning and improved health will be essential to achieve the scale of future economic development necessary for Glasgow to become a world-class city.

Source: Annual Business Inquiry

CONCLUSIONS (cont)

The future of the city economy is further complicated by our uncertainty over the future path of in-migration, and its impact on those who currently live in Glasgow. Improvements in the available information on both the number of new arrivals and their role in the job market are urgently needed. Over a longer period, their economic effects should prove to be positive, since new migrants tend to be relatively well-qualified on average, and should therefore help to raise overall productivity levels, as long as their skills are fully utilised.

In the short term, however, new arrivals may be taking relatively low value-added posts in areas such as the hospitality and care sectors ahead of Glasgow's currently inactive residents. This uncertainty only gives greater urgency to the need to improve the skill levels of those with lower educational attainment and their engagement with the labour market. In particular, the city needs better school results for those coming onto the job market over the next ten years.

Policy-makers are already aware of the potential contradiction in aiming for higher employment and increased labour productivity at the same time. These policy challenges have no easy answer. A recent OECD report demonstrated that growing income inequality is a feature of all advanced economies. This was linked to the rise of the 'knowledge economy', in that modern economies, especially those in cities, do experience the simultaneous growth of high value-added professional and financial jobs on the one hand, and those in hospitality, retail and cleaning on the other.

These trends are in fact a result of growing economic prosperity, and the current pattern of growth is likely to remain Glasgow's best opportunity to succeed in its aim of securing a further big rise in the employment rate. It is essential that both aims – more jobs and higher productivity – are pursued vigorously, but in the knowledge that the rate of growth of labour productivity in Glasgow may be a little slower than if a less inclusive model of development were pursued.

This Summary Report has not analysed the city's performance on all the themes and priorities addressed in A Step Change for Glasgow. A fuller Glasgow Economic Audit will be published in early 2008, in which there will be examination of a wider range of indicators and discussion of issues in greater detail.

That full report will also incorporate the findings of some qualitative research that will be conducted into some of the key challenges facing the city in the future that are harder to assess in a quantitative fashion. These will include, among others, the likely impact on the environmental and sustainability agenda.

ASSESSMENT OF PROGRESS – MACRO INDICATORS

Indicator	Baseline	Most recent figure	Aspiration	Assessment
GDP per capita	18 of 35 (2nd quartile)	16 of 35 (2nd quartile)	1st quartile average	Glasgow is catching up on those above - but will require even faster growth to achieve target within a decade
Labour productivity	34 of 35 (4th quartile)	33 of 35 (4th quartile)	2nd quartile	City's productivity growth is rapid, but will require a greater acceleration or more than a decade to reach target
Employment rate	9% below Scottish average	10% below Scottish average	Scottish average	Will require at least the same rate of job creation for another decade to reach the target
Population	11% of Scottish population	11% of Scottish population	12% of Scottish population	Population now growing, but will have to accelerate further to reach the target
Average earnings	3% below UK average (Audit measure)	3% below UK average	UK average	Gap has not been closing - therefore need a turnaround in this trend to reach the target
Quality of living	55 of 215	55 of 215	Top 40	Further progress on sustainable economic and social development should allow a move up the rankings

ASSESSMENT OF PROGRESS – STEP CHANGE THEMES

Step change theme	Indicators of success	Most recent figure
Build the Metropolitan core	Continued job creation in the city centre. Improvements to higher education, retail, conference attraction and cultural and leisure provision	<i>In job creation terms, a step change already achieved - further improvement at same rate depends on continued economic growth</i>
Education at the heart of the economy	High achievements at all levels of educational system. Universities playing a full part in research and in economic development	<i>The city's high levels of deprivation help to contribute to poor school leaver results - this needs to improve substantially. Workforce development needs to be a priority</i>
A culture of entrepreneurship	Rising levels of self-employment and business starts. City's education system and cultural values give greater prominence to enterprise	<i>Little evidence of rising levels of enterprise, though Glasgow is similar to Core Cities. Cultural changes take time to bring about</i>
Glasgow-Edinburgh: collaborating to compete	Improvements to infrastructure, key sector performance and talent attraction that could not have been achieved by either city alone	<i>Too early to assess progress</i>
Leaders in strategic area regeneration	Clyde Waterfront and Clyde Gateway establishing a world class infrastructure. Accelerated investment in city's social housing. Public investment helping to attract substantial private expenditure	<i>Too early to assess progress</i>
Work for those without	Economic inactivity and benefit dependency at UK levels. SIMD score continues to fall. Improvements in residents' health needed to meet these targets	<i>Inactivity rate & benefit totals falling - further economic growth necessary to ensure this continues. Health gap between richest & poorest parts of Glasgow is widening - need to reverse this trend to meet targets</i>
International positioning	Glasgow has a national and international reputation as a modern, culturally and economically vibrant city. It is a growing destination for both tourists and inward investors	<i>City's transformation is now being recognised around the world, but the attraction of tourists, conferences and new inward investors is ever-harder to achieve against increasingly stiff competition</i>
Success through specialisation	A more specialised economy, noted for its strength in high-value and outward-focused businesses. A city renowned for its creativity	<i>City has a high proportion of growing service industries, which bodes well for future growth. Strong in finance, creative industries and other high value sectors, but needs to build further on this position</i>