
City Regional Deal, Moray - Baseline Economic Assessment



Corporate Policy Unit
The Moray Council
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Introduction

Moray Economic Strategy – The Current Context

For some weeks officers from Moray Council have been busy preparing the ground for work to begin developing a bid for growth funding for Moray. That funding may take a number of forms including a City Deal type bid, so for now that is the broad tag line being used, but it may change.

At the time **Moray Economic Strategy** was adopted in 2012, the economic challenges, strengths and opportunities for the area were identified following extensive engagement with local businesses and the wider community. From that process, a vision for Moray emerged:

“Moray is a vibrant 21st century region with a broad business base providing stable well paid employment, and strong communities with a growing population”

Core targets were established to grow the population to over 90,000 by 2022, to create over 5000 jobs and to drive up average earnings in Moray to at or about the regional and Scottish average.

Five strategic drivers were identified with enabling actions and linked themes to support implementation:

People: To achieve a stable and balanced population

Business: To create sustainable economic growth

Infrastructure: To build viable and improving services

Communities: To create strong and confident communities

Identity: To develop Moray’s brand and presence.

Whilst acknowledging the mutually supporting roles which the five main Moray towns (Elgin, Forres, Keith, Buckie and Lossiemouth) play in the wider economy, the Economic Strategy recognised the role of Elgin as the economic hub of Moray and so incorporated a separate strategy aimed at reinvigorating that role: **Elgin – City for the Future**. That strategy was based on the core requirements for Elgin to demonstrate regional leadership and to diversify its economic base.

This baseline assessment has been prepared to provide stakeholders with an up to date assessment of the Moray economy. The assessment involves only limited cross cutting analysis as that would be beyond the core expertise of our staff in-house. Similarly, it lacks robust economic forecasting data, but both would be commissioned as the bid process evolves as it is a fundamental aspect of any bid that delivery of promised outcomes is evidenced. Meantime, the data in this document will help stakeholders to reflect on whether our economy has changed significantly since 2012 based on recognised performance data rather than assumptions or personal impressions. That in turn will help to ensure that the vision to be developed during the workshop is both informed and robust – something which is essential if it is to resonate effectively across the wide range of partners with whom we will be seeking to collaborate.

1 Population, Migration, and Demographics

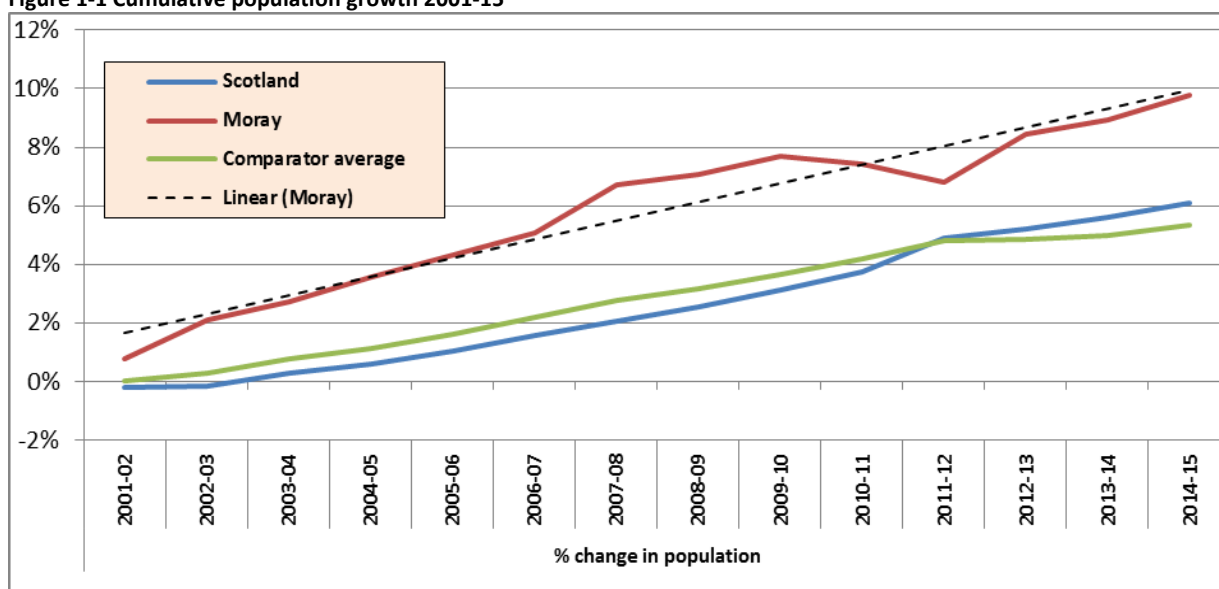
1.1 Population

The Moray council geographical area covers 864 sq. mi (2,238 km²) and out of Scotland's 32 Local Authority areas Moray is ranked as the 8th largest area. With a relatively small population of 95,510¹ Moray is ranked 26th largest (7th smallest) area in terms of population. With a large geography and a relatively small population it has a population density of 110 people/sq. mi (43/km²). For the purpose of this section of the report comparisons will be made with Scotland and the average of Moray's comparator Local Authorities. All 32 Scottish councils have worked with the Improvement Services on developing a common approach to benchmarking, which is grounded in reporting standard information on services councils provide to local communities across Scotland, part of the process was to statistically group authorities using data relating to population dispersion to allow comparison within family groups. Moray's comparators are: East Ayrshire, East Lothian, Fife, North Ayrshire, Perth and Kinross, South Ayrshire and Stirling.

1.1.1 General Population Demographics

Between 2001 and 2015 the mid-year population estimates for Moray indicate a 9.78% (8,510) increase over this period. Population growth in Moray has risen at a faster rate than both Scotland (6.1%) and the average of Moray's comparators (5.35%).

Figure 1-1 Cumulative population growth 2001-15²



¹ NRS Mid-Year Estimate 2015

² NRS Mid-Year Estimate 2015

In the past five years (2010-15) both Moray and its comparators have witnessed a slowdown in population growth and in Moray it is particularly noticeable between 2010 and 2012 which coincides with the closing of the former RAF base at Kinloss.

1.1.2 Population Age Demographics

The population has been divided into age group³ sections to analyse the population in more detail. This allows for identification of changes in population demographics and trends over the period.

Over the 15-year period (2001 to 2015), Moray has seen significant changes to its population demographic and although the overall population has grown at a faster rate than the comparator average and Scotland many of the age groups have actually reduced in physical numbers.

0-4 Age group

The 0-4 age group numbers have shown a small reduction of 1.3% over the period. Scotland has seen physical numbers increase by 5.4% over the period. The comparator average shows an increase in numbers but a proportional reduction in comparison to the overall population. Over the 15-year period, this age group has displayed the most volatile trends unlike any of the other age groups analysed. Upward and downward trends appear to change every five years. Both Scotland and the comparators show similar trends, however not to the extent witnessed in Moray. Due to the volatility of this age group it is difficult to estimate future changes, however if the trends witnessed over the past 15 years are continued the proportionate numbers within this group will reach a low point in 2016 before starting to rise again. Both the comparator average and Scotland show similar trends to those witnessed in Moray, however the changes are not to the same levels.

5-17 Age Group

This age grouping was chosen as it contains over 90% of the school population, by observing the trend it may serve as an indicator of future pupil numbers in Moray.

Similar to the 0-4 age group, the number of people within the 5-17 age bracket has decreased between 2001 & 2015; the decrease is more significant however and shows a 5.5% reduction in numbers over the period. A similar trend has been witnessed in the comparator average and Scotland.

The 5-17 group shows a consistent decline over the 15 year period. From 2001 to 2015, there has been a reduction of 1600 pupils in school.

From 2017/18, the increasing number of children born during 2006/07 will begin to attend secondary school, therefore for the subsequent five-year period it is envisaged that secondary school pupil numbers will increase.

³ Age Groups: 0-4, 5-17, 18-25, 26-34, 35-49, 50-64 & 65+

18-25 Age Group

The young adult group (18-25) has seen consistently rising numbers, and, in relative terms, a significant increase of 1.1% over the 15-year period. The comparators and Scotland have also seen increases during the period; however, Moray's proportional 18-25 population remains smaller in comparison. The proportional rise within this age group may be as a result of a lower percentage of school leavers entering Higher Education (33%) than the comparators and Scotland (36%); however it has a significantly higher proportion entering employment (29%) in comparison to Scotland (20%). The rise in the proportion within this group may be as a result of the restrictive costs of higher education out-with Moray.

26-34 Age Group

The analysis shows a reducing trend between 2001 & 2009; it then levels out until 2012 before gradually rising. The average of the comparators shows a similar trend.

35-49 Age Group

Over the 15-year period, the trends shown in Moray, the comparator average, and Scotland are almost identical. Over the entire period, there has been a proportional reduction in numbers of people within this age group. Two distinct trends are witnessed within the period. Between 2001 and 2006 there is a slight rising trend, between 2006 and 2010 levels return to 2001 levels before reducing sharply to 2015.

50-64 & 65+ Age groups

Both these age groups have seen large increases over the 15-year period with the most significant increase witnessed within the over 65 group. In 2001, when combined, these groups equated to 34.2% of Moray's population; by 2015 they equated to 40.9%. Both the comparator average and Scotland have followed a similar trend, however their increases are not as significant as that of Moray.

The table below shows the proportionate population demographics within the age groupings in 2001 and 2015. The areas highlighted in red indicate where proportionate populations have increased between the two dates, those highlighted in blue show where reductions have been witnessed.

Table 1-1 Age group proportions⁴

Age Groups	Moray		Comparator Average		Scotland	
	2001	2015	2001	2015	2001	2015
% 0-4 years old	5.7	5.1	5.4	5.2	5.5	5.4
% 5-17 years old	17.0	14.7	16.6	14.2	16.2	13.8
% 18-25 years old	8.0	9.1	8.7	9.8	9.9	10.6
% 26-34 years old	13.1	10.5	11.6	9.9	12.6	11.9
% 35-49 years old	22.0	19.8	21.9	19.3	22.1	19.8
% 50-64 years old	17.9	20.6	18.8	21.1	17.8	20.2
% 65+	16.3	20.3	16.9	20.5	15.9	18.3
Total Population	100.0	100.0	100.0	100.0	100.0	100.0

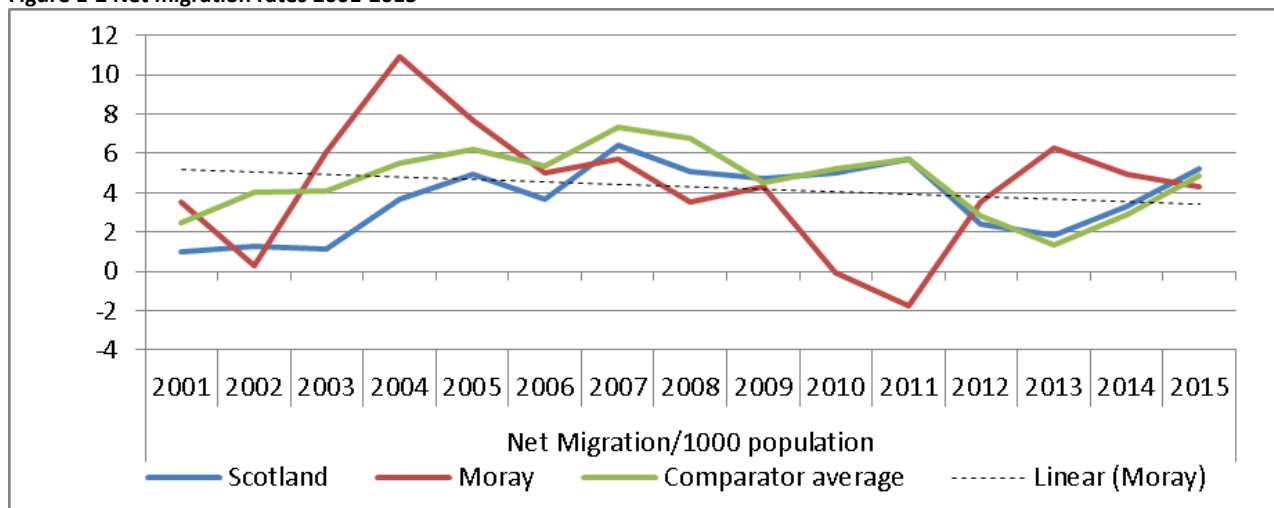
⁴<http://www.nrscotland.gov.uk/statistics-and-data/statistics/statistics-by-theme/migration/migration-statistics/local-area-migration>

1.2 Migration

Migration is the most difficult component of population change to estimate as, unlike births and deaths, there is no comprehensive system for the registration of moves to or from the rest of the world, nor for moves within the UK. Official estimates of migration are therefore based on survey data and the best proxy data available. The term “Net Migration” is used in this section to show the balance of “In” & “Out” migration, unless otherwise indicated the term will be associated with an influx as opposed to an exit of people from Moray.

Between 2001 and 2015, as a result of migration the population of Moray grew by 5,895. The period that witnessed the largest net migratory rate was between 2001 and 2005, the subsequent two five year periods (2005-10 & 2010-15) show reducing rates. This trend differs from Scotland and the comparator average trends where largest migratory rates were between 2005 and 2010. The figure below shows the estimated migratory trends within Moray, the comparator average, and Scotland between 2001 and 2015.

Figure 1-2 Net migration rates 2001-2015



There were only two years (2010 & 2011) within the entire 15-year period where negative net migration (more people left than arrived) was witnessed. The closure of the RAF base at Kinloss happened around this time and the scaling down of operations would have commenced prior to the closure. A trend line was added to show the overall net migration trend as it is not easily identified from the fluctuating yearly figures. The trend line indicates that over the past 15 years net migration is decreasing.

1.2.1 Location of migration

Migration is estimated within three groupings: migration within Scotland, migration within the rest of the UK, and Overseas migration. The following sections show the migratory statistics and trends within these groupings between 2003 and 2014.

Migration within Scotland

Migration rates from within Scotland are very low. In every year within the period there are in excess of 1,500 people migrating to Moray with slightly less moving away each year, showing that just under 2% of Moray’s population changes on a yearly basis.

The total net migration from 2003 to 2014 relates to only 87 people. The comparators have witnessed much higher rates of migration within the period.

Over the entire period, Moray shows an increasing total net migration rate from within Scotland, whereas the comparator average shows the reverse. From 2012/13 the net migration rates in Moray overtook its comparators for the first time in the period 2003-14.

Migration within the rest of the UK

Over the period, Moray's population has increased by 4,537 (5.2%) as a result of people migrating to Moray from other parts of the UK.

Moray has a high percentage of the population stating their ethnicity as "White other British" more than twice the Scottish average. "Country of birth" statistics also indicate a similar relationship. This is likely to be as a result of two large military bases in the area where the majority of the personnel will be from the UK. This is supported by the analysis of localities near these bases, where "White other British" populations commonly reach 30-40% of the general population.

Whilst this group is the largest net migratory group, it has shown a declining trend over the period. The low point reached in 2010/11 coincided with the scaling down and closure of the RAF base at Kinloss. When compared to the comparator average and Scotland, Moray's rate of net migration within this group is significantly higher than the other two.

Migration from overseas

Migration to Moray from overseas has shown a reduction in the net migration rate between 2003 and 2014.

In relative terms a large spike in growth occurred between 2005 and 2007. 2004 saw the largest engagement of countries joining the EU with ten countries gaining membership and access to the freedom of movement within other member states. These countries joining the EU may be a reason for the largest growth of the overseas migratory population in the subsequent years.

The downward trend seen in Moray is reflected in both the comparator average and Scotland; however, the rates of net migration in both were at much higher level.

1.2.2 Age of Migrants

Data is available for three age groups: 0-15, 16-64, and 65+ age groups. The following sections look at the migratory statistics and trends within these age groups between 2003 and 2014. Both the 0-15 and 16-64 age groups show the lowest rate of migration in 2010/11.

0-15 Age group

Moray's Migration from this age group between 2003 and 2014 has shown growth of 883 children and shows an increasing trend over the period. Proportionately this age group has seen the largest increase over the period. If this trend continues, it will have an impact on school roll numbers in future years.

In comparison to the comparator average and Scotland over the entire period the net migration rates in Moray are at a significantly lower level, however since 2011/12 the rate in Moray has exceeded both the comparator average and Scotland.

16-64 Age group

This age group has the largest age range analysed, therefore, as expected, it contains the largest number of migrants. Between 2003 and 2014 there was a net migration of +2,992 people but shows a decreasing rate over the period.

Migration within this group has shown changing trends over the period with periods of growth followed by periods of decline. With the volatility of the changes in net migration rates within this age group, it is difficult to predict the direction of the trend in future years, if however the predicted increase in service personnel at RAF Lossiemouth in coming years there will likely be a number of families migrating to the area. Whilst the personnel at RAF Lossiemouth is expected to rise there remains some uncertainty over the stability of personnel at Kinloss Army barracks, however even with possible reduction in personnel at Kinloss barracks the populations of the 0-15 and 16-64 age groups are still likely to rise.

Both the comparator average and Scotland also show a declining trend (reducing growth), however not at the same rate as Moray.

Both the comparator average and Scotland also show a declining trend, however not at the same rate as Moray.

65+ Age group

Morays' Migration from this age group between 2003 and 2014 has shown a net migration of 708 people but shows a declining trend over the period but no year within the entire period showed a negative growth rate.

Unlike the other two age groups this age group did not see a sharp decline during 2009/10 and 2010/11. The fact that there has not been a sharp decline during these years seems to reinforce that military personnel have a huge impact on the migration statistics in Moray.



Key Points – Population & Migration

1 Moray's population has grown by almost 10% between 2001 & 2015 a higher rate than seen in either Scotland or the comparator average

- 1** The 0-4 age group shows the most volatility over the time period with an overall population reduction. In contrast Scotland has seen an increase
- 1** Both Primary and Secondary school rolls are likely to fluctuate on a five year cycle if observed trends within the 0-4 age bracket continue
- 1** Between 2001 & 2015 the school roll has decreased in 76% of Primary and 75% of Secondary schools. In 2015 there were 1600 less pupils in Moray schools than there were in 2001. The only ASG to have shown an increase in pupil population in this time is Elgin High

-
- ❧ The most significant change in population demographics was witnessed within the over 50's. In 2015 there were 9,310 more people of this age in Moray than there were in 2001
 - ❧ The 16-64 age group is responsible for the largest number of incoming migrants. From 2003-2014 the population of Moray increased by 2,992 as a result of this age group
 - ❧ Migration has accounted for almost 70% of Moray's population growth between 2001 & 2015
 - ❧ When the ages and country origin of the migrants are considered, it appears that migration to and from Moray is heavily influenced by personnel changes at Moray's two military bases. Whilst there are more people migrating to than from Moray the net figures have been on an overall reducing trend between 2001 and 2015.

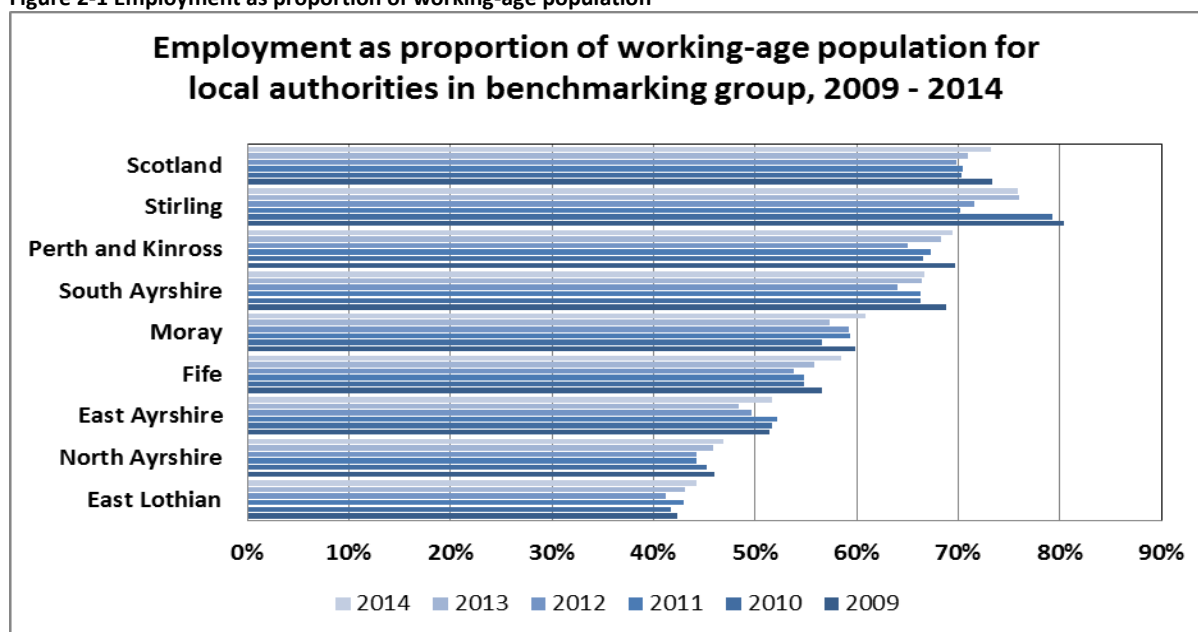
2 Labour Market

2.1 Employed, unemployed and economically inactive

2.1.1 Employment

Total employment in Moray grew to 36,000 in 2014⁵, with an employment rate of 61%, which is the highest proportion for 6 years. This places Moray in the middle of the comparator group, but 12% lower than Scotland (see below).

Figure 2-1 Employment as proportion of working-age population⁶



The main employer in Moray is the production sector, which accounts for almost a fifth (18%) of all jobs in the area. This is the highest proportion within the comparator group, and almost double the national average for this sector. Production jobs in Moray include the significant whisky-distilling industry, food processing companies as well as fabricators supporting the distilleries, agriculture and the oil and gas industry. The health sector is the second highest employer in Moray (15% of jobs) and the third largest sector is retail, accounting for 13% of jobs. Together these three sectors account for almost half the jobs in Moray.

Please note that the employment data excludes the HM Forces based at RAF Lossiemouth and Kinloss barracks. HIE have commissioned an Economic Impact Assessment relative to the two military bases in Moray to assess their contribution to the economy and the social life of Moray, this report will inform thinking once available.

