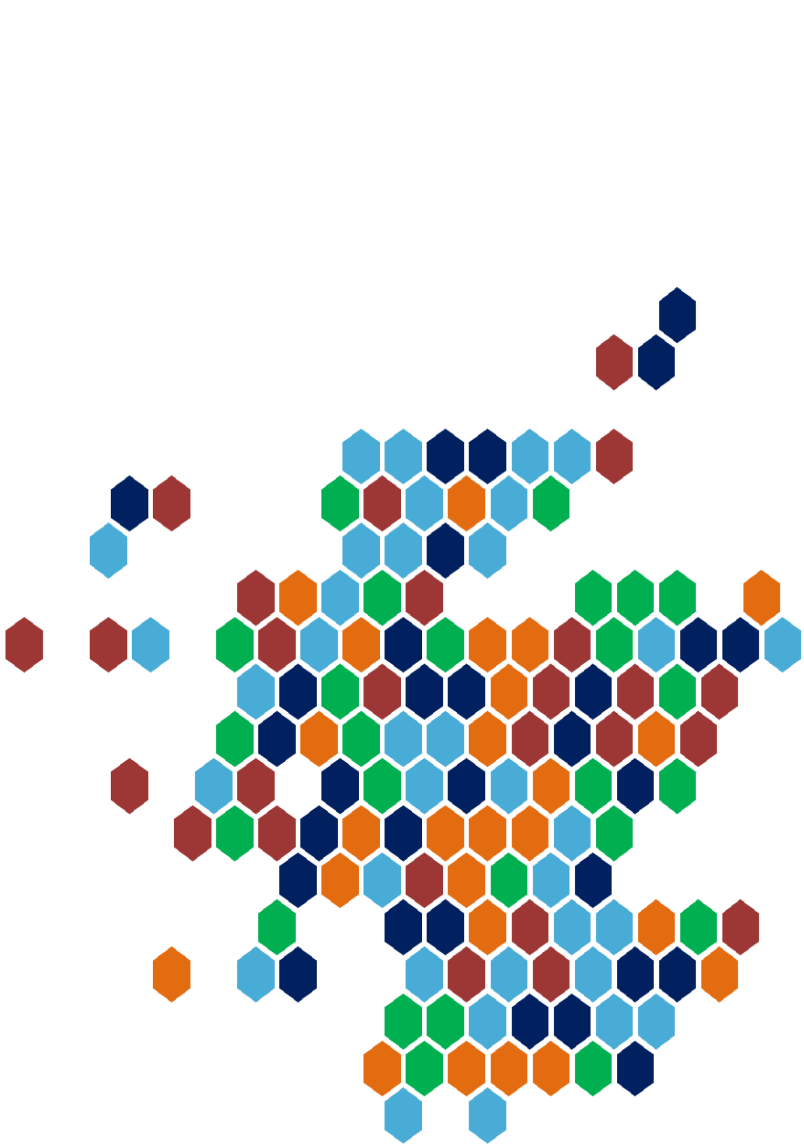
Central Functions of the Social Security Agency

Location Analysis – Phase 1 and Phase 2



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Contents

EXECUTIVE SUMMARY

The devolution of social security to Scotland is an integral part of the wider constitutional reform agenda of the Scottish Government following the Scotland Act 2016. These new social security powers will be delivered by an agency. The Outline Business Case (OBC) for the agency for social security in Scotland[1] determined that the agency would have centrally based functions supported by local agency staff embedded in existing services. This report sets out the evidence base for making a decision on where these centrally based functions will be located. The analysis presented in this report follows the multi-criteria analysis approach employed in the Outline Business Case, but is executed using quantitative indicators. This approach means that the resulting analysis is both transparent and data-driven.

It is important to note that this analysis does not attempt to provide the answer to the question of where the agency should be located. Instead it is designed to provide the evidence base for a considered short-list on which Scottish Ministers can then make a decision in line with their vision for social security in Scotland.

Social security delivery model – decision making process

The work to establish the role and location of the new social security agency has been undertaken in 3 broad stages:

- **Stage 1** examined options for governance for social security and was completed in March 2016[2]. It determined that a new body - an agency - was needed to deliver the devolved benefits.

- **Stage 2** examined different models of delivery with respect to the functions of the new agency. This options appraisal was published as an Outline Business Case[3]. Based on this, the Minister for Social Security announced in April 2017 that the agency would have centrally based functions supported by local agency staff embedded in existing services to provide advice and support. The scale of the central functions workforce was quantified and, whilst the work is ongoing to refine these numbers, the lower-end estimate is that 1,500 full-time equivalent staff will be required.

- **Stage 3** of the process is the analysis contained in this report to inform Ministerial decisions around the location for the central functions of the agency. This delivers on the commitment made by the Minister for Social Security that the location decision will be based on a *"systematic, evidence*

[1] Outline Business Case for the Agency for Social Security in Scotland http://www.gov.scot/Resource/0051/00517239.pdf.

[2] Delivery Options Appraisal Part 1: The strategic case for change and the governance of social security in Scotland http://www.gov.scot/Topics/People/fairerscotland/future-powers/Publications/Delivery

[3] see footnote 1.

based approach, taking into account a variety of socio-economic factors and using the same multi-criteria framework used for the wider options appraisal"[4]

The approach to Stage 3 (location analysis)

To ensure consistency, and in line with the Ministerial statement, the Stage 3 location analysis is based on the same broad framework of multi-criteria analysis that was employed to set out a Socio-Economic case in the OBC. The analysis is made up of 3 Phases and this report details the methodology used in Phase 1 and Phase 2 which have now been completed.

Phase 1 consisted of a high level analysis of all 32 Local Authorities, which ruled out 17 Local Authority areas for clear operational reasons based on a high level assessment against selected criteria. The remaining 15 Local Authority areas were shortlisted for further detailed assessment at Phase 2.

Phase 2 considered detailed quantitative evidence against an expanded set of criteria which **resulted in a recommended shortlist of 4 Local Authorities**.

Phase 3 analysis - the next phase in the process - will now begin. It will involve site identification by a detailed property search within the preferred location option selected by Ministers and a full assessment of site suitability.

Phase 1 of location analysis

Phase 1 involved high level analysis to reduce the 32 Scottish Local Authorities to a more manageable number for detailed consideration at Phase 2. This was done by looking at a limited set of indicators that focused on key operational issues as well as the scope for impact on local economies. Fifteen Local Authorities were shortlisted as a result. These included:

- The four largest Scottish cities because they allow access to a large labour force that is required for recruiting staff for the agency.
- Areas around the central belt due to population concentrations, access to workforce in cities and regeneration needs.
- Areas that underwent weakening in economic performance most recently such as Aberdeenshire.

17 Local Authorities were ruled out at Phase 1 because they were found to be too remote to allow the agency to recruit 1,500 staff at the right skill level for its central functions and/or have limited need for regeneration or job creation relative to other areas.

[4]Ministerial Statement – Minister for Social Security Jeane Freeman, Scottish Parliament, 27 April https://news.gov.scot/speeches-and-briefings/social-security-agency

Phase 2 of location analysis

Methodology

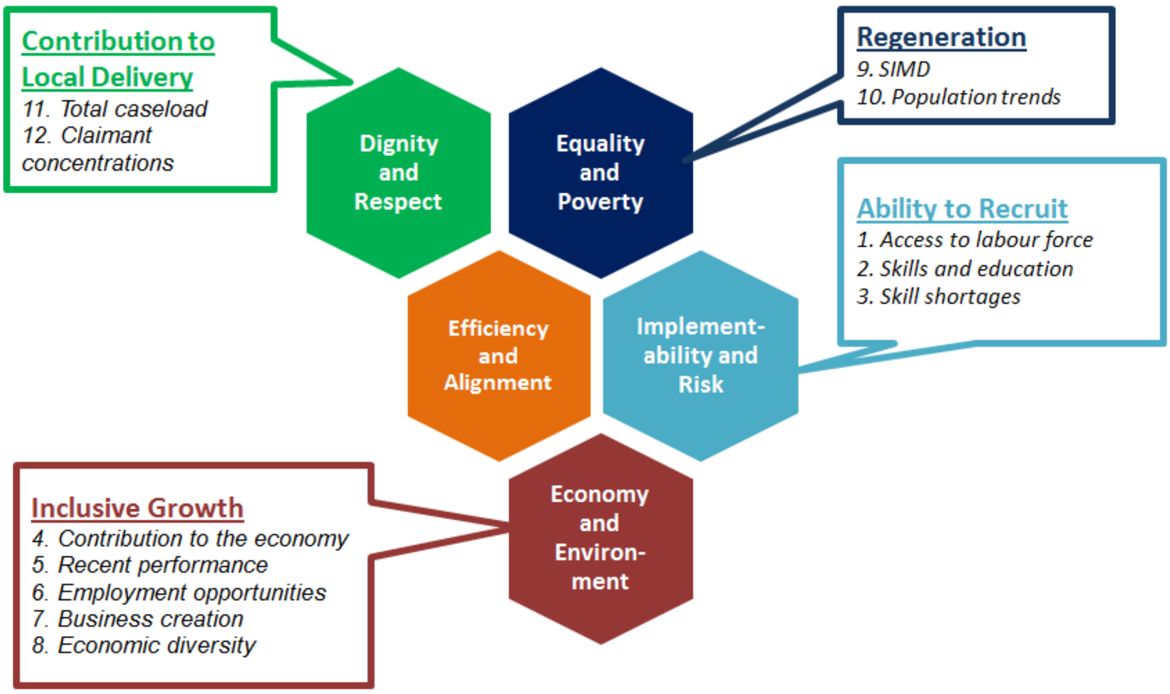
Phase 2 involved detailed analysis of the 15 Local Authorities shortlisted in Phase 1. Similarly to Phase 1, Local Authorities were chosen as the unit of geographical analysis because of the richness of the dataset at this level of breakdown which would not be available at a more disaggregated level.

The analysis also followed the multi-criteria approach employed in the Outline Business Case for the Social Security System and used extensive quantitative data to rank options.

The data was used to rank the 15 Local Authorities against 4 broad criteria: Economy and Environment (Inclusive Growth), Implementability and Risk (Ability to Recruit), Equality and Poverty (Regeneration) and Dignity and Respect (Contribution to Local Delivery). Performance against these 4 broad criteria was assessed using 12 indicators, which were made up of 43 sub-indicators.

The Phase 2 approach is presented schematically in Figure ES1. All quantitative information is provided in the individual Local Authority profiles in Section 5.

Figure ES1 – Phase 2 analysis – OBC criteria, location criteria and indicator sets



Recommended Phase 2 shortlist

The scores for each Local Authority against each of the 4 broad criteria – Economy and Environment, Implementability and Risk, Equality and Poverty and Dignity and Respect were weighed equally to derive an overall ranking.

Using equal weighting for all criteria, based on aggregate scores, Glasgow City, North Lanarkshire and North Ayrshire came out as the 3 top ranking Local Authority areas.

Inverclyde and West Dunbartonshire were ranked equally as 4th most suitable, followed by South Lanarkshire and Dundee City as 6th and 7th.

Although North Ayrshire, Inverclyde and West Dunbartonshire had high overall scores, they were also identified as being some of the most challenging areas for recruitment among the 15 Local Authorities considered at Phase 2.

This key delivery risk around the agency's ability to recruit can be managed by making robust performance against Ability to Recruit a limiting criteria in the selection of a shortlist.

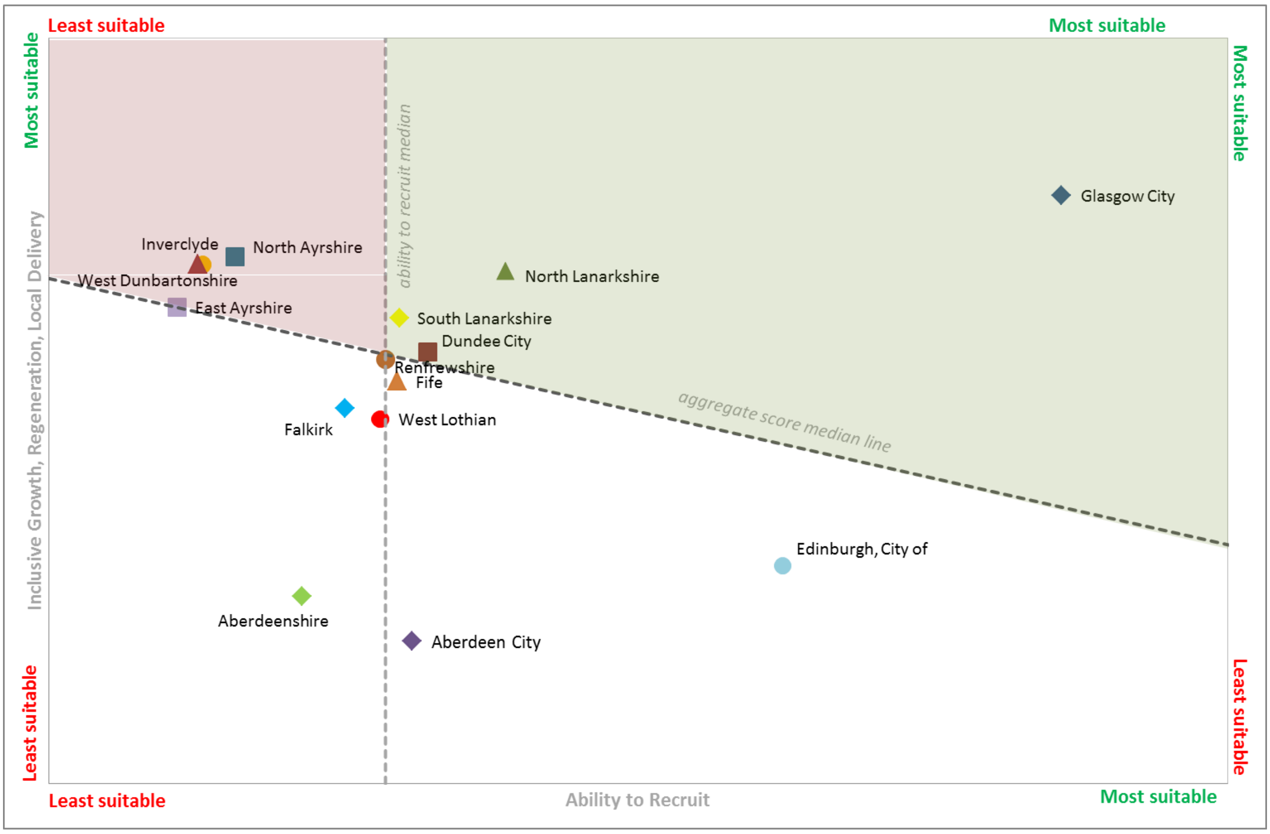
To do this, Local Authorities that have both above median aggregate scores and above median Ability to Recruit scores have been chosen as a shortlist.

Therefore, despite their high scores overall, Local Authorities identified as being more challenging for recruitment were not included in the shortlist.

This approach is presented in Figure ES2. The Local Authorities that fall into the green shaded area have been recommended for further consideration.

These are **Glasgow City, North Lanarkshire, South Lanarkshire, and Dundee City**.

Figure ES2 - Phase 2 analysis results



1. Agency location analysis process

The devolution of social security to Scotland is an integral part of the wider constitutional reform agenda of the Scottish Government following the Scotland Act 2016. These new social security powers will be delivered by an agency. The Outline Business Case for the agency for social security in Scotland[5] determined that the agency would have centrally based functions supported by local agency staff embedded in existing services. This report sets out the evidence base for making a decision on where these centrally based functions will be located.

The work to establish the role and location of the new social security agency has been undertaken in 3 broad stages.

Stage 1 examined options for governance for social security and was completed in March 2016. It determined that a new body - an agency - was needed to deliver the devolved benefits.[6]

Stage 2 was set out in the Outline Business Case for Social Security in Scotland that was published on 27 April 2017[7]. It demonstrated that the best way to achieve the desired outcomes for social security is for the agency to be responsible for a significant part of the delivery system and to do this in a centralised fashion, with the exception of advice and support agency staff dispersed locally (this type of delivery model was referred to as Hybrid X in the Business Case). This means that the agency will take forward most of the delivery functions centrally and hence require substantial new office space.

Stage 3 refers to location analysis, which is ongoing, with the results of Phase 1 and 2 set out in this report.

Figure 1 – Three stages of the decision making process

Stage 1 – completed in March 2016

- To determine if a new body was needed to deliver the devolved benefits. Culminated in identifying the need to establish a new agency.

Stage 2 – completed in April 2017

- To determine the functions of the new agency. Culminated in decision that it must have centrally based functions supported by local agency staff embedded in existing service providers. OBC published to support Ministerial Announcement

Stage 3 – Phase 1 and 2 completed September 2017

- Detailed analysis to determine the most appropriate location for the agency's central functions. Phase 1 and 2 have been completed, with Phase 3 commencing now.

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[5] Outline Business Case for the Agency for Social Security in Scotland http://www.gov.scot/Resource/0051/00517239.pdf.

