

Economic Development and Planning

Investing in economic development and employment opportunities results not just in a positive economic outcome, but can typically also lead to improvements across a wider range of social outcomes and reductions in demand for public services. The LGBF framework includes a suite of measures to reflect council performance across this strategically important area.

Employment

The first measure is the 'percentage of total unemployed people in an area assisted into work from council funded/operated employability programmes'. Most councils participate in employment-related support— either via direct provision and/or via funding delivery by third parties. Employability support is often delivered in partnership and this measure seeks to capture data on employability services where the council has either directly delivered and/or funded the intervention. The measure is an indication of the proportion of unemployed people in a council area that are participating in employability responses led or supported by the council, and in this sense assesses the reach and penetration of the intervention. Currently this measure utilises part of the data submitted by councils as part of their annual Scottish Local Authorities Economic Development group (SLAED) return.

In 2016/17, the Scotland average for the percentage of unemployed people assisted into work from council funded/operated employability programmes was 14.0% of total unemployed. This reflects an increase from 9.1% in 2012/13, however a very small reduction over the past 12 months.

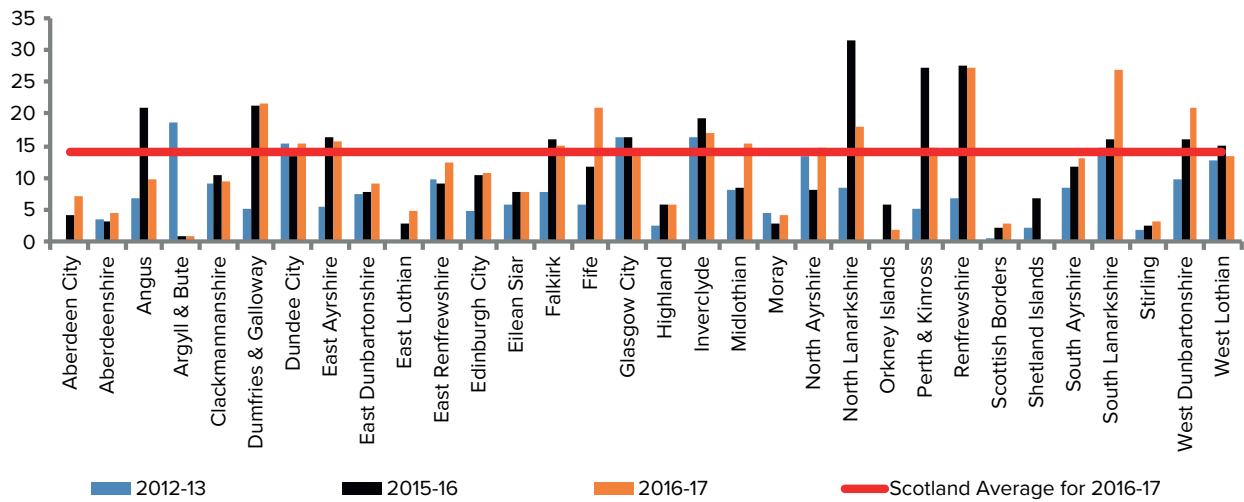
This recent trend may reflect a number of factors, including: the continuing focus on getting more long term workless people into work and the welfare changes that require these cohorts to undertake job search activities; the reduction in national funding for wage subsidy schemes; and improvements in the labour market that have removed some of the easier to assist persons from worklessness and left a residual group of harder to assist clients facing multiple barriers to employment who take longer to progress into work.

There is a considerable range across councils, from 0.9% to 27.1%, with lower rates for the least deprived councils (6.31%, compared to 16.1% in the most deprived), and for rural authorities (6.00%, compared to 14.95% in urban authorities).

Percentage of Unemployed People Assisted into Work from Council Operated/Funded Employability Programmes

Year	% Unemployed People Assisted into work from Council operated/funded Employability Programmes
2012/13	9.1
2013/14	12.5
2014/15	14.1
2015/16	14.2
2016/17	14.0

Percentage of Unemployed People Assisted into Work from Council Operated/Funded Employability Programmes



Source: Model based estimates for unemployment, Office for National Statistics (ONS); SLAED Indicators Framework returns

