



North Ayrshire Council  
Comhairle Siorrachd Àir a Tuath

# Isle of Cumbrae Economic Baseline Report

**August 2022**

This report has been prepared to support the delivery of the **'Islands Recovery and Renewal Pilot'** co-funded by North Ayrshire Council (NAC), Scottish Government (SG) and Highlands and Islands Enterprise (HIE) to support the inclusive and green economic recovery of Cumbrae and Arran and informing the delivery of the National Islands Plan (NIP).

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**Economic  
Development and  
Regeneration  
North Ayrshire Council**

## Executive Summary

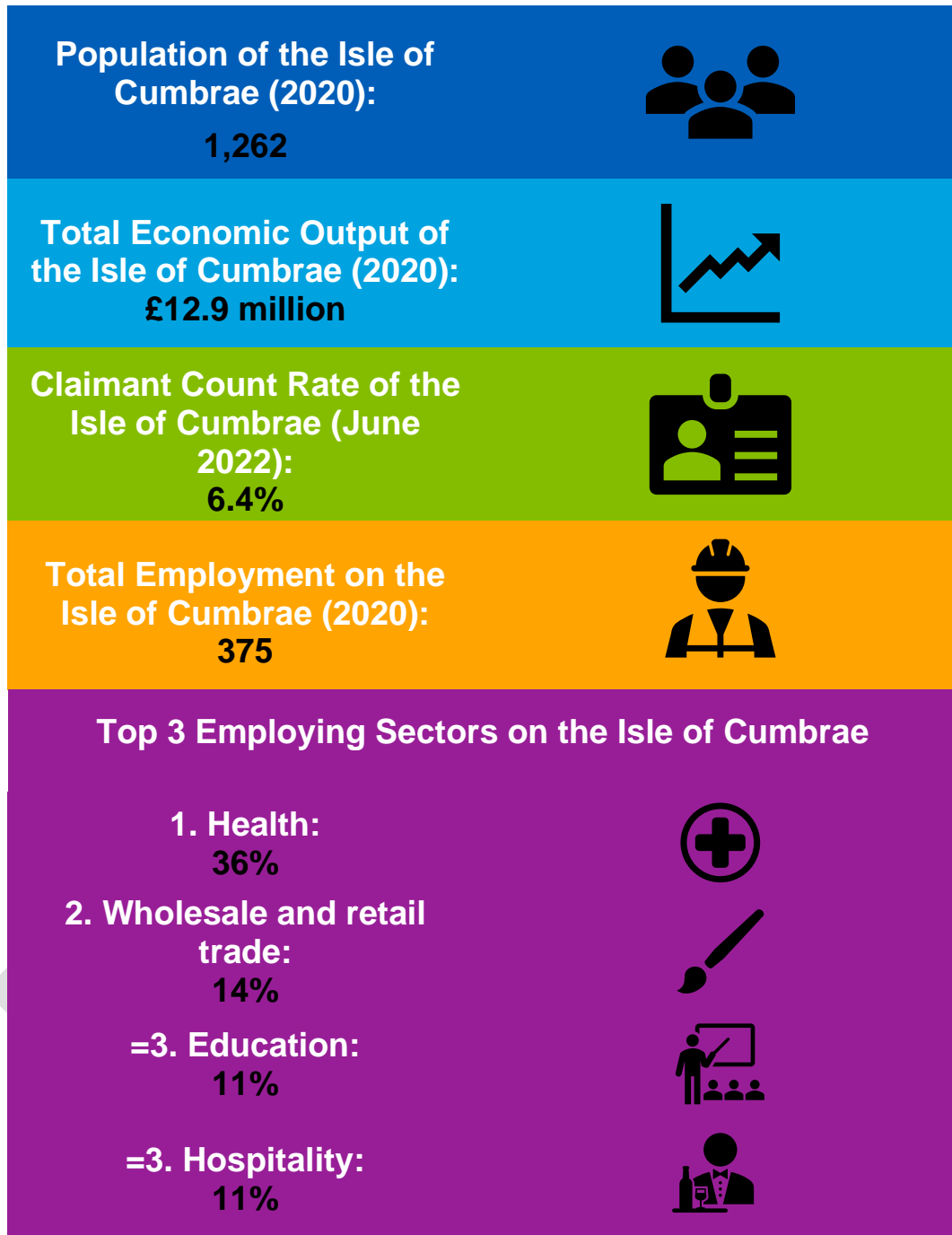
- The Isle of Cumbrae is an important and unique island economy in North Ayrshire. This economic baseline report is an update to the October 2021 Economic Baseline, which took stock of the available economic data for the Isle of Cumbrae to inform the development of a Cumbrae Island Plan and partnership action to create an inclusive and green island economy with strong levels of wellbeing.
- This report estimates the 2020 economic output<sup>1</sup> of the Isle of Cumbrae at £12.9 million, of which 43% came from the health sector.
- Total employment<sup>2</sup> on the Isle of Cumbrae is estimated at 375, of which just over a third work in the health sector and a fifth work in tourism related sectors.
- The experimental claimant count (estimate of people claiming unemployment related benefits) as a proportion of the working age population for the Isle of Cumbrae has increased by 1.2-percentage points since February 2020 to 6.4% as of June 2022. Encouragingly, the recent figure for June 2022 is 3.1-percentage points below the peak figure of 9.5% seen in 2020 July and August and has continued to fall since January 2022 with Cumbrae experiencing a substantial 1-percentage point decrease between April and May.
- Due to its industrial make-up, the Isle of Cumbrae is estimated to be acutely impacted by the economic consequences of COVID-19. The effects of COVID-19 on the Scottish tourism sector indicates that the lockdowns will likely have a profound negative economic impact upon the Isle of Cumbrae's tourism related sectors.
- The economic impact of COVID-19 could likely worsen the already difficult position regarding the level of income deprivation on the Isle of Cumbrae, the incidence of which, in the latest data, is 29% higher than the Scottish average level.
- Despite its unique strengths, the Isle of Cumbrae faces significant demographic challenges. Over the period of 2001 to 2020, the estimated total population of the Isle of Cumbrae has contracted by 12% – from 1,431 in 2001 to 1,262 in 2020.
- For the Isle of Cumbrae, the percentage share of the total population that is of working age is 11-percentage points lower than the Scottish level (53% compared to 64%), and the percentage share of the population that is aged 65+ is over double the Scottish rate (39% compared to 19%).

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<sup>1</sup> 2019 prices

<sup>2</sup> 2020 data

## Infographic Summary



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# 1. Introduction

## 1.1 – Background

The Cumbraes are a group of islands in the Firth of Clyde, Scotland. The Isle of Cumbrae, also known as Great Cumbrae, lies on the Ayrshire coast and is roughly four miles long and two miles wide. The island is an important and unique island economy in North Ayrshire, and only a short ferry trip from Largs. It is regarded as Scotland's most accessible populated island.

Millport is the only settlement on Cumbrae, a picturesque seaside town with a Victorian promenade, curving around an attractive hilly bay on the south coast. Millport is home to Britain's smallest cathedral; the Cathedral of the Isles, and Garrison House, home to the Museum of the Cumbraes.

The island has carved out a reputation as an attractive visitor destination and is famously popular among cyclists of all ages thanks to a safe 10 mile, mostly flat, circular loop around the island. Walking, golfing, nature-lovers and wildlife watchers enjoy Cumbrae due to its accessibility and stunning land and coastline which is home to over 125 species of birds, seal colonies, porpoises, and basking sharks. It also benefits from a range of food and drink venues, scenic gardens, geological sites of interest, safe beaches, and children's play areas.

This reputation arguably holds true in the data, as it shows that around one in five jobs on the Isle of Cumbrae are directly in tourism related sectors. However, this strong reliance on tourism may have left the Isle of Cumbrae especially vulnerable to the impacts of COVID-19.

COVID-19 has made us more than aware of the value of the health sector, which on the Isle of Cumbrae, directly accounts for just over one in three jobs. The prominence of the sector has increased since COVID-19 with the total GVA output increasing by 13-percentage points on the Isle of Cumbrae and is potentially linked to the Isle's demographic challenges, with people aged 65 and over accounting for roughly two in five people on the Isle of Cumbrae.

## 1.2 – Data Caveats

More generally, it is evident that the Isle of Cumbrae, and its challenges and opportunities, must be understood within the right context. This report examines available data from a variety of sources to help establish an economic baseline for the Isle of Cumbrae. It should be caveated that throughout this report the data used will be subject to extra uncertainty than would typically be commonplace for reports examining larger areas, i.e., looking at North Ayrshire as a whole, due to the smaller sample sizes involved. This means that while the data and findings of this report will be of interest and benefit, caution should be exercised due to the potential associated uncertainties. The data for this report was compiled in July 2022 and was then tested with island community stakeholders in August 2022.

## 2. Demographics

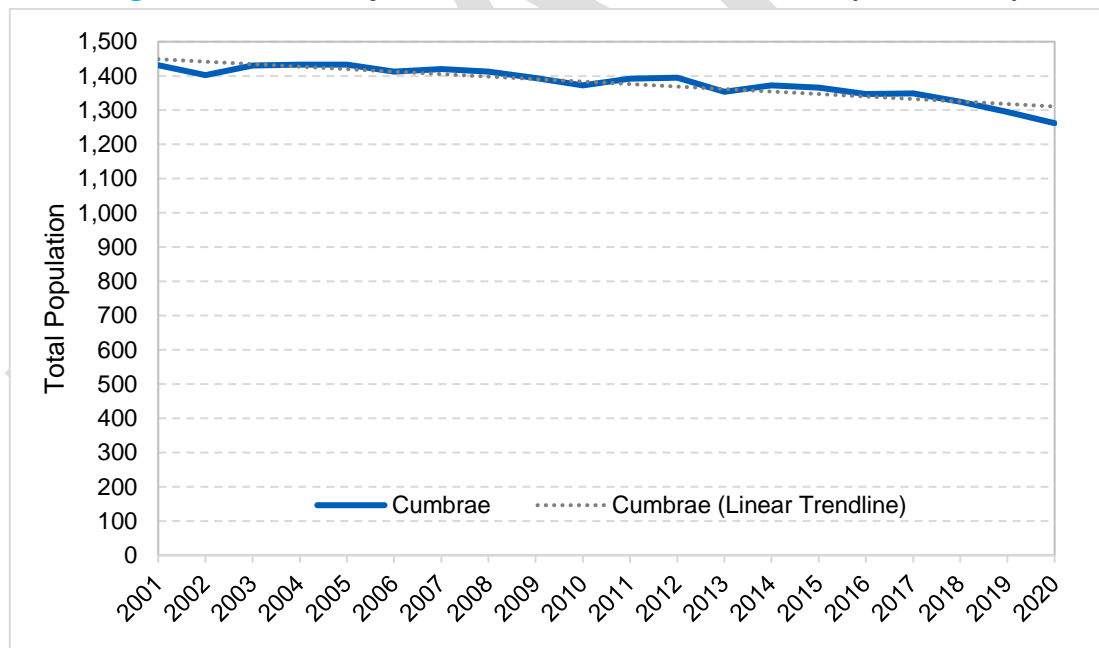
### 2.1 – Total Population Numbers

From 2001 to 2020 the population of the Isle of Cumbrae has declined by roughly 170 people, from 1,431 in 2001 to 1,262 in 2020. This means that the 2020 population is smaller by roughly an eighth of the 2001 population levels (-11.8%).