[6] Delivery Options Appraisal Part 1: The strategic case for change and the governance of social security in Scotland http://www.gov.scot/Topics/People/fairerscotland/future-powers/Publications/Delivery

[7] Outline Business case for the agency for social security in Scotland http://www.gov.scot/Publications/2017/04/9565/

A decision was taken to narrow the options for the location of the agency in a phased process, building on the multi-criteria methodology and the criteria set used in the Outline Business Case. At each phase of the process additional criteria would help narrow down the short-list from a starting point of all 32 Local Authority areas in Phase 1 to a handful of specific office sites in Phase 3. Figure 2 sets out the process in high level terms.

Figure 2 – Three phases of Stage 3 location analysis

Stage 3 - location analysis

Phase 1

- **Status**: Completed
- **Options:** 32 Local Authorities
- **Depth of analysis:** High level
- **Criteria:** Ability to Recruit, Economic Impact and Regeneration
- **Analysis inputs:** Quantitative data
- **Result:** 15 Local Authorities should be considered in more detail at Phase 2

Phase 2

- **Status**: Completed
- **Options:** 15 Local Authorities
- **Depth of analysis:** Detailed. 4 criteria, 12 indicators, 43 sub-indicators.
- **Criteria:** Ability to Recruit, Inclusive Growth, Regeneration and Contribution to Local Delivery
- **Analysis inputs:** Quantitative data
- **Result:** recommended shortlist of 4 Local Authorities

Phase 3

- **Status**: To be completed
- **Options:** A number of sites
- **Depth of analysis:** Detailed
- **Criteria:** Connecitivity, Accessibility and Operational Suitability
- **Analysis inputs:** Quantitative and qualitative data
- **Result:** Shortlist of suitable properties or new build sites

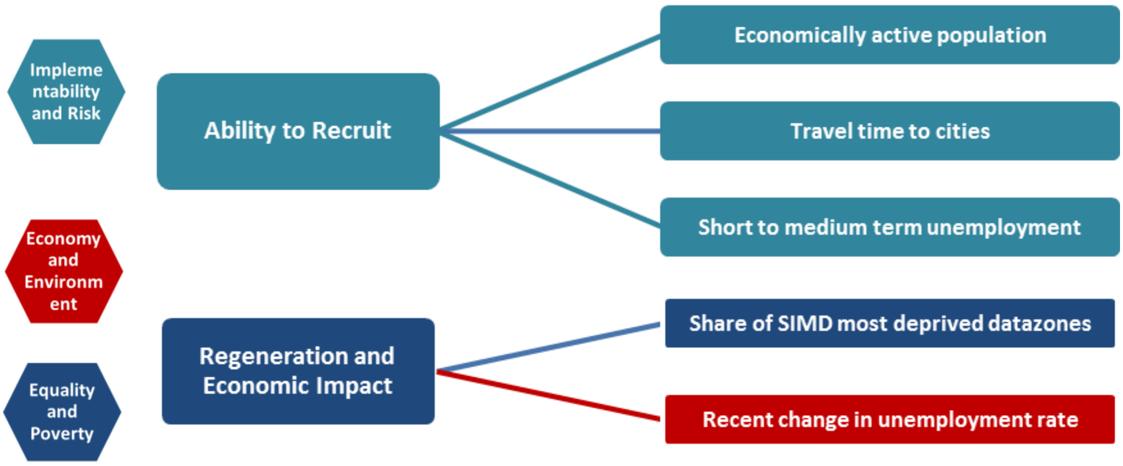
It is important to be clear that this analysis does not attempt to provide the answer to the question of where the agency should be located. Instead it is designed to provide the evidence base for a considered shortlist to help Scottish Ministers make a decision in line with their vision for social security in Scotland.

2. Phase 1 of location analysis

The aim of Phase 1 was to establish if there are clear operational reasons why some broad areas may be unsuitable to locate the central functions of the agency. The analysis was relatively high-level compared to Phase 2.

In Phase 1, a number of Local Authority areas were ruled out based on quantitative evidence against two broad criteria: Ability to Recruit a Workforce, and Regeneration and Economic Impact. A total of 5 quantitative indicators were used to assess each Local Authority's suitability against these two criteria. These are shown Figure 3.

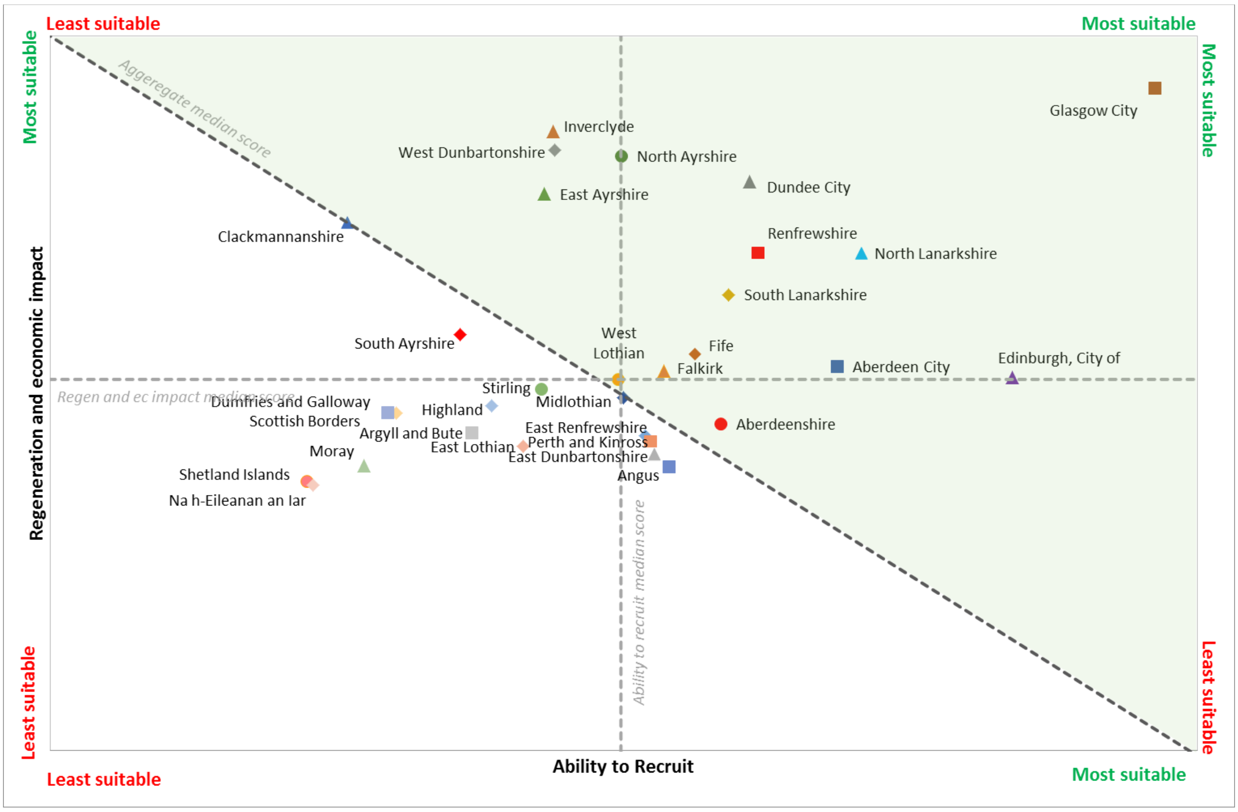
Figure 3 – Criteria and indicators used in Phase 1



The areas that were not recommended for consideration at Phase 2 were the ones that were found to be too remote to allow the agency to recruit and where the case for regeneration or job creation relative to other areas is weaker.

Figure 4 below shows how the 32 Local Authorities performed against the two broad criteria. Full data and results for Phase 1 can be found in Annex A. The list selected for consideration was limited to those that had scores clearly above the median – those that were firmly within the green shaded area.

Figure 4 – Phase 1 analysis results



The top 15 Local Authority areas identified in Phase 1 were taken forward to Phase 2 for further and much more detailed consideration. These included:

- The four biggest Scottish cities because they allow access to a large labour force which is required for recruiting staff for the agency.
- Areas around the central belt due to population concentrations, access to labour in cities and regeneration needs.
- Areas that underwent a weakening in economic performance most recently such as Aberdeenshire.

Table 1 below provides the full list of 15 Local Authorities that were selected for Phase 2 consideration and the 17 Local Authorities that were deemed not suitable.

Table 1 - Results of Phase 1 Analysis

Recommend for consideration at Phase 2	Do not recommend for consideration at Phase 2
Aberdeen City	Angus
Aberdeenshire	Argyll and Bute
Dundee City	Clackmannanshire
East Ayrshire	Dumfries and Galloway
Edinburgh, City of	East Dunbartonshire
Falkirk	East Lothian
Fife	East Renfrewshire
Glasgow City	Highland
Inverclyde	Midlothian
North Ayrshire	Moray
North Lanarkshire	Na h-Eileanan an Iar
Renfrewshire	Orkney Islands
South Lanarkshire	Perth and Kinross
West Dunbartonshire	Scottish Borders
West Lothian	Shetland Islands
	South Ayrshire
	Stirling

3. Phase 2 of location analysis - methodology

Phase 2 analysis builds on Phase 1 by considering additional quantitative evidence against four location criteria which broadly align with the criteria sets used in the Outline Business Case.

1. **Implementability and Risk - Ability to Recruit –** this criterion captures access to the labour force, skill and education levels and skill shortages.

2. **Economy and Environment - Inclusive Growth –** this criterion captures local economic performance both long and short-term, current employment opportunities, the business climate and levels of economic diversity.

3. **Equality and Poverty - Regeneration –** this criterion captures levels of deprivation (as measured by the Scottish Index of Multiple Deprivation) and population trends.

4. **Dignity and Respect - Contribution to Local Delivery –** this criterion captures the total number and concentrations of recipients of devolved benefits.

The fifth criteria - **Efficiency and Alignment** – was deemed less relevant for the location analysis for Phases 1 and 2. However, it could be considered during the Phase 3 of the process.

It is possible to assign a score to each Local Authority based on the above criteria, and this what the rankings presented are based on. This approach is presented schematically in Figure 5.

Weights and scoring

As shown in Figure 6, the four location criteria are made up of 12 indicators. These 12 indicators draw on data on 43 sub-indicators (the list of these is provided in Annex B). Each of the Local Authorities is given a score based on their performance against each of the 43 sub-indicators, which are aggregated up into 12 indicators and further into 4 location criteria.

In order to aggregate scores, weights are assigned at each stage. Each of the four location criteria is equally weighted (at 25%) in the calculation of an overall score. The weights assigned to each of the indicators within them vary depending on the perceived importance of each indicator, as well as the quality of data that are available to measure performance against them.

For most sub-indicators the data was available at Local Authority level. However, for a small number data was available for the broader region. This was reflected in the weighting – i.e. those sub-indicators for which specific Local Authority data was not available had their weight adjusted downwards.

Figure 5 – OBC criteria sets and Phase 2 location criteria

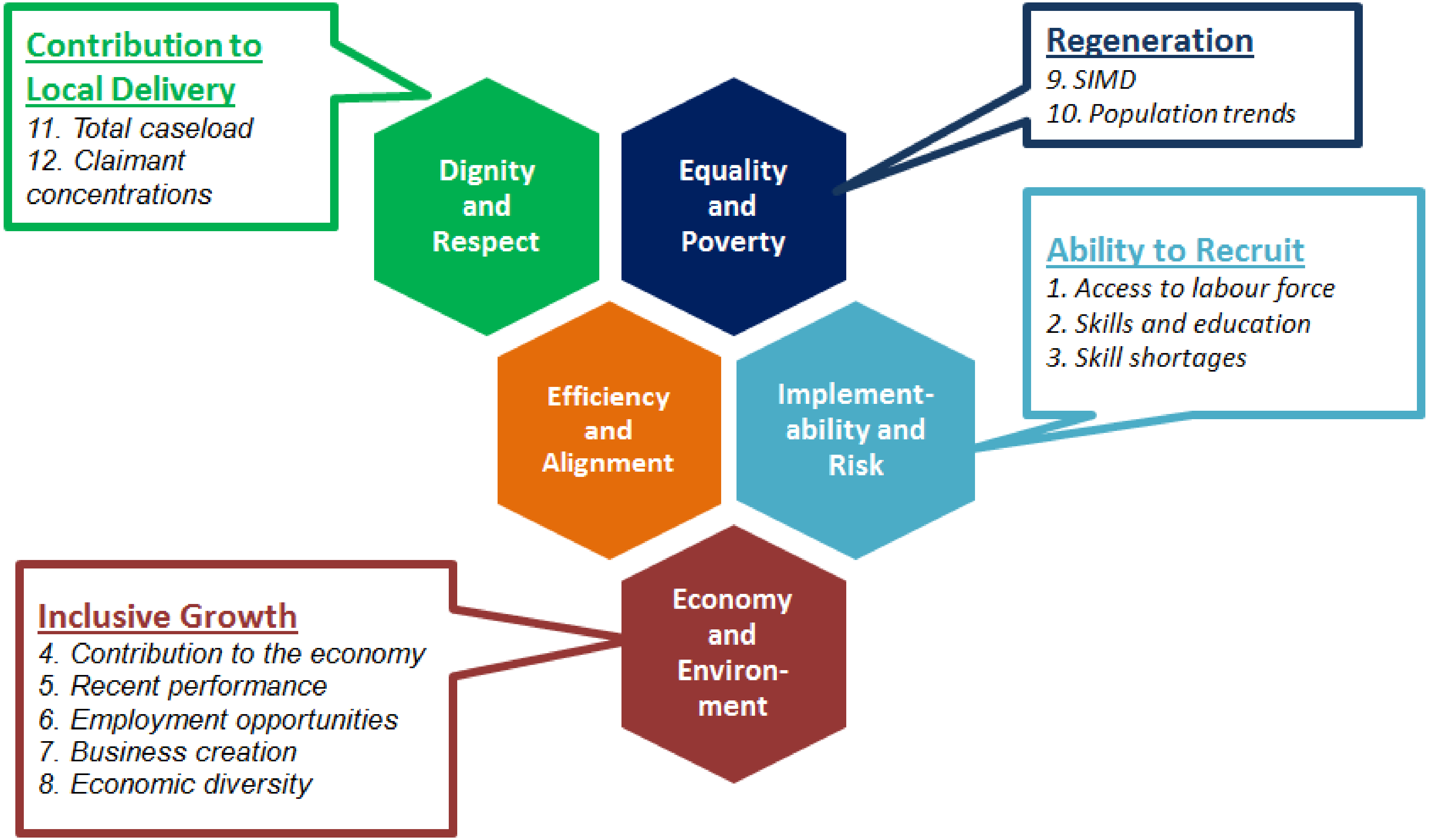
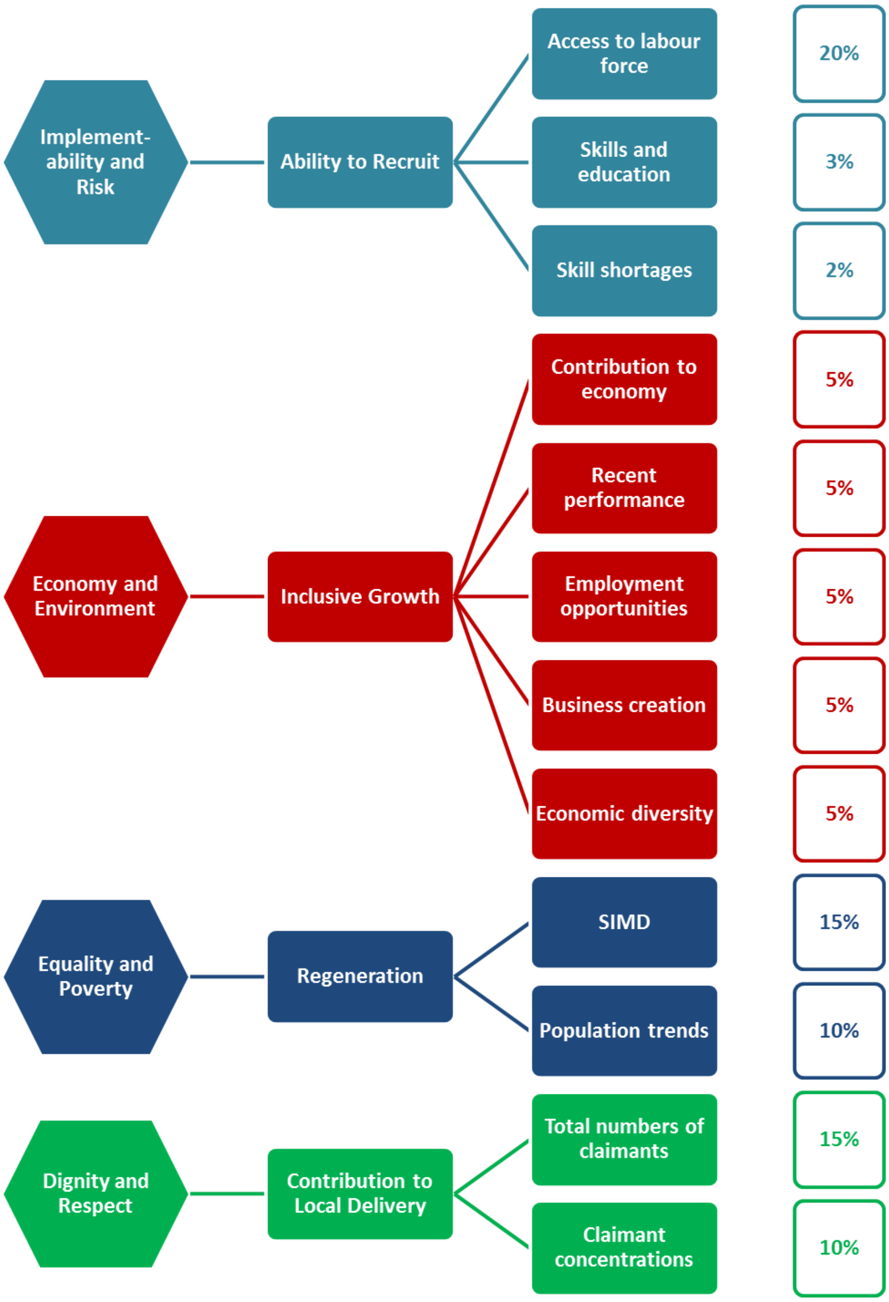


Figure 6 – Phase 2 analysis - 4 location criteria and 12 indicator sets



Each Local Authority is assigned a score between 0 and 10 on each of the 43 sub-indicators. The Local Authority that performs weakest on a given indicator is given a score of 0 and the Local Authority that performs best is given a score of 10. Local Authorities that perform somewhere in between the two extremes are assigned a score between 0 and 10 depending on how close they are to the strongest/weakest Local Authority area.

