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**REPORT TO: ECONOMIC DEVELOPMENT AND INFRASTRUCTURE  
SERVICES COMMITTEE ON 2 MAY 2023**

**SUBJECT: INFORMATION REPORT: SCOTTISH LOCAL AUTHORITIES  
ECONOMIC DEVELOPMENT INDICATOR FRAMEWORK  
REPORT 2021/22**

**BY: DEPUTE CHIEF EXECUTIVE (ECONOMY, ENVIRONMENT AND  
FINANCE)**

## **1. REASON FOR REPORT**

- 1.1 To present committee with an overview of the performance of Moray Council's economic development activity, as documented in the Scottish Local Authorities Economic Development Indicators Framework Report 2021/22. This annual report provides consistent evidence of what local authorities are delivering as economic development agencies.
- 1.2 This report is submitted to Committee in terms of Section III (F) (2) of the Council's Scheme of Administration relating to the exercise of functions that promote economic development.

## **2. BACKGROUND**

- 2.1 The Scottish Local Authorities Economic Development Group (SLAED) is a network of economic development officials from across all 32 Scottish local authorities. SLAED exists to provide a national voice for local economic development in Scotland by linking the work of Scotland's 32 local authorities and bringing a collective influence to bear at national and European levels.
- 2.2 Each year, SLAED publishes an Indicator Framework Report, setting out data and information based on returns submitted by the 32 local authorities. The purpose of the SLAED Indicators Framework is to assist Local Authorities to:
- Evidence and publicise the contribution that they make to Scotland's economy through their economic development activities; and
  - Provide a basis for collating consistent data which can be used to better understand impact and identify potential areas for improvement.
- 2.3 This report, which covers the 2021/22 financial year, is the 10<sup>th</sup> annual report and represents a period of significant disruption from COVID-19. During this

period economic activity had slowly began to return to pre-pandemic levels following the national lockdowns. However, a number of entrenched issues affecting the economy were becoming more prevalent. The constriction in the labour market had manifested as a barrier to businesses returning to previous activity levels. Certain sectors were impacted by this more significantly than others, with workers increasingly moving away from industries with lower pay or poorer working conditions. Locally, the hospitality, tourism and manufacturing industries faced significant disruption as a result of this.

- 2.4 There are currently 34 indicators included within the SLAED Indicators Framework and these are classified into five broad categories: Input Indicators, Activity Indicators, Output Indicators, Outcome Indicators and Inclusive Growth Indicators. Council Officers are responsible for submitting an annual return for 9 of the indicators. Data for 18 of the indicators is collected from publicly available sources such as the Office for National Statistics (ONS), NOMIS and the Scottish Government, with and a further seven are collected from other agencies including the Business Gateway National Unit, Scottish Enterprise, Highlands and Islands Enterprise and the Supplier Development Programme (SDP). The full [SLAED Indicator Framework Report](#) is available to view online.

3. An analysis of the local indicators will be expanded upon in the following sections, providing an overview of the performance of Moray's economy. Where relevant and available, comparison with data from previous years and against the Scottish average has been provided.

- 3.1 However, it is important to note that the data presented in the SLAED Indicators Framework is not intended to be used for benchmarking the relative performance of local authorities. The data submitted by Councils is not subject to an auditing process by either SLAED or the Improvement Service. As such, despite efforts to ensure consistency in the returns submitted, some indicators are therefore subject to variation in terms of interpretation at a local level.

## 4. **INPUT INDICATORS**

### 4.1 **I1 Economic Development and Tourism Expenditure – Estimated**

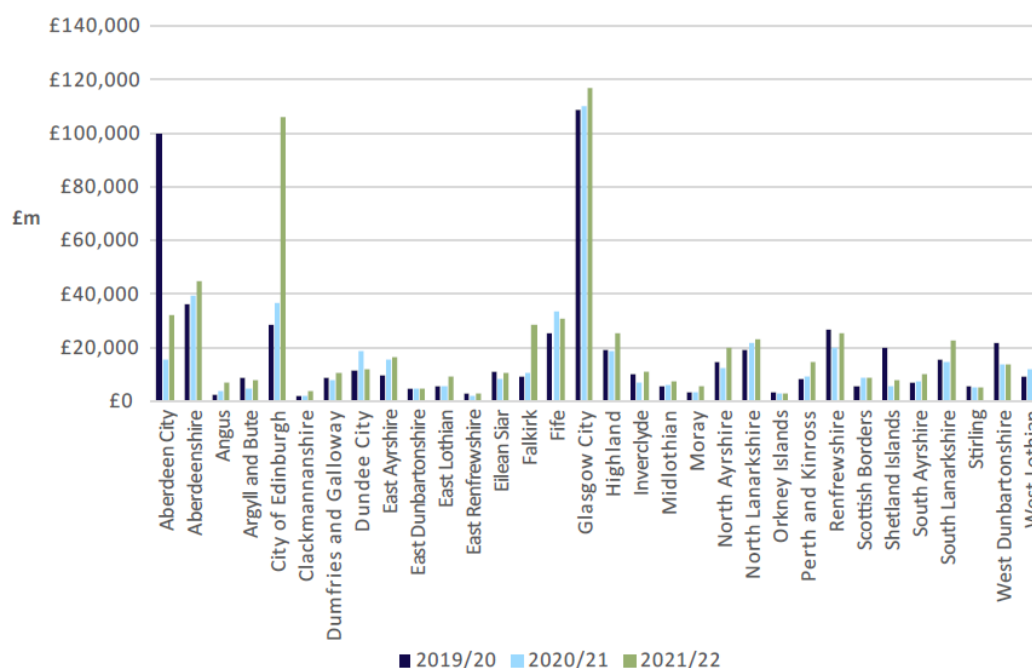
Indicator I1 provides an estimate of the capital and revenue spend of the Council on Economic Development and Tourism activities.