The total population of the Isle of Cumbrae has seen a sustained contraction since the mid-2000s, with a more pronounced decline between 2018 to 2020 – see Figure 1; the trendline shows the average direction of travel.

However, it is worth caveating that mid-year population estimates (like the ones used in Figure 1) are based on census data. Therefore, since the last census was in 2011 (and in 2001 before this), greater caution should be used in interpreting population data, especially for smaller areas like the Isle of Cumbrae, the further out from a census year. The delay of the Scottish 2021 census<sup>3</sup> is likely to have implications regarding the reliability of future estimates.

**Figure 1: Total Population of the Isle of Cumbrae (2001-2020)**



Analysis uses National Records of Scotland data (2022)

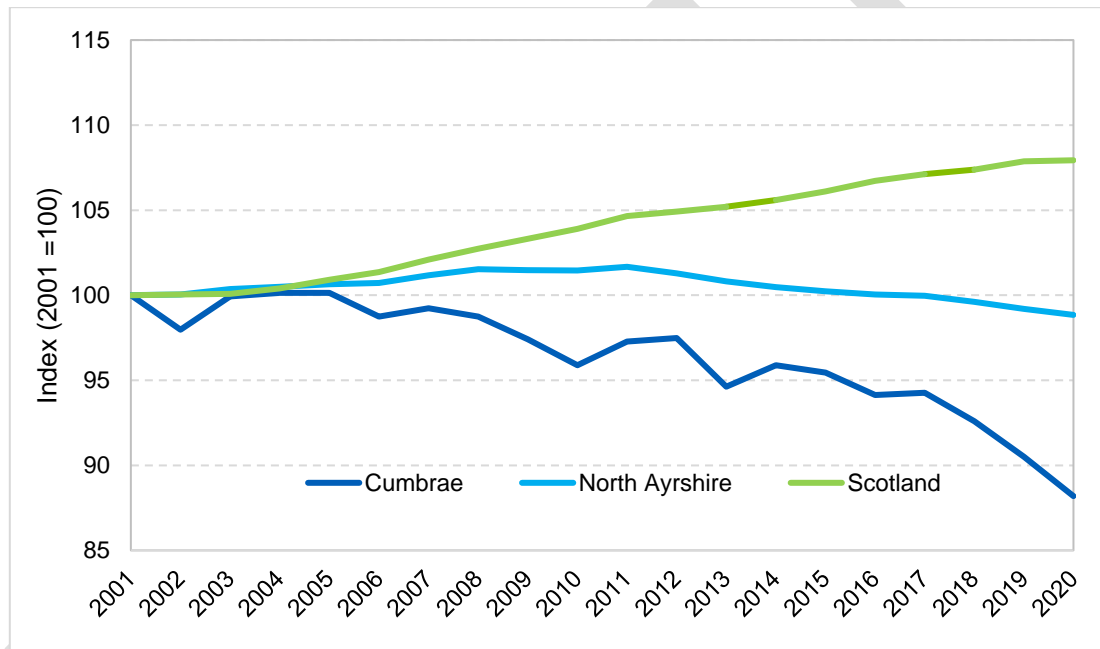
Figure 2 shows the population of the Isle of Cumbrae indexed against the 2001 level, where 100 means that the population for a given year is the same as in 2001, and 90 means that the total population figure is 90% of the 2001 level. This is useful in benchmarking the evolution of the population data over time. What is also clear from Figure 2 is that the relative level of population decline has exceeded that of the overall

<sup>3</sup> Source: [Scotland's Census \(2021\) - Scotland's Census to be moved to March 2022](#)

North Ayrshire level; North Ayrshire’s 2020 population total is roughly 99% of its 2001 level, whereas the Isle of Cumbrae’s 2020 population total is roughly 88% of its 2001 level.

In a Scottish context, the national population total increased by roughly 8% between 2001 and 2020, 10 local authorities saw double digit percentage increases over this period: the largest being East Lothian (+21%) and the City of Edinburgh (+18%). North Ayrshire (-1%) ranks 4<sup>th</sup> lowest among the 32 local authorities over this reference period, but the level of decline experienced by the Isle of Cumbrae (-12%) exceeds that of the worst performing local authority, Inverclyde (-8%).

**Figure 2: Total Population of the Isle of Cumbrae (2001-2020 indexed against 2001 population levels)**



Analysis uses National Records of Scotland data (2022)

**2.2 – Estimates of Population by Age and Sex**

The population of the Isle of Cumbrae is 50% male and 50% female, and this balance is roughly present throughout all age groups – although there are marginally more males aged 0-15 and slightly more females aged 65 and over.

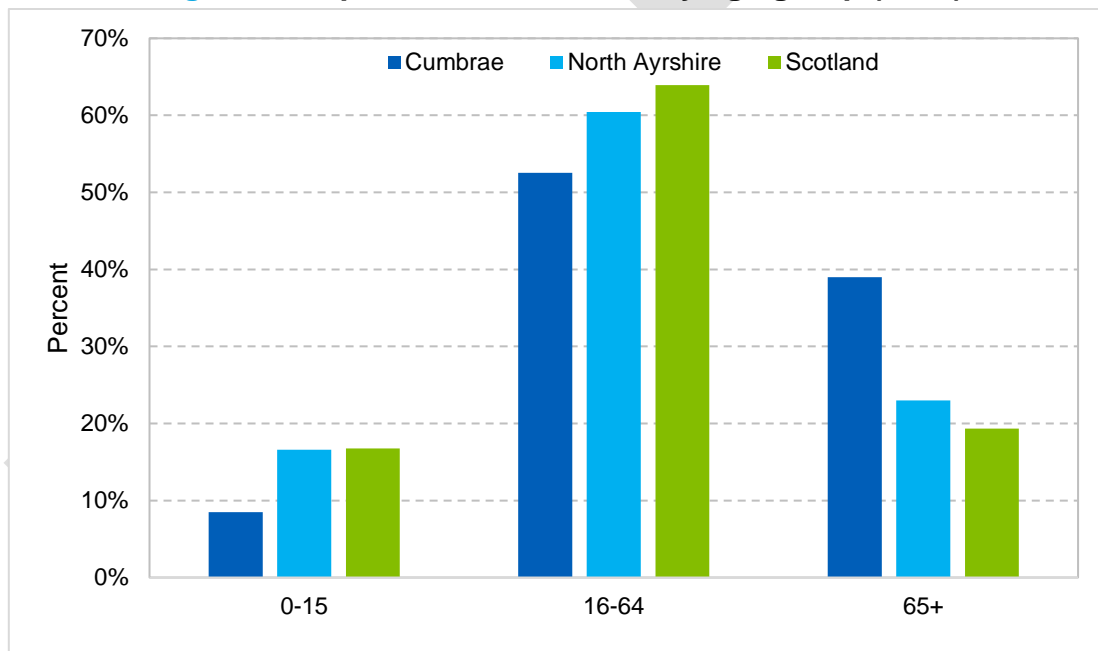
**Table 1: The Isle of Cumbrae population distribution by age group and sex (2020)<sup>4</sup>**

|                            | Total | 0-15 | 16-64 | 65+ |
|----------------------------|-------|------|-------|-----|
| <b>All (count)</b>         | 1,262 | 107  | 663   | 492 |
| <b>all (% of total)</b>    | 100%  | 8%   | 53%   | 39% |
| <b>Male (count)</b>        | 632   | 72   | 327   | 233 |
| <b>Male (% of total)</b>   | 50%   | 6%   | 26%   | 18% |
| <b>Female (count)</b>      | 630   | 35   | 336   | 259 |
| <b>Female (% of total)</b> | 50%   | 3%   | 27%   | 21% |

Analysis uses National Records of Scotland data (2022)

Figure 3 shows the population distributions by age group for the Isle of Cumbrae, North Ayrshire and Scotland. It is evident that the Isle of Cumbrae has a significantly lower level of younger people than North Ayrshire and Scotland as a percentage of the area’s total population.

