

APPENDIX V2-11.2: SOCIO-ECONOMIC BASELINE

11.1 Introduction

11.1.1 This Appendix sets out a regional economic audit of the Highland Council local authority area. It is based on a review of available statistics to present an overview of regional economic condition and covers population, economic activity and inactivity, employment and unemployment, worklessness and inactivity, employment sectors, education attainment, and earnings. A particular focus has been placed on the tourism sector following feedback received from the Highland Council (THC) at the Scoping stage.

11.2 Population

11.2.1 The Highland Council area has a population of over 235,000 residents and has witnessed an increase of 2.0 % over the period 2010 to 2020 - compared to 3.9 % increase at the Scottish level and an 6.9 % rise at the national (Great Britain) level. The area has witnessed a population increasing at a slower rate than the Scottish and the Great Britain (GB) rates.

Table 1-1: Total Population (2020)

	Highland	Scotland	Great Britain
	(Numbers)	(Numbers)	(Numbers)
All People	235,400	5,466,000	65,185,700
Males	115,400	2,665,200	32,211,600
Females	120,000	2,800,800	32,974,200

Source: ONS Population Estimates

11.2.2 In terms of the working age population, 60.7 % of the regional population is of working age, compared to 63.9 % and 62.4 % 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 1-2: Population aged 16 – 64 (2020)

	Highland	Highland	Scotland	Great Britain
	(Numbers)	(%)	(%)	(%)
All People	142,900	60.7	63.9	62.4
Males	70,600	61.2	64.5	63.1
Females	72,300	60.2	63.3	61.7

Source: ONS Population Estimates

11.3 Economic Activity

11.3.1 **Table 1-3** 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 1-3: Employment and Unemployment (Jan 2021 - Dec 2022)

	Highland	Highland	Scotland	Great Britain
	(Numbers)	(%)	(%)	(%)
All People				
Economically Active	115,000	75.3	76.2	78.4
In Employment	110,800	72.3	73.1	74.8
Employees	93,400	61.8	65.4	65.3
Self Employed	15,600	9.4	7.5	9.3
Unemployed (Model-Based)	4,000	3.4	3.9	4.4

Source: ONS Annual Population Survey

11.3.2 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 appendix.

11.4 Economic Inactivity

11.4.1 The corollary to higher economic activity rates is that the Highlands has a lower rate of economic inactivity, as shown in **Table 1-4** below.

Table 1-4: Economic Inactivity (Jan 2021 - Dec 2022)

	Highland	Highland	Scotland	Great Britain
	(Numbers)	(%)	(%)	(%)
Total	35,000	24.7	23.8	21.6
Student	7,100	20.3	25.9	28.1
Looking After Family/Home	N/A	N/A	16.3	19.2
Temporary Sick	N/A	N/A	2.1	1.9
Long-Term Sick	8,400	23.9	29.4	24.6
Discouraged	N/A	N/A	0.7	0.5
Retired	11,700	33.5	15.3	13.8
Other	N/A	N/A	10.4	11.9
Wants a Job	6,500	18.5	17.6	18.6
Does Not Want a Job	28,500	81.5	82.4	81.4

Source: ONS Annual Population Survey

11.4.2 It is worth noting that of those economically inactive, the region has a higher proportion of people who 'want a job' (18.5 %) compared to the Scottish (17.6 %) level. This suggests there is more of a desire to find work in the Highlands than recorded nationally.

11.5 Workless households

11.5.1 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 1-5: Workless Households (Jan 2020 - Dec 2020)

	Highland	Scotland	Great Britain
Number of Workless Households	8,600	320,300	2,772,600
Percentage of Households that are Workless	13.9	18.1	13.6
Number of Children in Workless Households	N/A	104,200	1,186,100
Percentage of Children who are in Households that are Workless	N/A	12.1	9.7

Source: ONS Annual Population Survey

11.6 Claimant Count Unemployment

11.6.1 The latest claimant count unemployment rate highlights that although the region has a lower rate than the Scottish rate, the unemployment rate is also below the GB average.

