

South Ayrshire Housing Need and Demand Assessment 2015

Appendix 2 South Ayrshire Economic Context

**Information is taken from the South Ayrshire Area Profile prepared by Allison Craig,
Corporate Policy Officer in December 2014**

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Economy

1. The total economic output from the South Ayrshire economy in 2012 was £1.917 billion (see Figure 1) or about 1.8% of the Scottish total (see Figure 2)¹.

Figure 1 South Ayrshire GVA (million pounds)

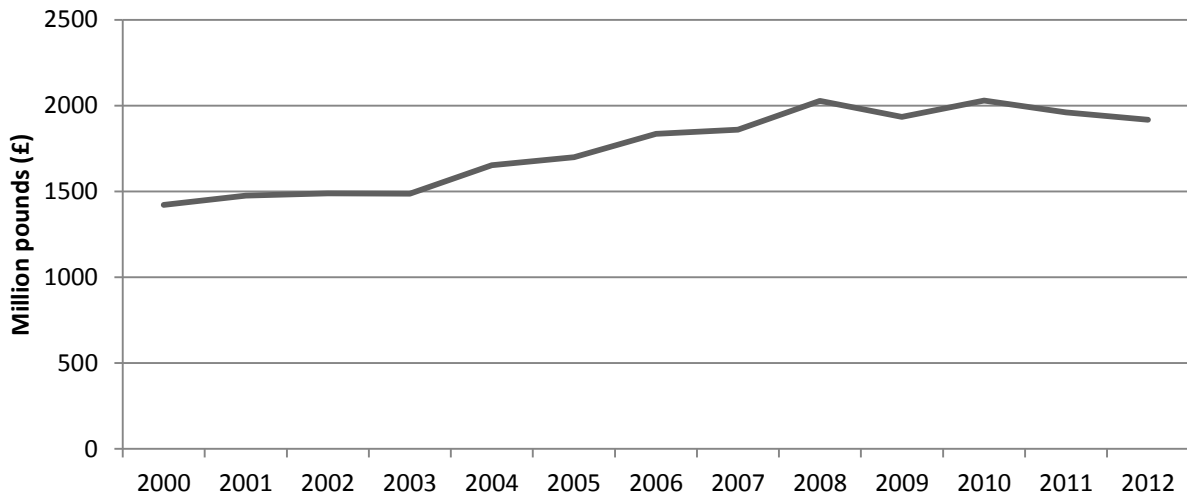
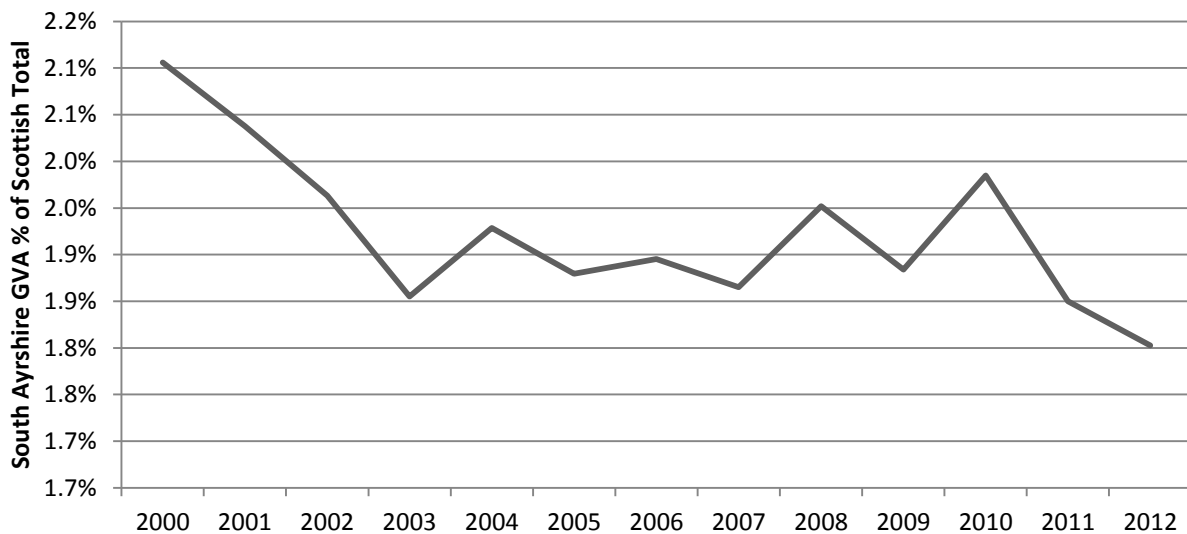


