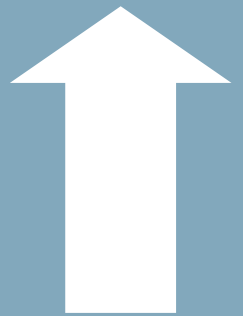


State of Scotland's economy



reform
scotland

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June 2017

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i. Foreword

Social, economic and fiscal policy shouldn't be based on guesswork. Yet Scottish policy makers often make decisions without the benefit of good data. Reform Scotland's objective is to advance policies, based on sound research, that will promote Scotland's economic growth. A decade ago our publication 'Powers for Growth' noted the absence of good economic and statistical data on Scotland's economy and society. Since then Holyrood's fiscal powers have expanded greatly but the lack of good, clear data on the economy persists.

Holyrood now has immense power to influence the Scottish economy. To make good decisions it needs good data and this compendium is Reform Scotland's contribution.

Alan McFarlane
Chairman, Reform Scotland

ii. Scottish Economic Data

Nearly a decade ago Reform Scotland published its first report Powers for Growth. The intention of that report was, in part, to set out a picture of the Scottish economy. However, when doing the research for that report we came up against a major obstacle – the lack of robust economic data, especially with regard to growth and GDP. The following is a quote from that report:

“Without such basic tools, there is a danger that measuring Scottish growth becomes an argument over statistics and economic assumptions, rather than what can be done to improve our performance.”

Powers for Growth
Reform Scotland
March 2008

The report was written just after the SNP formed its first minority Scottish Government and there was no independence referendum in sight. But good quality robust data is needed not just to help people decide on a constitutional future, but to help policy makers make the best decisions regardless of whether Scotland is independent or not.

Although the Scottish Government now publishes 'National Accounts for Scotland' as well as other statistics that weren't previously published, nearly ten years later, the argument about data continues.

Recently, this argument has centred on the use of Government Expenditure and Revenue Scotland (GERS) data. Reform Scotland has used GERS data in many of its publications over the years. We believe it is an important contribution to the debate and, as a National Statistics publication, that the statistics have been independently judged to be methodologically sound and produced free of political interference.

Graeme Roy, Director of the Fraser of Allander Institute and former civil servant in the GERS team, wrote an excellent explanation of how GERS is put together and the important role it plays.¹ He explained why estimates are used and how even the UK relies on estimates to work out its GDP.

However, he also accepted the limitations of GERS, especially with regard to Scotland's balance sheet.

Professor Richard Murphy of the University of London has also highlighted the limitations of GERS, commenting *"When Scotland has taxing powers it is shocking that data on so much of the tax paid in that country is unavailable. Again, this is not just bad for Scotland it is also a bad precedent when devolved tax powers are being discussed for many other parts of the UK. Managing tax without data is impossible. It's ludicrous that this situation has been allowed to develop and it must be addressed if proper decision making is to take place not just in Scotland but in other regions as well."*²

The two positions are not incompatible. GERS is a good starting point and does provide a lot of useful information on the Scottish economy. But that doesn't mean we cannot do better.

Scotland still needs more accurate data.

The purpose of this report is to try and give an overview of Scotland's economy, not just looking at how we compare with the UK as a whole, but with other regions and nations of the UK. All data sources are clearly referenced throughout this report. Generally Reform Scotland has used data from the Office for National Statistics for comparing data for Scotland with other regions and countries within the UK. The different areas of the UK have very different population levels and as a result each table lists the UK's countries and regions by population size, to enable easier understanding of how Scotland compares with similar-sized areas. Yorkshire and The Humber, South West England and Scotland are all very similar in population.

¹ <https://fraserofallander.org/2017/03/28/estimating-scotlands-fiscal-position/#more-1745>

² <http://www.taxresearch.org.uk/Blog/2017/04/12/debating-scottish-economic-data-on-bbc-scotland-at-12-30-today/>

In chapter six, where regions within Scotland are compared, data from Scottish Government publications tends to be used. Again, local authorities are listed by population size.

What emerges is far from clear.

While on the one hand our growth falls behind that of the UK as a whole, the growth in tax revenue is on a par.

Equally, while Scotland sometimes struggles to keep up with the UK, Scotland can often outperform most other UK regions outside London and the South East of England.

In other words, whichever political position you take, you can probably find a set of statistics, or estimates, to back you up.

Not only does this highlight the need for more reliable data, but poses a problem for policy makers trying to judge the best way forward. As a result, Reform Scotland is setting up an Economic Advisory Board to help navigate a way through this maze and help us come up with policy solutions to the economic problems we face.

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1. GDP/ GVA/ Growth

GVA and growth by region/country

Table 1 below from a House of Commons Briefing paper, based on figures from the Office for National Statistics,³ from December 2016⁴ illustrates Scotland's GVA relative to the UK and regions of the UK. While GDP is used at a national level, GVA, which is GDP excluding taxes and subsidies on products, is used at a regional/country level.

Table 1: Gross Value Added (GVA) and growth by region/country (workplace based) Current prices							
	Total GVA 2015		Total GVA growth (%) over year/period				
	£ bn	% UK total	2014	2015	1997-2015	2009-2015	2010-2015
UK (excl extra-region)	1,651	100	5.0	2.9	98.4	21.5	19.0
England	1,433	86.8	5.2	3.0	100.6	22.5	19.4
South East	249	15.1	4.5	3.2	98.1	23.7	19.5
London	378	22.9	7.7	3.2	138.2	30.6	27.1
North West	157	9.5	3.5	3.6	91.0	16.5	14.9
East	146	8.8	5.3	2.7	93.0	21.4	18.7
West Midlands	120	7.3	4.8	2.2	77.1	22.3	18.2
South West	126	7.6	5.0	2.9	93.8	18.6	15.2
Yorkshire & Humber	110	6.6	2.3	3.0	82.7	13.0	12.8
Scotland	127	7.7	5.0	2.3	88.1	15.1	17.0
East Midlands	98	5.9	4.5	1.8	85.4	22.4	17.3
Wales	56	3.4	1.9	3.0	82.3	17.3	16.9
North East	50	3.0	4.0	3.0	86.4	16.9	15.4
Northern Ireland	34	2.1	1.9	2.0	76.0	11.1	10.9
Note: UK excluding extra-region refers to output that can be assigned to a region and excludes North Sea oil and gas							

³ <https://www.ons.gov.uk/economy/grossvalueaddedgva/bulletins/regionalgrossvalueaddedincomeapproach/previousReleases>

⁴ <http://researchbriefings.files.parliament.uk/documents/SN05795/snep-05795local-table.xlsx>

Workplace GVA by regional Scottish area⁵

Table 2 is also taken from the House of Commons research paper and gives a breakdown by Scottish regions. NUTS classification (Nomenclature of territorial units for statistics) is a system for dividing up the economic territories of the EU.

NUTS3 area	£ per head	% change 2010-2015
Edinburgh, City of	36,963	9.70%
Aberdeen City and Aberdeenshire	36,726	16.30%
Glasgow City	32,305	13.20%
Shetland Islands	27,143	17.00%
Inverness & Nairn and Moray, Badenoch & Strathspey	23,497	14.20%
Perth & Kinross and Stirling	22,540	15.20%
South Ayrshire	21,918	15.20%
Lochaber, Skye & Lochalsh, Arran & Cumbrae and Argyll & Bute	21,718	20.50%
Orkney Islands	20,560	14.60%
West Lothian	20,040	4.90%
Angus and Dundee City	19,612	8.90%
North Lanarkshire	19,102	21.40%
Inverclyde, East Renfrewshire and Renfrewshire	18,999	15.20%
Dumfries & Galloway	18,720	19.10%
Caithness & Sutherland and Ross & Cromarty	18,459	18.70%
Falkirk	18,352	1.70%
South Lanarkshire	18,291	17.10%
Clackmannanshire and Fife	17,873	16.30%
Scottish Borders	17,196	14.40%
Eilean Siar (Western Isles)	16,989	15.80%
East Dunbartonshire, West Dunbartonshire and Helensburgh & Lomond	15,746	16.50%
East Ayrshire and North Ayrshire mainland	15,200	13.80%
East Lothian and Midlothian	15,128	17.00%

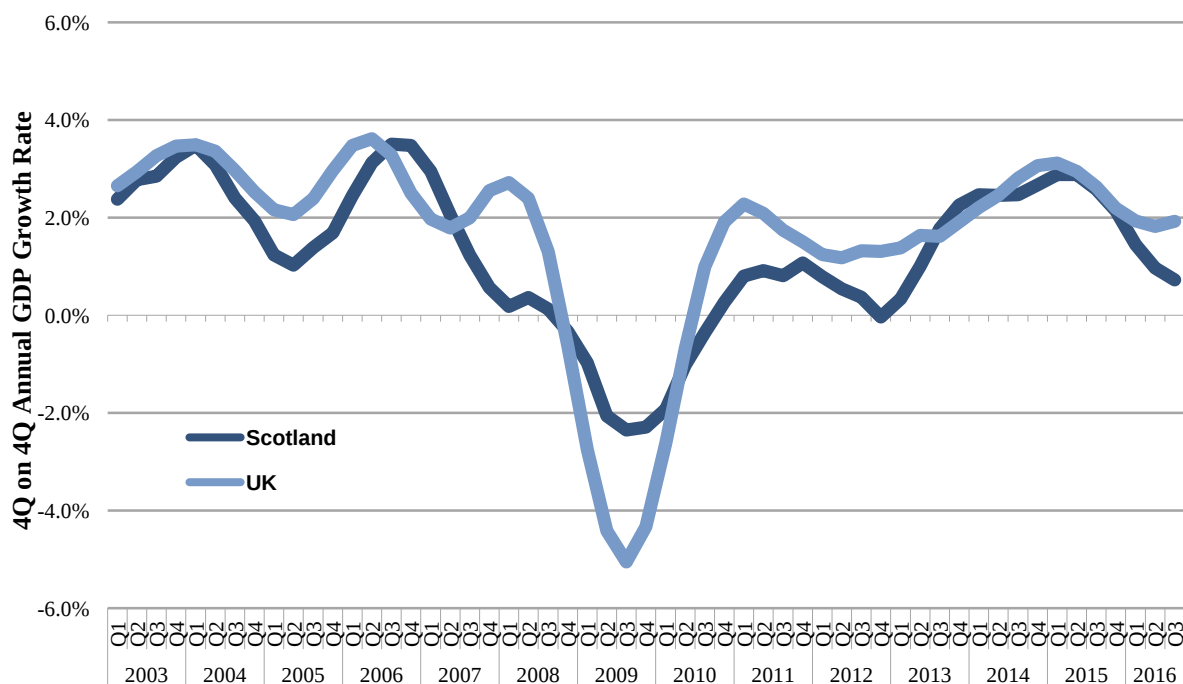
Edinburgh and Aberdeen are in the top 10 areas for the UK as a whole, while ‘East Ayrshire and North Ayrshire Mainland’ and ‘East Lothian and Midlothian’ are in the bottom 10 for the UK. However, while the bottom Scottish areas are about £2,000 per head off the very bottom, the top Scottish area is about £250,000 per head off the top area, Camden and the City of London. Edinburgh is about £5,000 per head lower than the highest non-London area, Milton Keynes. This illustrates that, outside London, the variation in GVA per head in Scotland is similar to the scale of variation across the UK.

⁵ <http://researchbriefings.files.parliament.uk/documents/SN05795/snep-05795local-table.xlsx>

Scotland and UK annual growth rate

Although Scottish GDP is not recorded in UK reports, such as those referred to above, the Scottish Government measures change in GDP and has a Purpose Target to raise Scottish GDP growth to UK level. The chart below, taken from the Scottish Government's website, highlights how growth in Scotland has varied from the UK since 2003.⁶

Scotland and UK Annual GDP Growth Rates 2003 Q1 to 2016 Q3



At the time of writing the latest figures available on GDP growth were published in April 2017. The data suggests that over the year to 2016 Q4, GDP in Scotland increased by 0.4% while the UK increased by 1.8% (measured on a rolling four quarter on four quarter basis).⁷

⁶ <http://www.gov.scot/Resource/0051/00513412.xlsx>

⁷ <http://www.gov.scot/Resource/0051/00516398.pdf>

Scottish GDP by broad industry⁸

Table 3: Scottish Gross Domestic Product Index By Broad Industry Group				
Sector	2013 sector share of the economy	2016 GDP index (2013=100)	Growth 2015-2016	Growth 2010-2016
All Sectors (excl. extraction of mineral oil & natural gas)	100%	105.3	0.4%	8.5%
Agriculture forestry & fishing	1.2%	111.4	1.0%	13.4%
Production Sector	17.9%	97.4	-4.5%	4.9%
Mining & Quarrying Industries	2.9%	112.8	-0.3%	28.2%
Manufacturing	11.3%	93.8	-6.3%	1.7%
Electricity & Gas Supply	2.5%	88.3	-6.0%	-12.0%
Water Supply & Waste Management	1.3%	114.8	7.6%	10.3%
Construction	6.3%	130.1	-4.4%	28.5%
Service Sector	74.6%	105	1.9%	7.5%
Distribution Hotels and Catering	13.1%	105.6	2.2%	8.3%
Transport, Storage and Communication	7.6%	105.1	-0.3%	8.9%
Business Services and Finance	28.9%	108.2	3.5%	12.3%
Government and Other Services	25.0%	101	0.5%	1.3%

⁸ <http://www.gov.scot/Resource/0051/00516362.xlsx>

2. Tax

Number of taxpayers, by region and marginal rate 2013/14⁹

Table 4: Number of taxpayers by marginal rate 2013/14											
<i>thousands</i>	All taxpayers	Starting rate	"Savers" rate	Basic rate	% Basic rate	Higher rate	% Higher rate	Growth in number of Higher Rate payers 2010/11 - 2013/14	Additional rate	% Additional rate	Growth in number of Additional Rate payers 2010/11 - 2013/14
UK	30,400	289	686	24,900	81.91%	4,200	13.82%	39.07%	311	1.02%	31.78%
England	25,400	240	608	20,700	81.50%	3,630	14.29%	38.55%	280	1.10%	30.84%
South East	4,480	42	124	3,450	77.01%	795	17.75%	32.94%	71	1.58%	33.96%
London	3,950	25	93	2,940	74.43%	792	20.05%	35.85%	104	2.63%	28.40%
North West	3,220	31	73	2,740	85.09%	353	10.96%	42.34%	16	0.50%	33.33%
East	2,970	32	73	2,350	79.12%	474	15.96%	40.24%	35	1.18%	29.63%
West Midlands	2,500	29	54	2,130	85.20%	279	11.16%	45.31%	13	0.52%	30.00%
South West	2,670	28	73	2,230	83.52%	327	12.25%	42.17%	16	0.60%	33.33%
Yorkshire and the Humber	2,360	23	52	2,040	86.44%	241	10.21%	33.89%	11	0.47%	37.50%
Scotland	2,590	22	39	2,170	83.78%	335	12.93%	44.40%	17	0.66%	54.55%
East Midlands	2,140	20	50	1,800	84.11%	255	11.92%	44.07%	11	0.51%	37.50%
Wales	1,350	12	23	1,180	87.41%	126	9.33%	44.83%	4	0.30%	33.33%
North East	1,150	11	18	1,000	86.96%	118	10.26%	51.28%	3	0.26%	0.00%
Northern Ireland	730	6	8	648	88.77%	64	8.77%	39.13%	3	0.41%	50.00%

Revenue from devolved taxes

Table 5 below details how much has been raised in devolved taxes, other than local taxes, since 2008/9 in both Scotland and the UK as a whole. The change over this period is also illustrated in the graph. Both show that growth in tax receipts in now devolved taxes has generally been the same for Scotland as it has been for the UK as a whole, despite the difference in our economic growth.

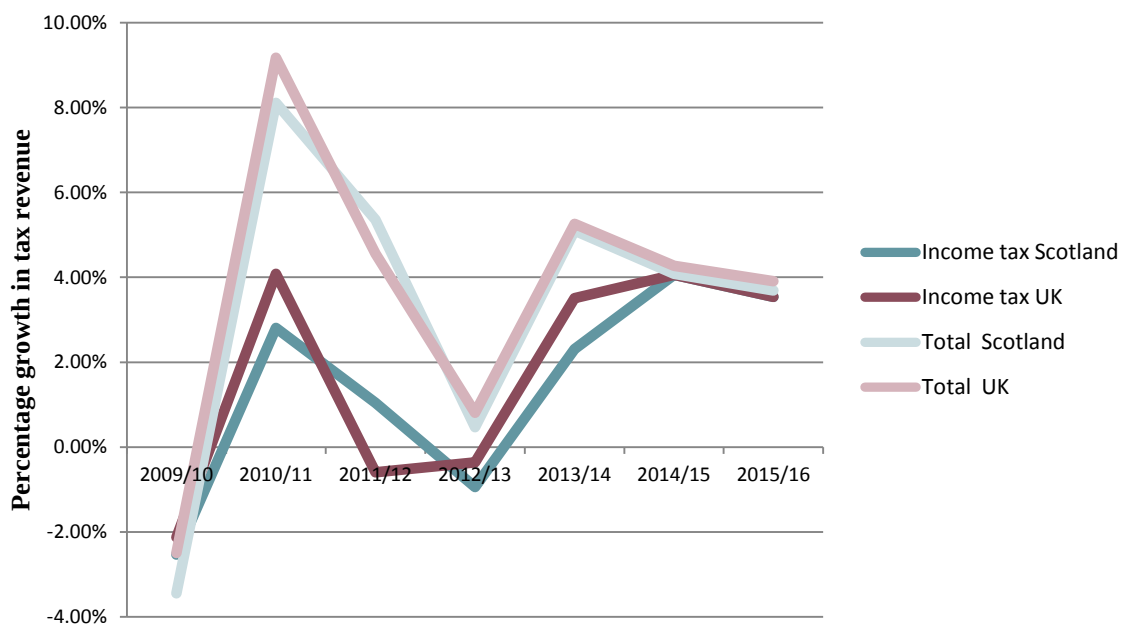
⁹ <https://www.gov.uk/government/collections/income-tax-statistics-and-distributions#history>
https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/523711/Table_2.2.xlsx

Table 5: Tax revenue Scotland and UK from devolved taxes

£million	Income tax		VAT		Stamp duties		Air passenger duty		Landfill tax		Aggregates levy		Total devolved non-local taxes	
	Scotland	UK	Scotland	UK	Scotland	UK	Scotland	UK	Scotland	UK	Scotland	UK	Scotland	UK
08-09	10,989	149,378	7,705	87,791	594	8,002	163	1,835	104	863	50	321	19,605	248,190
09-10	10,711	146,206	7,390	84,798	517	7,904	153	1,870	110	944	49	276	18,930	241,998
change	-2.53%	-2.12%	-4.09%	-3.41%	-12.96%	-1.22%	-6.13%	1.91%	5.77%	9.39%	-2.0%	-14.02%	-3.44%	-2.49%
10-11	11,012	152,167	8,507	99,523	577	8,931	185	2,183	129	1,094	55	294	20,465	264,192
change	2.81%	4.08%	15.12%	17.36%	11.61%	12.99%	20.92%	16.74%	17.27%	15.89%	12.24%	6.52%	8.11%	9.17%
11-12	11,127	151,262	9,516	112,057	511	8,919	228	2,637	131	1,075	48	283	21,561	276,233
change	1.04%	-0.59%	11.86%	12.59%	-11.44%	-0.13%	23.24%	20.80%	1.55%	-1.74%	-12.73%	-3.74%	5.36%	4.56%
12-13	11,022	150,713	9,750	114,428	464	9,140	244	2,818	139	1,116	43	261	21,662	278,476
change	-0.94%	-0.36%	2.46%	2.12%	-9.20%	2.48%	7.02%	6.86%	6.11%	3.81%	-10.42%	-7.77%	0.47%	0.81%
13-14	11,277	156,009	10,364	120,167	662	12,481	270	3,003	150	1,179	44	294	22,767	293,133
change	2.31%	3.51%	6.30%	5.02%	42.67%	36.55%	10.66%	6.56%	7.91%	5.65%	2.33%	12.64%	5.10%	5.26%
14-15	11,735	162,342	10,733	124,846	735	13,779	290	3,205	147	1,125	55	357	23,695	305,654
change	4.06%	4.06%	3.56%	3.89%	11.03%	10.40%	7.41%	6.73%	-2.00%	-4.58%	25.0%	21.43%	4.08%	4.27%
15-16	12,151	168,094	11,228	130,414	716	14,662	275	3,040	147	1,044	53	348	24,570	317,602
change	3.54%	3.54%	4.61%	4.46%	-2.59%	6.41%	-5.17%	-5.15%	0.0%	-7.20%	-3.64%	-2.52%	3.69%	3.91%

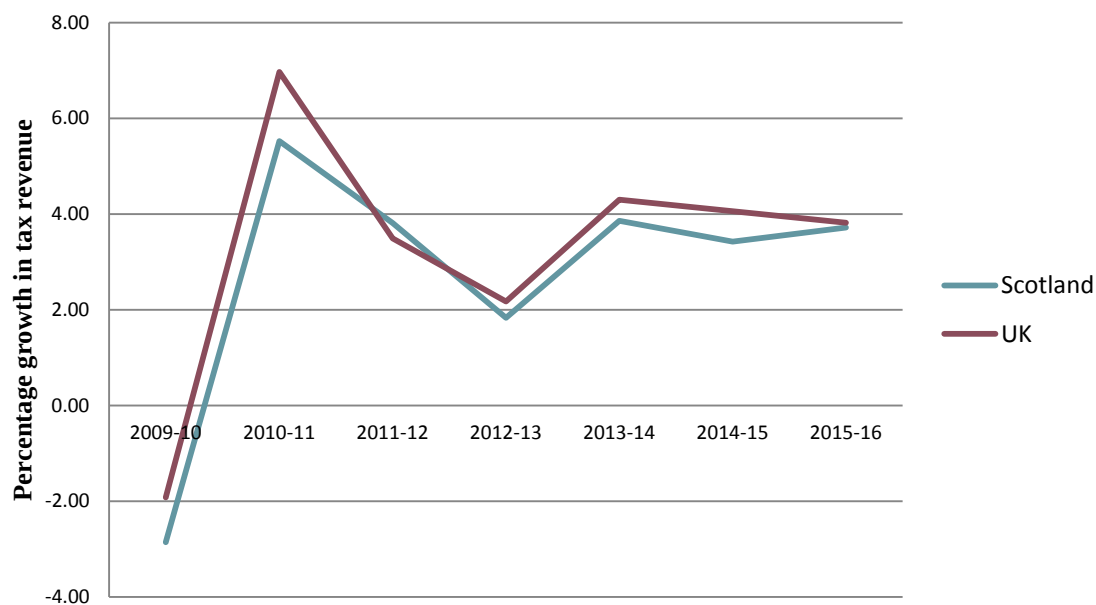
Tax revenue growth

Income tax and total devolved (non-local) tax growth for Scotland and the UK



The growth in devolved tax revenue relative to the UK's growth in tax revenue will be relevant for future budget agreements following the Fiscal Framework that was agreed as a consequence of the Scotland Act. However, it is worth noting the following chart which covers the change in total revenue, excluding North Sea revenue, for Scotland and the UK, where change in revenue is again broadly similar.

