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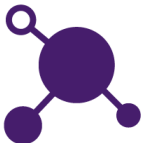


Wellbeing, Inclusive Growth and the importance of Place.



Progress

towards the UN SDGs
& national objectives.



Collaborate

in pursuit of
innovative policy.



Address

economic, social
and environmental
challenges of our time.

Gary Gillespie

PLACE STANDARD ALLIANCE

3rd December 2019



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Scotland's Evolving Approach to the Economy



National (wellbeing)Performance Framework



“As a government we recognise that economic growth is hugely important, but it must be matched by improvements in our environment, in people’s quality of life, in the opportunities available to people and the public services they have access to. As a government and as a country, the challenge this new framework sets us all is to make progress in these areas to improve wellbeing across Scotland.”

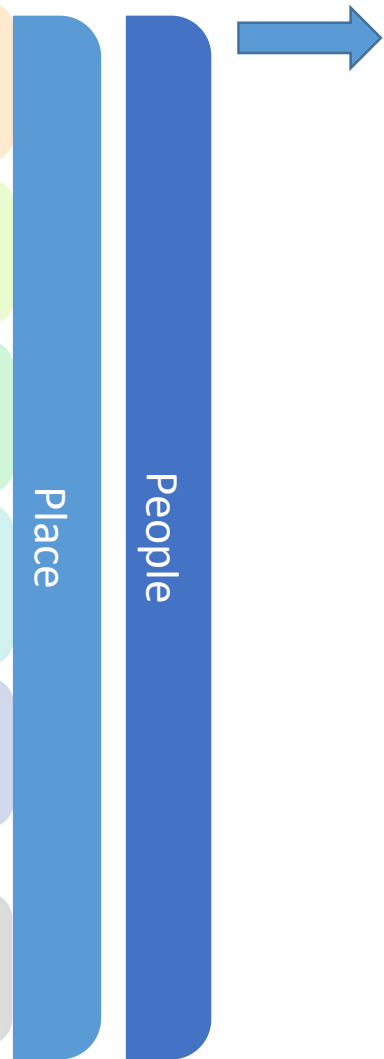
First Minister

NPF launch event, June 2018

*‘To focus on creating a more successful country with opportunities for all of Scotland to flourish through **increased wellbeing, and sustainable and inclusive economic growth.**’*