Figure 2 South Ayrshire GVA - % of Scottish Total



2. In recent years economic growth has lagged behind both the Scottish and UK averages, highlighted in Figure 3.
3. While the output per head in local manufacturing businesses compares favourably with that in Scotland as a whole, for service sector businesses, which account for 75% of local economic output, output per head is below the Scottish average, shown in Figure 4².

¹ Office for National Statistics (ONS), GVA 2012. Back data may be subject to revisions on release of new data. Methodological changes have been introduced in the 2013 publication. The principal change was the introduction of independent measures of residence and workplace compensation of employees, using only data collected on the appropriate basis. A further change improved the regional allocation of gross trading profits through the use of data from the Annual Business Survey.

² Office for National Statistics (ONS), Annual Business Survey, Headline GVA By Industry 2012, compiled by Scottish Government

Figure 3 Economic Growth

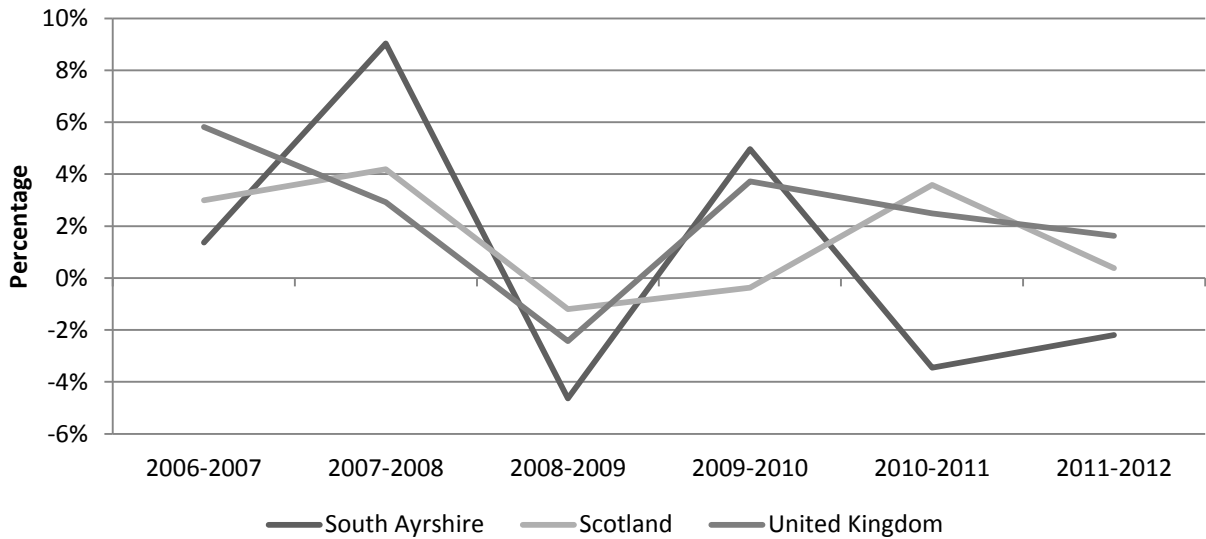
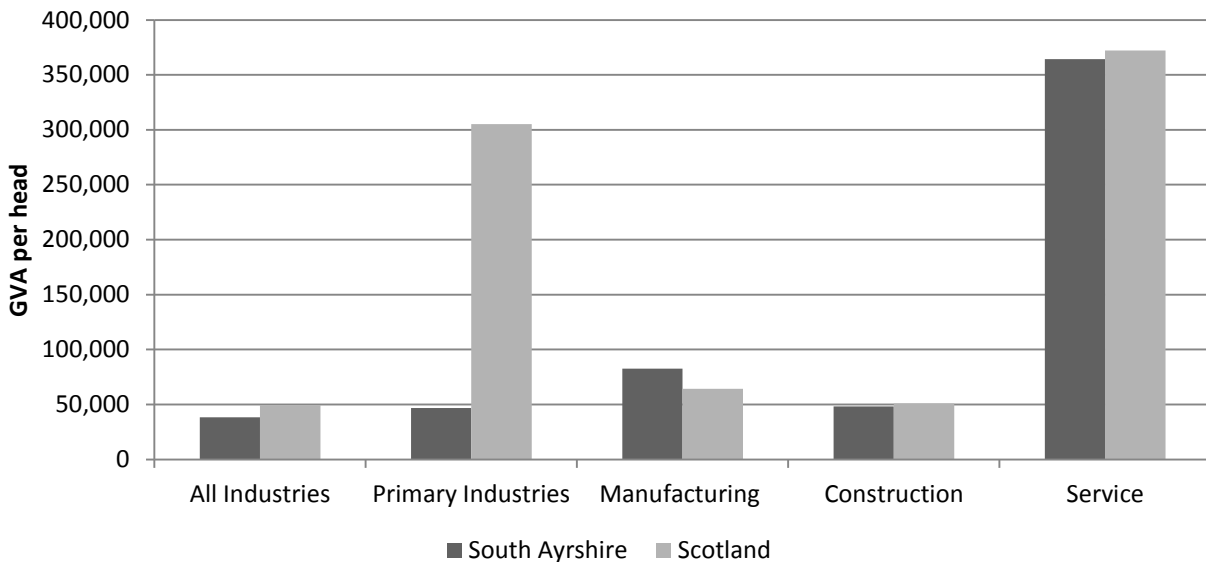