Total revenue tax growth, excluding North Sea, for Scotland and the UK



The Fiscal Framework

The difference in growth of UK and Scottish tax revenue is important because of the potential impact it can have on the Block Grant Scotland receives from Westminster.

The following explanation is an excerpt from David Eiser's note to the Scottish Parliament's Finance Committee explaining the Block Grant Adjustments¹⁰:

"The Scottish Government's block grant will continue to be determined by the Barnett Formula. The Barnett Formula allocates to the Scottish Government a population share of changes in 'comparable spending' in England. This change is added to the block grant in the previous year.

"But the Barnett Formula-determined block grant has to be adjusted to reflect the transfer of revenue responsibility from the UK Government to the Scottish Government. For each of the devolved (and assigned) taxes, a 'block grant adjustment' (BGA) will be calculated."...

"How are the BGAs calculated? For each tax, the BGA consists of two elements: an 'initial deduction' and an 'indexation mechanism'. The initial deduction is the revenue raised from the tax to be devolved in the year prior to devolution. For example, if income tax is to be devolved to the Scottish Government in 2017/18, the initial deduction is the revenue raised from income tax in Scotland in 2016/17.

"But what should the BGA be in 2017/18 and any year thereafter? This is where the indexation mechanism comes in. The purpose of the indexation mechanism is to provide a measure of the rate at which 'comparable revenues' have grown in rUK between any two years.

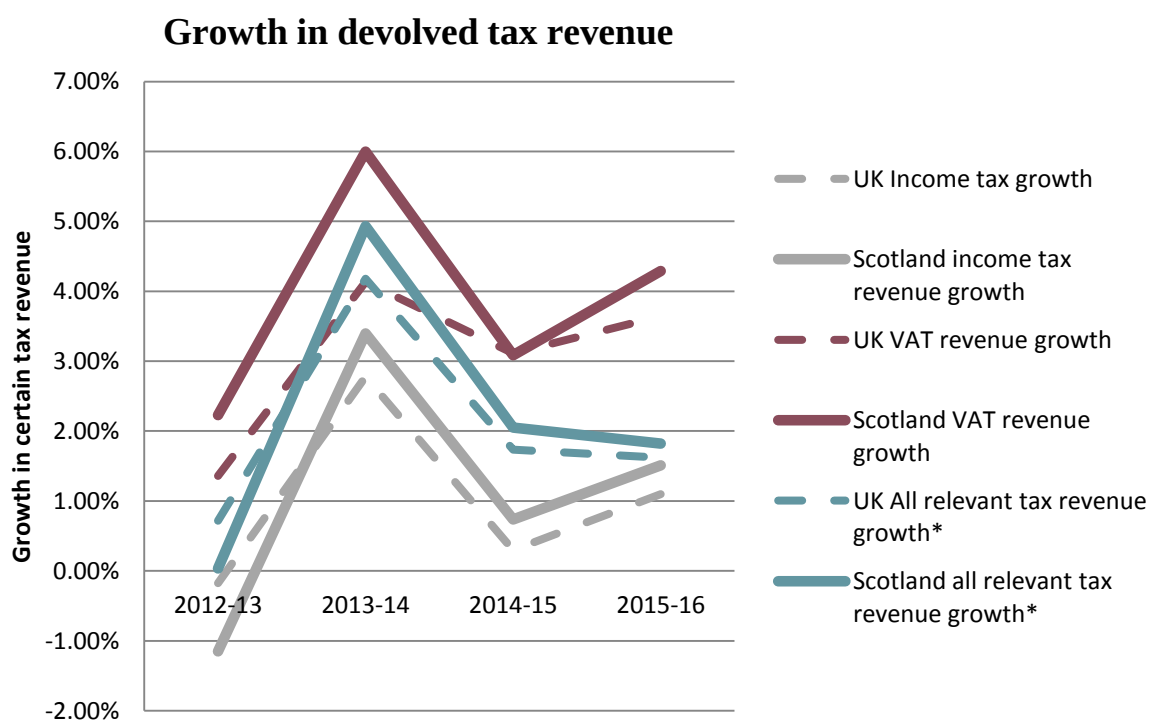
¹⁰ http://www.parliament.scot/S5_Finance/Essentials_of_the_Fiscal_Framework_David_Eiser.pdf

“To calculate the BGA for income tax in 2017/18, the indexation mechanism is applied to the initial deduction. The indexation mechanism is a measure of the growth rate of comparable revenues in rUK between 2016/17 and 2017/18. By applying it to the initial deduction, it thus provides a counterfactual estimate of the level of income tax revenue that would have been raised in Scotland in 2017/18, had tax policy been the same in Scotland as in rUK, and had income tax revenues grown at the same rate in Scotland as in rUK between 2016/17 and 2017/18.

“The BGA for income tax in 2018/19 will be calculated by applying the indexation mechanism (i.e. the measure of the growth in income tax receipts in rUK between 2017/18 and 2018/19) to the BGA for 2017/18....

“But actual revenues raised in Scotland from each of the devolved taxes may differ quite substantially from the BGAs for each tax. This is particularly the case if tax policy differs in Scotland compared to rUK. Thus as well as knowing what the BGAs for each tax will be, it is also essential that the Scottish Government has reliable forecasts of revenues from the devolved taxes, taking into account Scottish growth and Scottish tax policy. The Fiscal Framework specifies that the Scottish Fiscal Commission (SFC) will be responsible for preparing independent forecasts of Scottish Government tax receipts and benefit expenditure, and Scottish onshore GDP.”

The latest edition of GERS emphasises that future Block Grant Adjustments will be based in part on the relative growth in tax per head for each devolved tax in Scotland and the rest of the UK. The following chart from GERS 2015/16 highlights the growth per head in relevant Scottish and UK taxes, showing that Scotland’s per-head growth has slightly exceeded the UK’s in recent years.



*The relevant taxes included are: income tax; VAT; APD; LBTT; Landfill tax and Aggregates levy

3. Wealth Creation

Top 25 Scottish companies 2017¹¹

The following list is taken from Scottish Business Insider's top 500 Scottish Companies 2017, a list the organisation puts together each year. To qualify for a listing, each company must be headquartered in Scotland or be a substantial subsidiary of a foreign owned company with its financial results published separately and have a turnover of £20m+¹². Quoted companies as well as privately owned ones are included.

Bank of Scotland, as a subsidiary of Lloyds Banking Group, rose one place from third to second despite its profits falling back from £3.18bn to £2.65bn while Royal Bank of Scotland fell from second place in the rankings to 273, following a range of challenging issues hitting the banking group.¹³

INSIDER TOP500

RANK	COMPANY NAME	ACTIVITY	LOCATION	COUNTRY OF OWNERSHIP	TURNOVER £M		PROFIT £M		EMPLOYEES No.		PROFIT PER EMP £		YEAR	
17	16				PRESENT	PREVIOUS	PRESENT	PREVIOUS	PRESENT	CHANGE%	PRESENT	CHANGE%	END	
1-25														
1	1	SSE	Electricity distribution and supply	Perth	Sco	28,780.30	31,654.40	593.30	735.20	20,555	3.0	28,864	-21.6	Mar-16
2*	3	Bank of Scotland	Banking and financial services	Edinburgh	UK	7,285.00	7,605.00	2,653.00	3,180.00	36,351	-9.5	72,983	-7.9	Dec-15
3*	New	Scottish Power	Multi-utility services	Glasgow	Spain	6,590.40	2,284.30	704.90	603.30	6,521	n/a	108,097	n/a	Dec-15
4*	4	Standard Life	Global investment company	Edinburgh	Sco	1,724.00	1,612.00	415.00	422.00	6,431	-22.8	64,531	27.5	Dec-15
5*	8	AEGON UK	Pensions/protection/investment/dist	Edinburgh	NL	4,134.00	3,962.00	160.00	173.00	2,420	0.0	66,116	-7.5	Dec-15
6	9	Aggreko	Rental of temperature control systems	Glasgow	Sco	1,561.00	1,580.00	226.00	290.00	8,433	38.0	26,799	-43.5	Dec-15
7	13	Aberdeen Asset Management	Fund management services	Aberdeen	Sco	1,170.00	1,117.60	353.70	354.60	2,731	-2.5	129,513	2.3	Sep-15
8	11	Stagecoach Group	Public transport services	Perth	Sco	3,200.00	2,930.00	165.00	158.00	36,809	3.8	4,483	0.7	Apr-15
9	12	FirstGroup	Passenger transport services	Aberdeen	Sco	5,218.10	6,050.70	113.50	105.80	108,624	-5.0	1,045	13.0	Mar-16
10	14	Arnold Clark Automobiles	Motor dealer	Glasgow	Sco	3,353.52	3,265.41	110.39	107.28	9,184	0.0	12,020	2.9	Dec-15
11	15	Chivas Brothers	Whisky distiller	Paisley	Fr	916.45	920.57	365.47	416.01	1,609	2.2	227,141	-14.1	Jun-15
12	6	John Wood Group	Energy related services	Aberdeen	Sco	3,378.05	4,221.39	93.63	305.07	28,175	-11.8	3,323	-65.2	Dec-15
13	16	William Grant & Sons Holdings	Spirits distiller	Motherwell	Sco	882.54	933.16	177.21	175.68	1,904	0.8	93,072	0.0	Dec-15
14	17	Scottish Water	Water supply; waste water treatment	Dunfermline	Sco	1,196.80	1,187.40	106.20	110.70	3,823	3.8	27,779	-7.6	Mar-16
15	20	Technip UK	Offshore engineering; construction	Aberdeen	Fr	1,321.54	1,207.77	89.46	91.13	1,022	1.0	87,534	-2.8	Dec-15
16*	New	Cirrus Logic International (UK)	Mixed signal integrated circuits	Edinburgh	USA	800.71	91.46	167.62	-55.69	105	-70.3	1,596,381	n/a	Mar-16
17*	23	Tesco Bank/Tesco Personal Finance	Financial services	Edinburgh	UK	772.60	724.50	187.90	167.60	n/a	n/a	n/a	n/a	Feb-16
18*	29	Life Technologies	Biological products	Paisley	USA	727.67	402.70	211.71	138.89	808	5.2	262,017	44.9	Dec-15
19*	30	Sky Subscribers Services	Satellite TV broadcast support	Dunfermline	UK	957.22	466.05	60.12	49.41	8,036	n/a	7,481	n/a	Jun-15
20*	303	Edrington	Whisky and rum distiller	Glasgow	Sco	574.60	617.70	144.80	-52.70	2,325	-1.1	62,280	n/a	Mar-16
21*	28	Aker Solutions	Offshore services	Aberdeen	Nor	735.83	694.98	46.09	54.85	2,352	13.0	19,596	-25.6	Dec-15
22	24	National Oilwell Varco UK	Offshore equipment manufacturer	Aberdeen	USA	396.42	492.84	237.26	173.79	304	-84.3	780,461	767.6	Dec-15
23*	18	Chevron North Sea	Oil and gas exploration	Aberdeen	USA	636.10	824.90	57.40	271.00	n/a	n/a	n/a	n/a	Dec-15
24*	22	Johnson & Johnson Medical	Surgical supplies	Livingston	USA	549.30	610.58	107.37	390.87	1,835	3.2	58,514	-73.4	Jan-16
25	27	Edinburgh Woollen Mill (Group)	Clothing retail; tourist goods	Langholm	Sco	562.60	551.90	91.20	71.30	10,290	0.0	8,863	27.9	Feb-15

¹¹ <http://www.oascotland.org.uk/wp-content/uploads/2016/09/Top-500-Companies-2017.pdf>

¹² <http://www.insiderbusinessbreakfasts.co.uk/top-500-2017.html>

¹³ <http://www.insider.co.uk/special-reports/scottish-business-insiders-2017-top-9878775>

Number and density of businesses by region

The following chart is taken from the Department for Business, Energy and Industry Strategy's (BEIS) 'Business Population Estimates 2016'¹⁴ and shows that Scotland is second only to the North East of England for the lowest number of businesses per capita across the UK as a whole.

Number of businesses and business density rate in the private sector by region, 2016

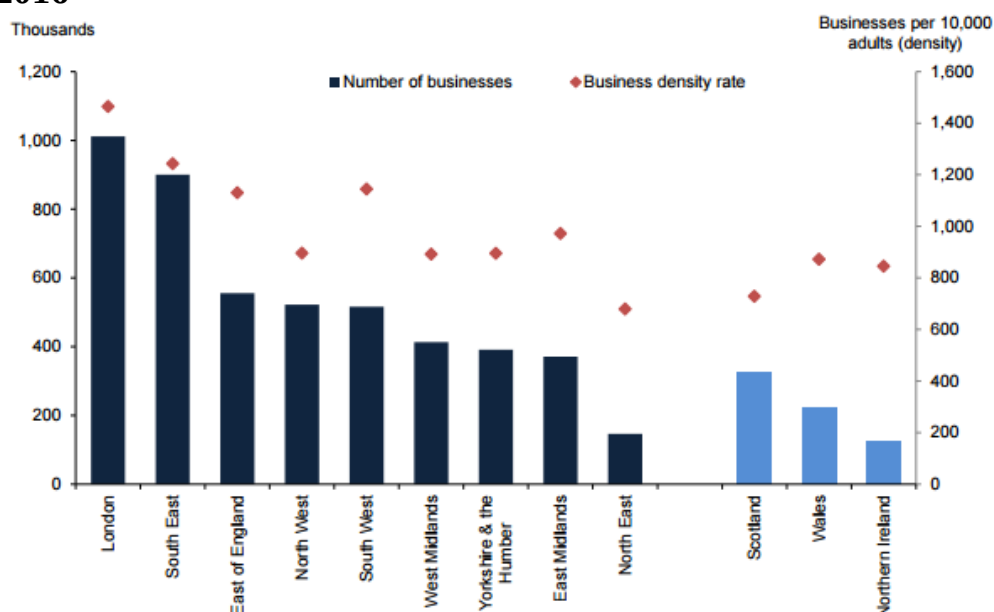


Table 6, from the same set of statistics, gives the breakdown by size of business.¹⁵ This table suggests that where Scotland really falls behind other regions is in the 0-49 employee category.

Table 6: Number of businesses and business density 2015

	Resident Adults Mid-year 2015 ¹	Businesses per 10,000 adults				
		Size (number of employees)				
		None ²	1-49	50-249	250+	All sizes
United Kingdom	52,852,169	789	243	6	1	1,040
England	44,381,213	830	250	6	1	1,088
South East	7,243,433	967	267	7	2	1,243
London	6,909,128	1,145	309	8	2	1,464
North West	5,820,624	669	221	6	1	896
East	4,919,174	863	259	6	1	1,130
West Midlands	4,628,624	659	226	6	1	892
South West	4,513,700	877	260	6	1	1,144
Yorkshire & the Humber	4,371,577	670	218	6	1	895
Scotland	4,460,738	515	206	5	1	728
East Midlands	3,815,349	728	236	6	1	972
Wales	2,543,797	659	207	5	1	872
North East	2,159,604	498	175	5	1	679
Northern Ireland	1,466,421	616	223	6	1	845

1. Source: Office for National Statistics - Mid-year population estimates 2015, all people aged 16 and over.

2. "None" includes sole proprietorships & partnerships with only the self-employed owner-manager(s), & companies with 0 or 1 employees, who are assumed to be employee directors.

¹⁴ https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/559219/bpe_2016_statistical_release.pdf

¹⁵ https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/559220/bpe_2016_detailed_tables.xls

Business Start ups and survival rates¹⁶

Table 7: Regional business births						
	2010	2011	2012	2013	2014	2015
United Kingdom	235,145	261,370	269,565	346,485	350,585	383,075
England	207,520	232,460	239,975	308,770	313,200	344,385
South East	36,910	40,775	41,245	50,895	51,280	55,590
London	52,755	61,395	65,095	83,600	88,580	100,920
North West	22,705	25,695	26,535	35,285	34,275	36,500
East	22,580	24,930	25,335	32,570	32,595	35,440
West Midlands	17,805	19,555	19,650	25,735	25,740	29,350
South West	17,835	19,750	20,235	25,640	25,300	26,155
Yorkshire And The Humber	16,630	17,235	17,990	23,325	23,745	25,450
Scotland	15,530	16,940	17,385	21,540	21,235	21,725
East Midlands	14,325	16,055	16,625	22,035	22,035	25,345
Wales	7,505	8,225	8,270	11,320	11,345	11,525
North East	5,975	7,070	7,265	9,685	9,650	9,635
Northern Ireland	4,590	3,745	3,935	4,855	4,805	5,440

Table 8: Regional business survival rates of companies born in 2010											
	Business Births in 2010	1-Year Survival	1-Year survival rate	2-Year Survival	2-Year survival rate	3-Year Survival	3-Year survival rate	4-Year Survival	4-Year survival rate	5-Year Survival	5-Year survival rate
United Kingdom	235,145	203,945	86.7	170,400	72.5	134,210	57.1	113,030	48.1	97,345	41.4
England	207,520	180,160	86.8	150,415	72.5	118,560	57.1	99,825	48.1	86,000	41.4
South East	36,910	32,440	87.9	27,485	74.5	21,960	59.5	18,565	50.3	16,015	43.4
London	52,755	44,625	84.6	37,015	70.2	28,890	54.8	24,160	45.8	20,745	39.3
North West	22,705	19,855	87.4	16,320	71.9	12,650	55.7	10,575	46.6	9,060	39.9
East	22,580	19,835	87.8	16,685	73.9	13,250	58.7	11,235	49.8	9,735	43.1
West Midlands	17,805	15,515	87.1	12,880	72.3	10,175	57.1	8,585	48.2	7,360	41.3
South West	17,835	15,720	88.1	13,240	74.2	10,690	59.9	9,095	51.0	7,875	44.2
Yorkshire And The Humber	16,630	14,245	85.7	11,785	70.9	9,260	55.7	7,805	46.9	6,780	40.8
Scotland	15,530	13,285	85.5	11,265	72.5	8,865	57.1	7,505	48.3	6,435	41.4
East Midlands	14,325	12,650	88.3	10,600	74.0	8,260	57.7	6,985	48.8	6,000	41.9
Wales	7,505	6,510	86.7	5,415	72.2	4,235	56.4	3,560	47.4	3,055	40.7
North East	5,975	5,275	88.3	4,405	73.7	3,425	57.3	2,820	47.2	2,430	40.7
Northern Ireland	4,590	3,990	86.9	3,305	72.0	2,550	55.6	2,140	46.6	1,855	40.4

¹⁶ <https://www.ons.gov.uk/businessindustryandtrade/business/activitysizeandlocation/datasets/businessdemographyreferencetable>

Growth in all private sector businesses¹⁷

Table 7: Private sector businesses across the UK									
All private sector	Number of businesses at the start of:							Growth 2010-2016	Growth 2015-2016
	2010	2011	2012	2013	2014	2015	2016		
United Kingdom	4,483,000	4,588,500	4,817,900	4,914,400	5,246,900	5,400,500	5,497,700	22.63%	1.80%
England	3,887,900	3,977,200	4,189,200	4,288,700	4,592,600	4,730,200	4,827,000	24.15%	2.05%
South East	733,200	754,600	771,600	792,400	837,300	879,600	900,100	22.76%	2.33%
London	718,600	752,800	820,900	857,900	939,300	985,900	1,011,600	40.77%	2.61%
North West	436,400	462,100	437,500	485,400	506,800	531,000	521,800	19.57%	-1.73%
East	469,100	474,500	507,400	499,000	549,000	529,300	555,600	18.44%	4.97%
West Midlands	357,500	339,400	373,500	386,200	412,600	399,800	413,000	15.52%	3.30%
South West	414,400	430,600	478,200	467,600	513,000	532,100	516,300	24.59%	-2.97%
Yorkshire & the Humber	332,000	332,900	343,000	349,900	353,200	380,900	391,400	17.89%	2.76%
Scotland	285,000	292,600	319,100	326,000	322,600	340,800	324,800	13.96%	-4.69%
East Midlands	302,800	310,200	324,900	315,700	330,900	356,500	370,700	22.42%	3.98%
Wales	190,800	195,900	195,000	189,500	213,200	212,900	221,900	16.30%	4.23%
North East	123,700	120,000	132,300	134,500	150,600	135,200	146,500	18.43%	8.36%
Northern Ireland	119,400	122,700	114,500	110,200	118,500	116,700	124,000	3.85%	6.26%

Growth in small (0-49 employees) private sector businesses

Table 8: Private sector businesses across the UK with 0-49 employees									
All small (0-49) businesses	Number of businesses at the start of:							Growth 2010-2016	Growth 2015-2016
	2010	2011	2012	2013	2014	2015	2016		
England	3,857,300	3,945,400	4,158,000	4,256,500	4,559,600	4,696,000	4,791,900	24.23%	2.04%
South East	728,000	749,300	766,300	787,000	831,600	873,800	894,200	22.83%	2.33%
London	712,700	746,300	814,600	851,400	932,600	978,800	1,004,300	40.91%	2.61%
North West	432,700	458,200	433,800	481,500	502,800	526,900	517,500	19.60%	-1.78%
East	465,700	471,000	504,000	495,500	545,400	525,600	551,900	18.51%	5.00%
West Midlands	354,600	336,400	370,600	383,100	409,400	396,500	409,700	15.54%	3.33%
South West	411,700	427,800	475,500	464,700	510,100	529,000	513,200	24.65%	-2.99%
Yorkshire & the Humber	329,100	330,000	340,000	346,900	350,200	377,800	388,100	17.93%	2.73%
Scotland	282,300	289,800	316,400	323,300	319,700	337,900	321,800	13.99%	-4.76%
East Midlands	300,200	307,600	322,300	313,100	328,200	353,700	367,800	22.52%	3.99%
Wales	189,500	194,600	193,700	188,100	211,900	211,500	220,400	16.31%	4.21%
North East	122,600	118,800	131,100	133,300	149,300	133,900	145,300	18.52%	8.51%
Northern Ireland	118,400	121,800	113,600	109,200	117,500	115,600	122,900	3.80%	6.31%

¹⁷ https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/559220/bpe_2016_detailed_tables.xls

Exports

Tables 9 – 11 on the value of exports are taken from HMRC.¹⁸ They highlight the value of EU and non EU exports, but don't include exports to other UK regions.

