CONTENTS

1. INTRODUCTION

1.1 SCOPE OF THE REPORT

yellow **book** was commissioned in 2002 to provide an economic and labour market intelligence service to the East Of Scotland European Partnership (ESEP). The aims of the service are:

- to assist European Regional Development Fund (ERDF) and European Social Fund (ESF) applicants to provide supporting evidence for their project applications and set appropriate performance targets
- to assist Programme Management Executives (PMEs) to identify and assess key labour market/economic issues
- to help partnerships to develop a shared view of problems and opportunities
- to assist PMEs to position their activities and achievements in an economic and social context.

This report updates economic and labour market data for the East of Scotland Objective 2 area and identifies and assesses key labour market issues for the region. The purpose of the report is to inform partners, applicants and the programme executive of the current economic and labour market conditions in the Programme area and to monitor the changes which have occurred over the last year.

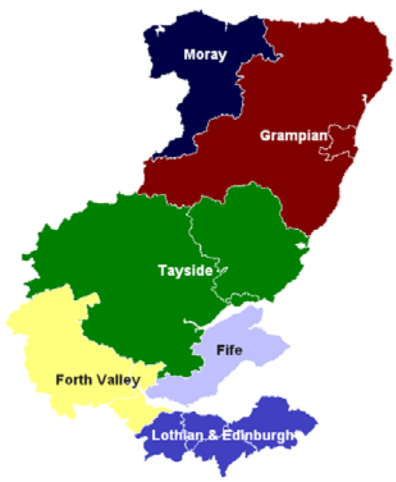
Objective 2 (ERDF) seeks to revitalise regions affected by serious industrial decline e.g. an unemployment rate higher than the EU average, a higher percentage of industrial employment than the EU average, and a decline in industrial employment. Objective 3 (ESF) helps to improve the situation of the long term unemployed, the young and those deemed to be 'socially excluded'. We have provided as much information as possible to help track the performance of the industries and thematic groups of importance to these two Structural Fund programmes.

1.2 GEOGRAPHICAL COVERAGE

Commentary on the "East of Scotland" generally refers to an amalgamation of the 13 local authority areas containing Objective 2 eligible and transitional areas, plus Aberdeen. Although this does not correspond exactly with the Programme area, this geography forms a series of more recognisable economic and labour market areas. Data is also provided for the 5 Local Enterprise Company (LEC) areas within the region.

East of Scotland local authorities

LEC areas (and Moray Council)



Within the programme area there are also a number of Community Economic Development areas, eligible and transitional wards. Where available we have provided data relating to these geographies.

1.3 THEMATIC COVERAGE

Where data is available we have endeavoured to provide analysis by age, gender and other statistical groups of importance to the Objective 3 partnership such as the long-term unemployed, lone parents, ethnic minorities and those with disabilities.

1.4 REPORT STRUCTURE

The report is in two main sections. Section 2 provides a detailed commentary of all the relevant findings from the annual monitoring exercise. This section is intended to be a stand alone summary for those wishing to understand the performance of the programme area as a whole. The following 9 sections (3-11) provide detailed economic analysis of the programme area with data disaggregated to local authority level where available for the following topics:

- Section 2: commentary
- Section 3: economic overview
- Section 4: employee jobs
- Section 5: earnings
- Section 6: entrepreneurship/VAT
- Section 7: demography
- Section 8: employment and forecasts
- Section 9: unemployment
- Section 10:skills and qualifications
- Section 11: social inclusion and benefits

Where possible the section 2 commentary avoids discussions on technical issues such as data sources, data sets used and interpretation. Further information on all of these elements is available in individual subject sections 3-11.

2. ECONOMIC ANALYSIS COMMENTARY

2.1 ECONOMIC OVERVIEW

Scottish growth and GDP

In 2002 the output (GDP) from the East of Scotland (EoS) region was estimated at £34,505 million, approximately 48% of the Scottish total. GDP growth is not available at a sub- Scotland level; however, as the East of Scotland constitutes approximately half of Scotland's employment and GVA, looking at changes in Scotland as a whole is relevant to the region. Since 2001q1, Scotland has experienced continued growth in total GDP although performance has varied by sector. While service growth has been consistently strong throughout and the construction sector has performed strongly since 2003q1, the production sector[1] has been unable to mount a recovery following a period of sharp decline in 2001.

Over the year to 2004q3 Scottish GDP rose by 1.8% - significantly slower than the UK growth rate (2.8%). In Scotland, all sectors experienced growth in the year to 2004q3. The construction industry outperformed all other sectors with an 8.4% increase. Agriculture, forestry and fishing saw a 1.3% increase while the production sector managed a modest 0.1% increase. The service sector saw a 1.8% increase over the period.

GVA per head

GVA per head of population is a standard measure of the overall prosperity of a country. In 2002 the average GVA per head in the East of Scotland was £14,869 – 4% higher than the Scottish equivalent (£14,261). Within the region, Aberdeen (£27,100) and Edinburgh (£20,821) had the highest levels of GVA per head; East Lothian had the lowest (£8,458), while 10 other councils all had less than the national average. Consequently, the average figure for the East of Scotland is heavily influenced by Aberdeen and Edinburgh.

Scottish manufactured exports

Exports are an important measure of internationalisation of Scottish companies and a means of bringing additional money into the Scottish economy. In 2003, manufacturing sector exports (valued at £13 billion) accounted for 70% of Scotland's total exports[2]. Falling output in the production sector, of which manufacturing is a subset, is reflected in Scotland's manufactured exports performance - since 2001q1 manufactured export sales have fallen by 24% in real terms.

Over the year to 2004q3, sales declined by 5.8% and fell by 0.7% in real terms in 2004q3. Poor performance can be partly attributed to the continuing decline in Engineering & Allied industries (-11.7%), Metals (-4.8%) and Chemicals (-3.7%). Four industries achieved increases in export sales in real terms, namely: other Manufacturing (+7.3%); Wood, Paper & Publishing (+3.6%); Food, Drink & Tobacco (+3.3%) and Textiles (+0.3%).

Strategic sectors employment

The East of Scotland Programme has 7 strategic sectors, which in 2003 accounted for 182, 978 jobs in the region; approximately 16% of all employee jobs (the same at Scotland (16%) and marginally higher than Great Britain (15%)). The proportion of jobs in these sectors has remained relatively unchanged since 1999 with no significant change over the last year (2002-3).

[1] Manufacturing accounts for 79% of the production sector.
[2] Global Connections Survey 2004, Scottish Executive.

West Lothian (24%), Moray (23%) and Fife and East Lothian (both 20%) had the highest jobs representation in the strategic sectors while Aberdeen (11%), Clackmannanshire, Dundee and Stirling (all 14%) had the lowest.

In 2002[3] both eligible (18%) and transitional (20%) areas had an above average share of employee jobs in these sectors. The proportions varied greatly across the CED areas from a low of 10% in the Edinburgh CED to a high of 34% in the East Lothian CED.

The strategic sectors vary significantly in terms of their size as outlined below.

	Employee jobs	% East of Scotland's jobs
Tourism & Cultural	99,926	8.9%
Biotechnology	5,818	0.5%
Food & Drink	22,543	2.0%
Forest Products	8,825	0.8%
Creative Industries	18,341	1.6%
Electronics / Opto-electronics	19,385	1.7%
Chemicals	8,140	0.7%
Total strategic sectors	**182,978**	**16.2%**

At the regional level most sectors have similar proportions of jobs as for Scotland and GB. Creative industries, although still very small in absolute terms (1.6%), has experienced the greatest jobs growth of all strategic sectors over the 5-year period (+92%). Tourism and culture (17%) saw growth equivalent to that of GB's while biotechnology's employment growth (+11.9%) far outstripped GB's (+1.4%). The remaining four sectors (food and drink (-18%); chemicals (-18%); forest products (-28%); and electronics (-35%)) saw varying degrees of employee job contraction over the 5-year period but in the case of food and drink and forest products sectors job losses were almost double that of GB's (-9% and -14% respectively).

In the last year (2002-3), creative industries (+20%) and biotechnology (+2%) saw strong jobs growth but tourism (-1%); food and drink (-4%); chemicals (-7%); forest products (-8%); and electronics/opto-electronics (-14%) all experienced downturns.

Job density ratio

In 2002 there was an average of 1 filled job for every 1.2 working-age residents in the East of Scotland (a ratio of 0.86) - higher than in both Scotland (0.82) and GB (0.83). Low ratios are only of concern where unemployment levels are also high, indicating low levels of local jobs to resident population and a lack of resident out-commuting to neighbouring employment hubs.

Within the East of Scotland, Aberdeen (1.25) has the highest job density ratio; at less than half that, Clackmannanshire (0.52) has the lowest. Midlothian and East Lothian also have very low job density ratios (0.57 and 0.54 respectively), reflecting their dependency on Edinburgh as a source of employment. The rural local authorities of Aberdeenshire and Angus (both 0.69) have relatively low ratios, a reflection of higher levels of self-employment and their employment dependencies on Aberdeen and Dundee respectively.

2.2 EMPLOYEE JOBS

Total employee jobs

In 2003 the East of Scotland (EoS) had a total of 1,118,860 employee jobs[4] (excluding employment in agriculture)[5], accounting for 48.7% of the Scottish total (a proportion which has remained unchanged since 1998).

[3] Data for 2003 is unavailable at a sub-local authority level

Over the past 5 years EoS job numbers have grown at a faster rate (+6.7%) than Scotland (+6.3%) and GB (+5.6%). However in the last year for which data is available (2002-3), EoS job growth (+0.8%) was marginally lower than Scotland's (+0.9%) but ahead of GB's (+0.5%).

Over the 1998-2003 period, all LEC areas, except Forth Valley which suffered a minor decrease (-0.5%), saw job growth, varying from 2% to 11%. The strongest growth was in Lothian and Edinburgh (+11%) where employee jobs grew by over twice the average rate of the remaining EoS area. Over the latest year (2002-3) Tayside (+0.8%), Lothian and Edinburgh (1.6%) and Grampian (2.1%) saw increases in employee job numbers but Fife and Forth Valley saw reductions of 2.3% and 1.8% respectively.

Over the 5 year period only 5 local authorities experienced jobs growth rates above the Scottish average: Aberdeenshire (9%); Edinburgh (12%); Midlothian (17%); Moray (16%) and West Lothian (12%). Four areas saw jobs decline: the largest was in Stirling with -4%; Angus and East Lothian suffered losses of -1% while in Perth and Kinross the figure was under 1%.

