



**REPORT TO: ECONOMIC DEVELOPMENT AND INFRASTRUCTURE
SERVICES COMMITTEE ON 14 MARCH 2017**

SUBJECT: SLAED PERFORMANCE INDICATORS 2015-16

**BY: CORPORATE DIRECTOR (ECONOMIC DEVELOPMENT,
PLANNING & INFRASTRUCTURE)**

1. REASON FOR REPORT

- 1.1 To present to the Committee an annual report providing information about the Council's and other Local Authorities performance in relation to Economic Development activities during 2015/16.
- 1.2 This report is submitted to Committee in terms of Section III (E) (3) of the Council's Scheme of Administration relating to the exercise of functions that promote economic development.

2. RECOMMENDATION

- 2.1 **It is recommended that the Committee considers the Scottish Local Authorities Economic Development Group (SLAED)'s annual report on Economic Development performance.**

3. BACKGROUND

- 3.1 The SLAED is the network of senior Economic Development officials from across all 32 Scottish Local Authorities.
- 3.2 The SLAED Indicators Framework is usually published at the SLAED Annual Conference at the end of November. It has been devised by Economic Development professionals to assist Local Authorities to:
 - evidence and publicise the contribution that they make to Scotland's economy through their economic development activities; and
 - provide a basis for collating consistent data which can be used to better understand impact and identify potential areas for improvement.

- 3.3 The report (<http://www.improvementservice.org.uk/documents/econdev/slaed-indicators-framework-report-2015-16.pdf>) sets out a range of data which includes returns submitted by the 32 Local Authorities and data drawn from the Scottish Government, Business Gateway National Performance Unit, the Supplier Development Programme, Scottish Enterprise (Scottish Development International), and the Office of National Statistics.
- 3.4 This is the fourth annual report. Although there are some differences in recording of the data by Local Authorities, these differences are narrowing each year.

4. **REPORT FINDINGS**

- 4.1 **Appendix 1** provides a comparison between the 2014/15 and the 2015/16 Moray return, containing 25 indicators of which 11 are up, 11 are down and 3 for which there was no comparison available being new or amended indicators from the previous year. **Appendix 2** provides a comparison with the other Local Authorities in the Council's benchmarking family for environmental services. Moray Council's return is set out on page 95 of the SLAED report. The following is an explanation of and narrative for each indicator.

I1 Economic Development Expenditure

- 4.2 Indicator I1 shows the capital and revenue spend of the Council on Economic Development as a percentage of the total spend across Scotland.

Year	Total spend by Moray Council	% of the total spend in Scotland
2015-16	£1,091,706	0.5%
capital expenditure	£1,125,659	
revenue expenditure	-£33,395	
2014-15	£3,094,448	1.4%
capital expenditure	£1,019,448	
revenue expenditure	£2,075,000	

- 4.3 During 2015-16, the Council received more in revenues than it expended. It should be noted that the capital value varies each year depending on capital projects.
- 4.4 Please note this is an evolving recording process so there are inconsistencies across local authorities that make direct comparisons unreliable. In 2015-16, the Council supplied net expenditure less central support costs (as requested). Central support costs include the costs of staffing, national insurance, apportioned costs of support costs such as IT, accommodation, legal services etc. In 2013-14, the Council was asked for gross expenditure.

Therefore it is likely that some of the difference arises from local authorities completing returns on different basis. Had the Moray Council completed on a gross basis, revenue spend would have been £2.8m / £2.5m if central support costs are excluded.

I2 Economic Development Staffing – estimated

Year	Moray Council staff primary role economic development	Scotland LA staff primary role economic development
2014-15	28	1,348
2013-14	28	1,524

- 4.5 At Moray Council in this time period, there was 28 full time equivalent staff with economic development as their primary role. This included 19 staff in the employment support service (employability & skills training), 8 FTE in the “economic development” (external funding and business support) team which included staff employed by the Liaison Entre Actions de Développement de l'Economie Rurale (LEADER), Fisheries Local Action Group (FLAG) and Conservation Area Regeneration Schemes (CARs) programmes and 1 FTE in the Estates team, it does not include 3 FTE Business Gateway staff.

A1 Number of Attendees at Business Gateway Events

Year	Event Attendees
2015-16	1,105
2014-15	952
2013-14	465

- 4.6 During 2015/16, there were 1,105 attendees at Business Gateway events in Moray. Moray Business Week accounts for over 450 of these. Moray Business Week has been well received by Moray Business, it brings together all business support agencies providing opportunities for engagement, education, collaboration and networking leading to business growth.

