Scottish Local Authorities Economic Development

Indicators Framework

Guide

2021-22

Contents

		Page No.
1.	Introduction	2
2.	What does this Guide do?	2
3.	What is the purpose of the SLAED Framework?	2
4.	What does the SLAED Indicators Framework do?	2
5.	Is this year's Framework different to the 2020/21 one?	3
6.	When do we need to submit the Data Returns?	3
7.	What Indicators are included?	3
8.	How do we report on City Deal?	4
9.	Who is going to analyse and report on the Data Returns?	5
10.	Who do we contact for help?	5
	Appendix: SLAED Indicators Framework – Indicators and Definitions	6

1. Introduction

The 2021/22 SLAED Indicators Framework marks the tenth year of this data being collected and reported on. A number of improvements have been incorporated over the years to strengthen the framework and allow councils to use it to drive improvement. The Framework is designed to be used by all Scottish Local Authority Economic Development services for:

- measuring the economic performance of Council areas and the central role of economic outcomes in the Local Outcome Improvement Plans (LOIPS) and the prevention agenda;
- considering comparative performance and identifying areas for potential improvement;
- helping to inform the ongoing development of interventions, monitoring their performance and overall strategy; and
- aggregating overall levels of Council economic development activity and estimated impact across Scotland.

2. What does this Guide do?

The purpose of this Guide is to set out:-

- the 2021/22 SLAED Indicators and their definitions; and
- how Council officers should complete the data return template.

3. What is the purpose of the SLAED Framework?

The overall purpose of the SLAED Indicators Framework is:

- to provide a consistent basis for measuring the economic performance of Council areas and the central role of economic outcomes in the LOIP and the prevention agenda;
- to explore comparative performance and identify areas for potential improvement, where appropriate;
- to assist and inform ongoing delivery of interventions, monitoring effectiveness and delivery towards the overall strategy; and
- to provide SLAED with aggregate data on overall levels of Council economic development activity. (This information, for example, can then be used for lobbying purposes, for publicity, and for demonstrating the important contribution made to the economy by Local Authorities).

4. What does the SLAED Indicators Framework do?

Councils use their own individual performance management systems, which cover a range of measures, to assess the performance of services and delivery. However, not every Council delivers the same interventions, and these are shaped around responding to local priorities and need. By focusing on fewer 'key' measures of performance, the SLAED Indicators Framework provides a more strategic view of overall and relative performance of Council delivery.

Councils generally do not deliver exactly the same economic development activities and this can make comparison of delivery and performance challenging. The SLAED Indicators Framework therefore focuses on economic development measures that are relevant to most, if not all, Councils.

5. Is this year's Framework different to the 2020/21 version?

The suite of indicators in the 2021/22 SLAED Indicators Framework are the same as 2020/21. However, following a review of the indicators for which Councils submit their own data by the SLAED Performance Group, a number of changes were made to the definitions of these indicators. The purpose of this is to ensure that the data submitted by Councils is as standardised and comparable as possible.

Ensuring that minimal changes are made to the Framework each year ensures consistency and enhances the ability to make year on year comparisons. Any recommendations for additional measures or amendments to existing measures should be sent to slaed@improvementservice.org.uk.

6. When do we need to submit the Data Returns?

The review period covered by the 2020-21 Framework is the financial year ***1st April 2021 – 31st March 2022***. Councils are only requested to submit data for a small number of the indicators, and the remainder will be collected directly from third party stakeholders such as Business Gateway Unit (CoSLA), Scottish Enterprise, SDI, or the Scottish Government. The indicators for which councils should submit data are made clear in the Appendix and the Data Return Template.

Data Returns should be submitted to the Improvement Service by **Friday 17th June 2022.** Any Councils who will be unable to submit their response by the deadline should email slaed@improvementservice.org.uk as soon as possible to arrange an alternative date. Completed returns should be submitted to slaed@improvementservice.org.uk.

7. What Indicators are Included?

There are five broad types of indicators included within the Framework:

- Input Indicators
- Activity Indicators
- Output Indicators
- Outcome Indicators
- Inclusive Growth Indicators

Councils rely on inputs *(e.g. staff and budgets)* to deliver economic development activities (*e.g. running training courses).* In turn, these activities will deliver a range of outputs (e.*g. the number of people gaining Vocational Qualifications).* These outputs, in turn, may result in a range of outcomes for individuals, businesses and the economy at large *(e.g. those people that get a job as a result of being better qualified, leading to increased income, employment rate levels and / or increased GVA).* In this example, the job outcome is likely to be an 'intermediate outcome' or effect of the training activity. Whereas the changes to income levels, employment rates etc are longer term and aggregate effects or outcomes on the economy as a result of these and other economic development activity.