**Figure 3: Population Distribution by age group (2020)**



Analysis uses National Records of Scotland data (2022)

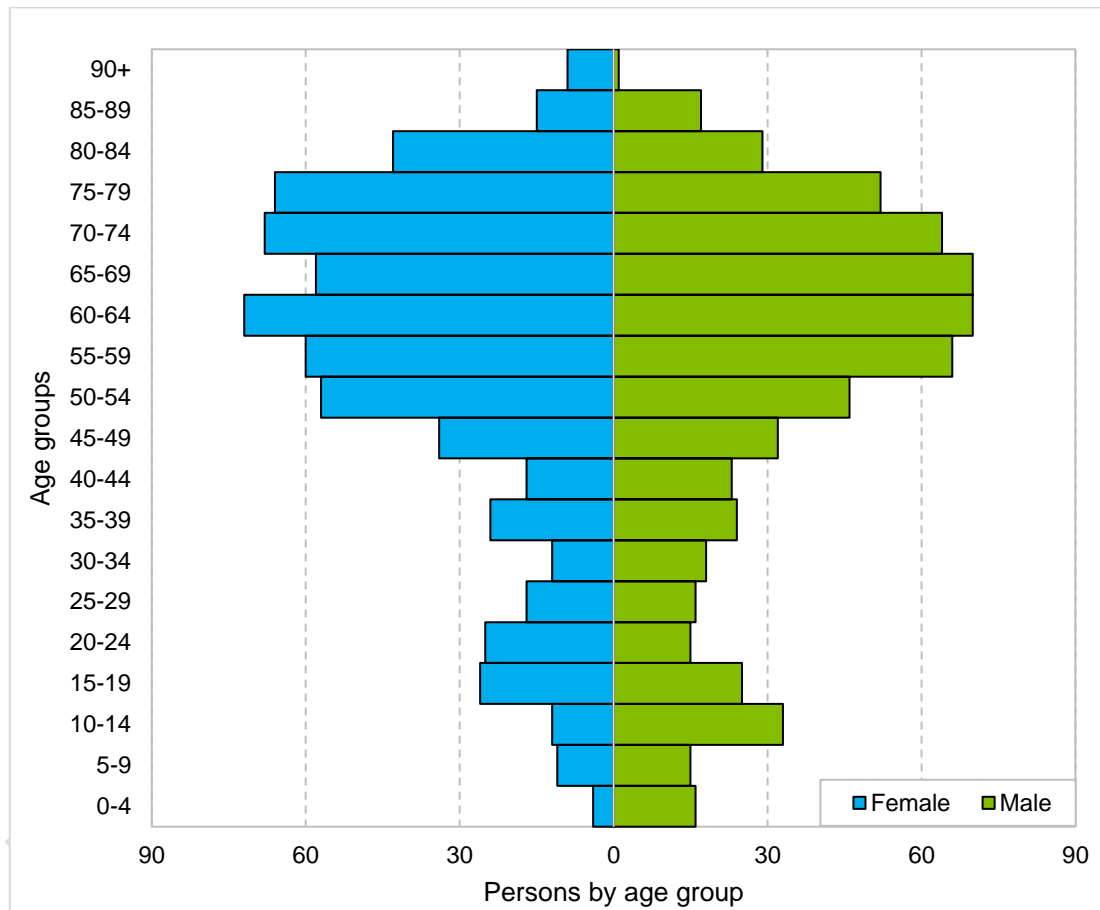
Although North Ayrshire trails Scotland regarding the relative size of its working age population (60% vs 64%) and has a larger population of people aged 65 and over (23% vs 19%), this picture is even more stark for the Isle of Cumbrae. For the Isle of Cumbrae, the percentage share of the total population that is of working age is 53% (11-percentage points lower than the Scottish level) and the percentage share of the population of people that is aged 65+ is over double the Scottish rate at 39%.

<sup>4</sup> Table totals may not sum due to rounding



Figure 4 displays the population pyramid for the Isle of Cumbrae in 2020, it is very top heavy demographically with 70% of the Isle of Cumbrae’s population concentrated in the range of 45 to 84 years old. The Isle of Cumbrae’s population pyramid is significantly more top-heavy than the Scottish national population pyramid<sup>5</sup>. While this is not inherently a bad thing, it potentially highlights that a different approach regarding service provision may be required.

**Figure 4: Population pyramid for the Isle of Cumbrae (2020)**



Analysis uses National Records of Scotland data (2022)

<sup>5</sup> Source: [National Records of Scotland - Population Pyramids of Scotland](#)

### 3. Income Characteristics

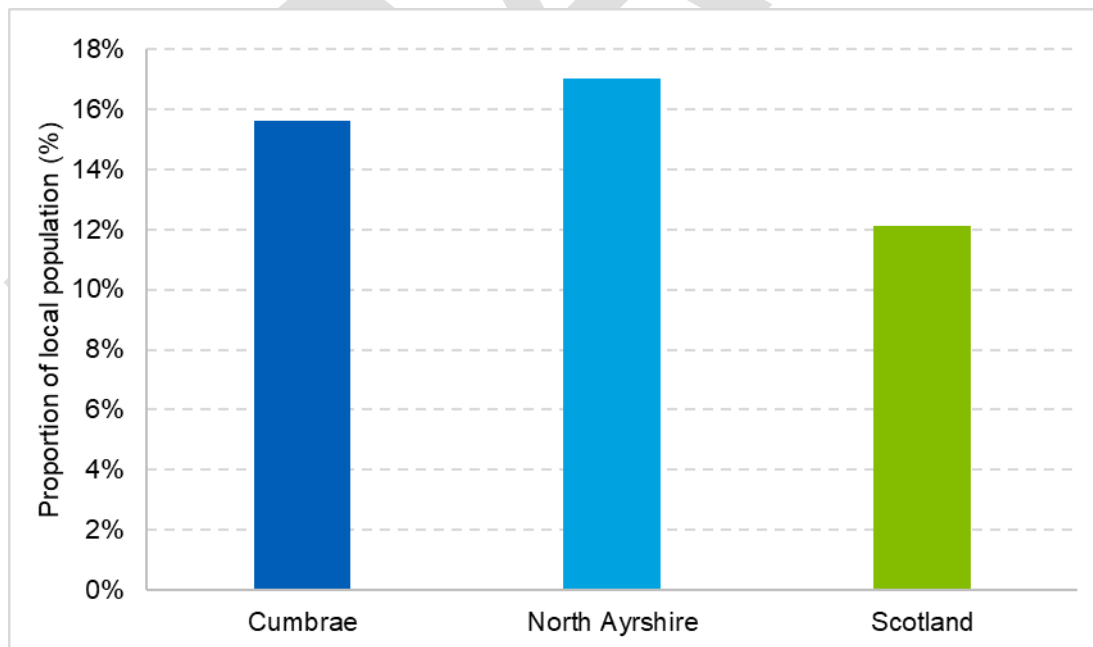
#### 3.1 – Income Deprivation

Scottish Index of Multiple Deprivation 2020 (SIMD 2020) ranks 6,976 data zones from most deprived (ranked 1) to least deprived (ranked 6,976). People using SIMD will often focus on the data zones below a certain rank (quantile), for example, the 5%, 10%, 15% or 20% most deprived data zones in Scotland.

At a data zone level, S01011327 ranks 1429 for income deprivation, putting it among the 30% of most income deprived data zones in Scotland, S01011328 ranks 2983, placing it below the median data zone. Data zone S01011327 covers a large section of Millport and data zone S01011328 covers the rest of Millport and the Isle of Cumbrae – Appendix 1 provides an overview of the geography of the Cumbrae data zones.

Further analysis of the SIMD 2020 data estimates that the percentage of people classified as income deprived on the Isle of Cumbrae is 15.6%, that is roughly 1.4-percentage points lower than the North Ayrshire rate (17%) and is 3.5-percentage points higher than the Scottish rate (12.1%).

**Figure 5: Percentage of the local population who are income deprived, for the Isle of Cumbrae, North Ayrshire and Scotland**



Analysis uses Scottish Government SIMD 2020 data

### 3.2 – Employment Deprivation

At a data zone level, S01011327 ranks 354 for employment deprivation, putting it among the 10% of most employment deprived data zones in Scotland, S01011328 ranks 3058, putting it below the median data zone.

The Isle of Cumbrae has a comparable level of employment deprivation relative to the North Ayrshire rate: 8.2% compared to 8.1%. However, the Isle of Cumbrae’s level is 2.2-percentage points higher than the Scottish rate of 6%.

The similarities in the Isle of Cumbrae and North Ayrshire employment deprivation rates may support the point in section 3.2, regarding a lower than North Ayrshire household income estimate and a lower average income deprivation figure reflecting an older age profile for the region, and the likely relative importance of pension income. This is potentially the case as the average household income estimates (caveats applying) would suggest that the employment deprivation differences between the Isle of Cumbrae and North Ayrshire should potentially be greater; suggesting the older demographics and the potentially implied importance of pension income could be a factor.

**Figure 6: Percentage of the local population who are employment deprived, for the Isle of Cumbrae, North Ayrshire and Scotland**



Analysis uses Scottish Government SIMD 2020 data

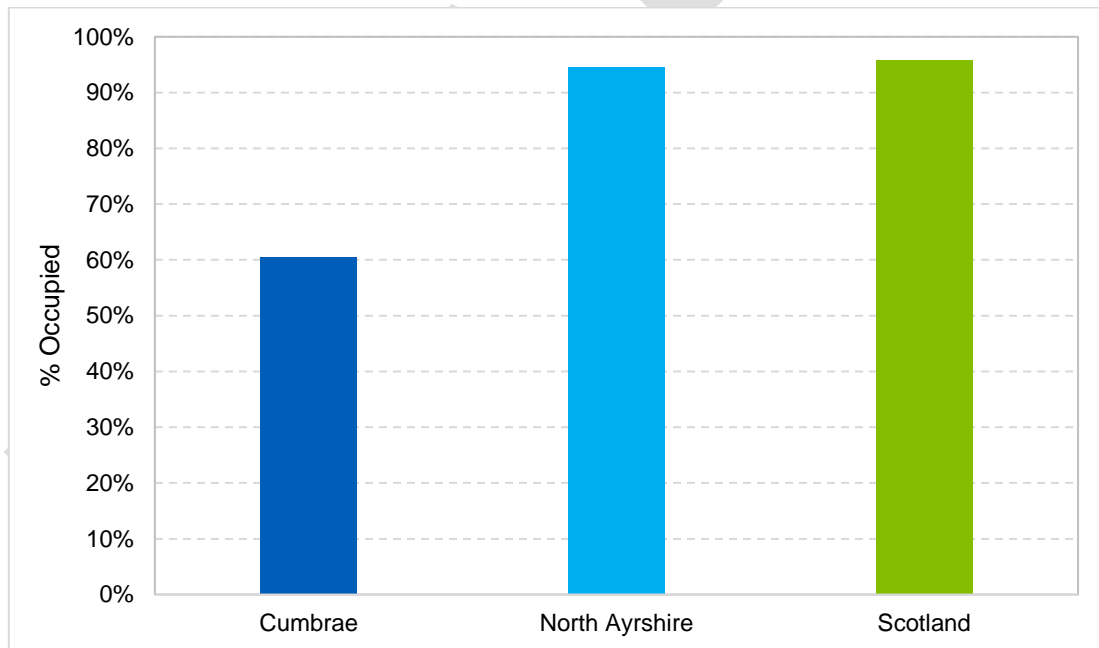
## 4. Household Characteristics

### 4.1 – Dwelling Occupancy Rates

Research data<sup>6</sup> published by the Scottish Government estimates that the total number of dwellings (2021) on the Isle of Cumbrae is 1,342, of which, 811 were occupied in 2021.

