



REPORT TO: ECONOMIC GROWTH, HOUSING AND ENVIRONMENTAL SUSTAINABILITY COMMITTEE ON 13 APRIL 2021

SUBJECT: INFORMATION REPORT - SCOTTISH LOCAL AUTHORITIES ECONOMIC DEVELOPMENT GROUP PERFORMANCE INDICATORS 2019-20

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

1. REASON FOR REPORT

1.1 To update the committee on the performance of Moray Council in the 2019-20 SLAED performance indicators annual report.

2. BACKGROUND

2.1 The SLAED group is the network of senior Economic Development officials from across all 32 Scottish Local Authorities.

2.2 The SLAED Indicators Framework has been devised by Economic Development professionals 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 The SLAED report sets out a range of data which includes returns submitted by the 32 Local Authorities and data drawn from the Scottish Government, Business Gateway National Performance Unit, the Supplier Development Programme, Scottish Enterprise (Scottish Development International), Highlands and Islands Enterprise and the Office of National Statistics.

2.4 This is the eighth annual report and will be the final pre COVID-19 report. The implication of this is that where progress was being made in many cases the next SLAED annual report will show declines in performance. The figures for these indicators are therefore the pre-covid baselines.

2.5 In addition to this year's annual report a COVID supplement was produced with indicators for each local authority specific to the COVID crisis. The indicators focused on GVA, unemployment and business support issued. The supplement can be read at <http://www.slaed.org.uk/documents/SLAED-Covid->

[19-Supplement.pdf](#).

- 2.6 The figures in the supplement were for the most part relevant at that moment in time with the economic conditions that predicted at that time. On the whole since publication the economic outlook has improved with unemployment remaining below the forecast levels.
- 2.7 There is one indicator in the supplement that should be noted which is the percentage of jobs which can be done from home. While other figures in the supplement are volatile in the short term this figure will only change slowly and in the medium to long term. It shows that Moray has the fewest jobs of all local authorities that can be done from home. This will be due to the large proportion of manufacturing businesses however it shows that Moray will be disproportionately affected the longer social distancing remains in place. In turn that will feed through into lower output and a slower recovery relative to other parts of Scotland.
- 2.8 Due to COVID no committee report was provided for the 2018-19 figures however this report has been updated to show those results as a comparator year.

3. REPORT FINDINGS

- 3.1 The report is made of 31 indicators each of which will be expanded on in this section. Where possible comparison with previous years has been included. Council Officers are responsible for submitting a return for 8 of the indicators. The remainder a taken from national databases that Council departments update as part of their function. The full reports can be found at <http://www.slaed.org.uk/documents/SLAED-indicators-report-2019-20.pdf> with the Moray Council return on page 111.

I1 Economic Development Expenditure

- 3.2 Indicator I1 shows the capital and revenue spend of the Council on Economic Development as a percentage of the total spend across Scotland.

Year	Total spend by Moray Council	% of the total spend in Scotland
2019-20	£3,041,000	0.5%
capital expenditure	£567,000	
revenue expenditure	£2,474,000	
2018/19	£2,157,000	0.4%
capital expenditure	£201,000	
revenue expenditure	£1,956,000	

- 3.3 The figure can be quite volatile for this indicator as it will depend on the funding that is available for that financial year resulting from a variety of initiatives. We would expect this indicator to rise significantly as the Moray Growth Deal projects are rolled out.

I2 Economic Development Staffing – estimated

Year	Moray Council staff primary role economic development	Scotland LA staff primary role economic development
2019-20	24.3	1,259.25
2018-19	24.3	1,300.38
2017-18	24.0	1,280.43
2016-17	25.6	1,262.2
2015-16	28.1	1,347.64
2014-15	8.5	1,446.1
2013-14	8.5	1,524.5

- 3.4 Moray Council economic development staffing did not change from the preceding year at 24.3 FTE. These figures are similar to those of similar sized authorities.

A1 Number of Attendees at Business Gateway Events

Year	Event Attendees
2019-20	250
2018-19	2,269
2017-18	1,599
2016-17	1,452
2015-16	1,105
2014-15	952
2013-14	465

- 3.5 This indicator measures the number of people that attended a Business Gateway event. For 2019-20 the way the data is collected changed and it is now pulled from a central events management system. Along with this change attendees can now attend events run by any Business Gateway office, not only the one in the area they are registered.
- 3.6 Due to COVID-19 Business Gateway Moray's main business event for this period was cancelled. It was due to be held in March. This along with the change in how data is collected and the opening up of events to other areas has resulted in a significantly reduced attendance for 2019- 20 compared to the previous period.