Economic Sectors

In 2003, the majority of jobs (910,396, representing 81.4% of total) in the East of Scotland were in the service sector and only 17.1% (191,676) in the industrial[6] sector – very similar to both Scotland and GB's sectoral distribution patterns.

Over the past 5 years the job change trajectories have been broadly the same across the 3 geographic areas, with industrial sector jobs declining by 15% in GB and 22% in Scotland and EoS, while service sector jobs increased by 12% in GB and 16% in Scotland and EoS. The decline in industrial jobs in the East in 2003 was noticeably more marked (-10%) than the other two area (-4% and -6%). In all 3 areas, growth in service sector jobs has more than offset losses in the industrial sector.

All LEC areas followed the same broad pattern of service sector growth and industrial sector decline between 1998 and 2003. Industrial decline was most severe in Lothian and Edinburgh (-30%) and had the least impact in Tayside (-11%). These trends were mirrored by service sector growth, which was strongest in Edinburgh and Lothian (+22%) and weakest in Tayside (+5%). Against the general trend, in 2002-3 there was a small decline (-2%) in service sector employment in Forth Valley.

All local authorities saw a loss of industrial employee jobs in the last 5 year period; the largest of which were in Clackmannanshire (-38%) and Edinburgh (-35%); and the lowest in Perth & Kinross (a loss of only 10 jobs). Against the long-term trend Dundee (+4%), Falkirk, Midlothian and Perth & Kinross (all +2%) all saw an increase in industrial jobs during 2002-3.

Over the 1998-2003 period, service sector jobs growth was strongest in West Lothian (36%), Midlothian (28%), Moray and Clackmannanshire (+26%). Stirling and Perth and Kinross were the only areas to experience decreases in service jobs (between 1-2%). In the last year Aberdeenshire (+11%); Moray and West Lothian (both 8%) saw the highest service jobs growth (all significantly above the East's 3% average) while Perth and Kinross and Stirling were the only areas to experience decreases (-3% and -7% respectively).

Full-Time and Part-Time Working

In 2003, 68% of the East's jobs were full-time (757,713) and 32% part-time (361,348) - identical to GB and Scotland proportions. Since 1998 part-time jobs have represented

[4] The self–employed are excluded from these figures as are those employed in agricultural class 0100.

[5] The Scottish Agricultural Census estimated that in 2003 there were 25,000 agricultural jobs in Scotland (16% casual or seasonal, 56% full-time and the remaining 28% part-time). Of this Scottish figure 13,261 were employed in the North East (Grampian) or South East (includes Tayside, Fife, Lothian and Edinburgh and Scottish Borders LEC areas). Although not an exact fit with the Programme area, this provides a reasonable approximation of the scale of the industry.

[6] Includes primary, manufacturing and construction activities.

an increasing proportion of jobs across in GB and Scotland, growing respectively at 5 and 8 times the rate of full-time jobs. In EoS the rate of growth was even greater (x 9.5) with a 19% increase in part-time jobs against a 2% increase in full-time.

The increase since 1998 in part-time jobs was mirrored in all LECs with rates varying between 7% in Tayside and 27% in Grampian. Only two LECs saw growth in full-time jobs, Lothian & Edinburgh (+6%) and Fife (+3%). Forth Valley experienced the largest decrease in full-time jobs (-5%) followed by Grampian (-3%).

Over the 5 years, Midlothian (+12%), West Lothian (9%), Edinburgh and Moray (6%) all saw above average FT jobs growth. However, 8 LAs experienced decline in FT jobs; the greatest in Stirling (-6%) and Clackmannanshire (-5%). In contrast part-time jobs grew everywhere with the highest increases in Moray (36%) and Aberdeenshire (33%).

In the last year the East saw a slight (-0.1%) reduction in full-time jobs (the same as GB but contrary to Scotland's 0.5% growth) but continued growth in part-time (+2.8%). Within the region:

- Stirling (-7.5%) and Aberdeen (-2.7%) saw the biggest decreases in full-time jobs
- Midlothian (5%) and Dundee (4.8%) bucked the EoS annual trend and recorded increases in full-time jobs
- West Lothian (12.1%); Aberdeenshire (11.8%); and Aberdeen (9.9%) all saw PT jobs growth above the region's average (+2.8%)
- East Lothian (-8%), Clackmannanshire (-7.1%) and Perth and Kinross (-6.7%) all lost part-time jobs.

Employee jobs by gender

In 2003 the EoS jobs were almost equally split between sexes with 556,643 jobs held by males (85% full-time & 15% part-time) and 562,418 females (51% full-time & 49% part-time). However, females were over 3 times more likely to be working part-time.

Between 1998 and 2003, the increase in male and female employee jobs in GB was similar (+5% and +6% respectively), however in Scotland and the EoS area, total female jobs (+9%) increased at over twice the rate of male jobs (+4%).

These changes in total employee jobs mask significant differences in part time and full-time jobs growth by gender. While male PT employment (+33%) grew at twice the rate of female PT employment (+16%), female FT jobs (+4%) grew by 10 times the rate of male FT jobs (+0.4%). Much of the total employee jobs growth (41,288 / 59% of the 69,977 additional employee jobs) in the region over the past 5 years has been in part-time, female, service sector jobs. Equally, most (83%) of the new full-time jobs have also gone to females.

Over the 5 year period performance varied with the region:

- female jobs growth exceeded male in 3 LEC areas; Lothian & Edinburgh (+15%), Grampian (+12%) and Fife (+7)
- in Tayside jobs growth was almost exclusively male (98%) whereas in Grampian it was overwhelmingly female (99%)
- four LA areas experienced a decline in male jobs (the largest in East Lothian and Aberdeen (-3%)) while 3 saw a decrease in female jobs (the largest in Stirling (-9%))
- Midlothian (+19%) saw the strongest growth in male jobs, followed by Moray and West Lothian (both 10%); female jobs grew most in Moray (21%) and Edinburgh and Midlothian (both 16%).

Employment by industry groups

In 2003, four industry groups from the 17 industrial sections accounted for 54% of all employee jobs in the East of Scotland (53% for Scotland and 57% for GB):

- wholesale & retail Trade (16%)

- real estate & business (14%)
- health & social Work (13%)
- manufacturing (11%).

Nine of the 17 industry sections experienced job growth over the past 5 years and the distribution mirrored that for Scotland as a whole. *Education* experienced the largest increase in jobs (+39%) over the period, equivalent to an additional 27,000 jobs and this was followed by *Financial Intermediation* (+37%) equivalent to nearly 18,000 jobs.

The biggest numerical loss occurred in *Manufacturing* (-25%) equivalent to 31,000 employee jobs in the East of Scotland. *Fishing* experienced the largest percentage decrease (-60%) representing around 1,400 employee jobs - although only a small numbers for the region as a whole, these losses were geographically concentrated in the North East.

The distribution of employee jobs between the main industry groups at LEC level broadly follows that for EoS. The main differences are:

- Fife where *Manufacturing* accounts for 17% of jobs, 55% more than the EoS average and where *Financial Intermediation* is only half the EoS rate
- Edinburgh & Lothian where *Financial Intermediation* accounts for 12% of jobs (twice the EoS figure) and where *Manufacturing* is 36% less than the EoS average
- Forth Valley where 20% of jobs are in *Wholesale and Retail Trade* (a quarter more than the EoS average) and where *Financial Intermediation* is only a third of the EoS rate
- Grampian where *Real Estate and Business Activities* account for 18% of jobs (nearly a third higher than the EoS) and where *Financial Intermediation* is only one sixth of the EoS figure
- Tayside where *Health and Social Work* accounts for 16% of all employee jobs (nearly a quarter more than the EoS average) and where only 8% of jobs are in *Real Estate and Business Activities (*43% less than the EoS figure*)*.

Growth Share Analysis

The East of Scotland's top 15 employing sectors in 2003 (accounting for 70.5% of all employee jobs) were identified from a list of all 57 2-digit SIC codes. Growth share analysis (based on GB rates between 1998-2003) shows that the East of Scotland is:

- **under-represented in some GB growth sectors**: education; retail trade; other business activities; post and telecoms
- **under-represented in one declining sector**: wholesale trade
- **over-represented in some GB growth sectors**: financial Intermediation; health & social work; hotels & restaurants; public admin & defence; recreation, culture & sport and construction
- **over-represented in some declining sectors**: Extraction of Crude Petroleum & Gas (the highest LQ score of all sectors (LQ16); Insurance & Pensions; Food & Drink Manufacturing and Sale and Repair of Motor Vehicles.

The main variations from the average East of Scotland position at LEC level are:

- 11 of Fife's top 15 industry sectors (accounting for 80% of jobs) experienced growth at a GB level over the 5 year period, however 4 were under-represented in locally. No industrial sector has a LQ of more than 2
- 5 of Forth Valley's top 15 industry sectors (accounting for 81% of all jobs) experienced growth at a GB level. T**he** most over-represented sectors locally, *Manufacturing of Motor Vehicles* (LQ 2.5) and *Manufacturing of Chemicals* (LQ 3), have contracted at a GB level over the last 5 years
- 10 of Grampian's top 15 industry sectors (accounting for 84% of jobs) grew at a GB level, however 5 were under-represented locally. Extraction of Crude Petroleum/Gas, the most over-represented sector (LQ 73), contracted by over 15% nationally over the past 5 years

- 11 of Lothian & Edinburgh's top 15 industry sectors (84% of jobs) grew at a GB level, however 5 were under-represented locally. The sectors with the highest location quotients are Insurance & Pensions (LQ 4.5), which lost jobs and Financial Intermediation (LQ 3.1) which grew nationally over the period
- 9 of Tayside's top 15 industry sectors (79% of jobs) grew nationally, however 3 were under-represented locally. *Agriculture & Related Activities* (LQ 3), the only sector with a significant local over-representation, accounts for 2.4% of all jobs but declined by 19% at a GB level over the past 5 years.

Overall, this suggests that the East of Scotland is generally well weighted towards national job growth sectors. The weakest sub-regional economy in terms of achieved and potential job growth is Forth Valley followed by Tayside. Lothian & Edinburgh is the strongest sub-regional economy measured on these factors, followed by Grampian. Fife had good growth at the beginning of the five year period but recent trends are downwards.