The occupancy rate on the Isle of Cumbrae for the period is 60%, which is 35-percentage points below the North Ayrshire rate (95%) and 36-percentage points below the Scottish rate (96%). For the available data zones, the occupancy rate appears to be lower in the data zone which covers a large section of Millport (55%)<sup>7</sup> compared to the other Isle of Cumbrae data zone (69%)<sup>8</sup>.

**Figure 7: Proportion of dwellings occupied in 2021 for the Isle of Cumbrae, North Ayrshire, and Scotland**



Analysis uses Scottish Government Estimates (2022)<sup>9</sup>

<sup>6</sup> These are not official statistics, thus are less reliable and should only be used as a rough guide.

<sup>7</sup> Data zone S01011327 covers a large section of Millport and data zone S01011328 covers the rest of Millport and the Isle of Cumbrae.

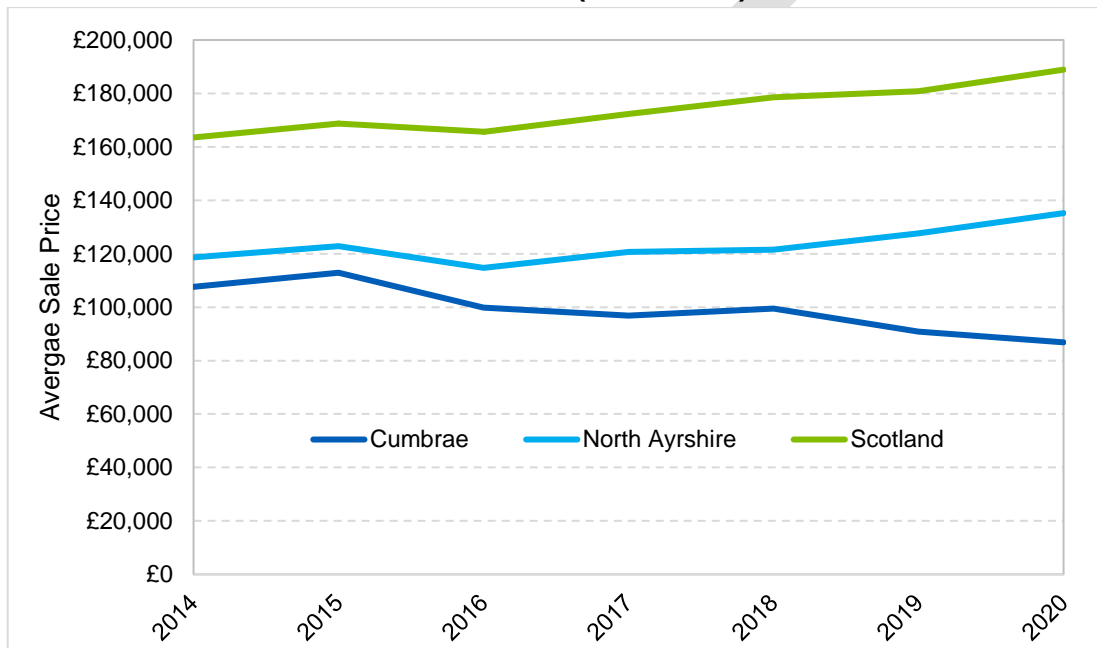
<sup>8</sup> For clarification on data zone boundaries please refer to Appendix 1

<sup>9</sup> These estimates do not relate to official national statistics and are more experimental in nature, source: [Scottish Government - Banded income statistics: 2018](#)

## 4.2 – House Prices

Scottish Government (2021) house sale price data for 2020 shows that the average house sale price on the Isle of Cumbrae<sup>10</sup> is roughly £86,848, this is 46% below the average Scottish house’s sale price (£188,902) and 17% below the average North Ayrshire house’s sale price (£135,207) – Figure 8 graphs the house price data evolution from 2014 to 2020<sup>11</sup>.

**Figure 8: Average house sale prices, the Isle of Cumbrae, North Ayrshire, and Scotland (2014-2020)**



Analysis uses Scottish Government (2022) data

At a data zone level<sup>12</sup>, across the seven-year period, the average difference between the two Isle of Cumbrae data zones in house sale prices is roughly £39,000, with the data zone which covers a large section of Millport at £80,000 and the rest of Millport and the Isle of Cumbrae at £119,000 – roughly 67% higher.

A possible explanation for the lower-than-average sale price in comparison to Scotland and North Ayrshire is that the occupancy rates are a factor, i.e., there are lower volumes of sales among potentially higher priced ‘holiday homes’ which gives rise to a potential statistical anomaly – this theory would require further investigation.

Additionally, another factor that needs to be caveated is regarding the demographic profile differences between the Isle of Cumbrae and the other areas. It could be the case that the older population profile influences local market conditions, for example

<sup>10</sup> Estimate derived from the combination of data zones S01011327 and S01011328; assumes similar volume in sales between the two data zones.

<sup>11</sup> Only years available for the Isle of Cumbrae in this dataset.

<sup>12</sup> For clarification on data zone boundaries please refer to Appendix 1.

there may be less of a need for residents to upsize to a larger home when starting a family or to downsize when their dependants leave home.

SIMD 2020 data shows that 7.6% of people on the Isle of Cumbrae live in housing without central heating, which is roughly 7 times higher than the North Ayrshire rate (1.1%) and 4 and a half times higher than the Scottish rate (1.7%). This is particularly relevant from a deprivation perspective, as a lack of gas mains connection was found to be associated with higher incidences of fuel poverty within North Ayrshire due to the need for more expensive alternative fuels<sup>13</sup>. There may also be inequalities within the Isle of Cumbrae, however, data availability limits analysis into this.

It could be argued that access to superfast broadband does not appear to be a significant factor in determining the average sale price of premises, as the data zone with complete coverage (which covers a large section of Millport) has a lower average sale price than that of the other data zone which only has 82% coverage (this is only a high-level exploration as it does not control for a variety of other influential factors). Only 22 out of North Ayrshire's 186 SIMD 2020 data zones have lower superfast broadband coverage than the data zone that covers the rest of Millport and the Isle of Cumbrae.

Lastly, it is worth noting the perceived mismatch between properties available for occupation and the dwelling requirements of those seeking to be rehoused – especially households that contain someone with a disability or mobility problem. As the population continues to age, the lack of ground level and other suitable property to meet the needs of an aging population is likely to become increasingly more pronounced<sup>14</sup>.

### 4.3 – Access to Services

Please note that this report is parallel to qualitative work in the Island Plan engagement process.

Regarding access to services, SIMD 2020 data shows that the travel time for the average resident of the Isle of Cumbrae to their nearest post office, primary school, GP practice and retail centre is notably shorter in comparison to the average resident of North Ayrshire. However, it should be caveated that this is a simplistic statistic that does not reflect consumer preference, i.e., residents of the Isle of Cumbrae may prefer to shop on the mainland due to potential price advantages and variety of goods available.

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<sup>13</sup> Source: [North Ayrshire Council - Fuel Poverty & Climate Change: A research paper to inform the development of the North Ayrshire Local Housing Strategy 2017- 2022](#)

<sup>14</sup> Source: North Ayrshire Council - Housing Need and Demand Assessment: Isle of Arran and Isle of Cumbrae (2013)

Concerningly, the average travel time to the nearest petrol station is thirteen times greater for the average resident of the Isle of Cumbrae compared to the North Ayrshire average. There is a similar picture regarding the average travel time to the nearest secondary school; a travel time eight times greater than the North Ayrshire average.

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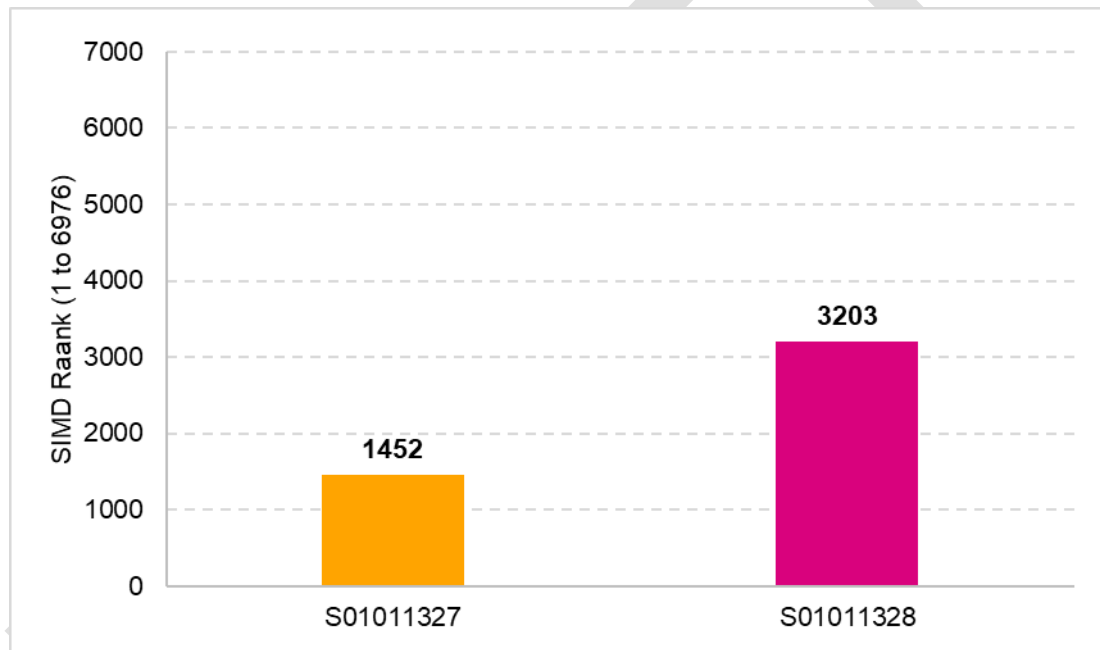
## 5. Health

### 5.1 – SIMD 2020 Health Domain Overview

The data zone which covers a majority of Millport town centre (S01011327) ranks within the lowest quarter of data zones in Scotland relating to the health domain, and the other data zone (S01011328) which covers the remainder of the Isle of Cumbrae ranks below the national average.

Overall health domain performance is assessed by examining factors such as hospital stays related to alcohol and drug use, birthweight, the expected proportion of people claiming benefits related to a restricted ability to work, and other factors<sup>15</sup>.