A2 Number of Attendees at Business Events provided by the Council

Year	Event Attendees
2019-20	1,893
2018-19	1,800
2017-18	1,499
2016-17	641
2015-16	604

- 3.7 This indicator focuses on one to many events and not the more intensive one to one support that is evidenced in the indicator OP1.
- 3.8 There was a small increase in the number of attendees at business events provided by the council in the 2019-20 period. In all the Council provided 27 events that ranged from 12 to 300 in attendance. Compared with other

authorities Moray performs very well on this measure.

A3 Number of Companies Registered with the Supplier Development Programme (SDP)

Year	Companies Registered with SDP
2019-20	117
2018-19	60
2017-18	36
2016-17	28
2015-16	15
2014-15	2

- 3.9 The Supplier Development Programme is intended to support businesses who are looking to win business, grow and/or diversify through winning public contracts. The increase from the previous period shows that more businesses are looking and being supported to expand in this way in Moray
- 3.10 Compared with other authorities of a similar size Moray underperforms in this measure. In order to meet our economic recovery aims, particularly around Community Wealth Building, it is important that we engage with more businesses.
- 3.11 This measure should be viewed with indicator OP[^] which shows how many businesses actually participated in the programme during the period and provides further narrative.

OP1 Number of Businesses Supported by Council Economic Development Activity

Year	Businesses Supported
2019-20	253
2018-19	13
2017-18	71
2016-17	6
2015-16	327
2014-15	697
2013-14	14

- 3.12 This indicator shows which businesses were supported in a more intensive or one to one way than to those in indicator A2. The reason for the large increase in support being available in this period is due to the Moray Great Places project

OP2 Number of Business Gateway Unique Customer Accounts

Year	Unique Customer Accounts
2019-20	746
2018-19	804
2017-18	929

- 3.13 This indicator shows the level of support delivered by Business Gateway's core service. It measures each unique business supported and does not record if a business is supported on multiple occasions.

- 3.14 The data for Moray shows a decrease for this period and that matches the national trend. This figure is linked to the state of the economy so for example if the rate of start-ups slows then it would be expected that this figure would decrease.

OP3 Number of Companies Assisted by Scottish Development International (SDI)

Year	Companies Assisted by SDI
2019-20	31
2018-19	32
2017-18	45
2016-17	43
2015-16	18
2014-15	20
2013-14	23

- 3.15 Scottish Development International aim to help businesses into export markets. The number of companies assisted could therefore be used as a proxy for the growth in exporting businesses in the region. The number of businesses supported this year is similar to the previous period.
- 3.16 It should be noted that as part of the Economic Recovery Strategy Moray Council and Highlands and Islands Enterprise are jointly funding an assistance programme to help businesses with export issues. This is being provided through 3rd party consultancy administered by Business Gateway.

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

Year	Unemployed people that participated
2019-20	480
2018-19	712
2017-18	716
2016-17	423
2015-16	529
2014-15	682
2013-14	524

- 3.17 This indicator measures a range of employability support and is not focused on one element. The primary reason for the lower figure in this period is that a return was not received for a contributing component of the total figure. In the previous period this element contributed 134 individuals. In this period the figure was 66 participants. This was due to reduced staffing. Despite this the Moray Council Employability team still performed on par with comparator Local Authorities.

OP5 Percentage of Immediately Availability of Employment Land

Year	Availability of Employment Land
2019-20	24.2%
2018-19	49.0%

- 3.18 The reduction in employment land is due to construction beginning at Barmuckity Business Park which has lowered the amount of land now available. Work is ongoing to increase the availability of employment land through sites identified in the Economic Recovery Strategy.

OP6 Number of Businesses Participating in Supplier Development Programme

Year	Number of Businesses participating in SDP
2019-20	24
2018-19	24

- 3.19 This measures the number of businesses in Moray that are currently active with the Supplier Development Programme. It shows that no additional businesses have registered with the programme however this is not correct. The indicator data is collected nationally and has not captured Moray activity. An explanation for this is that national events were held in Aviemore and Glasgow which attracted 1660 businesses and will be registered nationally even though some will be located in Moray. From Council records we know there were 54 businesses engaged in the Supplier Development Programme in Moray in 2019-20.

