

TECHNICAL APPENDIX 14.1: SOCIO-ECONOMIC BASELINE

14. Socio-Economic Baseline

14.1 Population

14.1.1 The Highland Council (THC) area has a population of almost 235,000 residents and witnessed an increase of 6.3% over the period 2006 to 2016 – compared to 5.3% increase at the Scottish level and an 8.0% rise at the national (Great Britain) level. Although the area has witnessed a population increasing faster than the Scottish rate, the increase has been below the Great Britain (GB) rise.

Table 14.1: Total Population

	Highland	Scotland	Great Britain
All people	234,700	5,404,700	63,786,000
Males	114,800	2,627,500	31,462,500
Females	119,900	2,777,200	32,323,500

Source: ONS Population Estimates

14.1.2 In terms of the working age population, 61.6% of the regional population is of working age, compared to 64.6% and 63.1% at the Scottish and GB levels respectively. This indicates that the area has a lower proportion of people of working age, which can be seen to be an economic challenge in terms of securing future economic prosperity.

Table 14.2: Population aged 16-64

	Highland (Numbers)	Highland (%)	Scotland (%)	Great Britain (%)
All people	144,700	61.6	64.6	63.1
Males	71,400	62.2	65.3	63.8
Females	73,300	61.1	63.9	62.4

Source: ONS Population Estimates

14.2 Economic Activity

14.2.1 Table 14.3 below highlights that the Highlands has a higher proportion of working age people who are economically active, when compared to the Scottish and GB levels. The level of economic activity is higher regionally than nationally for both males and females. The regional area also has a higher proportion of self-employed people than recorded nationally.

Table 14.3: Employment and Unemployment

	Highland (Numbers)	Highland (%)	Scotland (%)	Great Britain (%)
All people				
Economically active	122,300	81.9	76.9	78.0
In Employment	117,500	78.7	73.4	74.4
Employees	100,400	68.9	64.5	63.4
Self employed	15,400	9.1	8.6	10.6

	Highland	Highland	Scotland	Great Britain
Unemployment	4,600	3.8	4.5	4.6
All people				
Economically active	64,200	84.7	81.0	83.2
In Employment	61,400	81.0	77.0	79.2
Employees	50,900	69.5	65.2	64.7
Self employed	9,900	11.3	11.4	14.2
Unemployment	2,900	4.5	4.9	4.7
All people				
Economically active	58,100	79.1	73.0	72.9
In Employment	56,100	76.3	70.0	69.6
Employees	49,500	68.3	63.8	62.1
Self employed	5,500	6.8	5.8	7.1
Unemployment	N/A	N/A	4.1	4.4

Source: ONS Annual Population Survey

- 14.2.2 This suggests that although the region has fewer people of working age, those who are of working age are more economically active than recorded nationally and at the GB level. This is an economic strength and one which can help secure future economic wealth. A more detailed assessment of unemployment is set out later in this section.

14.3 Economic Inactivity

- 14.3.1 Corollary to higher economic activity rates the Highlands has a lower rate of economic inactivity, as shown below.

Table 14.4: Economic Inactivity

	Highland	Highland	Scotland	Great Britain
	(Numbers)	(%)	(%)	(%)
Total	25,500	18.1	23.1	22.0
Student	4,300	16.9	25.0	26.8
Looking after family	5,200	20.2	19.2	24.5
Temporary sick	N/A	N/A	2.7	1.9
Long-term sick	7,500	29.3	27.9	22.0
Discouraged	N/A	N/A	0.4	0.4
Retired	3,900	15.5	15.4	13.5
Other	3,200	12.7	9.4	10.9
Wants a job	8,800	34.6	24.6	23.5
Does not want a job	16,700	65.4	75.4	76.5

Source: ONS Annual Population Survey

- 14.3.2 It is worth noting that of those economically inactive, the region has a higher proportion of people who 'want a job' (34.6%) compared to the Scottish (24.6%) and GB (23.5%)

levels. This suggests there is more of a desire to find work in the Highlands than recorded nationally.

14.4 Workless households

- 14.4.1 In terms of worklessness, there are fewer households in the region, compared to the Scottish level, that are workless households. However, the rate is slightly higher than the GB rate.