Our Inclusive Growth Outcomes – Defining success

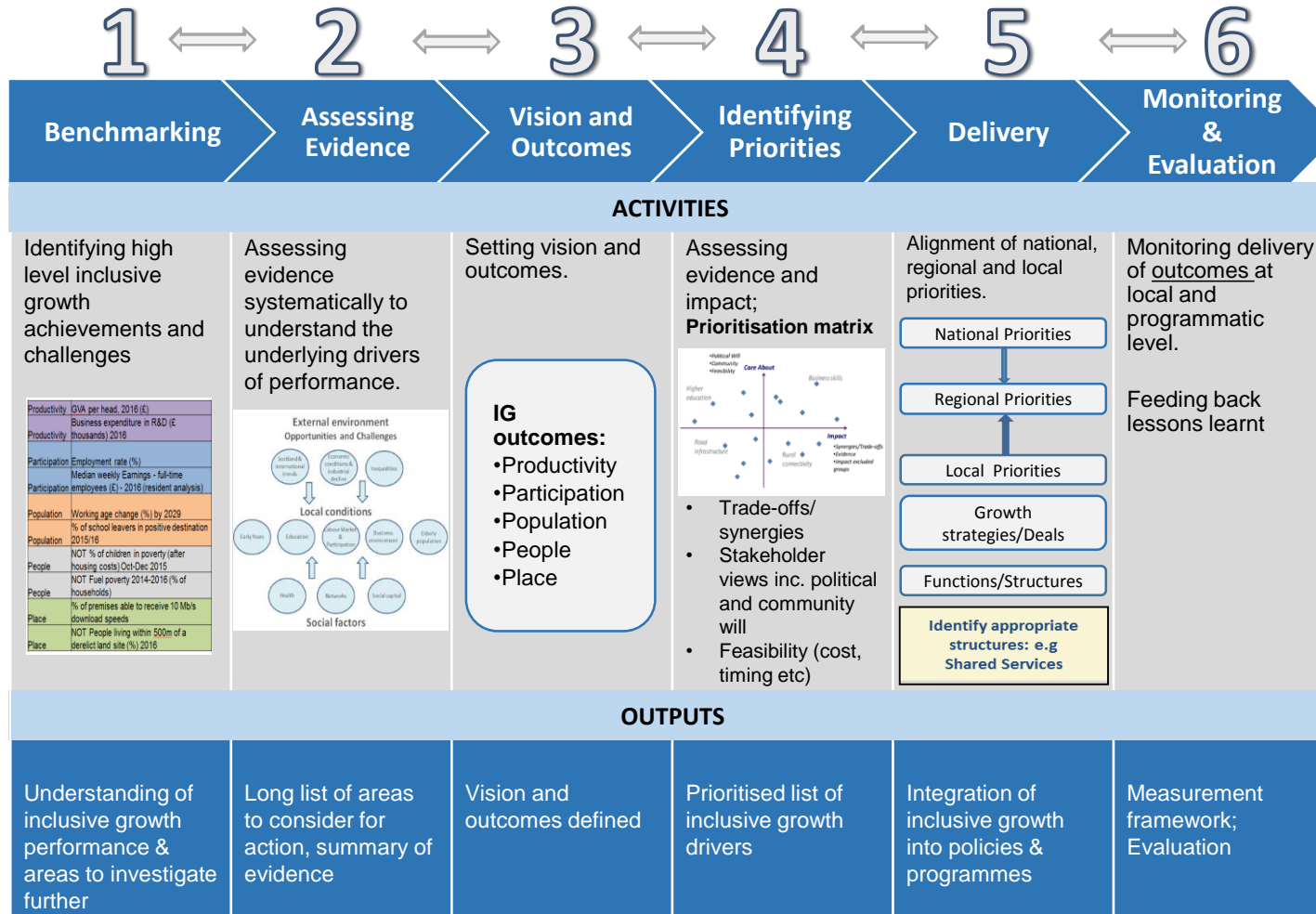
| | |
|-----------------------|---|
| Productivity | <ul style="list-style-type: none"> Businesses are competitive and economic growth is resilient and sustainable through business-led 'good' job creation |
| Population | <ul style="list-style-type: none"> Scotland has a sustainable working age population. |
| Participation | <ul style="list-style-type: none"> Inequality of opportunity to access work is addressed <i>and</i> jobs are fulfilling, secure and well-paid. |
| People | <ul style="list-style-type: none"> Scotland's population is healthy and skilled and economic benefits are spread more widely, with lower levels of inequality and poverty. |
| Place | <ul style="list-style-type: none"> Communities across Scotland have the natural and physical resources to ensure they are strong and sustainable. |
| Sustainability | <ul style="list-style-type: none"> Wellbeing Economy is pursued within the constraints of environmental and financial sustainability |



How do we deliver on Inclusive Growth?

- Inclusive growth is a **place-based agenda** – we need to understand the socio-economic factors alongside traditional ‘economic’ drivers.
- IG priorities will vary depending on context: location (opportunity), community preferences, people/business/sector needs.
- What are our key lenses for viewing inclusive growth policies and actions?
 - Places (local, regional, rural)
 - People (vulnerable groups – who is the economy not working for?)
 - Business-led
- **Understanding interactions between the whole system** is key for unlocking our inclusive growth ambitions.