OC1 Gross Value Added per Capita (Inverness & Nairn and Moray, Badenoch & Strathspey)

Period	Council	Scotland
2018	£27,777	£26,134
2017	£27,774	£25,685
2016	£21,683	£22,059
2015	£20,817	£21,510
2014	£20,649	£21,208
2013	£22,278	£22,250
2012	£21,831	£21,333

- 3.20 GVA per capita measures the value added in the production process per head of population and is not a measure of productivity. Average GVA per head will vary by sector depending on how capital intensive the production of the final output is and the value of inputs in the production process of that sector. This data is not Moray specific and includes Inverness. The area has a higher GVA per capita than the Scottish average. GVA data at the local level is subject to a margin of error greater than at the national level.

OC2 Gross Weekly Earnings - Residence Based and Workforce Based

Year	Gross Weekly Earnings – Residence Based	Scotland	Gross Weekly Earnings – Workforce Based	Scotland
2019	£561.60	£577.70	£569.90	£576.70
2018	£527.20	£562.70	£549.80	£563.20
2017	£497.90	£547.70	£498.10	£547.30
2016	£498.70	£536.60	£491.80	£535.00
2015	£490.70	£527.00	£489.80	£527.00.
2014	£434.30	£518.20	£451.50	£519.40

2012	£449.20	£508.00	£466.40	£508.30
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- 3.21 This measure distinguishes between the median salary for those living and working in Moray and those working in Moray but living out with the region. Salaries for those working in Moray but living elsewhere are slightly higher than for those who live and work in the region. On both measures median salaries in Moray are less than those in Scotland but the gap is closing. It should be noted that Moray level data is less accurate than at the Scottish level. The survey does not include salaries of members of the armed forces or the self employed.

OC3 Employment Rate

Year	Moray employment rate %	Scotland %
2019-20	76.4	74.5
2018-19	74.4	74.5
2017-18	73.8	74.3
2016-17	73.5	73.4
2015-16	74.2	72.9
2014-15	75.8	72.9
2013-14	77.7	71.5

- 3.22 For this indicator employment rate is the number of people in employment of working age (16-64 years) expressed as a percentage of the total working age population. The employment rate for Moray is higher than for Scotland as a whole. This measure does not however capture issues such as fair work, gender imbalance or underemployment in terms of the level of skills employees have. It should therefore not be viewed in isolation.

OC4 New Business Starts per 10,000 Working Age Population

Year	Business Start-Up rate/10,000 population	Scotland
2018	45	62
2017	50	59
2016	48	64
2015	50	62
2014	54	62
2013	48	62
2012	41	50

- 3.23 This measure shows that there are relatively fewer start-ups in Moray than in Scotland and this has historically been the trend. 2018 did see this gap widen. This measure should be viewed in conjunction with OC5 below which shows the 3 year survival rate for businesses. Under this measure Moray has a consistently higher survival rate than Scotland. Combining these indicators we can say that Moray has a lower rate of start-ups however those start-ups are more likely to survive in the medium term.
- 3.24 It should also be noted that there is relationship between the health of the economy as a whole and the rate of start-ups. When the economy is healthy with excess jobs and wage growth there will be less start-ups with the opposite also being true.

OC5 Business Survival Rate (3 Year)

3.25 This indicator covers all new businesses registered for VAT.

Year	3 yr business survival rate %	Scotland %
2015-2018	61.0	56.0
2014-2017	63.0	60
2013-2016	64.9	62.1
2012-2015	64.6	62.0
2011-2014	64.3	62.8
2010-2013	60.0	57.1
2009-2012	65.1	60.1

3.26 See measure OC5 for analysis of this measure.

OC6 Claimants in Receipt of Out-of-Work Benefits

Year	% of working age people (16-64) claiming either JSA and Universal Credit	Scotland %
2020	2.7	3.3
2019	2.6	3.1
2018	2.0	2.6

3.27 OC6 shows that a lower proportion of people in Moray claim out of work benefits than in Scotland. In both geographies the rate of people claiming benefits has been increasing over the past 3 years.

OC7 Working Age Population with Low/No Qualifications

Year	Working Age Population With Low or No Qualifications Moray %	Scotland %
2019	11.6	11.6
2018	11.2	11.6
2017	12.2	10.8
2016	12.8	11.9
2015	14.3	11.2
2014	11.2	11.5
2013	10.8	12.6

3.28 The percentage of people with low or no qualifications has been decreasing over the past 5 periods and is now on the same level as Scotland.