	Moray Council		
	2019/20	2020/21	2021/22
Total expenditure	£3,041,000	£3,267,000	£5,162,000
Capital spend	£567,000	£228,000	£1,263,000
Revenue spend	£2,474,000	£2,999,000	£3,899,000

Over the past three years, the level of investment from the Council in economic development and tourism expenditure has grown steadily. This is highlighted in the above table. This increase has been driven by investment made through the Economic Recovery Plan and increased revenue spend on

economic development staffing associated with the Moray Pathways Employability Hub.

However, spend in Moray has remained broadly consistent as a percentage of the total across Scotland, fluctuating from 0.5% to 1.0% of national expenditure. Overall estimated expenditure by Scottish Councils was over £654m, which was a significant increase on the £480m from the previous year. The graph below highlights the variation in level of expenditure on economic development and tourism activities across Scottish Councils. As shown, Moray still lags behind many other local authorities in terms of investment in economic development activity. However, it is expected that Moray's expenditure as captured by this indicator will increase substantially in future years as delivery of the Moray Growth Deal is accelerated.



## 4.2 I2 Economic Development Staffing – Estimated

This indicator measures the total number of FTE staff working on the delivery of the Council's economic development services. At a national level there has been a sustained upward trend in the number of economic development staff over the past 5 years. Locally, the table below appears to show a slight reduction in economic development staff when compared with the previous year, however this is in fact a result of Business Gateway staff being counted separately in this report. When these two members of staff are included, the staffing level remains consistent with the previous year at 29.0, and still significantly above pre-pandemic levels.

Year	Moray Council (FTE) Economic Development staff	Scotland (FTE) Economic Development staff
2021/22	27.0	1,427.6
2020/21	29.3	1,353.3
2019/20	24.3	1,259.2

2018/19	24.3	1,300.3
2017/18	24.0	1,280.4

Almost 50% of economic development staff nationally are employed in employability and skills. In Moray the percentage is even higher at 63%. The recruitment of additional keyworkers employed to support delivery at the Moray Pathways Employability Hub is largely responsible for the recent growth in the numbers of local economic development staff. This relates to increased funding levels, while the higher than average percentage of employability staff at 63% reflects the fact that core staffing in economic development is lower than average and is reflected in the teams capacity and resilience.

## **5. ACTIVITY INDICATORS**

### **5.1 A1 Number of Attendees at Business Gateway Events**

Indicator A1 provides a measure of activity delivered by Business Gateway and counts the number of people that attended Business Gateway events in 2021/22. For the first time, figures for national webinars have been included as these were able to be split out by council. An event is defined as a workshop to develop skills and training for start-up and growth acceleration.

Year	Event Attendees
2021/22	595
2020/21	340
2019/20	250
2018/19	2,269
2017/18	1,599

As a result of the ongoing impacts of Covid-19 restrictions throughout the period, almost all of these events were held online. The gradual recovery from the pandemic, supported locally by the Economic Recovery Plan, helped boost the number of businesses attending events locally from 340 to 595. This represents a 42% year on year increase in attendance locally, compared to just a 25% increase nationally.

Though the number of attendees still appear to be far below the figures from prior to the pandemic, this is largely a result of changes in the way the data was collected from 2019/20 onwards. Alongside this, the transition to online events has also changed the way in which attendees can access Business Gateway support. Businesses can now attend Business Gateway events in any council area, not just the one in which they are registered.

### **5.2 A2 Number of Attendees at Business Events provided by the Council**

This indicator measures attendance at one-to-many business events, as opposed to the one-to-one support provided to businesses measured under indicator OP1.