Table 9: Value of EU Exports by region

£ million	2014	2015	2016	change 2014-2016	2014 Q1	2015 Q1	2016 Q1	2017 Q1	change Q1 2014- Q1 2017
United Kingdom	146,435	133,401	143,388	-2.08%	38,045	33,718	33,928	40,198	5.66%
England	105,413	97,612	107,343	1.83%	27,589	24,699	25,493	29,890	8.34%
South East	19,244	18,239	20,699	7.56%	4,850	4,629	5,029	5,744	18.43%
London	17,822	14,047	15,019	-15.73%	4,970	3,546	3,358	4,115	-17.20%
North West	14,051	11,924	13,448	-4.29%	3,725	3,088	3,176	3,776	1.37%
East	13,313	12,542	13,676	2.73%	3,288	2,952	3,140	3,421	4.05%
West Midlands	10,746	11,373	13,008	21.05%	2,817	2,956	3,117	3,909	38.76%
South West	7,655	8,280	8,993	17.48%	1,961	1,972	2,154	2,603	32.74%
Yorkshire & The Humber	7,955	7,347	7,662	-3.68%	2,093	1,918	1,814	2,215	5.83%
Scotland	17,030	13,116	11,598	-31.90%	4,226	3,387	2,750	3,310	-21.68%
East Midlands	7,836	7,591	8,211	4.79%	2,036	1,895	2,003	2,319	13.90%
Wales	7,619	7,744	8,325	9.27%	2,058	1,964	1,985	2,435	18.32%
North East	6,790	6,269	6,627	-2.40%	1,849	1,742	1,702	1,789	-3.24%
Northern Ireland	4,084	3,915	4,278	4.75%	1,043	991	997	1,182	13.33%
Unallocated - Known	12,247	10,987	11,830	-3.40%	3,120	2,670	2,700	3,364	7.82%
Unallocated - Unknown	42	27	14	-66.67%	8	8	4	18	125.00%

Table 10: Value of Non-EU Exports by region

£ million	2014	2015	2016	change 2014-2016	2014 Q1	2015 Q1	2016 Q1	2017 Q1	Change Q1 2014- Q1 2017
United Kingdom	136,625	142,014	147,905	8.26%	33,423	34,437	33,195	40,888	22.33%
England	108,211	110,889	114,262	5.59%	26,504	27,491	25,219	31,569	19.11%
South East	17,809	19,605	21,701	21.85%	4,275	4,527	4,513	5,290	23.74%
London	18,539	19,702	19,573	5.58%	4,683	5,221	4,302	6,198	32.35%
North West	17,714	15,224	15,520	-12.39%	4,347	3,779	3,496	4,291	-1.29%
East	10,702	11,496	12,342	15.32%	2,641	2,800	2,846	3,308	25.26%
West Midlands	10,830	13,257	14,675	35.50%	2,637	3,388	3,323	4,000	51.69%
South West	13,610	12,612	12,572	-7.63%	3,320	2,993	2,651	3,649	9.91%
Yorkshire & The Humber	6,543	6,719	6,264	-4.26%	1,574	1,818	1,434	1,716	9.02%
Scotland	12,050	12,364	13,825	14.73%	2,951	2,986	2,961	3,916	32.70%
East Midlands	8,034	7,676	7,494	-6.72%	1,936	1,853	1,767	2,022	4.44%
Wales	4,224	3,868	4,080	-3.41%	1,047	957	955	1,122	7.16%
North East	4,431	4,599	4,121	-7.00%	1,091	1,113	886	1,096	0.46%
Northern Ireland	2,722	3,044	3,513	29.06%	676	710	948	1,022	51.18%
Unallocated - Known	2,911	5,453	5,524	89.76%	677	791	1,640	1,326	95.86%
Unallocated - Unknown	6,507	6,395	6,701	2.98%	1,567	1,502	1,472	1,932	23.29%

Table 10: Value of all Exports by region

Total Exports	2014	2015	2016	change 2014-2016	2014 Q1	2015 Q1	2016 Q1	2017 Q1	change Q1 2014- Q1 2017
United Kingdom	283,060	275,414	291,293	2.91%	71,468	68,155	67,124	81,086	13.46%
England	213,624	208,501	221,605	3.74%	54,093	52,190	50,712	61,459	13.62%
South East	37,053	37,844	42,400	14.43%	9,125	9,156	9,542	11,035	20.93%
London	36,361	33,749	34,592	-4.87%	9,653	8,766	7,660	10,313	6.84%
North West	31,766	27,149	28,968	-8.81%	8,072	6,867	6,672	8,067	-0.06%
East	24,014	24,038	26,018	8.35%	5,929	5,752	5,986	6,728	13.48%
West Midlands	21,576	24,630	27,683	28.30%	5,454	6,344	6,441	7,909	45.01%
South West	21,265	20,892	21,565	1.41%	5,280	4,965	4,805	6,252	18.41%
Yorkshire & The Humber	14,498	14,065	13,926	-3.95%	3,667	3,736	3,248	3,931	7.20%
Scotland	29,080	25,480	25,423	-12.58%	7,177	6,372	5,711	7,226	0.68%
East Midlands	15,869	15,266	15,704	-1.04%	3,972	3,748	3,770	4,341	9.29%
Wales	11,843	11,612	12,405	4.75%	3,106	2,921	2,940	3,557	14.52%
North East	11,222	10,868	10,748	-4.22%	2,940	2,855	2,588	2,884	-1.90%
Northern Ireland	6,805	6,959	7,791	14.49%	1,719	1,700	1,945	2,205	28.27%
Unallocated - Known	15,159	16,440	17,355	14.49%	3,797	3,461	4,340	4,690	23.52%
Unallocated - Unknown	6,549	6,422	6,715	2.53%	1,576	1,510	1,476	1,950	23.73%

¹⁸ <https://www.uktradeinfo.com/Statistics/RTS/Pages/default.aspx>

Tables 12 and 13 are taken from Scottish Export Statistics, published by the Scottish Government and provide greater details about Scottish exports.¹⁹

Table 12: Scottish exports by destination (Rest of the UK, EU and non-EU), 2008 - 2015, (£ million)

Destination	2008	2009	2010	2011	2012	2013	2014	2015	2014-2015 change
Rest of the UK	41,730	42,530	44,490	44,400	45,365	47,230	47,755	49,835	4.36%
International	22,195	22,370	23,655	26,565	27,070	28,345	27,740	28,740	3.60%
<i>of which</i>									
EU	10,935	10,595	10,555	13,005	12,380	12,840	11,780	12,305	4.46%
Non-EU	11,250	11,770	13,090	13,555	14,680	15,505	15,950	16,435	3.04%
Total	63,925	64,895	68,150	70,965	72,435	75,570	75,495	78,570	4.07%

Table 13: Total Scottish exports by Industry Sector, 2008 - 2015, (£million)

	2008	2009	2010	2011	2012	2013	2014	2015	2014-2015 % Change	2015 % of all	2015 Rank
Total rUK & International Exports	63,925	64,895	68,150	70,965	72,435	75,570	75,495	78,570	4.1	100.0	
Agriculture, Forestry and Fishing	810	990	955	1,000	1,035	970	1,125	870	-22.5	1.1	21
Mining and Quarrying	2,055	2,805	4,190	4,455	4,295	4,230	4,805	5,275	9.7	6.7	6
Manufacturing											
Food products, beverages & tobacco products	6,365	6,760	7,715	8,460	8,770	9,065	8,730	8,910	2.0	11.3	1
<i>Of Which Distilling, rectifying & blending of spirits</i>	3,590	3,730	4,065	4,840	4,795	4,845	4,480	4,445	-0.8	5.7	
Textiles, wearing apparel, leather and related products	625	545	545	600	640	630	630	645	2.1	0.8	22
Wood and paper products; and printing	1,265	1,300	1,390	1,295	1,270	1,275	1,215	1,305	7.6	1.7	17
Coke, refined petroleum and chemical products	4,780	4,240	4,860	5,260	4,520	4,415	3,335	3,970	19.0	5.1	8
Basic pharmaceutical products and their products	675	530	610	590	480	445	540	590	8.8	0.7	23
Rubber, plastic and other non-metallic mineral products	1,030	1,000	1,060	1,200	1,245	1,315	1,335	1,235	-7.5	1.6	19
Basic metals and fabricated metal products, except machinery	1,395	1,365	1,250	1,215	1,290	1,270	1,215	1,460	19.9	1.9	16
Computer, electronic & optical products	2,230	2,130	2,020	2,025	2,085	2,180	1,795	1,670	-7.2	2.1	13
Electrical equipment	515	615	525	555	470	530	590	485	-18.0	0.6	24
Machinery and equipment n.e.c	1,475	1,470	1,475	1,430	1,655	1,815	1,955	1,980	1.5	2.5	12
Transport equipment	2,425	2,425	2,515	2,320	2,530	2,475	2,530	2,505	-1.0	3.2	11
Furniture, other manufacturing; repair & installation of machinery & equipment	1,035	1,175	1,125	1,195	1,340	1,345	1,485	1,625	9.3	2.1	14
Total Manufacturing	23,820	23,555	25,090	26,140	26,300	26,765	25,360	26,375	4.0	33.6	
Utilities	2,160	3,750	3,515	5,115	5,205	5,980	4,685	6,080	29.8	7.7	5
Construction	2,375	1,735	1,570	1,560	1,645	1,870	1,750	1,510	-13.7	1.9	15
Services											
Wholesale ¹ , retail trade; repair of M.V. & M.C.	7,180	6,950	6,755	7,430	7,560	7,725	8,350	8,300	-0.6	10.6	3
Transportation and storage	2,745	2,665	2,725	2,910	3,045	3,100	2,955	3,235	9.4	4.1	10
Accommodation and food service activities	1,105	1,130	1,220	1,255	1,300	1,110	1,205	910	-24.5	1.2	20
Information and communication	1,915	1,820	1,780	1,830	2,245	2,625	3,010	3,340	11.0	4.2	9
Financial and insurance activities	11,400	10,610	11,375	9,935	8,495	8,385	8,610	8,820	2.5	11.2	2
Real estate activities	245	365	295	400	365	625	380	290	-23.0	0.4	25
Professional, scientific & technical activities	3,875	4,255	5,235	5,435	6,270	6,680	7,210	7,910	9.7	10.1	4
Administrative & support service activities	3,200	3,135	2,390	2,365	3,295	4,150	4,620	4,145	-10.2	5.3	7
Education	735	795	860	965	1,045	1,055	1,160	1,300	12.5	1.7	18
Other Services ²	305	340	190	175	335	305	275	205	-25.8	0.3	26
Total Services	32,705	32,065	32,830	32,695	33,960	35,755	37,770	38,465	1.8	49.0	

¹⁹ <http://www.gov.scot/Topics/Statistics/Browse/Economy/Exports/ESSPublication>

Expenditure on Research & Development

These figures come from the ONS publication UK gross domestic expenditure on research and development 2015.²⁰ Table 14 provides estimates of research and development in business enterprise, higher education, government and private non-profit organisations.

The publication sites the definition of “R&D” to be the internationally agreed standard defined by the OECD, which states:

“Research and development expenditure is the money spent on creative work undertaken on a systematic basis to increase the stock of knowledge and the use of this knowledge to devise new applications.”²¹

Figure 14: Expenditure on R&D performed in the UK by sector, country and region 2015

£ million	Business	Higher Education	Government & Research Councils	Private Non-Profit	Total
United Kingdom	20,885	8,009	2,097	634	31,626
England	19,151	6,484	1,917	600	28,152
East Midlands and West Midlands ²²	3,681	749	147	3	4,580
South East	4,709	1,138	592	88	6,527
London	1,912	2,008	429	190	4,539
North West	2,113	639	150	1	2,903
East	4,178	765	226	261	5,430
South West	1,472	394	216	19	2,101
Yorkshire and the Humber	779	545	111	4	1,439
Scotland	871	1,092	155	32	2,150
Wales	362	286	13	-	663
North East	306	245	47	35	633
Northern Ireland	501	147	12	-	660

²⁰

<https://www.ons.gov.uk/economy/governmentpublicsectorandtaxes/researchanddevelopmentexpenditure/bulletins/ukgrossdomesticexpenditureonresearchanddevelopment/2015#quality-and-methodology>

²¹ <https://stats.oecd.org/glossary/detail.asp?ID=2315>

²² According to the ONS data “East Midlands and West Midlands regions data have been combined due to confidentiality.”

4. Labour Market

As explained in the introduction, sets of statistics can sometimes be used by different people to back up different arguments. That is especially the case with labour market statistics where you often find a government (whether UK or Scotland/Left or Right) will point to falling unemployment while the opposition highlight increasing inactivity levels.

Labour Market statistics are published by the Office for National Statistics on a monthly basis. This extract from its bulletins explains the different categories measured:

“Everybody aged 16 or over is either employed, unemployed or economically inactive. The employment estimates include all people in work including those working part-time. People not working are classed as unemployed if they have been looking for work within the last 4 weeks and are able to start work within the next 2 weeks. A common misconception is that the unemployment statistics are a count of people on benefits; this is not the case as they include unemployed people not claiming benefits. Jobless people who have not been looking for work within the last 4 weeks or who are unable to start work within the next 2 weeks are classed as economically inactive. Examples of economically inactive people include people not looking for work because they are students, looking after the family or home, because of illness or disability, or because they have retired.”

In addition to the examples above, economically inactive people will also include those who are in prison. Therefore, the inactivity rate for 18-24 year olds will include both students and incarcerated young offenders. This also means that inactivity rates can appear high in big cities because they have more university students who are classed as economically inactive. So taking one set of figures doesn't necessarily give an accurate impression of the economic situation, though trends over time should be more helpful.

The Fraser of Allander Institute has highlighted many of the issues about labour market data in its publication 'Labour Market Trends' published in 2016²³.

The figures in this chapter are taken from the March 2017 Regional Labour Market Statistics published by the Office for National Statistics.²⁴

²³ Fraser of Allander Institute, Labour Market Trends Vol 1 No1 <https://www.sbs.strath.ac.uk/economics/fraser/20161118/20161118-Labour-Market-Trends.pdf>

²⁴ <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/bulletins/regionallabourmarket/mar2017>

Regional employment, unemployment and inactivity

Table 15: Regional labour market						
	Employment rate ¹ (%) aged 16 to 64	Change on Aug to Oct 2016 (%)	Unemployment rate ² (%) aged 16 and over	Change on Aug to Oct 2016 (%)	Inactivity rate ³ (%) aged 16 to 64	Change on Aug to Oct 2016 (%)
United Kingdom	74.6	0.2	4.7	-0.1	21.6	-0.1
England	74.9	0.1	4.7	-0.1	21.3	-0.1
South East	78.5	0.4	3.5	0.0	18.6	-0.5
London	73.5	-0.2	5.6	0.2	22.0	0.0
North West	73.1	0.6	4.9	-0.5	23.1	-0.2
East	76.6	0.0	4.4	-0.3	19.8	0.2
West Midlands	72.4	-0.4	5.6	0.3	23.2	0.2
South West	78.2	0.9	3.6	-0.2	18.8	-0.8
Yorkshire and The Humber	72.9	-0.4	5.3	0.0	22.9	0.5
Scotland	73.7	0.4	4.7	-0.6	22.6	0.0
East Midlands	75.7	0.4	4.3	-0.4	20.9	0.0
Wales	73.3	0.4	4.4	0.1	23.3	-0.4
North East	70.7	-0.2	6.8	0.3	24.1	0.0
Northern Ireland	69.4	-0.1	5.7	0.1	26.2	0.0
Notes:						
1. Calculation of headline employment rate: Number of employed people aged from 16 to 64 divided by the population aged from 16 to 64. Population is the sum of employed plus unemployed plus inactive.						
2. Calculation of headline unemployment rate: Number of unemployed people aged 16 and over divided by the sum of employed people aged 16 and over plus unemployed people aged 16 and over.						
3. Calculation of headline economic inactivity rate: Number of economically inactive people aged from 16 to 64 divided by the population aged from 16 to 64. Population is the sum of employed plus unemployed plus inactive.						

Change in annual regional employment rate 2009-2016²⁵

Table 16 gives the change for both men and women, while the following tables split the figures by gender.

Table 16: Change in employment, all people						
	Employment rate (%) aged 16 to 64				Change 9/10 to 15/16	Change 14/15 to 15/16
	Oct 2009 - Sept 2010	Oct 2013 - Sept 2014	Oct 2014 - Sept 2015	Oct 2015 - Sept 2016		
South East	74.6	75.9	76.7	77.2	2.6	0.5
London	67.5	71.2	72.4	73.6	6.1	1.2
North West	68.5	69.0	70.6	71.6	3.2	1.1
East	73.4	75.9	76.8	76.8	3.3	0.0
West Midlands	67.9	69.6	70.7	71.0	3.1	0.3
South West	73.9	75.4	77.3	77.3	3.4	0.0
Yorkshire & The Humber	68.4	70.2	72.4	72.4	4.0	0.0
Scotland	71.0	72.2	73.1	72.8	1.8	-0.3
East Midlands	71.2	73.4	73.5	74.3	3.2	0.8
Wales	66.8	69.5	70.3	71.1	4.3	0.8
North East	66.6	68.0	69.0	69.9	3.3	0.8
Northern Ireland	65.4	68.0	67.6	68.9	3.5	1.3

²⁵

Table 17: Change in employment, men

Men	Employment rate (%) aged 16 to 64				Change 9/10 to 15/16	Change 14/15 to 15/16
	Oct 2009 - Sept 2010	Oct 2013 - Sept 2014	Oct 2014 - Sept 2015	Oct 2015 - Sept 2016		
South East	80.1	80.8	81.5	82.3	2.2	0.7
London	74.1	78.3	79.3	80.4	6.3	1.1
North West	72.9	72.9	75.2	75.7	2.7	0.5
East	79.5	81.5	82.2	82.0	2.5	-0.2
West Midlands	73.0	74.9	76.7	76.9	3.9	0.2
South West	79.0	79.6	82.3	81.7	2.6	-0.6
Yorkshire & The Humber	72.9	74.8	77.1	77.0	4.1	-0.1
Scotland	74.8	76.1	76.3	76.7	1.8	0.4
East Midlands	75.8	77.8	78.5	79.0	3.2	0.4
Wales	70.4	72.7	73.8	74.6	4.2	0.8
North East	69.9	72.0	73.3	73.6	3.6	0.2
Northern Ireland	70.4	72.3	72.5	74.1	3.8	1.7

Table 18: Change in employment, women

	Employment rate (%) aged 16 to 64				Change 9/10 to 15/16	Change 14/15 to 15/16
	Oct 2009 - Sept 2010	Oct 2013 - Sept 2014	Oct 2014 - Sept 2015	Oct 2015 - Sept 2016		
South East	69.2	71.1	72.0	72.2	3.0	0.2
London	61.0	64.1	65.5	66.7	5.8	1.2
North West	64.1	65.1	66.1	67.7	3.6	1.6
East	67.5	70.3	71.4	71.6	4.1	0.2
West Midlands	62.8	64.3	64.7	65.1	2.3	0.3
South West	68.9	71.2	72.5	73.0	4.1	0.5
Yorkshire & The Humber	64.0	65.7	67.8	67.9	3.9	0.1
Scotland	67.4	68.5	70.0	69.1	1.7	-0.9
East Midlands	66.6	68.9	68.6	69.7	3.1	1.2
Wales	63.3	66.3	66.8	67.7	4.3	0.9
North East	63.3	64.0	64.9	66.2	3.0	1.4
Northern Ireland	60.6	63.9	62.9	63.9	3.2	1.0

Regional productivity^{26/27}

The ONS's regional productivity publication uses GVA to work out regional productivity results. The results are presented in terms of Gross Value Added (GVA) per hour worked and GVA per job filled. Both productivity measures are expressed relative to the UK average for each year (UK=100 index)