⁵ Business Register and Employment Survey (BRES). Figures have been rounded to the nearest 100

⁶ Business Register and Employment Survey (BRES).

Table 2-1 Employment by broad industry sector 2014⁷

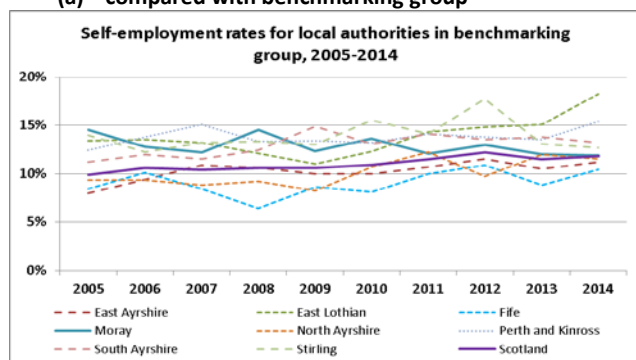
Industry sector	Moray (Number)	Moray %	North Ayrshire %	Perth & Kinross %	South Ayrshire %	Stirling %	East Ayrshire %	East Lothian %	Fife %	Scotland %
Agriculture, forestry & fishing	600	2%	0.3%	1%	1%	1%	0.5%	0.4%	0.1%	3%
Production	6,500	18%	16%	9%	11%	7%	10%	11%	14%	10%
Construction	2,800	8%	7%	7%	5%	5%	6%	6%	6%	6%
Motor trades	1,000	3%	2%	4%	3%	2%	2%	1%	2%	2%
Wholesale	1,000	3%	3%	3%	3%	4%	3%	3%	3%	3%
Retail	4,500	13%	13%	12%	14%	12%	11%	11%	12%	10%
Transport & storage (inc postal)	1,500	4%	4%	3%	5%	3%	4%	3%	3%	4%
Accommodation & food services	2,600	7%	9%	12%	11%	11%	5%	9%	6%	7%
Information & communication	300	1%	1%	1%	1%	2%	1%	1%	3%	2%
Financial & insurance	400	1%	1%	3%	1%	6%	1%	1%	2%	3%
Property	300	1%	1%	2%	1%	2%	1%	1%	1%	1%
Professional, scientific & technical	1,400	4%	4%	5%	5%	6%	5%	7%	5%	7%
Business administration & support services	1,400	4%	6%	7%	2%	8%	10%	4%	4%	8%
Public administration & defence	2,000	6%	5%	5%	5%	6%	7%	6%	8%	6%
Education	2,900	8%	7%	7%	7%	10%	7%	11%	9%	7%
Health	5,500	15%	18%	13%	20%	12%	25%	17%	18%	16%
Arts, entertainment, recreation & other services	1,300	4%	5%	5%	5%	4%	4%	8%	5%	4%
Total	36,000		39,700	63,900	45,500	44,800	40,200	28,200	135,800	2.54 m

NOTE: All figures in table 2-1 have been rounded to the nearest 100 and totals may not add due to this rounding. The local authority employment figures from BRES exclude farm agriculture, meaning that it is not possible to get an accurate estimate of employment in agriculture, fishing and forestry at a local authority level from this source. Voluntary workers, self-employed and working owners who are not paid via PAYE are also excluded from the BRES data.

2.1.2 Self Employment

With a self-employment rate of 11.9% Moray is below the average rate of 13.1% for the benchmarking group, but almost identical to the rate for Scotland (Figure 2-2a). Moray has shown a steady reduction in the proportion of self-employed since 2005, in contrast with the trend for Scotland, which is for a gradual increase in self-employment over the same period (a 1.9% rise over 10 years, Figure 2-2b).

Figure 2-2 Self-employment rates and trends 2005 – 2014
(a) compared with benchmarking group⁸



(b)



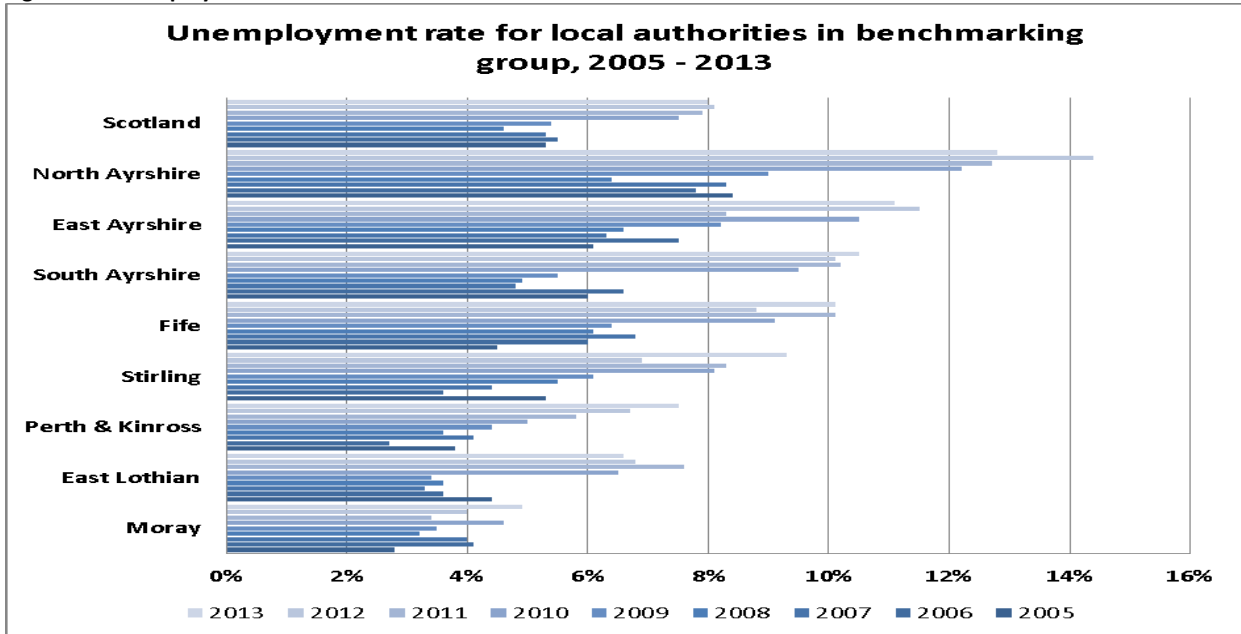
⁷ Business Register and Employment Survey (BRES)

⁸ Annual Population Survey, 2015

2.1.3 Unemployment

Since 2005 Moray has had a lower unemployment rate than Scotland, and the majority of the other local authorities in the comparator group (Figure 2-3). In 2013 the rate for Moray was 4.9%, compared to 8% for Scotland. Similarly, claimant counts in Moray, for people who have been out-of-work for more than 12 months, have been consistently lower than the national proportion and within the benchmarking group. In 2014, Moray, together with Perth & Kinross, had the least number of claimants in this group (0.3%).

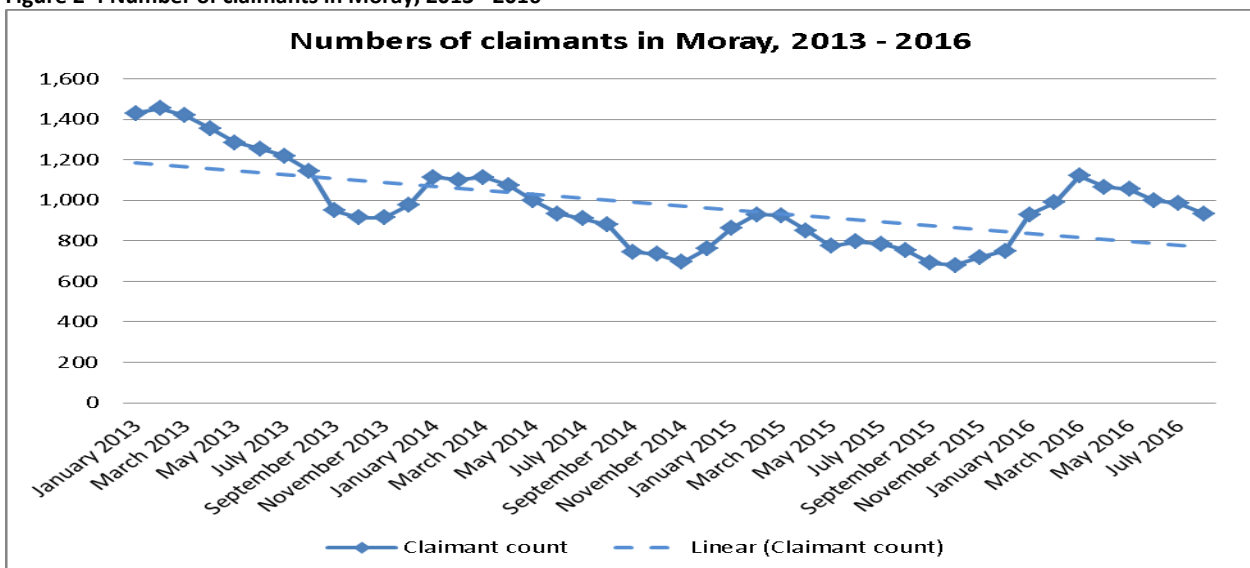
Figure 2-3 Unemployment rates⁹



Note: The unemployed comprise all persons above a specified age who during the reference period were:

- without work, that is, were not in paid employment or self-employment during the reference period;
- currently available for work, that is, were available for paid employment or self-employment during the reference period; and
- seeking work, that is, had taken specific steps in a specified recent period to seek paid employment or self-employment.

Figure 2-4 Number of claimants in Moray, 2013 - 2016¹⁰



⁹ Annual Population Survey

¹⁰ Office of National Statistics 2016

In August 2016 the number of claimants in Moray aged between 16-64 years old was 935, a reduction of 17% from the highest figure recorded so far in 2016 of 1,120. The number of claimants is 24% higher than a year ago (755), but 36% lower than in February 2013, which had the highest monthly number (1,455) in the last 3 years (Figure 2-4). The numbers exhibit seasonal demonstrations, but the overall trend over the past 3 years shows a gradual improvement.

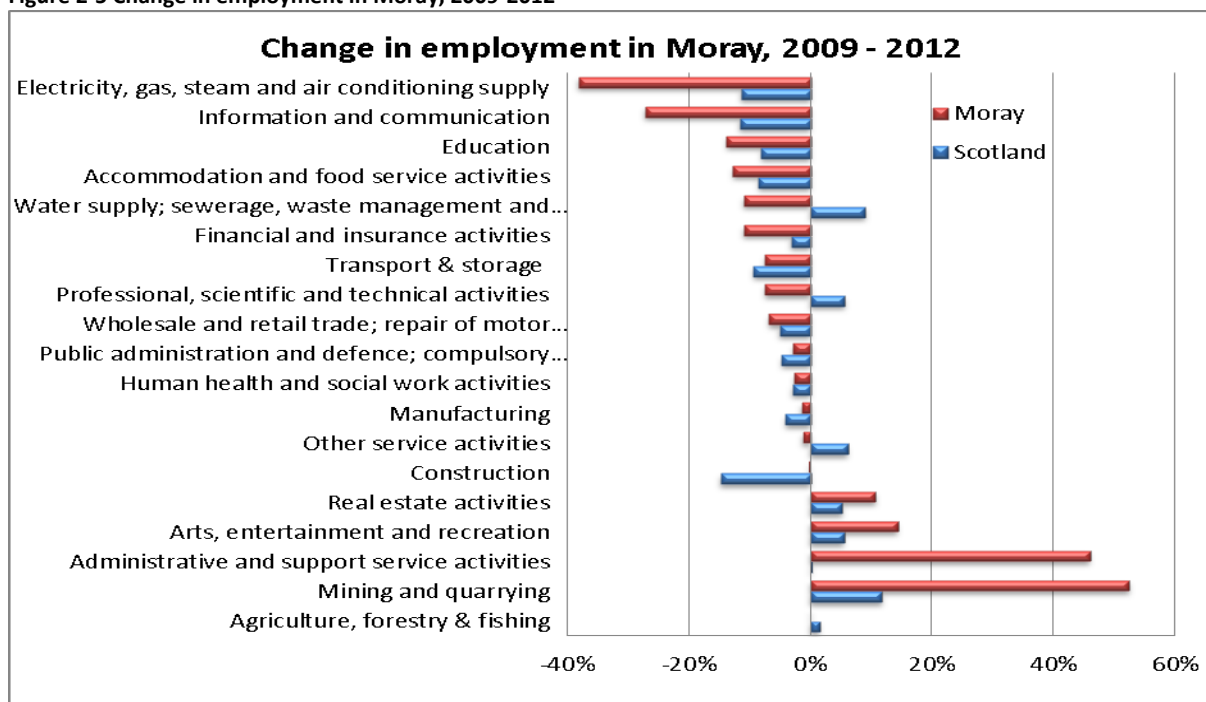
2.1.4 Changes in Employment

By Industry

During the period 2009 to 2012 the largest increase in employment was in the mining and quarrying sector, which includes the extraction of crude petroleum and natural gas and related support activities (Figure 2-7). The oil and gas industry has a strong base in Aberdeen within commuting distance of Moray, making it an attractive employer for some. In the second half of 2009 there was a significant recovery in the price of crude oil, following the crash during 2008, and while the price remained high more opportunities in the industry became available. However, the immediate future of this sector is less certain.

Administration and support service activities have grown by 46% during the same period, and there has been growth too in Arts, entertainment and recreation (14%) and real estate (11%).

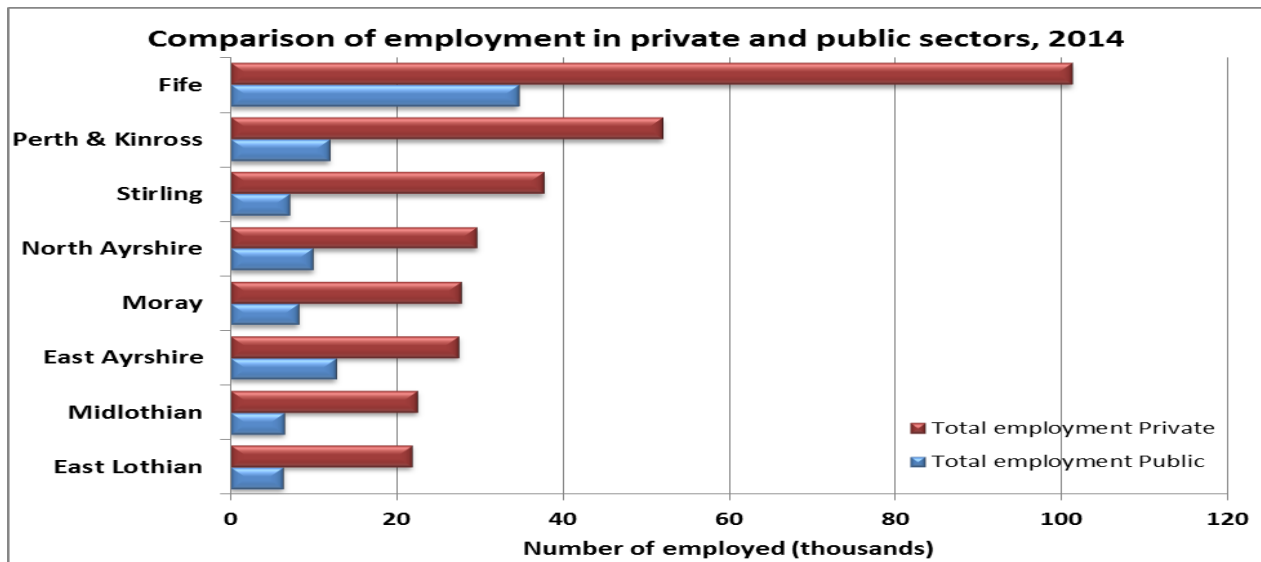
Figure 2-5 Change in employment in Moray, 2009-2012¹¹



¹¹ Business Register and Employment Survey and SQW calculations

Most other sectors have reduced the number of jobs. Of note are the reductions in the information and communication sector (-27%), the education sector (-14%) and accommodation and food service activities (-13%), which is disappointing given Moray's appeal as a tourist destination (see section 6.2 below).

Figure 2-6 Comparison of employment in private and public sector, 2014¹²



The split between employment in the private and public sectors for Moray is typical for the comparator group (23% in the public sector). East Ayrshire has the highest proportion of public service employments (32%), while Stirling has the least (16%). Throughout Scotland the public sector accounts for 23% of employment.

By Occupation

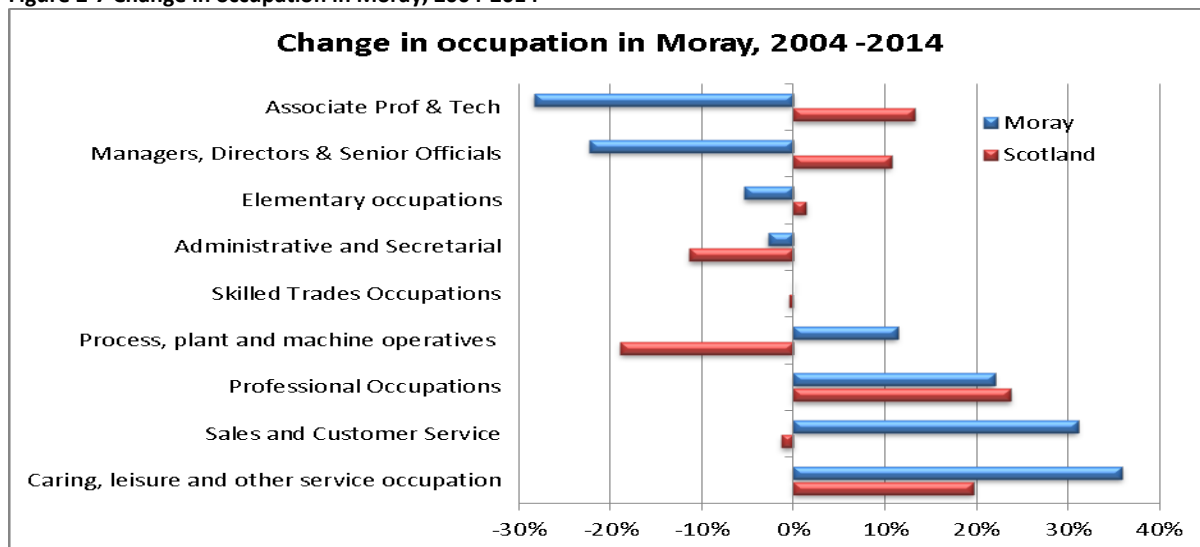
Associate professionals and technicians¹³ in Moray have reduced by over a quarter since 2004 (Figure 2-5) and the number of managers, directors, and senior officials has reduced by one-fifth. This is in direct contrast to the situation in Scotland where both groups have increased by more than 10%. Conversely, Scotland has seen a 19% reduction in the number of process, plant and machine operatives, while Moray has experienced an 11% increase. The number of professionals has risen significantly in Moray (22%) in line with the rise seen across Scotland over the same period (24%).

However, the biggest increases in Moray are in "Sales and Customer Services" (31%), in direct contrast to the 1% reduction for Scotland, and in the caring, leisure and service occupations (an increase of 36%). This is even higher than the 24% increase for Scotland, and is not surprising given Moray's ageing demographic.

¹² Office for National Statistics

¹³ Associate professionals and technicians will hold a high-level vocational qualification, and usually have undergone task-related training during a formal period of induction to enable them to assume operational responsibility and provide support to professionals and managers.

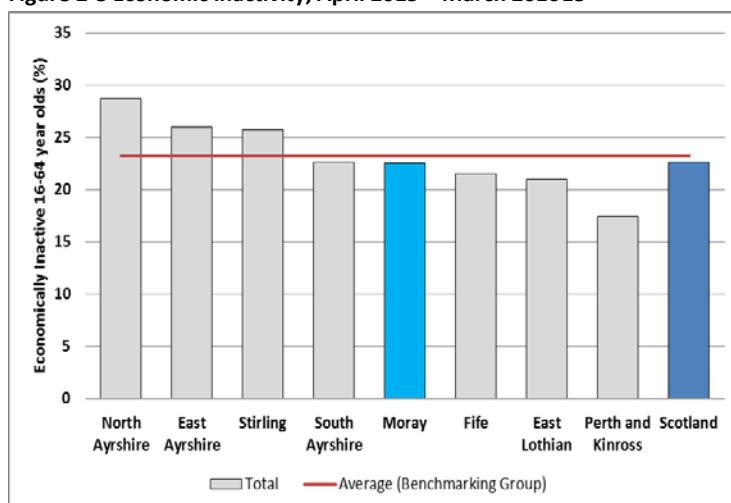
Figure 2-7 Change in occupation in Moray, 2004-2014¹⁴



2.1.5 Economically inactive

The proportion of 16-64 year olds who were economically inactive in Moray during the year up to the end of March 2016 was 22.5% (13,000 individuals), similar to the national rate of 22.6% (Figure 2-6).

Figure 2-8 Economic inactivity, April 2015 – March 2016¹⁵



Of the 13,000 economically inactive residents of Moray, a quarter would like to find employment, slightly above the national figure, and broadly in the middle of the range compared with the comparators (Table 2-2).

Moray has the second highest rate of long-term sick amongst the working-age economically inactive (31.6%) of the local authorities in the benchmarking group, some 4% higher than the national proportion. However, Moray has a lower proportion of retired people in the 16-64 age group (14.2%) than many of the other local authorities.

¹⁴ Business Register and Employment Survey and SQW calculations

¹⁵ ONS Annual Population Survey

Table 2-2 Economic inactivity, April 2015 to March 2016¹⁶

Economic inactivity	Moray (No.)	Moray %	North Ayrshire %	Perth & Kinross %	South Ayrshire %	Stirling %	East Ayrshire %	East Lothian %	Fife %	Scotland %
Student	3,000	23.1	24.2	20.5	17.8	38.8	18.3	24.8	21.6	24.8
Looking after family/home	2,600	19.7	28	18	20.9	16.6	19.3	16.9	19.1	19.8
Temporary sick	#	#	!	!	#	#	#	#	#	2.7
Long-term sick	4,100	31.6	27.7	23.2	31	19.1	34.2	27.5	26.8	27.3
Discouraged	!	!	!	!	#	!	!	!	!	0.4
Retired	1,800	14.2	16.1	27.4	17.6	14	15.9	19.4	20.9	15.4
Other	1,200	8.9	#	8.2	6	9.9	8.7	6.9	6.7	9.6
Wants a job	3,300	25.4	23.3	20.4	29	19.6	29.2	28.9	24.9	23.8
Does not want a job	9,700	74.6	76.7	79.6	71	80.4	70.8	71.1	75.1	76.2
Total	13,000	22.5	28.7	17.4	22.6	25.7	26	21	21.5	22.6

Notes: # Sample size too small for reliable estimate. ! Estimate is not available since sample size is disclosive.