Across Scotland, 5,508 businesses attended these one to many events in 2021/22, which continues the downward trend for this indicator from 8,779 in 2020/21. It is likely this is linked to the growth in Business Gateway event attendance, as neither these nor Supplier Development Programme events are included in this indicator as they are reported under indicators A1 and OP6.

Year	Event Attendees
2021/22	0
2020/21	4,905
2019/20	1,893
2018/19	1,800
2017/18	1,499

In 2020/21, Moray Council had accounted for 55.9% of the total number of events across Scotland, as a result of the Moray Digital Doors Open Day event, which allowed access to local heritage facilities. However, in 2021/22, there were no one-to-many business events delivered by the Council. This was reflected across a number of other local authorities.

### 5.3 **A3 Number of Companies Registered with Supplier Development Programme**

Indicator A3 provides insight into the number of local businesses that are engaged in public procurement activity, through counting the number of businesses in Moray that are registered with the Supplier Development Programme (SDP).

Year	Companies Registered with SDP
2021/22	143
2020/21	129
2019/20	117
2018/19	60
2017/18	36

Locally, there has been an upward trend in this indicator as more local companies become aware of the opportunities offered by public procurement in supporting business growth and resilience. This is reflected in the national trajectory of this indicator. Though it is worth highlighting that Moray still lags behind all other mainland local authorities in relation to this indicator. Moray enterprises account for 1.43% of the total business population of Scotland, while only 0.73% of the businesses registered with SDP are based in Moray.

The Community Wealth Building (CWB) Strategy, reported separately to this committee, includes a targeted action to boost the number of local businesses registered with SDP to assist them in being tender ready.

## 6. **OUTPUT INDICATORS**

### 6.1 **OP1 Number of Businesses Supported by Council Economic Development Activity**

This indicator shows the number of unique businesses which were directly supported on a one to one basis by the council's economic development function, as opposed to those recorded in indicator A2.

Year	Businesses Supported
2021/22	1,847
2020/21	0
2019/20	253
2018/19	13
2017/18	71

In 2021/22, Moray Council supported the highest number of businesses at 1,847, accounting for 12% of support across Scotland. However, Covid-19 financial support provided for 1,740 local businesses was included in the return for this indicator. Outwith this, support was provided for 107 other businesses via economic development staff, including 79 which received funding via the Moray Employer Recruitment Incentive.

## 6.2 **OP2 Number of Business Gateway Support Unique Customer Accounts**

This indicator shows the support delivered by Business Gateway through the number of business accounts that have received support. Each account is recorded only once even if support has been provided on multiple occasions. Types of support provided include new account registrations, business start-ups, and enquiries.

Year	Unique Customer Accounts
2021/22	923
2020/21	689
2019/20	746
2018/19	804
2017/18	929

In 2021/22 there a significant increase in the number of businesses supported nationally, bucking the trend from previous years. This was reflected in Moray, where the number of accounts has returned to the level from 5 years previously, following several years of a downward trend in the number of businesses accessing support.

## 6.3 **OP3 Number of Companies Assisted by Scottish Development International**

This is a measure of support delivered to local businesses by Scottish Development International (SDI) to provide assistance with export activity. In 2021/22, 978 companies were assisted to export across Scotland. This is a significant decrease on the 1,156 companies supported the previous year, and continues a downward trend in this indicator. It is likely that this is reflective of the additional barriers companies are facing as a result of Brexit. As highlighted in the table below, this trajectory is reflected locally.

Year	Unique Customer Accounts
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2021/22	20
2020/21	21
2019/20	31
2018/19	32
2017/18	45

To supplement the work of SDI, additional export support was launched as part of the Economic Recovery Plan. This 1-2-1 consultancy provision was designed to help mitigate the impacts of Brexit. The two year programme was delivered via Business Gateway, up to 31<sup>st</sup> December 2022, with 33.5 days of specialist support delivered to local businesses throughout this time.

#### 6.4 **OP4 Number of Unemployed People that have Participated in Council Funded or Operated Employability Activities**

This is a measure of the total number of people supported via employability activities that were funded and/or operated by councils in 2021/22. The purpose of this indicator is to assist in understanding the response to unemployment and economic inactivity at a local level.

Year	Participants
2021/22	366
2020/21	198
2019/20	480
2018/19	712
2017/18	716

Locally, there was a reversal of the ongoing downward trend against this indicator, with almost twice as many people accessing employability support in 2021/22 as in the previous year. This increase was driven by the launch of the Moray Pathways Hub at the Inkwell, which began operating in May 2021. In Moray, employability support and training provision is coordinated and delivered via the Moray Pathways Local Employability Partnership.