Since 2015, the Scottish Government made inclusive growth an economic priority for Scotland and this is defined as 'Growth that combines increased prosperity with greater equality; that creates opportunities for all and distributes the dividends of increased prosperity fairly'. Although challenging to measure, a number of indicators are included in the framework to look at various aspects of Inclusive Growth.

The Appendix below summarises each indicator by definition and source.

8. How do we report on City Deal?

There are a number of challenges when trying to capture the economic impact of City Deal within the SLAED Indicators Framework, including:

- A number of projects are infrastructure projects and do not deliver direct economic benefits for local authorities, as they are creating the infrastructure to facilitate economic growth in the future (e.g. building access roads and creating floorspace). Those projects which do deliver direct economic benefits (e.g. Working Matters) are already captured within the framework;
- There is a time lag between spend and outcomes, as well as issues apportioning between councils, and it can be difficult to determine whether the spend is directly on economic development activity;
- There are difficulties in categorising staff funded through City Deal as directly working on Economic Development. Staff working in City Deal teams across local authorities work simultaneously on a number of projects, the majority of which are infrastructure-based, so it would be inaccurate to count them as working directly in economic development delivery.

City Deal information therefore should **not** be included for the following indicators:

- I2 – Economic Development Staffing
- OC12 – Additional Funding

However, City Deal information should be reported for the remaining indicators where appropriate. An additional tab has also been added to the Data Return Template to give councils the opportunity to report on projects that may not deliver direct economic benefits in the short-term, but will facilitate long term economic growth. This allows for qualitative descriptions of projects as well as the provision of relevant data on the non-economic benefits created (e.g. sqm of active travel routes constructed). It is important to capture the work being done by local authorities on their respective City Deals to showcase local government's long-term ambitions for economic growth.

9. Who is going to analyse and report on the Data Returns?

The Improvement Service, with support from the SLAED Performance Group, will continue to collate and analyse the data and produce the annual report for 2021-22.

10. Who do we contact for help?

Please e-mail SLAED@improvementservice.org.uk if you have any queries or require assistance with the 2021-22 Framework.

Appendix – Indicators

Indicators highlighted in GREEN should be completed by Councils.

Indicators highlighted in YELLOW will be completed by the Improvement Service.

Input Indicators

Ref	Indicator	Definition	Source	Rationale
I1	**Economic Development Expenditure**	a) Total capital spend on economic development and tourism in 2021/22 b) Total revenue spend on economic development and tourism in 2021/22 (includes core costs as well as programmes, BG etc)	Councils' Local Finance Return (LFR), particularly sheets LFR02 within which tourism is counted, and LFR07 within which economic development is counted (***do not include planning***). Please note that some inputs might be counted under other headings (e.g. ports/ harbours/ property/ regeneration/ housing).	Local Finance Returns (LFR) are the final outturn expenditure statistics relating to each Local Authority, Joint Board and Regional Transport Partnership which are collected on an annual basis in this series of detailed returns. The Local Finance Returns (LFR) information is used to monitor local authority expenditure for policy purposes. Further information on the LFR can be accessed here.

Ref	Indicator	Definition	Source	Rationale
I2	**Economic Development Staffing**	Total number of Full Time Equivalent (FTE) staff working directly in economic development delivery (includes core staff solely funded by the resources of a Council). Each member of staff should only be counted once under their main job role. **Please highlight in the template if Business Gateway staff have been included.** **Please do not include City Deal staff unless working directly on an economic development project.**	Councils' own records	This is an indicator of the FTE staff working on the delivery of economic development. It should therefore include those working across Council departments – for example in some Councils, employability may not be delivered by staff assigned to an economic development service per se.

Activity Indicators

Ref	Indicator	Definition	Source	Rationale
A1	**Number of Attendees at Business Gateway Events**	This is an indicator of activity delivered by the Business Gateway services. An event is defined as a workshop to develop skills and training for start-up, growth and local service customers. This will be presented by local authority level based on the number of attendees of events held in that area. However, it is noted that Business Gateway Customers may attend events out with their local authority area.	Business Gateway National Performance Unit (CoSLA).	We use this measure to monitor the number of businesses that are attending Business Gateway events (as opposed to the number that register to attend). This gives an indication of the volume of businesses accessing 'one to many' support.