**Figure 9: Isle of Cumbrae SIMD 2020 Data Zone Overall Health Domain Ranks**



Analysis uses SIMD 2020 data

<sup>15</sup> For a full breakdown of component indicators please refer to: [Scottish Government - SIMD 2020 technical notes](#)



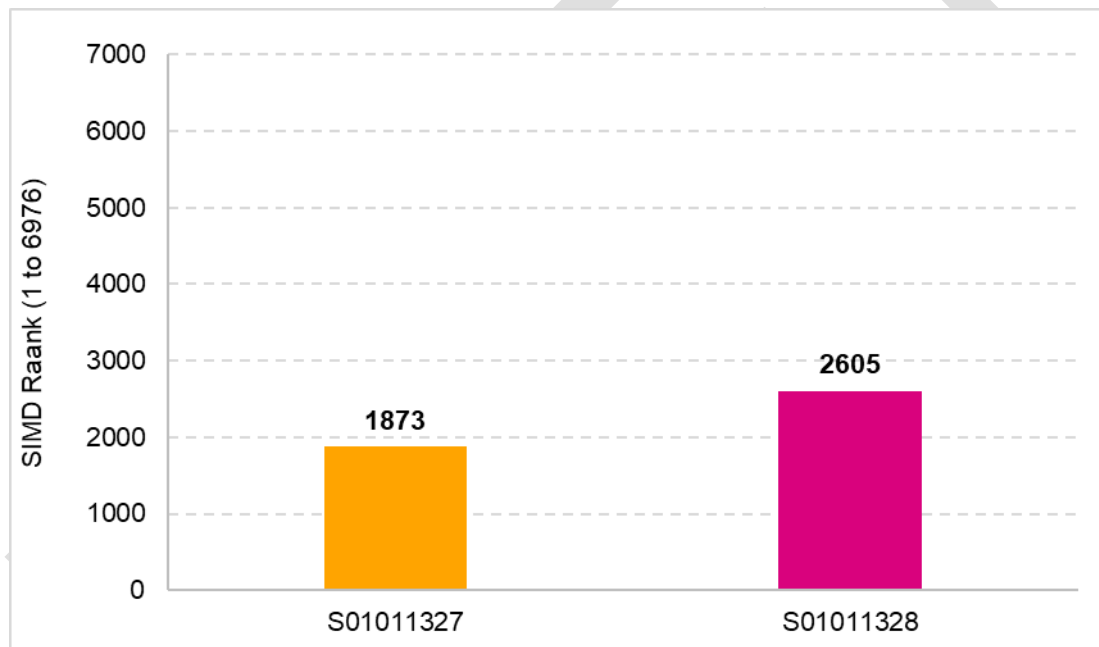
## 6. Education

### 6.1 – SIMD 2020 Education Domain Overview

The data zone which covers a majority of Millport town centre (S01011327) ranks within the lowest 30% of data zones in Scotland relating to the education domain, and the other data zone (S01011328) which covers the remainder of the Isle of Cumbrae ranks within the lowest 40% of data zones.

Overall education domain performance is assessed by examining factors such as attainment of school leavers, working age people with no qualifications and other factors<sup>16</sup>.

**Figure 10: Isle of Cumbrae SIMD 2020 Data Zone Overall Education Domain Ranks**



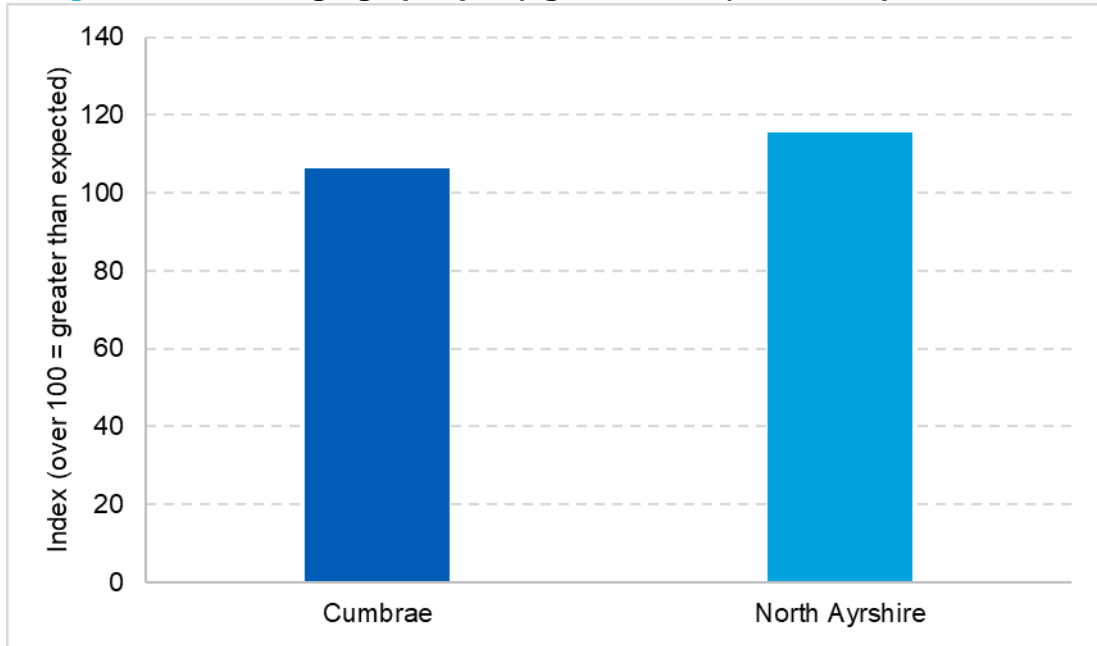
Analysis uses SIMD 2020 data

### 6.2 – Working age people (aged 25 to 64) without qualifications

SIMD 2020 figures on the numbers of working age people (aged 25 to 64) without qualifications are presented as the ratio of current to previous (compared to 2011 Census data) people with no qualifications: 100 means that the current number equals the previous figure, under 100 represents an improvement since the last Census, and over 100 represents a greater number of people with no qualifications than the last Census. The figure for the Isle of Cumbrae is 106, that means that there was a greater than expected number of people without qualifications on the Isle of Cumbrae. The figure for North Ayrshire is 116.

<sup>16</sup> For a full breakdown of component indicators please refer to: [Scottish Government - SIMD 2020 technical notes](#)

**Figure 11: Working age people (aged 25 to 64) without qualifications**



Analysis uses SIMD 2020 data

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## 7. Economic Overview

### 7.1 – Estimates of Economic Output by Sector

Table 2 presents economic output, gross value added (GVA), estimates for the Isle of Cumbrae with a sectoral breakdown. These estimates were calculated using employment data for the Isle of Cumbrae<sup>17</sup>, from the Business Register and Employment Survey (BRES)<sup>18</sup>, and GVA data for North Ayrshire, from the Office for National Statistics (ONS)<sup>19</sup>.

**Table 2: GVA by Sector (2020) for the Isle of Cumbrae (2019 Prices<sup>20</sup>)<sup>21,22</sup>**

| Sector   | GVA (£ million) | % of Total GVA |
|--|-----------------|----------------|
| Construction   | 0.5             | 4%             |
| Wholesale and retail trade; repair of motor vehicles | 1.7             | 13%            |
| Transportation and storage                           | 0.5             | 4%             |
| Accommodation and food service activities            | 0.5             | 4%             |
| Professional, scientific, and technical activities   | 0.2             | 1%             |
| Administrative and support service activities        | 0.04            | 0.30%          |
| Public administration and defence                    | 0.6             | 5%             |
| Education  | 1.1             | 8%             |
| Human health and social work activities              | 5.5             | 43%            |
| Arts, entertainment, and recreation                  | 1.2             | 10%            |
| Other service activities                             | 0.9             | 7%             |
| <b>Total GVA</b>                                     | <b>12.9</b>     | <b>100%</b>    |

Analysis uses ONS (2022) and BRES (from NOMIS) data

It is evident from the analysis in Table 2 that the health sector is by far the most important sector for the Isle of Cumbrae in economic output terms, at 43% of local GVA – more than triple that of the second largest sector, Wholesale, and retail trade (13%). The demographic profile of the Isle of Cumbrae is more skewed towards the

<sup>17</sup> The data for the Isle of Cumbrae is captured in 2011 Scottish data zones: S01011327 and S01011328 – for more information please refer to Appendix 1.

<sup>18</sup> Sourced through [NOMIS](#)

<sup>19</sup> Source: [ONS \(2022\) - Regional gross value added \(balanced\) by industry: local authorities by ITL1 region](#)

<sup>20</sup> GVA estimates are presented in "real" terms, with the effect of inflation (the rate of increase in prices over a given period of time) removed. 2019 was chosen as the base year in the source data, in removing the effect of inflation (source index: 2019 = 100).

<sup>21</sup> These estimates assume GVA per employment estimates at a North Ayrshire level being equal to the equivalent figures for the Isle of Cumbrae, therefore it is wholly possible that the true figures may diverge from the estimates in Table 2 – which should only be used as a rough guide. Table 2 does not show sectors where the employment levels are zero for the Isle of Cumbrae as GVA is assumed to be a factor of local employment. Additionally, due to the nature of the employment data used, agriculture employment (and thus agriculture GVA) is not accounted for. This point regarding the exclusion of agricultural GVA is particularly relevant as a Scottish Government Town Centre Regeneration: TCRF Case Studies Report identified agriculture as one of the region's key industries along with tourism (source: [Scottish Government – Town Centre Regeneration: TCRF Case Studies Report](#))

<sup>22</sup> Table totals may not sum due to rounding

65 and over age group than the national and North Ayrshire average, this is a potentially influential factor in the regional importance of the health sector.

Due to perceptions around the Isle of Cumbrae as being an economy with a high reliance on tourism and a strong visitor economy, it is perhaps unsurprising that traditionally tourism related sectors ('accommodation and food service activities' and 'arts, entertainment, and recreation') account for a quarter of local GVA.

Please note that the estimates presented in table 2 do not attempt to account for any associated effects of 'economic leakage', i.e., if workers in the health sector work on Cumbrae but live out with Cumbrae – therefore likely reducing the amount of money recirculating in the local economy. However, a potential counterpoint to the previous example would be the tourism related sectors, which are likely bringing in notable amounts of money from outside Cumbrae's local economy.