#### 6.5 **OP5 Percentage of Immediately Available Employment Land**

OP5 is a measure of all employment land that is fully serviced and immediately available for business use. The indicator assists in providing an assessment of Council performance in being prepared for supporting new enterprise opportunities, business expansion and attracting inward investment. However, it is important to note that there are concerns about the reliability of the data this indicator presents, due to inconsistencies in the way returns are interpreted across Councils.

Year	Employment Land
2021/22	14.9%
2020/21	34.8%
2019/20	24.2%
2018/19	49.0%

Given the caution referenced above, there are significant variances in the percentage of employment land that is deemed immediately available across

Council areas. The decrease of availability in Moray is a result of construction activity on designated employment land sites. This has resulted in the 14.9% of land deemed immediately available in Moray being slightly below the Scottish average of 26.0%. Plans for development of industrial sites in Speyside and the East of Moray are being progressed as part of the Economic Recovery Plan and work is ongoing to ensure designated sites are deliverable.

## 6.6 **OP6 Number of Businesses Participating in Supplier Development Programme**

The data used in this indicator is provided directly by the SDP and counts the number of businesses that are actively participating following registration with the programme.

Year	Business Participants
2021/22	5
2020/21	11
2019/20	24
2018/19	24

The downward trend from last year has continued locally, and is also reflected nationally. During this period, the Economic Growth and Regeneration team were experiencing significant workload pressures in processing Covid-19 business support grants. As a result there was a lack of capacity to assist in coordinating and promoting events locally to help engage businesses with SDP. However, 10 local businesses who are registered with SDP did win public contracts during the period. Through the Supplier Development Forum, the SDP is also now more engaged more consistently to assist in the promotion of upcoming contract opportunities.

## 7. **OUTCOME INDICATORS**

### 7.1 **OC1 Gross Value Added per Capita**

Gross Value Added (GVA) provides a traditional assessment of the relative economic health and wealth of areas. It measures the value of goods and services produced in an area per head of population, as well as the productivity of businesses and economies. GVA tends to be higher in areas with more business diversity or where there are significant sectors that are highly capital intensive, such as oil and gas.

Year	GVA in Moray	GVA in Scotland
2020	£34,471	£41,581
2019	£36,356	£42,122

In previous years, the data included in this indicator was provided for NUTS3 regions, so reporting for Moray was based on the data for Inverness, Nairn, Moray, Badenoch and Strathspey. However, as of 2019 the data has been broken down by local authority. GVA per capita in Moray continues to remain below the Scottish average, though Moray outperforms many similar sized



local authorities. Both locally and nationally, GVA has fallen below the value of the previous year, which is likely to be reflective of the Covid-19 related restrictions that were in place during 2020.

## 7.2 OC2 Gross Weekly Earnings

This indicator measures the median gross weekly earnings of full-time employees within Moray, on both a residence-based and workplace-based basis. The residence-based data accounts for people living in Moray, regardless of the council area in which they work. The workplace-based data includes those that work in Moray, regardless of the council area in which they reside. This data can be particularly valuable for measuring the extent to which people living in one council area are reliant on jobs in other areas. It should be noted that the data does not account for the salaries of members of the armed forces or the self-employed.

### Residence Based

Year	Moray	Scotland
2022	£598.80	£640.30
2021	£565.50	£619.90
2020	£550.60	£595.00
2019	£561.60	£578.30
2018	£527.20	£562.70

### Workforce Based

Year	Moray	Scotland
2022	£619.50	£640.50
2021	£576.20	£620.70
2020	£548.10	£592.20
2019	£570.50	£577.00
2018	£549.50	£563.10

For both measures, the median weekly earnings in Moray are below the Scottish average. While the gap had been narrowing for Moray residents prior to the pandemic, it has since widened. This is despite significant year on year growth in weekly earnings. Weekly pay for Moray residents is the 5<sup>th</sup> lowest of all Scottish local authorities, reflecting the perception of Moray as a low wage economy. However, when weekly earnings are analysed by workforce, they are over £20 higher than residence based earnings. This may indicate that there are numerous people employed within higher value jobs in Moray living outwith the area and commuting in – or perhaps working remotely.

## 7.3 OC3 Employment Rate

The employment rate is calculated from the number of people aged 16-64 that were in employment in 2021/22 as a percentage of the total 16-64 population.

Year	Employment Rate in Moray	Employment Rate in Scotland
2021/22	73.6%	73.8%
2020/21	72.7%	72.8%
2019/20	76.4%	74.5%

2018/19	74.4%	74.5%
2017/18	73.8%	74.3%

The employment rate for Moray was almost identical to that of the Scottish average, having increased by 1% from the previous year. Although, both remain below pre-pandemic levels. Prior to the pandemic, the employment rate in Moray had been on an upward trajectory and had exceeded the national average.