Table 14.5: Workless Households

	Highland	Scotland	Great Britain
Number of workless households	9,800	330,000	3,043,300
Percentage of households that are workless	15.7	18.3	15.1
Number of children in workless households	N/A	109,100	1,353,400
Percentage of children in workless households	N/A	12.5	11.4

Source: ONS Annual Population Survey

14.5 Claimant Count Unemployment (January 2021)

- 14.5.1 The latest claimant count unemployment rate highlights that although the region has a lower rate than the Scottish rate, the unemployment rate is above the GB average.

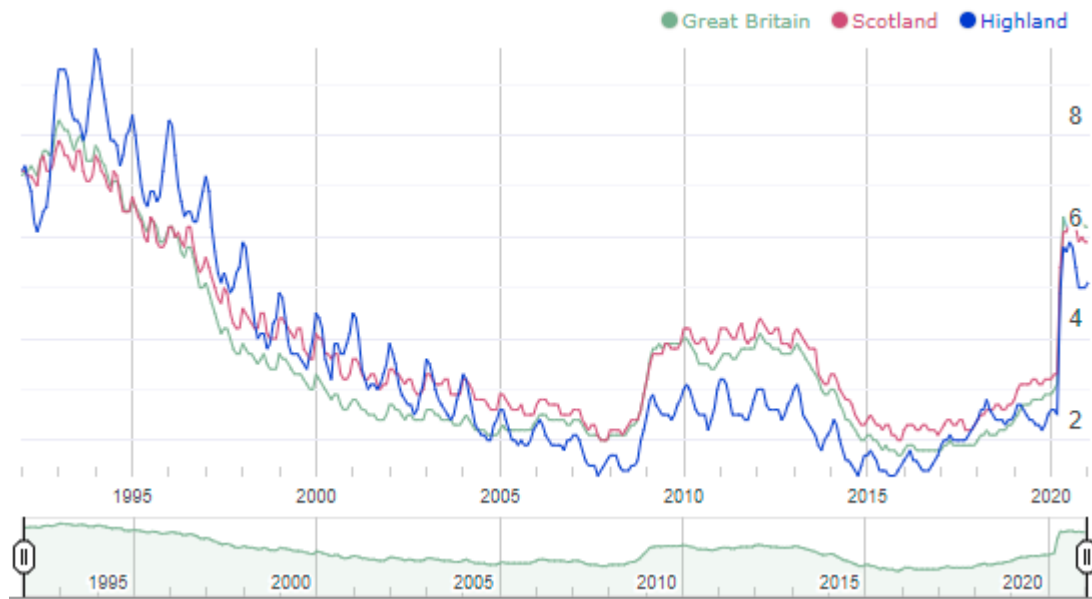
Table 14.6: Claimant Count by Sex

	Highland (Numbers)	Highland (%)	Scotland (%)	Great Britain (%)
All people	7,355	5.1	5.9	6.2
Males	4,440	6.3	7.4	7.4
Females	2,915	4.0	4.4	5.1

Source: ONS Claimant Count

- 14.5.2 Although regional unemployment is below the national unemployment rate, the following figure indicates that regional unemployment has increased from 2.5% to 5.1% over the Covid-19 period from March 2020 to January 2021, this represents an increase of 101% in the number of people out of work and claiming benefits.

Figure 14.1: Unemployment



Source: ONS Claimant Count

14.5.3 In terms of unemployment by age range, the regional position is better than the Scottish situations across most age ranges, with the exception of those aged 18-24 years old where the Highlands has an average above both the Scottish level.

Table 14.7: Claimant Count by Age (January 2021)

	Highland (Numbers)	Highland (%)	Scotland (%)	Great Britain (%)
Aged 16+	7,355	5.1	5.9	6.2
Aged 16-17	40	0.8	1.0	0.4
Aged 18 – 24	1,360	8.4	8.2	8.8
Aged 18 – 21	740	8.1	8.2	8.6
Aged 25 – 49	3,850	5.6	6.5	6.7
Aged 50+	2,105	3.9	4.5	4.8

Source: ONS Claimant Count

14.5.4 In terms of benefit claimants by type, the area has a lower rate of job seeker allowance claimants and lone parent claimants.