Table 19: GVA per hour worked 2009-2015

	2009	2010	2011	2012	2013	2014	2015	change 09-15	change 14-15
UK less Extra-Region	100.0	100.0	100.0	100.0	100.0	100.0	100.0	0.0	0.0
England	102.0	101.9	101.8	101.8	101.8	101.8	101.8	-0.2	0.0
South East	108.7	108.7	108.5	108.3	108.5	108.7	108.8	0.1	0.1
London	130.4	131.0	131.2	130.7	130.4	130.4	130.7	0.3	0.3
North West	92.4	91.7	91.1	90.7	90.5	90.1	89.9	-2.5	-0.2
East	100.6	100.1	99.5	99.3	99.2	99.4	99.5	-1.1	0.1
West Midlands	87.5	87.6	87.8	87.9	87.5	87.1	86.8	-0.8	-0.3
South West	93.9	93.5	92.9	92.6	92.4	92.4	92.5	-1.4	0.0
Yorkshire & The Humber	89.9	88.9	88.1	87.7	87.3	86.8	86.4	-3.5	-0.3
Scotland	95.2	95.7	95.9	95.9	96.4	97.0	97.4	2.3	0.4
East Midlands	87.5	87.4	87.7	88.4	88.8	89.0	88.8	1.3	-0.2
Wales	82.0	81.9	82.3	82.8	82.6	82.0	81.4	-0.6	-0.5
North East	85.8	86.3	87.1	87.8	88.0	87.9	87.8	2.0	-0.1
Northern Ireland	81.8	81.7	82.0	82.0	81.4	80.7	80.3	-1.5	-0.4

Table 20: GVA per job filled 2009-2015

	2009	2010	2011	2012	2013	2014	2015	change 09-15	change 14-15
UK less Extra-Region	100.0	100.0	100.0	100.0	100.0	100.0	100.0	0.0	0.0
England	102.0	102.0	102.0	101.9	101.9	101.9	101.9	-0.1	0.0
South East	106.8	106.7	106.6	106.8	107.1	107.2	107.2	0.4	0.0
London	139.0	139.9	140.3	139.6	138.7	138.4	138.5	-0.5	0.1
North West	91.2	90.6	89.9	89.6	89.5	89.5	89.6	-1.6	0.0
East	99.2	98.7	98.2	97.9	97.9	97.8	97.8	-1.3	0.0
West Midlands	87.5	87.8	88.0	88.1	87.9	87.8	87.8	0.2	-0.1
South West	90.9	90.5	90.0	89.7	89.4	89.3	89.2	-1.7	-0.1
Yorkshire & The Humber	88.4	87.6	87.1	86.6	86.1	85.5	85.0	-3.3	-0.4
Scotland	94.8	94.9	94.8	94.6	95.0	95.4	95.8	1.0	0.3
East Midlands	87.2	87.2	87.1	87.6	88.0	88.3	88.3	1.1	0.0
Wales	80.3	80.0	80.6	80.7	80.5	79.8	79.3	-1.0	-0.5
North East	84.0	84.3	84.7	85.3	85.5	85.6	85.6	1.6	0.0
Northern Ireland	85.6	84.9	85.1	85.4	85.2	84.5	84.0	-1.6	-0.5

²⁶ <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/labourproductivity/articles/regionalandsubregionalproductivityintheuk/jan2017>

²⁷ <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/labourproductivity/datasets/subregionalproductivitylabourproductivitygvaaperhourworkedanddgvaaperfilledjobindicesbyuknuts2andnuts3subregions>

Average gross weekly full-time earnings by region²⁸

Table 21: Average regional weekly full-time earnings £													
region	Oct-Dec 2009	Oct-Dec 2010	Oct-Dec 2011	Oct-Dec 2012	Oct-Dec 2013	Oct-Dec 2014	Oct-Dec 2015	Jan-Mar 2016	Apr-Jun 2016	Jul-Sep 2016	Oct-Dec 2016	Change 09 to 16	Change 15 to 16
UK	534	541	543	558	561	569	580	586	594	591	585	51	5
England	544	553	551	570	568	574	588	594	608	599	593	49	5
South East	594	611	585	615	639	653	655	644	675	653	648	54	-7
London	679	692	697	728	687	685	744	756	751	734	700	21	-44
North West	476	484	469	499	500	510	511	539	533	524	543	67	32
East	570	569	577	584	591	615	578	588	634	627	622	52	44
West Midlands	485	489	486	506	510	493	524	539	556	534	536	51	12
South West	505	531	519	530	529	550	553	548	554	548	562	57	9
Yorkshire & the Humber	486	478	476	494	491	493	511	518	526	531	519	33	8
Scotland	495	499	518	517	555	568	559	590	546	586	571	76	12
East Midlands	497	488	526	530	519	504	526	531	538	550	536	39	10
Wales	484	465	483	480	492	522	514	490	498	515	521	37	7
North East	467	479	497	456	458	478	498	495	496	520	508	41	10
Northern Ireland	427	439	470	470	493	598	505	485	484	484	477	50	-28

Regional public/private sector employment²⁹

Table 22 illustrates the split between private and public sector employment.

Table 22: Public and private sector employment across the UK			
Nation/region	Private sector employment % (excluding effects of major reclassifications) Dec 2016	% change in total private sector employment (excluding effects of major reclassifications)	
		Change Dec 2010-Dec 2016	Change Dec 15-Dec 16
UK	83.7	14.44%	1.20%
South East	85.5	7.29%	3.46%
London	86.5	22.02%	3.46%
North West	82.8	9.37%	0.65%
East	85.3	9.44%	0.95%
West Midlands	83.9	14.47%	4.18%
South West	84.2	11.55%	2.82%
Yorkshire & Humber	82.2	11.32%	1.42%
Scotland	79.6	6.99%	-0.82%
East Midlands	84.7	12.12%	0.19%
Wales	79.2	10.60%	-0.71%
North East	80.5	12.71%	0.38%
Northern Ireland	74.9	11.97%	0.37%

²⁸ <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/datasets/grossweeklyearningsoffulltimeemployeesbyregionearn05>

²⁹ <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/datasets/regionalpublicandprivateemployment>
<https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/timeseries/g7k5/pse>

5. Demographics

Current UK population by region³⁰

Table 23: UK regional population

	2014 Population (millions)	2014 Population density	2004 to 2014 Annual growth rate (%)	2014 Sex ratio	Life expectancy at birth in years, 2012 to 2014 ¹	
					Male	Female
UK	64.6	266	0.75	96.9	79.1	82.8
England	54.3	417	0.79	97.2	79.4	83.1
South East	8.9	465	0.88	96.8	80.5	84.0
London	8.5	5,432	1.40	98.4	80.3	84.2
North West	7.1	506	0.42	97.0	78.1	81.9
East	6.0	315	0.89	96.9	80.4	83.8
West Midlands	5.7	440	0.67	97.8	78.9	82.9
South West	5.4	228	0.74	96.5	80.2	83.9
Yorkshire & The Humber	5.4	348	0.57	97.2	78.7	82.4
Scotland	5.3	69	0.51	94.4	77.1	81.1
East Midlands	4.6	297	0.78	97.4	79.4	83.0
Wales	3.1	149	0.45	96.9	78.4	82.3
North East	2.6	305	0.30	96.1	78.0	81.7
Northern Ireland	1.8	136	0.71	96.3	78.3	82.3

Projected population growth³¹

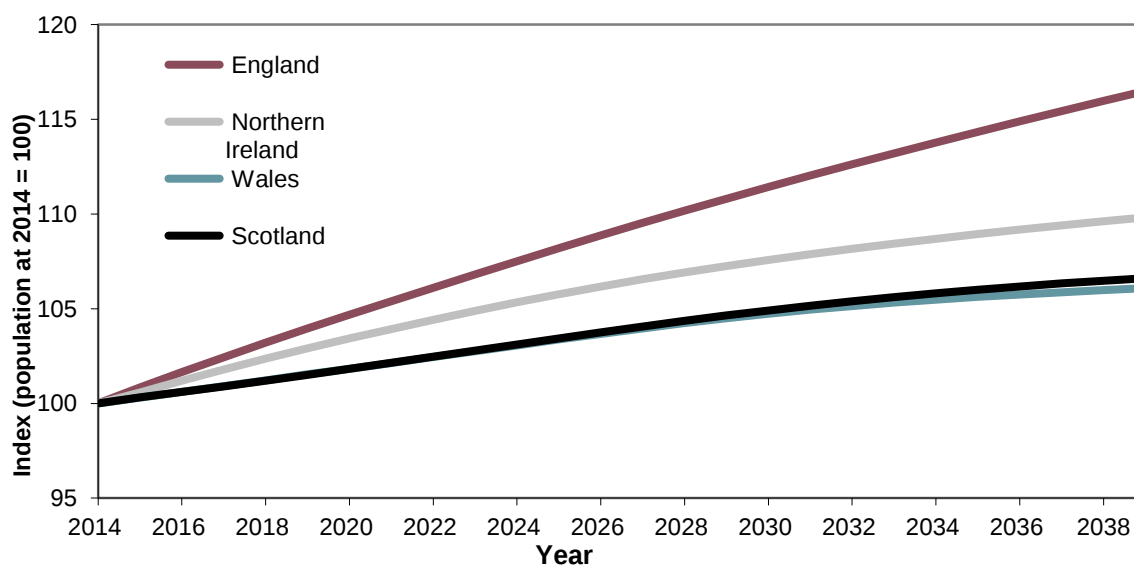


Table 24: Comparison of population change for UK countries, 2014-2039

Population (1,000s)	2014	2017	2020	2023	2026	2029	2032	2035	2038	2039
England	54,317	55,640	56,862	58,017	59,135	60,188	61,175	62,104	62,992	63,282
Scotland	5,348	5,396	5,445	5,497	5,548	5,596	5,636	5,669	5,694	5,701
Wales	3,092	3,120	3,149	3,177	3,206	3,231	3,251	3,266	3,277	3,280
Northern Ireland	1,840	1,874	1,904	1,930	1,954	1,974	1,991	2,005	2,017	2,021

³⁰

<https://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/populationestimates/articles/overviewoftheukpopulation/february2016#how-does-the-population-differ-across-the-uk>

³¹ <https://www.nrscotland.gov.uk/files/statistics/population-projections/2014-based/pp14-fig13.xlsx>

UK regional birth rate³²

Table 25: Regional birth rate

	Population			Live Births				Maternities	
	Numbers (thousands)			Numbers	Rates			Numbers	Rate
	Total	Female	Females aged 15 to 44	All Total	Crude Live Birth Rate ¹	General Fertility Rate (GFR) ²	Total Fertility Rate (TFR) ³	Total	Maternity Rate ⁴
United Kingdom	65,110.0	33,035.6	12,601.2	777,165	11.9	61.7	1.80	768,162	61.0
England	54,786.3	27,757.0	10,634.9	664,399	12.1	62.5	1.82	656,653	61.7
South East	8,947.9	4,543.5	1,664.6	102,703	11.5	61.7	1.86	101,409	60.9
London	8,673.7	4,364.2	2,027.0	129,615	14.9	63.9	1.73	127,919	63.1
North West	7,173.8	3,639.4	1,364.8	85,838	12.0	62.9	1.86	84,980	62.3
East	6,076.5	3,083.1	1,121.0	72,505	11.9	64.7	1.92	71,608	63.9
West Midlands	5,751.0	2,906.2	1,092.4	69,806	12.1	63.9	1.90	69,029	63.2
South West	5,471.2	2,783.1	966.8	58,033	10.6	60.0	1.82	57,318	59.3
Yorkshire & The Humber	5,390.6	2,732.2	1,032.2	63,858	11.8	61.9	1.83	63,262	61.3
Scotland	5,373.0	2,762.5	1,036.1	55,098	10.3	53.2	1.56	54,474	52.6
East Midlands	4,677.0	2,367.8	875.7	53,641	11.5	61.3	1.84	53,064	60.6
Wales	3,099.1	1,573.5	563.5	33,279	10.7	59.1	1.77	32,899	58.4
North East	2,624.6	1,337.4	490.5	28,400	10.8	57.9	1.71	28,064	57.2
Northern Ireland	1,851.6	942.5	366.7	24,215	13.1	66.0	1.96	23,937	65.3

Notes:

1 Live births per 1,000 population (all persons and all ages). This has been calculated using the mid-2015 population estimates.

2 The General Fertility Rate (GFR) is the number of live births per 1,000 women aged 15 to 44. The GFRs have been calculated using the mid-2015 population estimates.

3 The Total Fertility Rate (TFR) is the average number of live children that a group of women would bear if they experienced the age-specific fertility rates of the calendar year in question throughout their childbearing lifespan.

The national TFRs have been calculated using the number of live births by single year of age and the mid-2015 population estimates.

The sub-national TFRs have been calculated using the number of live births by five year age groups and the mid-2015 population estimates.

4 Maternities per 1,000 women aged 15 to 44. A maternity is a pregnancy resulting in the birth of one or more children, including stillbirths.

5 To preserve confidentiality, counts for Isles of Scilly have been combined with Cornwall

Scottish population trends

The National Records of Scotland report, “Scotland’s Population 2015”³³ which was published in 2016, highlights some of the population trends in Scotland worth noting:

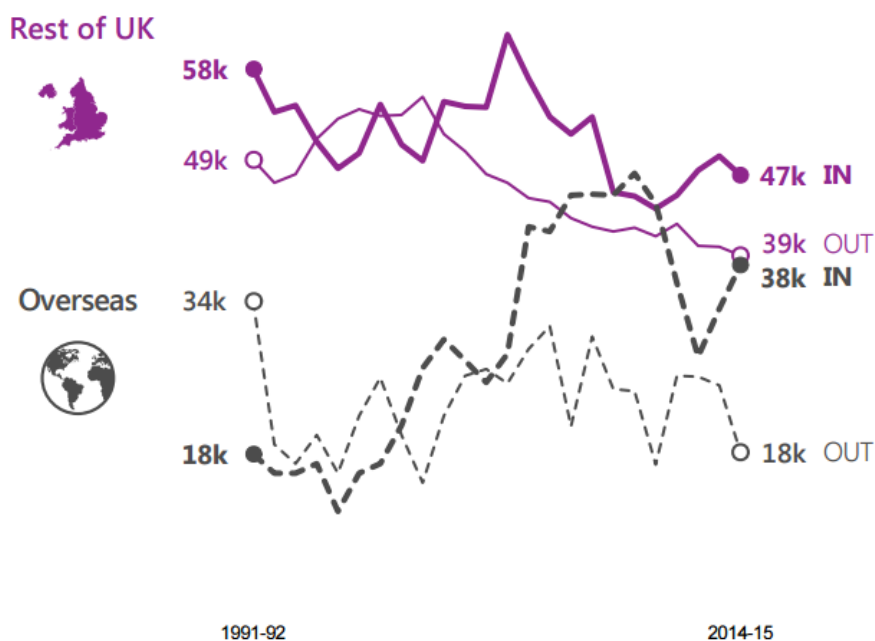
- Since the mid 2000s, the population increase in Scotland has mostly been due to in-migration. In the year to 30 June 2015, 28,000 more people came to Scotland than left, while there were 2,000 more deaths than births.
- 18% of the population is over 65 compared to 17% which is under 16.
- The number of pensionable people to 1,000 working age people is expected to rise from 311 in 2015 to 397 in 2039.

³² <https://www.ons.gov.uk/peoplepopulationandcommunity/birthsdeathsandmarriages/livebirths/datasets/birthsbyareaofusualresidenceofmotheruk>

³³ <https://www.nrscotland.gov.uk/files/statistics/nrs-visual/rgr-2015-infog-booklet.pdf>

- There were 3% fewer births in Scotland in 2015 compared to 2014 and 19% fewer than in 1975.
- Of in-migrants to Scotland, 49 per cent were from the rest of the UK and 68 per cent of those from overseas were aged 16 to 34 years in the year to mid-2015. In-migrants from the rest of the UK peaked at age 19, and out-migrants peaked at ages 23 and 24. This is largely due to students starting higher education in Scotland, followed by them leaving after their graduation.

This infograph taken from the National Records of Scotland Report illustrates the change in out-migration to in-migration.



Regional immigration

In recent years the use of immigration figures has tended to focus on the UK's membership of the EU. Reform Scotland has included immigration figures because Scotland needs immigration if its economy is to grow. As the demographic statistics above indicate, Scotland has a declining birth rate along with an ageing population. Therefore, Scotland needs to attract more people, whether from the rest of the UK, the EU or the rest of the world, to come and work. So we are starting from the premise that immigration is beneficial to Scotland and we need more of it.

Tables 26 and 27, from the House of Commons briefing paper Migration Statistics, published in March 2017,³⁴ give a sense of the migration levels to different regions within the UK.

EU15 = Original 12 members when the EU was formed in 1993 (Belgium, Denmark, France, Germany, Greece, Ireland, Italy, Luxembourg, Netherlands, Portugal, Spain and the UK) as well as Austria, Finland and Sweden.

EU8 = Eight countries which joined the EU following enlargement in 2004. (Estonia, Latvia, Lithuania, Poland, Czech Republic, Slovakia, Slovenia, and Hungary.)

EU28 = All EU members (EU15+ EU8+ EU2 (Romania & Bulgaria) + Cyprus, Malta and Croatia)

Table 26: Estimated population of the UK by nationality 2015										
Nation/region	Thousands					%				
	British	EU15	EU8	EU28	Non EU	British	EU15	EU8	EU28	Non EU
UK	58,655	1,426	1,412	3,159	2,408	91.3	2.2	2.2	4.9	3.7
England	49,012	1,297	1,223	2,825	2,215	90.6	2.4	2.3	5.2	4.1
South East	8,125	179	153	368	317	92.2	2.0	1.7	4.2	3.6
London	6,649	575	306	1,018	919	77.4	6.7	3.6	11.8	10.7
North West	6,624	99	137	252	195	93.5	1.4	1.9	3.6	2.8
East	5,507	139	156	324	171	91.7	2.3	2.6	5.4	2.8
West Midlands	5,234	89	118	247	204	92.0	1.6	2.1	4.3	3.6
South West	5,087	76	83	173	112	94.6	1.4	1.5	3.2	2.1
Yorkshire & The Humber	5,008	52	112	173	138	94.1	1.0	2.1	3.3	2.6
Scotland	4,980	62	109	181	113	94.3	1.2	2.1	3.4	2.1
East Midlands	4,271	73	139	229	111	92.6	1.6	3.0	5.0	2.4
Wales	2,949	25	35	64	53	96.2	0.8	1.1	2.1	1.7
North East	2,507	16	19	41	48	96.6	0.6	0.7	1.6	1.8
Northern Ireland	1,713	41	45	89	27	93.6	2.2	2.5	4.9	1.5

Table 27: Estimated population of the UK by country of birth 2015										
Nation/region	Thousands					%				
	British	EU15	EU8	EU28	Non EU	British	EU15	EU8	EU28	Non EU
UK	55,642	1,501	1,298	3,183	5,387	86.6	2.3	2	5.0	8.4
England	46,166	1,337	1,128	2,827	5,050	85.4	2.5	2.1	5.2	9.3
South East	7,713	216	142	406	690	87.5	2.5	1.6	4.6	7.8
London	5,432	487	287	932	2,212	63.2	5.7	3.3	10.8	25.7
North West	6,410	112	128	259	405	90.5	1.6	1.8	3.7	5.7
West Midlands	4,996	99	108	248	439	87.8	1.7	1.9	4.4	7.7
East	5,280	156	137	330	393	87.9	2.6	2.3	5.5	6.5
South West	4,930	98	76	195	248	91.7	1.8	1.4	3.6	4.6
Yorkshire & The Humber	4,844	68	103	185	291	91.0	1.3	1.9	3.5	5.5
Scotland	4,881	78	100	190	203	92.4	1.5	1.9	3.6	3.8
East Midlands	4,110	74	128	223	279	89.1	1.6	2.8	4.8	6.0
Wales	2,894	36	31	72	99	94.4	1.2	1.0	2.3	3.2
North East	2,451	26	19	50	93	94.4	1.0	0.7	1.9	3.6
Northern Ireland	1,702	50	39	93	35	93.0	2.7	2.1	5.1	1.9

³⁴ House of Commons Briefing Paper, Migration Statistics, March 2017

Table 28 gives an indication of the percentage of total EU and Non-EU immigrants in 2015 that are based in each region.

Table 28: Estimated regional distribution of EU and Non-EU Nationals in the UK 2015

Nation/region	Thousands			% of EU28 nationals	% of EU28 nationals outside London	% of Non EU nationals	% of Non EU nationals outside London
	British	EU28	Non EU				
UK	58,655	3,159	2,408	100.00%	:	100.00%	:
England	49,012	2,825	2,215	89.43%	:	91.99%	:
South East	8,125	368	317	11.65%	17.19%	13.16%	21.29%
London	6,649	1,018	919	32.23%	:	38.16%	:
North West	6,624	252	195	7.98%	11.77%	8.10%	13.10%
East	5,507	324	171	10.26%	15.13%	7.10%	11.48%
West Midlands	5,234	247	204	7.82%	11.54%	8.47%	13.70%
South West	5,087	173	112	5.48%	8.08%	4.65%	7.52%
Yorkshire & Humber	5,008	173	138	5.48%	8.08%	5.73%	9.27%
Scotland	4,980	181	113	5.73%	8.45%	4.69%	7.59%
East Midlands	4,271	229	111	7.25%	10.70%	4.61%	7.45%
Wales	2,949	64	53	2.03%	2.99%	2.20%	3.56%
North East	2,507	41	48	1.30%	1.91%	1.99%	3.22%
Northern Ireland	1,713	89	27	2.82%	4.16%	1.12%	1.81%

6. Scottish regional breakdown

The data in the previous chapters highlighted not just differences across the different regions and countries of the UK, but pointed to regional economic differences within Scotland. This chapter will look at this in more detail.

6.1 Tax

Due to the way in which GERS is calculated, it is not possible to work out the level of many national taxes raised at local authority level. However, local taxes are collected (if not controlled) by councils and therefore do provide figures at a local level. Although business rates are supposed to be a local tax, the rate and administration are controlled centrally. The rate poundage is the same across Scotland. This table illustrates how much was raised by each council. This amount is then collected by the Scottish Government and re-distributed.