2.3 THE BUSINESS BASE

Stock of Businesses

At the end of 2003 there were 60,675 VAT registered businesses in the East of Scotland equivalent to 261 per 10,000 head of population – higher than Scotland's 250 but less than GB's 303. From 1998 to 2003 growth in the stock of companies in the East (2.3%) was similar to Scotland's (2%) but less than half that of GB (+5.4%). Consequently, over the period, the EOS gap with GB widened, although slightly less so than Scotland as a whole.

At the LEC area level, only Grampian's VAT businesses per 10,000 population (365) exceeds the GB figure, with Tayside (265) above the Scottish (250) and East of Scotland average (261). Fife has the lowest figure with 193, 74% of the EoS average.

Three local authorities (Aberdeenshire, Perth & Kinross and Stirling) have stock levels above the GB average, and a further four (Aberdeen, Moray, Edinburgh and Angus) are above the EoS average level. The lowest levels are in the former industrial areas of Dundee (166) Clackmannanshire (169) and Falkirk (173).

During 2003, stocks grew marginally in the EoS (+0.5%) - slightly higher than Scotland (+0.4%) but markedly lower than GB's (+0.9%). 11 LAs exceeded the EoS rate of increase, with Clackmannanshire (+4.5%); Stirling (+2.6%); and Midlothian (+2.3%) growing particularly strongly. The cities of Edinburgh, Aberdeen and Dundee were the main poor performers.

In 2003 the distribution of stock in the EoS by broad industrial sector was broadly similar to the pattern in Scotland and, with a few exceptions (*Manufacturing* – lower and *Agriculture* – higher) to that of GB as well. Nearly half of the stock in EoS is accounted for by *Real Estate & Business Activities* (27%) and *Wholesale & Retail* (20%).

Registrations and De-registrations

In 2003 there were 5,790 new VAT registration in the EoS - a reasonable proxy[7] for new business start-ups. Registrations in the EoS decreased by 0.8% overall in the last 5 years, (Scotland saw no change while GB's increased by 2.8%), mainly as a result of poor performance in the first 4 years. During 2003 the EoS saw the strongest growth in registrations (+11.5%) and made up some ground on Scotland (+8.2%) and GB (+8.1%).

During 2003, Clackmannanshire (+29%), Aberdeenshire (+28%) and Stirling (+24%) all experienced increased registrations at a rate more than twice the EoS average. The two worst performers were Aberdeen (-4%) and Falkirk (-2%).

[7] They do not take account of companies trading under the VAT threshold of £57k.

An examination of 2003 registrations as a proportion of the existing stock shows the highest formation rates were for *Hotels & Restaurants* (16%); *Real Estate & Business Activities* (13%) and *Construction, Transport* and *Education & Health* (all 10%). The EoS pattern of registrations is broadly similar to that of Scotland and GB (with the exception of *Finance* and *Public Administration* which are much lower in EoS).

In 2003, 5,480 companies deregistered from the VAT register in the EoS. Over the past 5 years EoS (+10.5%) had a greater increase in de-registrations than Scotland (+7.5%), although still noticeably less than the GB level (+16.5%).

Clackmannanshire (-35%) and Midlothian (-2%) were the only areas experiencing a decrease in de-registrations between 2002-3, giving them a double boost as both of their VAT registrations also increased at the same time. Four LAs had an increase in de-registrations at over twice the average EoS rate – Stirling (+29%), Moray (+20%), Angus (+17%) and Midlothian (+14%).

An examination of de-registrations as a proportion of the existing VAT business stock shows *Mining & Energy* (16%); *Hotels & Restaurants* (14%) and *Wholesale & Retail* (10%) had the highest deregistration rates in 2003, with few significant variations from Scotland or GB.

The highest levels of business "churn"[8] in EoS are found in *Hotels & Restaurants* (30%); *Mining & Energy* (25%) and *Real Estate & Business Activities* (23%). The lowest levels of business "churn" are in Agriculture (8%) and Finance (10%) - indicating higher stability and survival rates.

Self Employment

In November 2004 10% (118,500) of those in employment in the EoS were self-employed indicating a slight increase from 9.4% in November 1999. Over the same period the Scotland figure varied slightly around 10% while the GB self-employment increased from 12.2% to 12.8%. Consequently, the EoS differential with GB did not improve over the 1999-2004 period.

Tayside (12%) had the highest proportion of self-employed in 2004 followed by Grampian at 11.5%. The greatest change between 2000 and 2004 was in Forth Valley with a 41% increase in the number of self-employed bringing the proportion to 10%. With the exception of Edinburgh & Lothian (9.5%) there was convergence between LEC areas over the 2000-4 period. Data was suppressed at a local authority level.

Employee jobs by workplace size

In 2003, 31% of jobs in the EoS were in workplaces with more than 200 employee jobs, while nearly a fifth (19%) were in workplaces with fewer than 10 jobs – a distribution broadly similar to GB and Scotland.

Edinburgh and Lothian had the greatest share of jobs (36%) in large firms (200+ employee jobs) while Fife had the highest percentage of jobs (54%) in medium sized workplaces (11-199 employee jobs). Tayside had the largest share of jobs in small firms (21%), although there were not great variations at LEC level except for Edinburgh & Lothian (16%).

Workplaces by size

In 2003 there were 79,440 workplaces in the EoS, 79% of which had between 1-10 employee jobs - the same percentage as Scotland but slightly lower than GB (83%). A fifth (15,650) of the workplaces in the region were medium sized (11-199 employees); more than GB's 16%, while only 0.9% (680) employed 200 or more employees. There was little variation in these characteristics at LEC level.

[8] registrations plus de-registrations as a proportion of the overall stock

Business Survival Rates

All LEC areas in the EoS have shown improvement in their one year survival rates for VAT registered businesses over the period 1997-2001. The best rates for the most recent year (2001) were in Grampian (96%); Tayside (94%) and Forth Valley (93%), with the greatest improvement over the period in the latter (+5%).

Three year survival rates for companies registered between 1997-1999 improved in Edinburgh & Lothian (up I point to 65%) and Fife (up 1 point to 69%) but fell in the other 3 areas, with the greatest decreases in Grampian and Forth Valley (both of which fell by 5 points to 69% and 64% respectively). In Scotland as a whole, over the same period there was a small reduction in three-year survival rates from 66% to 65%.

2.4 POPULATION

Geographic Trends

In 2003 the population in the EoS was 2,322,200, representing 46% of the total population of Scotland. Over the last 20 years this has increased by 72,700 (+3.2%), which compares with a decrease in Scotland (-1.8%) but a much higher rate of growth in GB (+5.6%).

Only 4 local authority areas in the East of Scotland saw a decrease in population over this twenty year period: Dundee (-13.6%); Clackmannanshire (-1%); Aberdeen (-4%); and Midlothian (-3%), while Aberdeenshire (+17%): West Lothian (+15%); East Lothian (+13%); Perth & Kinross (+11%) and Stirling (+7%) have all grown at higher rates than both GB and EoS.

Working Age Population

In 2003, the East had a working-age population[9] of 1,461,765; representing 63% of the total population, slightly higher than the 62.4% for both Scotland and GB.

At LEC level, Grampian (64%) and Lothian & Edinburgh (65%) have slightly higher shares of working-age population; Tayside has the lowest (60%). The picture was reversed for those of retirement age: Tayside had the highest share with 21% while Edinburgh & Lothian had the lowest share (17%). At local authority level, Aberdeen City and Edinburgh City had the highest working-age populations (66%) while Perthshire & Kinross and East Lothian had the lowest with 59%.

Population Projections

Between 2003 to 2018, the region's population is expected to increase by 8,986 (+0.4%) compared with a projected decline of 2.2% in the population of Scotland and an increase of 5.9% in GB.

In the LECs, Forth Valley (3.5%), Lothian & Edinburgh (6.7%) and Fife (1.2%) are all projected to see population growth between 2003-2018. The largest population losses over the period will be in Tayside (-6.7%) and Grampian (-5.8%).

Aberdeen City, Aberdeenshire, Angus, Clackmannanshire, Dundee City and Moray are all projected to experience population losses (of between 1-13%) in the period up to 2018. East (+11%) and West Lothian (+13.9%) are forecast to see the largest increases.

Although no sub-national data is available for the East of Scotland with regard to projected working-age population, the working age population[10] of Scotland is forecast to fall marginally from 62.4% in 2003 to 62.1% in 2018. As the East of Scotland

[9] Aged 16-59/64 years
[10] This definition takes account of the increase in pensionable age from 60 for females to 65 for both genders from 2010 onwards.

accounts for almost half of Scotland's population this national projection is likely to be reasonably representative of the EoS experience.

Ethnicity

In 2001, only 2% of the EoS's population was black or other minority ethnic group (BME) – the same proportion as Scotland. Edinburgh (4.1%) and Dundee (4.0%) had the highest levels of BME population while East Lothian and Aberdeenshire (both 0.7%) had the lowest.

2.5 ECONOMIC ACTIVITY

Economic Activity Rates

Economic activity[11] is marginally higher in the EoS (81%) than Scotland and GB (both 79%). Since 1999 the EoS activity rate has increased by 1%, Scotland has improved by 2.4% but GB's has remained unchanged, thus widening the differential between EoS and GB. The rates in all three areas remained unchanged in the last year.

There has been a gradual convergence of East of Scotland LEC activity rates over the past five years – with rates in 1999 ranging from 76% to 84% to a current range of between 80% and 83%. Forth Valley has experienced the greatest improvement over the period. With the exception of Grampian, which remained unchanged, all other LECs saw increases in their activity rates in the last year of between 1 and 2 percentage points.

At LA level, West Lothian (87%) and Aberdeenshire (85%) have the highest activity rates in the region; Moray (76%) and Dundee (78%) have the lowest. In the last year 4 LAs saw a decrease in rates, 3 of which were small changes (1-2 points). Moray saw a significant drop in economic activity over the year (from 88% in Nov 2003 to 76% in Nov 2004).

Gender Related Activity Rates

The average regional male economic activity rate in 2004 was 85% (634,000 economically active residents) and the average female rate was 77% (544,000 residents). These rates have been consistently higher in the EoS throughout the last 5 years than in GB (84% and 73% in 2004) and Scotland (83% and 76%).