Table 1-6: Claimant Count by Sex (March 2022)

	Highland (Numbers)	Highland (%)	Scotland (%)	Great Britain (%)
All People	4,240	3.0	3.8	4.2
Males	2,555	3.6	4.8	4.9
Females	1,685	2.3	2.8	3.5

Source: ONS Claimant Count

11.6.2 Although regional unemployment is below the national unemployment rate, regional unemployment has increased from 2.6 % in March 2020 to 3.0 % in March 2022, this represents an increase of 15.8 % in the number of people out of work and claiming benefits over the last two years. It was as high as 5.9 % in July 2020 as a result of the COVID-19 pandemic.

11.6.3 In terms of unemployment by age range, the regional position is better than the Scottish situations across all age ranges.

Table 1-7: Claimant Count by Age (January 2021)

	Highland	Highland	Scotland	Great Britain
Aged 16+	4,240	3.0	3.8	4.2
Aged 16 to 17	25	0.5	0.6	0.3
Aged 18 to 24	625	3.9	4.5	5.0
Aged 18 to 21	380	4.2	4.6	5.0
Aged 25 to 49	2,400	3.5	4.4	4.8
Aged 50+	1,190	2.2	2.9	3.3
Aged 16+	4,240	3.0	3.8	4.2

Source: ONS Claimant Count

11.6.4 In terms of benefit claimants by type, the area has a lower rate of job seeker allowance claimants and lone parent claimants. However, it has a slightly higher proportion of disabled and bereaved claimants.

Table 1-8: Economic Inactivity (Jan 2021 - Dec 2021)

	Highland	Highland	Scotland	Great Britain
	(Numbers)	(%)	(%)	(%)
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	1.0
Carers	2,250	1.6	1.7	1.7
Others on Income Related 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

11.6.5 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.

11.7 Employment by Occupation

11.7.1 **Table 1-9** 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, and process plant and machine operatives, than the Scottish and GB levels.

Table 1-9: Employment by Occupation (Jan 2021 – Dec 2021)

	Highland	Highland	Scotland	Great Britain
	(Numbers)	(%)	(%)	(%)
Major Group 1-3	48,600	43.9	48.2	49.7
1 Managers, Directors and Senior Officials	8,500	7.7	8.7	10.5
2 Professional Occupations	23,900	21.5	23.8	23.7
3 Associate Professional and Technical	16,300	14.7	15.5	15.3
Major Group 4-5	21,400	19.3	18.9	19.0
4 Administrative and Secretarial	8,900	8.0	9.9	10.2
5 Skilled Trades Occupations	12,500	11.3	9.0	8.8
Major Group 6-7	23,300	21.1	17.7	16.2
6 Caring, Leisure and Other Service Occupations	11,700	10.6	9.3	9.2
7 Sales and Customer Service Occupations	11,700	10.5	8.4	6.9
Major Group 8-9	17,400	15.7	15.2	15.1
8 Process Plant and Machine Operatives	7,300	6.6	5.2	5.5
9 Elementary Occupations	10,100	9.2	9.9	9.6

Source: ONS Annual Population Survey

11.7.2 Regionally there are fewer people employed in professional, associate professional, technical, sales and customer service occupations and elementary occupations (such as cleaners, labourers and food preparation assistants).

11.8 Jobs

11.8.1 The region has a lower proportion of full-time jobs and more part-time jobs than the Scottish and GB levels.

11.8.2 In terms of industry of employment, the Highlands have higher rates of water supply related posts, construction jobs, wholesale and retail trade, accommodation and food service occupations, education, 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 1-10** below.

