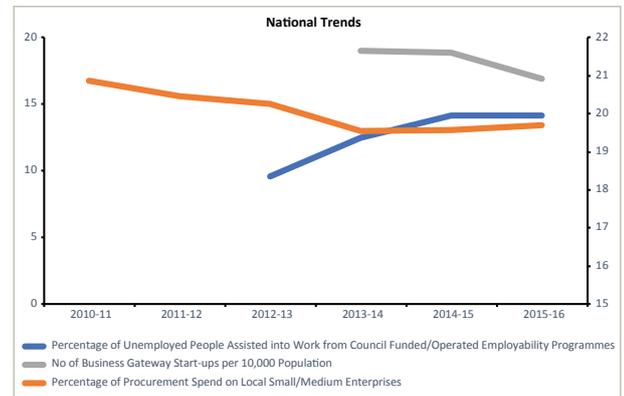


Economic Development Briefing 2016

Investing in economic development and employment opportunities results not just in a positive economic outcomes, but can typically also lead to improvements across a wider range of social outcomes and reductions in demand for public services.

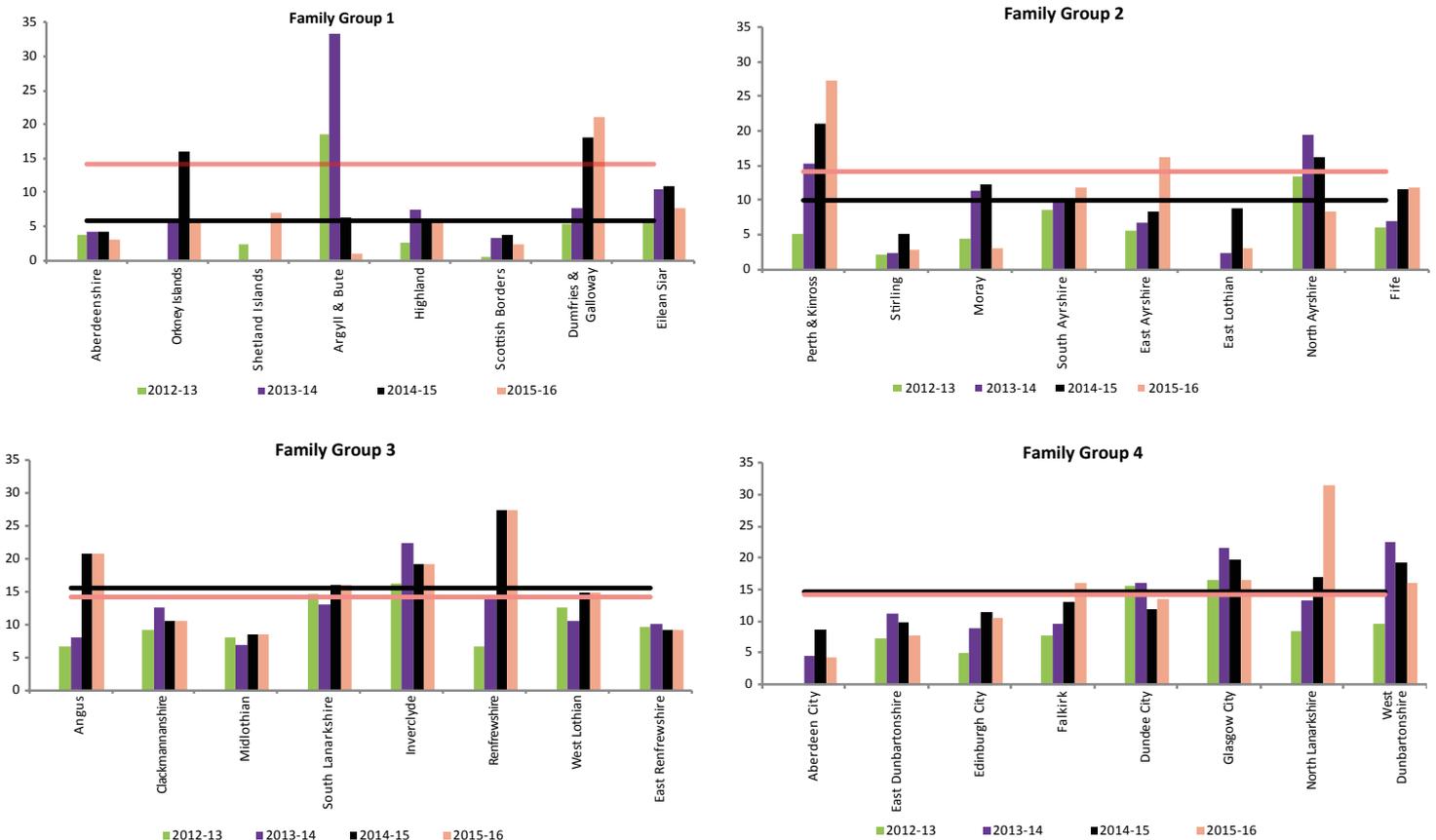
In 2015/16, the Scotland average for the percentage of unemployed people assisted into work from council funded/operated employability programmes was 13.9% of total unemployed. This reflects an increase from 9.6% in 2012/13, however a small reduction from 2014/15. This reduction may reflect a number of factors:

- 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
- 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 who take longer to progress into work.



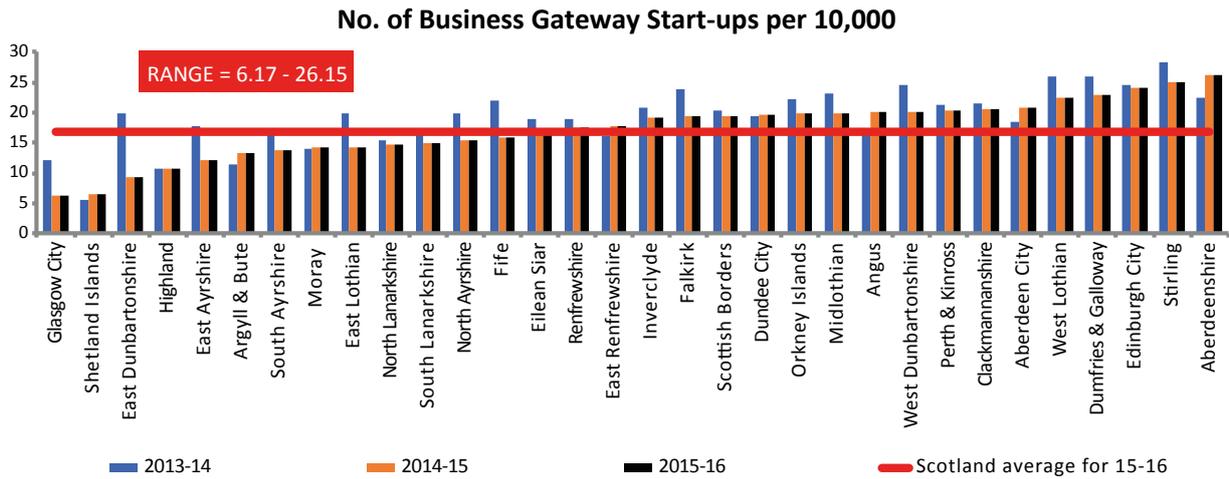
There is a considerable range across councils, from 1.1% to 31.6%, with lower rates for the least deprived councils (7.4%) compared to the most deprived (16.1%). Variation is presented below by family groups, where council are organised by rurality.