Ref	Indicator	Definition	Source	Rationale
A2	**Number of Attendees at Business Events provided by the Council**	Events should be included where the council has had a role in their organisation and / or funding. Only business events should be included and councils should break the number of attendees down by event name. This does not include regular meetings that occur in arranged schedules. Attendees at events should be counted regardless of the council area in which they are based. **Business Gateway events and Supplier Development Programme events should not be included.**	Council's own records	We use this indicator to measure the one to many support provided by councils to local businesses.
A3	**Number of Companies Registered with the Supplier Development Programme (SDP)**	This is a count of the number of companies that are registered with the Supplier Development Programme.	Supplier Development Programme	We use this measure to monitor the number of companies within a local authority area that are aiming to grow and diversify through bidding for public contracts.

Output Indicators

Ref	Indicator	Definition	Source	Rationale
OP1	**Number of Businesses Supported by Council Economic Development Activity**	Number of ***unique*** businesses that have been supported by a Council Economic Development team activity during 2021/22 (e.g. grant, loan, advice). It will also count the number of different types of support that these unique businesses have received. **A number of businesses may benefit from more than one type of support; therefore, the instances of support is likely to be higher than the number of businesses supported.** Business support should be broken down into the sectors outlined in the data return template. **Please do not include businesses supported through attending council funded or organised events as these are captured under indicator A2 above.** Councils should differentiate one to many events from more intensive business support and reflect this under indicators A2 and OP1 respectively.	Data to be sourced from Councils' own records. Your database should also highlight the sector that a business operates in.	We use this to monitor the number of businesses that are accessing Council support **beyond that provided through the Business Gateway**, recognising other specific support to businesses.

Ref	Indicator	Definition	Source	Rationale
OP2	**Number of Business Gateway Unique Customer Accounts**	The BG National Unit provides data which reports the number of customers (unique accounts) who have received support from BG (with an account being counted once even if multiple transactions have been recorded)	Business Gateway National Performance Unit (CoSLA) / 19 Business Gateway Managers providing data for 32 Council areas	We use this measure to monitor the number Business Gateway Unique Customer Accounts. This gives an indication of how many businesses within the local authority area are receiving support over and above that provided by the Council's economic development service.
OP3	**Number of Companies Assisted by Scottish Development International (SDI)**	This measure is used to record the number of companies that have received support from SDI.	Scottish Enterprise Local Activity Reports 2021/22.	This is a measure to reflect delivery of support by SDI within Council areas. This indicator has been taken from Scottish Enterprise's Local Activity Reports for 2021/22 which are produced to show examples of SE activity in each Local Authority area across lowland Scotland (reports for the highlands and islands are also available from SDI).

Ref	Indicator	Definition	Source	Rationale
OP4	**Number of People that have Participated in Council Funded or Operated Employability Activities**	Councils should supply total number of unique individuals who have participated in Council run and/or operated employability programmes. This should include all 'live' participants (including new starts) throughout the year. A breakdown of participants on each programme should also be provided, and **it is recognised that one individual may have participated in more than one programme.** A person is defined as anyone registered for support with a Council Funded or Operated Employability Service receiving support through the 5-stage strategic pipeline to progress towards work. Foundation Apprenticeships should not be counted in these figures as these participants are still in school. This indicator is used in the LGBF and the denominator is claimant count. However, it would be useful for LAs to note any involvement with Foundation Apprenticeships in the Additional Information box in the Data Return Template.	Data to be sourced from Council's own Employment Service performance management information. The template to collect data will seek to count participants by gender and age. This should also be broken down by programme/s attended. It is expected therefore that programme attendance totals may exceed the total number of unique individuals supported.	This is an indicator of the result of activities delivered by Councils in response to economic inactivity in their areas. We use this indicator to assess the response to worklessness in each Council area. In some cases, Councils may make a financial contribution to support delivery of employability programmes in partnership with other mainstream providers. In other areas Councils may be delivering programmes directly. This measure is used to assess both types of activity.

Ref	Indicator	Definition	Source	Rationale
OP5	**Available Employment Land**	Councils should supply the total amount of ***available*** employment land and, of this, the amount which is deemed to be ***marketable***, as well as the amount deemed to be ***immediately available***. Available employment land is undeveloped land allocated for employment use (Class 4, Class 5 and Class 6) in Local Plans or which has valid planning consent. Marketable Employment Land supply is land which as well as meeting business requirements, such land should have a secure planning status, be serviced or serviceable within 5 years, and be accessible by walking, cycling and public transport.	Employment Land Audit / Planning Performance Reports	We use this measure to contribute to the assessment of how ‘investor ready’ and competitive a Council is in providing infrastructure to do business. It includes all land/ sites, not just those under Council ownership.
OP6	**Number of Businesses Participating in the Supplier Development Programme (SDP)**	This is a count of the number of companies that are ‘active’ following registration with SDP.	Supplier Development Programme	This measure is used to give an indication of the number of companies that are actively participating in SDP, rather than just registered.