Inclusive Growth Diagnostic



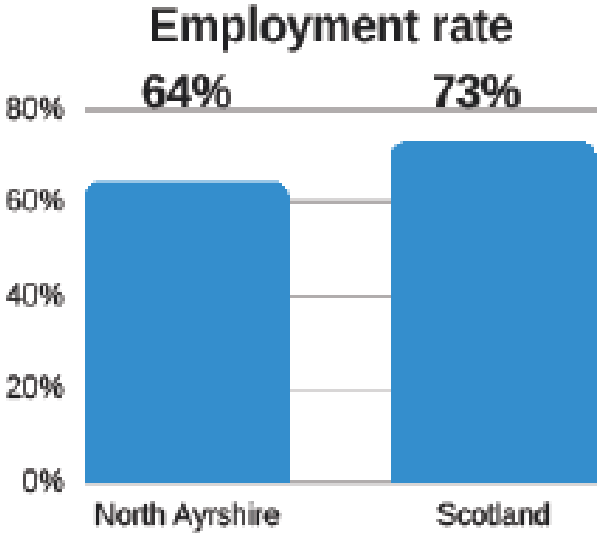
North Ayrshire Pilot



Benchmarking

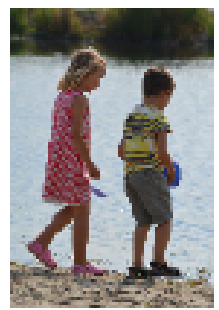
- Benchmarking to identify high-level issues for IG.
- SG indicators have been developed through a labour market lens (factors constraining employability and growth).
- 5 broad themes. Expands the focus beyond the traditional measures of economic success.
- Needs to be flexible to fit local priorities.
- Recognise the data limitations in understanding inclusive growth, particularly at a community level.

| Outcome | Indicator | East Ayrshire | North Ayrshire | South Ayrshire | Scotland | |
|---|--|------------------|----------------|----------------|----------|-----|
| Economic Performance | Business start-up rate (per 10,000 resident adults) | 39 | 34 | 43 | 49 | |
| | 3-year survival rate for newly born businesses 2012 (%) | 61.3% | 64.4% | 61.3% | 62.0% | |
| | Expenditure in R&D per head (£) 2015 | .. | £32 | £50 | £162 | |
| | Growth in R&D, 2014 to 2015 | .. | 38.8% | -5.1% | -0.4% | |
| | GVA per head, 2015 (£) | £15,200 | ! | £21,625 | £23,685 | |
| | Change in GVA per head 2007 to 2015 (%) | 12% | ! | 20% | 14% | |
| Labour Market Access | Unemployment rate (%) | 7.8% | 10.1% | 5.8% | 4.9% | |
| | Economic activity rate (16-64) (%) | 72.0% | 72.2% | 78.0% | 76.7% | |
| | Female employment rate (%) | 61.6% | 59.3% | 71.2% | 69.1% | |
| | Economically inactive who want a job (%) | 30.9% | 18.9% | 30.8% | 23.8% | |
| | Economically inactive long-term sick (%) | 34.9% | 29.2% | 24.2% | 27.0% | |
| | Jobs density 2015 | 0.58 | 0.54 | 0.76 | 0.79 | |
| | % of LA datazones within Scotland's 15% most deprived (SIMD) | 21 | 26 | 12 | 15 | |
| Fair Work | Median weekly Earnings - full-time employees (£) - 2016 | £549.9 | £522.7 | £538.5 | £536.6 | |
| | % of all employees (18+) that work in the LA with hourly pay below the Living Wage | 25.4% | 27.7% | 28.2% | 20.1% | |
| | Median hourly pay gap for full-time male and female workers (%) 2016 | 5.3% | 10.7% | -1.2% | 7.4% | |
| | Employment in "high skilled" occupations (%) | 37.4% | 35.6% | 40.7% | 42.3% | |
| | Employment in "low paid" sectors (%) | 36.9% | 38.6% | 35.3% | 33.3% | |
| People | Individuals self-reporting health as 'very good' (%) 2011 Census | 49.8% | 48.9% | 50.8% | 52.5% | |
| | Working age (change by 2029) | -2.2% | -6.2% | -2.9% | 4.4% | |
| | Degree qualification (%) | 20.6% | 14.7% | 25.0% | 27.8% | |
| | No qualifications (%) | 15.8% | 12.3% | 9.8% | 9.2% | |
| | % of school leavers in positive destination 2014/15 | 90.7% | 91.8% | 92.5% | 92.0% | |
| | % of children in poverty (after housing costs) | 28% | 30% | 26% | 22% | |
| | Life expectancy (male) 2013-15 (years) | 76.1 | 76.1 | 77.7 | 77.1 | |
| Life expectancy (female) 2013-15 (years) | 79.4 | 80.8 | 81.0 | 81.1 | | |
| Place | Households with home internet access (%) 2015 | 81% | 85% | 82% | 80% | |
| | % of individuals fairly or very satisfied with local: | public transport | 79% | 78% | 78% | 74% |
| | | health services | 79% | 81% | 89% | 83% |
| | | schools | 81% | 82% | 81% | 74% |
| | People living within 500m of a derelict land site (%) | 28.0 | 39.5 | 30.9 | 29.7 | |
| | Fuel poverty 2012-2014 (% of households) | 38.4% | 39.6% | 35.3% | 35.0% | |
| | % of dwellings not "energy efficient" 2012-2014 | 49.3% | 46.5% | 42.3% | 37.8% | |
| | Homes that fail the Scottish Housing Quality Standard 2012-2014 (%) | 55.8% | 62.1% | 50.5% | 50.2% | |
| Individuals reporting fairly or strong sense of belonging to community 2015 (%) | 82% | 81% | 81% | 77% | | |