In addition, some of the sub-indicators used to measure Ability to Recruit take into account characteristics of Local Authority areas which are within commutable distance.

4. Phase 2 of location analysis - results

This chapter presents the results of Phase 2 analysis based on the performance of Local Authorities against the quantitative evidence on four location criteria, according to the scoring methodology described in Chapter 3. The full results are presented in Annex B.

4.1 Aggregate scores and ranking

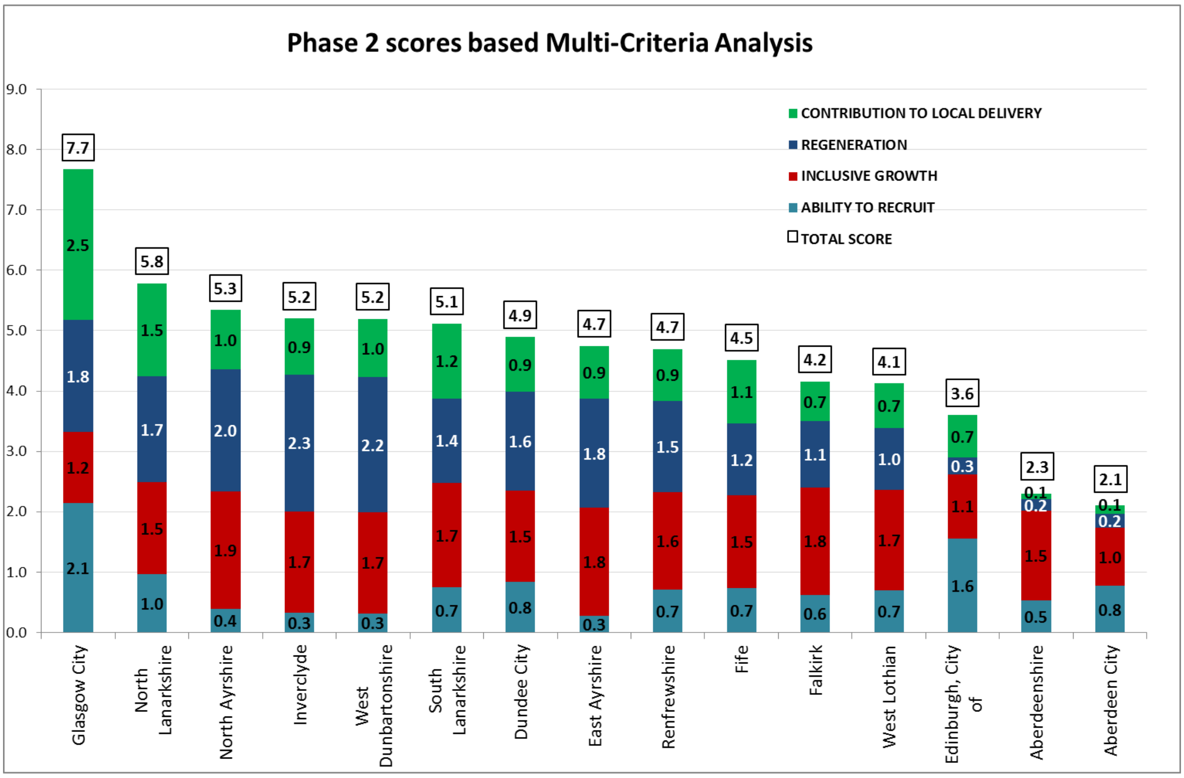
When each of the four location criteria are equally weighed at 25% to give an overall score, the ranking of 15 Local Authorities is as shown in Figure 4. Figure 4 shows both the total scores, as well as the breakdown by each of the four criteria.

As the highest ranking Local Authority on 2 out of the 4 criteria (Ability to Recruit and Contribution to Local Delivery), Glasgow has the highest overall score of 7.7 out of a maximum of 10.0. North Lanarkshire is the second highest rated, followed by North Ayrshire. Similarly to Glasgow, North Lanarkshire scores well against Ability to Recruit and Contribution to Local Delivery. South Lanarkshire and Dundee City also ranked above the median.

North Ayrshire has the third highest score as it scores highly against Inclusive Growth and Regeneration criteria. Inverclyde and West Dunbartonshire have joint fourth highest scores. However, these three Local Authorities performed weakly against Ability to Recruit.

Aberdeen, Aberdeenshire and Edinburgh score very low overall, although Edinburgh's score is somewhat higher due to a high score for Ability to Recruit.

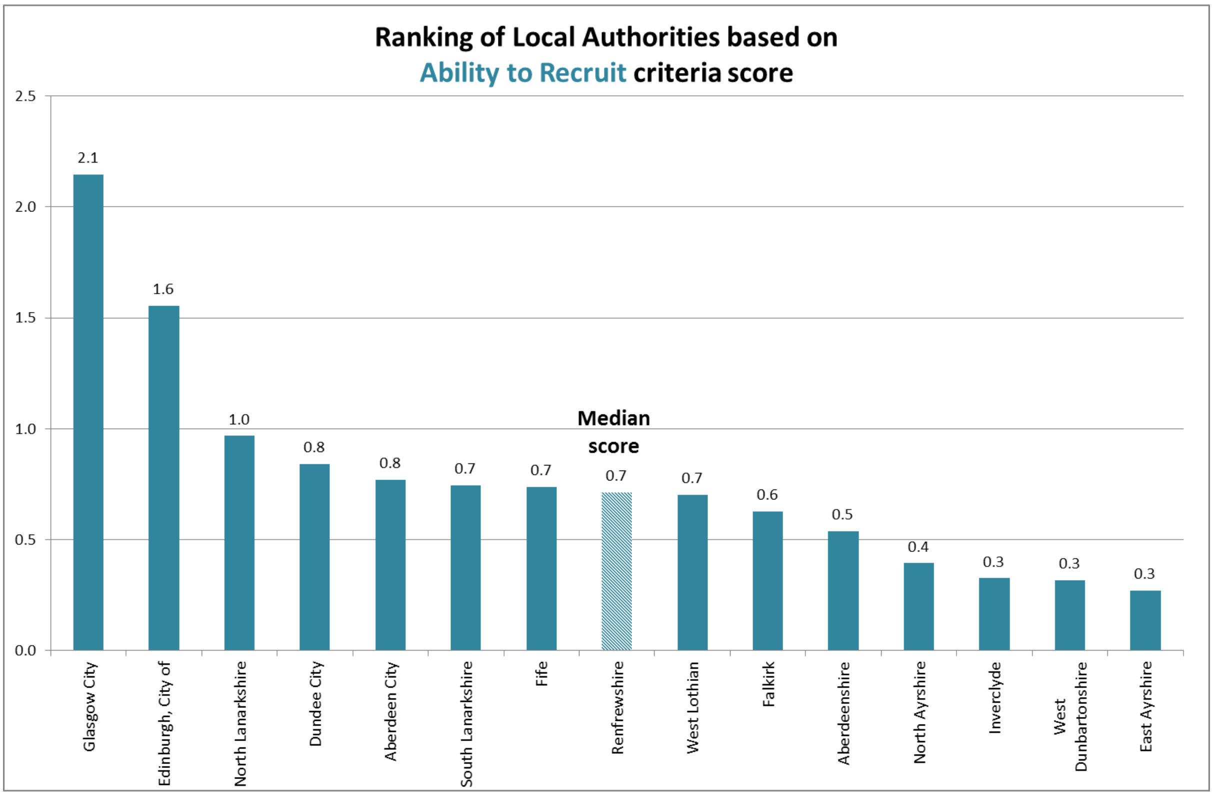
Figure 7 – Ranking of Local Authorities – Aggregate scores against 4 location criteria



4.2 Ability to Recruit

The Ability to Recruit location criteria consists of 14 sub-indicators, including the size of the working-age population, population density, short-term unemployment levels, employment levels in similar occupations to agency staff, skill levels, education levels and business vacancies. Some of these indicators were chosen to reflect the largely administrative, advisory and caseworker staff profile of the agency.

Figure 8 - Ranking of Local Authorities based on Ability to Recruit criteria



Glasgow is clearly the best performer in terms of the Ability to Recruit criteria, with a score of 2.1. Glasgow is not only the largest Local Authority in Scotland, it is also surrounded by many neighbouring Local Authorities with good transport links. Edinburgh similarly benefits because of these factors but to a lesser extent and therefore scores 1.6. Glasgow also has the highest number of staff currently employed in similar occupations to future agency staff, such as in administrative and secretarial and sales and customer service occupations.

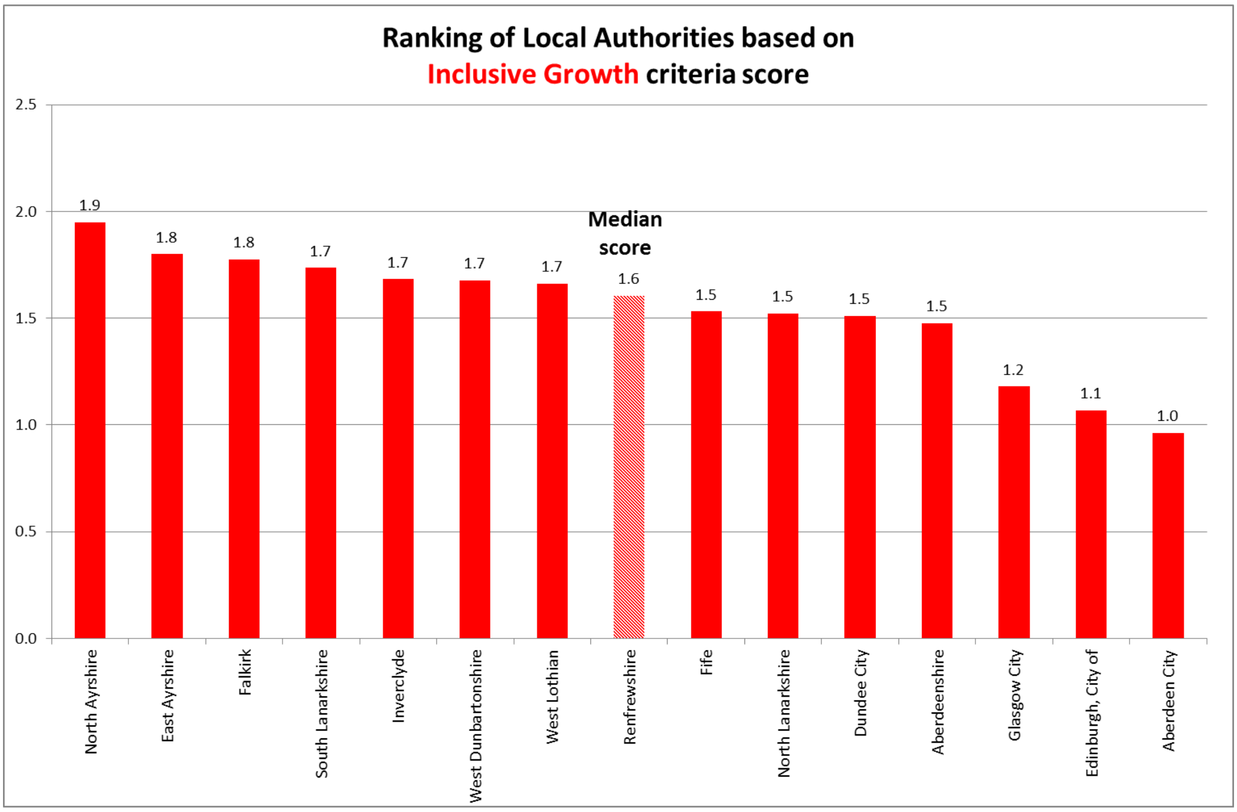
With a score of 1.0, North Lanarkshire could be described as the ‘best of the rest’ in terms of its ability to recruit, but only marginally so, with a number of other smaller Local Authorities scoring at or just above the median score of 0.7. North Lanarkshire outperforms the rest because of a relatively high short-run unemployment levels, its proximity to other populated Local Authorities and the high number of people currently employed in occupations similar to agency staff.

Areas such as East Ayrshire, West Dunbartonshire and Inverclyde do not perform well against the Ability to Recruit criteria. This is driven by their relatively small population size (even after taking into account Local Authorities from which commuting is possible), poor skills and education levels and low numbers of people employed in occupations similar to that of future agency staff.

4.3 Inclusive Growth

The Inclusive Growth location criteria consist of 5 indicator sets: contribution to the economy, recent economic performance, employment opportunities, business creation and economic diversity. Local Authorities that demonstrated weaker performance against these indicators were assigned higher scores in terms of suitability for agency location.

Figure 9 - Ranking of Local Authorities based on Inclusive Growth criteria



In contrast to Ability to Recruit, there is less variation in the Inclusive Growth scores, partly because this criterion is less influenced by the size of each Local Authority. North Ayrshire is the highest scoring Local Authority (1.9), just ahead of East Ayrshire and Falkirk which score 1.8 (note that this is the only criteria for which Falkirk scores above the median).

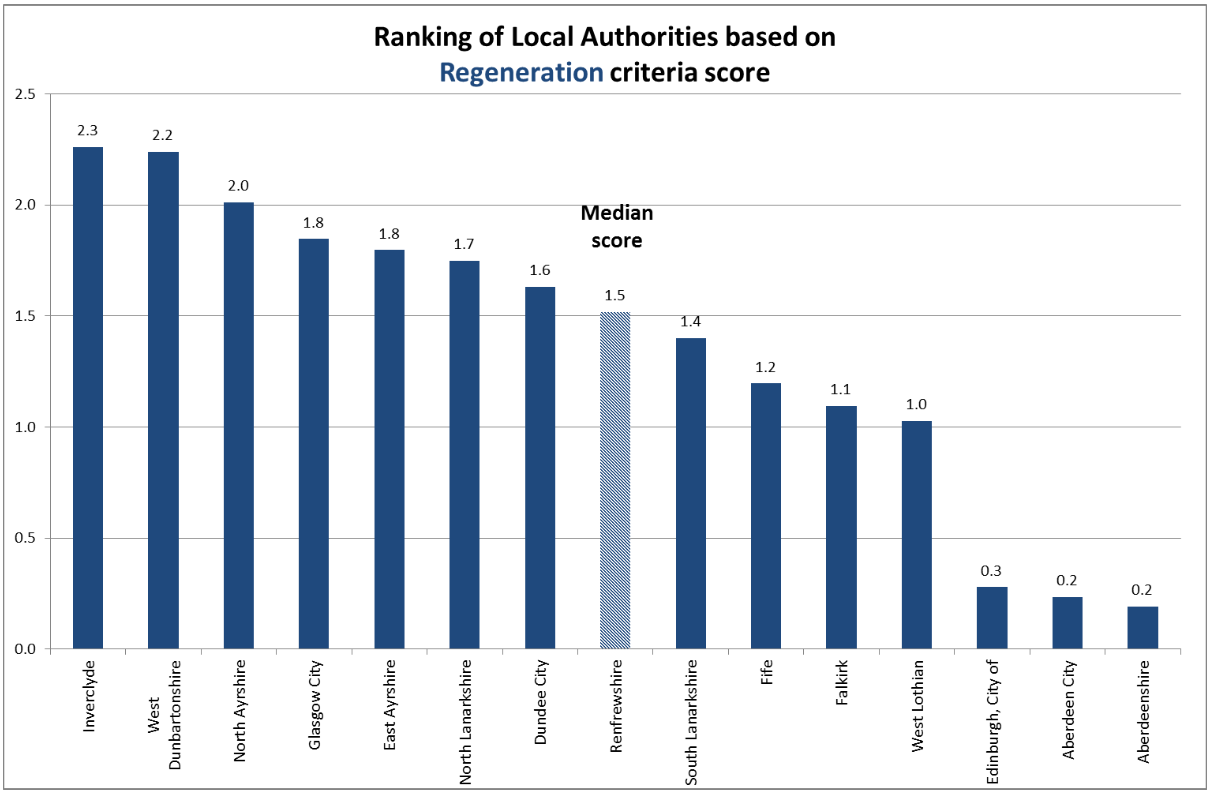
North Ayrshire and East Ayrshire's scores are driven by low Gross Value Added (GVA) per working age person, negative GVA growth over the past decade, a high proportion of people who travel outside their home area for work and a low level of business creation.