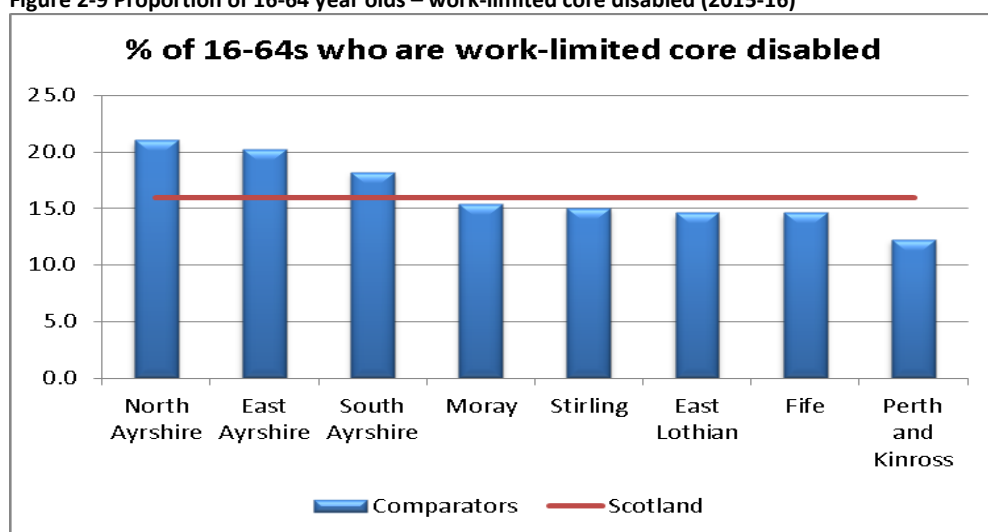
- Total data at the foot of the table has been calculated as a proportion of all those aged 16-64 in the local authority area.
- The percentages for each category (apart from Total) have been calculated as a proportion of those economically inactive in the local authority area.

Work Limiting Disabled

Labour market thresholds related to employee productivity and employer prejudices translate into substantially lower employment probabilities, working hours and job stability for the disabled.¹⁷

According to the Annual Population Survey 2015-16, the estimated population in Moray aged 16-64 was approximately 57,800 with 8,900 of these categorising themselves as work-limited core disabled equating to 15.4% a reduction from 16.2% from the previous year. In 2015-16 the national average was 16% and Moray appeared around the mid-range within the comparator group.

Figure 2-9 Proportion of 16-64 year olds – work-limited core disabled (2015-16)¹⁸



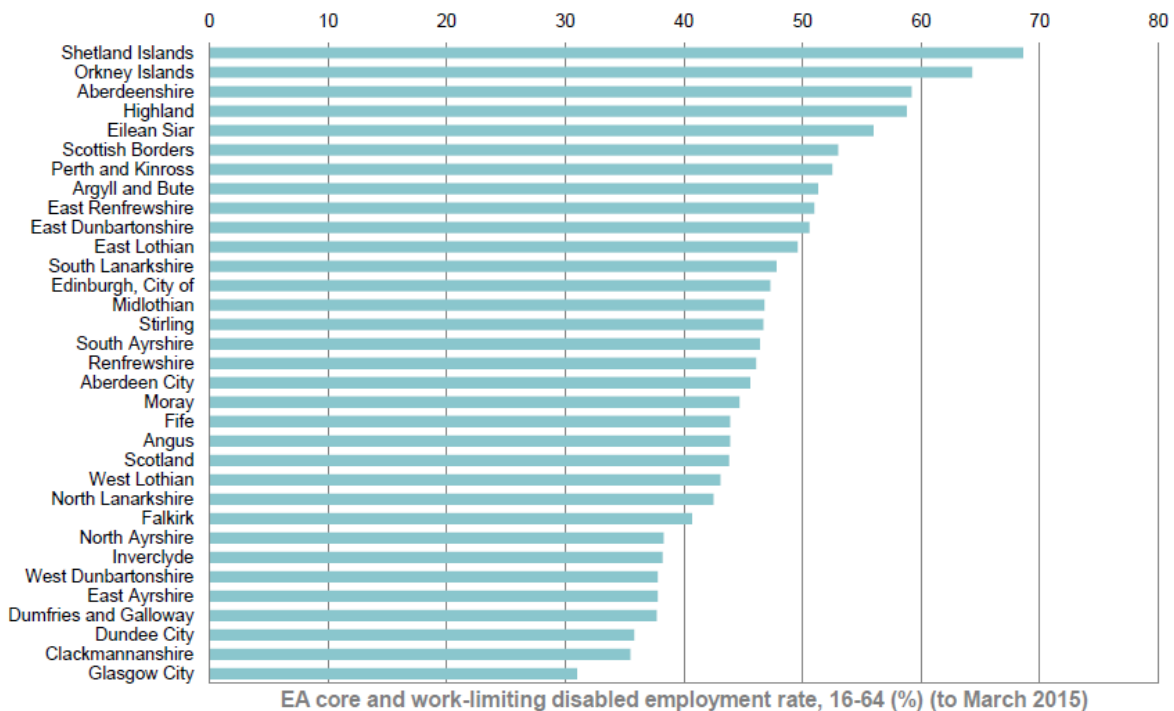
¹⁶ ONS Annual Population Survey

¹⁷ Wage Subsidies and Hiring Chances for the Disabled 2014

¹⁸ NOMIS – ONS - Annual Population Survey (2014/15 & 2015/16)

In Scotland the disabled employment rate varies across local authority areas...

Figure 2-10 The disabled employment rate across local authority areas...



If looking at the gap in disabled employment in Scotland, 43% of work-limited disabled are employed. The non-work limiting disabled employment rate is 80% in Scotland. This gives a work-limited disabled employment gap of around 37% in Scotland. For Moray this gap is approximately 38% as Moray's non-work limiting disabled employment rate is slightly higher.

2.1.6 Regional Selective Assistance (RSA)

RSA is a discretionary grant scheme which provides investment to projects that will directly result in the creation or safeguarding of jobs in Scotland, helping to ensure Scotland's economy remains globally competitive.¹⁹ RSA is an important scheme of financial assistance to industry. It is aimed at encouraging investment and job creation in the Assisted Areas (AAs) of Scotland. It also encompasses support available to small and medium-sized enterprises in other areas. Maximum intervention rates are between 10% and 40% of eligible costs depending on size of company and location. The programme is aimed at businesses of any size which serve a market wider than simply the local need (i.e. local services such as garages, retail activities, hotels and restaurants are unlikely to qualify).²⁰

In the five years from 2011 to 2014 for Moray this included a grant payment in 2011 of £750,000 to Atos IT Services UK Limited, Forres²¹, for the provision of systems integration,

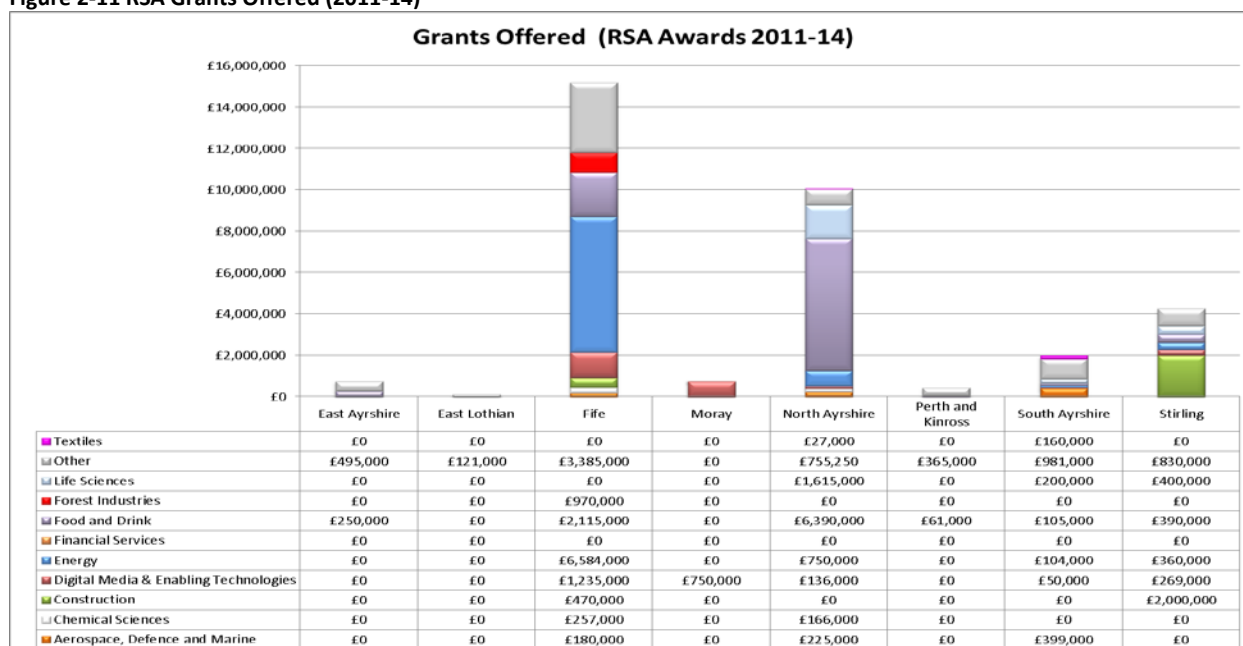
¹⁹ <http://www.scottish-enterprise.com/knowledge-hub/articles/publication/rsa-reports>

²⁰ <https://www.mygov.scot/regional-selective-assistance-rsa/>

²¹ <http://www.scottish-enterprise.com/knowledge-hub/articles/publication/rsa-reports>

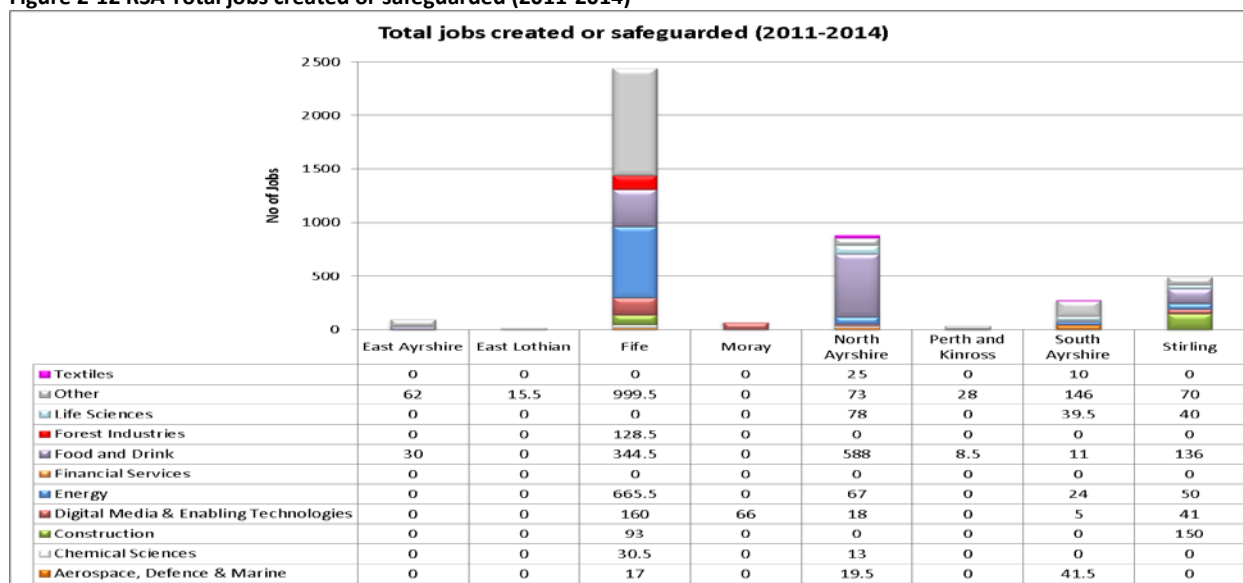
consulting, managed operations, business process outsourcing and hi-tech transactional services.

Figure 2-11 RSA Grants Offered (2011-14)



According to Scottish Enterprise, this was granted for the creation of 50 new jobs.

Figure 2-12 RSA Total jobs created or safeguarded (2011-2014)



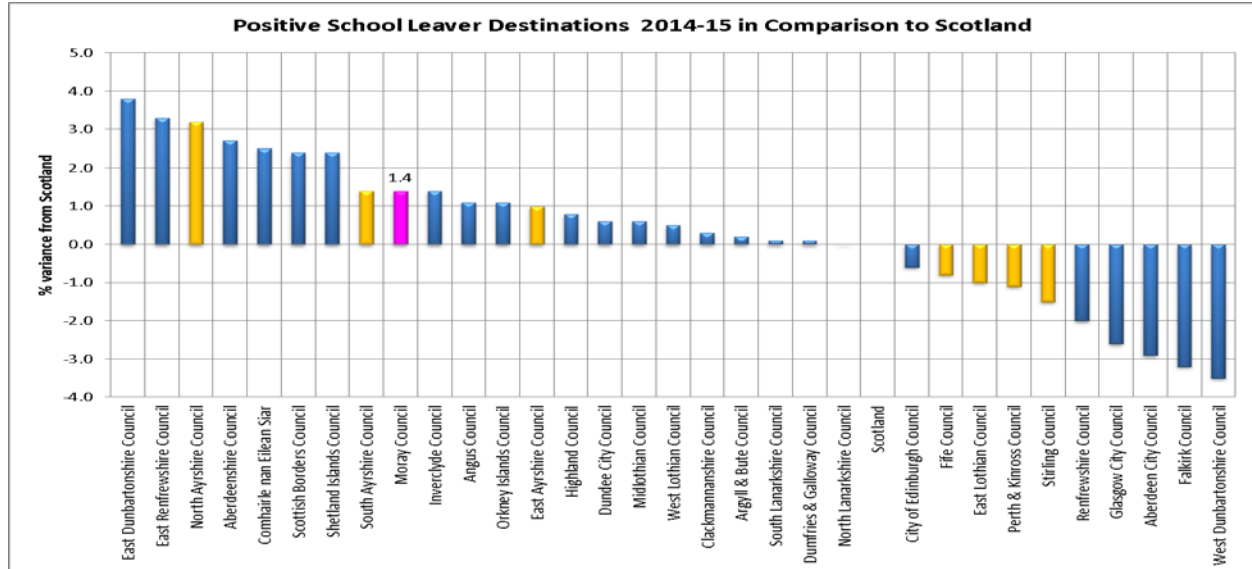
Although the 2015 figures are not published for the comparators, in the last quarter of 2015 a grant payment of £375,000 was awarded to Tactical Wireless Limited of Forres for the manufacture and assembly operation for the “Omni Hub” specialist communication device, again creating 50 new jobs.

2.2 School Leaver Destinations, Skills and Qualifications

2.2.1 School Leaver Destinations

In 2014/15, in Scotland, 92.9% of School Leavers initial destinations were positive.²² Moray with 94.3% positive was above the average and in the top 8 (equal with South Ayrshire - see below).

Figure 2-13 Positive School Leaver Initial Destinations – 2014/15



At the end of the 2014/15 academic year more school leavers had positive destinations across Scotland than in the previous 8 years, and Moray school leavers²³ matched the national trend over this period. In 2014/15, 94% of Moray school leavers achieved a positive destination, up 9% from 2007/08.

For Moray, the largest changes since 2007/08 are the 13% increase in the number of school leavers taking up places in higher education, and the 10% reduction in the number going straight into work. There has also been a 7% increase in the uptake of further education courses so that proportion of Moray school leavers who continue education after school has risen from 46% in 2007/08 to 66% in 2014/15 (Figure 2-12).

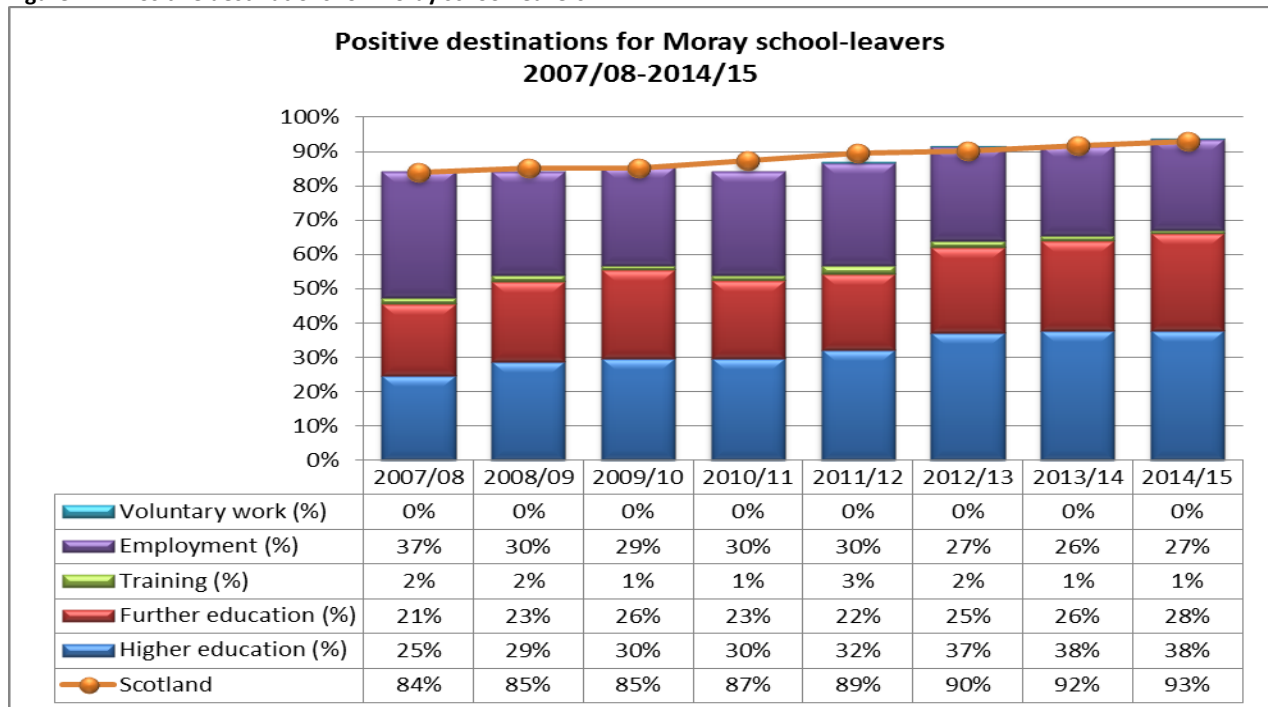
In 2014/15, Moray had 1,167 School Leavers of which 1,100 (94.3%) had positive initial destinations.

Whilst this is very much a Moray success story, these figures relate to initial destinations – the survey done 6 months later remains a concern as too many young people “drop out” of their positive destination, e.g. they may drop out of college, university or lose their job – this is an area of focus at present for partners.

²² Positive destinations include higher education, further education, training, voluntary work and employment (Scottish Government)

²³ A school leaver is classed as a young person of school leaving age, who left school during (at the end of the winter term) or at the end of the school year, where the school year is taken to run from 1 August to 31 July.

Figure 2-14 Positive destinations for Moray school-leavers²⁴



Employability Fund

Skills Development Scotland (SDS) administers and manages the Employability Fund on behalf of the Scottish Government. It supports the Youth Employment Strategy by delivering over 17,000 new opportunities across Scotland.²⁵

In Moray there were a total of 130 (rounded to the nearest 5) Employability Fund starts in 2014/15 of which 73% were male. The total included approximately 60 aged between 16-17yrs, 40 aged 18-24yrs and 35 aged over 25yrs. Apart from the Islands (Orkney, Shetland and Eilean Siar) Moray had the lowest number of starts of any Local Authority Area in Scotland.²⁶

Work Readiness

The Certificate of Work Readiness (CWR) gives young people a recognisable qualification, to show employers they have relevant experience for the workplace. It supports the Scottish Government's "Opportunities for All" agenda, helping young people find work, and employers find the right people. The CWR is available to people aged 16-19, and includes at least 190 hours of work experience. The employer assesses the person's skills for the certificate – like a reference, it's something that other employers can trust.