Stage 1: Benchmarking against inclusive growth indicators




 Current population is 136,100
But projected to fall 9% by 2037 

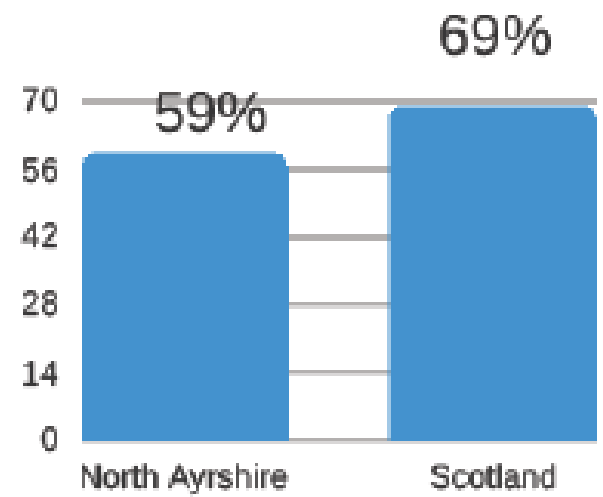


Nearly 1 in 3 children in North Ayrshire are living in poverty (30.5%)

 £63,631
Average income of wealthiest North Ayrshire datazone

 £14,935
Average income of poorest North Ayrshire datazone

Women's employment rate



35% are qualified to NVQ4+
Scotland figure is 44%



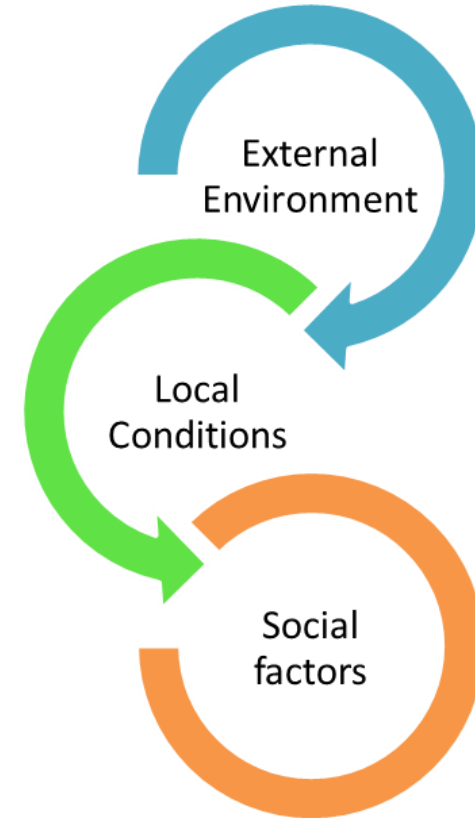
32% public sector jobs

Stage 2: The 'Diagnostic' approach

Three levels of consideration:

- ❑ The external environment - what is shaping opportunities for an 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 e.g. health and wellbeing, quality of housing, social capital and networks.