There was no change in male rates in the region over the last year (also the case for Scotland and GB). Female rates increased by 1 point (from 76% to 77%) in both EoS and Scotland but remained unchanged in GB.

In the EoS sub-regions there are relatively small differences in the male activity rates, which vary between 82% (Fife) and 89% (Grampian). There is a similar distribution of female rates across LEC areas which tend to mirror the male rates, varying between 75% (Grampian) and 80% (Fife).

Age Related Economic Activity Rates

The East has slightly higher economic activity rates than both GB and Scotland across all age groups. They are highest amongst those aged 25-34 years and 35-49 years (87%). Since Nov 1999 there has been an increase in the activity rate of those aged 50-retirement (from 69% to 73%) and 20-24 years (76% to 80%). However, those aged 16-

[11] the economically active are working-age residents who are engaged in economic activity i.e. they are employees, are self-employed or are unemployed but actively seeking employment. The activity rate is the proportion of the total population of working age in these economically active groups and, consequently, it is an important indicator of the available supply of labour and labour market engagement.

19 have experienced decreasing activity rates (67% to 66%) possibly as a result of the expansion in full-time education.[12]

There are significant variations in age-related economic activity by LEC area. In Nov 2004 Lothian and Edinburgh had the lowest economic activity rate for those aged 16-19 years (60%). Forth Valley has the highest activity amongst those aged 20-24 years (92%) – far higher than region (80%) and Scotland (79%). Grampian has the highest economic activity rates for those aged 50-retirement (78%) while Fife and Forth Valley have the lowest rates (68%) for this age group.

2.6 ECONOMIC INACTIVITY

Overall inactivity rates

In November of 2004, 19% of the region's working-age residents (274,000) were economically inactive[13]. Over the last 5 years, the EoS rate has been consistently lower than both GB and Scotland, and the gap with GB has widened while that with Scotland has narrowed slightly.

There are no significant variations from the EoS average at a LEC level. However, within the EoS local authorities, Moray (24%)[14], Dundee City (22%) and Clackmannanshire (22%) had the highest inactivity rates while West Lothian (13%) had the lowest. Over the last 5 years Moray (+71%), Aberdeen City (+35%), Midlothian (+29%) and Fife (+10%) have all seen increases in their number of inactive, while there were significant falls in Stirling (-38%), Falkirk (-25%) and Dundee (-23%).

Gender Related Inactivity Rates

The male (15%) and female (23%) inactivity rates in the region have been remained relatively stable and consistently lower than Scotland and GB over the past 5 years. Females in Grampian had the highest inactivity rates (25%) and Fife the lowest (20%). For males the picture was reversed - Fife had the highest level of inactivity (18%) and Grampian the lowest (11%).

Age Related inactivity Rates

In November 2004, the EoS had lower inactivity rates than both Scotland and Great Britain across all age groups, but in particular the 16-19 and 20-24 categories. Inactivity rates for those aged 20-24 and 50-retirement have fallen most over 5 year period from 24% to 20%; and 31% to 27% respectively. 16-19 year olds have seen a slight increase from 33% to 34% over the same period.

Lothian and Edinburgh had the highest inactivity rate amongst 16-19 year olds (40%) – partly due to the higher number of students resident in Edinburgh City - Fife has the lowest (28%). Fife and Forth Valley have the highest levels of inactivity amongst those of 50 years to retirement age (both 32% compared with the EoS average of 27%), perhaps reflecting high levels of sickness associated with previously heavily industrialised areas (see reasons for inactivity below).

Reasons for economic inactivity

[12] the proportion of economically inactive that is not looking for work because they are a student has increased from 3.2% in 2000 to 4.3% in 2004.

[13] The economically inactive include students, claimants of non-unemployment related benefits, those who are caring for their home/family members and those who are sick or disabled.

[14] The increase in Moray from an inactivity rate of 14% in Nov 1999 to 24% in Nov 2004, an actual increase from 7,000 to 12,000 inactive, is exceptional and should be treated with caution due to the relatively small sample size.

In February 2004[15], 66% (195,000) of the East's inactive stated they did not want a job (8 points lower than the GB figure). Of the remaining 34% who wanted a job, the main reasons for not actively looking were because they were: students (4%); looking after their family/home (8%); long-term sick (12%) – [this was higher than Scotland (11%) and GB (8%)]; or were discouraged workers (0.8%)[16] – [this was similar to the Scottish figure but double the GB (0.4%)].

Within the region Fife has the highest level of discouraged workers (1.7%); Forth Valley has the highest share of long-term sick (14.6%); Grampian has the highest level looking after family or home (9.1%); Lothian and Edinburgh has the highest level of students (6.3%).

2.7 EMPLOYMENT RATES

Overall employment rate

In Nov 2004, the EoS employment rate was 77%, (1,118,000 residents) – higher than GB and Scottish rates (both 75%). Over the past 5 years the EoS rate (+2%) increased at twice the rate of GB but the differential with Scotland narrowed as it saw continued improvement (up from 71% in Nov 1999).

There were no significant differences at LEC level, with figures ranging from 78% in Grampian and Forth Valley to 75% in Tayside. With the exception of Grampian (which fell from 80% to 78%) all LEC areas increased their employment rates over the last 5 year period resulting in a convergence of rates across the region.

Employment rates varied more significantly across local authorities with the highest levels in West Lothian (83%) and the lowest in Dundee (68%) and Clackmannanshire (72%).

Employment Rate by Gender

The average male working age employment rate in EoS in 2004 was 81% (approx. 598,000 residents) – higher than GB (79%) and Scotland (78%); the female equivalent was 73% (519,000) – again higher than Scotland (72%) and GB (70%). Over the last 5 years the gender specific employment rate has increased steadily across all 3 areas.

Within the EoS region, Fife has the highest female employment rate (76%) and Grampian the lowest (72%), although the differences were not significant. Grampian (83%) had the highest male employment rate while Fife and Tayside (both 77%) had the lowest. In the last year Forth Valley had the biggest increase in the number of employed females (+11%) while Tayside and Edinburgh and Lothian experienced a 1% decrease. Male employment grew fastest in Fife (+6%) and declined most severely in Tayside (-7%), over the same period.

Employment Rate by Age

In 2004 the lowest employment rates in the region were amongst 16-19 year olds (53%). The highest rates were amongst those aged 35-49 years (84%) and 25-34 (83%), the peak earning years. Between 1999 and 2004 the 16-19 year old employment rate in EoS declined from 55% to 53% bringing it closer to GB (51%) and Scotland (53. The employment rate grew most amongst those aged 20-24 years (66% to 72%) and 50-retirement age (65.7% to 71.7%).

At a sub-regional level, Lothian and Edinburgh had the lowest employment rate amongst 16-19 year olds (48%); Fife had the highest (63%) – probably a reflection of the high proportion of students resident in Edinburgh City. Forth Valley (88%) had the

[15] This is the latest data available for this indicator
[16] A discouraged worker is defined as someone who is not claiming unemployment benefit but would consider working if the 'right types' of work came up based on their previous employment experiences, skills, income level.

highest employment rate amongst 20-24 year olds and Tayside the lowest (63%). Fife had the highest rate (86%) amongst 25-34 year olds and Tayside the lowest (78%). Grampian had the highest amongst 50-retirement (76%); Forth Valley the lowest (65%).

Employment by Sector

In 2004 the distribution of employment by industry was broadly similar across the East of Scotland, Scotland and Great Britain. Public sector employment (public administration, education and health) accounted for over a quarter (28%) of resident employment in all areas. Distribution, hotels and restaurants was the second largest industry group, accounting for 20% of resident employment in all 3 areas.

The long-term shift from manufacturing to service employment is evident across the region. In 2004, 12% (134,000) of the region's employed residents worked in manufacturing (down from 14.8% in 2000) while (75%) worked in services (up from 71.4% in 2000) – a trend also evident in GB and Scotland.

Key differences at LEC level include 10% of resident employment in Grampian in energy and water (compared with a Scottish average of 2%); higher manufacturing employment in Fife (17% compared to 12% for Scotland); high levels of employment in banking, finance and insurance in Lothian and Edinburgh (22% vs. 13% for Scotland).

At local authority level, Falkirk had the highest level of employment in manufacturing amongst its residents (19%); Edinburgh (7%) had the lowest. However, Edinburgh had the largest share of resident employment in service industries (86%) with Aberdeenshire the lowest (66%). With the exception of Perth & Kinross (76%), Aberdeen (71%) and Edinburgh (86%) - each of which fell by 2% points - the proportion of resident employment in the services sector across most LAs in EoS continued to grow over the last 5 years.

Employment by Occupation

The occupational structure of the region varied little from that of Scotland and Great Britain. The top three occupations in the East of Scotland in 2004 were managers (13%), elementary (13%) and professional & technical occupations (13%).

At LEC level Lothian & Edinburgh had the highest share of managers (15%) and professionals (16%) but the lowest shares of skilled trades; process, plant and machine operative and elementary occupations. Fife had the lowest share of managers (11%) and professionals (9%), but the highest share of people working in skilled trades occupations (11%). Tayside had the highest share of associate professional and technical occupation (14%). Grampian had amongst the highest levels of skilled trade (14%) and elementary occupations (15%).

2.8 LABOUR DEMAND PROJECTIONS

The following section summarises Futureskills Scotland's forecasts for labour demand[17] in Scotland over the period 2003-8.[18] Although sub-Scotland projections are not available, the projections are nonetheless relevant for the EoS region as it has almost half of Scotland's total employee jobs.

[17] Labour demand refers to the total number of jobs for which workers will be required by employers – it is measured by adding *expansion* demand (new jobs) and *replacement* demand (vacancies that result from employees retiring or leaving the industry altogether for another reason) together

[18] Futureskills Scotland, Labour Market Projections, 2004. www.futureskillsscotland.org.uk

In all industries and occupations, new job[19] opportunities are predicted to be largely due to the scale of replacement demand as opposed to expansion demand. Futureskills Scotland forecast that:

- from 2003 to 2008 there will be an annual average of 100,000 job opportunities
- of these, expansion demand is projected to create 7,200 job openings
- replacement demand is forecast to create the remaining 92,800.

Projected labour requirement by industry

An overall growth in employment (expansion demand) of 1.4% is forecast for Scotland over the period 2003-8, but this varies significantly for different industry groups with a predicted increase in 6 sectors and decline in 10. Highest growth is expected in banking & insurance (+9%) and business services (+7%) and the greatest reductions in textiles and clothing (-24%) and engineering (-15%).