The more acute impacts felt upon employment in Moray was likely influenced by the structure of the economy, where Moray has a higher proportion of people employed in the sectors that were most exposed to the effects of social restrictions (manufacturing, construction, retail and wholesale, accommodation and food services, arts, entertainment and recreation), than the national average.

#### 7.4 OC4 New Business Starts per 10,000 Working Age Population

This indicator assists in measuring the level of entrepreneurial activity across Moray. It counts the number of business births per 10,000 of the 16-64 year old population, though this excludes sole traders.

Year	Business Starts in Moray	Business Starts in Scotland
2021	38	54
2020	38	51
2019	45	62
2018	50	59
2017	48	64

The historic trend of Moray having fewer business births than the Scottish average was again reflected in 2021 with the number actually having stagnated locally. Similar to indicator OC3, this perhaps reflect the nature of the Moray economy as being structured around sectors which were particularly vulnerable to the effects of the pandemic.

The Business Grants and Start-up Support provided via the Economic Recovery Plan were targeted towards fledgling businesses to boost business births. We will be able to assess the effectiveness of these initiatives in future years by analysing the trends in this indicator.

#### 7.5 OC5 Business Survival Rate (3 Year)

OC5 measures the sustainability of fledgling business by analysing the number of start-ups in terms of their three-year survival rate, though once again this excludes sole traders.

Period	Moray 3 Year Survival Rate	Scotland 3 Year Survival Rate
2018-2021	65.5%	59.0%
2017-2020	58.7%	55.9%
2016-2019	63.2%	56.5%

2015-2018	63.3%	56.0%
2014-2017	63.0%	60.0%

Despite business birth rates below the national average, Moray businesses return a consistently higher survival rate than for Scotland overall. Despite the unsurprising dip in businesses survival rates in 2020, the 3 year survival rate in Moray is now at the highest level it has been for the past 5 years. In fact, there are only 4 local authorities with a business survival rate higher than Moray's, highlighting the resilience of the local businesses community.

## 7.6 OC6 Claimants in Receipt of Out-of-Work Benefits

Indicator OC6 is used to measure the percentage of working age people who are unemployed and are claiming either Job Seekers Allowance or Universal Credit. This can be used as an indication of poverty and low income, at both a national and a local level.

Year	Moray Working Age People Claiming Unemployment Benefits	Scotland Working Age People Claiming Unemployment Benefits
2022	3.0%	3.7%
2021	5.1%	6.1%
2020	2.7%	3.3%
2019	2.6%	3.1%
2018	2.0%	2.6%

Following the significant increase in the number of people claiming unemployment benefits in 2021, compared with the prior year, the rate has now fallen back towards the level it was prior to the pandemic. However, despite the 2.1% reduction in the Moray population claiming out of work benefits, it remains slightly above pre-pandemic levels. This is despite the availability of jobs across sectors in what both locally and nationally has been a tight labour market. Initiatives such as the Moray Apprenticeship Strategy are key to growing the local skills base to try and ensure people who are out of work have the opportunity to retrain and re-enter employment.

## 7.7 OC7 Working Age Population with Low/No Qualifications

This indicator shows the percentage of people aged 16-64 that possess either no formal qualifications, or qualifications at SCQF (Scottish Credit and Qualifications Framework) level 4 or below.

Year	Moray Working Age Population with Low or No Qualifications	Scotland Working Age Population with Low or No Qualifications
2021	6.7%	9.1%
2020	8.5%	9.7%
2019	11.6%	11.6%
2018	11.2%	11.6%
2017	12.2%	10.8%

In Moray, the percentage of people with low or no qualifications has continued on a downward trend, which may reflect a growing number of employers offering opportunities for in work training. The rate in Moray of 6.7% is now significantly below the national average.

## 7.8 OC8 Town Vacancy Rate

The Town Vacancy Rate provides a measure of vacant retail units in Moray's main town centres (Elgin, Forres, Lossiemouth, Keith, and Buckie) as a percentage of the total number of retail units available. This can be used as an indication of the relative vibrancy of town centres.

Year	Moray Town Centre Vacancy Rate	Scotland Town Centre Vacancy Rate
2021/22	10.6%	12.5%
2020/21	10.9%	9.2%
2019/20	6.9%	11.7%
2018/19	6.9%	10.0%
2017/18	9.9%	11.5%

The vacancy rate in Moray has decreased slightly, after the significant increase resulting from the social restrictions imposed at the height of the pandemic in the previous year. This demonstrates some stability in the town centre businesses who were able to survive the economic shock caused by the pandemic. This is against a backdrop of vacancy rates having grown significantly across Scotland, with the rate in Moray having returned to being below the national average, as it was prior to the pandemic. This may indicate healthy local consumer demand as people have slowly returned to offices for work and pre-pandemic retail habits.