OC8 Town Vacancy Rate

Year	Vacancy Rate of retail units in Moray Town Centres of Elgin, Forres, Lossiemouth, Keith and Buckie %	Scotland %
2020	6.9	11.7
2019	6.9	10.0
2018	9.9	11.5
2017	11.9*	10.2

2016	11.9	11.9
2014	12.9	10.1
2012	9.5	10.2

- 3.29 This measure shows that town centre vacancies in the areas where data is collected are at their lowest point since this measure was introduced and are considerably lower than the Scottish average.

OC9 Number of Business Gateway Start-Ups that are Trading

Year	Business Gateway Supported Start-Ups That Began Trading	Scotland
2019-20	155	8,964
2018-19	120	9,083
2017-18	128	9,129
2016-17	132	8,983
2015-16	137	9,087
2014-15	120	10,103
2013-14	132	10,138

- 3.30 OC9 shows that the number of Business Gateway start-ups that are trading at its highest point since recording of this measure started. This is the opposite of the trend that is been seen in Scotland where the number of start-ups trading has been decreasing. This links to indicator OC5.

OC11 Leverage of External Funding

Year	Funding Received per £1 invested	Scotland
2019-20	£1: £2.77	£1: £1.91
2018-19	£1: £1.29	£1: £1.63
2017-18	£1: £2.66	£1: £1.71
2016-17	£1: £3.69	£1: £1.54
2015-16	£1: £2.47	£1: £1.56
2014-15	£1: £2.49	£1: £1.33
2013-14	£1: £3.30	£1: £1.80

- 3.31 This indicator shows for every £1 invested by Moray Council into Economic development projects how much external funding was attracted. In the 2019-20 period this was £2.77 for every £1 invested which is higher than the Scottish average. There is a degree of volatility in this measure as it depends on the availability of external funding in a given period.

OC12 Number of Planned New and Safeguarded Jobs from Completed Inward Investment Projects

Year	New Jobs recorded as the result of completed inward investment by HIE	Number of Safeguarded Jobs
2019-20	64	0
2018-19	12	0
2017-18	19	0

2016-17	0	0
2015-16	0	0
2014-15	64	0

- 3.32 This measure shows the number of jobs that were created by inward investment projects. It is based on the support given by Scottish Development International to business and is a proxy for inward investment.

OC13 No. of Unemployed People that have Progressed to Employment as a Result of Participation in Council Funded/Operated Employability Activities

Year	Moray	Nationally
2019-20	42	11,304
2018-19	62	15,328
2017-18	157	16,469
2016-17	83	17,020
2015-16	59	21,264
2014-15	270	24,181
2013-14	247	24,893

- 3.33 This SLAED indicator only captures those who are supported into employment. The Moray Council employability team have an 80% progression into positive destinations which also includes training and education where employment may follow. The new Moray Employer Recruitment Incentive (MERI) will boost numbers specifically for employment.
- 3.34 As with indicator OP4 there was an issue in collecting the data in time for submitting the return due to COVID. There are an additional 24 people who progressed to employment which would bring the total to 66 for 2019-20.

IG1 GVA per Hour Worked/Job Filled

	Period	Council	Scotland
GVA per hour worked (£)	2018	£33.90	£33.80
	2017	£34.00	£33.10
GVA per job filled (£)	2018	£52,575	£53,903
	2017	£57,440	£52,694

- 3.35 This indicator is measured at the Highlands and islands level. As with the overall GVA measure in indicator OC1 it is dependent on the sectoral makeup of the region and the jobs being performed. Edinburgh and Aberdeen have the highest GVA per hour worked/job filled in Scotland.

IG2 Underemployment

Year	Moray	Nationally
2019	8.8%	7.1%
2018	6.2%	7.4%
2017	8.4%	8.0%

- 3.36 Underemployment in this measure is defined as someone who is looking to work more hours than can be offered by their employer or would move employer to work more hours. There are more people in Moray who wish to

work more hours than the national average. This is a complex measure that without understanding the demographic make-up of the 8.8% it is difficult to draw conclusions.