➔ **Join the dots across the system**



Stage 3: Consult and Engage – setting a vision

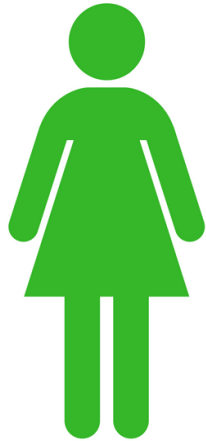
NA Priorities: Excluded Groups and Business

Young people

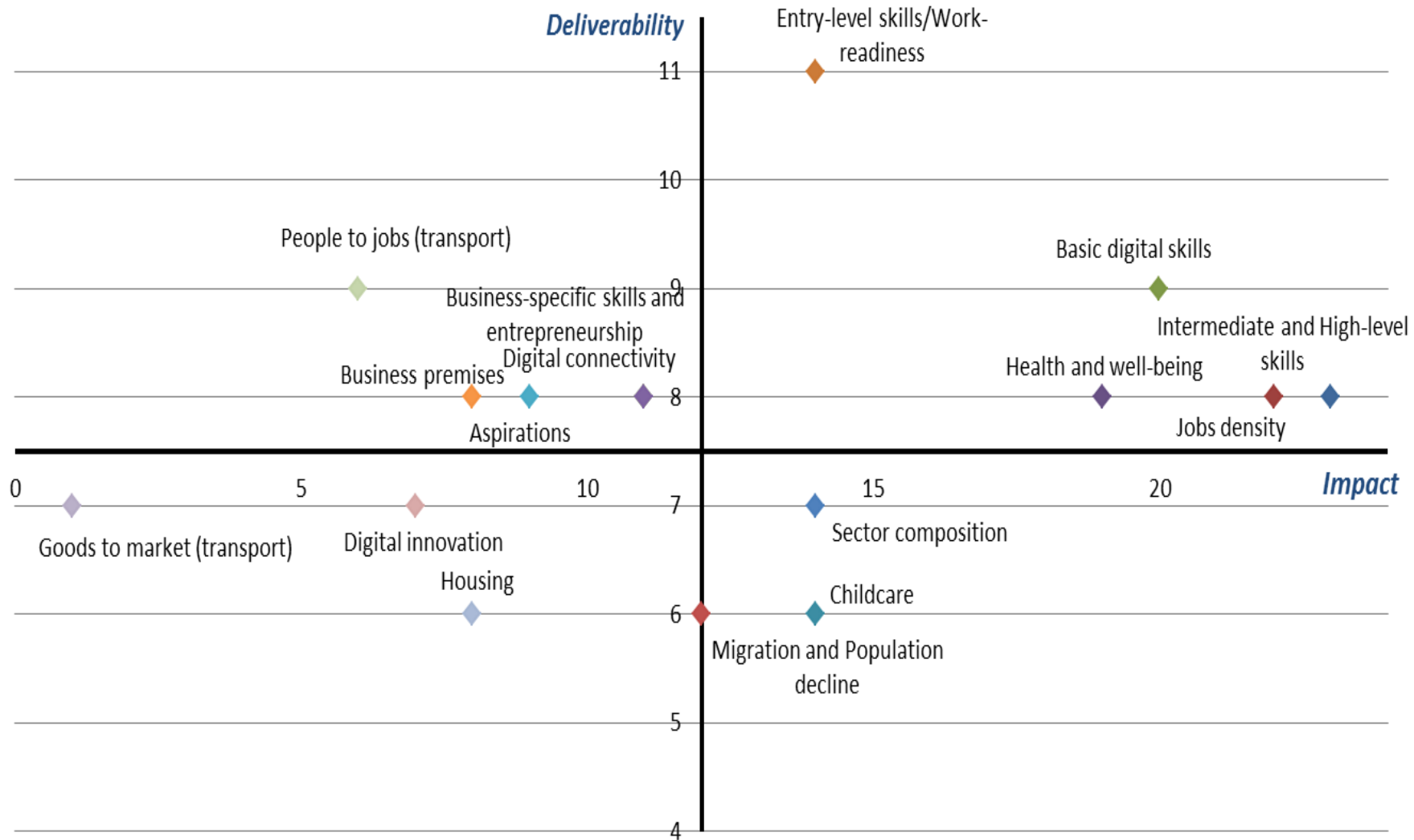
Those experience long-term health problems