Scotland's main cities (Edinburgh, Aberdeen, Glasgow and Dundee) perform poorly against these criteria. Dundee is a slight exception to this rule scoring 1.5, but still below the median of 1.7. This is partly driven by the fact that more working-age people are employed in these areas than live there due to the existing employment pull factor in these centres. These areas also have relatively high levels of GVA per worker, as well as strong GVA growth and high business birth rates.

4.4 Regeneration

The Regeneration location criterion consists of 4 indicators which are based on the Scottish Index of Multiple Deprivation (SIMD) measures. These include: the proportion of datazones in a Local Authority that are ranked within the 20% most and least deprived in Scotland and the proportion of datazones in a Local Authority that are counted as income and employment deprived. The other 2 indicators used are population trend indicators, which show whether a Local Authority has experienced a long-term population decline.

Figure 10 – Ranking of Local Authorities based on Regeneration criteria score



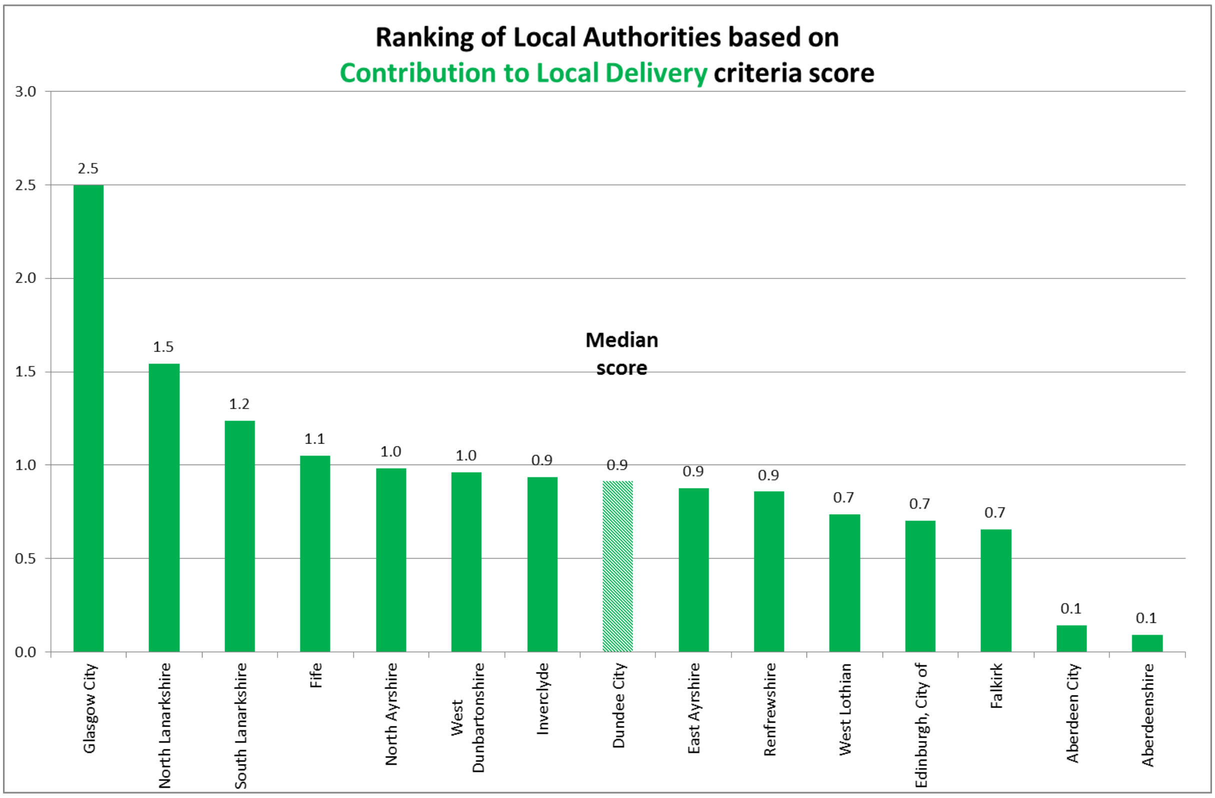
Two Local Authorities (Inverclyde and West Dunbartonshire) score particularly well against the Regeneration criterion. This is because not only are there high concentrations of deprived datazones in these Local Authorities (as captured through SIMD), but these are the only two areas in Scotland that have seen population declines over the past decade or so - indicative of a long-term structural decline in the local economy. Glasgow also performs well against this criterion, as it has the largest concentration of deprived datazones of any Local Authority.

Aberdeenshire, Aberdeen City and Edinburgh have particularly low scores against the Regeneration criterion. These areas have low proportions of deprived areas compared to other Local Authorities, and around 40% of datazones in Aberdeen and Edinburgh are among the 20% least deprived in Scotland. The population of Edinburgh has grown by 11% in the past decade or so, which is the highest rate of growth of any Local Authority.

4.5 Contribution to Local Delivery

The Contribution to Local Delivery location criterion consists of 6 indicators related to the level and concentrations of people in receipt of devolved benefits across the shortlisted Local Authorities. These include disability benefits (Attendance Allowance, Disability Living Allowance and Personal Independence Payments), Carer's Allowance and Child Tax Credits (a proxy measure for the Best Start Grant).

Figure 11 – Ranking of Local Authorities based on Contribution to Local Delivery criteria score



Glasgow is has the highest score against this criterion, due to both a very high number of claimants and the highest concentration of claimants per head of population. Aberdeen City and Aberdeenshire have both low levels and concentrations of claimants.

4.6 Recommended shortlist

In the analysis so far, each of the four location criteria have been equally weighted. However, the Ability to Recruit criteria is the most important criteria for successful delivery of the social security programme by the end of this Parliamentary term.

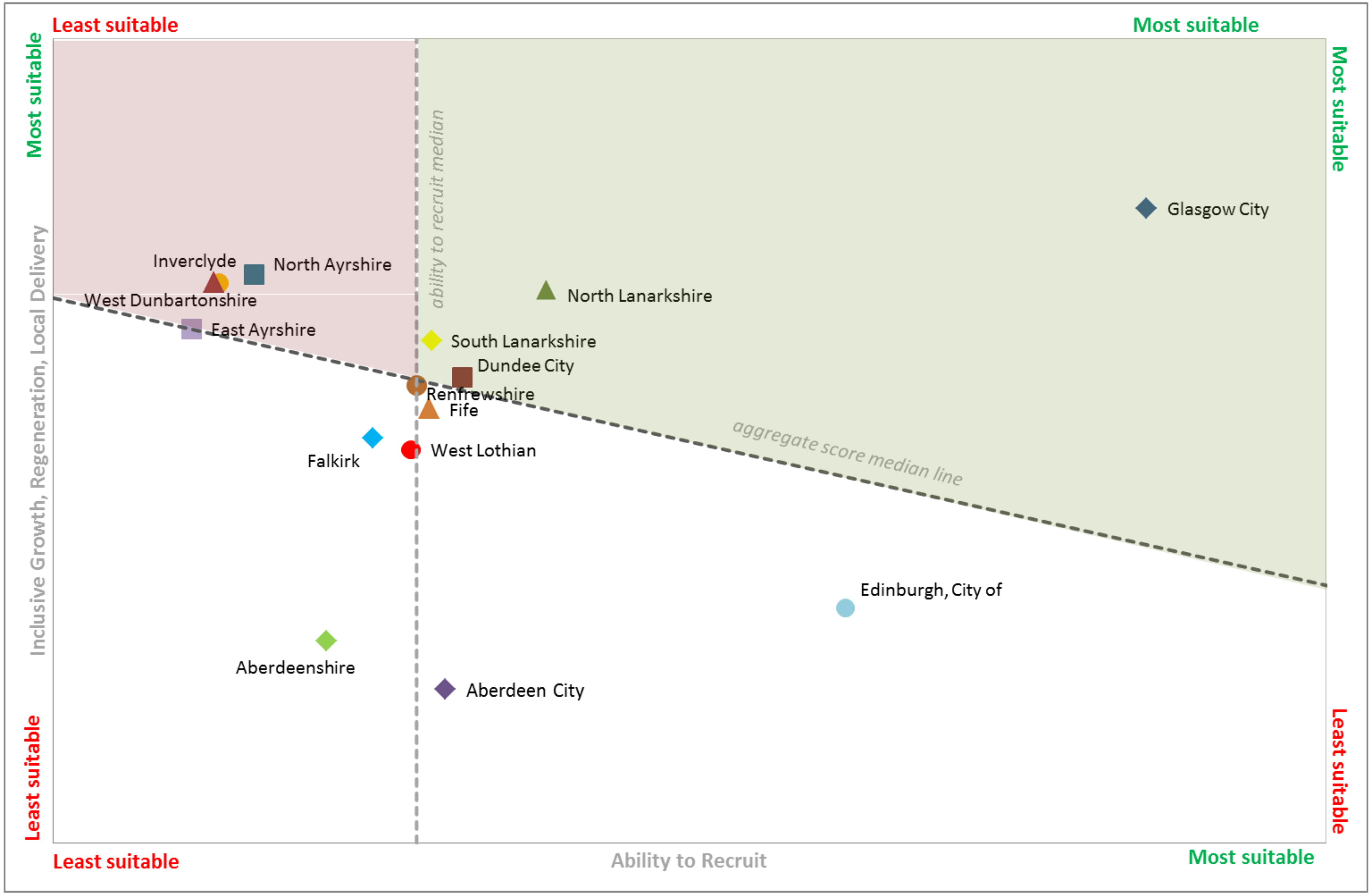
This risk around the agency's ability to recruit could be lowered by selecting the Local Authorities that have both higher than median aggregate score and higher than median score on Ability to Recruit.

This is presented graphically in Figure 12 which plots the Ability to Recruit scores against total scores for the other 3 location criteria for each of the 15 Local Authorities. Every Local Authority above the 'aggregate score median' line, has an overall score higher than the median and every Local Authority that is right of the 'ability to recruit median' line has a score above the median for that criterion.

This would mean that the areas that are assessed as being most suitable for agency location are **Glasgow City, North Lanarkshire, South Lanarkshire, and Dundee City** – the Local Authorities in the green shaded area of the chart.

The aim of Phase 2 analysis is to provide a robust assessment of how different Local Authority areas compare to each other against set of relevant criteria. Given the limiting factor of Ability to Recruit, the shortlist of four Local Authorities is the main result of this part of the analysis. Key information on each Local Authority area considered in Phase 2 is summarised in Local Authority profiles in Chapter 5.

Figure 12 – Phase 2 analysis results



5. Local Authority profiles

5.1 Glasgow City

Ability to Recruit – Implementability and Risk – Rank 1 of 15

Glasgow City is the largest and most densely populated Local Authority in Scotland, with a population of over 600,000 people. Of these, around 295,000 are working age and economically active, which means that they are either in employment or are available and actively looking for employment.

Around 25,000 people in Glasgow City Local Authority area report being unemployed, i.e. without a job and actively seeking work. Around 6,200 people have been claiming out of work benefits such as Jobseeker's Allowance (JSA) and Universal Credit (UC)[8] for less than 12 months. This provides an indication of a sizeable spare capacity in Glasgow itself before any consideration is given to the surrounding commutable areas.

Glasgow also has 57,200 people already employed in administrative and secretarial and sales and customer service occupations, which are most relevant for agency's staff profile.

Once adjusted for the neighbouring and commutable Local Authorities, these numbers indicate a sizeable spare capacity in the local labour market as well as an existing pool of employees in occupations relevant to the agency's recruitment needs, lowering the risk around recruitment.

Education and skills levels, as measured by the proportion of school leavers in positive destinations and those who achieve above SCQF5 levels of qualifications, are lower than in most other Local Authority areas. There is also some indication of challenges around recruitment with a high proportion of hard to fill vacancies and skill gaps in some relevant occupations.

However, the size of the workforce in Glasgow and surrounding areas is much larger than in any other Local Authority and this will be the main factor in minimising the risk around recruitment.

Inclusive Growth – Economy and Environment - Rank 13 of 15

Glasgow City does less well on the Inclusive Growth criteria because of its considerable contribution to the Scotland's economy, high rate of business creation and availability of employment opportunities.

Growth has been strong in Glasgow over the past decade or so, with Gross Value Added (GVA) estimated to have risen by 11% between 2004 and 2014. GVA per worker (£44,000) is relatively high compared to other Local Authorities, although is smaller compared to Edinburgh's (£48,700) and Aberdeen's (£55,400). GVA per working age person is higher still at £46,400, most likely an indication of substantial level of commuting in from neighbouring areas, which is characteristic of urban areas, although the difference is not as notable as it is for Aberdeen City.

Around 1.6% of businesses in Glasgow have more than 100 employees - one of the highest rates in Scotland (median rate across the 15 Local Authorities is 1.1%). Glasgow also has a strong business birth rate, second only to Edinburgh and

[8] Only those UC recipients who are searching for work are included in this measure

Aberdeen. Employment projections are strong, with 4.0% employment growth projected between 2015 and 2024 (median rate of 0.5%).

Regeneration – Equality and Poverty – Rank 4(=) of 15

Glasgow experiences very high levels of deprivation. 48% of its SIMD datazones are among the 20% most deprived in Scotland - the highest percentage of any Local Authority in Scotland. Less than 10% of Glasgow's SIMD datazones are among the 20% least deprived in Scotland, which is one of the lowest percentages in Scotland, with only North Lanarkshire and West Dunbartonshire having lower percentages.

Deprived areas are concentrated in the south and east of the city[9], including areas such as the Gorbals, Govanhill, Bridgeton, Dalmarnock and Gallowgate. Other deprived areas include Springburn, Possil Park, Maryhill and Moorpark.

On the other hand, the population of Glasgow has risen by 6.5% between 2005 and 2015. There has been net in-migration over the past decade which increased population by 3.9%. This compares to smaller surrounding Local Authority areas, such as Inverclyde, West Dunbartonshire and North Ayrshire, which have seen declines in population over the past decade and net out-migration.

Contribution to Local Delivery – Dignity and Respect – Rank 1 of 15

In November 2016, there were around 79,400 people claiming disability benefits – Disability Living Allowance, Personal Independence Payment and Attendance Allowance (DLA/PIP/AA). This is the highest number of all Local Authorities in Scotland, due to both the size of Glasgow City's population but also specifically high concentrations of claimants in the area (Edinburgh's population is only 18% lower than Glasgow's but the number of disability benefit claimants is less than half of that in Glasgow). Disability benefit claimants make up 13.1% of total population of Glasgow. This is on par with Inverclyde and West Dunbartonshire as the highest percentage among Phase 2 Local Authorities.

There were 11,700 people in Glasgow claiming Carers Allowance (CA) – at 1.9% this is the highest proportion of total population of all Phase 2 Local Authorities.

Glasgow also has the highest number of people claiming Tax Credits (TCs). Receipt of Tax Credits can be taken as a proxy for eligibility for benefits such as the Best Start Grant and provides a general indication of the size of the caseload for any means-tested benefits that could be devolved or created in the longer term.

5.2 North Lanarkshire

Ability to Recruit – Implementability and Risk – Rank 3 of 15

With a population of over 340,000 people, North Lanarkshire is the fourth largest Local Authority in Phase 2 behind Glasgow, Edinburgh and Fife. Around 170,000 people in North Lanarkshire are of working age and economically active. Around 2,900 have been claiming out of work benefits such as JSA and UC for less than 12 months.

The population of North Lanarkshire is not concentrated in one area, with six towns with a population of more than 20,000: Cumbernauld (51,610), Coatbridge (43,970),

[9] Based on the most deprived 5% of SIMD deciles.

Airdrie (37,130), Motherwell (32,120), Wishaw (31,510) and Bellshill (20,650) [10]. These larger towns are found in the west of the Local Authority (nearest to Glasgow), with the east more sparsely populated.