## 7.9 OC9 Number of Business Gateway start-ups that are Trading

This is a measure of the number of start-up businesses supported by the local Business Gateway branch that have commenced trading, therefore providing an indication of the outcome of this early business support.

Year	Moray Start-Ups that are Trading	Scotland Start-Ups that are Trading
2021/22	120	7,834
2020/21	91	6,117
2019/20	155	8,964
2018/19	120	9,083
2017/18	128	9,129

Like a number of the other indicators linked to entrepreneurial activity, there was a significant decrease in this rate as a result of reduced business activity throughout the early stages of the pandemic. However, the number of business start-ups who go on to trade, has now begun to recover. Locally the rate is still well below the figure from the year immediately prior to the pandemic but is broadly consistent with historical trends.

## 7.10 OC11 Additional Funding

This indicator has been reframed to assess the value of external funding that the council has been awarded to deliver economic development focussed projects, following submission of an application. It does not include funds allocated with no application process at any stage. Creating successful funding applications requires considerable resource and expertise, therefore provides a measure of a Council's economic development performance.

Year	Moray – Additional Funding	Scotland – Additional Funding
2021/22	£2,914,833	£171,082,842

This indicator previously considered leverage of external funding against the Councils' own contribution, but has been updated for 2021/22, therefore there is no trend data. The funding secured in Moray was awarded through a combination of the European Social Fund, Place Based Investment Programme, Town Centre Regeneration Fund, and Rural Tourism Infrastructure Fund.

#### 7.11 **OC12 Number of Planned Jobs from Completed Inward Investment Projects**

This indicator provides a measure of job creation and job protection through inward investment activity, as a result of support provided through Scottish Development International (SDI). Data for this indicator was supplied by Scottish Enterprise and Highlands and Islands Enterprise.

Year	Moray Planned Jobs	Scotland Planned Jobs
2021/22	0	7,781

Due to changes in staffing and priorities within Scottish Enterprise, the 2021/22 data was not broken down into new and safeguarded jobs, and instead was collected as total overall jobs. As a result, there is no trend data since the indicator is not comparable with previous years. Moray was 1 of 13 Councils to have no planned jobs, the majority of which were also small rural authorities.

#### 7.12 **OC13 Number of Unemployed People that have Progressed to Employment from Participation in Council Funded or Operated Employability Activities**

OC13 tracks the progression of people who have participated in Council employability services and have then successfully moved into employment.

Year	Moray Employment Progression	Scotland Employment Progression
2021/22	88	16,463
2020/21	54	7,271
2019/20	42	11,304
2018/19	62	15,328
2017/18	157	16,469

Nationally, the number of people progressing into employment following participation in Council employability services has rebounded to per-pandemic levels. This is likely to be reflective of the renewed capacity within councils to deliver services as the country emerged from the Covid-19 pandemic.

Employability services in Moray have also increased the number of unemployed people supported back into employment in comparison with the previous year. This is following the launch of new employability services through the Economic Recovery Plan, including the Moray Pathways Hub at the Inkwell. However, there were fewer people who progressed into employment following participation in Council employability services in Moray than in any local authority other than Orkney.

## **8. INCLUSIVE GROWTH INDICATORS**

### **8.1 IG1 Gross Value Added per hour worked and per job filled**

These indicators are recommended for use by the Office for National Statistics (ONS) to measure productivity. There is a time lag in the availability of this data, therefore 2020 is the most up to date data available at time of preparing this report.

	Year	Moray	Scotland
GVA per hour worked	2020	£36.60	£35.80
GVA per job filled	2020	£49,329	£52,869
GVA per hour worked	2019	£33.50	£33.60
GVA per job filled	2019	£49,701	£52,252

There was year on year growth in the GVA per hour worked, with Moray's output growing beyond the Scottish average, as of 2020. However, for GVA per job filled, Moray's output declined, falling further behind the Scottish average. As with the overall GVA measure in indicator OC1, this measure is influenced by Moray's sectoral makeup and the jobs being performed.

### **8.2 IG2 Underemployment**

Underemployment is defined as a person aged 16 and over who is in employment and would like to work longer hours in their existing job, work an additional job, or find a different job with more hours. This data is sourced from the Scottish Government who have changed how it is collected and presented. This has resulted in only two years of trend data being available.

Year	Moray Underemployment	Scotland Underemployment
2020/21	9.3%	8.5%
2019/20	10.4%	6.9%

The limited data demonstrates a downward trend in underemployment locally against an upward trend nationally. However, underemployment in Moray remains above the national average, which may be influenced by the sectoral make-up of the economy and proportion of seasonal work in related to tourism and food and drink. It would be expected that this indicator demonstrates a

reducing trend of underemployment in subsequent years due to the current lack of supply in the labour market.