Outcome Indicators

Ref	Indicator	Definition	Source	Rationale
OC1	**Gross Value Added (NUTS3 Regions)**	Gross Value Added (GVA) per capita measures change in total economic output at the local level. It assesses the relative value or productivity of businesses, sectors and economies.	Office for National Statistics (ONS)	We use this measure to assess the economic health and wealth of areas.
OC2	**Gross Weekly Earnings**	This is the average gross weekly earnings of full-time employees and includes two different types of data: 1. Average weekly earnings for full time workers – Residence Based (those living in a Council area but working in another Council area). 2. Average weekly earnings for full time workers – Workforce Based (those living in a Council area and working in that same Council area).	Office for National Statistics (ONS)	We use this indicator to understand the prosperity of different areas, and the extent to which people living in an area are reliant on jobs in other areas. The indicators also assist in the understanding of sub regions and travel to work areas that do not necessarily coincide with political/ administrative boundaries. Finally, we use these measures to assess the value of local economy and the demand for skills by the local businesses base.
OC3	**Employment Rate**	Employment rate is the number of people in employment of working age (16-64 years) expressed as a percentage of the total working age population.	NOMIS	We use this measure to look at economic activity in Council areas.

Ref	Indicator	Definition	Source	Rationale
OC4	**New Business Starts**	Number of new business births/start-ups (VAT/PAYE registrations) in the Council area per 10,000 adult working age population (aged 16-64 years).	ONS – Business Demography	We use this measure to look at the level of entrepreneurship in Council areas. These include any Council or Business Gateway assisted companies counted above.
OC5	**Business Survival Rate**	Measures the sustainability of new businesses in an area, expressed as a percentage rate of the VAT/PAYE registered businesses that survive for at least three years.	ONS – Business Demography	These include any Council or Business Gateway assisted companies counted above.
OC6	**Claimants in Receipt of Out of Work Benefits**	Percentage of working ages people (16-64) claiming one of more of the key benefits. Measure of the percentage of working age population (16-64) that are on Jobseeker's Allowance (JSA).	NOMIS	This is a proxy measure for poverty/low income.
OC7	**Working Age Population with Low/No Qualifications**	Provides a percentage of the working age population (aged 16-64) that have either no formal qualifications or qualifications at SCQF (Scottish Credit & Qualifications Framework) Level 4 or lower.	Scottish Government	This measure is used to indicate education levels within individual areas.

Ref	Indicator	Definition	Source	Rationale
OC8	**Town Vacancy Rates**	Measure of vacant commercial units as a percentage of total units for the local authority's key town centres. Towns should have a population of at least 5,000 people. ***This indicator does not include edge of town and out of town retail units.***	Council survey data	We use this measure as an indicator of the relative vibrancy of town centres.
OC9	**Number of Business Gateway Start-ups that are Trading**	Measure of business start-ups supported by the Business Gateway that are now trading.	Business Gateway National Unit, COSLA	In looking at the intermediate outcome of BG Start-up support, the key economic outcome is that the business has begun trading. This measure seeks to capture this aspect of the route to impact.
OC10	**Business Gateway Survival Rate**	This measures the rate of survival (%) of Business Gateway start-ups at 36 months.	Business Gateway National Unit, COSLA	Following on from OC10, the next outcome of BG support is that these businesses are surviving, and this measure seeks to assess the survival of supported businesses. Both of the BG Outcome measures can be assessed in the context of the wider start-up and survival measures in OC4 & 5 above.

Ref	Indicator	Definition	Source	Rationale
OC11	**Additional Funding**	External funds which Local Authorities have bid for and been successfully awarded in order to deliver projects which are primarily focussed on Economic Development. Where multi-year funding is awarded this should be shown as annual amounts corresponding to planned spend. Any funds allocated with no application at any stage should not be included. Allocated funds for which an application must be made to secure the funds should be included. Local authorities should record the amount awarded - not the amount allocated or spent.	Data to be sourced from Councils' own records.	Creating successful applications and bids for funding requires considerable resource and expertise from local authorities. All councils deserve recognition for the work they do to attract funding. However, it is recognised that some Local Authorities may receive a weighting advantage - owing to local factors such as indicators of deprivation.
OC12	**Number of Planned New Jobs from Completed Inward Investment Projects**	This measure is used to record the potential for new job creation from completed inward investment projects.	Scottish Enterprise Local Activity Reports 2021/22.	This measure reflects delivery of support by SDI within Council areas. This indicator has been taken from Scottish Enterprise's Local Activity Reports for 2021/22, which are produced to show examples of SE activity in each area across lowland Scotland (reports for the Highlands and Islands are also available from SDI).