A2 Number of Companies Registered with the Supplier Development Programme (SDP)

Year	Companies Registered with SDP
2015-16	15
2014-15	2

- 4.7 Supplier development is working with small and medium sized enterprises to register with Public Contracts Scotland (PCS) and supporting them to win business from public procurement. The Scottish Government procurement service has facilitated the establishment of a Supplier Development Programme (SDP). Moray Council is an associate member of the SDP. It is

not a full member as based on experience from other local authorities in the Highlands and Islands Region although additional support comes with full membership it has been determined by staff that the costs outweigh the benefits. Most SDP activities including one to one advice and one to many advice do not extend significantly beyond the central belt, partially due to the small number of staff providing the service. In Moray, supplier development is

being facilitated by Business Gateway as part of a supplier development strategy established with the Council's procurement team. For example on 23 February 2017, staff facilitated an event with the construction sector to raise the profile of forthcoming contract opportunities; 50 SMEs attended the event.

OP1 Number of Businesses Supported by Council Economic Development Activity

Year	Businesses Supported
2015-16	327
2014-15	697

- 4.8 During 2015/16, over and above support provided by Business Gateway, the Council supported 327 businesses including social enterprises with advice, grants and loans from programmes. The number was down from 697 in 2014/15 in part due to the end of the LEADER programme and the European Fisheries Fund.

OP2 Number of Business Gateway Support Interventions

Year	Business Gateway Support Interventions
2015-16	440
2014-15	356
2013-14	393

- 4.9 During 2015/16, there were 440 Business Gateway Support Interventions, which included among other things one to one advice, access to training, access to finance and assistance to draw up business plans and growth plans. This number is up from 356 in 2014/15 and 393 in 2013/14. Activities included such things as lunch and learn sessions and the establishment of Moray Business week facilitate interventions. The annual target for business accessing advisory services is 300. Council can expect to see this number rise in 2017/18 as a result of the local growth accelerator programme (LGAP) that launched in February 2017. LGAP facilitates specialist advice for enterprises with growth and export potential in key sectors, it includes a programme of learning for individuals within growth business, advice includes for example HR recruitment advice to help small enterprises who might otherwise not take on additional employees.

OP3 Number of Companies Assisted by Scottish Development International (SDI)

Year	Companies Assisted by SDI
2015-16	18
2014-15	20
2013-14	23

- 4.10 During 2015/16, 18 companies in Moray were assisted to internationalise by SDI. At 0.7% of all Scottish companies this seems low, but likely reflects that the majority of companies in Moray are Small and Medium Sized Enterprises (SMEs) up to 250 employees. This may be a matter to explore with SDI and Highlands and Islands Enterprise (HIE) as part of the Moray Growth bid.

OP4 Number of Unemployed People that have Participated in Council Funded or Operated Employability Activities

Year	Unemployed people that participated
2015-16	74 (+455)
2014-15	682
2013-14	524

- 4.11 74 unemployed people participated in Council Funded or Operated Employability Activities in 2015/16. During 2014/15, 682 people participated and during 2013/14, 524 participated. The difference from previous year's numbers was due to the interpretation of the question by the Employment Support Service which submitted the return purely counting the numbers of people participating in funded programmes. In addition to these, 455 people were helped with one to one support from the Council's Employment Support Service. This accounted for 488 of the people reported in the 2014/15 return. In addition, in 2014/15, 77 people were helped via the Youth Employment Scotland Scheme with funding from the Scottish Government; the scheme ended in June 2015.
- 4.12 From 2017 the Council will be leading a 2 year project with funding from the European Social Fund, working with local partner organisations, which would see over 100 unemployed people assisted into work. A further 100 people would receive training and qualifications which would take them closer to achieving their goal of getting back into work.

OP5 Availability of Employment Land

- 4.13 19% of land designated in the development plan for employment purposes is immediately available (serviced, marketed and investor ready). This equates to 18.85 hectares (net) across 8 sites. 64.59 hectares (net) across 12 sites is

classed as constrained. This means around 38% of the Established Supply has some form of constraint that is likely to prevent the land being developed in the next five years. More information can be found in the Moray Employment Land Audit reported to the Planning and Regulatory Services Committee on 14 June 2016 (paragraph 18 of the minute refers).

OP6 Number of Businesses Participating in SDP

- 4.14 2 businesses in Moray participated in the SDP during 2015/16. For reason see narrative for A2 above.

OC1 Gross Value Added per Capita

- 4.15 In 2014 the Gross Value Added per Capita was £35,955. The Gross Value Added (GVA) measures change in total economic output at the local level which was less than the national average of £48,928, which indicates the region is not as productive as other regions which is worthy of more consideration by Moray Business and support agencies. This could be addressed by increased mechanisation or increasing production of higher value products. This is a matter that could be considered as part of the Moray growth bid and would likely require more detailed economic analysis.