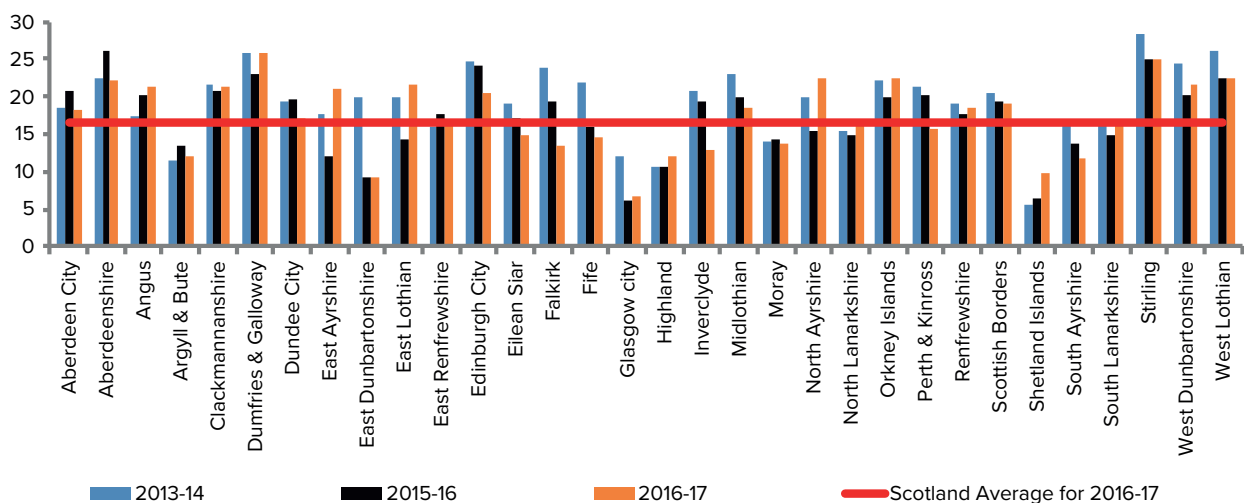
Note: Missing values reflect no SLAED return for that year

Business Support

To capture wider economic development and reflect the significant investment in business development and support (e.g. Business Gateway), the benchmarking framework includes the number of Business Gateway start-ups per 10,000 population. The start-up rate has reduced since 2013/14 from 19 to 16.6 in 2016/17. This may reflect a longer term strategic decision by some Business Gateway areas to focus a higher proportion of resources on supporting the growth and development of existing businesses as opposed to business start-ups. In areas where start-up numbers are good this may have greater job creating potential.

The graph below shows the significant variation which exists across councils, ranging from 6.62 to 25.75. There is no systematic relationship with start-up rates and rurality, deprivation or size of council.

Number of Business Gateway Start-ups per 10,000 Population



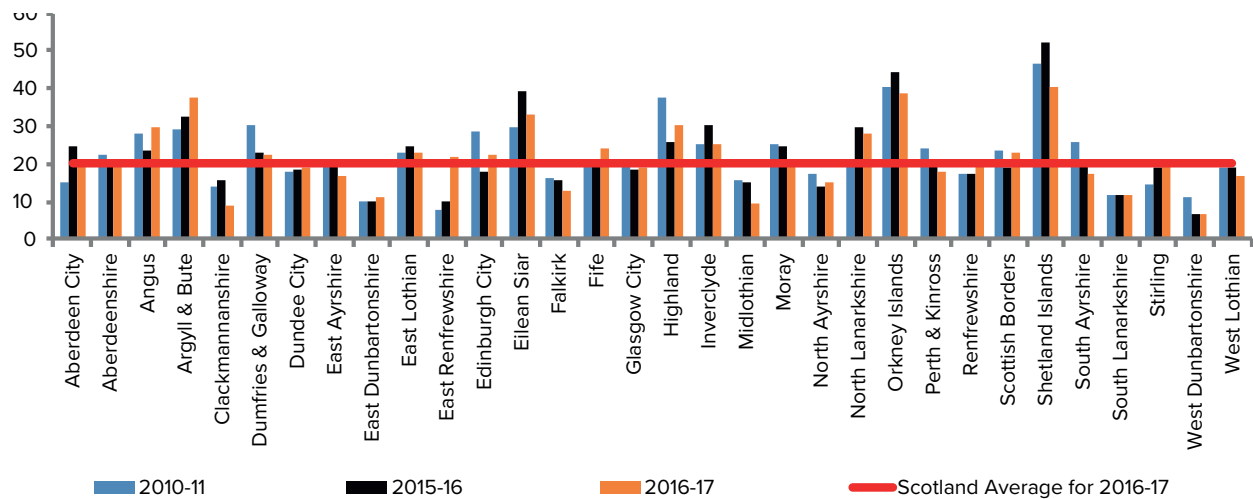
Procurement

Procurement spend in local government accounts for a significant proportion of total spend. This measure focussing on the proportion of this spend which is targeted at small and medium enterprises (SME's) is an important indicator of the progress councils are making in delivering on their standing commitment to invest in their local economies and create employment.

In 2016/17, the percentage of procurement spend on local small/medium enterprises was 20.3%, only a very slight reduction from 21.2% in the base year, and reflecting a slight growth in the past two years. Given the pressures on council budgets this is a positive outcome as it suggests that the drive to reduce costs has not resulted in local SMEs being displaced by larger national suppliers of goods and services.