Table 14.8: Economic Inactivity

	Highland (Numbers)	Highland (%)	Scotland (%)	Great Britain (%)
Total claimants	15,040	10.4	13.0	11.0
Job seekers	1,110	0.8	1.4	1.1
ESA and incapacity benefits	8,740	6.0	7.8	6.1
Lone parents	920	0.6	0.9	1.1
Carers	2,250	1.6	1.7	1.7

	Highland	Highland	Scotland	Great Britain
Others on income benefits	220	0.2	0.2	0.2
Disabled	1,430	1.0	0.9	0.8
Bereaved	370	0.3	0.2	0.2
Main out-of-work benefits	10,990	7.6	10.2	8.4

Source: DWP Benefit Claimants – Working Age Client Group

- 14.5.5 Overall, in terms of ‘main out of work benefits’ the Highlands has a lower proportion of claimant than recorded at the Scottish and GB levels.

14.6 Employment by Occupation

- 14.6.1 Table 14.9 highlights the type of employment at the Highlands, Scottish and GB levels. It indicates that the region has a higher proportion of skilled trade, caring leisure and service, process plan and machine and elementary occupations than the Scottish and GB levels.

Table 14.9: Employment by Occupation

	Highland	Highland	Scotland	Great Britain
	(Numbers)	(%)	(%)	(%)
Social Group 1-3	40,600	34.8	43.0	45.5
1 Managers	10,700	9.1	8.6	10.7
2 – Professionals	19,400	16.5	20.9	20.3
3 – Associate professionals	10,500	8.9	13.3	14.3
Social Group 4-5	31,300	26.8	21.1	20.7
4 – Administrative	11,900	10.2	10.0	10.3
5 – Skilled trades	19,400	16.5	11.0	10.3
Social Group 6-7	20,500	17.6	18.2	16.8
6 – Service occupations	12,700	10.8	9.6	9.2
7 – Sales occupations	7,800	6.7	8.6	7.5
Social Group 8-9	24,400	20.9	17.7	17.0
8 – Process and plant operatives	7,900	6.7	6.3	6.3
9 – Elementary occupations	16,500	14.0	11.3	10.6

Source: ONS Annual Population Survey

- 14.6.2 Regionally there are few people employed in professional, associate professional and technical, sales and customer service occupations.

14.7 Jobs

- 14.7.1 The region has a lower proportion of full-time jobs and more part-time jobs than the Scottish and GB levels.
- 14.7.2 In terms of industry of employment, the Highlands have higher rates of water related posts, construction jobs, accommodation and food service occupations, health and social work jobs and arts, entertainment and recreation posts. The construction sector is well

represented at the Highlands level, suggesting the local area is well positioned to benefit from aspects of The Proposed Development, as shown in Table 14.10 below.

Table 14.10: Employee Jobs

	Highland	Highland	Scotland	Great Britain
	(Numbers)	(%)	(%)	(%)
Total employee jobs	111,000	N/A	N/A	N/A
Full time	69,000	62.2	66.7	67.8
Part time	42,000	37.8	33.3	32.2
Employee Jobs by Industry				
Mining	350	0.3	1.3	0.2
Manufacturing	6,000	5.4	7.2	8.1
Electricity and gas	800	0.7	0.8	0.4
Water supply and sewerage	2,000	1.8	0.7	0.7
Construction	7,000	6.3	5.5	4.6
Wholesale and retail	17,000	15.3	14.5	15.3
Transportation	5,000	4.5	4.3	4.9
Accommodation and food service	12,000	10.8	7.4	7.5
Information and communication	2,250	2.0	3.0	4.2
Finance and insurance	900	0.8	3.5	3.6
Real estate	1,500	1.4	1.4	1.6
Profession and scientific	6,000	5.4	6.9	8.6
Administrative and support services	5,000	4.5	7.5	9.0
Public administration and defence	6,000	5.4	6.3	4.3
Education	8,000	7.2	7.7	8.9
Human health and social work	22,000	19.8	16.5	13.3
Arts, entertainment and recreation	5,000	4.5	3.1	2.5
Other service activities	2,250	2.0	2.1	2.1

Source: ONS Annual Population Survey

- 14.7.3 The region has a lower proportion of mining and quarrying roles, manufacturing employment, Information Technology and Communications (ITC) roles, financial service posts, professional services and education related jobs. The manufacturing sector is underrepresented which may affect the regions ability to benefit from The Proposed Development.