Table 29: Non-Domestic Rates Properties, Rateable Values and Income By Local Authority¹

Authority	Non-Domestic Properties ² Apr-16	Non-Domestic Rateable Values Apr-16 (£000s)	Non-Domestic Rate Income 2015-16 ³ (£000s)
Scotland	225,259	6,795,958	2,578,770
Glasgow City	25,462	999,479	360,621
Edinburgh, City of	20,239	908,513	341,540
Fife	13,376	435,577	171,419
North Lanarkshire	9,803	298,898	109,654
South Lanarkshire	9,851	649,089	281,787
Aberdeenshire	11,979	235,655	92,109
Highland	17,717	316,759	117,390
Aberdeen City	8,646	479,314	199,123
West Lothian	5,969	215,887	80,218
Renfrewshire	6,248	235,867	94,224
Falkirk	4,849	172,070	65,008
Perth & Kinross	8,483	148,938	52,824
Dumfries & Galloway	9,306	118,827	43,961
Dundee City	5,733	187,521	66,710
North Ayrshire	5,036	108,059	36,239
East Ayrshire	3,944	80,981	27,710
Angus	4,805	78,280	26,826
Scottish Borders	7,226	91,251	30,982
South Ayrshire	4,814	109,608	40,068
East Dunbartonshire	2,360	67,872	23,515
East Lothian	3,397	68,688	22,457
Moray	4,642	90,579	35,408
East Renfrewshire	1,735	41,073	13,942
Stirling	5,013	114,282	42,807
West Dunbartonshire	2,868	172,572	76,450
Midlothian	2,907	76,695	25,529
Argyll & Bute	8,413	89,955	31,364
Inverclyde	2,330	60,030	20,240
Clackmannanshire	1,554	38,240	14,574
Eilean Siar	2,450	23,525	7,483
Shetland Islands	1,998	55,548	17,454
Orkney Islands	2,106	26,326	9,136

1. Rates bills for specific utilities are collected by specified councils on behalf of all 32 councils, and appear on the valuation roll for those councils: South Lanarkshire (Electricity), West Dunbartonshire (Gas), Fife (Water), Falkirk (Docks and Harbours), Highland (Railways), Renfrewshire (Telecommunications). This increases the take for those authorities.

2. Includes properties with a zero rateable value

3. Audited income collected by councils. This is net of reliefs paid by Scottish Government, but gross of all local reliefs, and top-ups to discretionary amounts paid by councils themselves.

Council Tax is also controlled by Holyrood. From 2007 until 2015 the council tax was frozen by the Scottish Parliament. Any increases are now capped at 3%. Prior to the freeze, councils were free to set the rate of Council Tax and so the actual rate applied to each band varies across Scotland. The following tables illustrate how much is raised by the tax in each Local Authority area as well as the distribution of bands.

Table 30: Council Tax income after CTR by local authority 2015-16*	
Local Authority	Net Council Tax income (£'000s)
Glasgow City	186,803
Edinburgh, City of	216,351
Fife	135,955
North Lanarkshire	101,644
South Lanarkshire	112,413
Aberdeenshire	117,755
Highland	104,358
Aberdeen City	106,170
West Lothian	60,937
Renfrewshire	66,148
Falkirk	54,384
Perth & Kinross	69,494
Dumfries & Galloway	56,228
Dundee City	47,596
North Ayrshire	47,718
East Ayrshire	41,444
Angus	42,549
Scottish Borders	46,593
South Ayrshire	46,566
East Dunbartonshire	50,364
East Lothian	42,790
Moray	35,447
East Renfrewshire	41,966
Stirling	41,564
West Dunbartonshire	30,714
Midlothian	35,364
Argyll & Bute	43,373
Inverclyde	27,730
Clackmannanshire	18,658
Eilean Siar	9,376
Shetland Islands	8,492
Orkney Islands	7,879
Scotland	2,054,823

* Figures include Community Charge and relate to income collected in financial year 2015-16, which can include amounts that were billed in previous years

Table 31: Number and proportion of dwellings by Council Tax Band and Local Authority as at September 2016

	Bands A - C	Bands D - E	Bands F - H	Total	Bands A - C	Bands D - E	Bands F - H
Glasgow City	129,198	103,232	45,458	277,888	46.5%	37.1%	16.4%
Edinburgh, City of	63,771	76,733	85,127	225,631	28.3%	34.0%	37.7%
Fife	85,382	41,187	41,509	168,078	50.8%	24.5%	24.7%
North Lanarkshire	88,521	34,936	26,865	150,322	58.9%	23.2%	17.9%
South Lanarkshire	63,837	44,622	36,162	144,621	44.1%	30.9%	25.0%
Aberdeenshire	34,627	30,721	47,200	112,548	30.8%	27.3%	41.9%
Highland	40,782	40,907	31,320	113,009	36.1%	36.2%	27.7%
Aberdeen City	45,794	30,645	30,196	106,635	42.9%	28.7%	28.3%
West Lothian	41,058	17,728	17,874	76,660	53.6%	23.1%	23.3%
Renfrewshire	36,402	25,565	19,844	81,811	44.5%	31.2%	24.3%
Falkirk	40,371	15,269	16,429	72,069	56.0%	21.2%	22.8%
Perth & Kinross	22,302	21,675	25,017	68,994	32.3%	31.4%	36.3%
Dumfries & Galloway	32,675	21,466	18,064	72,205	45.3%	29.7%	25.0%
Dundee City	40,772	16,500	9,666	66,938	60.9%	24.6%	14.4%
North Ayrshire	38,820	13,504	13,739	66,063	58.8%	20.4%	20.8%
East Ayrshire	34,493	11,581	10,262	56,336	61.2%	20.6%	18.2%
Angus	26,737	15,198	12,184	54,119	49.4%	28.1%	22.5%
Scottish Borders	27,702	12,394	15,563	55,659	49.8%	22.3%	28.0%
South Ayrshire	19,112	16,712	17,578	53,402	35.8%	31.3%	32.9%
East Dunbartonshire	4,608	16,223	24,354	45,185	10.2%	35.9%	53.9%
East Lothian	10,119	20,408	15,011	45,538	22.2%	44.8%	33.0%
Moray	21,278	12,267	8,422	41,967	50.7%	29.2%	20.1%
East Renfrewshire	6,230	10,228	21,115	37,573	16.6%	27.2%	56.2%
Stirling	13,400	8,420	16,744	38,564	34.7%	21.8%	43.4%
West Dunbartonshire	23,862	13,069	6,858	43,789	54.5%	29.8%	15.7%
Midlothian	12,964	15,535	9,711	38,210	33.9%	40.7%	25.4%
Argyll & Bute	16,809	14,630	14,219	45,658	36.8%	32.0%	31.1%
Inverclyde	23,649	6,703	6,959	37,311	63.4%	18.0%	18.7%
Clackmannanshire	13,096	4,409	5,955	23,460	55.8%	18.8%	25.4%
Eilean Siar	8,025	4,402	1,417	13,844	58.0%	31.8%	10.2%
Shetland Islands	4,607	4,490	1,701	10,798	42.7%	41.6%	15.8%
Orkney Islands	4,929	3,973	1,619	10,521	46.8%	37.8%	15.4%
SCOTLAND	1,075,932	725,332	654,142	2,455,406	43.8%	29.5%	26.6%

6.2 Wealth creation

Business start ups and 3-year survival rate by local authority area³⁵

Table 32: Business births, deaths and survival rates in Scotland 2015

Area	Business births	Births per 10,000 adults	3-year survival rate*	Business deaths	Net difference
Glasgow City	3,185	63	54.3	2,335	+850
Edinburgh, City of	3,055	72	59.0	2,070	+985
Fife	1,260	41	63.0	895	+365
North Lanarkshire	1,200	44	60.0	815	+385
South Lanarkshire	1,260	48	60.7	835	+425
Aberdeenshire	1,140	53	70.5	950	+190
Highland	965	50	66.5	745	+220
Aberdeen City	1,090	55	68.1	1,055	+45
West Lothian	680	47	59.4	425	+255
Renfrewshire	650	45	61.0	510	+140
Falkirk	515	40	60.2	400	+115
Perth & Kinross	565	45	61.5	470	+95
Dumfries & Galloway	390	31	62.5	370	+20
Dundee City	480	39	56.3	400	+80
North Ayrshire	385	34	64.4	310	+75
East Ayrshire	390	39	61.3	270	+120
Angus	385	40	70.6	295	+90
Scottish Borders	370	39	66.7	345	+25
South Ayrshire	410	43	61.3	300	+110
East Dunbartonshire	405	46	61.3	285	+120
East Lothian	375	45	60.0	250	+125
Moray	300	38	64.6	215	+85
East Renfrewshire	375	50	65.5	280	+95
Stirling	405	52	68.7	325	+80
West Dunbartonshire	275	37	62.5	195	+80
Midlothian	280	40	63.4	195	+85
Argyll & Bute	280	38	63.3	260	+20
Inverclyde	250	38	65.8	175	+75
Clackmannanshire	165	39	55.6	135	+30
Eilean Siar	90	40	62.5	90	0
Shetland Islands	90	48	66.7	65	+25
Orkney Islands	60	33	75.0	50	+10

* Survival rate of VAT/PAYE registrations born in 2012

A full breakdown of business density by local authority, industry type and number of employees is available from the Scottish Government's website³⁶. The full spreadsheet is too detailed to be reproduced here. However, as the tables in chapter three suggested that one of the areas where Scotland was falling behind other countries and regions of the UK was the number of small businesses, Reform Scotland has put together this table which focuses on the rate of companies with 0-49 employees. These tables will not be directly comparable with the UK-wide figures, but indicate the trends within Scotland.

³⁵ <http://www.gov.scot/Resource/0051/00513427.pdf>

³⁶ <http://www.gov.scot/Topics/Statistics/Browse/Business/Corporate/table6sic07>

Table 33: Registered enterprises with 0-49 employees per 1,000 resident adult population 2016

Local Authority	Agriculture Forestry and Fishing	Manuf- acturing	Constr- uction	Wholesale and retail trade; Repair of motor vehicles and motorcycle	Transp- ortation and storage	Accomm- odation and food service activities	Informa- tion and commu- nication	Real estate activities	Professional, scientific and technical activities	Admini- strative and support service activities	Human health and social work activities	Other service activities	Other ³⁷	Grand Total
Glasgow City	0.07	1.48	2.93	5.68	0.70	3.02	2.84	1.73	6.22	2.18	1.76	1.96	2.17	32.72
City of Edinburgh	0.31	1.13	3.25	4.72	0.54	3.48	5.35	1.85	9.88	3.12	1.94	2.06	3.15	40.79
Fife	2.06	1.94	3.63	4.62	0.92	2.45	1.62	0.69	5.38	2.01	1.16	1.72	1.50	29.66
North Lanarkshire	0.51	1.59	4.00	4.47	1.77	2.01	1.36	0.67	3.78	1.79	0.94	1.52	1.20	25.63
South Lanarkshire	2.32	2.09	4.36	5.42	1.62	2.23	1.85	0.84	5.06	2.24	1.12	1.79	1.73	32.66
Aberdeenshire	13.95	3.09	6.59	5.86	1.57	2.65	1.83	1.15	18.45	4.52	1.31	1.92	2.46	65.32
Highland	11.35	2.62	7.47	6.55	1.62	5.21	1.23	1.59	7.34	3.67	1.80	2.08	2.62	55.13
Aberdeen City	0.49	1.92	3.07	4.34	1.10	2.33	2.17	1.51	18.89	3.86	1.43	1.94	1.84	44.90
West Lothian	0.93	1.73	3.73	4.73	1.52	2.00	3.14	0.83	5.35	2.21	1.21	1.42	1.55	30.31
Renfrewshire	0.82	1.99	4.08	5.04	1.16	1.99	1.44	0.89	5.69	2.16	1.27	1.95	1.58	30.07
Falkirk	0.87	1.60	3.30	4.67	1.33	2.01	1.98	0.57	5.70	1.98	0.99	1.79	1.37	28.11
Perth and Kinross	7.65	2.14	5.75	6.74	1.19	3.80	1.86	1.51	6.70	3.49	1.62	2.06	2.77	47.28
Dumfries and Galloway	16.44	2.18	4.92	6.59	1.63	4.37	0.75	0.83	3.45	2.70	1.75	2.10	1.95	49.64
Dundee City	0.12	1.57	2.97	4.78	0.68	2.61	1.29	1.25	3.86	1.49	1.45	2.01	1.37	25.48
North Ayrshire	2.13	1.73	3.64	4.43	0.98	2.88	0.89	0.67	4.83	1.86	0.98	1.55	1.42	27.89
East Ayrshire	4.56	1.93	3.67	5.25	1.29	2.33	1.04	0.69	3.96	1.93	1.04	1.98	1.24	30.76
Angus	6.70	2.01	4.74	5.36	1.34	2.83	0.82	0.98	7.62	2.63	1.24	1.80	1.85	39.97
Scottish Borders	13.14	2.46	6.28	7.17	1.20	3.72	1.88	1.26	6.23	3.25	1.36	1.94	2.67	52.50
South Ayrshire	4.49	1.58	4.38	6.12	1.16	3.06	1.32	1.32	5.28	2.27	1.21	2.16	2.06	36.48
East Dunbartonshire	0.56	1.52	4.45	4.45	0.90	1.63	2.70	1.35	7.95	2.25	1.63	2.08	1.86	33.25
East Lothian	3.58	1.47	4.41	4.99	0.88	2.64	2.64	0.94	6.17	2.88	1.53	1.41	2.17	35.78
Moray	7.98	1.89	5.41	5.72	1.26	3.14	0.94	0.88	5.47	2.45	1.19	1.70	1.82	39.79
East Renfrewshire	0.87	1.33	3.66	4.66	0.67	1.66	3.06	1.73	7.98	2.66	1.73	2.20	2.06	34.13
Stirling	5.05	1.79	5.18	6.52	1.21	4.03	3.19	2.04	9.58	3.45	1.85	2.30	2.49	48.69
West Dunbartonshire	0.61	1.75	3.44	3.91	0.88	2.23	1.15	0.67	3.44	1.69	1.15	1.69	1.35	24.02
Midlothian	1.60	1.81	4.60	4.39	0.98	2.02	2.37	0.77	5.23	2.65	1.25	1.67	1.95	31.30
Argyll and Bute	11.37	2.30	5.07	8.19	1.35	6.02	1.42	1.22	5.35	2.84	1.83	2.10	2.64	51.76
Inverclyde	0.53	1.28	2.56	4.37	0.68	2.19	1.21	0.90	5.35	1.43	1.28	1.58	1.28	24.51
Clackmannanshire	1.18	1.89	3.54	4.13	1.06	2.48	1.42	0.71	4.49	2.13	0.95	1.65	1.30	26.82
Na h-Eileanan Siar	13.28	3.32	4.65	7.08	1.77	4.43	1.77	0.66	5.09	3.10	1.77	1.99	2.43	51.12
Shetland Islands	30.58	3.69	7.64	7.38	2.64	4.22	1.05	1.05	7.91	3.69	1.85	2.64	1.85	75.92
Orkney Islands	37.09	2.45	7.36	8.45	2.18	3.82	1.09	0.82	5.18	3.55	1.91	2.18	3.55	79.63

³⁷ Mining and Quarrying; Electricity, gas, steam and air conditioning supply; Water supply, Sewerage, waste management and remediation activities; Financial and insurance activities; Education; Arts, entertainment and recreation

Table 34 indicates the change in the number of registered businesses between 2010 and 2016 by the number of employees.³⁸

Table 34: Number of registered enterprises 2010-2016									
	0-49 employees			50-250 employees			250+ employees		
	2010	2016	change	2010	2016	change	2010	2016	change
Glasgow City	14,590	16,905	15.87	830	895	7.83	1,090	1,110	1.83
City of Edinburgh	14,235	17,530	23.15	695	755	8.63	975	1,000	2.56
Fife	8,190	9,075	10.81	250	255	2.00	420	425	1.19
North Lanarkshire	5,940	7,075	19.11	295	325	10.17	500	510	2.00
South Lanarkshire	7,635	8,585	12.44	275	260	-5.45	450	440	-2.22
Aberdeenshire	12,320	13,935	13.11	245	270	10.20	235	280	19.15
Highland	10,070	10,740	6.65	265	290	9.43	440	455	3.41
Aberdeen City	7,225	8,785	21.59	465	515	10.75	680	740	8.82
West Lothian	3,800	4,390	15.53	205	220	7.32	420	455	8.33
Renfrewshire	3,965	4,390	10.72	185	195	5.41	430	425	-1.16
Falkirk	3,185	3,700	16.17	160	160	0.00	325	340	4.62
Perth and Kinross	5,715	5,965	4.37	170	195	14.71	340	325	-4.41
Dumfries and Galloway	6,345	6,250	-1.50	125	135	8.00	320	320	0.00
Dundee City	2,830	3,170	12.01	180	185	2.78	415	405	-2.41
North Ayrshire	2,915	3,145	7.89	95	110	15.79	225	225	0.00
East Ayrshire	2,840	3,105	9.33	80	75	-6.25	210	220	4.76
Angus	3,550	3,880	9.30	100	105	5.00	160	170	6.25
Scottish Borders	4,875	5,015	2.87	125	120	-4.00	190	190	0.00
South Ayrshire	3,270	3,455	5.66	135	120	-11.11	300	310	3.33
East Dunbartonshire	2,500	2,950	18.00	50	45	-10.00	170	165	-2.94
East Lothian	2,625	3,045	16.00	65	65	0.00	130	145	11.54
Moray	2,995	3,165	5.68	105	110	4.76	195	210	7.69
East Renfrewshire	2,160	2,565	18.75	45	50	11.11	110	115	4.55
Stirling	3,490	3,810	9.17	135	145	7.41	320	325	1.56
West Dunbartonshire	1,525	1,780	16.72	75	65	-13.33	195	195	0.00
Midlothian	1,950	2,245	15.13	75	85	13.33	150	170	13.33
Argyll and Bute	3,845	3,825	-0.52	95	95	0.00	150	150	0.00
Inverclyde	1,460	1,625	11.30	50	50	0.00	175	180	2.86
Clackmannanshire	1,035	1,135	9.66	30	35	16.67	110	110	0.00
Na h-Eileanan Siar	1,070	1,155	7.94	20	25	25.00	50	50	0.00
Shetland Islands	1,265	1,440	13.83	40	40	0.00	45	50	11.11
Orkney Islands	1,460	1,460	0.00	25	25	0.00	40	45	12.50
Scotland Total*	149,130	167,710	12.46	3,655	3,920	7.25	2,260	2,365	4.65

*Each enterprise is counted once in each local authority it operates in. The sum of the local authority enterprises do not equal the overall Scotland totals because each enterprise is only counted once in the Scotland figures.

³⁸ <http://www.gov.scot/Topics/Statistics/Browse/Business/Corporate/table6sic07>

6.3 Labour Market

Table 35: Employment rates and levels by local authority³⁹

Geography (Residence Based)	2015		Change over year		Change since 2008	
	Rate	Level	Rate (%age points)	Level	Rate (%age points)	Level
Scotland	73.1%	2,575,500	0.5	16,700	-0.5	40,900
Glasgow City	66.6%	277,500	2.7	14,600	1.7	21,700
Edinburgh, City of	72.2%	246,000	-1.3	-5,400	-2.3	4,700
Fife	73.3%	173,400	-0.8	-1,700	-0.8	-800
North Lanarkshire	71.5%	159,200	0.3	1,100	2.3	6,200
South Lanarkshire	76.3%	158,900	2.4	6,000	2.4	5,900
Aberdeenshire	80.5%	137,600	-0.3	-800	0.3	6,200
Highland	81.1%	122,900	3.9	3,500	1.9	7,100
Aberdeen City	77.1%	124,800	1.1	1,100	-0.8	8,600
West Lothian	73.3%	86,100	-4.1	-4,400	-3.4	-1,400
Renfrewshire	74.0%	85,100	1.7	1,300	0.8	1,500
Falkirk	74.3%	76,100	1.3	300	-2.4	-1,100
Perth and Kinross	79.0%	74,400	2.5	2,300	2.7	5,100
Dumfries and Galloway	75.6%	72,300	3.7	4,100	1.9	1,100
Dundee City	63.3%	63,300	1.4	1,200	-6.1	-3,300
North Ayrshire	64.1%	55,800	-6.4	-5,900	-5.0	-5,400
East Ayrshire	69.6%	55,000	0.3	-400	-2.3	-2,500
Angus	73.8%	54,800	2.0	2,500	-3.3	-1,300
Scottish Borders	76.2%	55,100	-2.1	-2,100	-1.8	-900
South Ayrshire	73.5%	52,100	1.8	1,400	0.9	600
East Dunbartonshire	74.9%	50,400	2.0	1,700	-0.5	-300
East Lothian	75.4%	48,300	1.3	400	-0.1	900
Moray	73.3%	43,100	-3.8	-1,800	-6.3	-5,100
East Renfrewshire	74.6%	42,800	-0.2	-1,100	-0.4	200
Stirling	70.4%	41,400	-4.9	-2,300	-3.7	-900
West Dunbartonshire	68.9%	40,700	1.6	1,100	-0.9	-1,300
Midlothian	75.1%	40,900	0.0	-1,000	-2.8	-1,000
Argyll & Bute	75.6%	39,600	-1.1	-400	0.1	-3,300
Inverclyde	67.8%	34,800	-1.7	-1,500	-2.7	-3,300
Clackmannanshire	72.3%	24,400	5.5	2,000	2.4	1,200
Na h-Eileanan Siar	77.8%	13,500	0.5	200	0.5	0
Shetland Islands	87.3%	13,200	6.5	1,100	1.2	500
Orkney Islands	86.8%	12,100	-2.5	-700	4.9	1,100

³⁹ <http://www.gov.scot/Topics/Statistics/Browse/Labour-Market/Local-Authority-Tables>