North Lanarkshire's geography means its main towns are accessible by public transport from other Local Authorities. North Lanarkshire borders Falkirk, East Dunbartonshire, Glasgow, South Lanarkshire and West Lothian and is commutable from key towns in those areas, with some parts also commutable by public transport from Stirling.

The short-term unemployment level in North Lanarkshire is the second highest of the 15 Local Authority areas, indicating a significant pool of people looking for work. Around 37,400 people in North Lanarkshire are employed in administrative and secretarial and sales and customer service occupations. North Lanarkshire does not perform as well against measures related to skills and education, with 68.8% of 16-64 year olds with SCQF5 qualifications or higher compared to a median of 72.5%.

Inclusive Growth – Economy and Environment - Rank 9(=) of 15

With relatively strong economic performance in terms of GVA growth and recent falling unemployment rates, North Lanarkshire ranks as below the median for achieving Inclusive Growth despite a lack of local employment opportunities and low business activity.

Growth has been strong in North Lanarkshire over the past decade or so, with GVA estimated to have risen by 23% between 2004 and 2014. GVA per worker remains relatively low (£40,900) and is the fourth lowest amongst the Phase 2 Local Authorities. North Lanarkshire's unemployment rate fell by around 4 percentage points between 2015 and 2016, the largest fall of any Local Authority during this period.

North Lanarkshire's ranking against the Inclusive Growth criteria is pushed upwards by the indicators pointing to a relative lack of local employment opportunities within the area. At £27,100, GVA per working age person is substantially lower than GVA per worker, indicating substantial out-commuting to neighbouring areas for work, such as Glasgow. The workplace-based employment rate (as a percentage of 16-64 year old population) in North Lanarkshire is the lowest across all Phase 2 Local Authorities (51%). This means there are nearly twice as many 16-64 year olds living in North Lanarkshire than working there. This compares to Glasgow and Aberdeen, where there are more 16-64 olds employed in these areas than live there, reflecting the concentrations of economic activity in these areas.

Regeneration – Equality and Poverty – Rank 4(=) of 15

Just under a third (32%) of North Lanarkshire's SIMD datazones are along the 20% most deprived in Scotland, which is above the median in Phase 2 (27%). Less than 10% of North Lanarkshire's SIMD datazones are in least deprived 20% - the second lowest in the short-list. Deprived datazones are generally found within all of the 6 major towns in the Local Authority, with Cumbernauld being somewhat less deprived with only a single datazone in the most deprived 5% of datazones in Scotland.

[10] https://www.nrscotland.gov.uk/files//statistics/population-estimates/special-area/mid-2012-settlements/2012-pop-est-sett-local-main-tab3a.pdf

North Lanarkshire's population has increased over the past 10 years by 3.4% which is relatively strong growth compared to other Local Authorities which have seen smaller increases or experienced declines in population over this same period. Net migration over the past decade has been close to zero overall.

Contribution to Local Delivery – Dignity and Respect – Rank 2 of 15

In November 2016, there were around 41,900 people claiming disability benefits (DLA/PIP/AA). Although this level is second highest of all 15 Local Authorities considered, it is substantially lower than the level in Glasgow City (79,400). Disability benefit claimants make up 12.4% of the total population of North Lanarkshire which is the fourth highest rate among the Phase 2 Local Authorities (Glasgow, Inverclyde and West Dunbartonshire all have slightly higher rates).

There were just under 6,000 claiming Carer's Allowance – at 1.8% it is one of the highest rates amongst Phase 2 Local Authorities. Around 24,800 households are in receipt of Tax Credits – around half of the number in Glasgow but still second highest of the fifteen Phase 2 Local Authorities.

5.3 South Lanarkshire

Ability to Recruit – Implementability and Risk – Rank 6(=) of 15

South Lanarkshire's population of over 316,000 people makes it the fifth largest Local Authority of the fifteen considered at Phase 2. Of these, around 156,800 are working age and economically active. Around 7,500 people report being unemployed and around 2,300 have been claiming out of work benefits such as JSA and UC for less than 12 months. These numbers are amplified by the substantial labour force in the neighbouring Local Authorities, from parts of which commuting is possible.

South Lanarkshire covers a large geographical area, spanning south along the Clyde Valley. The vast majority of its population is concentrated in the north of the authority in the Greater Glasgow suburbs such as Cambuslang (27,610) and Rutherglen (31,180) and in towns such as Hamilton (53,200) and East Kilbride (74,740). Uddingston and Blantyre are smaller towns.

South Lanarkshire's towns generally have good public transport links to Glasgow and North Lanarkshire which allow commuting from those areas, as well as from East Renfrewshire. It should be noted that transport links vary across the authority. Uddingston and Cambuslang are the most connected centres by public transport (on the Edinburgh Waverly – Glasgow Central line), whilst Blantyre, Hamilton and, in particular, East Kilbride are more isolated on the rail network.

Indicators suggest that both North and South Lanarkshire[11] have relatively low skills gaps in sales and customer service and administration and clerical services, as well relatively low Skill Shortages.

South Lanarkshire's Ability to Recruit score is weakened by a relatively low short-term unemployment level, low skills and education levels and a low number of people employed in business administration and public administration sectors. South Lanarkshire's population density is also low. However this is due to the particular geography of the authority.

[11] Data does not allow a distinction to be made between North and South Lanarkshire

Inclusive Growth – Economy and Environment - Rank 4(=) of 15

Growth has been relatively weak in South Lanarkshire over the past decade or so, with GVA estimated to have risen by 2% between 2004 and 2014. More recently, GVA has risen by 2.6% on average annually over 2010 to 2014. At £40,945, GVA per worker is low compared to other Local Authorities, putting it just within the bottom 5 Local Authorities on this measure. GVA per working age person is substantially lower at £26,300 indicating substantial levels of commuting-out for work.

The unemployment rate in South Lanarkshire has risen by 0.3% between 2015 and 2016, the only Local Authority to see an increase over this period, excluding Aberdeen and Aberdeenshire. Similarly to North Lanarkshire, the workplace-based employment (as a percentage of 16-64 year old population) is the third lowest across all Phase 2 Local Authorities (54%).

South Lanarkshire's Inclusive Growth score is dragged down by lower scores for Economic Diversity indicators, with relatively high proportions of the workforce employed in the public sector. South Lanarkshire also has a relatively high number of businesses for its size – the rate is similar to Glasgow and is higher than in Dundee.

Regeneration – Equality and Poverty – Rank 9 of 15

South Lanarkshire has lower levels of deprivation compared to some of the surrounding areas. Around 21% of datazones in South Lanarkshire are within the 20% most deprived in Scotland, compared to a median of 27% amongst Phase 2 LAs. Around 13% of datazones income deprived and 12% are employment deprived, which is around the median proportion across the fifteen Phase 2 Local Authorities. South Lanarkshire has seen some population growth over the last decade and net in-migration – both at around 3%.

Contribution to Local Delivery – Dignity and Respect – Rank 3 of 15

In November 2016, there were around 35,500 people claiming disability benefits (DLA/PIP/AA), making up 11.2% of total population of South Lanarkshire, which is the median rate across the fifteen Local Authorities. There were 5,000 claiming Carers Allowance, making up 1.6% of the total population, which is also the median. There were 20,100 households in receipt of Tax Credits.

5.4 Dundee

Ability to Recruit – Implementability and Risk – Rank 4(=) of 15

At 148,200, Dundee's population is relatively small compared to the other three large cities and some of the other Local Authorities in Phase 2. Around 68,500 are working age and economically active. Around 6,200 report being unemployed and around 1,400 have been claiming out of work benefits such as JSA and UC for less than 12 months.

Dundee can be accessed by public transport from surrounding areas such as North East Fife, Perth, and Angus towns such as Arbroath and Forfar, although transport links are arguably not as good as in some areas in the west of Scotland.

Dundee is somewhat weaker on Access to Labour Force indicators compared to areas such as Fife. For example, around 12,900 people in Dundee are employed in the business support and public administration sectors compared with around 34,800 in Fife. However, Dundee's labour force is concentrated in one city and only

Glasgow has a higher population density. This gives Dundee an advantage in terms of recruitment compared to larger but less densely populated Local Authorities.

Indicators also suggest that Dundee has the lowest skills gap for administrative and clerical staff roles of any Local Authority and only 6% of businesses are recorded as having at least one vacancy that is hard to fill compared, for example, to 11% in Fife and 10% in Falkirk. The chosen indicators suggest that education and skills levels in Dundee are around the median level amongst the fifteen Local Authorities.

Inclusive Growth – Economy and Environment - Rank 9(=) of 15

Growth has been steady in Dundee over the long-term, with Gross Value Added estimated to have risen by 6% between 2004 and 2014. More recently, GVA has risen by 2.6% on average annually over 2010 to 2014. GVA per worker (£43,208) is relatively high compared to other Local Authorities, placing it 6th behind Edinburgh, Aberdeen, Glasgow, Renfrewshire and Inverclyde.

The unemployment rate in Dundee has fallen by 1.8% between 2015 and 2016, a relatively large decline compared to other Local Authorities. However, the overall employment rate in Dundee sits at 66% which is one of the lowest in Scotland (64% in North Ayrshire is the lowest) and employment demand in secretarial, sales and customer service occupations is projected to fall.

Notably, at £36,100, Dundee's GVA per working age person is lower than GVA per worker – the only one of the four large cities for which this is the case. This suggests that the pull of commuters into Dundee is not as strong as in other cities and that a substantial number of residents in Dundee City Local Authorities commute elsewhere for work.

There is some additional indication that the business climate in Dundee is relatively weak. There is a relatively low number of businesses per 10,000 people and a low business survival rate. Dundee also has a significant proportion of employees already working in the public sector. However, the proportion of large business with more than 100 employees is second only to Aberdeen.

Regeneration – Equality and Poverty – Rank 7 of 15

Dundee experiences relatively high levels of deprivation. 37% of its SIMD datazones are among the 20% most deprived in Scotland – the fifth highest share amongst Phase 2 Local Authorities. The proportion of datazones within the least deprived 20% in Dundee is the same as the median level across Phase 2 Local Authorities (15.4%). The proportion of datazones that are income and employment deprived are also slightly above the median.

Over the past decade Dundee's population has increased by 3.2% (which is above the median) and there has been net in-migration which amounted to 3.8% of population.

Contribution to Local Delivery – Dignity and Respect – Rank 7(=) of 15

In November 2016, there were around 16,900 people claiming disability benefits (DLA/PIP/AA), making up 11.4% of total population of Dundee, which is just above the median figure across Phase 2. There were 2,370 claiming Carers Allowance, making up 1.6% of the population, which is the median rate across the fifteen Local Authorities.

Whilst Dundee is close to the average in terms of concentrations of claimants per head of population, the levels are relatively low due to its relatively small size.

5.5 Renfrewshire

Ability to Recruit – Implementability and Risk – Rank 8 of 15

Renfrewshire is a medium sized Local Authority in terms of its population size, with around 175,000 residents, of which 86,700 are of working age and economically active. Around 4,800 report being unemployed and around 1,500 have been claiming out of work benefits such as JSA and UC for less than 12 months.

The population of Renfrewshire is mainly concentrated in Paisley (76,220), with the other main towns - Renfrew (22,010) and Johnstone (16,390) - considerably smaller.

Renfrewshire scores relatively low across most of the Access to Labour Force indicators. Renfrewshire's working-age economically active population (including neighbouring Local Authorities) is 8th highest out of Phase 2 Local Authorities. However, the percentage of school leavers in positive destinations and percentage of 16-64 years olds with a good qualification is relatively high compared to other authorities. Renfrewshire also has a small skills gap in relation to sales and customer services compared to other Local Authorities.

Inclusive Growth – Economy and Environment - Rank 6(=) of 15

Growth has been very weak in Renfrewshire over the past decade or so, with Gross Value Added estimated to have fallen by 3% between 2004 and 2014. More recently, GVA has fallen by 1.2% on average annually over 2010 to 2014. However, GVA per worker (£43,345) is below above the average compared to other Phase 2 Local Authorities.

The employment picture in Renfrewshire is much more positive. Employment has risen by a significant 13% (the highest rise of any Local Authority) between 2015 and 2016 and the employment rate overall is one of the highest in Scotland (75%) - higher than Edinburgh for example.

Regeneration – Equality and Poverty – Rank 8 out of 15

Around 27% (equal to the median) of datazones in Renfrewshire are within the 20% most deprived in Scotland. Around 19% of datazones are with the 20% least deprived which is slightly above the median in the short-list (15%). Total population has increased by 1.8% over the past decade or so.

Contribution to Local Delivery – Dignity and Respect – Rank 7(=) out of 15

In November 2016, there were around 19,360 people claiming disability benefits (DLA/PIP/AA), making up 11.1% of total population of Renfrewshire. There were 2,330 claiming Carers Allowance, making up 1.3% of the total population. There were 11,800 households in receipt of Tax Credits.

5.6 North Ayrshire

Ability to Recruit – Implementability and Risk – Rank 12 of 15

North Ayrshire's population is relatively small compared to other Phase 2 Local Authorities . Of the 136,100 people living in North Ayrshire, 59,000 are working age and economically active. Around 1,450 have been claiming out of work benefits such as JSA and UC for less than 12 months.

The population of North Ayrshire is concentrated in a few towns in the south of the authority. The largest town is Irvine (33,740) and other smaller towns in close proximity include Kilwinning (16,420), Ardrossan (10,930), Saltcoats (12,800) and Stevenson (9,290). Irvine is also close to other large towns in bordering East Ayrshire (Kilmarnock) and South Ayrshire (Ayr).

North Ayrshire scores poorly against Access to Labour Force indicators. For example, North Ayrshire has a particular low employment in the business support and public administration sector. When neighbouring Local Authorities are taken into account, the working-age population within the orbit of the authority is around 100,000 people. Only three other Phase 2 Local Authorities have less 100,000 working-age people, taking into account neighbouring Local Authorities

Although school leaver destinations are broadly positive, the education levels in the general population are low in North Ayrshire. One area that North Ayrshire performs particularly well in is the small number of businesses that report vacancies due to local skill shortages.

Inclusive Growth – Economy and Environment - Rank 1 of 15

Growth has been poor in North Ayrshire over the past decade or so, with Gross Value Added estimated to have fallen by 7.5% between 2004 and 2014, the biggest decline of any Local Authority over this period. More recently, GVA has risen by 1.9% on average annually over 2010 to 2014. GVA per worker stood at around £41,200.

The employment rate in North Ayrshire is the lowest amongst Phase 2 Local Authorities (64%) and only 55% of people living in North Ayrshire work in their home area. Employment is projected to fall a further 1.9% between 2015 and 2024. The number of businesses per 1,000 people and the business birth rate is also low in North Ayrshire.

Regeneration – Equality and Poverty – Rank 3 of 15

North Ayrshire ranks 3rd for Regeneration, scoring 2.0 (median is 1.5).

North Ayrshire experiences relatively high levels of deprivation. 38% of its SIMD datazones are among the 20% most deprived in Scotland – the fourth highest share amongst Phase 2 Local Authorities. Less than 10% of North Ayrshire's SIMD datazones are within the least deprived 20%. The proportion of datazones that are income and employment deprived are above the median.

In addition to high levels of deprivation, the population of North Ayrshire has declined over the past decade or so by 0.4% compared to most other authorities in Scotland which have seen an increase in population over the period 2005 to 2015.

Contribution to Local Delivery – Dignity and Respect – Rank 5(=) of 15

In November 2016, there were around 16,000 people claiming disability benefits (DLA/PIP/AA), making up 11.8% of total population of the authority. There were 2,410 claiming Carers Allowance, making up 1.8% of the total population, which is above the median and one of the highest proportions in Scotland.

5.7 Inverclyde

Ability to Recruit – Implementability and Risk – Rank 13(=) of 15

Inverclyde is the smallest Local Authority in Phase 2, with a population of fewer than 80,000 people. Of these, around 37,000 are working age and economically active, which means that they are either in employment or are available and actively looking for employment. Around 3,100 report being unemployed and around 1,200 have been claiming out of work benefits such as JSA and UC for less than 12 months.

Most of the population is concentrated in Greenock (43,690) and in the neighbouring Port Glasgow and Gourock (25,760 in total). Inverclyde borders Renfrewshire and North Ayrshire. Greenock (and potentially the adjacent Port Glasgow) would be the only practical location for the agency headquarters.

The population of Inverclyde is too small for the agency to be staffed with current resident population only. There are also issues around the education levels and skills in the areas. However, good train links to Glasgow city and Renfrewshire (Paisley) would allow employees to commute and the Access to Labour Force indicators are adjusted to take this into account. The agency location could also encourage in-migration into the area, potentially partly reversing a long-term outmigration trend.

Inclusive Growth – Economy and Environment - Rank 4(=) of 15

Growth has been weak in Inverclyde over the past decade or so, with GVA estimated to have fallen by 2.7% between 2004 and 2014. More recently there has been some expansion in the local economy, with GVA rising by 3.2% on average annually over 2010 to 2014. At £43,700, GVA per worker however, compared favourably to neighbouring areas such as East Ayrshire and West Dunbartonshire.