## 7.2 – Estimates of Employment by Sector

Table 3 shows the employment count by sector for the Isle of Cumbrae in 2020. Please note that the employment count estimates are rounded to the nearest five, and that Table 3 excludes sectors where the employment count is listed as zero, as well as agriculture (not included in the data at this level from BRES).

Please note that employments are based upon business location and not by the residence of the employee. This means that the figures in Table 3 are likely not a reflection of the employments of the Isle of Cumbrae's residents. Workers who commute to the Isle of Cumbrae for work will be captured in Table 3, but residents who commute out with the Isle of Cumbrae for work are not.

The 'human health and social work activities' sector is by far the most important employer in the region at over a third of local employment, over 2.5 times the number of the next largest employing sector – 'Wholesale and retail trade; repair of motor vehicles' (14%). It is worth caveating that anecdotal reports suggest that there are a number of employees in the health sector that work in the region but do not necessarily live on the isle of Cumbrae.

**Table 3: Employment by Sector for the Isle of Cumbrae (2020)**<sup>23,24,25,26</sup>

| Sector   | Employment Count | % of Total Employment |
|--|------------------|-----------------------|
| Construction   | 10               | 3%                    |
| Wholesale and retail trade; repair of motor vehicles | 50               | 14%                   |
| Transportation and storage                           | 15               | 4%                    |
| Accommodation and food service activities            | 40               | 11%                   |
| Professional, scientific, and technical activities   | 5                | 1%                    |
| Administrative and support service activities        | 5                | 1%                    |
| Public administration and defence                    | 10               | 3%                    |
| Education  | 40               | 11%                   |
| Human health and social work activities              | 130              | 36%                   |
| Arts, entertainment, and recreation                  | 40               | 11%                   |
| Other service activities                             | 20               | 5%                    |
| <b>Total Employment</b>                              | <b>375</b>       | <b>100%</b>           |

Analysis uses NOMIS (2022) data

It is evident that tourism related activity is a key generator of jobs for the Isle of Cumbrae, with 22% of all employment in the Isle of Cumbrae in 2020 being in the 'accommodation and food service activities' and 'arts, entertainment, and recreation' sectors – this represents approximately 80 jobs. However, it is worth noting that since the last report, which used 2019 data, employment in the tourism related sectors has declined by 20%, potentially representing the early detrimental economic effects of COVID-19 on tourism related sectors.

<sup>23</sup> Agriculture is not included in the data for the Isle of Cumbrae in BRES.

<sup>24</sup> Please note that employments are based upon enterprise location and not by the residence of the employee. This therefore means that it is likely that the figures in Table 3 do not reflect the resident's employments exactly, as it is likely that some workers commute to/from the Islands for work.

<sup>25</sup> Shares of employment differ to shares of GVA due to differences in GVA per worker by sector.

<sup>26</sup> Column totals may not sum due to rounding

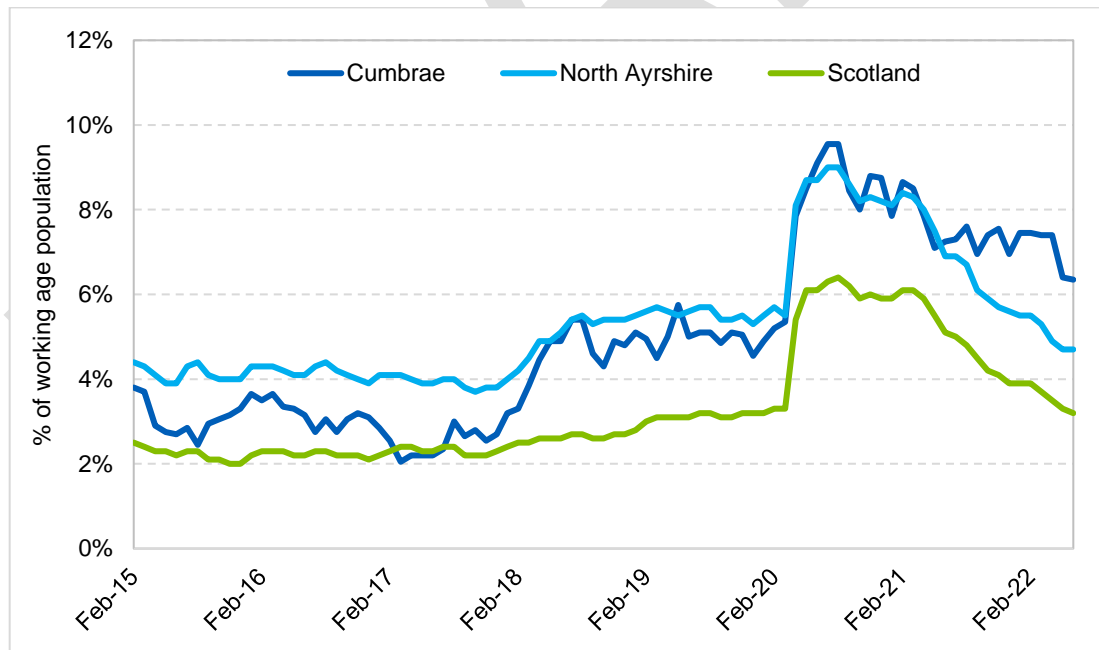
## 8. The Isle of Cumbrae and COVID-19

### 8.1 – Claimant Count Estimates

The experimental claimant count (estimate of people claiming unemployment related benefits) as a proportion of the working age population for the Isle of Cumbrae increased by 2.3-percentage points over the year to February 2022, from the pre-COVID-19 benchmark of February 2020<sup>27</sup>, from 5.2% to 7.5%. Over the same period the North Ayrshire rate was down 0.2-percentage points, from 5.7% to 5.5%, and the Scottish rate was up 0.6-percentage points, from 3.3% to 3.9%. Encouragingly, the claimant count rate for the Isle of Cumbrae has seen a dramatic downward trajectory since March 2021, declining by 2.1-percentage points as of June 2022, potentially attributable to the COVID-19 lockdown restrictions gradually being phased out.

Figure 12 maps the local claimant count evolution, and more generally, the trends of the claimant count rates for the Isle of Cumbrae, North Ayrshire and Scotland over the period February 2015 to June 2022.

**Figure 12: Claimant count (as a proportion of the working age population) for the Isle of Cumbrae, North Ayrshire and Scotland (Feb 2015 to Jun 2022)<sup>28</sup>**



Analysis uses NOMIS (2022) data

An important trend to note in the Isle of Cumbrae data is that the working age population estimate has declined 10% over the reference period (from roughly 737 in

<sup>27</sup> February 2020 is used as the pre-COVID-19 benchmark as it was the last full month before the effects of the lockdown were felt.

<sup>28</sup> Working age population estimates are derived from mid-year population estimates. Please note that this data covers up to 2020; therefore, the 2020 mid-year estimate is used as a proxy for 2021 and 2022.

2015 to 663 in 2020); potentially highlighting that the population decline (see section 3 for more details) within the region is intensifying the perceived increases in the claimant count rate. Additionally, it should be highlighted, for the period February 2015 to June 2022, that the numbers of those captured in the claimant count (rounded to the nearest five) have all been within the range of 15 to 65; with the latest estimate of 40 people for June 2022.

Table 4 shows the claimant count rate (as a proportion of the working age population) for the Isle of Cumbrae, North Ayrshire and Scotland over the period of February 2020 to June 2022 to show how the respective claimant counts have evolved from their pre-lockdown levels.

**Table 4: Claimant count (as a proportion of the working age population) for the Isle of Cumbrae, North Ayrshire and Scotland (Feb 2020 to Jun 2022)**

|        | Cumbrae | North Ayrshire | Scotland |
|--------|---------|----------------|----------|
| Feb-20 | 5.2%    | 5.7%           | 3.3%     |
| Mar-20 | 5.4%    | 5.5%           | 3.3%     |
| Apr-20 | 7.9%    | 8.1%           | 5.4%     |
| May-20 | 8.5%    | 8.7%           | 6.1%     |
| Jun-20 | 9.1%    | 8.7%           | 6.1%     |
| Jul-20 | 9.6%    | 9.0%           | 6.3%     |
| Aug-20 | 9.6%    | 9.0%           | 6.4%     |
| Sep-20 | 8.5%    | 8.6%           | 6.2%     |
| Oct-20 | 8.0%    | 8.2%           | 5.9%     |
| Nov-20 | 8.8%    | 8.3%           | 6.0%     |
| Dec-20 | 8.8%    | 8.2%           | 5.9%     |
| Jan-21 | 7.9%    | 8.1%           | 5.9%     |
| Feb-21 | 8.7%    | 8.4%           | 6.1%     |
| Mar-21 | 8.5%    | 8.3%           | 6.1%     |
| Apr-21 | 7.9%    | 8.0%           | 5.9%     |
| May-21 | 7.1%    | 7.5%           | 5.5%     |
| Jun-21 | 7.3%    | 6.9%           | 5.1%     |
| Jul-21 | 7.3%    | 6.9%           | 5.0%     |
| Aug-21 | 7.6%    | 6.7%           | 4.8%     |
| Sep-21 | 7.0%    | 6.1%           | 4.5%     |
| Oct-21 | 7.4%    | 5.9%           | 4.2%     |
| Nov-21 | 7.6%    | 5.7%           | 4.1%     |
| Dec-21 | 7.0%    | 5.6%           | 3.9%     |
| Jan-22 | 7.5%    | 5.5%           | 3.9%     |
| Feb-22 | 7.5%    | 5.5%           | 3.9%     |
| Mar-22 | 7.4%    | 5.3%           | 3.7%     |
| Apr-22 | 7.4%    | 4.9%           | 3.5%     |
| May-22 | 6.4%    | 4.7%           | 3.3%     |
| Jun-22 | 6.4%    | 4.7%           | 3.2%     |

Analysis uses NOMIS (2022) data

For some additional context, the North Ayrshire rate for claimants as a proportion of the working age population (aged 16-64) is the second highest amongst Scottish local authorities (regarding the June 2022 data) and has for periods since February 2020 been the highest rate among Scottish local authorities. The Isle of Cumbrae rate has

performed comparably to North Ayrshire in this period and has at times exceeded the North Ayrshire rate.