In Moray in 2014/15 there were 45 individual starts on the CWR programme involving 20 employers.²⁷

²⁴ Scottish Government School Leavers Destination Dataset

²⁵ [SDS Employability Fund](#)

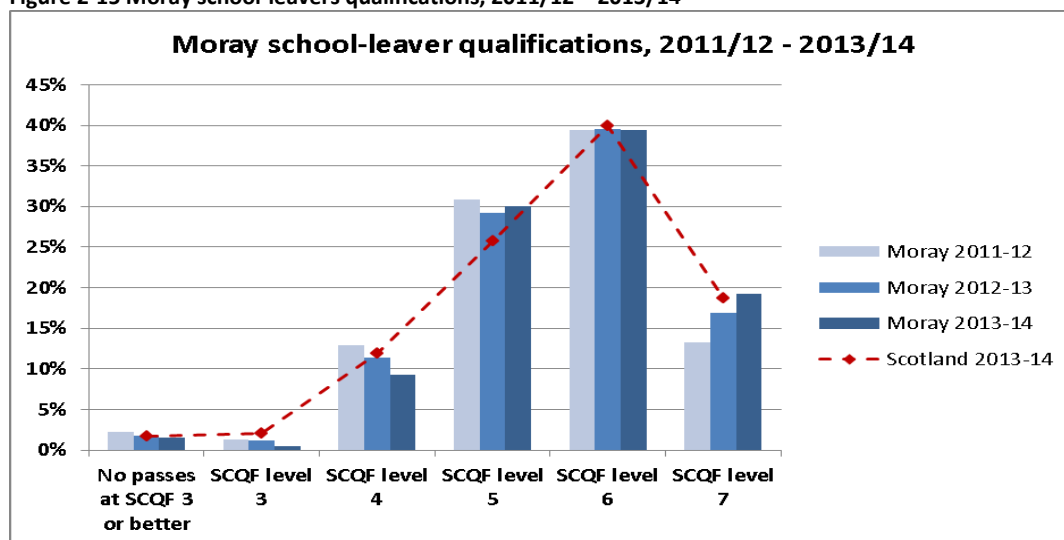
²⁶ <https://www.skillsdevelopmentscotland.co.uk/what-we-do/partnerships/regional-skills-assessments/>

²⁷ <https://www.skillsdevelopmentscotland.co.uk/what-we-do/partnerships/regional-skills-assessments/>

2.2.2 School Leaver Qualifications

Over the 3 academic years 2011/12 to 2013/14, Moray pupils continued to exceed the Scottish pass rate for level 5 qualifications (national 5) (Figure 2-13). They maintained level 6 (Highers) pass-rates at the national level, and improved achievement at level 7 (Advanced Higher). A recent survey of Moray residents aged between 15 and 30²⁸ noted that 70% of Moray school pupils were hoping to go to university or undertake further education. A majority (68%) considered there were sufficient opportunities for them to pursue their chosen field of study locally in Moray, or within the neighbouring Highland and Islands region, with half of them considering the University of the Highlands and Islands (UHI) to be a good place to be an undergraduate. The implication is, therefore that half of Moray's school-leavers would consider going to a university located away from Moray and the Highlands and Islands, and 60% of post-graduates would need to undertake courses elsewhere.

Figure 2-15 Moray school-leavers qualifications, 2011/12 – 2013/14²⁹



The proportion of the working-age population without qualifications, or low level qualifications in Moray has reduced over the last 3 years, and at 11.2% is just below the figure for Scotland (Table 2-2). There is some evidence to suggest that school-leavers who complete higher education, especially those who undertake technical, professional or scientific courses, are more likely to leave Moray, at least in the short-term, to pursue their careers since the opportunities open to them locally are limited. The result is that the remaining workforce is not as highly qualified, and the rate of people working in Moray with low, or no, qualifications is unlikely to reduce in the short-term.

Table 2-2 Working age population with low/no qualifications³⁰

Working age population with low/no qualifications	2012-13	2013-14	2014-15
Moray	12.0%	10.8%	11.2%
Scotland	13.0%	12.6%	11.5%

²⁸ HIE, Young People in Moray Attitudes and aspirations. September 2015

²⁹ Scottish Government School Leavers Destination Dataset

³⁰ SLAED (ECONOMIC DEVELOPMENT)

2.3 Skills Gap³¹

Skills shortages in the north of Scotland are mainly felt amongst caring, leisure & other services, sales & customer services, elementary staff and to a lesser extent, skilled trades³². Managers and professionals have fewer gaps in comparison while Aberdeen City & Aberdeenshire report a higher rate of gaps amongst associate professionals (Table 2-3).

There is some evidence to suggest that school-leavers who complete higher education, especially those who undertake technical, professional or scientific courses, are more likely to leave Moray, at least in the short-term, to pursue their careers since the opportunities open to them locally are limited. In particular, there are relatively few opportunities for school-leavers with qualifications in information and communications, finance, business administration & support services. Similarly, professional, scientific, and technical positions are approximately half the national rate, forcing professionals to look elsewhere for work, or to set up their own business locally. In the short-term it is unlikely that such businesses would be able to support the employment of associate professionals and technicians.

Although the NHS is a large employer in Moray, there are fewer opportunities for specialists than elsewhere in Scotland, and Moray struggles to attract teachers and social workers

Table 2-3 Density of skills gaps by occupation, 2013³³

Density of skills gaps by occupation	Aberdeen City & Aberdeenshire (RSA)	Highland & Islands (RSA)	Scotland
Managers	2%	3%	3%
Professionals	4%	3%	5%
Associate professionals	8%	4%	5%
Admin/clerical staff	6%	5%	5%
Skilled trades	8%	7%	7%
Caring, leisure & other services	12%	7%	6%
Sales & customer services	10%	9%	7%
Operatives	9%	5%	7%
Elementary staff	10%	10%	8%

The majority of businesses had been recruiting staff in the 2-3 years prior to the 2013 survey, with over a quarter recruiting first-time employees straight from education. The indications are that for most local people leaving school, college or university there will not be a job for them locally when they complete their studies.

Businesses across both regions and nationally report that the higher the level of qualification a person has achieved the better prepared for work they are. There would appear to be plenty of

³¹ Discrete data on the skills gap is not available for Moray, and therefore the figures used for this analysis are based on the Regional Skills Assessments areas for Aberdeen City & Shire, and the Highlands & Islands.

³² UKCES Employer Skills Survey, 2013

³³ UKCES Employer Skills Survey, 2013

room for improvement in preparing school leavers for employment, with 40% being considered less than well prepared.

Despite young people in Moray having a strong attachment to the area 45% describe themselves as ‘committed leavers’ and plan to settle and work away from the area, or to move away to study³⁴. There was general agreement that one of the reasons for leaving Moray was for young people to broaden their worldview. A further 10% would like to stay but do not think they will be able to given the limited employment opportunities available in Moray, and the narrow employment base especially in the rural settlements. Good access to housing and affordable public transport links are also seen as important in keeping young people in the area. The HIE report concluded that there was also a need to increase the vibrancy and community spirit to capitalise on strong local attachments.

The young people of Moray have little interest in working in the food and drink sectors that dominate Moray’s economy, due to weaker career progression opportunities and perceptions of low pay. Their preferences are summarised at Table 2-4.

The Moray economy is not currently able to provide opportunities to match these aspirations (see below) in full.

Table 2-4 Moray young people’s preferred employment sectors³⁵

Sector	Moray young people interested working in Sector
Creative industries (including digital)	37%
Energy (including renewable energy)	15%
Financial and business services	29%
Food and drink	19%
Life sciences	24%
Sustainable tourism (including hospitality)	17%

The food and drink industry is well served, but the energy sector and financial services account for fewer than 1% of all jobs in Moray³⁶. There have been some recent innovations in Moray in the life sciences, with the opening of the Alexander Graham Bell³⁷ centre at Moray College, UHI. Jointly occupied by Moray College and NHS Grampian, it provides a clinical skills training unit, state of the art learning and teaching rooms and is home to the seat of learning of the UHI Chair for Digital Health. In addition, the Enterprise Park in Forres has been awarded enterprise area status for life sciences, offering incentives for life sciences companies.

³⁴ HIE, Young People in Moray Attitudes and aspirations. September 2015

³⁵ Totals do not add up to 100% as many young people stated more than one preference

³⁶ Business Register and Employment Survey (BRES)

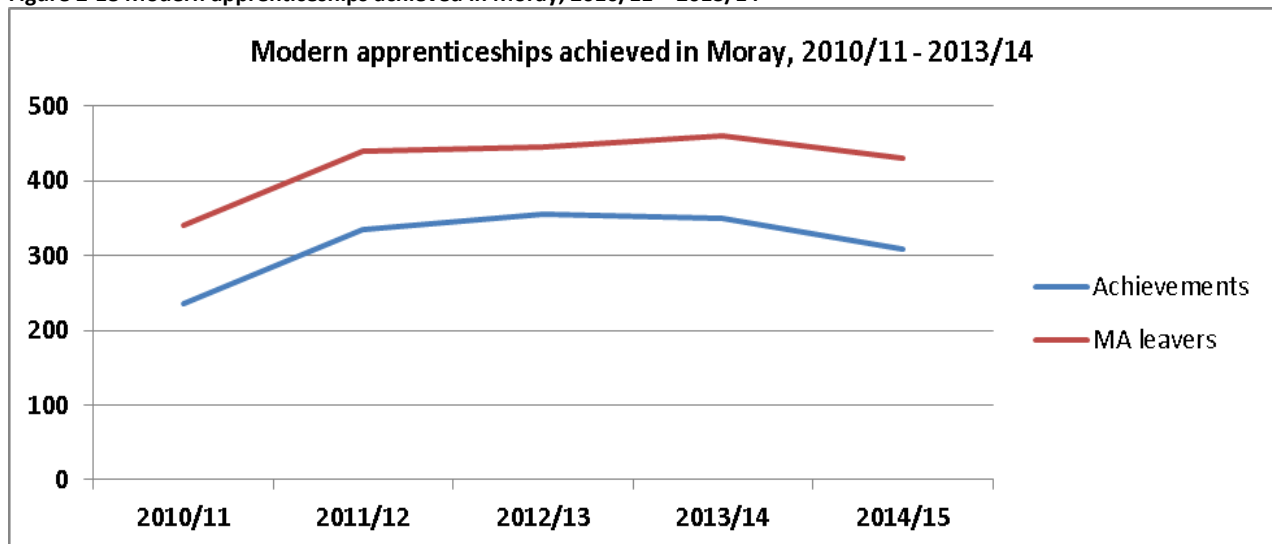
³⁷ Moray College UHI

Over half the young people who responded thought there were good local opportunities for apprenticeships (51%). Since 2010/11 an average of just over 300 people in Moray have achieved a modern apprenticeship (MA) each year; an achievement rate of around three-quarters of all those undertaking MAs locally (Figure 2-18).

Modern Apprenticeships

The number of MAs started each year in the local authorities in Moray's benchmarking group varies between just under 1% and 2.2% of the proportion of the working population in each local authority. At 1.3% in 2014/15 Moray is around the average for our peer group. It has been observed that there are a relatively low proportion of graduates in the Moray workforce³⁸ and the Council does not have a Modern Apprenticeship Programme, which is unusual for a Scottish local authority. Increasing the uptake of foundation and modern apprenticeships is a key strategic target for Employability Moray.

Figure 2-18 Modern apprenticeships achieved in Moray, 2010/11 – 2013/14³⁹



2.4 Earnings by residence and place of work

2.4.1 By Residence

Gross Weekly Pay

By residence, Moray had a lower Gross Weekly Pay for full time workers than Scotland in 2015 (a difference of £36.30). This was more pronounced for Female Full-time workers where the difference is £59 per week compared to £24.10 for Male Full Time Workers.

³⁸ Moray Council Economic Footprint Report, Information Services, March 2016

³⁹ Skills Development Scotland

Table 2-5 Median Earnings by residence (2015)⁴⁰

Earnings by residence (2015)			
	Moray (Pounds)	Scotland (Pounds)	Great Britain (Pounds)
Gross Weekly Pay			
Full-Time Workers	490.7	527.0	529.6
Male Full-Time Workers	536.7	560.8	570.4
Female Full-Time Workers	415.0	474.0	471.6
Hourly Pay- Excluding Overtime			
Full-Time Workers	12.03	13.37	13.33
Male Full-Time Workers	12.22	13.74	13.93
Female Full-Time Workers	10.96	12.72	12.57

Source: ONS annual survey of hours and earnings - resident analysis

Note: Median earnings in pounds for employees living in the area.

In Scotland, between 2002 and 2015 there was an increase in the full time workers gross weekly pay of 42.7%. Meanwhile Moray saw an increase of 57.83%. The difference between Moray and Scotland in the Median Gross weekly earnings in 2002 was £58.4; by 2015 the difference had reduced to £36.3. In 2015 Moray was 5th lowest of the 32 local authorities and 2nd lowest of the comparator group.

Hourly Pay

In Scotland, between 2002 and 2015 there was an increase in the full time workers hourly pay (excluding overtime) of 46.92%. Meanwhile Moray saw an increase of 60.83%. The difference between Moray and Scotland in the median hourly pay in 2002 was £1.62; by 2015 the difference had reduced to £1.34.

In 2015, Moray was 2nd lowest of the 32 local authorities and remains the lowest of the comparator group.

2.4.2 By Place of Work

Gross Weekly Pay

By place of work, Moray had a lower Gross Weekly Pay for full time workers than Scotland in 2015 (a difference of £37.20). Again this was more pronounced for Female Full-time workers where the difference is £59.5 per week compared to £24.70 for Male Full Time Workers.

⁴⁰ NOMIS – Official Labour market statistics - Local Authority Profiles – Annual Survey of Hours and Earnings - Since ASHE is a survey of employee jobs, it does not cover the self-employed or any jobs within the armed forces. Given the survey reference date in April, the survey does not fully cover certain types of seasonal work, for example employees taken on for only summer or winter work. Local research from the University of Highlands and Islands suggests that the Moray result would exceed the national average if armed forces results were included. With armed forces similarly working elsewhere in Scotland this would also increase the national result.

Table 2-6 Median Earnings by Workplace (2015)⁴¹

Earnings by workplace (2015)			
	Moray (Pounds)	Scotland (Pounds)	Great Britain (Pounds)
Gross Weekly Pay			
Full-Time Workers	489.8	527.0	529.0
Male Full-Time Workers	537.8	562.5	569.9
Female Full-Time Workers	415.3	474.8	471.5
Hourly Pay - Excluding Overtime			
Full-Time Workers	12.20	13.39	13.32
Male Full-Time Workers	12.45	13.75	13.91
Female Full-Time Workers	10.74	12.74	12.56

Source: ONS annual survey of hours and earnings - workplace analysis

Note: Median earnings in pounds for employees working in the area.

In Scotland, between 1997 and 2015 there was an increase in the full time workers gross weekly pay of 74.91%. Meanwhile Moray saw an increase of 100.33%. The difference between Moray and Scotland in the Median Gross weekly earnings in 1997 was £56.8; by 2015 the difference had reduced to £37.2.

In 2015 Moray was 10th lowest of the 32 local authorities and 3rd lowest of the comparator group. It was only in 2011 that Moray started to climb to the level of the comparators in the group.

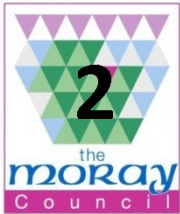
Hourly Pay

In Scotland, between 1997 and 2015 there was an increase in the full time workers median hourly pay rate (excluding overtime) of 83.93%. Meanwhile Moray saw an increase of 105.04%. The difference between Moray and Scotland in the median hourly pay in 1997 was £1.33; by 2015 the difference had reduced to £1.19.

In 2015, Moray was 9th lowest of the 32 local authorities and remains the lowest of the comparator group though there were a few years (2010 to 2014) where Moray was not the lowest in the group. It was only in 2010 that Moray started to climb to the level of the comparators in the group.

⁴¹ [NOMIS – Official Labour market statistics - Local Authority Profiles – Annual Survey of Hours and Earnings](#) - Since ASHE is a survey of employee jobs, it does not cover the self-employed or any jobs within the armed forces. Given the survey reference date in April, the survey does not fully cover certain types of seasonal work, for example employees taken on for only summer or winter work. . Local research from the University of Highlands and Islands suggests that the Moray result would exceed the national average if armed forces results were included. With armed forces similarly working elsewhere in Scotland this would also increase the national result.

Key Points – Labour Market



- ❖ In 2014 there were 36,000 Moray residents in employment (61%)
 - ❖ For comparison the rate for Scotland was 73%
- ❖ The production sector, including whisky-distilling and food processing, is the major employer (18% of all jobs)
 - ❖ The health sector second highest employer (15% of all jobs)
 - ❖ The retail sector accounts for 13% of all jobs (including private and public sector)
- ❖ Only 4% of Moray residents are in the professional, scientific and technical sector, almost half the national rate (7%)
- ❖ Moray is the home of two military bases. HIE have commissioned an assessment to measure their economic impact on the local area.
- ❖ Self-employment in Moray is below the national average (11.9% compared with 13.1% for Scotland)
 - ❖ Since 2005 the self-employment rate has reduced by 2.6%
 - ❖ Over the same period the rate for Scotland has increased by 1.9%
- ❖ Moray's unemployment rate at 4.9% was below the Scottish rate of 8% (2013 figures). The number of claimants in Moray, although exhibiting seasonal fluctuations, has decreased by 36% since February 2013.
- ❖ Claimant counts, for people who have been out of work for more than 12 months, at 0.3% in 2014 are well below the national rates, continuing the downward trend of recent years.
- ❖ Between 2009 and 2012 administration and support service activities grew by 46% in Moray.
 - ❖ Arts, entertainment and recreation grew by 14% and real estate by 11%
- ❖ Since 2004 associate professionals and technicians have reduced by a quarter in Moray, while managers, directors and senior officials reduced by 20%.
- ❖ The largest increases in occupations for Moray since 2004 are:
 - ❖ Caring, leisure and service occupations, up by 36%
 - ❖ Sales and Customer Services, an increase of 31%
- ❖ Moray has a similar proportion of economically inactive (22.5%) compared to Scotland (22.6%)
 - ❖ However, Moray has a high rate of long-term sick amongst the economically inactive (31.6%)
- ❖ 94.3% of Moray school leavers achieved a positive destination, compared to 92.9% nationally
- ❖ Since 2007/08 there have been 13% more Moray school leavers moving into Higher Education and 7% more taking up places on Further Education courses

-
- ✚ There has been a 10% reduction in school leavers going directly into employment over the same period
 - ✚ School leaver qualifications have gradually risen, especially at SCQF Level 7.
 - ✚ 47% of school leavers hoped to attend university, and 23% hoped to undertake Further Education
 - ✚ Between 2003 and 2014 the percentage of 16-19 year olds not in employment, education or training fell from 8.4% to 5.2%
 - ✚ 8,900 people in Moray categorise themselves as work-limited core disabled (15%)
 - ✚ Skills shortages in the north of Scotland are in caring, leisure & other services, sales & customer services, elementary staff and skilled trades
 - ✚ There are relatively few opportunities for school-leavers qualified in information & communications, finance, business administration and support services
 - ✚ The Moray economy does not provide a good match for young people's career aspirations; in particular energy, financial services and life sciences
 - ✚ Modern apprenticeship take-up in Moray is 1.3%, which is the average for our local authority benchmarking group
 - ✚ Moray cannot provide university courses or career choices that appeal to all school-leavers, and there continues to be a significant proportion of 21-35 year olds who move away from the area
 - ✚ Young people value good access to housing and affordable public transport links. The HIE have identified a need to increase the vibrancy and community spirit within Moray to capitalise on strong local attachments
 - ✚ Moray's median Gross Weekly Pay for full time workers by residence was £490.70 compared to £527.00 in Scotland, and the hourly rate equates to £12.03 in Moray compared to £13.37 in Scotland. The gap between Moray and Scotland has narrowed over the last 15 years, and the trend indicates the convergence is likely to continue
 - ✚ Male full time workers in Moray received a median Gross Weekly Pay (by residence) of £536.70 compared to Females who received £415.00
 - ✚ Moray's median Gross Weekly Pay for full time workers by workplace was £489.80 compared to £527.00, and the hourly rate equates to £12.20 in Moray compared to £13.39 in Scotland
 - ✚ Male full time workers in Moray received a median Gross Weekly Pay (by workplace) of £537.80 compared to Females who received £415.30
 - ✚ Despite a 60.8% increase in Moray's median Hourly Pay (by residence) between 2002 and 2015, Moray was the second lowest of the Scottish Authorities in 2015
 - ✚ Despite a 57.8% increase in Moray's median Gross Weekly Pay (by residence) between 2002 and 2015, Moray was the fifth lowest of the Scottish Authorities in 2015

3 Commerce and Industry

3.1 Number of businesses

According to the NOMIS local authority profile for Moray, there were 3,135 business enterprises active in Moray in 2015 and 3,980 local units/sites.⁴² Giving a business density of 328 enterprises or 416 local business units/sites per 10,000 population.

Table 3-1 Moray & Scotland Business Counts (2015)⁴³

Businesses				
UK Business Counts (2015)				
	Moray (Numbers)	Moray (%)	Scotland (Numbers)	Scotland (%)
Enterprises				
Micro (0 To 9)	2,765	88.2	147,300	87.5
Small (10 To 49)	320	10.2	17,575	10.4
Medium (50 To 249)	35	1.1	2,735	1.6
Large (250+)	10	0.3	665	0.4
Total	3,135	-	168,275	-
Local Units				
Micro (0 To 9)	3,255	81.8	174,080	81.0
Small (10 To 49)	620	15.6	33,240	15.5
Medium (50 To 249)	90	2.3	6,475	3.0
Large (250+)	10	0.3	1,035	0.5
Total	3,980	-	214,835	-

Source: Inter Departmental Business Register (ONS)

3.1.1 Businesses - Enterprise

In Scotland, there has been an increase of 16.4% in the total number of Enterprises between 2010 and 2015. In relation to the comparators⁴⁴ Moray was second lowest.

The table below shows Moray's 9.42% increase in the total number of VAT/PAYE registered enterprises since 2010. However, the variance in some of the industry sectors is quite marked e.g. the increase of the "Professional, scientific and technical" sector from 245 enterprises in 2010 to 410 in 2015, an increase of over two thirds. Meanwhile the number of "Retail" enterprises fell by approximately 11%, from 280 to 250).

⁴² ONS – NOMIS Labour Market Profile – Moray Jan – Dec 2015 (Figures rounded to the nearest 5) By definition an Enterprise is the smallest combination of legal units (generally based on VAT and/or PAYE records) which has a certain degree of autonomy within an Enterprise Group. An individual site (for example a factory, branch, or shop) in an enterprise is called a local unit.

⁴³ ONS – NOMIS Labour Market Profile – Moray Jan – Dec 2015 (Figures rounded to the nearest 5)

⁴⁴ SOLACE Group contains – East Ayrshire, East Lothian, Fife, Moray, North Ayrshire, Perth & Kinross; South Ayrshire and Stirling.

Table 3-2 Moray Business Counts (2015) - Enterprises⁴⁵

(Reading horizontally Red is lowest point and Green is highest point for each industry over the period. In the last column, reading down the green to red shows the scale of increase to decrease respectively.