Table 36: Employment rates and levels by age and local authority 2015

Geography (Residence Based)	All aged 16 & over	16-64	16-24	25-34	35-49	50 - 64	65+
Scotland	58.7%	73.1%	56.2%	80.8%	82.4%	68.6%	8.2%
Glasgow City	55.9%	66.6%	51.4%	74.2%	71.3%	65.8%	5.8%
Edinburgh, City of	60.1%	72.2%	50.1%	78.9%	87.0%	66.2%	7.6%
Fife	57.8%	73.3%	57.7%	83.0%	83.2%	66.5%	7.6%
North Lanarkshire	58.2%	71.5%	57.7%	78.7%	80.1%	65.5%	*
South Lanarkshire	61.4%	76.3%	57.9%	87.9%	85.9%	68.9%	7.7%
Aberdeenshire	65.7%	80.5%	68.5%	91.7%	86.1%	73.9%	12.6%
Highland	64.0%	81.1%	71.5%	85.7%	85.6%	79.1%	12.6%
Aberdeen City	65.2%	77.1%	63.1%	85.8%	85.9%	71.0%	9.2%
West Lothian	61.1%	73.3%	60.5%	82.0%	82.7%	63.3%	*
Renfrewshire	59.1%	74.0%	61.6%	78.5%	82.4%	68.9%	7.1%
Falkirk	59.3%	74.3%	60.0%	79.5%	85.4%	67.3%	*
Perth and Kinross	61.3%	79.0%	62.2%	90.3%	88.1%	73.0%	11.0%
Dumfries and Galloway	57.5%	75.6%	66.5%	84.8%	84.7%	68.7%	11.6%
Dundee City	51.7%	63.3%	43.0%	76.5%	72.0%	62.0%	*
North Ayrshire	49.6%	64.1%	44.2%	65.5%	74.4%	63.5%	6.2%
East Ayrshire	54.6%	69.6%	54.2%	78.1%	79.3%	63.3%	5.3%
Angus	56.9%	73.8%	57.6%	80.4%	83.4%	69.4%	9.3%
Scottish Borders	58.4%	76.2%	61.9%	86.4%	82.6%	72.4%	12.4%
South Ayrshire	55.1%	73.5%	61.0%	80.5%	83.5%	66.9%	7.9%
East Dunbartonshire	57.0%	74.9%	48.4%	86.9%	88.2%	71.8%	*
East Lothian	58.8%	75.4%	51.3%	81.6%	86.2%	72.7%	8.1%
Moray	57.6%	73.3%	53.1%	83.6%	80.2%	71.2%	10.2%
East Renfrewshire	58.3%	74.6%	49.1%	81.9%	84.3%	74.9%	7.4%
Stirling	56.5%	70.4%	45.7%	78.1%	86.7%	68.7%	8.0%
West Dunbartonshire	55.0%	68.9%	58.9%	77.6%	80.9%	58.9%	*
Midlothian	59.4%	75.1%	57.1%	83.9%	85.9%	68.2%	7.6%
Argyll & Bute	56.4%	75.6%	54.0%	81.6%	88.5%	72.2%	12.0%
Inverclyde	52.6%	67.8%	51.6%	84.0%	77.0%	59.4%	*
Clackmannanshire	58.9%	72.3%	50.0%	80.3%	75.5%	71.7%	11.3%
Na h-Eileanan Siar	59.1%	77.8%	57.4%	69.4%	87.4%	80.9%	*
Shetland Islands	70.0%	87.3%	85.4%	70.8%	94.9%	89.4%	*
Orkney Islands	66.4%	86.8%	80.7%	*	94.3%	84.4%	*

Table 37: Economic inactivity rates and levels for population aged 16-64 by local authority⁴⁰

Geography (Residence Based)	2015		Change on year		Change since 2008	
	Rate	Level	Rate	Level	Rate	Level
Scotland	22.3%	760,900	-0.2	-8,000	-0.3	-3,400
Glasgow City	27.3%	111,700	-1.8	-6,900	-3.3	-7,700
Edinburgh, City of	23.6%	78,600	0.4	1,200	1.6	8,600
Fife	20.9%	47,800	-0.3	-800	0.3	300
North Lanarkshire	22.8%	49,500	-0.2	-700	-3	-6,800
South Lanarkshire	20.1%	40,700	-1.6	-3,100	-3.4	-7,000
Aberdeenshire	17.5%	28,600	1.7	2,900	0	700
Highland	15.9%	22,900	-3.1	-4,400	-3	-3,900
Aberdeen City	19.8%	31,300	-0.9	-1,500	0.8	3,600
West Lothian	21.2%	24,400	3.2	3,800	1.2	1,800
Renfrewshire	21.7%	24,300	-0.5	-700	-0.2	-400
Falkirk	20.7%	20,700	-1	-1,200	0	200
Perth and Kinross	17.0%	15,200	-2.6	-2,300	-3.6	-2,800
Dumfries and Galloway	20.2%	18,200	-3.9	-3,500	-2.1	-2,700
Dundee City	30.3%	29,400	-1	-1,100	4.1	4,700
North Ayrshire	28.1%	23,700	4.1	3,500	3.1	1,900
East Ayrshire	24.6%	19,000	2.1	1,600	1.1	500
Angus	21.2%	15,000	-2	-1,400	2.5	1,800
Scottish Borders	20.3%	13,800	1.3	800	1.7	700
South Ayrshire	22.0%	14,900	-0.5	-300	-1.5	-1,400
East Dunbartonshire	21.8%	14,400	-1.6	-900	0.6	500
East Lothian	20.3%	12,600	-1.3	-800	-1.7	-900
Moray	23.4%	13,200	4.6	2,700	6.1	3,000
East Renfrewshire	22.3%	12,400	2	1,000	0.1	0
Stirling	25.8%	14,700	4.7	2,700	4.2	2,700
West Dunbartonshire	26.0%	15,100	-0.8	-300	1	200
Midlothian	21.6%	11,400	1.5	600	3.1	1,700
Argyll & Bute	20.3%	9,900	1	400	-0.3	-1,200
Inverclyde	25.9%	13,100	1.2	500	0.7	-200
Clackmannanshire	24.5%	7,900	-1.2	-400	-2.1	-800
Na h-Eileanan Siar	18.6%	3,000	0.5	100	0.6	0
Shetland Islands	12.7%	1,800	0	0	0	0
Orkney Islands	11.0%	1,400	2.7	400	-5.2	-700

Note: As mentioned in chapter 4, when comparing inactivity rates it is important to remember that they include university students.

⁴⁰ <http://www.gov.scot/Topics/Statistics/Browse/Labour-Market/Local-Authority-Tables>

Table 38: Public, Private Sector employment by gender for all aged 16+, by local authority and Scotland 2015⁴¹

	Public Sector						Private Sector					
	Total		Male		Female		Total		Male		Female	
	Proportion	Level	Proportion	Level	Proportion	Level	Proportion	Level	Proportion	Level	Proportion	Level
Scotland	26.6%	681,700	18.5%	242,100	35.3%	439,600	73.4%	1,876,500	81.5%	1,069,100	64.7%	807,400
Glasgow City	29.1%	80,600	22.4%	31,700	36.1%	48,800	70.9%	196,500	77.6%	110,200	63.9%	86,300
Edinburgh, City of	24.6%	60,200	20.1%	24,900	29.1%	35,300	75.4%	185,000	79.9%	99,000	70.9%	86,000
Fife	29.7%	50,900	21.7%	19,100	38.1%	31,900	70.3%	120,600	78.3%	68,800	61.9%	51,800
North Lanarkshire	28.8%	45,500	17.9%	14,200	39.7%	31,400	71.2%	112,500	82.1%	64,700	60.3%	47,700
South Lanarkshire	27.4%	43,300	17.3%	13,800	37.9%	29,500	72.6%	114,600	82.7%	66,400	62.1%	48,300
Aberdeenshire	19.4%	26,700	10.4%	7,900	30.7%	18,800	80.6%	110,500	89.6%	68,000	69.3%	42,400
Highland	28.4%	34,600	18.9%	12,200	39.0%	22,300	71.6%	87,300	81.1%	52,400	61.0%	34,900
Aberdeen City	19.6%	24,500	14.2%	8,800	25.1%	15,700	80.4%	100,300	85.8%	53,500	74.9%	46,800
West Lothian	22.5%	19,100	14.4%	6,300	31.2%	12,800	77.5%	65,900	85.6%	37,600	68.8%	28,300
Renfrewshire	25.3%	21,300	17.9%	7,300	32.2%	14,000	74.7%	63,100	82.1%	33,700	67.8%	29,400
Falkirk	25.6%	19,300	16.1%	6,200	35.6%	13,100	74.4%	56,100	83.9%	32,500	64.4%	23,700
Perth and Kinross	25.8%	19,000	16.7%	6,300	35.3%	12,700	74.2%	54,700	83.3%	31,300	64.7%	23,400
Dumfries and Galloway	23.2%	16,600	15.8%	5,800	30.9%	10,800	76.8%	54,900	84.2%	30,800	69.1%	24,100
Dundee City	30.8%	19,300	23.9%	7,700	37.9%	11,700	69.2%	43,600	76.1%	24,400	62.1%	19,200
North Ayrshire	24.6%	13,500	16.8%	4,900	33.4%	8,600	75.4%	41,400	83.2%	24,300	66.6%	17,100
East Ayrshire	30.2%	16,500	18.7%	5,300	42.6%	11,200	69.8%	38,000	81.3%	23,000	57.4%	15,100
Angus	30.6%	16,700	19.3%	5,500	42.9%	11,200	69.4%	37,800	80.7%	22,900	57.1%	14,900
Scottish Borders	24.2%	13,200	15.8%	4,500	33.1%	8,800	75.8%	41,400	84.2%	23,700	66.9%	17,700
South Ayrshire	29.1%	15,100	19.3%	5,100	39.3%	10,000	70.9%	36,800	80.7%	21,300	60.7%	15,500
East Dunbartonshire	30.1%	15,100	22.5%	5,700	37.9%	9,400	69.9%	35,100	77.5%	19,600	62.1%	15,500
East Lothian	25.0%	12,000	16.0%	4,000	34.5%	8,000	75.0%	36,000	84.0%	20,800	65.5%	15,200
Moray	21.6%	9,200	16.5%	3,800	27.5%	5,400	78.4%	33,400	83.5%	19,100	72.5%	14,300
East Renfrewshire	35.6%	15,200	26.7%	5,800	44.9%	9,400	64.4%	27,400	73.3%	15,900	55.1%	11,500
Stirling	29.9%	12,200	23.4%	4,800	36.3%	7,400	70.1%	28,700	76.6%	15,600	63.7%	13,000
West Dunbartonshire	32.0%	12,700	23.0%	4,500	40.7%	8,200	68.0%	27,100	77.0%	15,100	59.3%	12,000
Midlothian	26.3%	10,700	15.3%	3,000	36.7%	7,700	73.7%	30,000	84.7%	16,700	63.3%	13,300
Argyll & Bute	27.4%	10,800	18.9%	3,900	36.7%	6,900	72.6%	28,600	81.1%	16,600	63.3%	12,000
Inverclyde	27.6%	9,500	15.5%	2,600	38.9%	6,900	72.4%	25,000	84.5%	14,100	61.1%	10,900
Clackmannanshire	19.6%	4,800	15.9%	2,100	24.3%	2,700	80.4%	19,500	84.1%	11,300	75.7%	8,300
Eilean Siar	38.5%	5,100	28.9%	1,900	48.2%	3,200	61.5%	8,100	71.1%	4,700	51.8%	3,400
Shetland Islands	33.4%	4,400	17.6%	1,300	52.5%	3,100	66.6%	8,800	82.4%	6,000	47.5%	2,800
Orkney Islands	33.9%	4,000	21.3%	1,300	48.3%	2,700	66.1%	7,900	78.7%	5,000	51.7%	2,900

⁴¹ <http://www.gov.scot/Topics/Statistics/Browse/Labour-Market/Local-Authority-Tables>

Table 39: Employees (18+) earning the Living Wage by geography and Scotland 2014-2016⁴²

	2014				2015				2016			
	Level ('000) ²		Proportion		Level ('000) ²		Proportion		Level ('000) ²		Proportion	
	Earning less than the Living Wage	Earning the Living wage or more	Earning less than the Living Wage	Earning the Living wage or more	Earning less than the Living Wage	Earning the Living wage or more	Earning less than the Living Wage	Earning the Living wage or more	Earning less than the Living Wage	Earning the Living wage or more	Earning less than the Living Wage	Earning the Living wage or more
Glasgow City	65	326	17%	84%	67	329	17%	83%	65	306	18%	82%
City of Edinburgh	42	272	14%	87%	45	273	14%	86%	47	258	16%	85%
Fife	30	96	24%	76%	31	103	23%	77%	28	98	22%	78%
North Lanarkshire	24	104	19%	82%	24	102	19%	81%	22	88	20%	80%
South Lanarkshire	19	86	18%	82%	17	80	18%	82%	22	96	19%	81%
Aberdeenshire	17	64	21%	79%	18	61	23%	77%	18	65	22%	78%
Highland	23	76	23%	77%	23	80	23%	77%	19	79	19%	81%
Aberdeen City	25	122	17%	83%	24	132	16%	85%	28	125	19%	82%
West Lothian	17	69	20%	80%	18	72	20%	80%	16	76	18%	82%
Renfrewshire	16	59	21%	79%	16	62	20%	80%	17	62	22%	78%
Falkirk	11	46	19%	81%	13	48	22%	78%	11	46	19%	81%
Perth and Kinross	16	44	27%	73%	13	51	21%	79%	16	51	24%	76%
Dumfries and Galloway	16	40	29%	71%	17	41	30%	70%	18	41	31%	69%
Dundee City	12	67	15%	85%	14	67	17%	83%	16	63	20%	80%
North Ayrshire	8	27	23%	78%	11	31	26%	74%	11	28	28%	72%
East Ayrshire	10	29	26%	74%	11	30	27%	73%	11	31	25%	75%
Angus	10	20	33%	67%	10	22	31%	69%	7	23	24%	76%
Scottish Borders	8	30	22%	78%	10	27	27%	74%	9	30	24%	76%
South Ayrshire	10	33	24%	76%	11	34	24%	76%	13	34	28%	72%
East Dunbartonshire	4	16	21%	79%	5	15	24%	76%	5	12	28%	72%
East Lothian	6	23	21%	79%	6	21	23%	77%	7	24	22%	78%
Moray	9	30	23%	78%	8	28	23%	77%	8	28	23%	77%
East Renfrewshire	5	11	30%	70%	5	12	30%	70%	6	14	29%	71%
Stirling	8	30	20%	80%	8	32	20%	80%	9	30	23%	77%
West Dunbartonshire	5	25	17%	83%	7	20	25%	75%	5	26	16%	84%
Midlothian	6	24	20%	80%	6	21	23%	77%	5	25	17%	83%
Argyll and Bute	7	25	23%	77%	6	25	18%	82%	8	26	23%	77%
Inverclyde	6	22	22%	78%	7	22	24%	76%	6	23	22%	78%
Clackmannanshire	4	11	26%	74%	4	11	25%	75%	4	11	25%	75%
Na h-Eileanan Siar		..		..		..		..		..		..
Shetland Islands		..		..		..		..		..		..
Orkney Islands		..		..		..		..		..		..
Scotland	443	1,857	19.3%	80.7%	460	1,884	19.6%	80.4%	467	1,858	20.1%	79.9%

1. Covers employees age 18+ on the PAYE system on adult rates and whose pay was not affected by absence

2. Levels calculated using low pay calibration weights in line with ONS guidance

3. Estimates for 2014 are for April 2014 therefore Living Wage rate of £7.65 has been applied; 2015 estimate based on a rate of £7.85; 2016 estimates based on rate £8.25

4. Hourly earnings excludes any overtime payments

5. The Local Authorities are 'workplace' based, so these include all those that work in the Council area regardless of where they live

.. = disclosive

: = not applicable

⁴² <http://www.gov.scot/Topics/Statistics/Browse/Labour-Market/Earnings/ASHE-SGTables> Table 5.6

Scottish regional productivity

The ONS's productivity figures are also produced for more local areas within the UK. The following table shows the results for Scottish areas, although these areas do not match up to local authority areas, from 2004-2015, still indexed to the UK=100:⁴³

Table 40: Scottish regional productivity												
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Scotland	93.2	93.1	92.9	93.2	94.0	95.2	95.7	95.9	95.9	96.4	97.0	97.4
Eastern Scotland	96.9	96.9	97.1	97.2	97.4	97.4	97.0	96.5	95.9	96.1	96.7	97.2
Angus & Dundee City	91.4	91.8	92.6	92.6	91.8	90.9	91.5	92.9	94.2	94.2	93.6	92.9
Clackmannanshire & Fife	89.7	90.0	91.8	94.0	96.2	96.5	96.1	95.3	95.2	95.5	96.2	96.7
East Lothian & Midlothian	96.8	97.0	97.1	96.4	94.9	93.2	92.1	91.5	91.3	90.7	90.5	90.3
Scottish Borders	77.2	77.1	77.3	77.2	78.4	79.2	80.1	79.7	80.2	81.2	83.0	83.9
Edinburgh, City of	105.1	105.5	105.9	106.5	107.0	107.7	106.2	104.6	103.3	104.7	106.6	108.1
Falkirk	103.1	102.9	101.6	99.1	98.0	97.6	96.7	92.3	88.2	85.2	85.0	85.1
Perth & Kinross and Stirling	92.9	92.4	92.0	91.2	90.9	91.0	91.8	93.9	95.2	96.0	95.7	95.6
West Lothian	96.6	95.5	93.6	91.7	89.9	89.7	90.0	90.6	88.8	87.0	85.5	85.5
South Western Scotland	89.5	89.1	88.3	88.1	88.6	90.1	91.0	91.3	91.5	92.2	93.1	93.6
East Dunbartonshire, West Dunbartonshire and Helensburgh & Lomond	92.4	92.7	93.4	93.7	94.6	96.0	97.5	98.3	98.3	98.4	99.1	99.9
Dumfries & Galloway	78.8	78.2	76.9	75.7	76.0	77.3	78.5	78.6	79.0	80.1	81.7	82.6
East Ayrshire & North Ayrshire mainland	96.4	95.4	93.6	92.6	92.2	92.6	92.1	91.3	90.6	90.3	90.8	91.1
Glasgow City	86.1	85.9	85.3	85.5	86.5	88.6	90.1	91.1	91.2	91.8	92.3	92.7
Inverclyde, East Renfrewshire and Renfrewshire	101.0	100.4	99.6	98.6	98.7	98.6	98.0	97.2	97.7	99.0	100.2	100.6
North Lanarkshire	85.8	85.6	84.9	85.2	85.9	88.3	89.1	90.0	89.6	90.7	91.1	91.8
South Ayrshire	95.8	95.2	93.2	92.1	92.5	94.8	97.0	97.6	99.4	100.6	102.9	103.5
South Lanarkshire	90.0	89.3	88.1	87.6	88.2	88.8	88.7	88.1	88.9	90.2	91.7	92.0
North Eastern Scotland	94.4	96.0	99.2	103.8	108.3	111.6	113.6	114.4	115.0	115.1	115.3	115.2
Aberdeen City and Aberdeenshire	94.4	96.0	99.2	103.8	108.3	111.6	113.6	114.4	115.0	115.1	115.3	115.2
Highlands and Islands	94.8	92.9	89.6	87.5	87.0	88.2	89.7	90.7	91.3	91.3	91.4	91.5
Caithness & Sutherland and Ross & Cromarty	86.4	83.8	79.4	76.6	77.3	80.8	83.7	84.9	85.0	85.1	84.8	84.6
Inverness & Nairn and Moray, Badenoch & Strathspey	105.6	103.5	99.5	96.8	94.8	94.9	95.8	96.7	96.6	96.2	96.4	97.3
Lochaber, Skye & Lochalsh, Arran & Cumbrae and Argyll & Bute	87.0	85.5	83.3	82.6	83.9	85.7	87.1	87.8	89.6	91.7	93.5	94.6
Eilean Siar	106.7	105.9	100.7	95.4	91.6	91.3	91.9	90.7	90.5	89.2	88.1	86.8
Orkney Islands	78.3	76.6	75.2	74.4	76.0	77.5	79.5	81.5	84.3	84.6	83.6	81.7
Shetland Islands	87.3	86.4	85.9	84.4	83.4	81.5	82.1	83.5	84.8	82.5	79.7	77.5

⁴³

<https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/labourproductivity/datasets/subregionalproductivitylabourproductivitygvaperhourworkedandgvaperfilledjobindicesbyuknuts2andnuts3subregions>

6.4 Demographics

Age distribution

Scotland has an ageing population, where there are now more people over the age of 65 than under 16. The following table illustrates this breakdown by local authority area.⁴⁴ It shows that only seven local authorities have a higher proportion of under 16s than over 65s and of those only Glasgow, North Lanarkshire and West Lothian have a difference of more than 1 percentage point. Of the local authorities with more over 65s, eight have a difference of more than 5 per cent.