Business birth and survival rates per head of population are low.

Regeneration - Equality and Poverty - Rank 1 of 15

Inverclyde experiences high levels of deprivation. 44% of its SIMD datazones are among the 20% most deprived in Scotland – Glasgow City is the only other Local Authority with a higher share. There are largely around Greenock and Port Glasgow. Only 13% of Inverclyde's datazones are in Scotland's least deprived 20%.

Contribution to Local Delivery – Dignity and Respect – Rank 7(=) of 15

In November 2016, there were 10,440 people claiming disability benefits (DLA/PIP/AA), making up 13.1% of total population of Inverclyde – the equal highest rate among the Phase 2 Local Authorities. There were 1,420 claiming Carers Allowance – at 1.8% it is the second higher rate amongst Phase 2 Local Authorities.

5.8 West Dunbartonshire

Ability to Recruit – Implementability and Risk – Rank 13(=) of 15

West Dunbartonshire is also one of the smallest Local Authorities in Phase 2 with a population of less than 90,000. Of these around 43,000 are working age and economically active. Around 3,000 report being unemployed and around 1,000 have been claiming out of work benefits such as JSA and UC for less than 12 months.

The population of West Dunbartonshire is split across two main centres of population - Clydebank (26,640) and Dumbarton (19,950). Similar to Inverclyde, the area is too small for the agency to be staffed with current resident population. The agency would be dependent on staff commuting from neighbouring Local Authorities, particularly

Glasgow and East Dunbartonshire and the Access to Labour Force indicators are adjusted to take this into account.

Overall West Dunbartonshire scores poorly across all Access to Labour Force indicators, with short-term unemployment levels being particularly low. West Dunbartonshire's education and skills scores are the lowest amongst all Local Authorities.

Inclusive Growth – Economy and Environment - Rank 4(=) of 15

West Dunbartonshire scores 1.7 for Inclusive Growth and is ranked equal 4th amongst all Phase 2 Local Authorities.

Growth has been flat in West Dunbartonshire over the past decade or so, with GVA estimated to have fallen by 0.6% between 2004 and 2014. However, more recently, GVA has fallen sharply by 1.6% on average annually over 2010 to 2014. GVA per worker (£37,400) is the second lowest of any of the Phase 2 Local Authorities.

Although the resident based employment rate in West Dunbartonshire is 71%, which is close to the median for the fifteen Local Authorities, less than half of the people living in West Dunbartonshire work in their home area. Employment is projected to fall by 3.4% between 2015 and 2024, the biggest projected fall across all Local Authorities. The number of businesses per 10,000 people is the lowest of any Local Authority and the percentage of those employed in the public sector is the highest of any Local Authority.

Regeneration – Equality and Poverty – Rank 2 of 15

West Dunbartonshire experiences high levels of deprivation. 40% of its SIMD datazones are among the 20% most deprived in Scotland – the third highest share amongst Phase 2 Local Authorities. Less than 5% of West Dunbartonshire's SIMD datazones are within the least deprived 20%, the lowest proportion of any Local Authority. The proportion of datazones that are income and employment deprived are also well above the median.

In addition to high levels of deprivation, the population of West Dunbartonshire has declined over the past decade or so by 2.1%, compared to most other authorities in Scotland which have seen an increase in population over this period. Only Inverclyde has seen a larger percentage fall in population terms over this period.

Contribution to Local Delivery – Dignity and Respect – Rank 5(=) of 15

In November 2016, there were around 11,600 people claiming disability benefits (DLA/PIP/AA), making up 13% of total population of the authority, one of the highest percentages of any Local Authority. There were 1,560 claiming Carers Allowance, making up 1.7% of the total population. Around 7,100 households receive Tax Credits.

5.9 East Ayrshire

Ability to Recruit – Implementability and Risk – Rank 13(=) of 15

East Ayrshire has the 3rd lowest population of the Local Authorities considered in Phase 2, with around 122,000 residents, of which 54,300 are of working age and economically active. Around 1,300 have been claiming out of work benefits such as JSA and UC for less than 12 months.

The population of East Ayrshire is concentrated in the town of Kilmarnock (46,350), with Cumnock being the next largest town (8,920) within the Local Authority.

Because of its relatively small size, East Ayrshire scores relatively poorly across most of the Access to Labour Force indicators, even when these are adjusted to take into account the neighbouring areas from which employees could commute. East Ayrshire's working-age economically active population is the 3rd lowest amongst all Phase 2 Local Authorities. East Ayrshire also has low employment levels in sectors and occupations similar to that of future agency staff such as administration, customer service and sales. East Ayrshire's ranking on skills and education measures is also low compared to other Phase 2 Local Authorities.

Inclusive Growth – Economy and Environment - Rank 2(=) of 15

Growth has been weak in East Ayrshire over the past decade or so, with Gross Value Added estimated to have fallen by 1% between 2004 and 2014. More recently, GVA has risen by 0.3% on average annually over 2010 to 2014. GVA per worker (£35,000) is the lowest of any Local Authority considered at Phase 2.

The current employment picture in East Ayrshire is also weak relative to other Local Authorities. The employment rate is 66% - the second lowest amongst Phase 2 Local Authorities. East Ayrshire also performs poorly against the Business Creation indicator.

Regeneration – Equality and Poverty – Rank 4(=) out of 15

Around 33% of datazones in East Renfrewshire are within the 20% most deprived in Scotland, which is above the median of 27% amongst the Phase 2 Local Authorities. Around 11% datazones are with the 20% least deprived which is below the median in the short-list (15%). Total population has increased by 1.5% over the past decade or so, which is relatively low compared to other Phase 2 Local Authorities.

Contribution to Local Delivery – Dignity and Respect – Rank 7(=) out of 15

In November 2016, there were around 13,800 people claiming disability benefits (DLA/PIP/AA), making up 11.3% of total population of East Ayrshire. There were 2,160 claiming Carers Allowance, making up 1.8% of the total population.

5.10 Fife

Ability to Recruit – Implementability and Risk – Rank 6(=) of 15

Fife is one of the largest Local Authorities analysed in Phase 2, with a population of nearly 370,000 people. Of these, around 174,000 are working age and economically active, which means that they are either in employment or are available and actively looking for employment. Around 2,800 have been claiming out of work benefits such as JSA and UC for less than 12 months.

The urban population of Fife is concentrated in four main areas: Dunfermline (50,380), Kirkcaldy (49,460), Glenrothes (39,100) and Levenmouth[12] (24,460). These towns are located in the south and west of Fife, with the north east of Fife being largely rural with a few smaller towns such as Cupar and St. Andrews.

Despite Fife's relatively large working age population (3rd amongst the Phase 2 Local Authorities) and potential for workers to commute from Edinburgh, Dundee, as well as Perth and Clackmannanshire, overall Fife scores just above the median

[12] Includes Methil, Buckhaven and Leven.

against Ability to Recruit indicators. This is partly driven by it being sparsely populated compared to other areas. Fife's score is driven down by its relatively poor school leaver destinations and lower scores against vacancy and skills gap indicators.

Inclusive Growth – Economy and Environment - Rank 9(=) of 15

Fife scores just below the median on Inclusive Growth indicators, equal 9th with a number of other areas (North Lanarkshire, Dundee and Aberdeenshire).

Growth has been strong overall in Fife over the past decade or so, with Gross Value Added estimated to have risen by 10% between 2004 and 2014. More recently GVA has risen by 3.2% on average annually over 2010 to 2014. GVA per worker (£41,750) is around the median amongst the 15 Phase 2 Local Authorities.

In general, Fife scores at or above the median across most of the Inclusive Growth indicators. Fife has a relatively high business birth rate but scores less well on economic diversity, having the highest proportion of GVA generated in the Business Administration and Support and Public Administration sectors. The unemployment rate in Fife also fell significantly (by 3.1%) between 2015 and 2016.

Regeneration – Equality and Poverty – Rank 10 of 15

Fife has relatively modest levels of deprivation, although there are pockets of deprivation in some areas. 19% of its SIMD datazones are among the 20% most deprived in Scotland, the 10th highest percentage of any Local Authority in Scotland. Over 20% of Fife's SIMD datazones are among the 20% least deprived in Scotland. Fife's population has risen by 4.3% between 2005 and 2015, this compares to some other deprived areas which have seen declines in population indicating long-term decline.

Fife has a concentration of deprived datazones in Kirkcaldy, Glenrothes and the Levenmouth are, as well as some of the former mining villages. More affluent areas are mostly located in the north east of Fife.

Contribution to Local Delivery – Dignity and Respect – Rank 4 of 15

In November 2016, there were around 33,200 people claiming disability benefits (DLA/PIP/AA) - which is the 5th highest level amongst Phase 2 Local Authorities - making up 9% of total population of Fife. There were 5,120 people claiming Carers Allowance (the 3rd highest level amongst Phase 2 Local Authorities).

5.11 Falkirk

Ability to Recruit – Implementability and Risk – Rank 10 of 15

Falkirk is a relatively small Local Authority, with a population of around 158,500 people. Of these, around 79,500 are working age and economically active, which means that they are either in employment or are available and actively looking for employment. Around 890 have been claiming out of work benefits such as JSA and UC for less than 12 months.

The urban population of the Local Authority is concentrated in Falkirk (35,310), with other significant populations in Grangemouth (17,280) and Bo'ness (14,910).

Falkirk could attract a labour force from Edinburgh and Glasgow as well other central belt Local Authorities. However, when even taking this into account Falkirk is ranked at or around the median across most Access to Labour Force indicators. Its overall score for the Ability to Recruit criteria is pushed below the median by its scores on Skill Shortage indicators. For example, around 10% of businesses are reported to have at least one vacancy that is hard to fill, which is the second highest rate amongst Phase 2 Local Authorities.

Inclusive Growth – Economy and Environment - Rank 2(=) of 15

Growth has been weak in Falkirk over the past decade or so, with Gross Value Added estimated to have fallen by 7% between 2004 and 2014. More recently GVA has again fallen by 0.3% on average annually over 2010 to 2014. GVA per worker (£38,100) is amongst the lowest across Phase 2 Local Authorities.

In addition to poor GVA growth, Falkirk also scores poorly on Business Creation indicators, such as its business rate, and economic diversity indicators. For example, around 29% of those employed work in the public sector, compared to an average of 25% across Phase 2 Local Authorities.

Regeneration – Equality and Poverty – Rank 11 of 15

Falkirk has relatively modest levels of deprivation, although there are severe pockets of deprivation in some areas. 15% of its SIMD datazones are among the 20% most deprived in Scotland and around 19% of Falkirk's SIMD datazones are among the 20% least deprived in Scotland. Falkirk's population has risen by 5.5% between 2005 and 2015, which is 6th highest population growth rate among the fifteen Local Authorities.

According to the SIMD measure, Falkirk has concentrations of deprived datazones within Falkirk itself and neighbouring Grangemouth.

Contribution to Local Delivery – Dignity and Respect – Rank 11(=) of 15

In November 2016, there were around 15,200 people claiming disability benefits (DLA/PIP/AA) - which is the 5th highest level amongst Phase 2 Local Authorities - making up 9.6% of total population of Falkirk. There were 2,190 people claiming Carers Allowance (the 3rd highest level amongst Phase 2 Local Authorities).

5.12 West Lothian

Ability to Recruit – Implementability and Risk – Rank 6(=) of 15

West Lothian's population is around 178,600 people. Of these, around 89,700 are working age and economically active, which means that they are either in employment or are available and actively looking for employment. Around 1,230 have been claiming out of work benefits such as JSA and UC for less than 12 months.

The urban population of West Lothian is concentrated in Livingston (56,570), Bathgate (21,070), Broxburn (15,360) and Linlithgow (13,320).

Workforce could commute from Edinburgh, North and South Lanarkshire and Midlothian. West Lothian scores well against measures related to skills and education, with 77% of 16-64 year olds with SCQF5 qualifications compared to a median of 72.5%. It also scores well against vacancies and skills gap indicators.

Inclusive Growth – Economy and Environment - Rank 4(=) of 15

Growth has been weak in West Lothian over the past decade or so, with Gross Value Added estimated to have fallen by 1% between 2004 and 2014. More recently

GVA has risen by 0.5% on average annually over 2010 to 2014. GVA per worker (£41,400) and is just below the median across Phase 2 Local Authorities (£41,750).

West Lothian score relatively well against most Inclusive Growth indicators. West Lothian's recent fall in the unemployment rate between 2015 and 2016, relatively high employment rate (75%) and relatively strong employment projections reduce West Lothian's overall score for Inclusive Growth closer to the median.

Regeneration – Equality and Poverty – Rank 12 of 15

West Lothian has relatively modest levels of deprivation, although there are severe pockets of deprivation in some areas. 16% of its SIMD datazones are among the 20% most deprived in Scotland and around 19% of West Lothian's SIMD datazones are among the 20% least deprived in Scotland. West Lothian's population has risen by 8.2% between 2005 and 2015, which is the largest percentage increase of any Local Authority with the exception of Edinburgh and Aberdeen.

Contribution to Local Delivery – Dignity and Respect – Rank 11(=) of 15

In November 2016, there were around 17,300 people claiming disability benefits (DLA/PIP/AA), making up around 10% of total population of West Lothian. There were 2,380 people claiming Carers Allowance.

5.13 City of Edinburgh

Ability to Recruit – Implementability and Risk – Rank 2 of 15

Edinburgh has a population of 498,800 people. Of these, around 253,400 are working age and economically active, which means that they are either in employment or are available and actively looking for employment. Around 2,880 have been claiming out of work benefits such as JSA and UC for less than 12 months.

Edinburgh is the third most densely populated Local Authority in Scotland, with only Glasgow and Dundee having higher population densities. It is also able to attract workforce from a number of Local Authorities around it, such as Falkirk, Fife, West Lothian, South Lanarkshire, Midlothian, Scottish Borders and East Lothian, which is reflected in the adjusted Access to Labour Force indicators.

Edinburgh performs well against most of the Access to Labour Force indicators. It is second only to Glasgow in terms of working-age population size and employment in sectors and occupations similar to future agency staff. Edinburgh also scores well on skills and education, having the highest proportion of 16-64 year olds with SCQF5 or higher qualifications.

Inclusive Growth – Economy and Environment - Rank 14 of 15

Growth has been relatively strong overall in Edinburgh over the past decade or so, with Gross Value Added estimated to have risen by 9% between 2004 and 2014. More recently GVA has risen by 1.8% on average annually over 2010 to 2014. GVA per worker (£48,720) in Edinburgh is the second highest of all Local Authorities.

As well as strong growth, Edinburgh has some of the strongest employment expansion demand in the occupations similar to that of future agency staff, and the business birth rate is one of the highest of any Local Authority.

Regeneration – Equality and Poverty – Rank 13 of 15

Edinburgh has relatively low levels of deprivation, although there are some deprived areas. Overall, around 14% of its SIMD datazones are among the 20% most deprived in Scotland and over 40% of Edinburgh's SIMD datazones are among the 20% least deprived in Scotland. Edinburgh's population has risen by 11% between 2005 and 2015, the biggest percentage increases in population of any Local Authority.

As measured by SIMD, deprived areas in Edinburgh are concentrated in the outer area of the City such as Sighthill, Saughton, Broomhouse, Muirhouse, West Pilton, Leith, Craigmillar and Gracemount.

Contribution to Local Delivery – Dignity and Respect – Rank 11(=) of 15

In November 2016, there were around 33,500 people claiming disability benefits (DLA/PIP/AA) making up 6.7% of total population of Aberdeen. There were 4,330 people claiming Carers Allowance.

5.14 Aberdeenshire

Ability to Recruit – Implementability and Risk – Rank 11 of 15

Aberdeenshire is the largest Local Authority by land area in Phase 2 and has a population of 262,000 people, widely dispersed across the area. Of these, around 138,300 are working age and economically active, which means that they are either in employment or are available and actively looking for employment. Around 1,600 have been claiming out of work benefits such as JSA and UC for less than 12 months.

The population of Aberdeenshire is mainly rural, with concentrations of less than 20,000 people in Peterhead (18,450), Fraserburgh (13,140), Inverurie (12,760), Westhill (11,600) and Stonehaven (11,370). Towns closer to the Aberdeen labour market would be more feasible as a possible agency location.

Aberdeenshire scores below the median on Access to Labour Force indicators due to low population density and low employment in related sectors such as business administration and public administration. Aberdeenshire scores particularly well however against the Skills and Education indicator, with, for example, the highest percentage of school leavers in positive destinations. Scores against Skill Shortage indicators are also above average.

Inclusive Growth – Economy and Environment - Rank 9(=) of 15

Growth has been very strong in Aberdeenshire over the past decade or so, with Gross Value Added estimated to have risen by 54% between 2004 and 2014 (second only to Aberdeen City). More recently GVA has risen by 4% on average annually over 2010 to 2014. GVA per worker (£42,150) is just above the median amongst the Phase 2 Local Authorities.