## 8.2 – Sectoral Vulnerabilities

Scottish Government estimates for monthly GDP (expressed as a percentage of the February 2020 levels of GDP<sup>29</sup>) show that in April 2020 the Scottish economy had contracted by an estimated 23.3%. The latest estimate (at the time of writing), for May 2022<sup>30</sup>, shows that in the interim, the level of monthly economic output has recovered to 101.1% of its pre-COVID-19 levels. However, it is important to caveat that the immediate economic outlook from the Bank of England<sup>31</sup> does not make for encouraging reading. Rising inflation, which is particularly acute regarding higher energy prices, has led to a cost-of-living crisis, with many households now feeling the squeeze of climbing inflation. Moreover, the uncertainty and macroeconomic headwinds stemming from the current war in Ukraine are likely to continue to act as a drag on growth.

Back to the Scotland level data, annualised estimates of Scottish economic output (GDP) growth show that its economy contracted by 10.6% in 2020 and grew by 7.4% in 2021; for the accommodation and food services sector, the contraction in 2020 was 45.7% and 2021 saw growth of 25.1%; for the arts, culture and recreation sector, the contraction in 2020 was 40.7% and 2021 saw growth of 34.3%.

Converting our estimate of 2018's GVA from 2016 to 2019 prices shows that the GVA of Cumbrae has grown from £10.8m to £12.9m for 2020. Comparing national sectoral GVA indices for 2019 and 2020 shows that through this metric the Scottish economy contracted by an estimated 9.3%, compared to 3.9% for North Ayrshire. The comparatively stronger sectoral GVA index for North Ayrshire combined with Cumbrae's increased employment in the 'wholesale and retail trade; repair of motor vehicles' sector, and increased GVA per employment in the health sector at a North Ayrshire level are the main likely explanatory factors why Cumbrae's GVA appears to have increased in the 2020 data, when it might have been expected to contract. However, there are some notable caveats here: there could potentially be larger than typically seen revisions to the data due to the unusual economic conditions; a more acute picture may show up in the 2021 data; and although North Ayrshire fared relatively well by some of these metrics, as this is a modelled estimate, it does not necessitate that this will equal a similar picture on Cumbrae.

Regarding sectoral concentrations, previous analysis from the Fraser of Allander Institute<sup>32</sup> carried out in 2021 showed that across Scotland, around 8% of businesses are in the hospitality sector. For some parts of the nation, such as the Highlands, North Ayrshire, and Argyll and Bute, this figure exceeded 10%. These areas were found to

<sup>29</sup> February 2020 is used as the pre-COVID-19 benchmark as it was the last full month before the effects of the lockdown were felt.

<sup>30</sup> Source: [Scottish Government - GDP Monthly Estimate: May 2022](#)

<sup>31</sup> Source: [Bank of England - Monetary Policy Report - August 2022](#)

<sup>32</sup> Source: [FAI Economic Commentary, 2021 Q1](#)



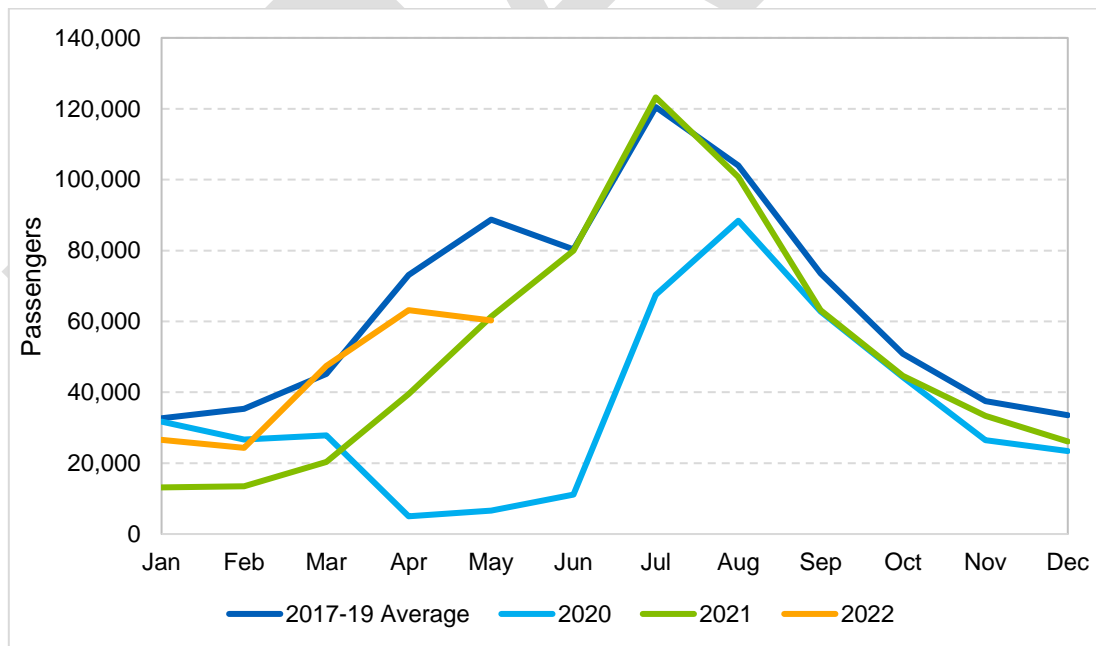
be particularly reliant on tourism, making them more vulnerable to the economic impacts of COVID-19. Around 11% of businesses in North Ayrshire were in the hospitality sector, this was the second largest number across all Scottish local authorities – Argyll and Bute have the highest concentration at roughly 13%. Our modelled employment-based estimate of business counts<sup>33</sup> approximated that the figure for the Isle of Cumbrae was around 17%.

### 8.3 – Ferry Data

It is evident that the lockdowns would have a notable impact on ferry passenger numbers due to a variety of COVID-19 related factors, i.e., social distancing measures limiting capacity and travel restrictions limiting who can use the service.

Figure 13 graphs the monthly average<sup>34</sup> passenger sailing numbers for the Largs to Cumbrae route, and compares this to the data for 2020, 2021 and the available data for 2022.

**Figure 13: Passenger carrying statistics for the Isle of Cumbrae – Largs route; 2017-19 average, 2020, 2021 and 2022<sup>35</sup>**



Source: Calmac (2022) Carrying statistics

<sup>33</sup> This is a simplified employment-based estimate regarding business counts and does not account for factors such as firm size and employment per enterprise; the figure of 17% will almost certainly under- or over-estimate the true value (the previous caveats regarding the exclusion of the agriculture sector still apply).

<sup>34</sup> Monthly averages use data for 2017 to 2019

<sup>35</sup> Source: [Calmac \(2022\) Carrying statistics](#)

The pre-COVID-19 peak passenger season is between April and September (all these months have above 73,000 passengers), with July and August both seeing monthly averages in excess of 100,000. For comparison, only one month in 2020 saw passenger numbers of over 73,000 (August 2020: 88,403). July 2021 passenger data saw the end of the second COVID-19 lockdown with numbers surpassing the pre-COVID-19 average data and the most recent figures from May 2022 are in line with May 2021 which indicates further encouraging signs.

For clarity, and to provide specific data points, tables 5 and 6 provide the data visualised in Figure 13 and examines the percentage differences in monthly passenger data for 2020, 2021 and 2022 compared to the pre-COVID-19 averages.

**Table 5: Passenger carrying statistics for the Isle of Cumbrae – Largs route; 2017-19 average, 2020, 2021 and 2022**

|           | 2017-2019 Average | 2020   | 2021    | 2022   |
|-----------|-------------------|--------|---------|--------|
| January   | 32,661            | 31,701 | 13,156  | 26,551 |
| February  | 35,352            | 26,659 | 13,441  | 24,314 |
| March     | 45,212            | 27,829 | 20,379  | 47,419 |
| April     | 73,100            | 5,001  | 39,526  | 63,172 |
| May       | 88,680            | 6,595  | 61,315  | 60,261 |
| June      | 80,313            | 11,136 | 80,001  | -      |
| July      | 120,480           | 67,529 | 123,210 | -      |
| August    | 103,978           | 88,403 | 100,714 | -      |
| September | 73,520            | 62,812 | 63,187  | -      |
| October   | 50,883            | 44,253 | 44,642  | -      |
| November  | 37,528            | 26,505 | 33,385  | -      |
| December  | 33,509            | 23,411 | 26,139  | -      |

Source: Calmac (2022) Carrying statistics

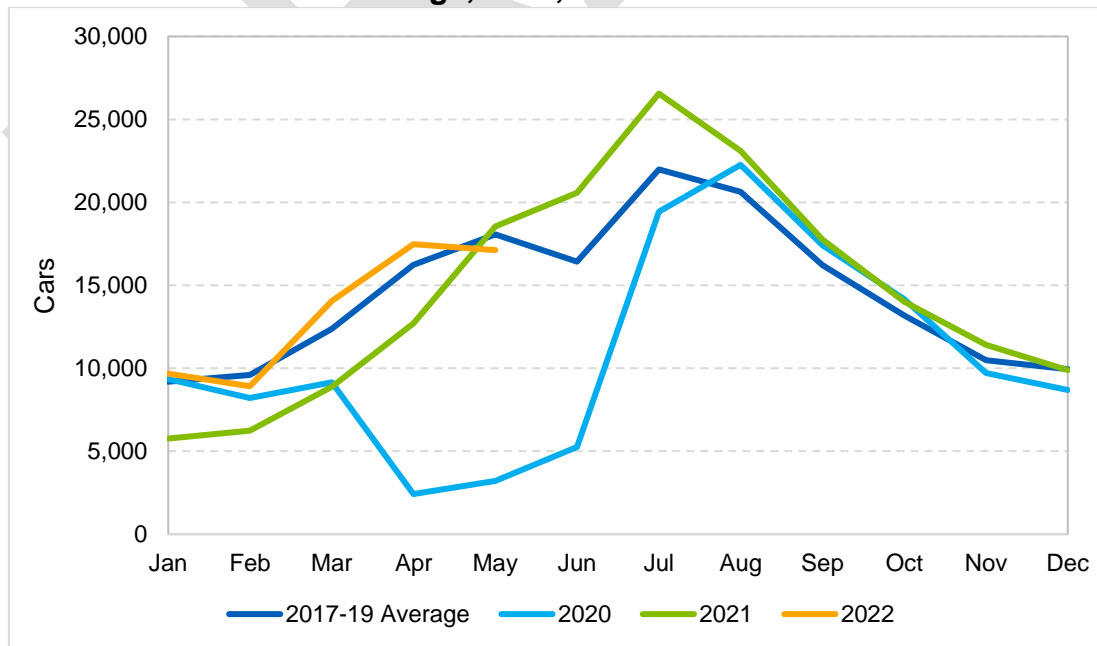
**Table 6: Passenger carrying statistics for the Isle of Cumbrae – Largs route; 2020, 2021 and 2022 percentage differences compared to 2017-19 average**

|           | 2020 vs 2017-19 Average (%) | 2021 vs 2017-19 Average (%) | 2022 vs 2017-19 Average (%) |
|-----------|-----------------------------|-----------------------------|-----------------------------|
| January   | -3%                         | -60%                        | -19%                        |
| February  | -25%                        | -62%                        | -31%                        |
| March     | -38%                        | -55%                        | 5%                          |
| April     | -93%                        | -46%                        | -14%                        |
| May       | -93%                        | -31%                        | -32%                        |
| June      | -86%                        | 0%                          | -                           |
| July      | -44%                        | 2%                          | -                           |
| August    | -15%                        | -3%                         | -                           |
| September | -15%                        | -14%                        | -                           |
| October   | -13%                        | -12%                        | -                           |
| November  | -29%                        | -11%                        | -                           |
| December  | -30%                        | -22%                        | -                           |

Source: Calmac (2022) Carrying statistics

Figure 14 shows the car carrying statistics for the Isle of Cumbrae to Largs route, it maps the pre-COVID-19 monthly averages against the 2020, 2021 and 2022 monthly data.