Figure 4 GVA (Output) per head (2012)



Notes:

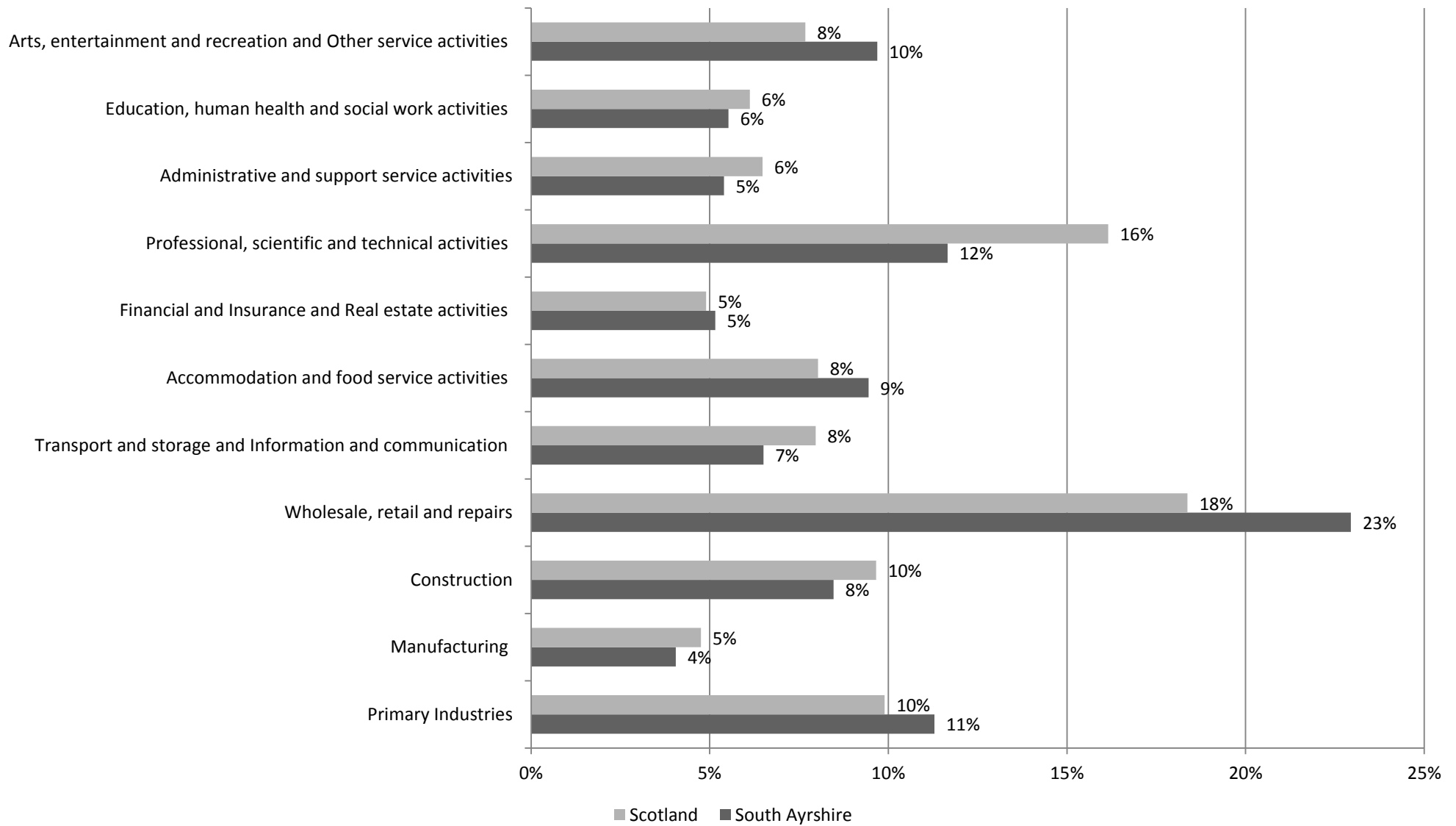
1. Primary Industries defined as Sections A (part) BDE under SIC 2007. SIC 06 (Extraction of crude petroleum & natural gas) data is included in Primary Industries totals. ABS data is allocated to UK regions (including Scotland) according to the address at which the business is registered - onshore & offshore Oil & Gas extraction is allocated in this way.
2. Manufacturing defined as Section C under SIC 2007.
3. Construction defined as Section F under SIC 2007.