Table 41: Estimated population by age group and local authority area mid-2016

	All ages	0-15	% of total	16-64	% of total	65+	% of total
Scotland	5,404,700	915,917	16.95%	3,489,931	64.57%	998,852	18.48%
Glasgow City	615,070	98,487	16.01%	432,793	70.36%	83,790	13.62%
City of Edinburgh	507,170	77,364	15.25%	353,873	69.77%	75,933	14.97%
Fife	370,330	64,372	17.38%	232,300	62.73%	73,658	19.89%
North Lanarkshire	339,390	63,299	18.65%	219,594	64.70%	56,497	16.65%
South Lanarkshire	317,100	54,876	17.31%	202,849	63.97%	59,375	18.72%
Aberdeenshire	262,190	48,871	18.64%	165,548	63.14%	47,771	18.22%
Highland	234,770	39,972	17.03%	144,722	61.64%	50,076	21.33%
Aberdeen City	229,840	34,187	14.87%	160,821	69.97%	34,832	15.15%
West Lothian	180,130	35,307	19.60%	116,181	64.50%	28,642	15.90%
Renfrewshire	175,930	29,954	17.03%	113,311	64.41%	32,665	18.57%
Falkirk	159,380	28,359	17.79%	101,864	63.91%	29,157	18.29%
Perth and Kinross	150,680	24,514	16.27%	92,250	61.22%	33,916	22.51%
Dumfries and Galloway	149,520	23,614	15.79%	88,999	59.52%	36,907	24.68%
Dundee City	148,270	23,849	16.08%	98,454	66.40%	25,967	17.51%
North Ayrshire	135,890	23,128	17.02%	83,535	61.47%	29,227	21.51%
East Ayrshire	122,200	21,259	17.40%	77,024	63.03%	23,917	19.57%
Angus	116,520	19,445	16.69%	70,588	60.58%	26,487	22.73%
Scottish Borders	114,530	19,002	16.59%	68,285	59.62%	27,243	23.79%
South Ayrshire	112,470	17,760	15.79%	67,453	59.97%	27,257	24.23%
East Dunbartonshire	107,540	18,810	17.49%	65,325	60.74%	23,405	21.76%
East Lothian	104,090	18,989	18.24%	64,703	62.16%	20,398	19.60%
Moray	96,070	16,527	17.20%	59,789	62.23%	19,754	20.56%
East Renfrewshire	93,810	18,662	19.89%	56,795	60.54%	18,353	19.56%
Stirling	93,750	15,493	16.53%	60,832	64.89%	17,425	18.59%
West Dunbartonshire	89,860	15,764	17.54%	57,905	64.44%	16,191	18.02%
Midlothian	88,610	16,884	19.05%	55,334	62.45%	16,392	18.50%
Argyll and Bute	87,130	13,238	15.19%	52,336	60.07%	21,556	24.74%
Inverclyde	79,160	12,851	16.23%	50,140	63.34%	16,169	20.43%
Clackmannanshire	51,350	9,024	17.57%	32,443	63.18%	9,883	19.25%
Na h-Eileanan Siar	26,900	4,307	16.01%	15,954	59.31%	6,639	24.68%
Shetland Islands	23,200	4,233	18.25%	14,564	62.78%	4,403	18.98%
Orkney Islands	21,850	3,516	16.09%	13,367	61.18%	4,967	22.73%

⁴⁴<https://www.nrscotland.gov.uk/files/statistics/population-estimates/mid-year-2016/tables/16-mid-year-pe-tab2.xlsx>

Fertility Rate

As the Table in chapter 5 shows, Scotland's fertility rate is well below that of the UK's (61.7) and lower than every other region or country in the UK. This cannot be explained just by Scotland's immigration levels because, as the previous chapter also highlighted, there are other regions with higher fertility rates but lower immigration levels.

This table gives the breakdown by Scottish local authority⁴⁵.

Table 42: Fertility rates (per 1,000 women) by age group and administrative area Scotland 2015								
Area	Age Group						General Fertility Rate	Approx Total fertility Rate (per woman)
	15-19	20-24	25-29	30-34	35-39	40-44		
Scotland	14.3	46.8	83.6	98.1	58.1	11.7	53.2	1.56
Glasgow City	16.2	36.9	64.0	86.2	59.7	16.5	50.0	1.40
Edinburgh, City of	9.6	20.7	46.6	86.2	70.3	16.0	44.1	1.25
Fife	18.3	58.5	100.9	97.2	51.7	10.0	55.3	1.68
North Lanarkshire	18.2	65.7	102.5	95.7	50.9	10.4	57.0	1.72
South Lanarkshire	14.1	51.6	95.7	107.5	56.1	10.3	55.3	1.68
Aberdeenshire	8.2	53.3	120.1	124.9	60.8	11.5	62.2	1.89
Highland	13.9	75.3	101.1	93.1	56.3	11.1	57.0	1.75
Aberdeen City	12.7	28.3	63.8	93.5	63.2	13.0	48.7	1.37
West Lothian	15.1	62.3	107.4	104.4	54.1	7.7	57.6	1.75
Renfrewshire	14.7	52.3	88.8	101.8	50.9	10.2	53.0	1.59
Falkirk	16.4	58.4	104.6	89.5	51.5	9.9	54.1	1.65
Perth & Kinross	11.2	53.5	86.1	108.8	62.1	11.6	54.4	1.67
Dumfries & Galloway	11.9	65.0	113.1	89.1	45.0	7.5	53.7	1.66
Dundee City	19.7	38.4	73.8	82.7	48.6	9.6	47.8	1.36
North Ayrshire	18.7	61.9	94.8	95.7	50.6	7.1	52.9	1.64
East Ayrshire	18.7	72.0	112.7	103.9	51.3	8.9	60.3	1.84
Angus	11.4	62.3	103.4	105.2	45.9	11.0	54.7	1.70
Scottish Borders	15.3	70.4	116.7	112.3	55.3	10.0	58.5	1.90
South Ayrshire	11.5	60.0	102.7	103.6	60.4	11.0	56.2	1.75
East Dunbartonshire	6.3	29.8	84.8	158.0	78.7	14.1	56.3	1.86
East Lothian	15.9	49.1	104.4	114.1	63.3	12.4	57.4	1.80
Moray	16.0	69.1	113.2	93.0	38.9	7.9	54.8	1.69
East Renfrewshire	3.8	21.9	68.6	155.7	92.4	17.7	55.1	1.80
Stirling	10.6	27.7	60.6	108.4	62.8	10.1	42.7	1.40
West Dunbartonshire	19.5	63.2	90.6	94.6	45.8	10.6	55.1	1.62
Midlothian	23.4	68.7	119.0	109.7	72.8	11.6	66.9	2.03
Argyll & Bute	10.6	60.5	108.3	102.2	56.4	11.3	54.3	1.75
Inverclyde	14.1	60.0	88.0	89.2	46.4	12.6	50.8	1.55
Clackmannanshire	19.7	76.8	122.0	100.1	56.4	7.9	61.5	1.91
Eilean Siar	17.5	63.8	94.8	96.9	54.9	14.2	54.1	1.71
Shetland Islands	11.7	56.4	104.5	95.3	79.2	7.6	57.4	1.77
Orkney Islands	5.9	46.8	93.3	106.3	60.0	16.6	54.3	1.64
The General Fertility Rate (GFR) is the number of live births per 1,000 women aged 15 to 44.								
The Total Fertility Rate (TFR) is the average number of live children that a group of women would bear if they experienced the age-specific fertility rates of the calendar year in question throughout their childbearing lifespan.								

⁴⁵ <https://www.nrscotland.gov.uk/files/statistics/vital-events-ref-tables/2015/section3/15-vital-events-ref-tab-3-16.xlsx>

Immigration

The sample size of the Annual Population Survey means that it is not possible to provide reliable estimates of the number of EU nationals living in each local authority area in Scotland. However the Scottish Government publication ‘EU nationals living and working in Scotland’ has given some details for the top five local authority areas⁴⁶:

Table 43: Local authorities with highest percentage of non-UK EU nationals 2015

Area	Proportion of local authority population aged over 16 years by nationality			Employment rate(16-64)			
	UK Nationals	Non-UK EU Nationals	Other non-EU nationals	All	UK Nationals	Non-UK EU nationals	Other non-EU nationals
Scotland	94.2	3.5	2.3	73.1	73.4	78.9	54.5
Edinburgh	86.7	8	5.3	72.5	73.7	79.6	45.4
Glasgow	88.5	5.4	6.1	66.7	68.0	69.2	50.3
Aberdeen	85.2	10.1	4.7	76.6	75.3	87.6	70.9
Dundee	90.4	7.1	2.5	63.4	64.5	63.6	*
Perth & Kinross	92.8	5.7	1.5	78.9	77.9	89.3	*

*Estimate suppressed as it is below reliability threshold

6.5 Glasgow v Manchester

The Northern Powerhouse is a UK Government initiative aimed at boosting the local economies of cities in the North of England by devolving power and budgets. According to the Northern Powerhouse’s website, “*the Northern Powerhouse strategy explains how the government will work with local stakeholders to address key barriers to productivity in the region. The government will invest in transport infrastructure to improve connections between and within the North’s towns, cities and counties; work with local areas to raise education and skills levels across the North; ensure the North is an excellent place to start and grow a business; and ensure the Northern Powerhouse is recognised worldwide as an excellent opportunity for trade and investment.*”⁴⁷

This section looks at how Glasgow compares to Manchester. It is likely that a future report will look at the development of the Northern Powerhouse in more detail, specifically what Scotland can learn, but these initial statistics give an indication of where the two cities currently stand.

The following comparison of data between Glasgow and Manchester local authority areas is taken from the nomis official labour market statistics website from the ONS.⁴⁸

⁴⁶ <http://www.gov.scot/Resource/0051/00515360.pdf>

⁴⁷ <http://northernpowerhouse.gov.uk/about-us/>

⁴⁸ <https://www.nomisweb.co.uk/reports/lmp/la/1946157083/report.aspx?c1=1946157420&c2=2092957698>

Total population (2015)	Manchester	Glasgow City
All People	530,300	606,300
Males	268,400	294,300
Females	261,900	312,100

Population aged 16-64 (2015)	Manchester (%)	Glasgow City (%)
All People Aged 16-64	70.6	70.1
Males Aged 16-64	71.6	71.2
Females Aged 16-64	69.6	69.1

Employment and unemployment (Jan 2016-Dec 2016)	Manchester (%)	Glasgow City (%)
All People		
Economically Active	69.0	71.6
In Employment	63.3	67.3
Employees	54.9	59.7
Self Employed	8.1	7.4
Unemployed	7.5	6.5
Males		
Economically Active	71.5	77.1
In Employment	65.1	73.6
Employees	52.7	62.1
Self Employed	12.1	11.2
Unemployed	8.7	4.5
Females		
Economically Active	66.5	66.4
In Employment	61.4	61.5
Employees	57.2	57.5
Self Employed	3.9	3.8
Unemployed	7.5	7.6

Economic inactivity (Jan 2016-Dec 2016)	Manchester (%)	Glasgow City (%)
All People		
Total	31.0	28.4
Student	41.8	33.4
Looking After Family/Home	19.9	19.1
Temporary Sick	3.4	-
Long-Term Sick	22.3	29.2
Retired	4.0	5.9
Other	8.1	9.8
Wants A Job	25.5	22.9
Does Not Want A Job	74.5	77.1

Workless Households (Jan-Dec 2015)	Manchester	Glasgow City
Number Of Workless Households	42,300	56,200
Percentage Of Households That Are Workless	22.7	25.4
Number Of Children In Workless Households	26,100	-
Percentage Of Children Who Are In Households That Are Workless	24.2	-

Employment by occupation (Jan 2016-Dec 2016)	Manchester (%)	Glasgow City (%)
Soc 2010 Major Group 1-3	42.2	45.7
1 Managers, Directors And Senior Officials	7.5	8.0
2 Professional Occupations	21.8	21.3
3 Associate Professional & Technical	12.8	16.2
Soc 2010 Major Group 4-5	19.1	18.9
4 Administrative & Secretarial	11.2	10.0
5 Skilled Trades Occupations	7.9	8.8
Soc 2010 Major Group 6-7	20.6	18.1
6 Caring, Leisure And Other Service Occupations	9.8	9.2
7 Sales And Customer Service Occs	10.7	8.8
Soc 2010 Major Group 8-9	18.1	17.4
8 Process Plant & Machine Operatives	6.3	4.1
9 Elementary Occupations	11.7	13.1

Qualifications (Jan 2016-Dec 2016)	Manchester (%)	Glasgow City (%)	Great Britain (%)
NVQ4 And Above	39.0	44.4	38.2
NVQ3 And Above	60.6	56.9	56.9
NVQ2 And Above	73.8	69.3	74.3
NVQ1 And Above	83.1	75.8	85.3
Other Qualifications	6.3	7.4	6.6
No Qualifications	10.7	16.8	8.0

% is a proportion of resident population of area aged 16-64

Earnings by place of residence (2016)	Manchester (£)	Glasgow City (£)	Great Britain (£)
Gross Weekly Pay			
Full-Time Workers	467.5	524.1	541.0
Male Full-Time Workers	486.8	559.1	581.2
Female Full-Time Workers	430.8	479.9	481.1
Hourly Pay - Excluding Overtime			
Full-Time Workers	12.19	13.39	13.66
Male Full-Time Workers	12.53	13.82	14.25
Female Full-Time Workers	11.48	13.07	12.84

Earnings by place of work (2016)	Manchester (£)	Glasgow City (£)	Great Britain (£)
Gross Weekly Pay			
Full-Time Workers	545.7	548.4	540.2
Male Full-Time Workers	574.9	591.7	580.6
Female Full-Time Workers	517.1	488.4	480.8
Hourly Pay - Excluding Overtime			
Full-Time Workers	14.47	14.31	13.64
Male Full-Time Workers	14.80	14.94	14.24
Female Full-Time Workers	14.06	13.47	12.83

Claimant count by sex - not seasonally adjusted (April 2017)	Manchester (%)	Glasgow City (%)	Great Britain (%)
All People	2.8	3.4	2.0
Males	3.4	4.8	2.5
Females	2.1	2.1	1.5

Claimant count by age - not seasonally adjusted (April 2017)	Manchester (%)	Glasgow City (%)	Great Britain (%)
Aged 16+	2.8	3.4	2.0
Aged 16 To 17	0.0	0.2	0.1
Aged 18 To 24	2.4	4.0	2.9
Aged 18 To 21	2.4	4.7	3.1
Aged 25 To 49	2.9	3.5	2.0
Aged 50+	3.3	3.1	1.7

Note: % is number of claimants as a proportion of resident population of the same age

Working-age client group - main benefit claimants - not seasonally adjusted (November 2016)	Manchester (%)	Glasgow City (%)	Great Britain (%)
Total Claimants	14.1	18.5	11.1
By Statistical Group			
Job Seekers	1.4	2.0	1.1
ESA And Incapacity Benefits	8.2	11.7	6.1
Lone Parents	1.4	1.3	1.0
Carers	2.0	2.2	1.7
Others On Income Related Benefits	0.3	0.2	0.2
Disabled	0.7	1.0	0.8
Bereaved	0.1	0.1	0.2
Main Out-Of-Work Benefits†	11.3	15.2	8.4

Main out-of-work benefits includes the groups: job seekers, ESA and incapacity benefits, lone parents and others on income related benefits.

Notes: % is a proportion of resident population of area aged 16-64; Figures in this table do not yet include claimants of Universal Credit

Ratio of jobs to total population aged 16-64	Manchester	Glasgow City	Great Britain
Density	1.07	1.04	0.83

Civil service jobs as a proportion of employee jobs (2016)	Manchester (%)	Glasgow City (%)	Great Britain (%)
Total civil service jobs	1.9	2.3	1.4
Full-time	1.6	1.8	1.1
Part-time	0.4	0.5	0.4

Percentages based on % of total jobs in area that are civil service jobs

UK Business Counts (2016)	Manchester (Numbers)	Manchester (%)	Glasgow City (Numbers)	Glasgow City (%)
Enterprises				
Micro (0 To 9)	16,355	86.8	14,565	84.2
Small (10 To 49)	1,980	10.5	2,190	12.7
Medium (50 To 249)	395	2.1	425	2.5
Large (250+)	105	0.6	115	0.7
Total	18,840	-	17,295	-
Local Units				
Micro (0 To 9)	18,965	79.6	17,855	76.4
Small (10 To 49)	3,710	15.6	4,335	18.5
Medium (50 To 249)	975	4.1	980	4.2
Large (250+)	185	0.8	210	0.9
Total	23,840	-	23,380	-

Note: % is as a proportion of total (enterprises or local units)

7.1 Conclusion

The old adage states that there are “lies, damned lies and statistics”. This report tries to illustrate the current state of the Scottish economy through a number of key indicators. However, depending on the particular statistics chosen from a wide range, very different pictures of Scotland can emerge.

For example, while Scotland does not always compare well economically with the UK as a whole, or England, it is often the best, or one of the best performing regions outside London and the South East of England.

Or while unemployment may fall, economic inactivity may rise, but economic inactivity can include both students and incarcerated offenders.

In other words, politicians, or indeed anyone, can usually find and use a set of statistics that backs the particular argument they are making.

Part of the reason for the breadth of data and different pictures that can be painted is the dominance of London and the South East of England. As the data indicates, in reality there is not a UK economic picture, but a series of regional economies. The advantage Scotland has is that we have a Parliament and some powers to address those differences. Many regions’ economic performance falls well below that of Scotland, but they have few powers devolved with which to address those differences.

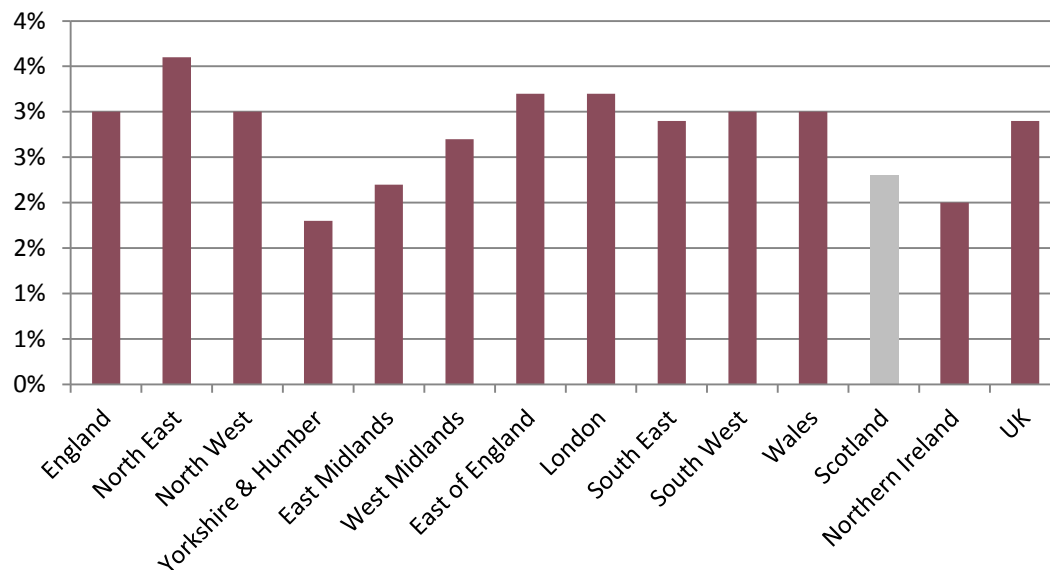
However, it is equally important to point out that just as the UK regional economy is varied, requiring different solutions to deal with the very different pressures in different areas, so too is the Scottish Economy. Edinburgh and Aberdeen’s GVA are amongst the top ten across the UK as whole, while East Lothian and Midlothian (classed as one area in the NUTS3 classification) is in the bottom 10. Indeed the gap between the top performing areas in Scotland and the bottom performing areas is similar to the gap between the top and bottom performing areas for the rest of the UK outside London.

Not only does this highlight the need for more reliable data, but poses a problem for policy makers trying to judge what is the best way forward. As a result, Reform Scotland is setting up an Economic Advisory Board to help navigate a way through this maze and help us come up with policy solutions to the economic problems we face.