**Figure 14: Car carrying statistics for the Isle of Cumbrae – Largs route; 2017-19 average, 2020, 2021 and 2022<sup>36</sup>**



Source: Calmac (2022) Carrying statistics

<sup>36</sup> Source: [Calmac \(2022\) Carrying statistics](#)

It is evident that the number of cars using the route took a notable hit in the first half of 2020; however, for August to October 2020 the car numbers recovered to outperform the pre-COVID-19 levels. From November 2020 to April 2021 the number of cars using the route fell again, with the first four months of 2021 being particularly impacted.

The data for July and August 2021 shows that the numbers of cars using the route exceeded the pre-COVID-19 levels, potentially highlighting the increased appetite over the summer for domestic tourism ('staycating') amid COVID-19 travel restrictions. This trend has continued into early 2022 with recent figures showing that car volume levels have made a positive rebound since the pandemic with February to April 2022 experiencing higher levels than previous years. However, it is worth noting that there are other possible factors that influence the level of demand for the ferry service such as weather, thus, this graph may not be solely influenced by COVID-19 effects.

**Table 7: Car carrying statistics for the Isle of Cumbrae – Largs route; 2017-19 average, 2020, 2021 and 2022.**

|                  | 2017-2019 Average | 2020   | 2021   | 2022   |
|------------------|-------------------|--------|--------|--------|
| <b>January</b>   | 9,364             | 9,342  | 5,764  | 9,666  |
| <b>February</b>  | 9,270             | 8,202  | 6,243  | 8,918  |
| <b>March</b>     | 11,139            | 9,148  | 8,892  | 14,050 |
| <b>April</b>     | 11,667            | 2,420  | 12,706 | 17,479 |
| <b>May</b>       | 13,230            | 3,216  | 18,546 | 17,128 |
| <b>June</b>      | 13,171            | 5,250  | 20,584 | -      |
| <b>July</b>      | 21,588            | 19,448 | 26,557 | -      |
| <b>August</b>    | 21,239            | 22,261 | 23,096 | -      |
| <b>September</b> | 16,666            | 17,417 | 17,767 | -      |
| <b>October</b>   | 13,590            | 14,169 | 14,016 | -      |
| <b>November</b>  | 10,282            | 9,713  | 11,415 | -      |
| <b>December</b>  | 9,587             | 8,685  | 9,883  | -      |

Source: Calmac (2022) Carrying statistics

**Table 6: Car carrying statistics for the Isle of Cumbrae – Largs route; 2020, 2021 and 2022 percentage differences compared to 2017-19 average**

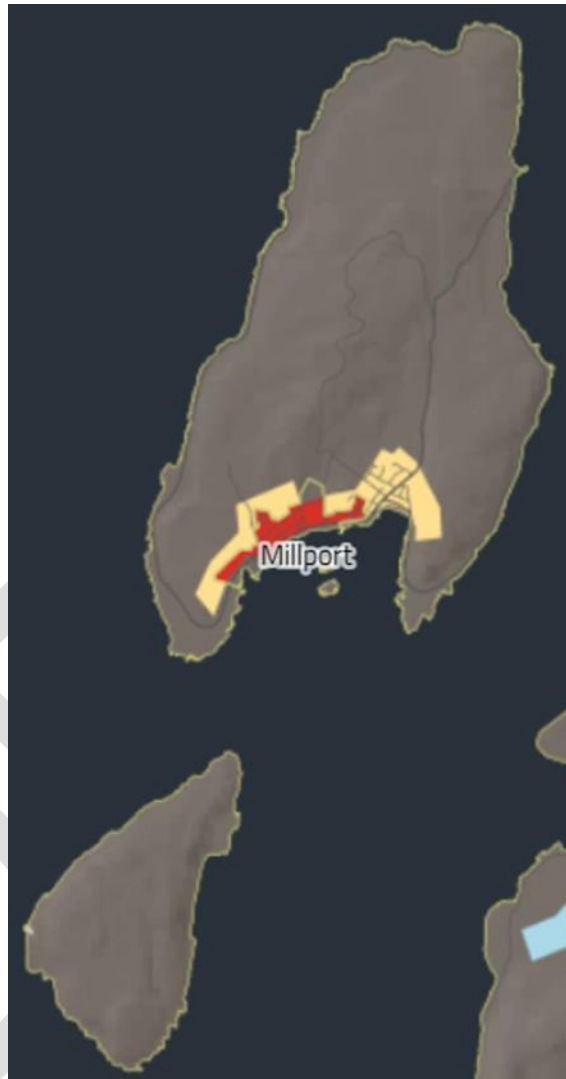
|                  | 2020 vs 2017-19<br>Average (%) | 2021 vs 2017-2019<br>Average (%) | 2022 vs 2017-19<br>Average (%) |
|------------------|--------------------------------|----------------------------------|--------------------------------|
| <b>January</b>   | -0.2%                          | -39%                             | 3%                             |
| <b>February</b>  | -12%                           | -33%                             | -4%                            |
| <b>March</b>     | -18%                           | -20%                             | 26%                            |
| <b>April</b>     | -80%                           | 9%                               | 50%                            |
| <b>May</b>       | -76%                           | 40%                              | 30%                            |
| <b>June</b>      | -60%                           | 56%                              | -                              |
| <b>July</b>      | -10%                           | 23%                              | -                              |
| <b>August</b>    | 5%                             | 9%                               | -                              |
| <b>September</b> | 5%                             | 7%                               | -                              |
| <b>October</b>   | 4%                             | 3%                               | -                              |
| <b>November</b>  | -6%                            | 11%                              | -                              |
| <b>December</b>  | -9%                            | 3%                               | -                              |

Source: Calmac (2022) Carrying statistics

## Appendices

### Appendix 1: Isle of Cumbrae SIMD 2020 data zones

**Map 1: SIMD 2020 excerpt showing the two Isle of Cumbrae data zones: S01011327 and S01011328**



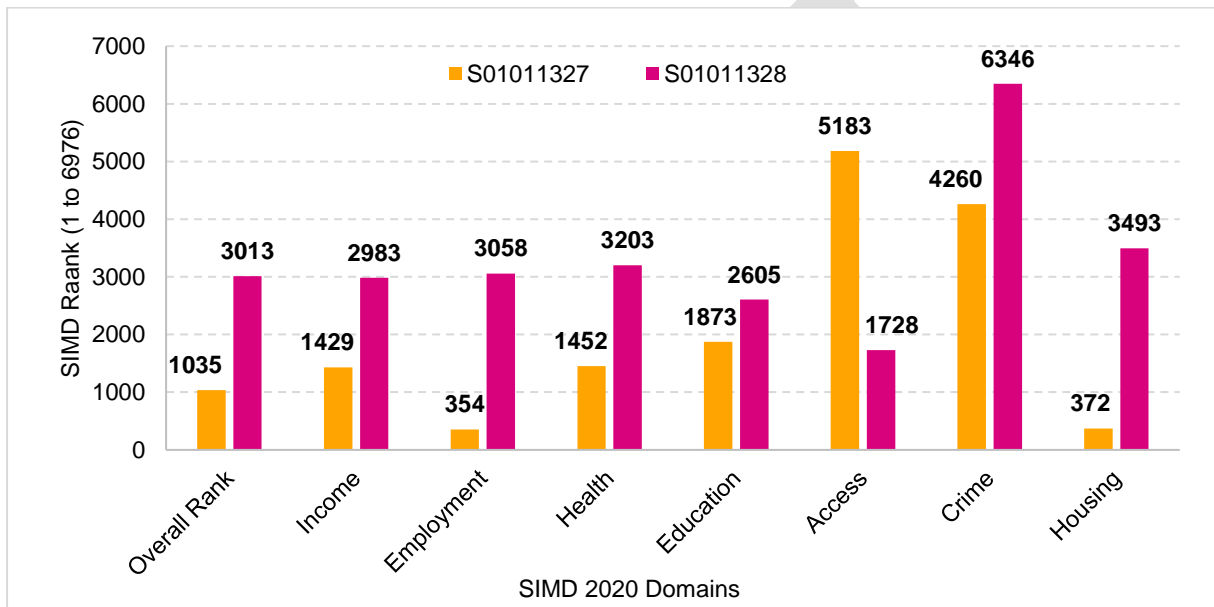
Source: SIMD 2020

- The shaded red area (and small portions of unshaded area within the yellow boundary line) is data zone S01011327, which covers a large section of Millport.
- Data zone S01011328 is largely unshaded but is yellow in parts (refers to the sections of the Cumbraes not accounted for by S01011327).

## Appendix 2: Isle of Cumbrae SIMD 2020 Domain Ranks

- SIMD ranks data zones from most deprived (ranked 1) to least deprived (ranked 6,976). People using SIMD will often focus on the data zones below a certain rank, for example, the 5%, 10%, 15% or 20% most deprived data zones in Scotland.
- SIMD is an area-based measure of relative deprivation: not every person in a highly deprived area will themselves be experiencing high levels of deprivation.

**Appendix Figure 1: Isle of Cumbrae SIMD 2020 Domain Ranks**



Analysis uses SIMD 2020 data