Industry	2010	2011	2012	2013	2014	2015	% change based on 2010
1: Agriculture, forestry & fishing (A)	650	645	660	655	645	635	-2.31%
2: Mining, quarrying & utilities (B,D and E)	20	20	20	30	25	25	25.00%
3: Manufacturing (C)	160	155	165	160	170	170	6.25%
4: Construction (F)	415	415	405	405	400	410	-1.20%
5: Motor trades (Part G)	115	110	115	115	115	115	0.00%
6: Wholesale (Part G)	80	80	80	80	80	85	6.25%
7: Retail (Part G)	280	270	270	260	255	250	-10.71%
8: Transport & storage (inc postal) (H)	85	75	80	80	85	100	17.65%
9: Accommodation & food services (I)	230	230	225	230	230	250	8.70%
10: Information & communication (J)	60	60	55	60	65	65	8.33%
11: Financial & insurance (K)	30	25	30	30	25	35	16.67%
12: Property (L)	50	50	50	55	60	65	30.00%
13: Professional, scientific & technical (M)	245	250	290	310	355	410	67.35%
14: Business administration & support services (N)	155	150	150	135	145	200	29.03%
15: Public administration & defence (O)	-	-	-	-	-	-	-
16: Education (P)	30	30	30	30	30	35	16.67%
17: Health (Q)	90	90	95	85	90	95	5.56%
18: Arts, entertainment, recreation & other services	165	170	175	170	155	195	18.18%
Totals	2,865	2,835	2,900	2,900	2,935	3,135	9.42%

Looking at Moray from the perspective of the proportion of enterprises over the last 6 years (see table below), apart from a swap in the placing of the “Retail” and “Professional, scientific & technical”, Moray’s profile did not change significantly from 2010 to 2014.

Table 3-3 Moray Business Profile (2015) - Enterprises⁴⁶

(Red is highest proportion and Green is lowest proportion)

Industry	2010 Industry Proportion	2011 Industry Proportion	2012 Industry Proportion	2013 Industry Proportion	2014 Industry Proportion	2015 Industry Proportion
1: Agriculture, forestry & fishing (A)	22.73%	22.83%	22.80%	22.66%	22.01%	20.22%
4: Construction (F)	14.51%	14.69%	13.99%	14.01%	13.65%	13.06%
13: Professional, scientific & technical (M)	8.57%	8.85%	10.02%	10.73%	12.12%	13.06%
7: Retail (Part G)	9.79%	9.56%	9.33%	9.00%	8.70%	7.96%
9: Accommodation & food services (I)	8.04%	8.14%	7.77%	7.96%	7.85%	7.96%
14: Business administration & support services (N)	5.42%	5.31%	5.18%	4.67%	4.95%	6.37%
18: Arts, entertainment, recreation & other services	5.77%	6.02%	6.04%	5.88%	5.29%	6.21%
3: Manufacturing (C)	5.59%	5.49%	5.70%	5.54%	5.80%	5.41%
5: Motor trades (Part G)	4.02%	3.89%	3.97%	3.98%	3.92%	3.66%
8: Transport & storage (inc postal) (H)	2.97%	2.65%	2.76%	2.77%	2.90%	3.18%
17: Health (Q)	3.15%	3.19%	3.28%	2.94%	3.07%	3.03%
6: Wholesale (Part G)	2.80%	2.83%	2.76%	2.77%	2.73%	2.71%
12: Property (L)	1.75%	1.77%	1.73%	1.90%	2.05%	2.07%
10: Information & communication (J)	2.10%	2.12%	1.90%	2.08%	2.22%	2.07%
11: Financial & insurance (K)	1.05%	0.88%	1.04%	1.04%	0.85%	1.11%
16: Education (P)	1.05%	1.06%	1.04%	1.04%	1.02%	1.11%
2: Mining, quarrying & utilities (B,D and E)	0.70%	0.71%	0.69%	1.04%	0.85%	0.80%
Grand Total	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

3.1.2 Businesses - Local Units

In Scotland, there has been an increase of 11.13% in the total number of VAT/PAYE registered Local Units/sites between 2010 and 2015. In relation to the comparators, Moray showed the second lowest increase with 6.56%. The figure below shows the increase in local units (similar to

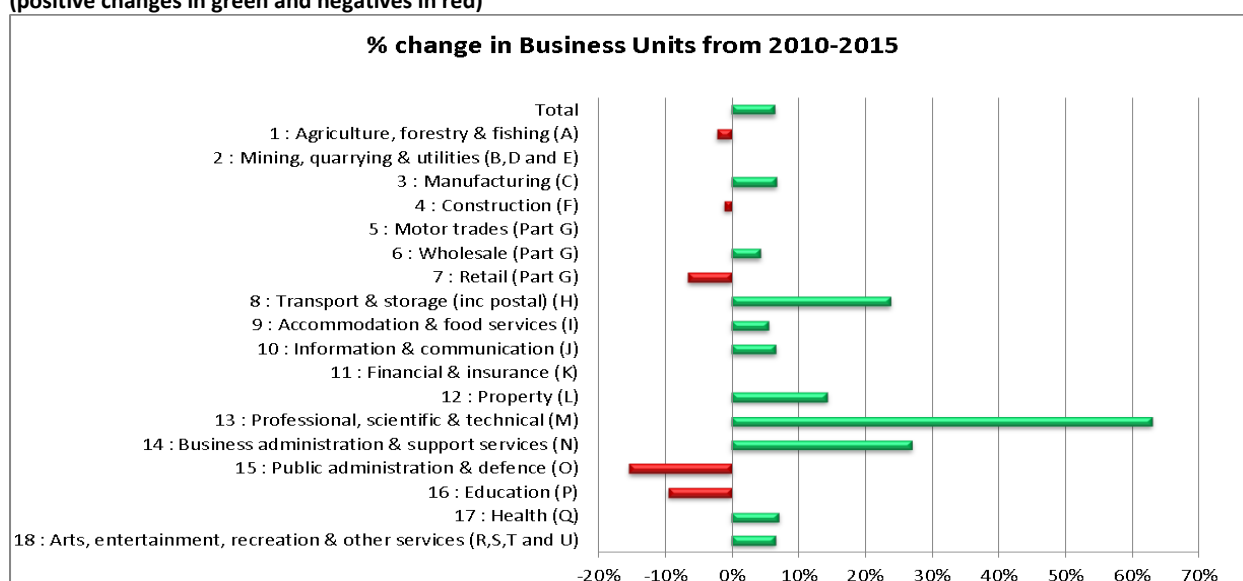
⁴⁵ ONS – NOMIS Labour Market Profile – Moray Jan – Dec 2015 (Figures rounded to the nearest 5)

⁴⁶ ONS – NOMIS Labour Market Profile – Moray Jan – Dec 2015 (Figures rounded to the nearest 5)

the enterprises) in some of the industry sectors e.g. the increase of the “Professional, scientific and technical” sector from 270 local units in 2010 to 440 in 2015, an increase of almost 63%. Meanwhile the number of “Retail” local units has fallen by approximately 6.59%, from 455 to 425.

The number of local units in Education has fallen by over 9.5% (from 105 to 95) while “Public Administration & Defence” shows a significant reduction in sites over 2010-2015. This reduction equates to over 15% (from 65 units to 55). An area that has increased in terms of local units is the Transport & Storage, which rose from 105 units to 130, an increase of almost 24%.

Figure 3-1 Moray Business Counts (2015) – Local Units⁴⁷
(positive changes in green and negatives in red)



Looking at Moray from the perspective of the proportion of local units over the last 6 years, as in the enterprise profile (see table 3-3 above), the profile for sites/units has changed very little over time with the exception of “Professional, scientific & technical” and “Retail”.

3.2 Businesses by sector and size

3.2.1 Business Units – Private and Public

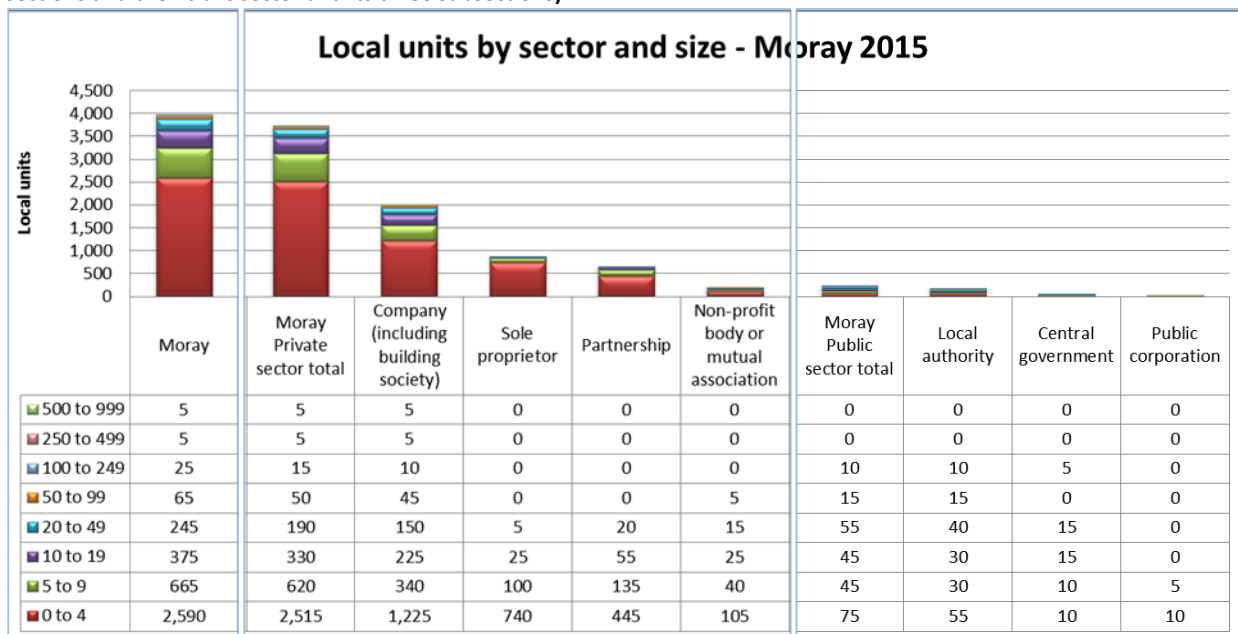
In Scotland in 2015, 94.3% of local business units were private sector (compared to 92.6% in 2012), in the Moray area the proportion was 93.7% with approximately 3,730 private sector local units and 250 public sector units (compared to 92.2% in 2012). This was very similar to the comparator group where the private sector percentage was 93.8% (compared to 91.5% in 2012).

The business size under each legal category is shown below with the Moray total, Private Sector with its four sub sections and the Public Sector and its three subsections.

⁴⁷ ONS – NOMIS Labour Market Profile – Moray Jan – Dec 2015 (Figures rounded to the nearest 5)

Figure 3-2 Moray Sector Profile (2015) ⁴⁸

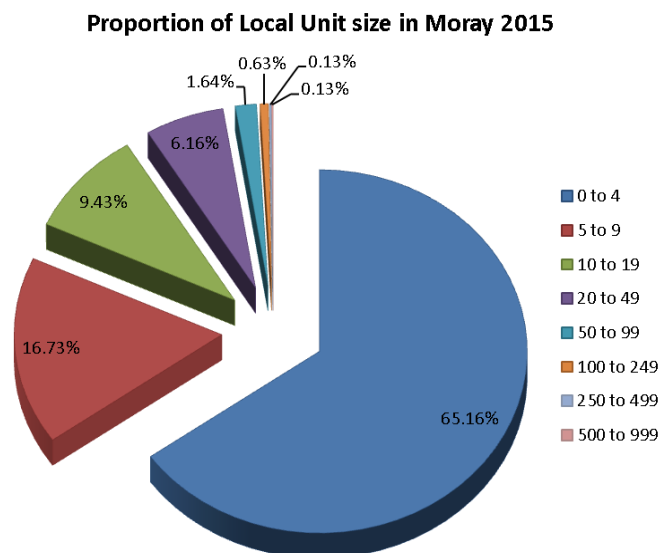
(The business size under each legal sector and subsector is shown below with the Moray Total, Private Sector with its four sub sections and the Public sector and its three subsections)



3.2.2 Businesses – Local Unit size

In Moray in 2015, the majority (65.2%) of Local Units employed between 0 to 4 people with 16.7% employing 5-9 people.

Figure 3-3 Proportion of Moray Business Units by size (2015) ⁴⁹



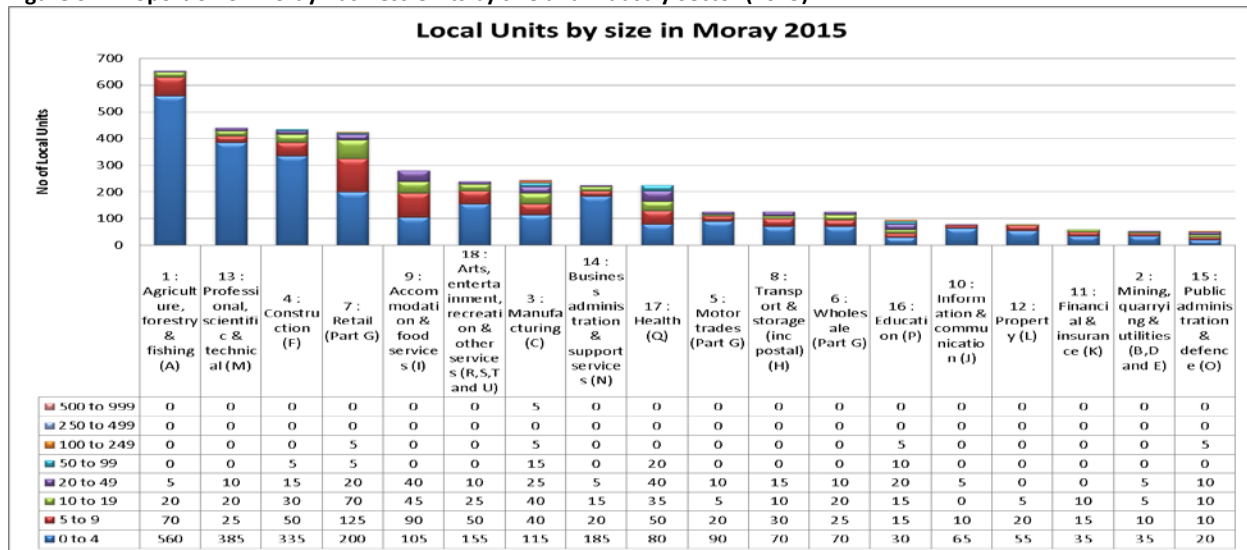
Comparing Moray (Figure 3-3) and Scotland (2015) the proportions are similar.

Figure 3-4 below shows how dominant the 0-4 size category is within Moray e.g. “Professional, scientific & technical” 87.5% were 0-4 person units.

⁴⁸ ONS – NOMIS Labour Market Profile – Moray Jan – Dec 2015 (Figures rounded to the nearest 5)

⁴⁹ ONS – NOMIS Labour Market Profile – Moray Jan – Dec 2015 (Figures rounded to the nearest 5)

Figure 3-4 Proportion of Moray Business Units by size and Industry Sector (2015)⁵⁰

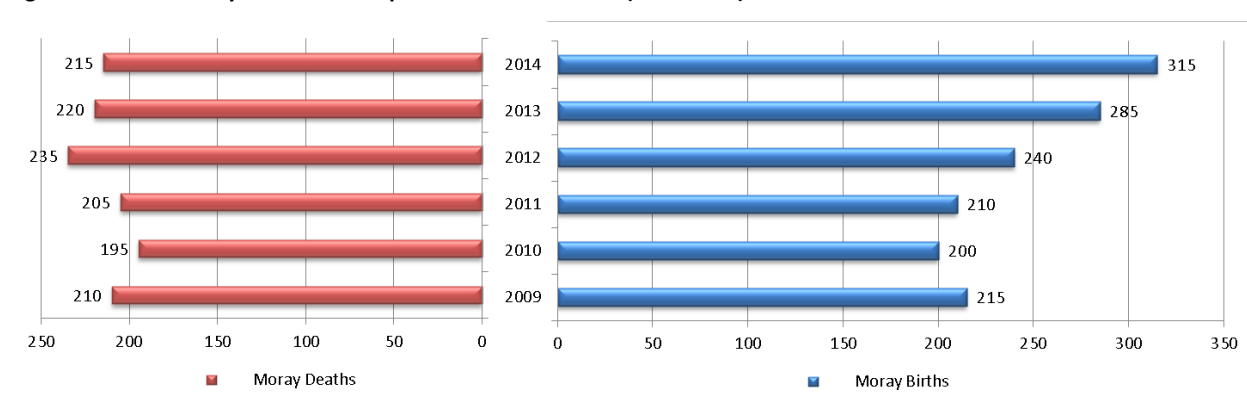


In the retail section the number and proportion of micro business units (0-4 and 5-9) have reduced over time while the medium sized retail businesses have increased. In Moray, 0-4 person units accounted for 85.7% of “Information & communication” units and 84.8% of “Professional, scientific & technical” local business units.

3.3 Business births and deaths

In Moray in 2014, births exceeded deaths by 100 new enterprises (46.5% more births than deaths, compared to Scotland with 36.4%).

Figure 3-5 No of Moray Business Enterprise Births and Deaths (2009-2014)⁵¹

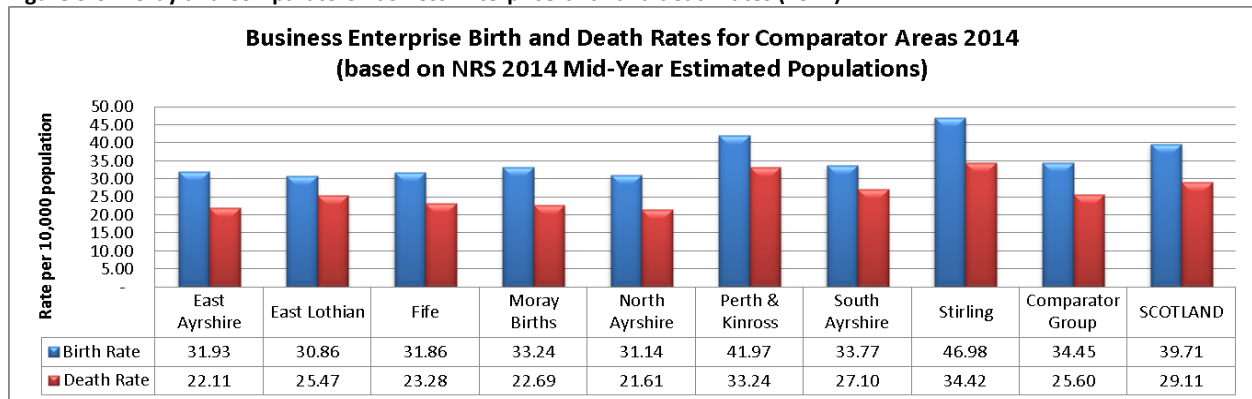


The rate of births and deaths per 10,000 population compared across Moray, other comparator group members, and Scotland (see below) shows that Moray is placed around the middle of the comparator group for births and on the lower side of middle for the deaths giving a positive picture.

⁵⁰ ONS – NOMIS Labour Market Profile – Moray Jan – Dec 2015 (Figures rounded to the nearest 5)

⁵¹ ONS - Business Demography 2014

Figure 3-6 Moray and Comparators Business Enterprise birth and death rates (2014)⁵²



3.4 Business Survival rates

In Moray, of the 625 business enterprises that were started between 2009 and 2011, 395 (63.2%) were still active after 3 years.

Figure 3-7 No and % of Moray Newly Born and Surviving Enterprises (2014)⁵³

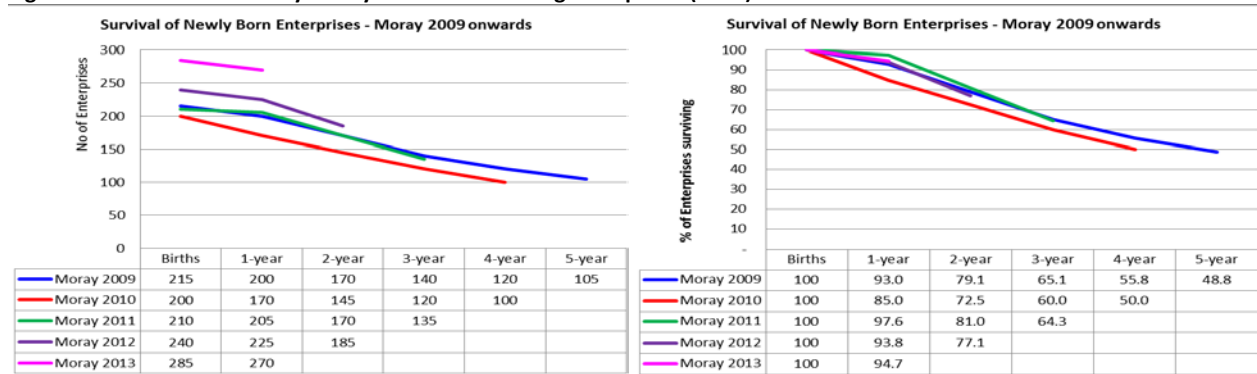


Table 3-4 Surviving % of Newly Born in 2009 after 5 years (2014)⁵⁴

Area	5-year % survival
Moray	48.8
Perth & Kinross	48.3
East Lothian	47.2
Comparator Group	43.6
Stirling	42.6
North Ayrshire	42.3
Scotland	42.1
Fife	41.6
South Ayrshire	41.3
East Ayrshire	39.2

Moray performs better in this respect than its comparators and Scotland as a whole. Moray had the 4th highest survival rate of any local authority for businesses starting in 2009. Business survival rates across the industry sector are only available at a Scottish level with the highest survival rate of businesses started in 2009 being in the Health sector (51.8%) and the lowest being in the Accommodation and food services (33.4%).

3.5 Town Centre vacancy rates

Town Centre vacancy rates (see figure 3-8) for 2014/15 in Scotland stood at 10.1%. Moray's rate was 12.9% (72 vacant/void out of 559 units), higher than the national average, and in the higher range of the comparator group.