OC2 Gross Weekly Earnings- Residence Based and Workforce Based

Year	Gross Weekly Earnings – Residence Based	Scotland	Gross Weekly Earnings – Workforce Based	Scotland
2014	£490.70	£527.00	£489.80	£527.00.
2013	£434.30	£518.20	£451.50	£519.40
2012	£449.20	£508.00	£466.40	£508.30

- 4.16 This indicator is included in the Moray 2026 Outcomes. In 2015, the Gross Weekly Earnings – Residence Based was £490.70 up from £434.30 in 2014 and £449.20 in 2013 and the Gross Weekly Earnings – Workforce Based was £489.80 up from £451.50 in 2014 and £466.40 in 2013. Both Moray numbers rose significantly in comparison to the national average Residence Based which increased from £518.20 to £527.00 and the Workforce Based increased from £519.40 to £527.00.

OC3 Employment Rate

- 4.17 For this indicator 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.

Year	Moray employment rate %	Scotland %
2015-16	74.2	72.9
2014-15	75.8	72.9
2013-14	77.7	71.5

- 4.18 For the last three years Moray had an employment rate higher than the national rate.
- 4.19 It should be noted that this figure is calculated by the Office of National Statistics based on the Annual Population Survey, Labour Forces Survey, it is an estimate based on a survey sample of around 256,000 people aged 16 and over covering the whole of the UK. In 2016 staff used the Business Register and Employment Survey (BRES) to prepare an economic baseline for the Moray Growth Bid. The latter does not include data for agriculture, forestry and fishery employment, nor volunteers, self-employed and working owners who are not paid by Pay As You Earn. This will include a lot of Moray's working age population. The BRES data gives an employment rate for Moray of between 55% and 60% over the last five years, compared to a rate of between 68% and 71% for Scotland. The actual rate is somewhere between the two figures, the only time we get properly close to an accurate record is at Census.

OC4 New Business Starts per 10,000 Working Age Population

Year	Business Start-Up rate/10,000 population	Scotland
2014	54	62
2013	48	62
2012	41	50

- 4.20 In 2014, Moray had a lower business start-up rate of 54 per 10,000 of population compared to the national rate of 62, an increase from 48 per 10,000 in 2013. It should be noted that the number of business start-ups is influenced by the availability of employment. As per indicator OC3, Moray had a higher percentage of employment than the national rate in 2015/16.

OC5 Business Survival Rate (3 Year)

- 4.21 This indicator covers all new businesses registered for VAT.

Year	3 Yr business survival rate %	Scotland %
2011- 2014	64.3	62.8
2010-2013	60.0	57.1
2009-2012	65.1	61.1

- 4.22 Between 2009 and 2014 the survival rate in Moray has been higher than the national rate.

OC6 Claimants in Receipt of Out-of-Work Benefits

Year	% of working age people (16-64) claiming one or more of the key benefits	Scotland %	% of working age people (16-64) on Job Seekers Allowance	Scotland %
2016	7.9	10.8	1.5	1.8
2015	10.5	14.5	1.6	2.4
2014	10.6	15.2	1.8	3.1

- 4.23 In 2016, the percentage of working age people (16-64) claiming one or more of the key benefits and the percentage of the working age population (16-64) on Jobseeker's Allowance (JSA) was down in Moray and nationally.

OC7 Working Age Population with Low/No Qualifications

- 4.24 The working age population with low or no qualifications in 2015 was 14.3% which was more than the Scottish rate which was 11.2%. This percentage was higher than in 2014 and 2013.

Year	Working Age Population With Low Or No Qualifications %	Scotland %
2015	14.3	11.2
2014	11.2	11.5
2013	10.8	12.6

OC8 Carbon Dioxide Emissions per Capita (tonnes)

- 4.25 Indicator OC8 is collected by the Scottish Government. CO2 emissions mainly come from burning fossil fuels.

Year	Carbon Dioxide Emissions Tonnes Per Capita	Scotland
2014	8.5	5.7
2013	9.9	6.5
2012	9.8	6.8

- 4.26 The indicator identifies Moray Council continued to have the highest carbon dioxide emissions per capita in 2014 at 8.5 tonnes per capita. However, it has reduced from 9.8 tonnes per capita in 2012 down 14.1%. The reason for this high number in Moray is likely the carbon based fuel requirements of distilling. Continued capital investments by distilleries in fuel efficient technology in recent years may be reflected in future year's data. The data for this indicator is the most recent available at time of compilation.

OC9 Town Vacancy Rate

- 4.27 In 2016, the vacancy rate of retail units in the Moray Town Centres of Elgin, Forres, Lossiemouth, Keith and Buckie was 11.9% with the national average also 11.9%.