These figures are largely replicated in the sectors with the largest projected net additional requirements for labour in 2008 (taking account of both replacement and expansion demand

Projected change in employment and job openings by occupation

Over the 5 years to 2008, all 9 occupational groups in Scotland are forecast to increase their net requirements (taking account of expansion and replacement demand). The occupations with the largest forecast net labour requirement relative to their size over the 2003-8 period are associate professionals and technical occupations (+30%); professional occupations (+30%); and personal services (+25%). Those with the lowest demand proportionate to current size are skilled trades (+4%); elementary occupations (+10%); and process, plant & machine operatives (+14%).

2.9 EARNINGS

Unless otherwise stated figures the following commentary relates to the gross, weekly earnings of those in full-time employment (including the self-employed).

Full-time resident gross weekly wages

In 2003, the average full-time weekly wage in the region (£447) 2% higher than the Scottish average of £437 but only 94% of the GB equivalent (£476). The region's 2003 figure represented a 2.7% increase on the previous year, higher than the GB increase of 2.4%, but marginally lower than Scotland's 3.2%. All areas of Scotland showed some convergence with the GB figure.

At the LEC area level, Grampian had the highest full-time weekly wage (£484) – higher even than the GB average, while Tayside had the lowest (£418), some 6.5% less than the regional average. Between 2002 and 2003 there was an increase in the average full-time wages across all LECs and Moray, with the highest increase in Moray (8%) and lowest in Lothian & Edinburgh (1%).

At local authority level Stirling had the highest wages in 2003 (£586)[20]. Three areas had an average wage of over £480, Edinburgh and Aberdeen (£481) and Aberdeenshire (£487) while the lowest average wage levels were found in Moray (£380) and Dundee (£383).

[19] Jobs are created when businesses grow and require additional employees (expansion demand) and when vacancies need filled due to retirement, emigration or changing occupation (replacement demand) - labour demand is the total job openings due to both these flows (replacement and expansion). It is possible to have a net labour requirement in an industry which is contracting if the number of replacement jobs is higher than the jobs lost due to industry contraction.

[20] Even allowing for sampling error, the figure would still be higher than £500.

In some areas, especially those where commuters represent a significant proportion of the workforce, there are substantive differences in resident and workplace earnings. The areas with the highest workplace compared to resident earnings are Dundee (16% higher workplace than resident wages) and Aberdeen and Clackmannanshire (both 9% higher). Areas where resident earnings are higher than workplace based earnings include Stirling (36% higher resident earnings); Aberdeenshire (+15%) and Angus (+7%).

Resident earnings by occupational groups

There was greater variation in earnings across occupational groups than geographies. The highest weekly wages in the region were paid to managers (47% above average) and professionals (29% higher). The lowest paid occupations were sales & customer service (42% of the average) and personal services (46% of the average). This differential in earnings across occupations was also evident at a Scottish and British level.

Resident earnings by Gender

In 2003 the average weekly full-time wage for females (£376) in the East of Scotland was only 75% of the male average (£498). Further significant variations occurred by occupation. In personal service and administrative occupations the female wage represented 85-86% of the male, while in plant/machine operatives and skilled trade occupations the rates were only 67-69% of men's. Female managers earned only 71% of their male counterparts.

At a LEC level, the average weekly wage for females varied from a high in Lothian & Edinburgh (£401) to a low in Fife (£340). Grampian (£550) had the highest average weekly wages for males and Tayside (£461) the lowest.

Part-time resident earnings

Part-time workers in the region earned an average of £148 in 2003 – 97% of the GB figure (£152) and 99% of Scotland's (£150). The average increase in weekly wages in the East between 2002-2003 was 2.9% for part-time workers (similar to GB (3.2%) and Scotland (3%)). There was variation in changes at a LEC level from an increase of 10% in Forth Valley to a small decrease of 0.3% in Grampian.

2.10 SKILLS AND QUALIFICATIONS

Job related training of working age residents

The proportion of people receiving work-related training is measured over two periods; those who received training within the last 4 and 13 weeks. In Feb 2004, 13.2% (192,000) of the East of Scotland's working age residents had received job-related training in the last 4 weeks – higher than both GB (11.5%) and Scotland (12.2%). Over the past 5 years the EoS percentage has increased by 2.7 points compared with 1.9 for Scotland and 0.7 points for GB. The relative performance was of a similar order for training received over the 13 week period – GB with 22%, Scotland with 23% and the East of Scotland with 25%.

There were some modest variations in these figures at LEC level. Edinburgh & Lothian had the highest training participation rates for both 4 (14%) and 13 week (27%) categories while Forth Valley had the lowest rates in both categories – 10% and 22% respectively.

There were no significant differences in the proportion of males and females receiving job related training in EoS, Scotland and GB. There were no significant variations by gender at LEC level.

Working-age qualification levels

In Feb 2004, 13% of the region's working age residents held no qualifications, lower than Scotland (17%) and GB (15%) equivalents. More than double that proportion (31%) held NVQ4+ qualifications - higher than GB (25%) and Scotland (28%). Apprenticeships were also higher in EoS (10%) than GB (7%).

Tayside and Forth Valley had the highest proportions of residents with no qualifications (both 16%); Grampian and Lothian & Edinburgh had the lowest proportions (both 12%). Fife and Grampian (11%) had the highest proportion of residents with trade apprenticeships and Lothian and Edinburgh the least (7%). All LEC areas had higher levels of residents with NVQ2 and above than the GB level (62%) - Lothian and Edinburgh and Grampian had the highest proportions (69% each).

S4 Educational attainment at S4 and S5

School qualification levels are an important early indicator of future work prospects – in particular, there is a high level of correlation between poor educational attainment and future unemployment.

In 2003/4, 76% of the East's S4 pupils gained 5 or more awards at level 4 or above - the same proportion as the previous 2 years and the same as the Scottish figure. Performance of individual LEC areas on this factor was more variable; Grampian (80%) had the best average and Forth Valley (72%) had the lowest. 3 of the 5 LEC areas experienced an increase in their educational attainment in 2003/4 – Forth Valley and Grampian being the exceptions. At a local authority level, S4 performance ranged from highs in Aberdeenshire (85%) and Moray (84%) to lows in Dundee City (65%) and Clackmannanshire (68%).

In 2003/4, 23% of the region's S5 pupils gained 3 or more awards at level 6 or above. This was the same as the previous two years' results whereas the Scotland figure decreased slightly in the last year, falling to 22%. Individual LEC performance was more varied. Grampian again produced the strongest educational performance in 2003/4 but Forth Valley was the only LEC area to experience an improvement (+2%) on its previous year's results. Tayside and Fife (both 21%) had the lowest attainment levels, and their 2003/4 results represented a reduction on the previous year's performance. At LA level Stirling (32%) saw the best performance while Dundee and Clackmannanshire (both 14%) shared the lowest performance.

Destination of school leavers

Exclusion from further education, training or employment at an early post-school stage is a strong predictor of unemployment at age 21 and into later life[21].

In 2003/4 there were 25,190 school leavers in the region. Of these: 52% entered higher or further education (50% for Scotland); a quarter entered employment; and 3% entered training (5% Scotland). Of the remaining 20% classed as NEET (not entering education, employment or training)): 14% were unemployed and seeking training or work; 3% were unemployed and not seeking employment or training; and 3% had an unknown destination. The figures for Scotland as a whole are almost identical.

The pattern of destinations at LEC level was very similar with the main variations being a higher proportion entering employment in Lothian & Edinburgh (32%) and much lower in Fife (15%). Grampian (58%) and Tayside (55%) had the highest percentage of school leavers entering further/higher education and Forth Valley the lowest (46%).

16-19 year olds in full-time education

[21] 'Measuring Scotland's Progress Towards a Smart, Successful Scotland 2004', Joint Performance Team, Scottish Executive.

In Feb 2004, nearly 61% of the region's 16-19 year olds were in full-time education (higher than both Scotland (56%) and Great Britain (58%)) – a significant increase (+9%) from the 52% in 1999. At sub-regional level, Forth Valley (67%) had the highest participation rate (up from 57% in the previous year) while Fife and Lothian and Edinburgh (both 57%) had the lowest.

Students attending Higher and Further Education institutions

In 2003/4 there were just over 267,000 students attending credit-bearing courses in Scotland, a small reduction (-2%) on the previous year. Since 1996/7 female students have been in the majority and their share of the total has continued to grow to 56% in 2003/4. The top 2 subjects studied in Scotland were business administration (22%) and subjects allied to medicine (11%), which accounted for a third of all subjects.

Graduates from Higher Education courses

In 2003/4, 62,300 students graduated from Higher Education institutions in Scotland. The top 3 subjects for graduates largely reflected the top 3 subjects studied by all students, namely business administration (22%), social studies (11%) and subjects allied to medicine (11%) - the same top 3 subjects as the previous year.

2.11 DEPRIVATION AND SOCIAL INCLUSION

Data zones[22] in Scotland are ranked in terms of their relative level of deprivation e.g. whether they fall within the 5, 10, 15 and 20% most deprived data zones in Scotland.

Relative deprivation

Compared with Scotland as a whole, relative deprivation in the region is generally low, with a few isolated pockets with severe problems. Only 1.4% of the population live in the 5% most deprived data zones in Scotland, well below the Scottish average of 5.4%. All 14 local authorities in the East of Scotland were below the Scottish average, but Dundee came close with 5.0%.

Some 4.1% of the region's population live in the 10% most deprived data zones in Scotland – again less than half the Scottish average of 10.3%. Dundee was the only area to have a higher share (19.6%) than the Scottish average. Figures for the 15% and 20% categories followed a similar pattern, with the EoS population in these deprivation zones about half the Scottish average (7.1% and 11.4% respectively). Only Dundee (28% and 42% respectively) was above the Scottish average for both categories. Clackmannanshire (26%) also exceeded the Scottish average for the 20% deprivation zone category. Dundee also scored poorly on income deprivation - 3rd most income deprived council in Scotland (after Glasgow City and West Dunbartonshire).

2.12 BENEFIT CLAIMANTS

Total claimants

14% of the working age population in the region (approximately 203,300 people) were claiming a key benefit[23] in August 2004 - lower than Scotland (17%) but slightly higher

[22] There are 6505 data zones in Scotland created by combining 2001 Census output areas. Data Zones have populations of between 500 and 1,000 households and some effort has been made to respect physical boundaries. In addition, they have compact shape and contain households with similar social characteristics.