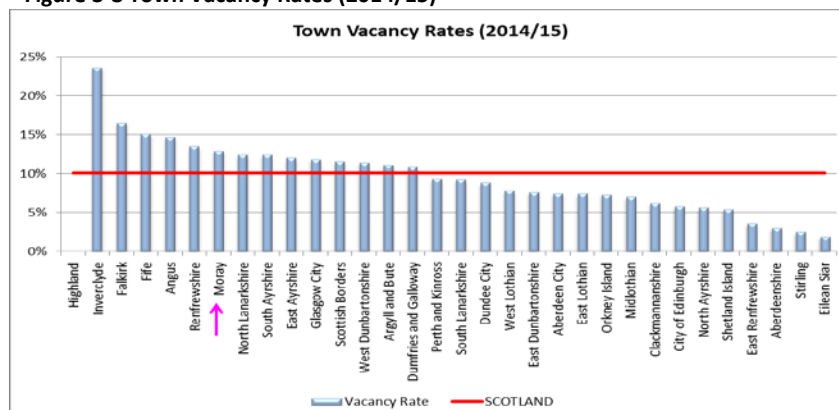
⁵² ONS - Business Demography 2014

⁵³ ONS - Business Demography 2014

⁵⁴ ONS - Business Demography 2014

Over the last three years, Moray's rate has increased from 9.5% in 2012/13 to 12.9% in 2014/15 while Scotland's has fallen from 10.4% to 10.1% in the same time frame.

Figure 3-8 Town Vacancy Rates (2014/15)⁵⁵



3.6 Expenditure on Research and Development

3.6.1 Business Enterprise Research and Development (BERD) expenditure

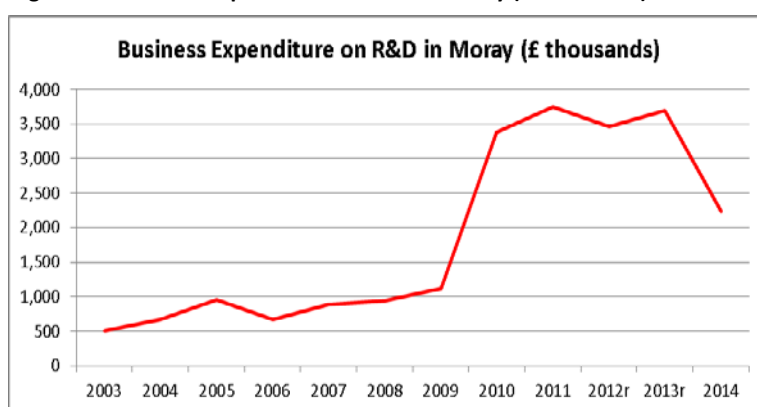
BERD expenditure in Scotland in 2014 was £905 million, 4.5% of the UK total of £19.9 billion. Scottish expenditure decreased by 0.5% in real terms compared to 2013 while UK expenditure increased by 4.5%. Businesses in Scotland spent approximately £169 per head of population on R&D in 2014 compared to £24 per head (down from £40 in 2013) in Moray.

Table 3-5 Business Expenditure on R&D (2014)⁵⁶

Area	2014 per head population (£)
Perth & Kinross	72
Fife	61
Stirling	58
South Ayrshire	53
East Lothian	30
Moray	24
North Ayrshire	23
East Ayrshire	15
Comparator Group	42
Scotland	169

However this is due to a fall in spending in 2014 (see Figure 3-9) and an increasing population reducing the amount per head. Therefore Moray ranked 4th lowest in spending per head of all local authority areas.

Figure 3-9 Business Expenditure on R&D in Moray (£ thousands)⁵⁷



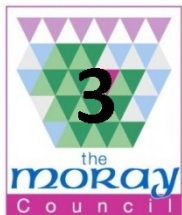
In 2014, nearly two thirds (64.3%) of BERD expenditure was undertaken by businesses located in just four local authority areas: Edinburgh City (22.9%), Aberdeen City (19.8%), West Lothian (13.4%) and Glasgow City (8.3%). In Moray, the expenditure was approximately £2,240,000 with manufacturing accounting for 55.3% (£1,238,000) of the total, which is close to the national proportion of spend with 53.9%⁵⁸

⁵⁵ SLAED (ECONOMIC DEVELOPMENT) PERFORMANCE INDICATORS - OC9 2014/15 report

⁵⁶ <http://www.gov.scot/Topics/Statistics/Browse/Business/RD>

⁵⁷ [Business Enterprise Research and Development 2014 \(based on ONS and Scottish Government stats\)](#)

⁵⁸ [Business Enterprise Research and Development 2014 \(based on ONS and Scottish Government stats\)](#)



Key Points – Commerce and Industry

In 2015 there were 3,135 business enterprises active in Moray in 3,980 units/sites giving a business density of 328 enterprises or 416 units/sites per 10,000 population

- Of the 3,980 units/sites 65.2% were micro businesses employing between 0-4 people and 16.7% employed 5-9 people
- Between 2010 and 2015 there was an increase of 9.4% in the overall number of PAYE/VAT registered business enterprises in Moray compared to 16.4% in Scotland making Moray the second lowest in Scotland
- Between 2010 and 2015 there was an increase of 6.6% in the overall number of business units/locations in Moray compared to 11.1% in Scotland making Moray the sixth lowest in Scotland
- Within this overall increase was an increase in the number of enterprises and units/sites in the “Professional, scientific and technical” sector and a reduction in the number in the “Retail” sector though the physical size of the retail locations has grown
- Public Administration & Defence has reduced in number of units/sites by 15% (from 65 units to 55)
- In Scotland in 2015, 94.3% of local business units were private sector, in the Moray area the proportion was 93.7% with approximately 3,730 private sector local units and 250 public sector units
- In 2014 there were 315 business start-ups and 215 business deaths with 46.5% more births than deaths.
- Moray had a business birth rate of 33.24 births per 10,000 population compared to 39.71 in Scotland.
- Moray had a business death rate of 22.69 deaths per 10,000 population compared to 29.11 in Scotland.
- Of the 625 business enterprises that were started in Moray between 2009 and 2011, 395 (63.2%) were still active after 3 years.
- Of the businesses started in 2009 the 5 year survival rate for Scotland was 42.1% while for Moray it was 48.8%. Moray had the 4th highest survival rate of any local authority.
- Over the last three years, Moray’s town centre vacancy rate has increased from 9.5% in 2012/13 to 12.9% in 2014/15 while Scotland’s has fallen from 10.4% to 10.1% in the same time frame.
- In 2014, Moray ranked 4th lowest in spending on business enterprise research and development per head of all local authority areas with a spend of £24 per head compared to £169 per head in Scotland.
- In Moray, the expenditure on research and development was approximately £2,240,000. Manufacturing accounting for 55.3% (£1,238,000) of the total

4 Housing Land/Employment Land

4.1 Housing Land

According to Moray's Housing Supply Audit - January 2016, the established land supply had a capacity of 13,123 units (effective⁵⁹ and constrained⁶⁰ land together). This reflects the new Local Development Plan, adopted in July 2015 introducing a series of new sites, which now form part of the established land supply. This includes extensive areas of Long-term land.⁶¹

Table 4-1 Established Housing Land Supply Moray 2012-16⁶²

Moray	2012	2013	2014	2015	2016	No. of years supply (2016 based)
Windfall sites (2016 is projected)	30	25	12	63	43	N/A
Constrained Land Supply	4,874	4,885	4,152	3,947	8,165	15.2
Effective Land Supply	2,142	2,129	2,630	2,474	4,958	9.2
Established Land Supply	7,016	7,014	6,782	6,421	13,123	24.4

The Council's Housing Need and Demand Assessment (HNDA) identified a requirement for 538 units per annum for the period 2012-2024. This is significantly higher than recent completion rates in Moray. Using the HNDA figure gives a five year requirement $538 \times 5 = 2,690$ units so at January 2016 there was more than a five year supply for Moray as a whole.

While the overall effective supply of housing land was very good and continued to meet the requirements of the Scottish Planning Policy (SPP), the projected house completions reflect the low supply of new housing in Keith and Speyside. Releasing additional land will not address this issue, but officers are looking at how existing sites can be made more effective.

4.2 Employment Land

The 2016 audit identified that, as of 1 January 2016, within the Gross Established Land Supply of 220.3 hectares there was an Established Land Supply of 166.57 hectares of land (net). This was an increase of 62.2 hectares (net) compared to 2015, due to the introduction of new sites on adoption of the Moray Local Development Plan 2015. The emphasis on employment land continued to be within the five main settlements with a more limited supply in the "rest of Moray".⁶³

⁵⁹ **Effective Housing Land Supply** - This is the housing land supply that is expected to be free from development constraints and available for construction of housing. Most sites with planning consent for residential development and/or identified within the Moray Local Development Plan 2015 fall into this category where the site is free of constraints like ownership; physical; Contamination; Deficit funding; Marketability; Infrastructure; or Land.

⁶⁰ **Constrained Housing Land Supply** - This consists of sites which at the time of the audit were not assessed as being effective. The principal reason for the site being constrained is identified in the schedules. The identified constraint is considered to be significant and may not be resolved within the "effective" land supply period. This also includes "LONG" designations, which are constrained under the terms of Policy H2 of the Local Development Plan.

⁶¹ [Moray's Housing Audit 2016 Report to Committee](#) and [Moray's Housing Audit 2016](#)

⁶² [Moray's Housing Audit 2016 Report to Committee](#) and [Moray's Housing Audit 2016](#)

⁶³ [Moray's Employment Land Audit 2016 Report to Committee](#) and the [Draft Employment Land Audit 2016](#)

Table 4-2 Moray Employment Land Summary (2016)⁶⁴

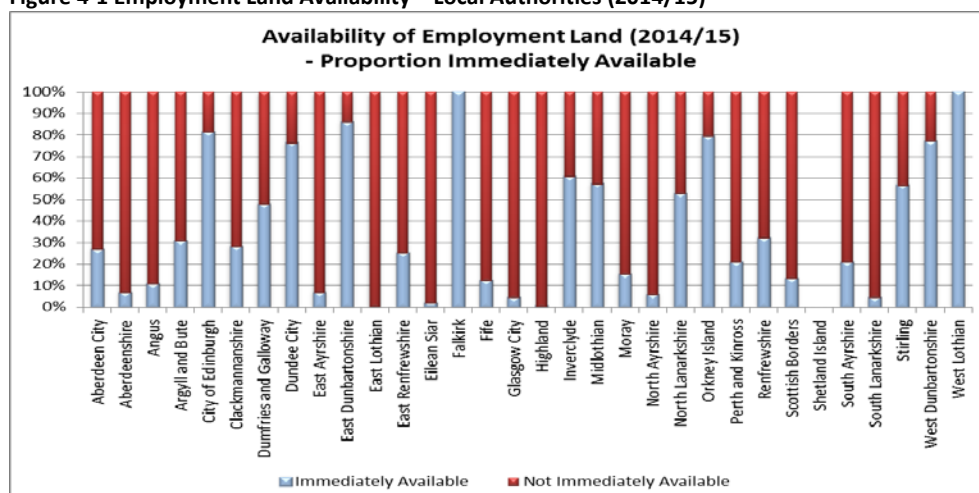
Town	Established Land Supply (Gross figures in hectares)	Established Land Supply (Net figures in hectares)	Sites ³	Marketable Land Supply (Net figures in hectares)	Sites ²	Estimated requirements to 2025 Ha (Moray Economic Strategy)
Elgin	79.94	60.09	5	17.43	4	25
Forres	60.15	41.47	7	34.4	5	10
Buckie	37.34	30.23	5	21.6	4	5
Keith	8.03	6.87	5	5.03	4	n/a
Lossiemouth	12.92	10.36	2	10.36	2	n/a
Rest of Moray	21.92	17.55	9	10.59	4	n/a
Total	220.30	166.57	33	99.41	23	

Whilst the figure for Marketable Land Supply in Elgin increased (from 9.24 ha in 2015 to 17.43 ha in 2016) this still remained below the estimated requirements (25 ha) within the Moray Economic Strategy.

The amount of land “Immediately Available” was 18.85 hectares (net) over 8 sites. This equates to approximately 19% of the Marketable/Effective Supply. Overall the marketable/effective area increased by 43.12 hectares compared to 2015. However, 64.59 hectares (net) across 12 sites were classed as constrained. This means around 38% of the Established Supply had some form of constraint that is likely to prevent the land being developed in the next five years.

In 2014/15 Employment Land⁶⁵ in Scotland stood at 15,572 hectares with 2,012 hectares (12.9%) immediately available for business use compared to Moray with 15.4% immediately available (17.98 hectares out of 117.08). The number of hectares and the proportion of employment land immediately available varied greatly between local authorities as can be seen below.

Figure 4-1 Employment Land Availability – Local Authorities (2014/15)⁶⁶



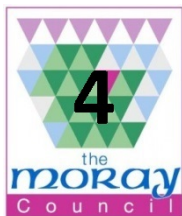
In the comparator group, available employment land rates ranged from 0% in East Lothian to 56.5% in Stirling.

⁶⁴ Moray's Employment Land Audit 2016 Report to Committee and the Draft Employment Land Audit 2016

⁶⁵ SLAED (ECONOMIC DEVELOPMENT) PERFORMANCE INDICATORS – OP5 2014/15 report (Employment Land is land that is deemed to be immediately available for business use. It is therefore fully serviced and marketed land, as opposed to simply land designated for employment/ industrial use in the Local Plan.)

⁶⁶ SLAED (ECONOMIC DEVELOPMENT) PERFORMANCE INDICATORS – OP5 2014/15 report

Over the last three years, Moray's employment land rate has increased from 7.3% in 2012/13 to 15.4% in 2014/15. Meanwhile Scotland's rate has fallen from 19.6% to 12.9% in the same period.



Key Points – Housing/Employment Land

- ❧ In 2016 Moray's established housing land supply had a capacity of 13,123 units including 4,958 effective and 8,165 constrained units

- ❧ Moray's Housing Need and Demand Assessment identified a requirement of 2,690 units (538 per year for 5 years)
- ❧ While the overall effective supply of housing land is very good the projected house completions reflect the low supply of new housing in Keith and Speyside
- ❧ In January 2016, within Moray's Gross Established Land Supply of 220.3 hectares there was an Established Land Supply of 166.57 ha of land (net) however 64.6 ha (38%) was constrained
- ❧ The Marketable Land Supply for Moray was 99.41 ha (net) over 23 sites
- ❧ Marketable Land Supply in Elgin was 17.43 ha in 2016 however this was below the estimated requirement (25 ha) within the Moray Economic Strategy
- ❧ Land Immediately Available was 18.85 ha over 8 sites equating to 19% of the Marketable/Effective Supply

5 Deprivation

5.1 Scottish Index of Multiple Deprivation (SIMD)

SIMD 2016⁶⁷ uses datazones which divides Scotland into 6,976 small areas, each containing an average of 760 people. The SIMD provides a relative ranking for each datazone to allow for comparisons. Using deciles, the rankings are 1 (most) to 10 (least deprived). The 7 domains of SIMD contribute to an “overall” ranking. Tabled below are the 126 datazones which exist in Moray by the number of datazones and the proportion of the population in each domain.

Table 5-1 Moray’s SIMD ranking by category - No of Datazones per category by rank
– based on SIMD 2016 and SAPE (2014) – (Red to Green shows highest to lowest number in each Category)

SIMD Rank by Decile (1 = most deprived)	SIMD Category							
	Overall	Income	Employment	Housing	Health	Education	Crime	Access
1	-	-	-	-	-	-	5	24
2	1	4	3	2	-	8	8	17
3	10	5	5	6	8	7	11	13
4	11	14	16	14	6	19	7	7
5	16	22	14	8	14	21	12	13
6	20	19	20	17	16	22	18	10
7	33	20	24	41	22	17	13	11
8	14	21	24	11	22	19	14	15
9	13	13	7	16	17	10	21	11
10	8	8	13	11	21	3	17	5
Total	126	126	126	126	126	126	126	126

Table 5-2 Moray’s SIMD ranking by category - % of Population per category by rank
– based on SIMD 2016 and SAPE (2014) – (Red to Green shows highest to lowest % in each Category)

SIMD Rank by Decile (1 = most deprived)	SIMD Category							
	Overall	Income	Employment	Housing	Health	Education	Crime	Access
1	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	2.4%	20.0%
2	0.9%	2.6%	1.4%	1.2%	0.0%	4.2%	3.1%	11.3%
3	7.0%	3.6%	3.0%	4.1%	4.5%	6.9%	12.9%	11.8%
4	8.1%	6.4%	10.3%	5.7%	2.9%	8.4%	2.2%	3.8%
5	11.7%	16.1%	8.5%	7.4%	7.0%	17.2%	8.6%	7.5%
6	15.6%	10.9%	11.5%	11.8%	11.5%	14.7%	12.7%	8.3%
7	26.6%	16.2%	19.5%	15.4%	14.7%	14.0%	10.1%	8.6%
8	11.4%	15.0%	14.8%	22.5%	17.9%	16.2%	13.1%	10.5%
9	11.9%	16.2%	18.0%	18.6%	16.1%	13.3%	10.3%	8.6%
10	6.8%	12.9%	12.9%	13.4%	25.3%	5.1%	24.5%	9.6%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

The overall SIMD rankings show that in Moray there are more people living in less deprived areas with 70% (88) of datazones receiving an overall ranking of 6 or higher, with over 28% being ranked between 8 and 10. With the exception of access, the only other domain that

⁶⁷ Scottish Index of Multiple Deprivation SIMD16 released 31st August 2016

shows datazones placed in the most deprived 10% is the crime domain where 2.4% of the population live in the 5 of Moray's 126 datazones ranked as the most deprived.

Access to services, which is based upon travel time by car and public transport to essential services⁶⁸ shows up as the main area of deprivation in Moray with over 20% of its population living in the most deprived 10% (deciles - ranked 1) for this domain, highlighting the rurality of Moray.

Moray had no datazones in decile 1 of the "Overall" category so this compares well to other areas of Scotland where only a total of 4 other local authorities had none in 2016 and of the comparators only one other area, East Lothian, had none.

When comparisons are made with SIMD 2012 data, the overall datazone rankings appear to show an overall slight improvement in Moray. Caution must be taken however as datazone numbers have increased, datazone boundaries have moved in some cases and the indicators used to assess the domains have been amended to reflect changes in information from data providers.

SIMD2012 data indicated that two Moray datazones were ranked in the most deprived 20%, however in SIMD2016 these two are no longer in the most deprived 20% but there is now a datazone in New Elgin which has now been placed in the most deprived 20%.

5.2 Average Household Earnings

According to the Scottish Household Survey (2014),⁶⁹ Moray was the 6th highest local authority area for the proportion of households earning over £40,000 with 22%, compared to 18% in Scotland, and in Moray 14% earned between £30,000 and £40,000, again above the Scottish average of 13%. In relation to the lower household earnings brackets, the percentages in Moray were lower than national and generally lower than the other comparators. A total of 60% of Moray households earned over £20,000 per year compared to 53% in Scotland.

5.3 Free School Meals

In January 2015 free school meals were extended to all primary 1 to 3 children in local authority schools across Scotland. Prior to this date free school meal places were awarded solely on a needs basis for parents on low incomes, receiving benefits or if children aged 16-18 were in receipt of their own benefits. In 2014, Moray had 10.3% of children registered for free school meals; Scotland and the comparator average were both 18.7%. As income is used as a measure of deprivation these figures reinforce that Moray is less income deprived when compared to both Scotland and the comparator average. Unsurprisingly with the extension of free school

⁶⁸ Essential services, By Car: Petrol Station, GP, Post office, Primary School, Secondary School, Shopping facilities. By Public transport: GP, Post Office, Shopping facilities

⁶⁹ Scottish Household Survey of 2014

meals to primary 1-3 children the proportions of children registered rose significantly in Moray to 33.5%, Scotland (38.6%) and comparator average 37.2%.






5.4 Workless Households

The proportion of workless households in Scotland was 18.3% in 2014, with values in the local authorities ranging from 9.6% in Aberdeenshire to 26.6% in Glasgow City. Moray's proportion for that year was 14.5%, with comparator group values ranging from 13.5% in Perth & Kinross to 21.8% in Ayrshire. In Scotland over a third of non-working households were due to sickness or disability.

In general the proportion of non-working households has fallen and in Moray's case it fell from 16.1% in 2006 to 11.3% in 2010 but has risen since then to 14.5% in 2014



Key Points – Deprivation

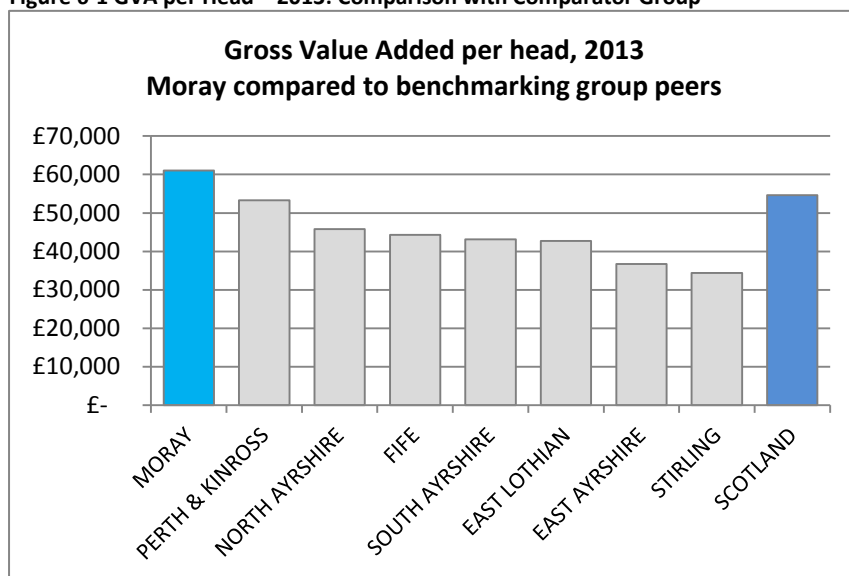
-  72% of Moray's population live in the 5 least deprived deciles of Scotland
-  Almost a third of Moray datazones and a third of the population are placed in the two most deprived deciles for access
-  60% of Moray household incomes exceed £20K/year, higher than all comparators and Scotland where 47% of households have incomes of less than £20K/year
-  Children registered for free school meals (prior to free school meals for all P1-3 pupils) was almost half the Scottish and comparator authority averages
-  The proportion of workless/non-working households in Moray was 14.5% compared to 18.3% in Scotland

6 Gross Value Added by sector and worker

6.1 Gross value added – Moray

Gross Value Added (GVA) provides an indication of a particular area's productivity, and is a measure of the income generated by a sector from the production of goods and services after the deduction of input costs incurred in the production process (this excludes wages and capital investment costs). Moray's total GVA at basic prices was £1,550.5m in 2013. At £61,064, Moray's GVA per head of employment is 12% above of the Scottish average (£54,646).