14.8 Businesses

- 14.8.1 In terms of the business base, the Highlands has a higher proportion of micro enterprise and smaller business units (in terms of employment numbers) than witnessed at the national (Scottish) level. The incidence of larger businesses is lower in the regional level than recorded nationally as shown in Table 14.11.

Table 14.11: Business Counts

	Highland	Highland	Scotland	Scotland
	(Numbers)	(%)	(Numbers)	(%)
Enterprises				
Micro (0-9)	9,575	89.1	153,645	88.0
Small (10-49)	1,020	9.5	17,560	10.1
Medium (50-249)	130	1.2	2,730	1.6
Large (25+)	20	0.2	690	0.4
Total	1,750		174,625	
Local Units				
Micro (0-9)	11,410	83.1	180,485	81.4
Small (10-49)	1,985	14.5	33,710	15.2
Medium (50-249)	315	2.3	6,520	2.9
Large (25+)	30	0.2	1,00	0.5
Total	13,735		221,760	

Source: Inter Departmental Business Register

14.9 Qualifications

- 14.9.1 In terms of education attainment levels, the region has fewer higher qualified residents but also has fewer residents with no qualifications than recorded at the Scottish level as show in Table 14.12.

Table 14.12: Qualifications

	Highland	Highland	Scotland	Great Britain
	(Numbers)	(%)	(%)	(%)
Individual levels				
NVQ4 and above	58,500	42.0	43.7	38.2
NVQ3 and above	83,100	59.6	60.0	56.9
NVQ2 and above	108,300	77.7	75.5	74.3
NVQ1 and above	119,800	85.9	8.1	85.3
Other qualifications	7,600	5.5	6.1	6.6
No qualifications	12,000	8.6	9.9	8.0

Source: ONS Annual Population Survey

- 14.9.2 However, the education attainment levels regionally are greater than those recorded at the GB level.

14.10 Earnings

- 14.10.1 In terms of earnings, both weekly wages and hourly pay, the region has lower rates than those achieved at the Scottish and GB levels as presented in Table 14.13.

Table 14.13: Earnings by Place of Residence

	Highland	Scotland	Great Britain
	(£)	(£)	(£)
Gross weekly place			
Full time workers	545.10	547.70	552.70
Male full time workers	585.80	580.20	594.20
Female full time workers	486.80	498.30	494.40
Hourly pay – excluding overtime			
Full time workers	13.47	13.85	14.00
Male full time workers	13.68	14.32	14.56
Female full time workers	13.05	13.31	13.18

Source: Inter Departmental Business Register

14.11 Scottish Index of Multiple Deprivation

- 14.11.1 The Scottish Index of Multiple Deprivation¹ (SIMD) ranks all of the 6,976 data zones across Scotland. The data zones are ranked from 1 (most deprived data zone) to 6,976 (least deprived).
- 14.11.2 The ranking is based on a number of indicators across seven categories: income, employment, health, education, skills and training, housing, geographic access and crime. Data zones ranked between 1 and 1,185 are the most deprived 15% of data zones and those ranked between 1 and 1395 are the most deprived 20%.
- 14.11.3 THC has 21 data zones (from a total of 312 Highland data zones) designated within the most deprived 20% in Scotland, this is an increase from SIMD 2012 when the local authority had 17 wards designated within the most deprived 20% in Scotland. Although the Highlands cannot be deemed to be an area of deprivation, there remain pockets of deprivation, largely in and around Inverness, and this position has worsened over the last five years.

¹ Scottish Government (2016) *Scottish Index of Multiple Deprivation* <http://www.gov.scot/Topics/Statistics/SIMD>