Despite historically strong economic performance, the recent downturn in the oil and gas sector is reflected in a 3% rise in the unemployment rate in Aberdeenshire between 2015 and 2016 (an increase only second only to Aberdeen City). Aberdeenshire also scores well on economic diversity, with the lowest share of public sector employees per working-age population across all Phase 2 Local Authorities.

Regeneration – Equality and Poverty – Rank 14(=) of 15

Aberdeenshire has low levels of deprivation. Only 2% of its SIMD datazones are among the 20% most deprived in Scotland, the lowest percentage of any Local Authority in Scotland. Over 35% of Aberdeenshire's SIMD datazones are among the 20% least deprived in Scotland. Aberdeenshire's population has risen by 10.3% between 2005 and 2015. This is one of the biggest increases in population of any Local Authority.

Contribution to Local Delivery – Dignity and Respect – Rank 14(=) of 15

In November 2016, there were around 14,500 people claiming disability benefits (DLA/PIP/AA) making up 5.5% of total population of Aberdeenshire, the lowest claimant concentration across all Phase 2 Local Authorities. There were 1,780 people claiming Carers Allowance.

5.15 Aberdeen City

Ability to Recruit – Implementability and Risk – Rank 4(=) of 15

Aberdeen City has a population of approximately 230,000 people. Of these, around 121,800 are working age and economically active, which means that they are either in employment or are available and actively looking for employment. Around 2,245 have been claiming out of work benefits such as JSA and UC for less than 12 months.

As a city, Aberdeen is one of the most densely populated Local Authorities in Scotland.

Aberdeen scores relatively poorly on some Access to Labour Force indicators but better on others. For example, there is a low employment level in similar sectors to agency staff, but a relatively high population density. Aberdeen also scores well against skills and education indicators and Skill Shortages indicators.

Inclusive Growth – Economy and Environment - Rank 15 of 15

Aberdeen City is the lowest scoring Local Authority against Inclusive Growth indicators.

Growth has been very strong overall in Aberdeen over the past decade or so, with Gross Value Added estimated to have risen by 56% between 2004 and 2014. More recently GVA has risen by 4% on average annually over 2010 to 2014. GVA per worker (£55,397) is the highest of any Local Authority.

Despite historically strong economic performance, the recent downturn in the oil and gas sector is reflected in a 3.3% rise in the unemployment rate and 6% fall in the number of employees between 2015 and 2016. However, Aberdeen City also has the highest percentage of businesses with more than 100 employees and a high business birth rate.

Regeneration – Equality and Poverty – Rank 14(=) of 15

Aberdeen CIty has relatively low levels of deprivation. Around 8% of its SIMD datazones are among the 20% most deprived in Scotland and nearly 40% of Aberdeen City's SIMD datazones are among the 20% least deprived in Scotland. Aberdeenshire's population has risen by 10.4% between 2005 and 2015, one of the biggest increases in population of any Local Authority.

Contribution to Local Delivery – Dignity and Respect – Rank 14(=) of 15

In November 2016, there were around 14,400 people claiming disability benefits (DLA/PIP/AA) making up 6.3% of total population of Aberdeen City. There were 1,450 people claiming Carers Allowance.

ANNEX A – Phase 1 analysis results

Table A1 - Phase 1 Analysis scoring

	Criteria	**Ability to recruit worksforce**			**Regeneration and Economic Impact**		**Overall Score**
	Indicators	**Access to labour force**		**Availability of labour**	**Scope for Regenation based on long term performance**	**Scope for economic impact based on short-term perfomance**	
		Working- age economically active population	*Commute to nearest city (if applicable)*	*Short-term unemployment level*	*SIMD - local share of most deprived 20%*	*Change in unemployment rate (2015 to 2016)*	
	Weighting	**20.0%**	**20.0%**	**10.0%**	**40.0%**	**10.0%**	
1	Glasgow City	3.0	3.0	3.0	3.0	1.4	**2.8**
2	Dundee City	1.4	3.0	1.4	2.5	1.6	**2.2**
3	North Lanarkshire	2.1	2.7	1.9	2.3	1.0	**2.2**
4	Edinburgh, City of	2.7	3.0	1.9	1.6	1.7	**2.1**
5	North Ayrshire	1.3	2.3	1.4	2.6	1.9	**2.1**
6	Renfrewshire	1.5	2.9	1.5	2.1	1.9	**2.1**
7	Inverclyde	1.2	2.1	1.4	2.8	1.4	**2.1**
8	West Dunbartonshire	1.2	2.1	1.3	2.6	1.7	**2.0**
9	South Lanarkshire	2.0	2.1	1.7	1.9	2.1	**2.0**
10	Aberdeen City	1.8	3.0	1.7	1.3	2.9	**1.9**
11	East Ayrshire	1.3	1.9	1.4	2.3	2.1	**1.9**
12	Fife	2.1	1.7	1.9	1.8	1.3	**1.8**
13	Falkirk	1.5	2.5	1.3	1.6	1.6	**1.7**
14	Aberdeenshire	1.9	2.3	1.5	1.1	2.8	**1.7**
15	West Lothian	1.6	2.1	1.4	1.7	1.3	**1.7**
16	Clackmannanshire	1.1	1.1	1.1	2.0	3.0	**1.6**
17	Midlothian	1.2	2.5	1.3	1.5	1.8	**1.6**
18	East Renfrewshire	1.2	2.7	1.1	1.3	1.8	**1.6**
19	Perth and Kinross	1.4	2.5	1.2	1.2	1.8	**1.6**
20	East Dunbartonshire	1.3	2.7	1.1	1.2	1.8	**1.6**
21	South Ayrshire	1.3	1.5	1.3	1.8	1.8	**1.6**
22	Angus	1.3	2.7	1.2	1.3	1.2	**1.6**
23	Stirling	1.2	2.1	1.1	1.5	1.9	**1.6**
24	Highland	1.7	1.0	1.8	1.3	2.2	**1.5**
25	East Lothian	1.3	1.9	1.2	1.2	2.0	**1.4**
26	Argyll and Bute	1.2	1.7	1.1	1.4	1.5	**1.4**
27	Dumfries and Galloway	1.4	1.0	1.3	1.4	1.9	**1.3**
28	Scottish Borders	1.3	1.1	1.2	1.2	2.4	**1.3**
29	Moray	1.2	1.0	1.2	1.0	2.2	**1.2**
30	Shetland Islands	1.0	1.0	1.0	1.0	2.1	**1.1**
31	Na h-Eileanan an Iar	1.0	1.0	1.1	1.0	2.0	**1.1**

3 very suitable
2 presents challenges
1 very unsuitable

Table A2 – Underlying data table for Phase 1 Analysis

Measures	Working- age, economically active population level	Commuting time to nearest city (if applicable)	Short-term unemployment level		SIMD - local share of most deprived 20%	Change in unemployment rate (2015 to 2016)	*Travel time from closest town by train during peak hours between:*
	number of people	*minutes*	*number of people*		*%*	*p.p.*	
Aberdeen City	121,800	na	2,245		8%	3.3	
Aberdeenshire	138,300	25	1,592		2%	3	*Inverurie - Aberdeen*
Angus	56,500	15	833		7%	-3.5	*Arbroath - Dundee*
Argyll and Bute	40,600	40	515		9%	-2.1	*Helensburgh - Glasgow*
Clackmannanshire	23,500	55	463		24%	3.6	*Alloa - Glasgow*
Dumfries and Galloway	69,500	na	855		8%	-0.5	
Dundee City	68,500	na	1,389		37%	-1.8	
East Ayrshire	54,300	35	1,315		33%	0	*Kilmarnock - Glasgow*
East Dunbartonshire	51,800	15	506		5%	-1	*Kirkintilloch - Glasgow*
East Lothian	48,700	35	803		5%	-0.4	*North Berwick - Edinburgh*
East Renfrewshire	45,900	15	439		7%	-0.9	*Giffnock - Glasgow*
Edinburgh, City of	253,400	na	2,881		14%	-1.3	
Falkirk	79,500	20	889		15%	-1.9	*Falkirk - Glasgow*
Fife	174,400	40	2,801		19%	-3.1	*Kirkcaldy - Edinburgh*
Glasgow City	294,900	na	6,203		48%	-2.4	
Highland	113,400	na	2,416		8%	0.5	
Inverclyde	36,600	30	1,199		44%	-2.7	*Greenock - Glasgow*
Midlothian	42,800	20	1,001		11%	-1.2	*Eskbank (Dalkeith) - Edinburgh*
Moray	46,000	na	726		1%	0.6	
Na h-Eileanan an Iar	12,900	na	296		0%	-0.3	
North Ayrshire	59,000	25	1,448		38%	-0.5	*Kilwinning - Glasgow*
North Lanarkshire	169,900	15	2,882		32%	-4.1	*Croy - Glasgow*
Orkney Islands	11,500	na	77		0%	0	
Perth and Kinross	71,700	20	744		6%	-0.9	*Perth - Dundee*
Renfrewshire	86,700	10	1,523		27%	-0.8	*Paisley - Glasgow*
Scottish Borders	52,800	55	637		6%	1.4	*Galashiels - Edinburgh*
Shetland Islands	12,900	na	78		0%	0	
South Ayrshire	50,700	45	888		18%	-1.1	*Ayr - Glasgow*
South Lanarkshire	156,800	30	2,330		21%	0.3	*Hamilton - Glasgow*
Stirling	42,800	30	493		12%	-0.7	*Stirling - Glasgow*
West Dunbartonshire	42,700	30	966		40%	-1.4	*Dumbarton - Glasgow*
West Lothian	89,700	30	1,232		16%	-2.8	*Livingstone - Edinburgh*
Source:	*1. Labour Force Survey*	*2. Train travel times - GIS analysis*	*3. JobCentre Plus*		*4. Scottish Index of Multiple Deprivation*	*5. Labour Force Survey*	

ANNEX B – Phase 2 analysis results

Table B1 – Full hierarchy of OBC criteria, location factors, indicators and sub-indicators

Criterion	Indicator		Sub-indicator	
Implement ability & Risk Ability to Recruit 25%	Access to labour force	20%	Population aged 16-64 in 2016*	2.2%
			Working- age, economically active population*	2.2%
			ILO Unemployment*	2.2%
			Short-term unemployment level*	2.2%
			Population density (per hectare)	6.7%
			Employment in relevant occupations * **	2.2%
			Employment in relevant sectors * **	2.2%
	Skills and education	3%	% School Leaver in Positive Destinations	0.8%
			% of 16-64 year olds with SCQF 5 or higher	2.3%
	Skill shortages	2%	Vacancies: Have at least one vacancy	0.4%
			Vacancies: Have at least one vacancy that is hard to fill	0.4%
			Vacancies: Have a skills shortage vacancy	0.4%
			Skills Gaps: Administrative/clerical staff	0.4%
			Skills Gaps: Sales & customer services staff	0.4%
Economy & Environment Inclusive Growth 25%	Contribution to economy	5%	GVA per worker	2.5%
			GVA per working age person	2.5%
	Recent performance	5%	Change in unemployment rate (2015 to 2016)	1.7%
			Change in number of employees (2015 to 2016)	1.7%
			GVA growth between 2004 and 2014	1.7%
	Employment opportunities	5%	Employment Rate	1.0%
			Works in home area	1.0%
			Employment - workplace based as % of 16-64 popn	1.0%
			Employment Expansion Demand in relevant occupations**	1.0%
			Employment Projections (change between 2015 and 2024)	1.0%
	Business creation	5%	Number of businesses (per 10,000 popn)	2.0%
			Businesses with 100+ employees as % of all businesses	1.0%
			Business Birth Rate (per 10,000 popn)	1.0%
			Business Survival Rate (per 10,000 popn)	1.0%
	Economic diversity	5%	% employed in relevant sectors***	2.0%
			GVA in relevant sectors*** as % of total GVA	1.5%
			Public Sector employees as % of total	1.5%
Equality & Poverty Regeneration 25%	SIMD	15%	SIMD 20% most deprived	3.8%
			SIMD 20% least deprived	3.8%
			SIMD Income Domain	3.8%
			SIMD Employment Domain	3.8%
	Population Trends	10%	Total Population change 2005-15	5.0%
			Net Migration 10 Year Total as % of population	5.0%
Dignity & Respect Contribution to Local Delivery 25%	Total caseload	15%	DLA, PIP and AA caseload	10.0%
			Carer's Allowance caseload	2.5%
			Tax Credits caseload	2.5%
	Claimant concentratio ns	10%	DLA, PIP and AA (% of total popn)	5.0%
			Carer's Allowance (% of total popn)	2.5%
			Tax Credits (% of total popn)	2.5%

* Admin, secretarial, sales & customer service occupations
** Business administration, business support, public admin & defence
*** Includes an adjustment to take into account people in neighbouring commutable Local Authorities (share of 10% is assigned based on information from Scottish Census 2011 on long distance travel to work)

