Scottish Local Authorities Economic Development

Indicators Framework

Guide

2023-24

Contents

1. Introduction

The SLAED Indicators Framework has been in place for twelve years, and several improvements have been incorporated over this time to strengthen the framework and assist councils in using it to drive improvement. The Framework is designed to be used by all Scottish Local Authority Economic Development services, as well as partners across the public sector.

2. What does this Guide do?

The purpose of this Guide is to set out:-

- the 2023/24 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 and estimated impact across Scotland. (This information can be used for lobbying purposes, for publicity, and for demonstrating the important contribution made to the economy by Councils).

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, making 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. However, it is not intended to be used to create 'league tables' and does not include detailed analysis of comparative performance of councils.

5. Is this year's Framework different to the 2022/23 version?

Most indicators in the 2023/24 SLAED Indicators Framework are the same as the previous year. A minor amendment was made to indicator OP5 to change the numerator from 'immediately available' to 'marketable' employment land to enhance return rates and promote consistency. The 'Inclusive Growth' section of the framework has been updated and renamed 'Wellbeing Economy' to reflect the wider policy focus developed over recent years following the publication of the National Strategy for Economic Transformation (NSET). The wellbeing economy puts social and environmental needs at the centre of its activities rather than pursuing economic growth at any cost.

Ensuring minimal changes are made to the Framework each year enhances consistency and the ability to make year on year comparisons. Any recommendations for new 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 2023-24 Framework is the financial year ***1st April 2023 – 31st March 2024***. 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. The indicators for which councils should submit data are highlighted in green in the Appendix.

Data Returns should be submitted to the Improvement Service by **Friday 14th June 2024.** 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
- Wellbeing Economy 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 due to 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.

Transitioning to a wellbeing economy is a top priority for the Scottish Government. This means developing an economy that operates within safe environmental limits and promotes the collective wellbeing of the population now and in the future. Although challenging to measure, this section of the framework looks at various aspects of the Wellbeing Economy.

The Appendix below summarises each indicator by definition and source.

8. How do we report on City and Growth Deals?

There are several challenges in trying to capture the economic impact of City and Growth Deals within the SLAED Indicators Framework, including:

- Some projects are infrastructure projects and do not deliver direct economic benefits for Councils, as they are creating the infrastructure to facilitate economic growth in the future (e.g. building access roads and creating floorspace). Projects that do deliver direct economic benefits 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 and Growth Deals. Staff working in City and Growth Deal teams across local authorities work simultaneously on several projects, the majority of which are infrastructure-based, so cannot be counted as working directly in economic development delivery.

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

- I2 – Economic Development Staffing
- OC12 – Additional Funding

City and Growth Deal information should be reported for the remaining indicators where appropriate. A tab is included in 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. It is important to capture the work being done by Councils on their respective City or Growth 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 2023/24.

10. Who do we contact for help?

Please e-mail SLAED@improvementservice.org.uk if you have any queries or require assistance.

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 2023/24. b) Total revenue spend on economic development and tourism in 2023/24 (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 (***does not include planning***). Some inputs might be counted under other headings (e.g. ports/ harbours/ property/ regeneration/ housing).	LFR are the final outturn expenditure statistics relating to each Council, Joint Board and Regional Transport Partnership which are collected on an annual basis in this series of detailed returns. The LFR is used to monitor Council expenditure for policy purposes and further information 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 and Growth 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**	Activity delivered by 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 at local authority level based on the number of attendees at events held in that area. Please note that Business Gateway Customers may attend events out with their local authority area.	Business Gateway National Performance Unit (CoSLA).	This measure is used to monitor the number of businesses 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 and Supplier Development Programme events should not be included.**	Council's own records	This indicator is used to measure the one-to-many support provided by councils to local businesses and was included to separate this type of support out from the more intensive one-to-one support recorded under indicator OP1.
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	This measure is used 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 2023/24 (e.g., grant, loan, advice). It will also count the number of different types of support that these unique businesses have received. **Several businesses may benefit from more than one type of support; therefore, instances of support are likely to be higher than 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.	This indicator is used to monitor the number of businesses that are accessing Council support **beyond that provided through the Business Gateway**, recognising other specific support to businesses. Business Gateway support **<u>should not</u>** be included under this indicator.

Ref	**Indicator**	**Definition**	**Source**	**Rationale**
OP2	**Number of Business Gateway Unique Customer Accounts**	The Business Gateway National Unit provides data which reports the number of customers (unique accounts) who have received support from Business Gateway (with an account being counted once even if multiple transactions have been recorded).	Business Gateway National Performance Unit (CoSLA)	This measure is used 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 2023/24.	This measure reflects the delivery of export support by SDI to businesses within Council areas.