Percentage of unemployed assisted into work – variation by family group



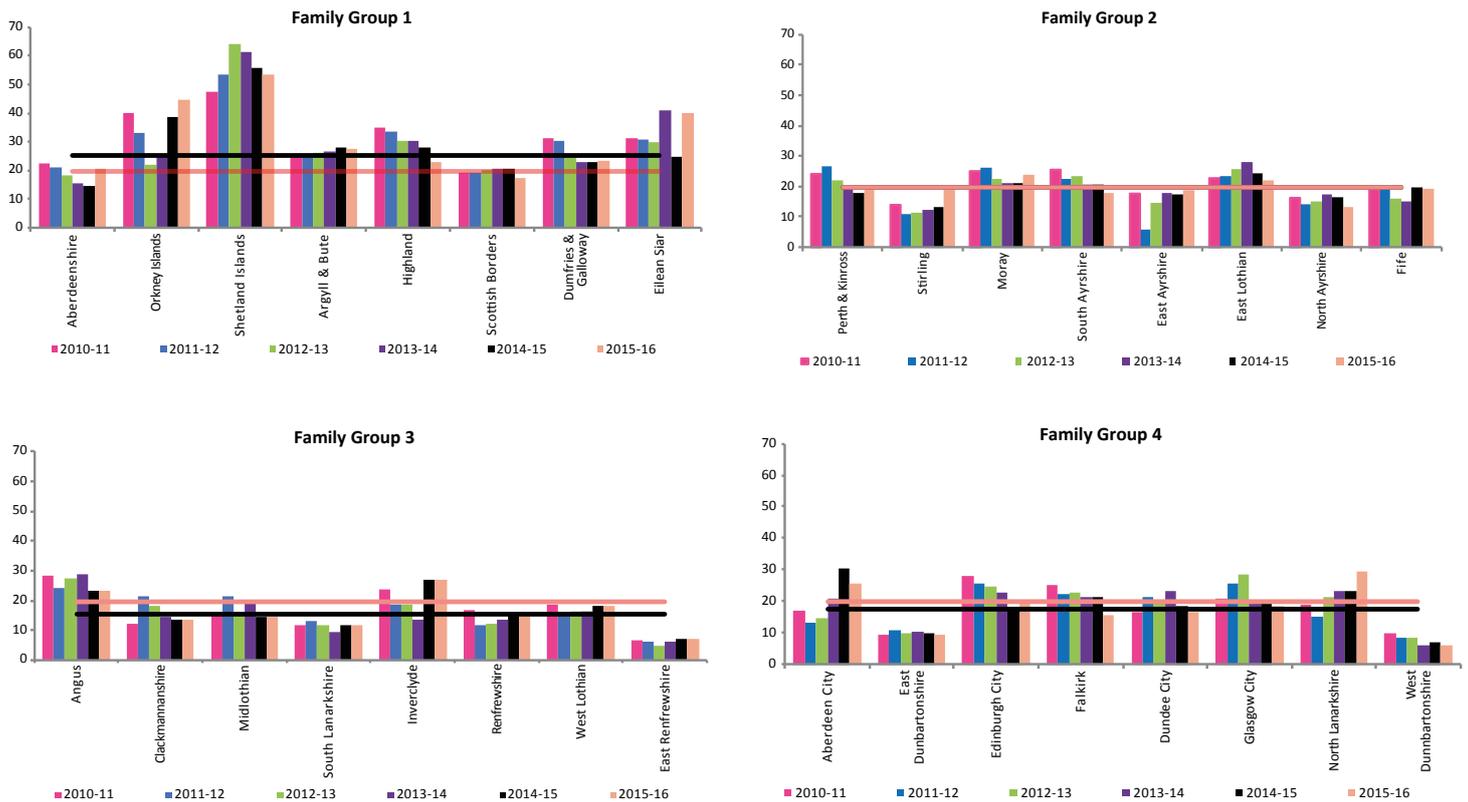
The number of Business Gateway start-ups per 10,000 population has reduced since 2013/14 from 19% to 16.9% in 2015/16. Significant variation exists across councils, ranging from 6.17% to 26.15%. There is no systematic relationship

with rurality, deprivation or size of council. This may reflect a strategic decision by some Business Gateway areas to focus a higher proportion of resources on supporting growth service companies as opposed to business start-ups. In areas where start-up numbers are good this may have greater job creating potential.



In terms of procurement spend on local small/medium enterprises, this has remained largely constant at a national level at around 20%. 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 this however, ranging from 5.8% to 53.6%, however this narrows to 5.8% - 29.3% when the islands are excluded. The islands and rural authorities report higher procurement spend on local SMEs than other authorities. Variation is presented below by family group, with council organised by rurality.