IG3 5 year % change in median income vs lowest quintile

Year	Moray	Nationally
2015-2020	6.1%	-4.3%
2014-2019	6.1%	-4.3%
2013-2018	0.1%	-3.1%

- 3.37 This indicator measures the percentage change in median income over 5 years, in comparison with the percentage change of income in the lowest quintile. It shows that the earnings of those on the median income has increased by 6.1% more than those on the lowest quintile. This would indicate a growing inequality gap between those 2 groups. At the Scotland level the earnings gap between these 2 groups is closing over the 2015-2020 period.
- 3.38 It should be noted however that earnings data at deciles is subject to a large margin of error compared to at the Scotland level and is survey based.

IG4 GVA by Key Growth Sector (Moray)

Sector	2014 (£)	2015 (£)	2016 (£)	2017 (£)	2018 (£)
Food and Drink	76,832	80,679	81,076	97,164	Not Available
Financial & Business Services	31,626	42,024	46,839	36,612	46,300
Life Sciences	Not Available	Not Available	Not Available	Not Available	Not Available
Energy	79,032	104,628	166,688	198,390	101,377
Sustainable Tourism	21,058	11,116	18,157	21,005	11,526
Creative Industries (incl. Digital)	37,869	43,067	48,727	50,116	35,869

- 3.39 This measure shows the GVA per Scottish Government growth sector over the 5 years from 2014-2018 with total GVA for the sector divided by the number of employees in the sector. As discussed in other GVA indicators the GVA for each sector will depend on how capital intensive the production process is and the value of the final output. IG4 therefore shows which sectors have the highest value added and how that has changed over time.

IG5 Percentage of Employees Earning Less than the Living Wage

Year	Moray	Nationally
2019	24.0%	16.9%
2018	27.4%	19.4%
2017	24.9%	18.4%

- 3.40 In Moray 24% of those aged 18+ on the PAYE system earn less than the living wage, when overtime is excluded. This compares to 16.9% nationally. This is however a decrease of over 3% from the last period. This data is survey based and therefore would be subject to a margin of error.

IG6 Percentage of Participation by 16-19 year olds

Year	Moray	Nationally
2020	93.5%	92.1%
2019	91.3%	91.6%
2018	91.2%	91.8%

- 3.41 This measure captures the percentage of 16-19 year olds that are in education, employment or training. This measure has improved over the past 3 years and is now ahead of the Scottish average.

IG7 Percentage of Premises Unable to Access 10Mbit/s Broadband

Year	Moray	Nationally
2020	7.0%	4.2%
2019	7.3%	4.8%
2018	9.2%	6.1%

- 3.42 Moray has a consistently higher number of people who cannot get a connection speed of 10mbps or greater than in Scotland as a whole. This is due to the rural nature of the region and the higher cost of delivery. The current Scottish Government R100 programme and voucher scheme are aiming to address this issue.

IG8 Percentage of Premises Able to Access Superfast Broadband

Year	Moray	Nationally
2020	84.6%	93.3%
2019	84.2%	89.6%
2018	83.0%	91.1%

- 3.43 As with the previous indicator Moray has a lower percentage than the Scottish average due to its rural nature. The same schemes discussed in indicator IG7 will help address this issue as will R100 focusing on full fibre as part of the contract which will bring speeds of 1GB to some premises.

4. SUMMARY OF IMPLICATIONS

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

This report measures outcomes that are in both the corporate plan and LOIP and is therefore a useful tool in monitoring the performance of those strategies.

(b) Policy and Legal

There are no policy and legal implications.

(c) Financial implications

There are no financial implications arising directly from this report.

(d) Risk Implications

There are no risk implications.

(e) Staffing Implications

The annual return to SLAED is compiled using existing staffing resources.

(f) Property

There are no property implications.

(g) Equalities/Socio Economic Impact

The reports monitors the socio economic condition of the Moray economy and has implications in assessing equality in the region for protected characteristics.

(h) Consultations

Consultations have taken place with the Economic Development and Regeneration Manager to clarify narratives but not more widely.

5. CONCLUSION

5.1 This report highlights Moray's performance relative to the 31 other Local Authorities in Scotland across 31 different measures with historical data provided for comparison. In future years many of these indicators will have been affected by COVID-19 which will be reflected in the 2020-21 report which will be reported to Council in 2022.

Author of Report: Michael O'Donnell: Senior Officer Economic Strategy and Growth.

Background Papers: SLAED Indicators Report 2019-20

Ref:

[http://spman.moray.gov.uk/MANComRepDraftSite/ layouts/DocIdRedir.aspx?ID=SPMAN-813460984-98](http://spman.moray.gov.uk/MANComRepDraftSite/layouts/DocIdRedir.aspx?ID=SPMAN-813460984-98)