### 8.3 IG3 5 year % change in median income vs lowest quintile

IG3 is a crucial indicator in assessing the level of inequality in the Moray economy. It measures the percentage change in gross weekly earnings over a five-year period between earners in the lowest quintile and median earners.

Period	Moray	Scotland
2017-2022	-13.7%	-5.0%
2016-2021	-9.7%	-2.6%
2015-2020	6.1%	-4.3%
2014-2019	6.1%	-4.3%
2013-2018	0.1%	-3.1%

Moray has continued the trend of reducing the inequality gap between median earners and those in the lowest quintile 2017 and 2022. There were only three other local authorities where the gap had narrowed further. However, whilst a positive overall outcome, this may be symptomatic of slow wage growth among median earners.

### 8.4 IG4 GVA by Key Growth Sector

Indicator IG4 measures the GVA per head for the key growth sectors in Scotland. To calculate the result, the total GVA for the sector is divided by the number of employees in the sector. The key growth sectors are: Food & Drink; Financial & Business Services; Life Sciences; Energy (including renewables); Sustainable Tourism; and Creative Industries (including digital). However, these sectors are currently under review following the publication of Scotland's National Strategy for Economic Transformation (NSET).

Sector	2015	2016	2017	2018	2019
Food and Drink	£80,679	£81,076	£97,164	-	£95,902
Financial & Business Services	£42,024	£46,839	£36,612	£46,300	£52,022
Life Sciences	-	-	-	-	-
Energy	£104,628	£166,688	£198,390	£101,377	£101,035
Sustainable Tourism	£11,116	£18,157	£21,005	£11,526	£18,114
Creative Industries (incl. Digital)	£43,067	£48,727	£50,116	£35,869	-

As referenced against the other GVA indicators, the GVA for each sector will depend on how capital intensive the production process is and the value of the output. The table above therefore highlights which sectors have the highest value added and how that has evolved over time. Please note that there are a number of gaps in this data due to this being disclosive.

### 8.5 IG5 Percentage of Employees earning less than Living Wage

This indicator measures the proportion of employees who are 18+ that are earning less than the Living Wage. Data was not available for a number of local authorities, including Moray, due to small sample sizes which resulted in data that was not statistically robust.

## 8.6 IG6 Percentage of Participation in Education, Employment & Training by 16-19 year olds

IG6 provides a measure of the percentage of 16-19 year olds that remain in positive destinations, meaning they are participating in either education, employment or training.

Year	Moray	Scotland
2022	91.6%	92.4%
2021	91.8%	92.2%
2020	93.5%	92.1%
2019	91.3%	91.6%
2018	91.2%	91.8%

For this measure Moray remains slightly below the national average for 2022 and broadly consistent over the period of the previous 5 years. However, this does not necessarily mean that Moray has fewer young people remaining in positive destinations. It may simply be that the cohort not captured are in employment but no longer engaging with the services which record the data. For this reason, it is essential that public services try to retain engagement with as many young people as is possible to provide support services when and where they are required.

## 8.7 IG7 Percentage of premises unable to access 10Mbit/s broadband

This indicator provides a measure of the percentage of premises which are unable to access 10Mbit/s broadband. It therefore provides a gauge of the local level of digital inclusion, with access to sufficient digital connectivity now essential for a large proportion of employment opportunities due to the increased number of people now remote working.

Year	Moray	Scotland
2022	6.4%	3.7%
2021	7.1%	4.2%
2020	7.0%	4.2%
2019	7.3%	4.8%
2018	9.2%	6.1%

Moray retains a higher proportion of properties without access to sufficient broadband speeds than across Scotland as a whole. This is true of the majority of rural local authorities. The Scottish Government's R100 programme is targeted towards addressing this issue. However, despite the R100 North Lot contract being awarded to BT in December 2020, as yet there have been no properties served locally through the rollout of the main contract, with many not scheduled to be served until 2028. Even then, a number of properties will remain without access to Superfast broadband as



the cost of delivery is deemed too significant. These properties are though eligible to access support via the Scottish Broadband Voucher Scheme. In Moray, a new project has been funded via the UK Shared Prosperity Fund aimed at increasing awareness and uptake of this scheme. It is expected to commence delivery later this year.

## 8.8 IG8 Percentage of premises able to access Superfast Broadband

Converse to IG7, this indicator reports on the percentage of premises which have access to superfast broadband, which equates to minimum speeds of 30Mbit/s. Again, this provides a measure of digital inclusion, with sufficient connectivity essential for local business and economies to remain competitive.