There is significant variation across councils in relation to procurement spend, ranging from 6.8% to 40.6%. The Islands and rural authorities report higher procurement spend on local SME's than other authorities. Rural authorities spend on average 30.1% compared to 19.3% in urban authorities.

Percentage of Procurement Spent on Local Small/Medium Enterprises



Planning

Although spend on planning accounts for a relatively small amount of overall spend, this is a strategically important area in terms of the future development and use of land in our towns, cities and countryside. An efficient and well-functioning planning service plays an important role in facilitating sustainable economic growth and delivering high quality development in the right places.

Two indicators are included here. A measure of the total cost involved per planning application and the average time taken to process commercial planning applications (Business and Industry applications).

Cost of planning per application

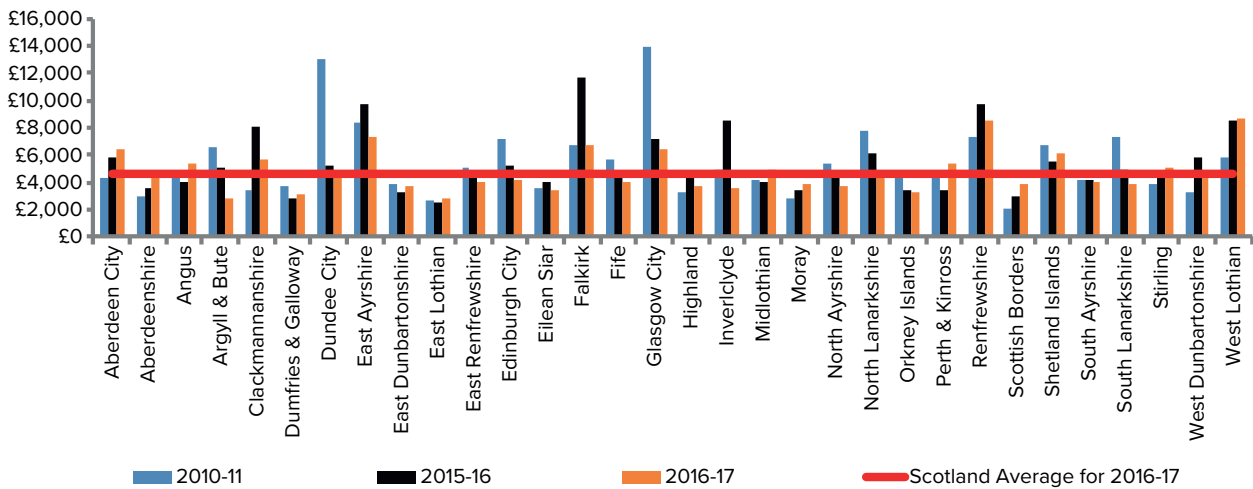
The cost of planning per application has fallen from £5,376 in 2010/11 to £4,635 in 2016/17. This reflects a real terms reduction of 13.8%. Although there have been fluctuations across the period, the trend represents a 33.4% reduction in gross expenditure and a 22.7% reduction in planning applications since 2010/11.

In the past 12 months, costs have reduced by 5.5%, reflecting an 11.5% reduction in gross expenditure and a 6.3% reduction in planning applications. There is substantial but narrowing variation in planning costs across Scotland, ranging from £2,880 to £8,688 in 2016/17. Costs vary systematically with rurality, with urban authorities spending more than rural and semi-rural authorities (£4,843 compared to £3,684 and £4,018 respectively).

Cost per Planning Application

% Change	Cash	Real
2010/11 - 2016/17	-5.2	-13.8
2010/11 - 2011/12	-2.1	-3.5
2011/12 - 2012/13	29.4	26.7
2012/13 - 2013/14	-28.3	-29.5
2013/14 - 2014/15	-4.2	-5.6
2014/15 - 2015/16	12.9	12.1
2015/16 - 2016/17	-3.4	-5.5

Cost per Planning Application



Source: Planning Authority Performance Statistics, Scottish Govt; Council supplied expenditure figures

There has been a reduction in the average time per business and industry planning application since 2012/13. In 2016/17 the average time taken was 9.3 weeks, compared to 13 weeks in 2012/13, a 28% reduction. During this time, there has been a 32% reduction in the number of business and industry applications (from 2,542 down to 1,717).

In the last 12 months, the average time has fallen by 16.8% from 11.2 weeks to 9.3 weeks. There is significant variation between authorities however, although this is narrowing over recent years. In 2016/17, the time taken ranged from 6.48 weeks to 17 weeks, with no statistically significant relationships with deprivation, rurality or size of council.

Average Time per Business and Industry Planning Application