4. Services defined as Sections G, H, I, J, L, M, N, P (private provision only), Q (private provision only in SIC 86.1 & 86.9), R & S.

4. Figure 5 displays the proportion of businesses engaged in each business sector.

5. South Ayrshire has a higher proportion of businesses in 'wholesale, retail and repairs' (23%), 'primary industries' (11%), 'accommodation and food services activities' (9%), and 'arts, entertainment and recreation' (10%) compared with the Scottish average³.

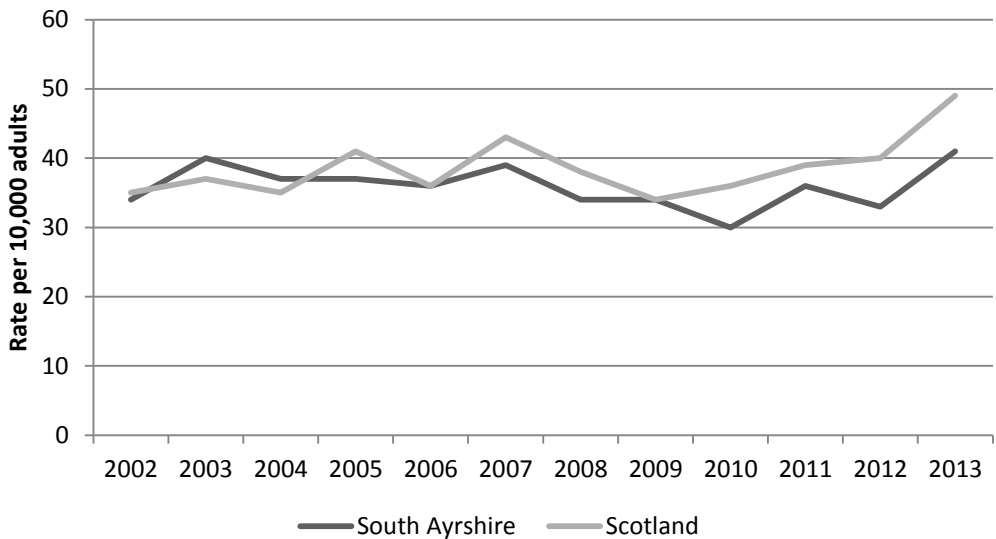
³ ONS Inter Departmental Business Register 2014 via Scottish Neighbourhood Statistics