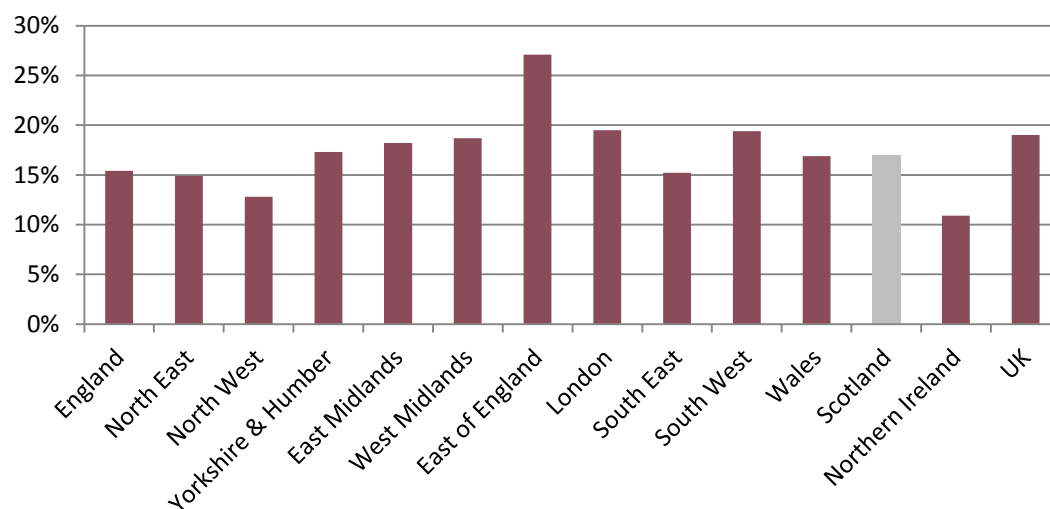
APPENDIX – Regions and countries of the UK at-a-glance

Regional comparison														
Nation/region	2015 GVA growth	2010-2015 GVA growth	% of tax payers are higher/additional rate payers	2004-20114 annual population growth	general fertility rate	% of UK EU28 nationals	% of UK Non EU nationals	businesses per 10,000 adults, 2016	Small businesses per 10,000 adults, 2016	Private sector employment % (excluding effects of major reclassifications) Dec 16	16-64 employment rate 15/16	16-64 inactivity rate 15/16	GVA per hour worked, 2015	Avg gross weekly earnings 2015
England	3%	15.4%	15.39%	0.79	62.5	89.43%	91.99%	1,088	1,080		74.9	21.3	101.8	593
North East	3.6%	14.9%	10.52%	0.3	57.9	1.30%	1.99%	679	673	80.5	70.7	24.1	87.8	508
North West	3%	12.8%	11.46%	0.42	62.9	7.98%	8.10%	896	890	82.8	73.1	23.1	89.9	543
Yorkshire & Humber	1.8%	17.3%	10.68%	0.57	61.9	5.48%	5.73%	895	888	82.2	72.9	22.9	86.4	519
East Midlands	2.2%	18.2%	12.43%	0.78	61.3	7.25%	4.61%	972	964	84.7	75.7	20.9	88.8	536
West Midlands	2.7%	18.7%	11.68%	0.67	63.9	7.82%	8.47%	892	885	83.9	72.4	23.2	86.8	536
East of England	3.2%	27.1%	17.14%	0.89	64.7	10.26%	7.10%	1,130	1,122	85.3	76.6	19.8	99.5	622
London	3.2%	19.5%	22.68%	1.4	63.9	32.23%	38.16%	1,464	1,454	86.5	73.5	22	130.7	700
South East	2.9%	15.2%	19.33%	0.88	61.7	11.65%	13.16%	1,243	1,234	85.5	78.5	18.6	108.8	648
South West	3.0%	19.4%	12.85%	0.74	60	5.48%	4.65%	1,144	1,137	84.2	78.2	18.8	92.5	562
Wales	3.0%	16.9%	9.63%	0.45	59.1	2.03%	2.20%	872	866	79.2	73.3	23.3	81.4	521
Scotland	2.3%	17.0%	13.59%	0.51	53.2	5.73%	4.69%	728	721	79.6	73.7	22.6	97.4	571
Northern Ireland	2.0%	10.9%	9.18%	0.71	66	2.82%	1.12%	845	839	74.9	69.4	26.2	80.3	477
UK	2.9%	19.0%	14.84%	0.75	61.7	100%	100%	1,040	1,032	83.7	74.6	21.6	100	585

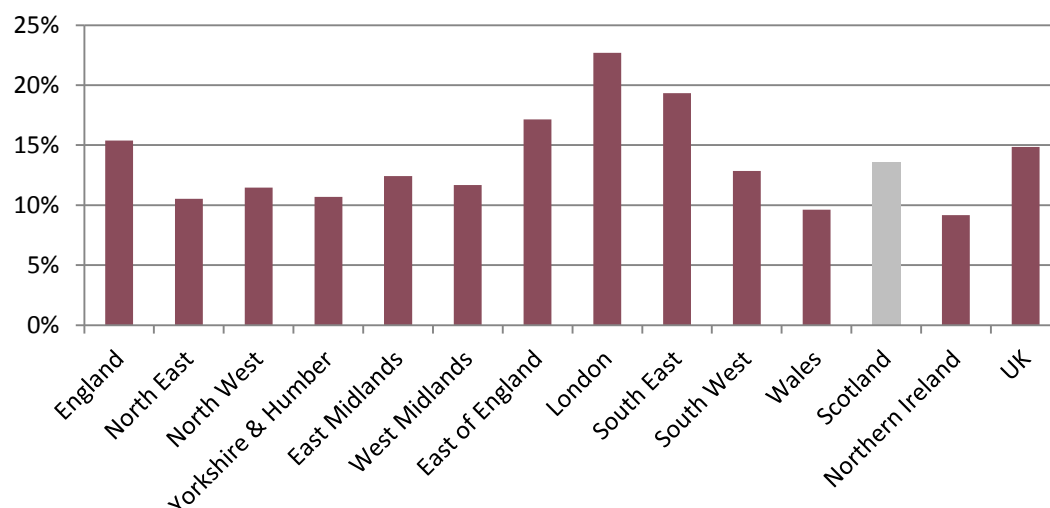
2015 GVA Growth



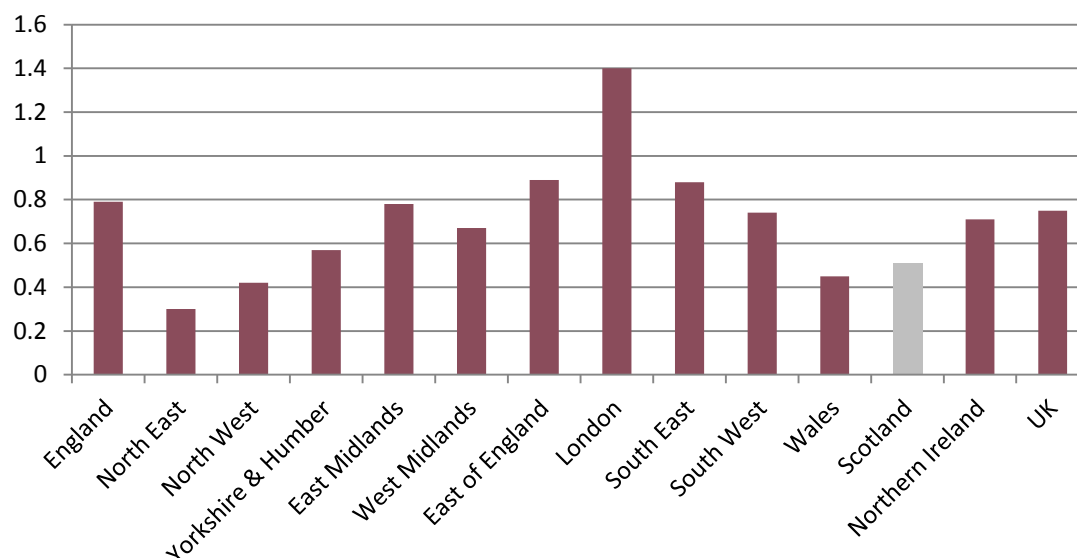
2010-2015 GVA growth



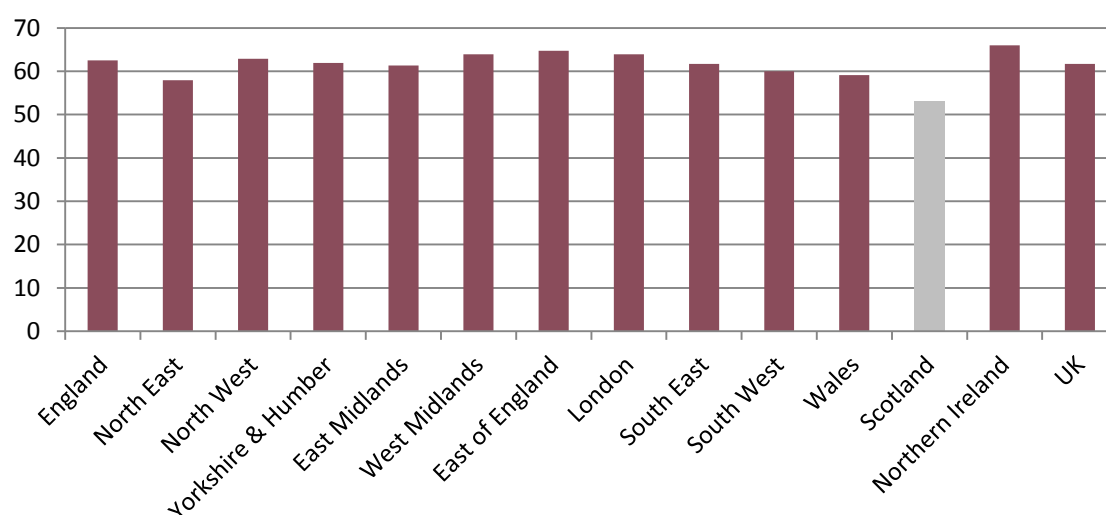
Percent of tax payers who are higher/additional rate payers



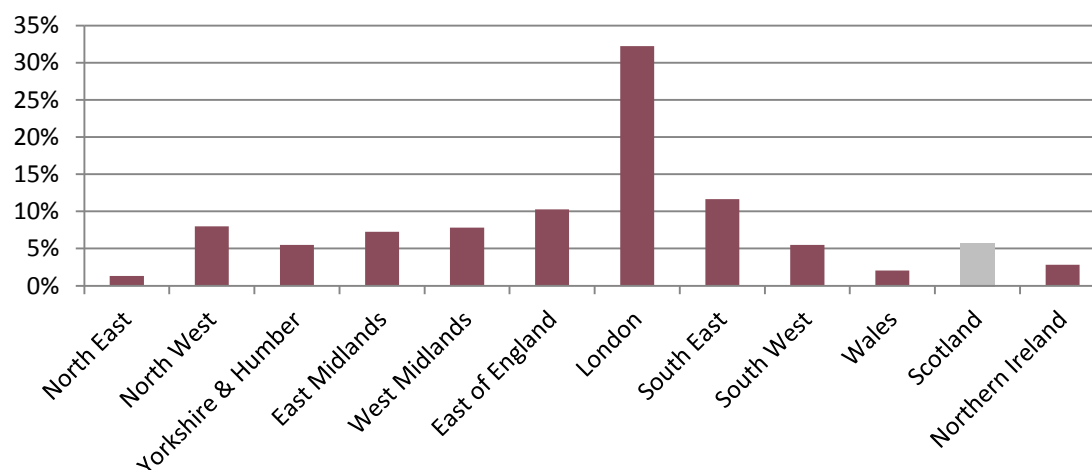
2004-20114 annual population growth



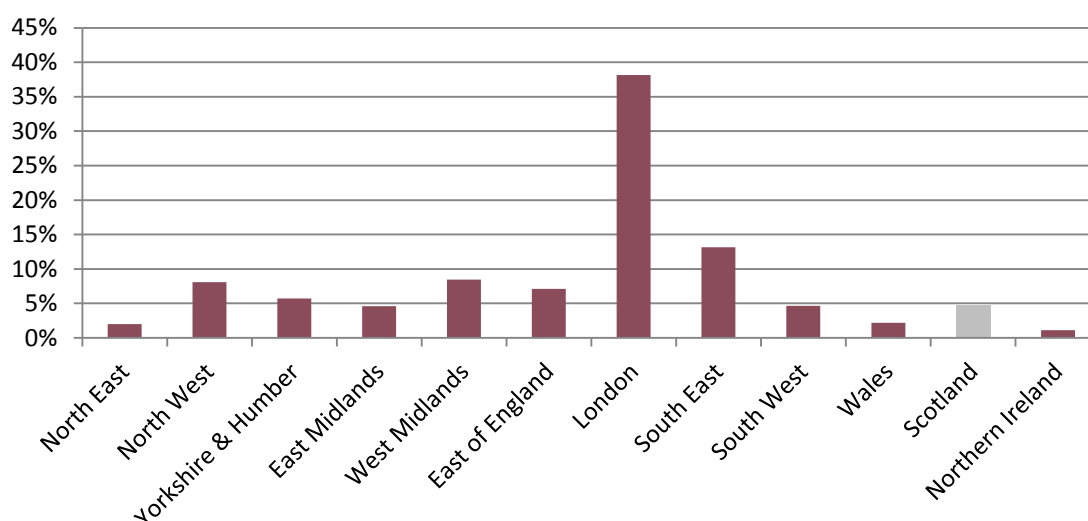
General fertility rate



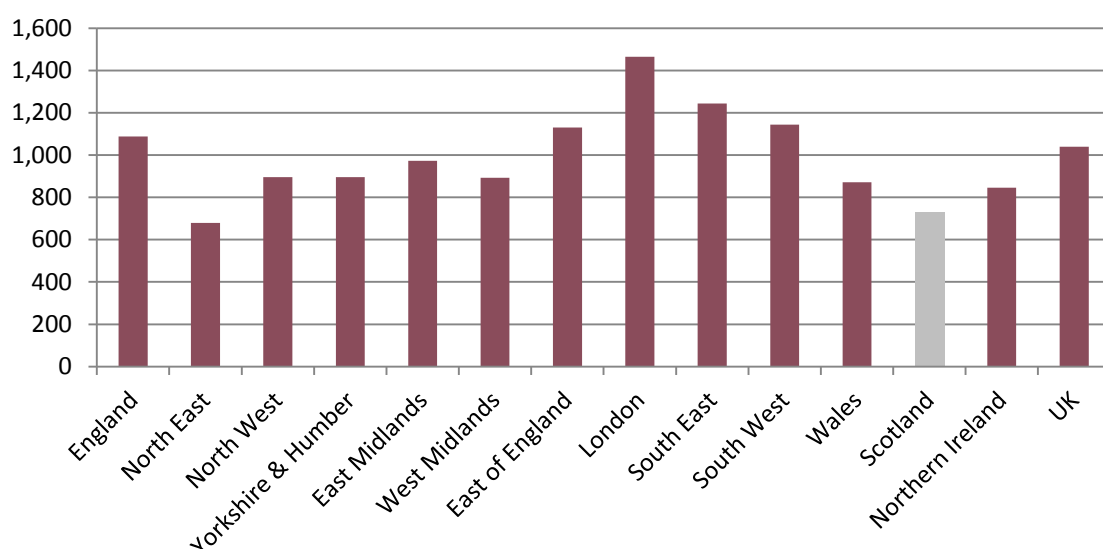
EU28 nationals living in the UK by region/country



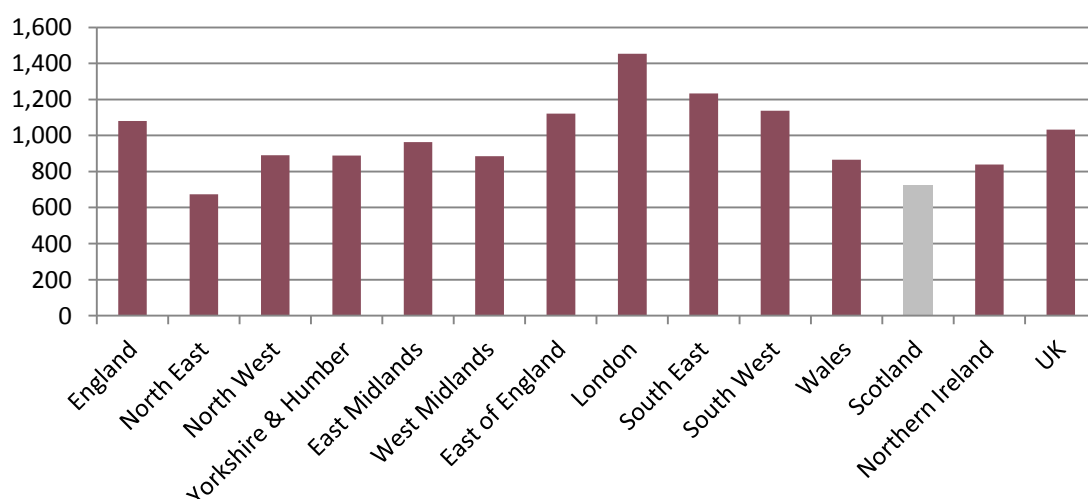
Non-EU nationals living in the UK by region/country



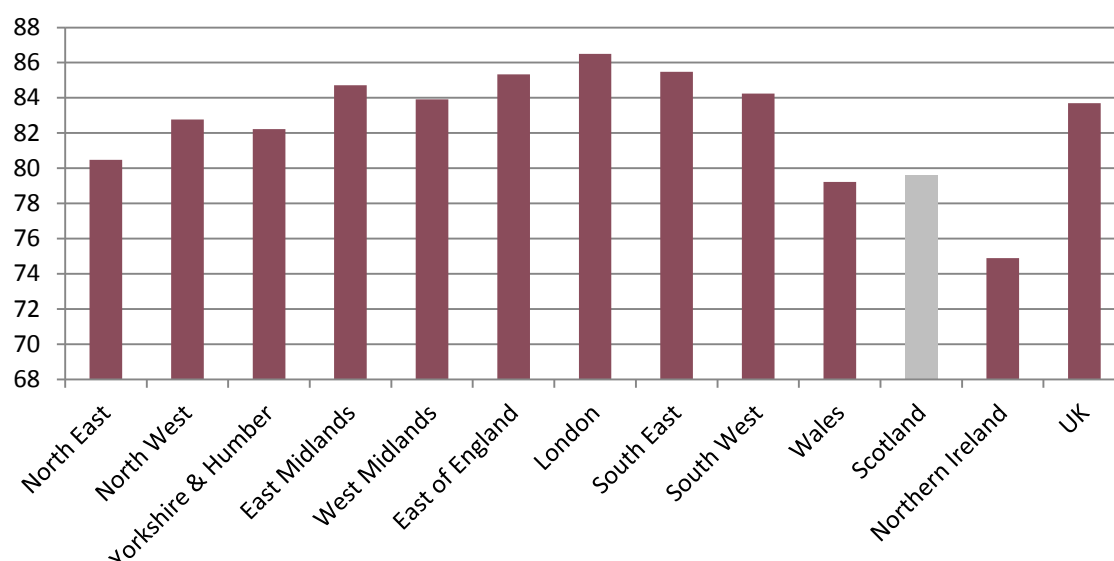
Number of businesses per 10,000 adults in 2016



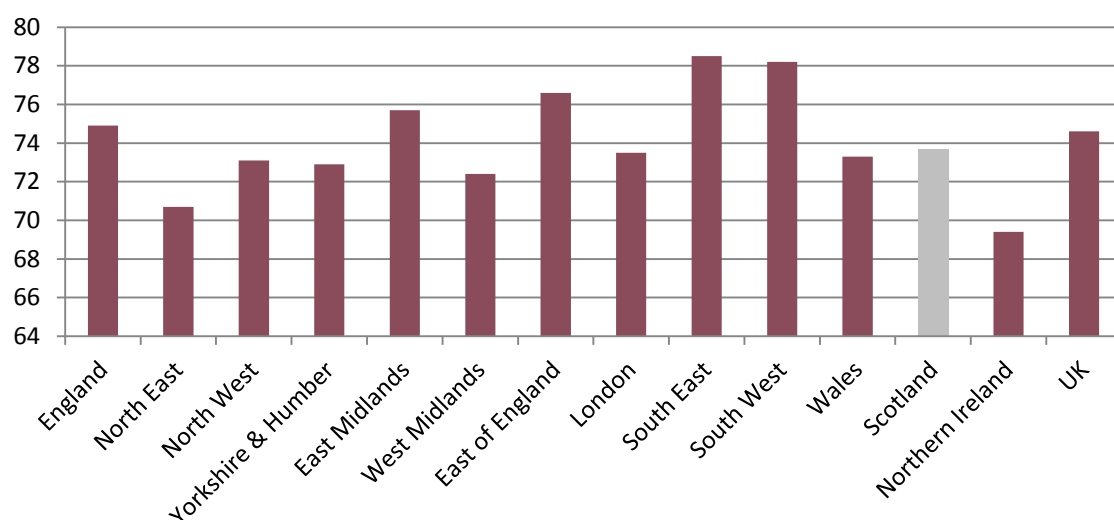
Number of small businesses per 10,000 adults in 2016



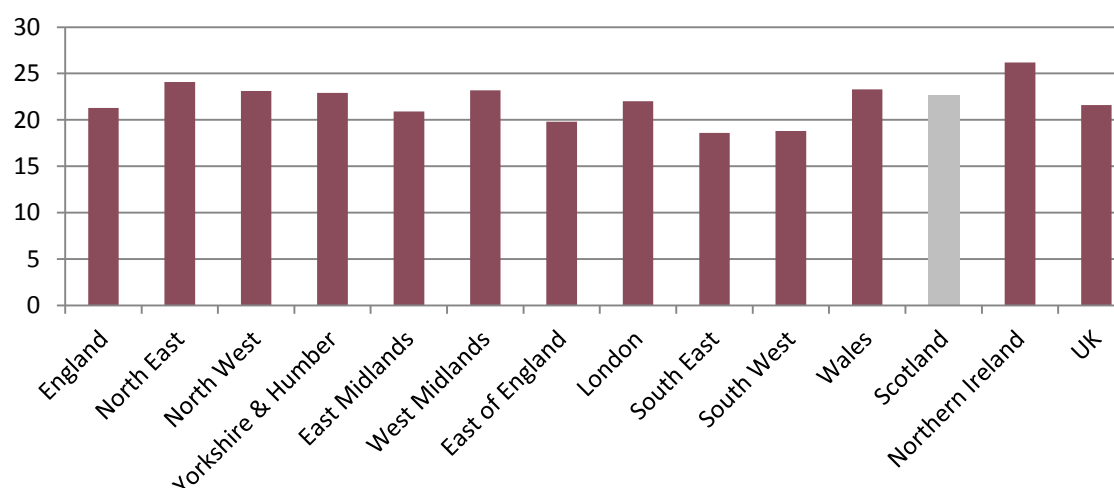
Private sector employment as percentage of all employment (excluding the effects of major reclassifications) December 2016



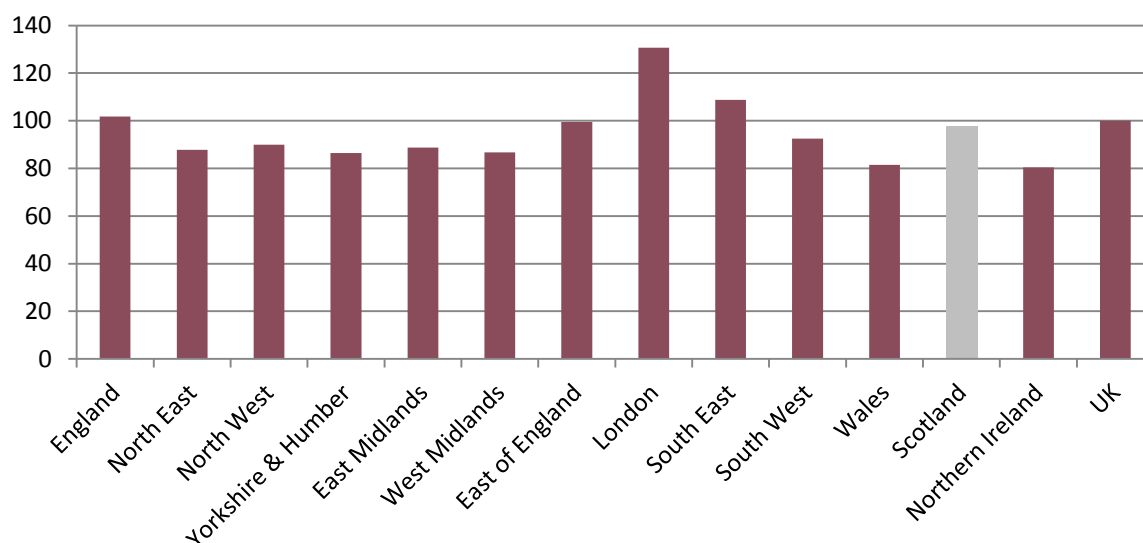
Employment rate for 16-64 year olds 2015/16



Inactivity rates for 16-64 year olds 2015/16



GVA per hour worked 2015



Average gross weekly earnings 2015