[23] Key benefits include: Jobseekers Allowance; Sickness and Incapacity Benefit and Lone Parents. More details of JSA claimants are provided in the claimant count register section.

than GB (13%). Between August 1999 and August 2004 the EoS experienced a 6% decrease in the total number of claimants (a drop of 13,500 claimants), however, this was less than both GB (-8%) and Scotland (-9%).

In 2004 Dundee (21%) had the highest level of claimants, followed by Clackmannanshire (18%), the only two areas above the Scottish average. Aberdeenshire had the lowest figure (just below 10%) but also experienced the only rise in the previous 5 year period (+4%). Moray (-14%) and Stirling (-12%) experienced the largest decreases in the number of total claimants over the same period.

Sick & Disabled Claimants by local authority

Those classed as sick/disabled account for around two-thirds of the claimant total in the EoS and Scotland and just over 60% in GB. This was the only statistical group which increased in number over the past five years (1999-2004) with growth in the EoS region of 8.5%, significantly higher than in Scotland (+2.7%), and in GB (+6.9%). Dundee (13%) and Clackmannanshire (12%) had the highest percentages and were the only local authorities above the Scottish average of 11%; Aberdeenshire and Moray had the lowest percentages (both 7%).

Lone Parent Claimants by local authority

Lone parents accounted for around 12% of total claimants (1.7% of all working age), the same percentage as both GB and Scottish level. Dundee (3%) had the largest percentage of claimants and Moray, Aberdeenshire, Perth & Kinross and Stirling the lowest – all with 1%. Over the past 5 years, the East of Scotland saw the largest decrease in lone parents claimants (-23%), compared with Scotland (-20%) and GB (-15%). No local authorities experienced increases.

2.13 UNEMPLOYMENT

Overall ILO unemployment[24]

The unemployment rate is an important indicator of the overall health of the economy measuring labour demand buoyancy and local spending power levels. In Nov 2004 there were approximately 61,000 unemployed residents of working age in the EoS, an unemployment rate of 5.1%[25] - below Scotland's (5.8%) but slightly above GB's (4.8%). However, although slightly underperforming compared to the GB rate, in the wider context, the East of Scotland's rate out-performs 20 of the EU25 countries[26] for which the average ILO unemployment rate was 9% in 2004.

Despite some fluctuations, the unemployment rate trajectory has generally declined in the region since 2000 – the same pattern as for Scotland and GB. However, in the year to Nov 2004 there was a 3% increase in the number of unemployed residents, in contrast to a continued decline in Scotland (-1%) and GB (-5%).

ILO unemployment rates by geography

Unemployment rates vary quite widely between LAs. The most recent data for which local authority level unemployment rates are available is Feb 2004[27] and at that date 4 of the 14 local authorities in the East of Scotland had a higher unemployment rate

[24] The same measurement is used by the Labour Force Survey (LFS) and records unemployed individuals irrespective of their age, family status and/or unemployment benefit entitlement. This definition includes those who have undertaken no work in the previous week, are starting or are available to start work in the next 2 weeks and have actively sought employment in the preceding 4 weeks.
[25] This rate is based on the proportion of economically active residents
[26] As measured in September 2004. Source Eurostat euro-indicators news release 04/11/04.
[27] Time series data is unavailable at a local authority level.

than the Scottish average – Dundee City (8%), Clackmannanshire (7%), Stirling (6%) and Angus (6%). The lowest rate was in Perth and Kinross (3%) – less than half of Dundee's.

ILO unemployment by gender

In Nov 2004 there were approximately 35,000 unemployed males (5.6%) and 25,000 unemployed females[28](4.6%) of working age in the region. Male unemployment was below Scotland's (6.8%) but above GB's (5.1%). Female unemployment was very similar to both Scotland (4.7%) and GB (4.5%). While the number of unemployed males increased by 6% in the year to Nov 2004, the female total remained stable.

ILO unemployment by age

There are significant differences in unemployment across age groups, as was the case at a Scottish and GB level. Unemployment amongst 16-19 year olds (19%) is nearly 4 times the all age average (5.1%) and has continued to increase (from 17% to 19%) over the last 5 years, indicating that initial entry to the labour market can be particularly problematical. Those aged 20-24, the group with the second highest rate (10%) and twice the average, have also experienced an upward trend in unemployment over the last 18 months.

In Nov 2004 the unemployment rates for all age groups were marginally lower in the region than in Scotland and similar to GB's. There were major differences in unemployment by age groups between local authorities. There is no particular pattern to the distribution and the range for each age group is as follows:

- 16-19 years: 25% in Dundee to 7% in Aberdeen
- 20-24 years: 18% in Clackmannanshire to 4% in Falkirk
- 24-34 years: 9% in Angus to 3% in Falkirk
- 34-49 years: 6% in Clackmannanshire to 2% in Perth & Kinross
- 50-retirement: 7% in Stirling to 2% in Aberdeen.

2.14 CLAIMANT COUNT UNEMPLOYMENT

Overall Claimant Count unemployment[29]

In Nov 2004, 34,250 residents of the East of Scotland were claiming benefit – 2.3% of the working-age population, marginally above that of GB (2.2%) but below that of Scotland as a whole (2.7%). Claimant count rates in EoS have fallen, if somewhat erratically, over the last 5 years, from 3.2% in Nov 1999 to 2.3% in Nov 2004. Scotland and GB rates broadly followed the same trajectory.

Claimant Count by geography

The claimant count rate varies considerably between local authorities. In 2004 Dundee had the highest rate (4.3%), followed by Fife (3.7%) and Clackmannanshire (3.4%) while Aberdeenshire (1.4%) and East Lothian (1.8%) had the lowest. Claimant count rates are not provided for LEC areas, but aggregating local authority areas shows that they are lowest in Grampian and Lothian & Edinburgh, and higher in Fife, Tayside and Forth Valley. Over the last 5 years the numbers of claimants in EoS has fallen by 18%, with the greatest reduction in Falkirk (-38%) and lowest in Angus (-5%).

[28] This does not sum to the total given in 'overall claimant count unemployment' para. due to rounding by the Labour force Survey –estimates are generally rounded to the nearest 1,000.

[29] The claimant count register is a complete record of all JSA claimants. Unlike the ILO definition, it records only those who register and are entitled to unemployment related benefits and is therefore viewed as an incomplete, partial view of unemployment. However, unlike the ILO measure, the Claimant Count register is based on actual administrative records and so is a complete census, free from sampling errors etc. It is a useful tool for comparing relative rates across geographies and time.

Claimant Count by gender

The claimant count rate varies significantly between genders in the region. In Nov 2004 the male rate was 3.4% (below Scotland (4%) but still marginally higher than GB (3.1%)). This was nearly 3 times the female rate of 1.2% (the same as GB and marginally lower than Scotland (1.3%)). The claimant count numbers have fallen for both genders over the period from Nov 1999 Nov 2004 with male unemployment falling at a faster rate (20%) than females (13%) albeit from a higher level.

Claimant Count by age

30% (11,500) of those registered on the claimant count in the region in Nov 2004 were aged 24 and under; 53% (20,000) were 25-49 years of age; and 17% (6,500) were aged 50+. The share of those claimants aged 24 years and under has increased from 25% to 30%. The main working age group (25-49 year olds) have experienced a reduction from 58% to 53% over the same 5 year period. There were no significant differences with the age distribution of claimants in the region to that of Scotland and GB. Overall, there is no major skewing in any local authority area to either younger or older claimants.

Duration of claim period

In Nov 2004, 10,000 claimants (29% of claimants) had been claiming for 6 months or more and 5,000 (14.5%) for at least 12 months. Over the last 5 years, the 6+ month's category in EoS has decreased from a high of 36% in May 2000 to 29% in Nov 2004. Throughout this time EoS has had a consistently lower 6+ month's rate than Scotland (31%) or GB (32%). However, since Feb 2003 all three areas (EoS, Scotland and GB) have experienced an increase in the proportion of those claiming for 6+ months. The picture is broadly the same for those claiming for 12+ months. Following a drop in rates between Nov 1999 to Feb 2003, the rates over the last year have increased across all areas and those in EoS have climbed from the low point of 11.5% in Feb 2003 to 14.4% in Nov 2004.

Claimant count stocks

From the year to Nov 2000 to the year to Nov 2004, the average number of people on the claimant count register *at any one time* in East of Scotland fell by 18% (equivalent to approx. 9,750 claimants) - less than the GB and Scottish decreases of 21%. Within the Programme area, the transitional wards experienced a larger decrease in the number of claimants (-19%) than the eligible wards (-17%).

All local authorities experienced a decrease in the *number* of claimants in the period from the year to 2000 and the year to 2004 with the largest decrease in Moray (-38%) and the more modest decreases in Midlothian (-5%) and Fife (-9%).

Over the last 5 years, the East of Scotland has had a slightly slower rate of reduction than Scotland and GB. There was a sharp decline in the stocks from 2000 to 2001, but the decline since 2001 has been much less striking. In the latest year there has been a significant decline of 2,428 in claimant stocks in the East of Scotland.

Claimant count on and off-flows[30]

In the year to Nov 2004, a total of 43,479 people joined the claimant count register in the East, equivalent to a quarterly average of 10,863 and an on-flow rate of 26% (quarterly on-flow as a proportion of quarterly stock) – higher than both GB (24%) and Scotland (25%).

[30] The claimant count register is not a static group of individuals. Although the actual number of claimants may remain stable, the individuals on the register are constantly changing with up to a quarter of the stock each quarter resulting from new individuals joining (on-flow).

In the year to Nov 2004, a total of 43,450 people left the claimant count in the East of Scotland, a quarterly average of 10,870. The off-flow rate in Nov 2004 was 25% - the same as Scotland and slightly higher than GB's 24%. Over the 5 year period there has been a corresponding reduction on the number of claimants leaving the register – reflecting the smaller numbers joining the register.

Between Nov 2003 to Nov 2004 the overall number of claimants fell by 26% in the East of Scotland – higher than GB's 25% reduction but less than Scotland's 28% reduction. All LECs and local authorities saw reductions of between 19% and 36% in the numbers joining the claimant count over the last year.