Ref	Indicator	Definition	Source	Rationale
OC13	**Number of People that have Progressed to Employment as a Result of Participation in Council Funded or operated Employability Activities**	Councils should supply total number of unique individuals who have progressed into employment from a Council run and/or operated employability programme. A breakdown of participants on each programme should also be provided. This measure is used to 'track' progression of those people that have participated in employability activities (OP4 above) into a job outcome. A job outcome is achieved when a participant enters paid employment. It includes for example apprentices (counted as a job on apprentice start date) but not work placements or ILM beneficiaries. There is often a delay between participating in employability activity (OP4) and ultimately securing a job outcome (OC13).	Data to be sourced from Council's own Employment Service performance management information.	This is a measure of workless people participating in Council funded or operated employability activity by gender and age. The SLAED Framework does not seek to count progression to additional skills/training outcomes. A lag between participation in employability support and securing a job is to be expected.
IG1	**GVA per hour/job filled**	This measures the GVA per hour worked and job filled in each council area	ONS	These indicators are recommended for use by ONS to measure sub-regional productivity due to the measures having a workplace-based numerator (total GVA) and a workplace-based denominator (hours worked/jobs filled). The data is shown by NUTS 3 regions, which is the lowest available regional breakdown.

Ref	**Indicator**	**Definition**	**Source**	**Rationale**
IG2	**Under-employment**	This measures the percentage of Underemployment in each council area	Local Area Markets release (Scottish Government)	This indicator measures the percentage of 'Under-employment' in each council area. This represents those aged 16 and over who are in employment and would like to work longer hours in their existing job, have an additional job, or find a different job with more hours.
IG3	**5 year % Change in median income vs change in lowest quintile (2012-2017)**	This measures the percentage of change in median income against the change in the lowest quintile over a 5-year period	ONS – Annual Survey of Hours & Earnings	This indicator measures the percentage change in median income over 5 years, in comparison with the percentage change of income in the lowest quintile.
IG4	**GVA per Growth Sector**	This measures the GVA for each of the Scottish Government's key growth sectors in each council area	Scottish Government, ONS (Annual Business Survey)	This indicator measures the GVA by Head (Employment) for the key growth sectors in Scotland over three years. The growth sectors are: Food & Drink; Financial & Business services; Life Sciences; Energy (including renewables); Sustainable Tourism; and Creative Industries (including digital).
IG5	**Percentage of those earning less**	This covers employees age 18+ on the PAYE system on adult rates and whose pay was not affected by absence	Supplementary ASHE Analysis (Scottish Government)	This measures employees who are earning less than the Living Wage in Scotland, and is based on employees who are aged 18+, on the PAYE

Ref	Indicator	Definition	Source	Rationale
	than the Living Wage			system on adult rates and whose pay was not affected by absence. Levels are calculated using low pay calibration weights in line with ONS guidance and hourly earnings excludes any overtime payments. The Local Authorities are 'workplace' based, so the data includes all those that work in the Council area regardless of where they live.
IG6	**Percentage of 16-19 Participation**	This measures the percentage of 16-19-year olds in each council area participating in education, employment or training	Skills Development Scotland	This is used to show the levels of 16-19-year olds who are engaged in further and higher education, employment or training
IG7	**% Premises unable to access 10Mbits/s Broadband**	This measures the percentage of premises in each council area unable to access 10Mbit/s broadband, which is the measurement for Universal Service Obligation	OFCOM Connect Nations Report	This is to measure the council areas and premises where the access to broadband does not meet the Universal Service Obligation https://www.ofcom.org.uk/consultations-and-statements/category-1/uso
IG8	**% Premises able to receive Superfast Broadband (30Mbit/s)**	This measures the percentage of premises in each council area able to access Superfast Broadband (30Mbit/s)	OFCOM Connect Nations Report	This is the EU's definition of superfast broadband and it is the Scottish Government's ambition for this to be available to all premises by the end of 2021. This allows businesses to use, analyse and drive data in competitive markets.