

## Economic Development

# Delivering Inclusive Growth

## North Ayrshire Council

### Contact for Enquiries

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North Ayrshire Council recognised that in an increasingly challenging economic environment, they had to work in new ways in order to deliver inclusive growth. As a result, they piloted the Scottish Government's Inclusive Growth Diagnostic, working in partnership with the Scottish Government Office of Chief Economic Advisor. The main purpose of the diagnostic is to identify constraints and opportunities for driving inclusive growth in North Ayrshire in order to prioritise actions to address them.

In December 2017, the Pilot won the 2017 Scottish Public Service Award for Policy Development.

### Background

The concept of inclusive growth recognises that not all people, groups and places benefit from growth. This trend is evident within North Ayrshire, with certain geographies and groups not progressing in the way you would perhaps expect during times of growth.

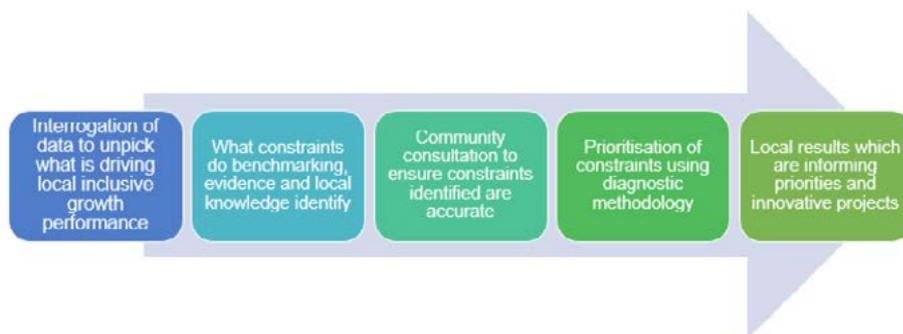
Based on a methodology by Harvard Economists, diagnostics are increasingly used in developing countries to identify the main constraints to growth and prioritise spending actions to unlock them. Main purpose of the diagnostic was to identify constraints and opportunities for driving inclusive growth in North Ayrshire order to prioritise actions to address them.

The diagnostic tool attempts to look at all the potential factors constraining inclusive growth in an economy and assess their relative importance in terms of impact and in terms of what issues people care about. The outcome are the identification of constraints that should be prioritised for investment or new approaches.

### Key Activities

The diagnostic process began by benchmarking North Ayrshire's performance on a range of inclusive growth indicators against neighbouring local authorities and the Scottish average to identify high-level areas of achievement and challenge. This expanded the focus beyond the traditional measures of economic success and highlighted the areas to investigate through the diagnostic.

Due to the breadth of potential issues identified in North Ayrshire, a holistic diagnostic approach was utilised which investigated three levels:



- The external environment to determine what external drivers may be impacting on growth and inclusion in the area;
- Local conditions that are determining the opportunities of the local population at each stage of life; and,
- Social factors which act to compound an individual’s experience of inclusive growth.

This produced a list of constraints which were agreed on as being the most important in North Ayrshire. Work then took place to priorities this long list of constraints.

This exercise also identified ‘excluded’ groups – that is, groups sharing similar characteristics that have been particularly excluded from the benefits of economic growth (and particularly labour market inclusion).

### Excluded Groups

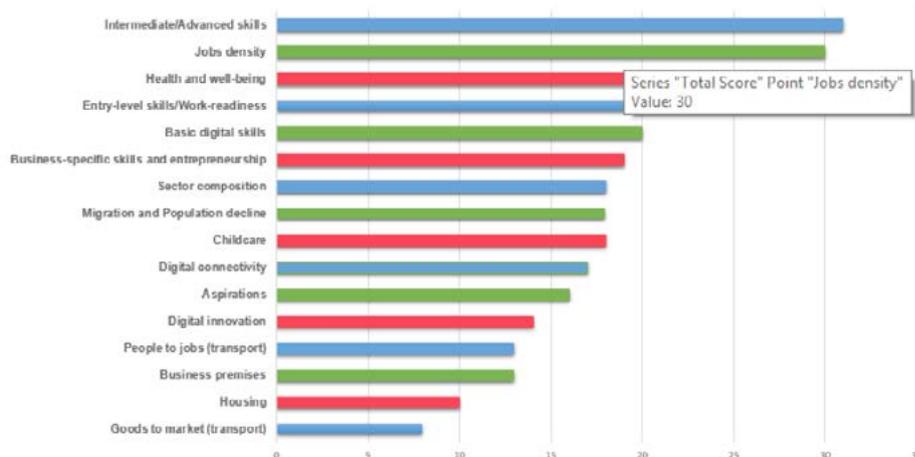


The prioritisation exercise ranks the identified constraints based on the interaction of two dimensions: impact and care about.

- Impact – An evidence-based approach which ranks constraints based on their relative importance in unlocking inclusive growth opportunities. The methodology considers an assessment of synergies and trade-offs and impact on key excluded groups
- Care about – This stage is a more qualitative assessment taking account of the preferences of policy-makers, local communities (engagement undertaken with community groups to ensure correct constraints identified) and the private sector, as well as a time dimension and funding feasibility

Diagnostic findings:

## Diagnostic Results



Throughout the pilot the importance of ‘social capital’ has been raised but due to difficulties with measuring social capital has not appeared in the analysis. The concept of social capital includes those elements of social networks that can bring about positive social, economic and health development at the micro (individual, family/household) and macro (local, national and international) level. North Ayrshire is now working with Scottish Government to develop a suite of social capital measures.

## Benefits and Impact

- North Ayrshire are now implementing the findings of the Diagnostic at a local level and using this to guide policy and programme development.
- Findings from the Diagnostic used to inform the development of strategies and programmes, including our Community Planning Partnership ‘Fair for All’ Strategy to reduce inequalities in North Ayrshire and its associated ‘Inclusive Growth Pledges’.
- Our March 2017 budget made a significant investment to take forward the North Ayrshire Fair for All Strategy. Investment funds created include: Community Investment Fund; Poverty Challenge Fund; Basic Income Pledge; Participatory Budgeting Fund.
- Incorporating findings into our ongoing and new Employability programmes: including a programme tailored to lone parents and working with Health colleagues to implement a Health Visitor scheme.
- Findings, particularly excluded groups, will inform design of our basic income pilot, in partnership with three other Scottish local authorities, supported by the Scottish Government.
- Diagnostic piloted in North Ayrshire is now being rolled out for all of Ayrshire – provides the evidence base for driving inclusive growth in the region and informs the priorities of the Regional Partnership Pathfinder and the Ayrshire Growth Deal.