Reasons for leaving claimant count

From Nov 1999 to Nov 2004 the proportion of claimants leaving the register in order to start work has decreased from 73% to 68% in the region – a trend reflected in GB and Scotland. Although the proportion has fallen, the East still has a higher rate of leavers entering employment than GB (66%). Of the remaining leavers: 11% entered a training or education outcome (similar to GB (12%) and Scotland (10%)); and a further 10% switched from Job Seekers Allowance to another benefit such as Income Support or Incapacity Benefit, again similar to Scotland and GB (both 11%).

BESPOKE RESEARCH SUMMARIES

During the course of 2004 yellow **book** produced two pieces of bespoke research for ESEP: an analysis of the tradeable and knowledge-based services and an analysis of the commuting patterns of the region's working-age employed residents. A short summary of each study and details on how to access further information follows.

2.15 TRADEABLE AND KNOWLEDGE-BASED SERVICES

This study was undertaken to get an understanding of the spatial distribution of the tradeable knowledge-based (TKB) service sectors in the region with the intention of identifying hotspots and lagging areas.

Mark Hepworth of Local Futures Group, who has pioneered geographical analysis of knowledge based industries, joined forces with yellow **book** to undertake this study. In their paper The Geography of the Scottish Knowledge Economy[31], Local Futures Group provide a detailed description of what constitutes a knowledge intensive industry, known as a K1 or K2 industry on a scale from K1 to K4 (K4 being the least knowledge intensive).

Most of the sectors included in the report were classified by Local Futures Group as either K1 (industries where 40%+ of the workforce has a degree or equivalent) or K2 (25-40%). However, we also included tourism, which is a K3 sector (15-25%), because it is a Scottish Enterprise priority, a major export earner and important in rural areas.

The **TKB service sectors** were defined as:

Sector	SIC	Employee jobs in the East of Scotland
Healthcare	85.1-85.2	94,000
Tourism	55.1-55.4, 63.3	76,000
Financial services	65.1-65.2, 66.0, 67.1	64,000
Professional & Business services	74.1-74.4	47,000
Higher education	80.3-80.4	38,000
Recreation, Culture and Sport	92.1-92.7	33,000
Computing	72.1-72.4	9,000

[31] The Geography of the Scottish Knowledge Economy, Local Future Group, June 2004.

Research & Development	73.1-73.2	7,000

The study found that all of these sectors achieved significant employment growth at the GB level between 1998 and 2002. Compared with GB, the East had an above average share of employment in R&D, financial services, higher education, healthcare, tourism and recreation, culture and sport; and a below average share of professional & business services and computing.

The key findings of the employment analysis are summarised in the table below which ranks the 14 local authorities as follows:

- Col (1): TKB services as percentage of total employment
- Col (2): average rank for each of the 8 industries
- Col (3): average rank for 5 K1 industries[32]

TKB employment rankings by local authority 2002

	(1) Total employment ranking	(2) Average ranking	(3) Average K1 sectors Ranking
Aberdeen	6	8	2
Aberdeenshire	12	11=	11
Angus	7	11=	12
Clackmannanshire	14	14	14
Dundee	3	3=	4
East Lothian	5	6	10
Edinburgh	1	1	1
Falkirk	13	13	13
Fife	8	3=	5
Midlothian	10	10	6
Moray	11	9	7=
Perth & Kinross	4	3=	7=
Stirling	2	2	3
West Lothian	9	7	9

The key messages from the table can be summarised as follows:

- employment in the TKB services is dominated by the **cities**
- **Edinburgh** is ranked first (by a wide margin) on all 3 measures
- **Stirling** ranks second overall, with consistent performance across the board
- **Aberdeen** is only in mid-table overall[33], but the city ranks second for K1 industries
- **Dundee** lies fourth overall, although its performance is patchy: employment is dominated by higher education and healthcare, but is generally weak in the private sector
- **Perth & Kinross** ranks 5th, boosted by its very high tourism LQ
- local authorities in the **Edinburgh city region** come next: Fife (6th), East Lothian (7th), West Lothian (8th) and Midlothian (9th), suggesting that TKB services are spilling over into the travel to work area
- **rural areas** are struggling to attract TKB services: Moray ranks 10th, followed by Angus (11th) and Aberdeenshire (12th)
- two **traditional industrial areas** are lagging behind by every measure: Falkirk (13th) and Clackmannanshire (14th).

Rankings are generally consistent across the board, but:

- Fife, Midlothian and Moray rank higher in the K1 industries than they do overall
- Angus, East Lothian and Perth & Kinross rank lower in the K1 industries than overall.

Further information

[32] K1 industries: computing, R&D, professional & business services, higher education and healthcare.
[33] This is partly a reflection of the strength of oil and gas, which is not included here.

The study was undertaken in advance of a seminar held by ESEP at Falkirk Stadium on November 3rd, 2004. The key findings were presented and discussed by an audience of policy makers and practitioners. The presentation from the event and a short report presenting the key findings can be found on the ESEP webpage (http://www.yellowbookltd.com/esep/data-1.htm).

2.16 COMMUTING & MIGRATION RESEARCH

This study interrogated the 2001 Census data on migration and commuting patterns in order to gain an understanding of the economic geography of the Programme area. The study looked at:

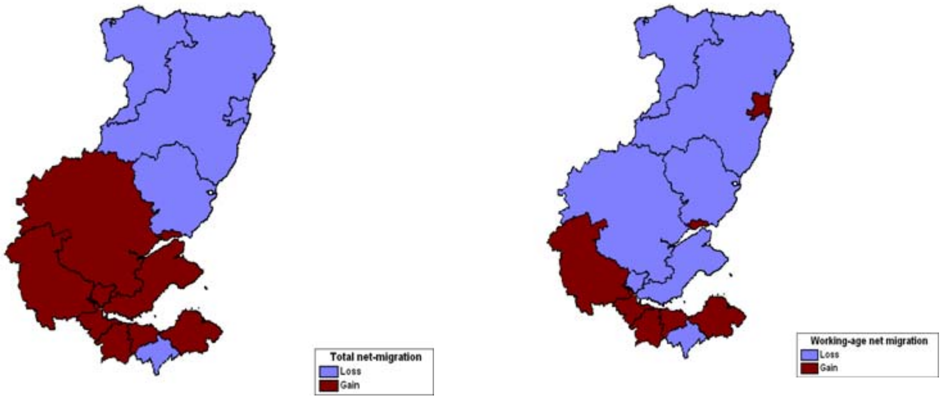
- migration to and from the East of Scotland
- growth in commuting to and from major cities
- trends in commuting in the 14 local authorities in the East of Scotland.

Migration

The section on migration analysed the following:

- net migration 2000-2001
- working age migration 2000-2001
- in-migration from rest of UK
- residents born outside Scotland

Net migration total and working age 2000-2001 (to/from UK)



The key messages from the migration analysis were that:

- Moray, Grampian and Angus all experienced net out-migration of total population (UK movements only)
- Aberdeen was the only area to experience net working-age in-migration whilst experiencing total population net out-migration
- Perth and Kinross, Clackmannanshire and Fife were the only areas to experience net out-migration of working-age population whilst seeing net in-migration of total population
- all rural local authorities (with the exception of Stirling) have experienced net out-migration of working-age population
- Edinburgh, Aberdeen, Angus and Fife have the highest proportion of in-migration from outwith Scotland
- Edinburgh and Moray have the highest proportion of resident population from birth places outwith Scotland - Falkirk has the lowest proportion.

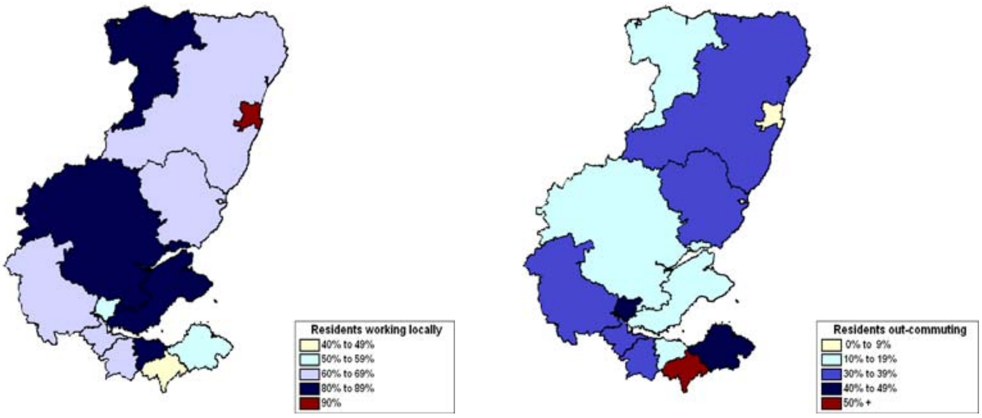
Commuting

The section on commuting analysed the following:

- commuting trends 1991-2001

- commuting flows
- cities and commuting
- who commutes?
- occupation and industry
- status
- personal characteristics

Proportion of residents who work locally & out-commute to place of work, 2001, (%)



The key messages from the commuting analysis were that:

- Aberdeen, Edinburgh, Moray, Fife and Perth and Kinross have the highest levels of residents working locally – Midlothian has the lowest
- Midlothian is the only area where a higher proportion of residents out-commute than work locally. East Lothian and Clackmannanshire have the next highest levels of out-commuting as a proportion of residents
- Moray and Fife have the highest proportions of local residents in their workforces and are therefore least dependent on in- commuters
- Aberdeen, Stirling, West Lothian, Edinburgh and Midlothian have the highest proportions of in-commuting as part of their workforces than all other areas.

The study also revealed that commuters are likely to be:

- in high wage, high skill occupations
- working in knowledge based sectors
- residents of areas close to big cities
- employees, mainly in a full time job
- male
- car owners.

Further information

The study was undertaken in advance of a seminar held by ESEP at Dundee Contemporary Arts in Dundee on February 2^{nd}, 2005. The key findings were presented and discussed by an audience of policy makers and practitioners. The presentation from the event and a short report presenting the key findings can be found on the ESEP webpage (http://www.yellowbookltd.com/esep/data-1.htm).