Those experiencing in-work poverty

Women



North Ayrshire Inclusive Growth Priorities



This matrix shows the interaction of the impact and deliverability scoring. Drivers that appear in the top right quadrant can be considered to be the most deliverable and have the highest impact.

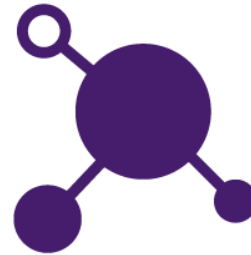
North Ayrshire Pilot - Outcomes

- Contributed to the March 2017 budget
- Increased investment in health and employability services
- More emphasis on excluded groups, such as women, in Skills for Life Programmes focusing on single parents
- Support for condition management through SALUS
- Increased investment in developing basic digital skills
- Creation of investment funds including the Community Investment Fund, the Poverty Challenge Fund, the Basic Income Pledge and the Participatory Budgeting Fund.



Progress

towards the UN SDGs & national objectives.



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in pursuit of innovative policy.



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economic, social and environmental challenges of our time.

How did we get here?

- **October 2017** - Inclusive Growth Conference
- **May and September 2018** - Meetings in Edinburgh
- **November 2018** - OECD World Forum Launch
- **February 2019** – Meeting in Paris

“Surrounded by experts and practitioners from around the world, Scotland’s Chief Economist took to the stage and gave cause for hope as he launched the Wellbeing Economy Governments (WEGo) partnership. WEGo will promote sharing of expertise and best practice in designing an economy in service of collective good.” – Holyrood Magazine



WEGo Policy Lab

- 1 - Performance Frameworks, Wellbeing Budgeting, Inclusive Growth
- 2 - Sustainable Tourism and Natural Capital
- 3 - Child Poverty and Predictive Analytics



Why should Governments prioritise Wellbeing?



"What we choose to measure as a country matters. It really matters, because it drives political focus, it drives public activity...the limitations of GDP as a measurement of a country's success are all too obvious."

**NICOLA STURGEON,
FIRST MINISTER OF SCOTLAND
TED TALK JULY 2019**

https://www.ted.com/talks/nicola_sturgeon_why_governments_should_prioritize_well_being?utm_source=tedcomshare&utm_medium=email&utm_campaign=tedsread

Infographic - The Economy of Wellbeing: going beyond GDP

The Economy of Wellbeing: going beyond GDP

People's wellbeing and economic growth are interdependent and mutually reinforcing.

WELLBEING **ECONOMIC GROWTH**

+ GDP measures market production

- GDP does not measure wellbeing of people

- Council of the EU
- Press release
- 24 October 2019

Economy of Wellbeing: the Council adopts conclusions

The Council today adopted conclusions on the Economy of Wellbeing inviting the member states and the Commission to include an economy of wellbeing perspective horizontally in national and Union policies and to put people and their wellbeing at the centre of policy design.

“...putting people at the centre of policy and moving away from an attitude of ‘grow first, redistribute and clean up later’ towards a growth model that is equitable and sustainable from the outset”

Thank You

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