Figure 6-1 GVA per Head – 2013: Comparison with Comparator Group⁷⁰



In 2013, Moray recorded greater GVA per head than the other 7 local authorities in the benchmarking group (Figure 6.1). Since 2008, Moray has consistently recorded a higher GVA per head than its peers in the benchmarking group and Scotland (Figure 6.2).

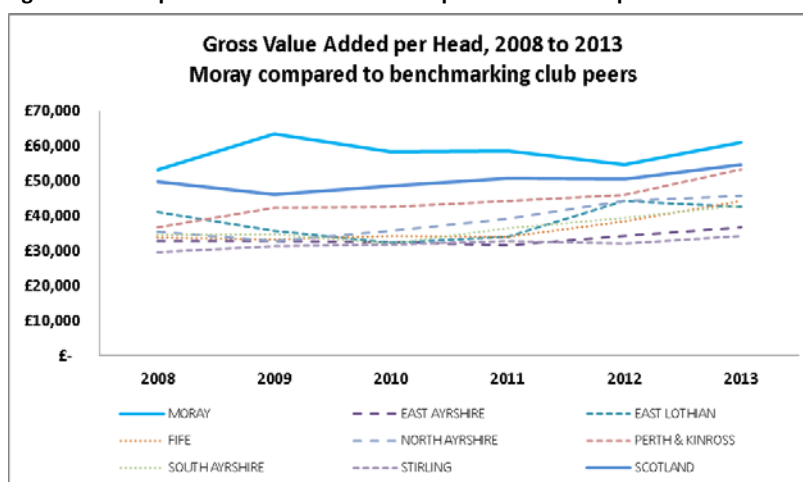
Since 2009, GVA per head for Scotland has steadily increased and in 2013 was 18.6% higher at £54,646 per head (Figure 6.2).

By comparison, Moray recorded its highest GVA per head figure in 2009 (£63,518) which fell in the following three consecutive years. However,

there was a marked upturn in 2013. Moray contributed 1.6% of the GVA of Scotland in 2013, while in 2009 Moray accounted for 2% of Scotland's total GVA.

The top 3 sectors in Moray accounted for 78% of the overall GVA in 2013:

Figure 6-2 GVA per Head 2008 to 2013: Comparison with Comparators⁷¹



⁷⁰ Office for National Statistics, Annual Business Survey 2013 (this excludes Agriculture and Public Sector and people working from home)

⁷¹ Office for National Statistics, Annual Business Survey 2013

- Manufacturing (a major component being whisky) - 45%
- Retail and wholesale - 24%
- Construction - 9%

Manufacturing in Moray is responsible for 5.3% of GVA for all of Scotland's manufacturing activities.

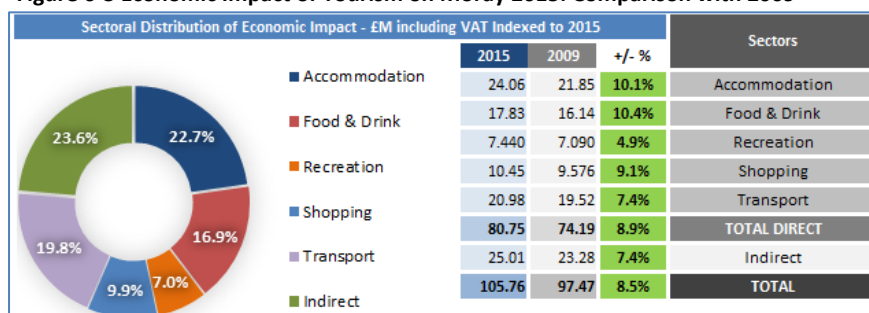
Since 2008 the GVA from Arts, entertainment and recreation grew by 189%, and in 2013 accounted for 3% of Moray's overall GVA, and is now comparable with "accommodation and food service activities"; "education, human health and social"; "transport and storage"; "professional, scientific and technical activities"; and "administration and support services".

Sectors showing a decline in GVA include "service activities", which was 52% lower in 2013 compared to 2008, and "information and communication" which reduced by 66% over the same period.

The manufacturing sector in Moray has a 76% higher GVA per head compared to Scotland as a whole. In 2013, Moray's GVA per head in this sector was £125,307, while for Scotland it was £70,796, suggesting Moray has much higher productivity than the national average. In contrast, the GVA per head for service activities in Moray were 29% lower than the national figure.

6.2 Tourism in Moray

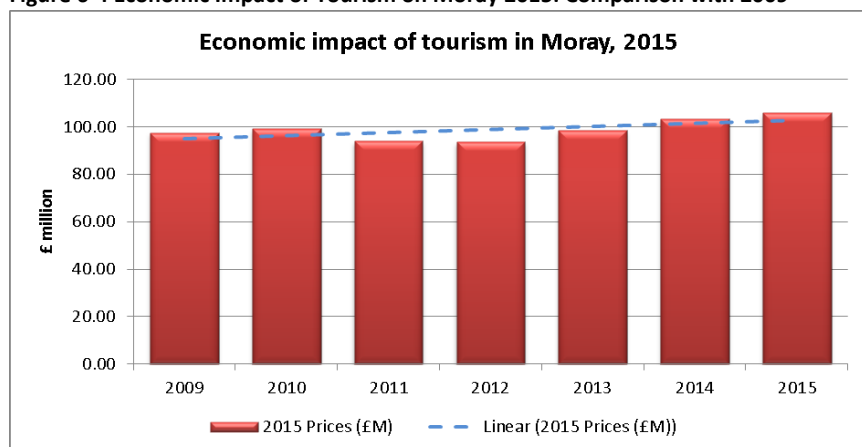
Figure 6-3 Economic Impact of Tourism on Moray 2015: Comparison with 2009⁷²



In 2015, tourism in Moray was valued at £105.76 million⁷³ compared to £97.47 million in 2009 (adjusted for inflation), an increase of 8.5% over the 7-year period (Figure 6-3).

Tourism made a 2.8% contribution to Moray's turnover⁷⁴ during 2013, which is slightly down on the average of 3.2% over the previous 4 years.

Figure 6-4 Economic Impact of Tourism on Moray 2015: Comparison with 2009⁷⁵



The trend over the past 7 years has been a gradual rise in the economic value of tourism in Moray (Figure 6-4).

There has been a steady growth of 4.4% in the total

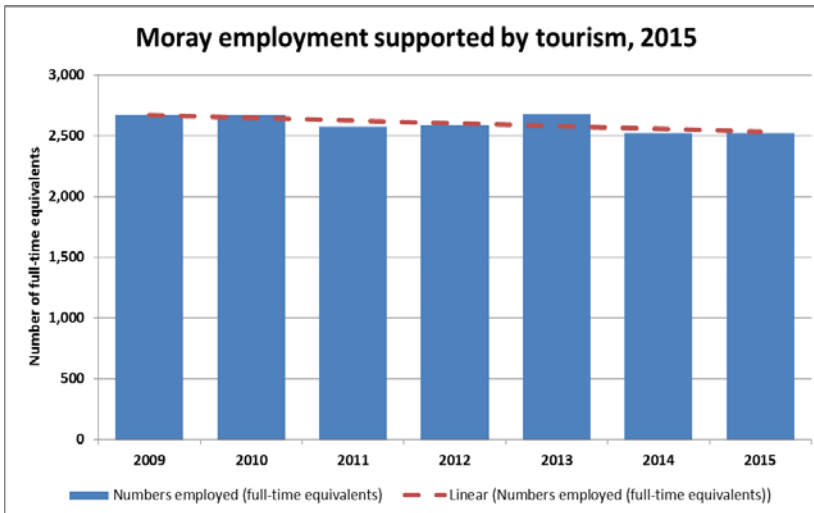
⁷² Office for National Statistics, Annual Business Survey 2013

⁷⁵ MOR Draft STEAM Report 2009-2015

number of visitor days in Moray since 2009, while visitor numbers have increased by 11.6% over the same period⁷⁶.

The numbers staying in paid accommodation are 21.2% higher than in 2009, while day visitors have also increased by 9.1%. These increases are not reflected in the amount being spent in Moray nor in the numbers employed to support tourism.

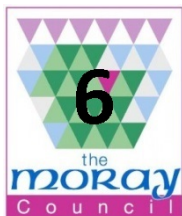
Figure 6-5 Moray employment due to tourism, 2015



Moray tourism supported 2,526 full-time equivalent positions in 2015, 5.4% lower than the figure reported in 2009 (Figure 5-6). The total number of people employed in Moray in 2014 was 36,000 (Business Register and Employment Surveys⁷⁷, which includes full-time workers, part-time workers, self-employed and business

owners). Tourism, therefore, accounts for around 7% of Moray's total employment (2,526 out of 36,000). However, care must be taken with interpreting this data, as there will be many part-time workers involved in tourism, which will increase the overall number of people employed

Employment of people in Moray in the tourism sector has shown a gradual decline at the same time as there has been a gradual rise in the financial contribution to Moray's economy. This may indicate the sector is becoming more productive, but also suggests there is scope for expanding support for tourism and attracting more visitors to Moray.



Key Points - GVA

- ❗ In 2013 Moray's total "Gross Value Added" (GVA) was £1,550.5 million.
- ❗ At £61,064 GVA per head of employment Moray is 12% higher than Scotland (£54,646)
- ❗ Since 2008 Moray's GVA per head has been higher than Scotland, and the local authorities in the benchmarking group
- ❗ The top 3 sectors in Moray accounted for 78% of the overall GVA (2013 figures)

⁷⁶ MOR Draft STEAM Report 2009-2015

⁷⁷ Office for National Statistics, Local Authority County – Business Register and Employment Survey (2010-2014)

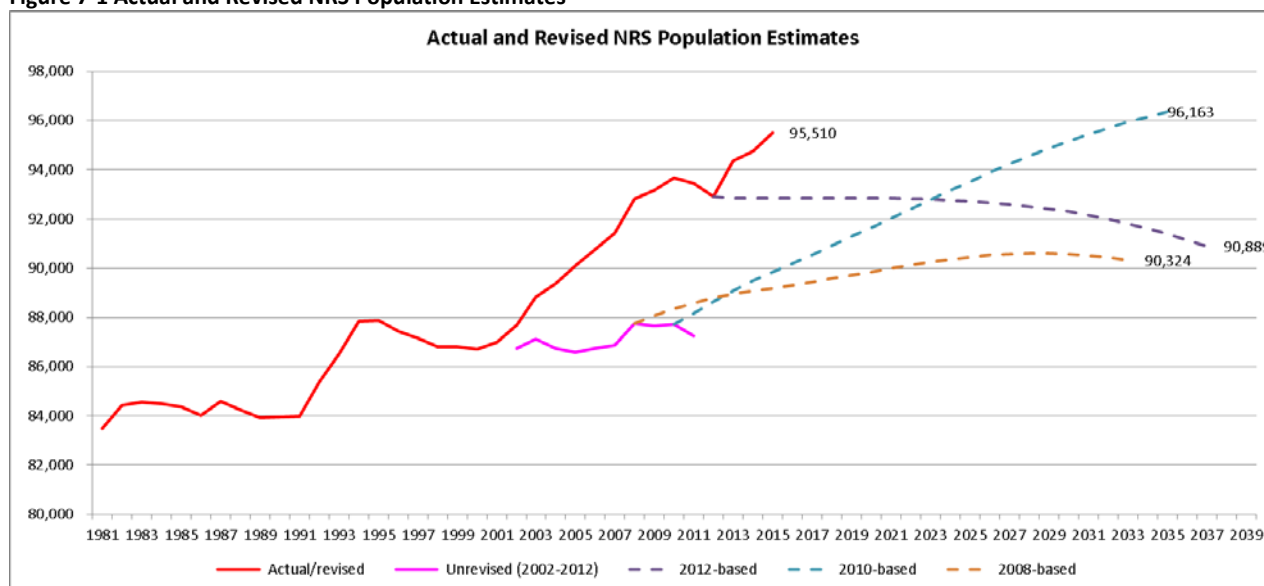
-
- ❧ Manufacturing in Moray is responsible for 5.3% of GVA for all of Scotland's manufacturing activities
 - ❧ Moray's manufacturing sector contributes £125,307 GVA per head, compared to £70,796 per head in Scotland
 - ❧ Tourism in Moray was valued at £105.76 million in 2015, an increase of 8.5% since 2009
 - ❧ Tourism contributes 2.8% of Moray's annual turnover
 - ❧ Employment in tourism in Moray has reduced by 5.4% since 2009
 - ❧ Visitor numbers have increased by 11.6% over the same period, with visitor days up by 4.4%

7 Economic Outlook

7.1 General Population Projections

Population levels are a difficult thing to predict as there are many variables that influence the structure of a population. The General Register Office for Scotland's 2010-based population projections⁷⁸ predicted that the Moray population would increase by 4.5 per cent between 2010 and 2020. The population quoted at that time was based on the mid-year 2010 estimate of 87,720 and the 2011 mid-year population was quoted to be 87,260. However the 2011 Census estimated the figure at 93,295 and the 2010 and 2011 mid-years have since been revised to 93,690 and 93,470 respectively.

Figure 7-1 Actual and Revised NRS Population Estimates



The relationship between actuals/revised estimates and the original estimates can be seen above. The 2012 estimate is based on a year (Census 2011) where there was a major change in the deployment of personnel in the two military bases and a temporary drop in population which was then used to project a fall in population which at the time contradicted the trend in numbers registered with a GP in the area. The latest estimate of population is from the 2015 mid-year which places the population of Moray at 95,510.⁷⁹ This compares with a total of 92,274 quoted from the GP listings for October 2015 giving an actual minimum baseline figure, as not all Moray residents are registered. If using the 2012 projection the projected population quoted for 2037 was 90,889 however the 2010 projection for 2035 quoted a figure of 96,163 and this trajectory is closer to the actual although it starts from a lower population figure.

⁷⁸ Local Authority and Scottish Population Projections are published by National Records Scotland every two years with mid-years estimates every year. At time of writing, 2014 projections were only available for Scotland

⁷⁹ <http://www.nrscotland.gov.uk/statistics-and-data/statistics/statistics-by-theme/population/population-estimates/mid-year-population-estimates>

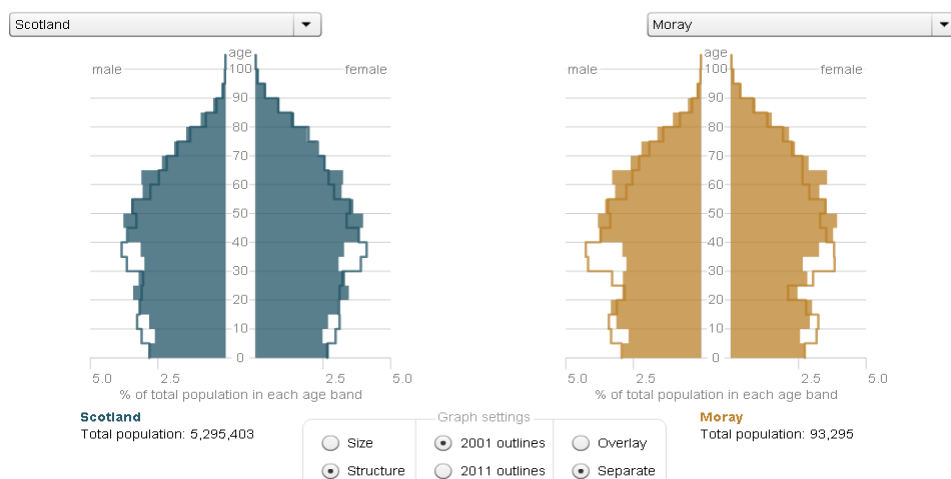
7.2 Population Projections by Age

Likewise population projections by age tend to be based on the 2012 NRS mid-year estimates so stepping back to the Census of 2011 and taking a look at the developing population profiles shows that the Moray and Scottish Profiles are very similar.

Figure 7-2 2011 Census population estimates for Scotland and Moray⁸⁰

Solid areas show 2011 population structure, 2001 outlines show the structure as it was in 2001 - movement over time

2011 Census: population estimates for Scotland (outlines show 2001)



Local Authority and Scottish Population Projections are published by National Records Scotland every two years. At time of writing the 2014 projection for Scotland had been published (but not the Local Authority projections) which showed the following pattern:

Table 7-1 Population of Scotland at Census 2001 & 2011 and official projections

Red areas show highest numbers while Green shows the lowest

Scotland	2001 ⁸¹		2011 ⁸²		2021 ⁸³		2031 ⁸⁴	
	Male	Female	Male	Female	Male	Female	Male	Female
0-4	142,243	134,433	149,224	143,597	144,884	138,113	147,327	140,422
5-9	156,871	149,990	137,976	131,641	148,172	141,467	150,070	143,434
10-14	164,239	156,435	149,615	142,000	152,374	146,695	147,553	141,036
15-19	154,007	149,447	168,115	162,711	142,049	136,103	151,632	145,353
20-24	150,969	153,145	181,059	182,881	164,142	160,929	167,838	166,092
25-29	150,783	161,892	169,961	175,671	184,643	182,561	159,685	155,695
30-34	182,205	196,798	158,646	163,049	184,211	186,051	170,099	166,227
35-39	192,569	207,781	166,230	173,826	170,598	179,249	186,284	186,107
40-44	182,642	193,176	191,440	203,258	158,867	165,867	184,273	188,290
45-49	165,805	169,950	200,319	210,610	162,857	172,111	169,008	179,939
50-54	172,943	176,309	184,198	191,629	186,835	201,408	156,365	165,353
55-59	139,740	146,516	162,197	168,694	193,708	206,519	159,060	169,764
60-64	123,559	136,380	164,725	171,797	174,520	185,421	179,144	195,501
65-69	108,771	128,094	124,671	136,527	147,473	158,337	179,798	195,520
70-74	88,380	114,860	100,691	119,903	138,545	152,448	152,996	168,209
75-79	63,824	95,451	76,818	101,296	94,888	112,886	118,077	134,121
80-84	34,216	62,609	48,592	75,933	63,002	84,885	95,322	113,998
85-89	14,696	34,725	24,196	47,311	35,343	55,112	50,840	67,757
90+	4,886	14,666	8,771	25,625	15,877	33,105	28,563	46,878
Totals	2,393,348	2,582,657	2,567,444	2,727,959	2,662,988	2,799,267	2,753,934	2,869,696
Year Totals		4,976,005		5,295,403		5,462,255		5,623,630

⁸⁰ 2011 Census population estimates for Scotland and Moray

⁸¹ Scotland's Census – Data Warehouse

⁸² Scotland's Census – Data Warehouse

⁸³ Projected Population of Scotland (2014-based)

⁸⁴ Projected Population of Scotland (2014-based)

Using this as a base, the profile for Moray (see below) can be very roughly extrapolated, showing a higher population band (initially shown in 2001 in the 30-39 age groups) moving through the following 30 years to push into the 60 to 69 age group by 2031 increasing the proportion of older people within Moray. All this is extremely speculative and will undoubtedly be influenced by Brexit, any decision on independence for Scotland, the MOD in relation to deployment in this area and many other contributory factors.

Table 7-2 Population of Moray at Census 2001 & 2011 and un-official projections

Moray	2001 ⁸⁵		2011 ⁸⁶		2021 ⁸⁷		2031 ⁸⁸	
	Male	Female	Male	Female	Male	Female	Male	Female
0-4	2,549	2,372	2,710	2,536	2,631	2,439	2,676	2,480
5-9	2,882	2,752	2,498	2,389	2,683	2,567	2,717	2,603
10-14	2,882	2,762	2,918	2,720	2,972	2,810	2,878	2,702
15-19	2,463	2,272	3,114	2,803	2,631	2,345	2,809	2,504
20-24	2,160	1,787	2,714	2,297	2,460	2,021	2,516	2,086
25-29	2,667	2,600	2,692	2,634	2,925	2,737	2,529	2,334
30-34	3,537	3,316	2,578	2,481	2,993	2,831	2,764	2,529
35-39	3,642	3,313	2,708	3,036	2,779	3,131	3,035	3,250
40-44	3,179	3,064	3,510	3,521	2,913	2,873	3,379	3,262
45-49	2,897	2,855	3,563	3,662	2,897	2,993	3,006	3,129
50-54	2,974	3,030	3,306	3,290	3,353	3,458	2,806	2,839
55-59	2,385	2,509	2,962	3,048	3,537	3,731	2,905	3,067
60-64	2,200	2,299	3,068	3,315	3,250	3,578	3,337	3,772
65-69	1,973	2,292	2,427	2,678	2,871	3,106	3,500	3,835
70-74	1,632	1,934	2,060	2,216	2,834	2,817	3,130	3,109
75-79	1,185	1,617	1,507	2,003	1,861	2,232	2,316	2,652
80-84	635	1,071	970	1,405	1,258	1,571	1,903	2,109
85-89	254	585	449	843	656	982	943	1,207
90+	89	256	187	477	339	616	609	873
Total	42,185	42,686	45,941	47,354	47,844	48,839	49,757	50,343
		84,871		93,295		96,683		100,100

7.3 School Roll Projections

Projections (rounded to nearest 100) exist through the Scottish Government based on the 2013 school roll and 2012 National Records Scotland Population Projections, and covers pupils in publicly funded primary and secondary schools only (excludes special and centrally funded schools).

The following two graphs include the projections for Moray and its comparators with the first showing the number of primary places expected to remain fairly constant in the majority of areas while the Secondary schools show that half the comparator group, including Moray, show a similar reduction in pupil numbers over the next 5 years is predicted.