Table 1-10: Employee Jobs (2020)

	Highland	Highland	Scotland	Great Britain
	(Numbers)	(%)	(%)	(%)
Total Employee Jobs	104,000			
Full-Time	64,000	61.5	66.8	67.9
Part-Time	40,000	38.5	33.2	32.1
Employee Jobs by Industry				
B: Mining and Quarrying	500	0.5	1.2	0.2
C: Manufacturing	5,000	4.8	7.2	7.9
D: Electricity, Gas, Steam and Air Conditioning Supply	1,000	1.0	0.9	0.5
E: Water Supply; Sewerage, Waste Management and Remediation Activities	2,000	1.9	0.7	0.7
F: Construction	7,000	6.7	5.1	4.8
G: Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycles	16,000	15.4	13.9	14.9
H: Transportation and Storage	5,000	4.8	4.5	5.1
I: Accommodation and Food Service Activities	12,000	11.5	7.2	7.2
J: Information and Communication	2,500	2.4	3.7	4.5
K: Financial and Insurance Activities	800	0.8	3.3	3.5
L: Real Estate Activities	1,500	1.4	1.5	1.8
M: Professional, Scientific and Technical Activities	6,000	5.8	7.1	8.7
N: Administrative and Support Service Activities	5,000	4.8	8.0	8.8
O: Public Administration and Defence; Compulsory Social Security	6,000	5.8	6.5	4.6
P: Education	9,000	8.7	8.4	9.0
Q: Human Health and Social Work Activities	20,000	19.2	16.6	13.6

	Highland	Highland	Scotland	Great Britain
R: Arts, Entertainment and Recreation	3,000	2.9	2.3	2.2
S: Other Service Activities	1,750	1.7	1.7	1.9

Source: ONS Annual Population Survey

11.8.3 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 public administrative related jobs. The manufacturing sector is underrepresented which may affect the region's ability to benefit from the Proposed Development.

11.9 Businesses

11.9.1 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 1-11**.

Table 1-11: Business Counts (2021)

	Highland	Highland	Scotland	Great Britain
	(Numbers)	(%)	(%)	(%)
Enterprises				
Micro (0 To 9)	9,585	89.0	154,440	88.1
Small (10 To 49)	1,030	9.6	17,565	10.0
Medium (50 To 249)	135	1.3	2,715	1.5
Large (250+)	25	0.2	680	0.4
Total	10,775	-	175,400	-
Local Units				
Micro (0 To 9)	11,470	83.2	179,910	81.4
Small (10 To 49)	1,980	14.4	33,480	15.1
Medium (50 To 249)	325	2.4	6,650	3.0
Large (250+)	20	0.1	1,035	0.5
Total	13,790	-	221,075	-

Source: Inter Departmental Business Register

11.10 Qualifications

11.10.1 In terms of education attainment levels, the region has a larger number of higher qualified residents and also has fewer residents with no qualifications than recorded at the Scottish level as show in **Table 1-12**.

Table 1-12: Qualifications (Jan 2021 – Dec 2021)

	Highland	Highland	Scotland	Great Britain
	(Numbers)	(%)	(%)	(%)
Individual levels				
NVQ4 and Above	63,500	45.3	50.1	43.5
NVQ3 and Above	87,300	62.2	64.9	61.5
NVQ2 and Above	117,400	83.7	79.6	78.2
NVQ1 and Above	127,700	91.1	86.5	87.6
Other Qualifications	N/A	N/A	5.8	5.9
No Qualifications	7,500	5.4	7.7	6.6

Source: ONS Annual Population Survey

11.11 Earnings

11.11.1 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 1-13**.

Table 1-13: Earnings by Place of Residence (2021)

	Highland	Scotland	Great Britain
	(£)	(£)	(£)
Gross weekly place			
Full-Time Workers	611.4	622.0	613.1
Male Full-Time Workers	650.0	650.4	655.5
Female Full-Time Workers	549.2	577.3	558.1
Hourly pay – excluding overtime			
Full-Time Workers	15.14	15.93	15.65
Male Full-Time Workers	15.34	16.21	16.26
Female Full-Time Workers	14.27	15.62	14.86

Source: Inter Departmental Business Register