Figure 5 Number of Businesses per Sector as Proportion of the Total Number of Businesses (2014)



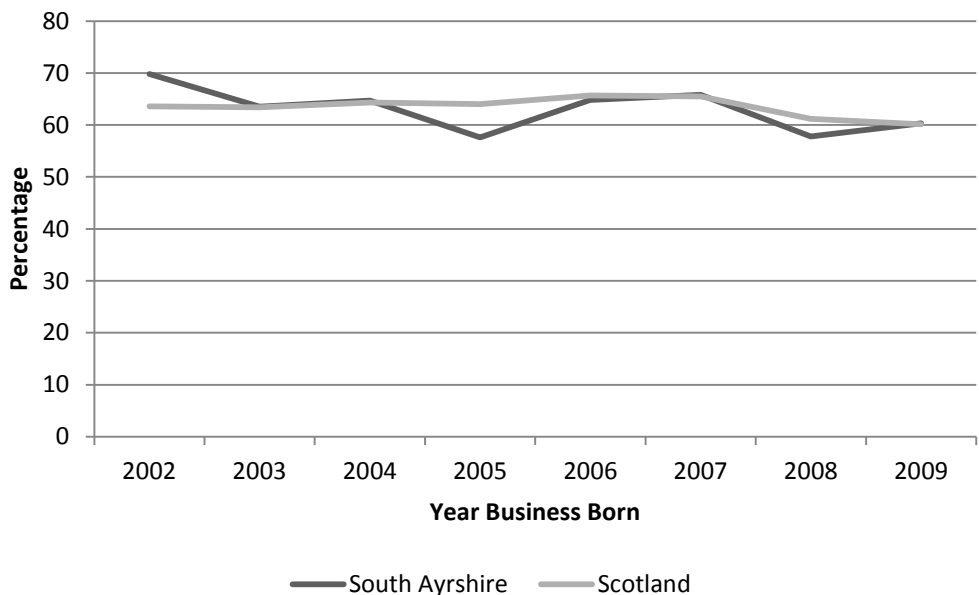
6. South Ayrshire rates of business start-up (VAT/PAYE registered) increased from 33 registrations per 10,000 adults in 2012 to 41 registrations per 10,000 adults in 2013, highlighted in Figure 6⁴.
7. The rate of business start-up (VAT/PAYE registered) across Scotland increased from 40 registrations to 49 registrations per 10,000 adults over the same period.

Figure 6 VAT/PAYE Registrations per 10,000 Adults



8. Figure 7 shows that 48% of VAT/PAYE registered businesses born in 2010 were still surviving in 2013; this is a much lower level to that experienced in Scotland as a whole at 57%³³.