⁸⁵ Scotland's Census – Data Warehouse

⁸⁶ Scotland's Census – Data Warehouse

⁸⁷ Extrapolated from Scottish proportions for 2014 projections and Moray numbers from 2011

⁸⁸ Extrapolated from Scottish proportions for 2014 projections and Moray numbers from 2011

Figure 7-3 Projected school roll numbers for primary pupils - comparators⁸⁹

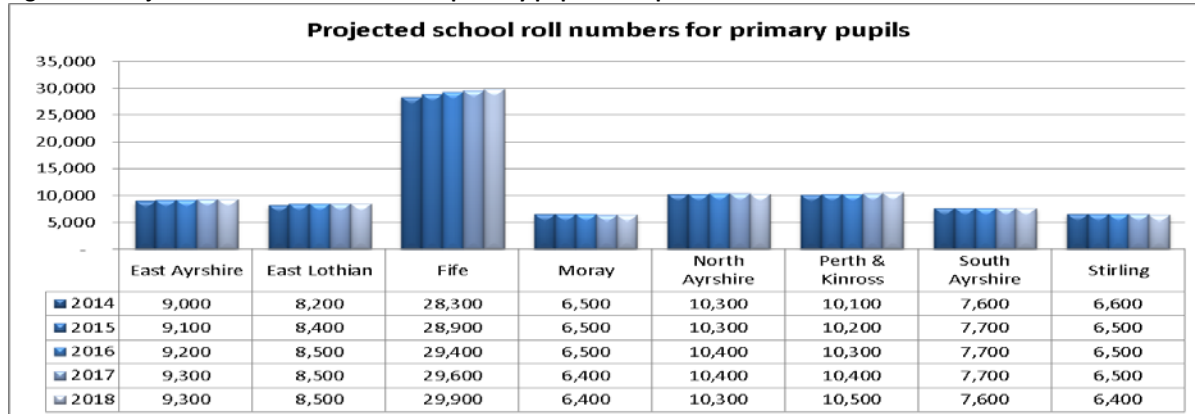
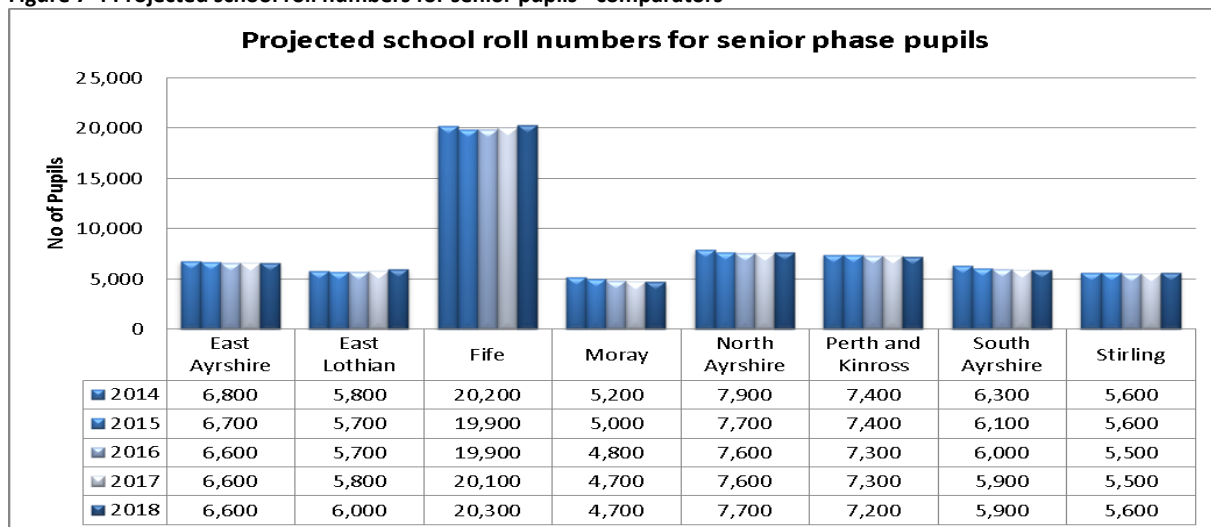


Figure 7-4 Projected school roll numbers for senior pupils - comparators⁹⁰



This projection should be treated with caution⁹¹

7.4 Gross Domestic Product (GDP)

According to the “Prospects for the Scottish Economy, 2016-18” Report⁹² Moray’s GDP in 2014 was £1,742 million, with £1,770 million estimated for 2015, a rise of 1.6%. From this they have forecast that 2018’s GDP for Moray will be £1,862 million.

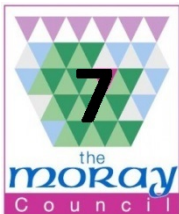
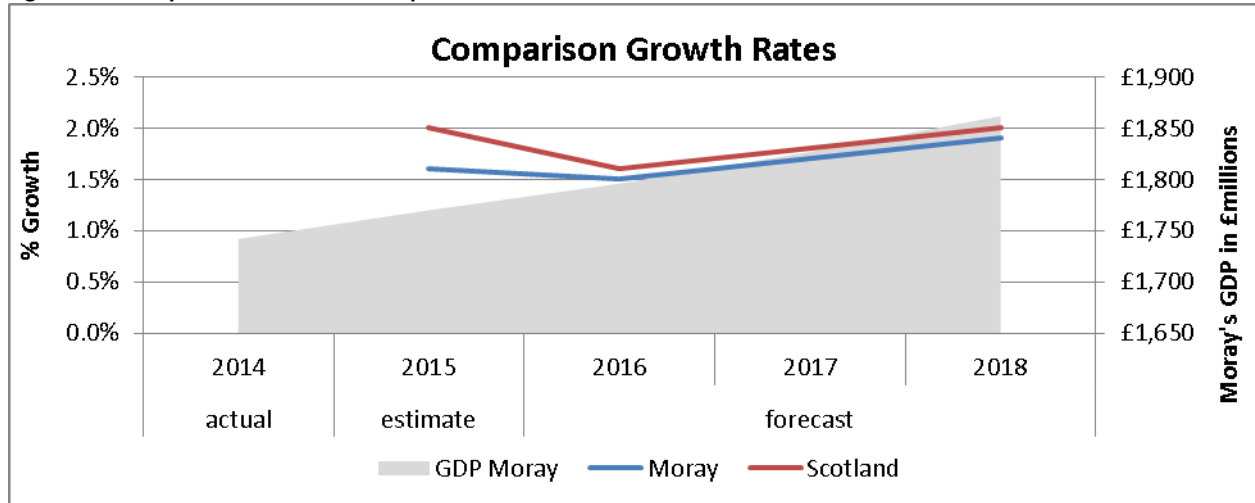
⁸⁹ <http://www.gov.scot/Topics/Statistics/Browse/School-Education/PupilProjectionsDataset/PupilProjections2012>

⁹⁰ <http://www.gov.scot/Topics/Statistics/Browse/School-Education/PupilProjectionsDataset/PupilProjections2012>

⁹¹ <http://www.gov.scot/Topics/Statistics/Browse/School-Education/PupilProjectionsDataset>

⁹² “Prospects for the Scottish Economy, 2016-18” Report Produced by “Mackay Consultants” Inverness




Figure 7-5 Moray GDP Forecast and Comparison Growth Rates









Key Points – Economic Outlook

- Predicting population levels accurately is an inexact process since many variables influence the structure of a population
- Predictions based on the 2011 census data were compromised by a temporary drop in population due to a major change in the deployment of military personnel in the two military bases
- The 2015 mid-year estimate suggests a population of 95,510 for Moray. GP listings for October 2015 record a total of 92,274
- The number of primary school places in Moray is expected to remain fairly constant over the next 5 years; whereas the number of secondary school places in Moray is forecast to reduce over the next 5 years (approximately by 10%)
- GDP forecast to rise at a similar rate to Scotland
- All projections are indicative at best and much more detailed analysis would be needed to produce robust projections based on alternative trajectories which the Moray economy might follow

Appendix 1 - Performance Summary – Moray

Performance Summary – Moray			
			
POPULATION AND MIGRATION	<ul style="list-style-type: none"> Population growth of 9.8% over 15 years to 2015, significant increase in the older age categories 50-64, 65+ 	<ul style="list-style-type: none"> Net migration (in) shows a decreasing trend over 15 years to 2015 Migration accounted for 70% of population growth, heavily influenced by personnel changes at Moray's military bases 	<ul style="list-style-type: none"> School rolls have decreased between 2001 and 2015 with downward trend in 0-4 contrary to national and comparator trends, but likely to fluctuate and start to increase if observed trends within 0-4 years continue
LABOUR MARKET	<ul style="list-style-type: none"> Employment rate of 61% in 2014 highest proportion since 2008, albeit below national (73%). Placed 4th in comparator group of 8 authorities Unemployment rate of 4.9%, below national rate of 8% Claimant count low in comparison to national and comparator results 94.3% of school leavers going to an initial positive leaver destination 20% increase in those continuing their education in 5 year period, in contrast a 10% reduction in those going to work S6 School leaver qualifications just above or similar to national results 22% increase in the number of Professionals since 2004, in line with the rise seen across Scotland 	<ul style="list-style-type: none"> Employment in the production, health and retail sectors account for almost half the jobs in Moray In 3 years to 2012, largest increase in employment in mining and quarrying sector (includes extraction of crude petroleum / natural gas and related support activities), administration and support service increase by 46% and smaller increases in arts, entertainment and recreation (14%) and real estate (11%) In 3 years to 2012, reductions in employment in information and communication (27%), education (14%) and accommodation and food service (13%) 11% increase in process, plant and machine operatives, in contrast to 19% reduction nationally 31% increase in Sales and Customer Services, against 1% reduction in Scotland 	<ul style="list-style-type: none"> 4% of residents are employed in the Professional, scientific and technical sector, below national rate of 7% and lowest in comparator grouping Self employment rate reduction of 2.6% over last 10 years Associate professionals and technicians reduced by over a quarter and managers, directors and senior officials by around one fifth, conversely increases of over 10% nationally 31.6% of working age economically inactive are long term sick, above national proportion (27.3%) and second highest in comparator group

			
LABOUR MARKET			<ul style="list-style-type: none"> • Proportion of working age population with low, or no qualifications unlikely to reduce in the short term • Mismatch in terms of young people's careers aspirations versus what is available • Significant proportion of 21-35 year olds moving away from the area to follow university courses or career choices • Employment and opportunities to progress being the most important drivers; access to housing, affordable public transport, leisure, sports and social opportunities are other drivers in keeping young people in the area • Gross weekly and median hourly pay, one of the lowest against all 32 local authorities and 8 councils within comparator group
COMMERCE AND INDUSTRY	<ul style="list-style-type: none"> • Increase in the number of business enterprises in Moray, albeit percentage improvement in last 5 years lower than national improvement and 2nd lowest in comparator group • Two thirds increase in the number of Professional, Scientific and Technical enterprises and local units in 5 years to 2015 • Business birth rate exceeds business death rate, 46.5% • 4th highest 5-year business survival rate across 32 Scottish local authorities 	<ul style="list-style-type: none"> • Majority of businesses employ less than 9 people (81.9%), similar proportions nationally 	<ul style="list-style-type: none"> • 11% / 6.6% reduction in the number of Retail enterprises / local units over last 5 years • Town centre vacancy rates in Moray in the bottom 8 of all Scottish councils with an increasing rate compared to Scotland's rate which is reducing • Spend per head of population on Research and Development 4th lowest of all Scottish local authorities

			
HOUSING / EMPLOYMENT LAND	<ul style="list-style-type: none"> Significant increase in Housing Land supply in 4 years to 2016, exceeding the five year requirement Increase in the established Employment Land supply 	<ul style="list-style-type: none"> In recent years, the rate of Employment Land available immediately has more than doubled to 15.4%, in contrast the rate in Scotland has fallen to 12.9% in the same period 	<ul style="list-style-type: none"> Marketable land supply within Elgin remains below the estimated requirement identified in the Economic Strategy
GROSS VALUE ADDED	<ul style="list-style-type: none"> Gross Value Added per head of employment above Scotland and top of comparator group Manufacturing, of which whisky is a key component, responsible for 5.3% of Scotland's manufacturing activities Gradual increase of 8.5% in the value of Tourism over 7 years to £105.8m in 2015 Increases of 11.6% in visitor numbers and 4.4% in visitor days in Moray since 2009 and 2015 Numbers staying in paid accommodation increased by 21.2% and day visitors by 9.1% 	<ul style="list-style-type: none"> 5.4% decrease in 7 years to 2015 in the number of full-time equivalent posts supported by Moray tourism 	<ul style="list-style-type: none"> Decline in Service Activities and Information and Communication over 5 year period to 2013 The modest increase in the value of tourism does not reflect the more significant increases in visitor numbers and days or numbers staying in paid accommodation and day visitors
DEPRIVATION	<ul style="list-style-type: none"> Low levels of deprivation, 72% of Moray's population live in the 5 least deprived deciles of Scotland 22% of households earning more than £40k, against 18% nationally 18% of households earning between £30k-£40k, against 13% nationally 14.5% of workless households in Moray compared to 18.3% Scottish average 	<ul style="list-style-type: none"> Access to services which include travel time to key services shows as the main area of deprivation in Moray 20% of households earning between £20k-£30k, against 22% nationally 40% of households earning under £20k, against 47% nationally 	

Appendix 2 - Performance Summary – Moray in comparison with Scotland

Topic	<div style="display: flex; flex-direction: column; align-items: center;"> <div style="width: 15px; height: 15px; background-color: #90EE90; margin-bottom: 5px;"></div> <div style="width: 15px; height: 15px; background-color: #FF0000; margin-bottom: 5px;"></div> <div style="width: 15px; height: 15px; background-color: #FFFF00;"></div> </div> <div style="text-align: center;"> Better than, Worse than or In Line with Scotland </div>	Trend
Population, Migration and Demographics		
Population Growth	<div style="display: flex; flex-direction: column; align-items: center;"> <div style="width: 15px; height: 15px; background-color: #90EE90; margin-bottom: 5px;"></div> <div style="width: 15px; height: 15px; background-color: #FF0000; margin-bottom: 5px;"></div> <div style="width: 15px; height: 15px; background-color: #FFFF00;"></div> </div> <div style="text-align: center;"> Better than, Worse than or In Line with Scotland </div>	<p>Increasing at a faster rate than Scotland.</p> <p>Trend by age groups -</p> <p>0-4 volatile trend reaching a low point in 2016, predicted to increase, increasing trend nationally</p> <p>5-17 reduction of 5.5%, similar trend nationally</p> <p>18-25 increase of 1.1%, similar trend nationally albeit Moray's proportional population remains smaller</p> <p>26-34 reducing trend to 2009, stable to 2012 and gradual increase in recent years, similar trend in comparators</p> <p>35-49 two distinct trends, slight increase to 2006, slight reduction to 2010, thereafter sharp reduction to 2015, similar trend nationally and within comparator group</p> <p>50-64 and over 65+ large increases, particularly in the over 65 group, national and comparator increases not as significant</p>
Net Migration (In)	<div style="display: flex; flex-direction: column; align-items: center;"> <div style="width: 15px; height: 15px; background-color: #90EE90; margin-bottom: 5px;"></div> <div style="width: 15px; height: 15px; background-color: #FF0000; margin-bottom: 5px;"></div> <div style="width: 15px; height: 15px; background-color: #FFFF00;"></div> </div> <div style="text-align: center;"> Better than, Worse than or In Line with Scotland </div>	<p>Overall decreasing trend in Moray over 15 years against increasing nationally.</p> <p>In Moray, largest net migratory rate between 2001-2005, reduction is subsequent two 5 year periods, national and comparator trends show largest migratory rates between 2005-2010.</p> <p>Migration (within Scotland) low levels but trend increasing against decreasing trend in comparators</p> <p>Migration (rest of the UK) highest percentage of population stating "white other British", double the Scottish average and largest migratory group but showing decreasing trend</p> <p>Migration (from overseas) reducing trend reflected nationally and within comparators</p>

Topic		Trend
	Better than,	
	Worse than or In Line with Scotland	
Labour Market		
Employment		Improving trend, highest proportion since 2008 Production sector accounts for largest proportion (18%) of all jobs, above national (10%) and comparators Health sector second highest employer (15%), similar in Scotland Retail, as third largest, accounts for 13% of jobs, slightly above the national result (10%) Professional, scientific and technical sector (4%) below national average (7%) and lowest in comparator grouping, albeit trend anticipated to improve following increases in the number of enterprises during 2015
Self-employment		Reducing trend, 2.6% reduction over 10 years against increasing trend nationally, 1.9% over 10 years
Unemployment		Improvement from 2.8% recorded in 2005
Claimant Count		Trend consistently below national
Changes in Employment by Occupation		Associate professionals and technicians reduced by a quarter and managers, directors and senior officials by one fifth, in contrast to 10% increase nationally 11% increase in process, plant and machine operatives against 19% reduction nationally 31% increase in Sales and Customer Services, in contrast to 1% reduction nationally
Economically inactive		Proportion of 16-64 year olds in Moray who were economically inactive (13k) in year to March 2016 similar to national result and placed in the middle of comparator group; a quarter of those wished to find employment which is in line with national result. Moray has 2 nd highest rate of long-term sick amongst this group (31.6%) within the comparator group and above national proportion (27.3%).

Topic		Better than, Worse than or In Line with Scotland	Trend
School Leaver Destinations		Better than Scotland; 94.3% Moray, 92.9% Scotland	Moray above national result for initial School leaver destinations and in the top 8 Scottish local authorities. Significant changes from 2007/08 are 13% increase in school leavers going to higher education, coupled with a 7% increase in uptake of further education, in contrast a 10% reduction in those going into work
Work Limiting Disabled		In line with Scotland; 15.4% Moray, 16.0% Scotland	Around 8,900 (15.4%) of the working age population of Moray categorised themselves as work-limited disabled. The work-limited disabled employment gap is similar to the national rate of 37%
School Leaver Qualifications		Better than Scotland; National 5 – S6	Gradual rise in pupils achieving National 5 qualification, continues to exceed national result
		Maintained against Scotland; Highers – S6	Similar to national performance result
		Better than Scotland; Advanced Highers – S6	Similar to national performance result, improving to exceed national result in 2014/15
			Working age population without qualifications or low level qualifications (11.2%) just below national average (11.5%)
Earnings		Worse than Scotland; £490.70 Moray, £527 Scotland £12.03 Moray, £13.37 Scotland	Lower gross weekly pay for full time workers, more pronounced for female (£415 Moray, £474 Scotland) Lower hourly pay for full time workers Increasing gross weekly pay trend over 13 year period to 2015 and gap between Moray and Scotland closing, albeit Moray remains 5 th lowest in terms of percentage change against all Scottish councils and 2 nd lowest in comparator group. Similar position in relation median hourly pay although percentage change shows Moray 2 nd lowest against all Scottish councils and lowest in comparator group
Commerce and Industry			
Number of businesses		Worse than Scotland; Percentage increase in total number of enterprises over last 5 years 9.4% Moray, 16.4% Scotland Percentage increase in total number of local units over last 5 year 6.6% Moray, 11.1% Scotland	3,135 business enterprises and 3,980 local units in Moray in 2015, a 9.4% increase with the majority within micro in terms of size (0-9 employees), in line with the national picture. Percentage increase in number of enterprises over last 5 years lower than national and 2 nd lowest in comparator group Similar position in terms of local units, an increase in number but percentage increase below national and 2 nd lowest in comparator group

Topic		Better than, Worse than or In Line with Scotland	Trend
Business Units – Private and Public		In line with Scotland; Local business units in private sector 93.7% Moray, 94.3% Scotland	Approximately 3,750 private sector units and 250 public sector units in Moray. Percentage in private sector in line with comparator group
Business birth and deaths		Better than Scotland; Births exceeded deaths 46.5% Moray, 36.4% Scotland	Number of business births increased from 200 in 2010 to 315 in 2014 and business deaths increased but to a lesser extent from 195 in 2010 to 215 in 2014 Expressed as rate per 10,000 population, Moray is below the national average in both categories; Births – 33.2% Moray, 39.7% Scotland Deaths – 22.7% Moray, 29.1% Scotland
Business survival rates		Better than Scotland; Surviving percentage of newly born businesses in 2009 after 5 years 2014 48.8% Moray, 42.1% Scotland	Moray out performs Scotland and comparators, 4 th highest 5-year survival rate of any Scottish local authority for businesses starting in 2009
Town Centre vacancy rates		Worse than Scotland; 12.9% Moray, 10.1% Scotland	Moray result within worst 8 of all Scottish local authorities
Business Enterprise Research and Development expenditure		Worse than Scotland; Spend per head of population on Research and Development £24 Moray, £169 Scotland	Reduction from £40 in 2013, 4 th lowest in spending per head of all Scottish local authorities. In real terms, expenditure in Moray around £2.24m with manufacturing accounting for just of half of the spend
Housing / Employment Land			
Housing Land		Meeting requirement; Exceeding 5-year requirement of established housing land supply	Establish land supply in Moray in 2016 totals 13,123 units (i.e. effective and constrained land), an increase of 7,016 units (87%) from 2012, exceeding the five year requirement
Employment Land		Better than Scotland; Rate of employment land supply available immediately 15.4% Moray, 12.9% Scotland	Established land supply of 166.6 hectares, an increase of 62.2 hectares from 2015, focused within the five main settlements of Moray. The supply of Marketable Land within Elgin hectares remains below the estimated requirements identified within the Economic Strategy. Just over a third of the established land supply has some form of constraint that is likely to prevent the land being developed within the 5 year period. In recent years, the rate of employment land available immediately has more than doubled to 15.4% whilst in Scotland the rate has fallen to 12.9% in the same period.

Topic		Better than, Worse than or In Line with Scotland	Trend
Gross Value Added			
Gross Value Added		Better than Scotland; GVA per head of employment £61,064 Moray, £54,646 Scotland	Moray’s GVA 12% above national average and top of comparator group. Although decreasing trend in Moray over 3 years to 2012 marked upturn in 2013 against steady increase nationally. Moray contributed 1.6% of Scotland’s GVA in 2013, from 2% in 2009. Manufacturing (whisky being component) represented 45% of overall GVA and is responsible for 5.3% of GVA for all of Scotland’s manufacturing activities. Other significant contributors to Moray’s GVA are Retail and Wholesale 24% and Construction 9%. Arts, Entertainment and Recreation showed particular growth in GVA in 5 year period to 2013, in contrast Service Activities and Information and Communication declined significantly in Moray
Deprivation			
Average Household Earnings		Better than Scotland; Proportion of household earnings over £40k 22% Moray, 18% Scotland	Average household earning from the Scottish Household Survey 2014
Workless Households		Better than Scotland; 14.5% Moray, 18.3% Scotland	Percentage of workless household in Moray decreased in 4 years to 2010 but has been gradually increasing to 14.5% in 2014