Year	Moray	Scotland
2022	85.4%	91.0%
2021	84.3%	90.1%
2020	84.6%	93.3%
2019	84.2%	89.6%
2018	83.0%	91.1%

As with the previous indicator, the proportion of properties in Moray able to access superfast broadband remains significantly below the Scottish average. Though this increased by in excess of 1% year on year, following several years of stagnation. The R100 scheme is focussed upon providing full fibre connectivity, ensuring properties can access superfast broadband as a minimum. Therefore this percentage should continue to increase in the years ahead as the network is rolled out.

## 8.9 IG9 Percentage of Good or Very Good Life Satisfaction

The purpose of this measure is to offer some qualitative context for the other indicators included in the framework. It reflects the increasing focus within Scotland Government towards taking a wellbeing economy approach to economic development. The data for this indicator is gathered via the ONS Wellbeing Survey. As it was a new indicator for 2020/21, there is only 2 years of trend data to present.

Year	Moray	Scotland
2021/22	76.9%	78.0%
2020/21	79.6%	76.3%

The percentage of Moray residents responding to the survey who rated their life satisfaction as either good or very good declined by 3% year on year, with the Scottish average increased. It is possible this could be linked to the levels of fuel poverty found within Moray, during a period where the cost of energy began to increase exponentially. However it is difficult to extrapolate significant meaning from this with only two years data on which to base an analysis.

## 8.10 IG10 CO2 emissions per capita

This is included in the Indicator Framework Report to account for the increased focus upon improving wellbeing and tackling the climate change emergency. This indicator provides a measure of local authority contributions to national carbon reduction targets.

Year	Moray CO2 per capita	Scotland CO2 per capita
2020	4.8 tCO2	4.6 tCO2
2019	6.5 tCO2	5.7 tCO2

Though Moray has continued to produce a higher level of CO2 emissions per capita than for Scotland as a whole, the gap between the two narrowed in 2020, with Moray very near to the national average. However, both the local and national downward trends in emissions should be viewed with some caution. 2020 covers the period of the two national lockdowns where movement was restricted and production largely halted. It would be expected that emissions are shown to have increased again in subsequent years.

## 9. **SUMMARY OF IMPLICATIONS**

### **(a) Corporate Plan and 10 Year Plan (Local Outcomes Improvement Plan (LOIP))**

Effective monitoring and evaluation of economic activity supports the corporate plan priority of promoting economic development and growth, as well as the LOIP priority of a growing and sustainable economy.

### **(b) Policy and Legal**

There are no policy and legal issues arising directly from this report.

### **(c) Financial implications**

There are no financial implications arising directly from this report.

### **(d) Risk Implications**

There are no risk implications arising directly from this report.

### **(e) Staffing Implications**

There are no additional staffing implications arising directly from this report.

### **(f) Property**

There are no property issues arising directly from this report.

### **(g) Equalities/Socio Economic Impact**

The SLAED Indicator Framework Report provides a suite of data which can be used for monitoring the socio economic health of Moray. A

number of the indicators included offer insight into the extent to which wealth inequalities are reducing and the effectiveness of Council services in supporting this reduction.

**(h) Climate Change and Biodiversity Impacts**

Indicator IG10 records Co2 emissions per capita, which is a critical performance measure in the Council's transition towards reaching net zero.

**(i) Consultations**

Depute Chief Executive (Economy, Environment and Finance), the Head of Economic Growth and Development, the Principal Climate Change Officer, the Equal Opportunities Officer and Lissa Rowan (Committee Services Officer) have been consulted and their comments included in the report.

**7. CONCLUSION**

- 7.1 The 2021/22 SLAED Indicator Framework Report offers an insight into the extent of the economic recovery post-pandemic and the effectiveness of the early measures deployed in Moray as part of the Economic Recovery Plan. While there are economic challenges and undoubted room for improvement across a number of metrics, the overall context should be viewed with some positivity. In terms of our workforce, unemployment remains low, with a lower proportion of benefits claimants in Moray than the national average. Similarly, Moray performs significantly above the national average for the percentage of our workforce that possess qualifications, highlighting positive interventions in previous years to ensure the region has access to skilled labour
- 7.2 However, it is key that the Council continues to invest in economic development to address those metrics where we are performing less admirably. This is essential to ensure we equip our businesses as well as our workforce with the skills and expertise required to remain competitive in the changing economy.
- 7.3 Emerging local initiatives, such as The Moray Growth Deal, will further enhance the economy and will provide new support systems and present new opportunities for emerging and expanding businesses. Indicator Framework Reports from SLAED in subsequent years will help to demonstrate the effectiveness of these initiatives.

Author of Report: Chris Muir, Senior Officer Economic Strategy and Development

Background Papers: [SLAED Indicators Framework Report 2021-22](#)

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