Ref	Indicator	Definition	Source	Rationale
OP4	**Number of People that have Participated in Council Funded or Operated Employability Activities**	Councils should supply the 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 for each programme should also be provided. **Individuals 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. This indicator is used 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	**Marketable Employment Land**	Councils should supply the total amount of ***available*** employment land and, of this, the amount 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 land which has valid planning consent. **Marketable Employment Land** is land which as well as meeting business requirements has secure planning status, is serviced or serviceable within 5 years, and is accessible by walking, cycling and public transport. The figure submitted should be the same as the marketable employment land supply National Headline Indicator submitted by your council within its 2023/24 annual Planning Performance Framework Report. **Immediately Available Land** is a subset of marketable land - land which is serviced and investor ready i.e., has services, access, planning for commercial use and a buyer could buy and immediately start to construct commercial property.	Employment Land Audit / Planning Performance Reports	This measure is used 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.

Ref	Indicator	Definition	Source	Rationale
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**	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)	This measure is used 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)	This indicator is used 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, these measures are used to assess the value of local economies and demand for skills by the local businesses base.
OC3	**Employment Rate**	The number of people in employment of working age (16-64 years) expressed as a percentage of the total working age population.	NOMIS	This measure is used to look at economic activity in Council areas.
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	This measure is used to look at the level of entrepreneurship in Council areas. These include any Council or Business Gateway assisted companies counted above.

Ref	Indicator	Definition	Source	Rationale
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	This measure gives an indication of the ability of start-up businesses to survive in a council area. These include any Council or Business Gateway assisted companies counted above.
OC6	**Claimants in Receipt of Out of Work Benefits**	Percentage of working aged people (16-64) claiming one of more of the key benefits for the reason of being unemployed.	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.
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. ***Edge of town and out of town retail units should not be included.***	Council survey data	This measure is used 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.

Ref	Indicator	Definition	Source	Rationale
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 BG Outcome measures can be assessed in the context of the wider start-up and survival measures in OC4 & OC5 above.
OC11	**Additional Funding**	External funds which Local Authorities have bid for and been successfully awarded 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 bidding process at any stage should not 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.

Ref	Indicator	Definition	Source	Rationale
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.	This measure reflects delivery of inward investment support by SDI within Council areas.
OC13	**Number of People that have Progressed to Employment as a Result of Participation in Council Funded or operated Employability Activities**	Councils should supply the total number of **unique** individuals who have progressed into employment from a Council run and/or operated employability programme. A breakdown of participants for 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), paid work placements and ERIs. 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.

Wellbeing Economy Indicators

Ref	Indicator	Definition	Source	Rationale
WE1	**GVA per hour/job filled**	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).
WE2	**Under-employment**	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.
WE3	**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 due to be revised in line with the National Strategy for Economic Transformation (NSET), and the new sectors will be reflected in this framework.
WE4	**Percentage of those earning less than the Real Living Wage**	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 Real Living Wage in Scotland and is based on employees who are aged 18+, on the PAYE 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

Ref	Indicator	Definition	Source	Rationale
				'workplace' based, so the data includes all those that work in the Council area regardless of where they live.
WE5	**Percentage of 16-19 Participation**	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 people aged 16-19 who are engaged in further and higher education, employment, or training.
WE6	**% Premises able to access Full Fibre Broadband**	Measures the percentage of premises in each council area able to access full fibre broadband.	OFCOM Connected Nations Report	This measure demonstrates progress towards Project 8 in NSET - Improve Connectivity Infrastructure and Digital Adoption Across the Economy. It reflects investment in improved fibre coverage to enhance resilience of digital infrastructure.
WE7	**Life Satisfaction**	Measures the percentage of respondents who rated life satisfaction good or very good.	ONS Wellbeing Survey	This measure provides context for the other indicators in terms of overall wellbeing of those living in each local authority area. It reflects the wider 'inclusive economies' approach being taken across Scotland.
WE8	**Greenhouse Gas Emissions per Capita**	Measures greenhouse gas emissions within the local authority area.	UK Local Authority & Regional Carbon Dioxide Emissions Statistics	This indicator demonstrates local authority contributions to national greenhouse gas reduction targets. The green economy is an important element of the wider wellbeing economy approach supported by SLAED, and climate change is a major policy agenda for local government.
WE9	**Social Enterprises per Capita**	Measures the number of social enterprise organisations in an area.	Social Enterprises in Scotland Census	This measure gives an indication of the active population of social enterprises and changes in the sector. Social

Ref	Indicator	Definition	Source	Rationale
				enterprises trade for the common good and attempt to make life better for people and communities in Scotland.
WE10	**Gender Pay Gap (%)**	Measures the difference between average hourly earnings of men and women as a proportion of men's average hourly earnings (excluding overtime). It is a measure across all jobs in the UK, not of the difference in pay between men and women for doing the same job.	ONS – Annual Survey of Hours and Earnings	This measure demonstrates progress towards reducing the gap between men's and women's earnings. A company might have a gender pay gap if a majority of men are in top jobs, despite paying male and female employees the same amount for similar roles.
WE11	**Housing Affordability Ratio**	A measure of the relative affordability of an area's housing market. Measured as a ratio of the median house price sale and Gross Disposable Household Income per head – reflecting individuals' take-home income after paying bills.	Scottish Government – House Prices	Housing affordability measures reflect residents' ability to purchase property within their respective local authorities. An affordable housing market is indicative of an economy with equal opportunities, in addition to contributing towards the Community Wealth Building principle of Socially Productive Use of Land.