Percentage of procurement spent on local small/medium enterprises – variation by family group



Learning from November 2017 Benchmarking Event

Economic Development services across Scotland are evolving to respond to the current economic priorities against a backdrop of ongoing budget pressures. To deliver, many have undergone **service reviews**, often leading to **increased integration** with other services (for example planning and regeneration). **Access to finance** is key and services are working to develop new, innovative ways to secure this. Additionally, a focus on **re-branding and strong identity** was key to success for some, helping to promote and embed growth despite budget pressures.

A number of councils are focusing on **their economic footprint** and promoting **the role of the council as an employer**, for example through apprenticeships and traineeships. Finally, **improved links with other council services, and the forging of external partnerships** are both key to success for many councils.

Partnerships

Improved links with other council services and forging external partnerships are important to success for many councils. 'Invest in Renfrewshire' is an economic development partnership between local employers and **Renfrewshire** Council which was developed to grow the local economy and reduce unemployment in the area. Internally, **Renfrewshire** identified areas which have a major influence on the economy (e.g. Social Care and Child care) and worked across services/departments and with local businesses to develop a corporate approach. Many larger councils are securing City Deals. **Dundee** has developed a City Deal with a focus on bringing authorities together to make them stronger. The **Glasgow** City Deal includes a regional economic development strategy which focuses on delivering business development regionally.

Service Integration and Restructure

All councils have undergone significant service reviews and many have implemented greater service integration—for example between Economic Development, Planning and Regeneration. **Clackmannanshire's** Economic Development delivery service has integrated employability and business support functions, and focused on the development of a close working relationship with the locally based Business Gateway contractor to provide business support services. **Angus'** economic development service now works completely agile, delivering significant savings but also supporting more collaborative working through creation of new working spaces. Councils are also looking at ways to improve and streamline their procurement strategies. For example, **Aberdeenshire** have joined with other councils for procurement and **Argyll & Bute's** Procurement team are working to develop local businesses.

Income Generation

Access to finance is key for economic development initiatives. Services are working to develop new, innovative ways to secure this. Recognising growth in demand for childcare and future shortages facing service delivery, **Angus** made a bid for childcare apprentices from Skills Development Scotland in order to keep the resource in-house and also developed a Crowd Funding initiative with Virgin Media to provide financial support and mentoring. Following sudden loss of 4,000 jobs in the area, a partnership evolved in **West Lothian** to secure £29 million of funding from Scottish Government, and was successful in ensuring much greater joining up of services, information and intelligence.

Economic Footprint

A number of councils are focusing on promoting the role of the council as an employer, for example through apprenticeships and traineeships. **North Ayrshire**, for example, has a programme which aims to provide 24 participants aged 16-19 from 'hard to reach' backgrounds with life coaching, confidence building, training and a paid work placement. Likewise, **Fife's** Rising Star programme focuses on looked after children, for example by signing them up for modern apprentice schemes. Other councils are focusing on accessibility and making local links, for example **East Lothian's** Fort Kinnaird Recruitment Centre which works with Kinnaird Shopping centre to employ people in retail; providing a transport card to get in and around the Lothians for work.

Internships and apprenticeships are also commonly provided. **Renfrewshire** is committed to offering a range of internships/traineeships within the council—all of whom are offered a living wage. **Glasgow** has had success with its Commonwealth apprenticeship initiative, and also follows up with apprentices to strengthen their outcome data.

Re-branding and Identity

A focus on re-branding and a strong identity was key to success for some, helping to promote and embed growth despite budget pressures. **South Lanarkshire** has focused on low carbon technology in its Regeneration Plan to bring business into the area. Rebranding and marketing areas to focus on their unique selling points and drawing on local culture and history is also a common focus that can have positive impact despite budget pressures (**South Lanarkshire, Renfrewshire, Angus**). **Argyll & Bute** provides a rural resettlement fund to bring business into the area. Councils are also developing ways to encourage use of local businesses, for example **Stirling's** Local Nectar Card.



Useful Links

Presentation: [Invest in Renfrewshire](#)

Presentation: [Clackmannanshire Business Support](#)

[Invest in Renfrewshire case study](#)

Explore the LGBF data by service, across councils and over time using the [My Local Council Tool](#)