2.17 CONCLUSIONS

Over the last year the performance of the East of Scotland region as a whole across a range of economic and labour market indicators has been broadly similar to that of Scotland and GB. The overall conclusions of the annual monitoring exercise are that:

- the region as a whole continues to perform well relative to Scotland on: population share; GVA per head; business stock per head; skills and qualifications; school leaver employment; multiple deprivation indicators; and employment in knowledge intensive industries
- the East has experienced greater reductions in industrial sector employment than Scotland as a whole, although growth in the proportionately larger service sectors has meant overall employment growth was similar to Scotland's over the year
- the shift to part-time employment continues, and in particular the significant increase in male part-time jobs, reflecting the growth in consumer services, early retirement and other socio-economic trends which require more flexible patterns of working. Other implications include the effect on training needs, weekly earnings and levels of childcare provision
- businesses per head of population are noticeably below the GB average, self-employment rates are relatively static and 3 year survival rates for businesses are not improving significantly, all of which point to the need to continue to proactively address business start-ups and their continued development
- there is significant variation in knowledge intensive employment across the region: with concentrations in the cities and much lower levels in more rural areas. There are also issues about the dynamic between the public and private sector elements of knowledge based employment
- the proportion of jobs in the strategic sectors has remained relatively unchanged since 1999. Food and drink (-18%), chemicals (-18%), forest products (-28%) and electronics (-35%) have all contracted over the 5-year period. Traditional industrial areas such as Clackmannanshire and Dundee continue to perform less well than the regional average.
- the cities continue to grow as employment hubs and commuter destinations – in particular Edinburgh and Aberdeen – and they have a strong effect upon the overall EoS performance as well as their local hinterlands. This confirms the importance of the emerging city region policy debate.

KEY INDICATOR SUMMARY: RELATIVE POSITION AND CHANGE OVER LAST 12 MONTHS[34]

Below average performance
Similar to Scottish performance
above average performance

	East Scotland average	Scotland average	Aberdeen City	Aberdeenshire	Angus	Clackmannanshire	Dundee	East Lothian	Edinburgh	Falkirk	Fife	Midlothian	Moray	Perth & Kinross	Stirling	West Lothian	Forth Valley	Grampian	Lothian & Edin.	Tayside
Economic overview																				
GDP per head indexed to Scotland	104%	100%	190	77%	74%	67%	125%	59%	146%	93%	82%	64%	85%	82%	94%	67%				
Job density	0.86	0.82	1.25	0.69	0.69	0.52	0.86	0.54	1.14	0.7	0.72	0.57	0.81	0.87	0.89	0.73				
Strategic sector employment (%)	16%	16%	11%	18%	17%	14%	14%	20%	15%	16%	20%	15%	23%	19%	14%	24%				
Employee jobs																				
Change total employee jobs	1%	1%	1%	5%	2%	-1%	3%	-3%	1%	2%	-2%	5%	4%	-3%	-7%	6%	-2%	2%	2%	1%
Change part-time employee jobs	3%	2%	10%	12%	-1%	-7%	-1%	-8%	3%	-2%	-4%	6%	5%	-7%	-5%	12%	-3%	11%	4%	-1%
Change full-time employee jobs	0%	1%	-3%	2%	3%	2%	5%	-1%	0%	3%	-1%	5%	3%	0%	-8%	3%	-1%	-1%	1%	2%
Change male employee jobs	0%	1%	-3%	2%	3%	5%	6%	-5%	0%	4%	-3%	8%	1%	2%	-2%	6%	2%	-2%	1%	4%
Change female employee jobs	1%	1%	6%	9%	1%	-7%	0%	-1%	2%	0%	-2%	3%	6%	-6%	-11%	6%	-5%	7%	2%	-2%
Knowledge intensive employee jobs	24%	21%	34%	16%	11%	11%	19%	18%	31%	18%	20%	14%	11%	14%	14%	28%	16%	28%	29%	16%
Change service sector employee jobs	3%	3%	7%	11%	2%	1%	3%	0%	2%	2%	4%	6%	8%	-3%	-7%	8%	-2%	8%	3%	1%
Change industrial sector employee jobs	-10%	-6%	-19%	-8%	0%	-9%	4%	-14%	-14%	2%	-20%	2%	-10%	2%	-5%	-2%	-1%	-15%	-7%	2%
Earnings																				
Resident Full-time weekly wage (£)	£447	£437	£481	£487	£442	£406	£383	£423	£481	£405	£425	£406	£380	£433	£586	£405	£457	£484	£453	£418
Workplace full-time weekly wage (£)	£446	£437	£525	£422	£394	£442	£443	£395	£467	£413	£410	£409	£375	£403	£430	£423	£421	£495	£454	£418
Business Base																				
VAT registrations per 10,000 pop.	261	250	294	429	266	169	166	234	272	173	193	196	286	369	341	191	224	365	243	265
Change VAT stock	0.5%	0.4%	-0.8	0.4%	-0.3%	4.5%	0.2%	1.2%	-0.4%	2.0%	1.0%	2.3%	0.2%	0.7%	2.6%	1.0%	2.6%	-0.1%	0.2%	0.3%
Change VAT registrations	11%	8%	-4%	28%	18%	29%	4%	14%	12%	-2%	10%	11%	20%	11%	24%	5%	13%	12%	11%	10%
Change VAT de-registrations	7%	7%	-2%	5%	17%	-35%	0%	3%	12%	0%	13%	14%	20%	1%	29%	7%	5%	2%	11%	4%
Demography																				
Change total population	0.1%	0.1%	-1.3	0.9%	-0.6%	-0.4	-0.8%	0.3%	0.1%	0.2%	0.4%	-1.0%	0.9%	0.6%	0.2%	0.6%	0.1%	-0.2	0.1%	-0.2%
Working age population (% of total)	63%	62%	66%	62%	60%	62%	62%	59%	66%	62%	62%	61%	61%	59%	62%	64%	62%	64%	65%	61%

[34] Unless otherwise stated change figures (growth/decline) relate to change over the last 12 months for which data was available. See individual sections for more details.

Below average performance / Similar to Scottish performance / above average performance	East Scotland average	Scotland average	Aberdeen City	Aberdeenshire	Angus	Clackmannanshire	Dundee	East Lothian	Edinburgh	Falkirk	Fife	Midlothian	Moray	Perth & Kinross	Stirling	West Lothian	Forth Valley	Grampian	Lothian & Edin.	Tayside
Projected pop. change 2003-2018	0.4%	-2%	-11%	-1%	-9%	-5%	-13%	11%	3%	3%	1%	6%	-7%	2%	9%	14%	3%	-6%	7%	-7%
Economic inactivity																				
Inactivity rate working age	19%	21%	20%	15%	20%	22%	22%	18%	21%	18%	19%	18%	24%	16%	17%	13%	18%	18%	19%	20%
Change no. inactive 2003-4	-4%	-2%	13%	-8%	-29%	17%	-5%	11%	2%	-21%	-9%	-10%	100	8%	-11%	-26%	-12%	0%	-4%	-8%
Employment																				
Employment rate working age	77%	75%	76%	81%	77%	72%	68%	79%	74%	79%	77%	79%	74%	81%	80%	83%	78%	78%	77%	75%
Change no. employment 2003-4	1%	1%	-1%	0%	0%	10%	-5%	13%	-4%	0%	7%	11%	-16%	-6%	18%	8%	6%	0%	2%	-4%
Unemployment																				
Unemployment rate working age	5%	5%	4%	5%	6%	7%	8%	5%	6%	4%	5%	5%	6%	3%	6%	5%	5%	4%	5%	6%
Change no. unemployment 2003-4	-11%	-11%					-38%		30%		-36%						-30%	13%	11%	-23%
Claimant count register																				
Claimant count rate		3%	2%	1%	3%	3%	4%	2%	2%	3%	3%	2%	2%	2%	2%	2%				
Claiming 6+ months	29%	31%	28%	22%	31%	33%	36%	29%	28%	28%	34%	30%	21%	24%	27%	24%	28%	25%	27%	32%
Claiming 12+ months	14%	15%	12%	11%	15%	17%	18%	14%	13%	14%	18%	13%	11%	10%	14%	11%	15%	12%	13%	15%
Change no. claimants	-8%	-10%	-11%	-2%	-5%	-7%	-11%	-11%	-7%	-10%	-7%	2%	-10%	2%	-12%	-12%	-10%	-7%	-8%	-7%
Qualifications & skills																				
% receiving job related training	13%	12%	16%	13%	13%	11%	10%	13%	15%	10%	14%	15%	14%	11%	11%	12%	10%	14%	14%	11%
% working-age with NVQ4+	31%	28%	33%	28%	27%	23%	28%	29%	41%	24%	27%	22%	23%	33%	34%	27%	27%	31%	35%	29%
% working-age no qualification	13%	17%	13%	12%	13%	20%	19%	15%	9%	16%	13%	17%	16%	16%	13%	16%	16%	12%	12%	16%
% S4 roll gaining 5+ awards level 4+	76%	76%	74%	85%	78%	68%	65%	79%	74%	70%	77%	75%	84%	78%	79%	78%	72%	80%	76%	73%
% S5 roll gaining 3+ awards level 6+	23%	22%	24%	29%	26%	14%	14%	26%	24%	18%	21%	16%	21%	24%	32%	20%	22%	27%	22%	21%
% school leavers entering TEE[35]	81%	80%	75%	84%	86%	75%	78%	81%	81%	74%	80%	86%	84%	83%	83%	80%	77%	81%	81%	82%
% 16-19 year in full-time education	61%	56%							69%		57%						67%	57%	63%	60%
Deprivation and benefits																				
% pop claiming key benefit	14%	17%	13%	10%	14%	18%	21%	14%	12%	16%	16%	14%	10%	11%	13%	15%	16%	11%	13%	16%
% pop claiming sickness/disability	9%	11%	9%	7%	8%	12%	13%	10%	8%	11%	10%	10%	7%	8%	9%	10%	11%	8%	9%	10%
5% most deprived	1.5%	5%	1%	0%	0%	4%	5%	0%	4%	0%	0%	0%	0%	0%	3%	0%				
10% most deprived	4.1%	10%	3%	0%	0%	6%	20%	0%	8%	3%	3%	0%	0%	1%	5%	1%				
15% most deprived	7.2%	15%	6%	1%	2%	15%	28%	0%	11%	7%	7%	1%	0%	2%	5%	4%				
0% most deprived	11%	20%	10%	1%	5%	26%	42%	3%	13%	14%	14%	5%	0%	2%	7%	13%				

[35] Training, education or employment