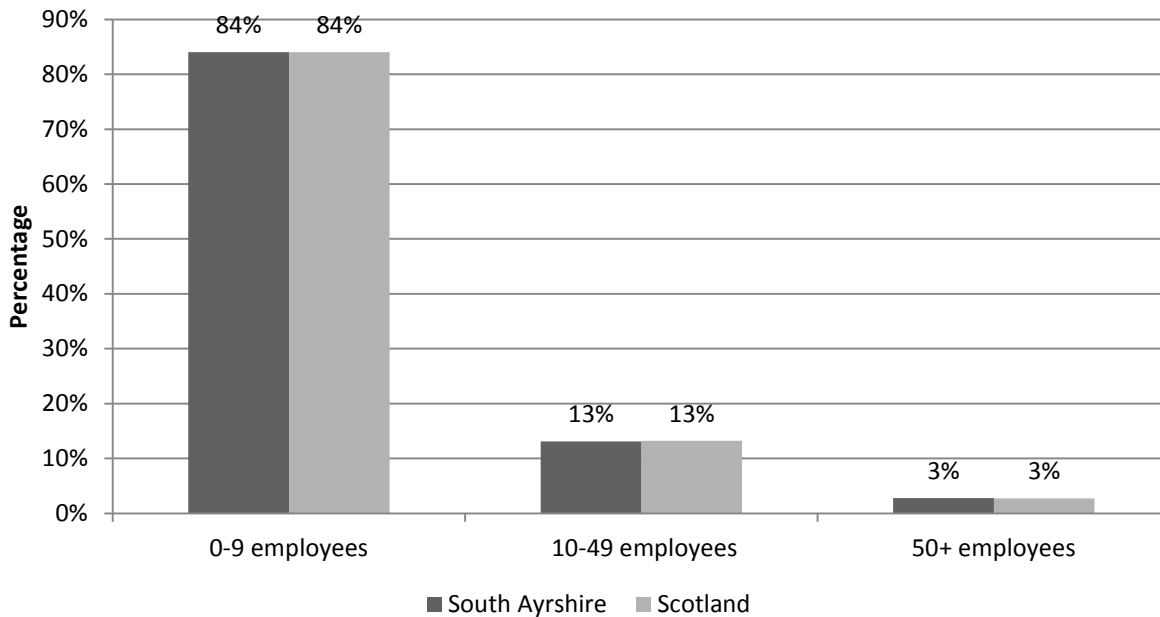
Figure 7 VAT/PAYE 3-Year Business Survival Rates



⁴ ONS, Business Demography via Scottish Neighbourhood Statistics

9. Figure 8 shows that the majority of businesses in South Ayrshire employ less than 10 people. A similar pattern is evident for Scotland as a whole³³.

Figure 8 Business Size by Number of Employees, as a Proportion of all Registered Enterprises (2013)



10. The number of jobs in South Ayrshire has dropped by approximately 5,000 between 2007 and 2012, shown in Table 1.

Table 1 Number of Jobs in South Ayrshire⁵

Year	South Ayrshire - Total Jobs	South Ayrshire (density)	Scotland (density)	Great Britain (density)
2000	50,000	0.71	0.76	0.79
2001	49,000	0.69	0.79	0.80
2002	51,000	0.72	0.78	0.80
2003	49,000	0.71	0.79	0.80
2004	53,000	0.75	0.80	0.80
2005	51,000	0.73	0.80	0.80
2006	54,000	0.77	0.79	0.79
2007	55,000	0.78	0.80	0.79
2008	55,000	0.78	0.80	0.79
2009	54,000	0.77	0.78	0.77
2010	51,000	0.73	0.76	0.77
2011	52,000	0.74	0.76	0.78
2012	50,000	0.72	0.76	0.78

11. The job density level (the number of jobs per working age resident) in South Ayrshire in 2012 was 0.72 compared with 0.76 in Scotland.

12. The job density in South Ayrshire has fallen from 0.78 in 2007 to 0.72 in 2012.

⁵ ONS, Job Density via NOMIS (total number of jobs is a workplace-based measure and comprises employee jobs, self-employed, government-supported trainees and HM Forces)

13. Figure 9 below shows that the gap between South Ayrshire and Scotland and Great Britain had narrowed between 2006 and 2009.

14. However, since 2009 the gap has widened again³⁴.

Figure 9 Job Density