Year	Vacancy Rate of retail units in Moray Town Centres of Elgin, Forres, Lossiemouth, Keith and Buckie %	Scotland %
2016	11.9	11.9
2014	12.9	10.1
2012	9.5	10.2

- 4.28 The Council's Planning Service carries out "Town Centre Health Checks" every 2 years which includes measurement of footfall and surveys to identify vacancy rates. The recorded vacancy rate was down from 12.9% recorded in 2014 but remains up from 2012.

OC10 Number of Business Gateway Start-Ups that are Trading

Year	Business Gateway Supported Start-Ups That Began Trading	Scotland
2015-16	137	9,087
2014-15	120	10,103
2013-14	132	10,138

- 4.29 In 2015-16, the number of Business Gateway supported start-ups that began trading was 137.

OC11 Business Gateway Survival Rate (3 Year)

Year	Business Gateway Survival Rate (3 year) %	Scotland %
2015-16	63	66
2014-15	57	61
2013-14	64	67

- 4.30 This data indicates that Moray has a lower 3 year survival rate than the national rate. Please note the data used by SLAED is only drawn from a 25% survey of business provided by Business Gateway National. Locally we carry out a 100% survey and the 3 year survival rate for 2013/14 was 79% for 2014/15 was 76% and for 2015/16 was 87%.
- 4.31 It should be noted that there are many factors macro and local which vary year on year that affect survival rates. A rule of thumb is a survival rate of 60% is normal.

OC12 Leverage of External Funding

- 4.32 The leverage of external funding can vary significantly each year as it includes major capital expenditures on strategic infrastructure such as the flood alleviation schemes.

Year	Funding Received per £1 invested	Scotland
2014-15	£1: £2.49	£1: £1.33
2013-14	£1: £3.30	£1: £1.80

- 4.33 In 2014/15, the Council received £2.49 for every £1 it invested as match funding which is better than the Scottish average of £1.33 for every £1.

OC13 No. of Planned New Jobs from Completed Inward Investment Projects

- 4.34 This measure is used to record the potential for new job creation from completed inward investment projects. The data is provided by Scottish Enterprise and HIE Local Activity Reports.

Year	Jobs recorded as the result of completed inward investment by HIE
2015-16	0
2014-15	64

- 4.35 In 2014/15, 64 jobs were recorded as the result of completed inward investment by HIE, in 2015/16 0 jobs were recorded.

OC14 No. of Unemployed People that have Progressed to Employment as a Result of Participation in Council Funded/Operated Employability Activities

Year	Moray	Nationally
2015-16	59	21,264
2014-15	270	24,181
2013-14	247	24,893

- 4.36 In 2015/16, 59 unemployed people progressed to employment. In 2014/15, 270 unemployed people progressed into employment, down from 247 in 2013/14. This number in 2014/15 was greatly boosted by the Council's participation in the Youth Employment Scotland Programme which helped 120 young people into work.

5. **SUMMARY OF IMPLICATIONS**

(a) Moray 2026: A Plan for the Future and Moray Corporate Plan 2015 - 2017

Moray 2026 “The Ten Year Plan” identifies Sustainable Economic Development as its top priority. The Plan includes but is not limited to outcomes to increase the population, regional average wage, employment by the private sector, employability, the number of business start-ups, and the number of start-up businesses that survive beyond three years and the percentage of premises that have access to Next Generation Broadband. Sustainable Economic Development is also the Council’s top priority in terms of the Corporate Plan and this report relates to ongoing activity and actions identified in the Corporate Plan.

(b) Policy and Legal

The Council considers support for economic development issues on their merits, against the objective to facilitate sustainable economic growth and the desired outcomes of the Ten Year Plan and Corporate Plan.

(c) Financial implications

There are no financial implications arising directly from this report.

(d) Risk Implications

There are no risk implications.

(e) Staffing Implications

The annual return to SLAED is compiled using existing staffing resources.

(f) Property

There are no property implications.

(g) Equalities

There are no equalities impacts arising from this report.

(h) Consultations

Consultation has been undertaken with the Corporate Director (Economic Development, Planning & Infrastructure), the Head of Development Services, the Equal Opportunities Officer regarding any Equalities implications, Paul Nevin (Senior Solicitor), the Democratic Services Manager and Lorraine Paisey (Principal Accountant, Financial Services). Any comments have been incorporated in this report and they are in agreement with sections relating to their area of responsibility.

6. **CONCLUSION**

- 6.1 **The SLAED Indicators Framework provides a basis for collating consistent data which can be used to better understand impact of activities supported by Moray Council and other Local Authorities and identify potential areas for improvement. The indicators show that the activities of the Council have a major and positive impact on the economy.**

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Background Papers: SLAED Performance Indicators 2015-16
Ref: SLAED