Table B2 – Overall score (0 – 10) for all sub-indicators

			Glasgow City	Dundee City	North Lanarkshire	Edinburgh, City of	North Ayrshire	Renfrewshire	Inverclyde	West Dunbartonshire	South Lanarkshire	Aberdeen City	East Ayrshire	Fife	Falkirk	Aberdeenshire	West Lothian
Ability to Recruit	Access to labour force within LA	Population aged 16-64 in 2016*	10.0	0.8	5.1	7.7	0.9	2.2	0.0	0.7	4.0	1.9	0.4	4.4	2.8	1.9	2.5
		Working- age, economically active population*	10.0	0.8	5.5	8.0	0.9	2.4	0.0	0.7	4.4	2.2	0.4	4.6	3.1	2.5	2.8
		ILO Unemployment*	10.0	1.7	5.0	5.3	2.2	2.2	0.9	1.2	2.9	0.8	0.9	4.5	2.8	0.0	2.5
		Short-term unemployment level*	10.0	0.0	3.9	3.6	0.8	1.6	0.3	0.3	2.6	1.2	0.0	2.7	0.9	0.0	0.7
		Population density (per hectare)	10.0	7.2	2.0	5.3	0.4	1.9	1.4	1.6	0.4	3.5	0.2	0.7	1.4	0.0	1.1
		Employment in relevant occupations * **	10.0	0.7	6.8	7.6	1.5	3.2	0.9	1.2	7.0	2.3	0.0	5.3	3.2	2.9	3.2
		Employment in relevant sectors * **	10.0	0.3	3.0	5.6	0.2	1.6	0.1	0.4	1.8	1.8	0.3	1.7	1.7	0.0	1.7
	Skills and education	% School Leaver in Positive Destinations	0.9	1.4	4.1	5.5	4.7	7.4	3.8	0.0	3.1	3.6	2.8	2.9	6.2	10.0	4.3
		% of 16-64 year olds with SCQF 5 or higher	2.9	3.4	1.3	10.0	1.2	5.8	2.1	0.0	3.0	8.1	1.5	5.7	4.1	8.6	5.9
	Skill shortages	Vacancies: Have at least one vacancy	0.0	7.0	5.0	1.0	10.0	2.0	2.0	2.0	5.0	6.0	10.0	3.0	1.0	6.0	8.0
		Vacancies: Have at least one vacancy that is hard to fill	3.3	8.3	5.0	5.0	10.0	5.0	5.0	5.0	5.0	5.0	10.0	0.0	1.7	5.0	8.3
		Vacancies: Have a skills shortage vacancy	3.3	6.7	6.7	5.0	10.0	3.3	3.3	3.3	6.7	6.7	10.0	0.0	1.7	6.7	8.3
		Skills Gaps: Administrative/clerical staff	9.2	10.0	7.5	8.7	6.5	7.3	7.3	7.3	7.5	8.4	6.5	0.0	7.2	8.4	9.4
		Skills Gaps: Sales & customer services staff	3.1	3.6	6.7	5.4	4.6	10.0	10.0	10.0	6.7	0.0	4.6	3.3	6.0	0.0	7.5
Inclusive Growth	Contribution to the economy	GVA per worker	5.6	6.0	7.1	3.3	7.0	5.9	5.7	8.9	7.1	0.0	10.0	6.7	8.5	6.5	6.9
		GVA per working age person	5.0	7.1	8.8	4.0	9.8	7.9	8.7	9.9	9.0	0.0	10.0	8.7	8.9	7.8	8.2
	Recent performance	Change in unemployment rate (2015 to 2016)	2.3	3.1	0.0	3.8	4.9	4.5	1.9	3.6	5.9	10.0	5.5	1.4	3.0	9.6	1.8
		Change in number of employees (2015 to 2016)	6.7	7.0	7.8	6.7	7.0	0.0	7.0	5.3	6.1	10.0	5.7	7.4	7.8	6.5	7.7
		GVA growth between 2004 and 2014	7.1	7.9	5.1	7.5	10.0	9.3	9.3	8.9	8.5	0.0	9.0	7.3	9.9	0.3	8.9
	Employment opportunities	Employment Rate	7.7	8.5	2.1	4.6	10.0	2.0	5.7	5.1	2.2	5.7	8.6	4.2	1.2	0.0	2.0
		Works in home area	3.3	1.4	8.5	0.9	8.1	8.7	5.5	10.0	9.2	0.0	8.4	3.3	7.4	7.7	7.1
		Employment - workplace based as % of 16-64 popn	1.8	5.1	10.0	3.2	9.9	8.7	8.6	6.8	9.6	0.0	8.8	8.3	8.1	8.7	7.9
		Employment Expansion Demand in relevant occupations**	3.5	9.5	9.5	0.0	9.6	8.6	8.5	9.2	9.9	6.1	8.1	10.0	7.8	4.7	6.5
		Employment Projections (change between 2015 and 2024)	2.3	6.0	5.5	0.0	8.4	5.6	7.7	10.0	6.6	7.8	7.0	5.9	4.2	4.3	3.2
	Business creation	Number of businesses (per 10,000 popn)	7.6	9.2	9.6	5.5	8.8	8.4	9.6	10.0	7.8	4.0	8.2	8.4	8.9	0.0	8.6
		Businesses with 100+ employees as % of all businesses	1.6	1.8	5.4	3.6	8.9	4.0	6.6	7.0	7.4	0.0	8.8	7.0	5.3	10.0	3.9
		Business Birth Rate (per 10,000 popn)	3.1	7.8	8.0	0.4	8.6	7.5	10.0	9.1	6.8	0.0	8.4	8.4	8.0	3.5	6.9
		Business Survival Rate (per 10,000 popn)	9.9	7.4	7.1	6.1	5.0	7.2	10.0	4.4	5.6	3.6	6.4	5.3	9.5	0.0	6.0
	Economic diversity	% employed in relevant sectors***	0.0	7.1	2.5	5.0	7.6	4.0	3.8	4.1	4.8	6.3	2.6	5.4	6.1	10.0	4.9
		GVA in relevant sectors*** as % of total GVA	4.2	2.6	3.3	6.1	4.8	9.4	5.9	0.7	4.8	3.3	5.4	0.0	8.5	7.1	10.0
		Public Sector employees as % of total	6.7	2.9	3.7	6.3	5.3	8.1	2.4	0.0	6.3	9.5	1.5	5.4	3.5	10.0	8.3
Regeneration	SIMD	SIMD 20% most deprived	10.0	7.5	6.5	2.6	7.7	5.5	9.1	8.2	4.1	1.3	6.6	3.8	2.9	0.0	3.0
		SIMD 20% least deprived	8.6	7.0	8.8	0.0	8.5	6.0	7.6	10.0	7.3	0.5	8.2	5.5	6.2	1.7	6.1
		SIMD Income Domain	10.0	7.1	6.4	2.1	7.9	5.0	7.9	8.6	5.0	1.4	7.1	4.3	4.3	0.0	4.3
		SIMD Employment Domain	10.0	8.2	8.2	2.7	9.1	6.4	9.1	9.1	6.4	0.9	8.2	5.5	5.5	0.0	4.5
	Population trends	Total Population change 2005-15	3.0	5.2	5.1	0.0	7.7	6.2	10.0	8.8	5.4	0.4	6.4	5.0	3.7	0.5	1.9
		Net Migration 10 Year Total as % of population	5.0	5.0	7.4	0.0	7.7	7.1	10.0	9.1	5.6	1.2	7.0	4.7	4.1	2.1	5.2
Proximity to Claimants	Total caseload	DLA, PIP and AA caseload	10.0	0.9	4.6	3.3	0.8	1.3	0.0	0.2	3.6	0.6	0.5	3.3	0.7	0.6	1.0
		CA caseload	10.0	0.9	4.4	2.8	1.0	0.9	0.0	0.1	3.5	0.0	0.7	3.6	0.7	0.4	0.9
		TCs caseload	10.0	1.1	4.3	4.0	1.0	1.3	0.0	0.2	3.2	0.6	0.6	4.0	0.8	0.6	1.4
	Claimant concentrations	DLA, PIP and AA (% of total popn)	9.9	7.7	9.0	1.6	8.2	7.3	10.0	9.8	7.5	1.0	7.6	4.6	5.3	0.0	5.5
		CA (% of total popn)	10.0	7.5	8.7	1.8	8.8	5.4	8.9	8.6	7.3	0.0	8.8	5.9	5.8	0.4	5.4
		TCs (% of total popn)	10.0	8.0	8.1	3.0	8.9	6.9	8.5	9.3	6.1	0.9	7.8	6.3	5.5	0.0	6.9

* Admin, secretarial, sales & customer service occupations
** Business administration, business support, public admin & defence
*** Includes an adjustment to take into account people in neighbouring commutable Local Authorities (share of 10% is assigned based on information from Scottish Census 2011 on long distance travel to work)

Table B3 – Raw data for all sub-indicators

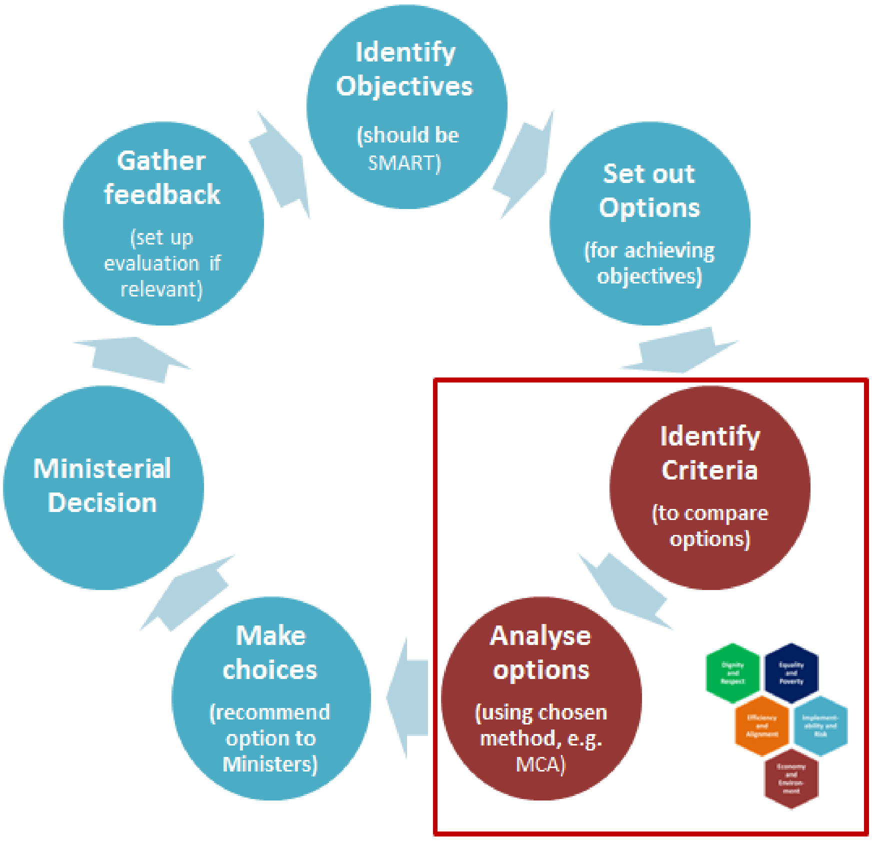
				Glasgow City	Dundee City	North Lanarkshire	Edinburgh, City of	North Ayrshire	Renfrewshire	Inverclyde	West Dunbartonshire	South Lanarkshire	Aberdeen City	East Ayrshire	Fife	Falkirk	Aberdeenshire	West Lothian
Ability to Recruit	Access to labour force within LA	Population aged 16-64 in 2016*		520,980	135,330	314,020	424,890	139,760	191,960	101,320	129,340	267,090	182,840	116,160	286,110	220,880	182,820	205,940
		Working- age, economically active population*		379,200	98,760	241,450	317,870	101,750	147,330	74,760	96,220	207,870	141,280	85,540	216,110	169,750	150,480	159,940
		ILO Unemployment*		30,320	8,250	17,050	17,900	9,690	9,690	6,110	7,100	11,430	5,990	6,290	15,780	11,220	3,830	10,350
		Short-term unemployment level*		7,500	1,827	4,047	3,850	2,265	2,740	1,972	1,983	3,282	2,488	1,826	3,349	2,309	1,817	2,230
		Population density (per hectare)		34.0	24.6	7.2	18.1	1.6	6.7	5.1	5.7	1.8	12.0	1.0	2.8	5.2	0.4	4.1
		Employment in relevant occupations * **		66,890	15,780	49,500	53,570	20,480	29,450	17,250	18,810	50,370	24,700	12,120	41,060	29,770	28,140	29,580
		Employment in relevant sectors * **		94,760	14,170	36,070	57,900	12,790	24,740	11,960	14,830	26,590	25,940	13,420	25,580	25,570	11,250	25,560
	Skills and education	% School Leaver in Positive Destinations		89.6%	89.9%	91.5%	92.3%	91.8%	93.4%	91.3%	89.1%	90.9%	91.2%	90.7%	90.8%	92.7%	94.9%	91.6%
		% of 16-64 year olds with SCQF 5 or higher		71.6%	72.5%	68.8%	84.1%	68.7%	76.8%	70.2%	66.6%	71.9%	80.9%	69.1%	76.5%	73.8%	81.7%	77.0%
	Skill shortages	Vacancies: Have at least one vacancy	R	23.0%	16.0%	18.0%	22.0%	13.0%	21.0%	21.0%	21.0%	18.0%	17.0%	13.0%	20.0%	22.0%	17.0%	15.0%
		Vacancies: Have at least one vacancy that is hard to fill	R	9.0%	6.0%	8.0%	8.0%	5.0%	8.0%	8.0%	8.0%	8.0%	8.0%	5.0%	11.0%	10.0%	8.0%	6.0%
		Vacancies: Have a skills shortage vacancy	R	7.0%	5.0%	5.0%	6.0%	3.0%	7.0%	7.0%	7.0%	5.0%	5.0%	3.0%	9.0%	8.0%	5.0%	4.0%
		Skills Gaps: Administrative/clerical staff	R	3.9%	3.4%	5.0%	4.2%	5.6%	5.1%	5.1%	5.1%	5.0%	4.4%	5.6%	9.7%	5.2%	4.4%	3.8%
		Skills Gaps: Sales & customer services staff	R	8.6%	8.1%	5.0%	6.3%	7.1%	1.8%	1.8%	1.8%	5.0%	11.6%	7.1%	8.4%	5.7%	11.6%	4.3%
Inclusive Growth	Contribution to the economy	GVA per worker	R	£44,027	£43,208	£40,851	£48,721	£41,166	£43,345	£43,714	£37,369	£40,945	£55,397	£35,004	£41,746	£38,077	£42,153	£41,411
		GVA per working age person	R	£46,415	£36,055	£27,119	£51,502	£21,938	£31,576	£27,775	£21,429	£26,273	£71,654	£21,098	£27,738	£26,754	£32,040	£30,085
	Recent performance	Change in unemployment rate (2015 to 2016)		-2.4	-1.8	-4.1	-1.3	-0.5	-0.8	-2.7	-1.4	0.3	3.3	0.0	-3.1	-1.9	3.0	-2.8
		Change in number of employees (2015 to 2016)	R	0.5%	0.0%	-1.5%	0.6%	0.0%	13.3%	0.0%	3.3%	1.7%	-5.7%	2.5%	-0.7%	-1.6%	0.9%	-1.3%
		GVA growth between 2004 and 2014	R	11.1%	5.7%	23.4%	8.5%	-7.5%	-2.7%	-2.7%	-0.6%	1.9%	56.0%	-1.2%	9.9%	-7.1%	54.3%	-0.6%
	Employment opportunities	Employment Rate	R	67.5%	66.4%	75.2%	71.7%	64.3%	75.3%	70.2%	71.1%	75.1%	70.3%	66.3%	72.3%	76.5%	78.1%	75.3%
		Works in home area	R	76.2%	84.5%	53.2%	86.4%	55.2%	52.4%	66.5%	46.7%	50.3%	90.5%	53.8%	76.2%	57.9%	56.8%	59.4%
		Employment - workplace based as % of 16-64 popn	R	105.8%	83.4%	51.0%	96.2%	51.9%	60.1%	60.4%	72.4%	54.0%	117.7%	58.9%	62.7%	63.5%	59.5%	64.8%
		Employment Expansion Demand in relevant occupations**	R	659	-331	-329	1,234	-342	-173	-157	-270	-391	243	-86	-406	-45	464	170
		Employment Projections (change between 2015 and 2024)	R	4.0%	0.4%	1.0%	6.2%	-1.9%	0.8%	-1.2%	-3.4%	-0.1%	-1.2%	-0.5%	0.5%	2.2%	2.1%	3.1%
	Business creation	Number of businesses (per 10,000 popn)	R	274	217	203	346	231	247	202	189	267	399	252	245	229	540	238
		Businesses with 100+ employees as % of all businesses	R	1.6%	1.6%	1.1%	1.3%	0.6%	1.3%	0.9%	0.9%	0.8%	1.8%	0.7%	0.9%	1.1%	0.5%	1.3%
		Business Birth Rate (per 10,000 popn)	R	48	34	33	56	31	35	27	30	37	57	32	32	33	47	36
		Business Survival Rate (per 10,000 popn)	R	40	45	46	48	50	45	39	51	49	53	47	49	41	61	48
	Economic diversity	% employed in relevant sectors***	R	19.0%	11.5%	16.4%	13.7%	10.9%	14.8%	14.9%	14.6%	13.8%	12.3%	16.3%	13.2%	12.5%	8.3%	13.8%
		GVA in relevant sectors*** as % of total GVA	R	9.3%	10.6%	10.0%	7.7%	8.8%	5.1%	7.9%	12.1%	8.8%	10.0%	8.3%	12.6%	5.9%	7.0%	4.7%
		Public Sector employees as % of total	R	22.5%	30.3%	28.7%	23.4%	25.4%	19.8%	31.4%	36.1%	23.4%	17.0%	33.1%	25.3%	29.1%	15.9%	19.4%
Regeneration	SIMD	SIMD 20% most deprived		48.3%	36.7%	32.2%	13.7%	37.6%	27.1%	43.9%	39.7%	20.6%	7.8%	32.5%	19.2%	15.4%	1.8%	15.9%
		SIMD 20% least deprived	R	9.4%	15.4%	8.7%	41.9%	9.7%	19.1%	13.2%	4.1%	14.4%	39.9%	11.0%	21.1%	18.7%	35.6%	18.8%
		SIMD Income Domain		20.0%	16.0%	15.0%	9.0%	17.0%	13.0%	17.0%	18.0%	13.0%	8.0%	16.0%	12.0%	12.0%	6.0%	12.0%
		SIMD Employment Domain		16.0%	14.0%	14.0%	8.0%	15.0%	12.0%	15.0%	15.0%	12.0%	6.0%	14.0%	11.0%	11.0%	5.0%	10.0%
	Population Trends	Total Population change 2005-15	R	6.5%	3.2%	3.4%	11.0%	-0.4%	1.8%	-3.8%	-2.1%	3.1%	10.4%	1.5%	3.6%	5.5%	10.3%	8.2%
		Net Migration 10 Year Total as % of population	R	3.9%	3.8%	0.3%	11.1%	-0.1%	0.8%	-3.5%	-2.1%	3.0%	9.4%	1.0%	4.3%	5.1%	8.0%	3.6%
Proximity to Claimants	Total caseload	DLA, PIP and AA caseload		79,368	16,856	41,934	33,451	16,064	19,362	10,440	11,641	35,469	14,435	13,806	33,166	15,204	14,477	17,303
		CA caseload		11,700	2,370	5,970	4,330	2,410	2,330	1,420	1,560	4,980	1,450	2,160	5,120	2,190	1,780	2,380
		TCs caseload		50,200	10,800	24,800	23,900	10,500	11,800	6,000	7,100	20,100	8,700	8,800	23,700	9,600	8,700	12,000
	Claimant concentrations	DLA, PIP and AA (% of total popn)		13.1%	11.4%	12.4%	6.7%	11.8%	11.1%	13.1%	13.0%	11.2%	6.3%	11.3%	9.0%	9.6%	5.5%	9.7%
		CA (% of total popn)		1.9%	1.6%	1.8%	0.9%	1.8%	1.3%	1.8%	1.7%	1.6%	0.6%	1.8%	1.4%	1.4%	0.7%	1.3%
		TCs (% of total popn)		8.3%	7.3%	7.3%	4.8%	7.7%	6.8%	7.5%	7.9%	6.4%	3.8%	7.2%	6.4%	6.1%	3.3%	6.7%

* Includes an adjustment to take into account people in neighbouring commutable Local Authorities (share of 10% is assigned based on information from Scottish Census 2011 on long distance travel to work)
** Admin, secretarial, sales & customer service occupations
*** Business administration, business support, public admin & defence
R – Reverse scoring. Higher value for these sub-indicators translate to lower scores for location suitability against criteria in Table B2

ANNEX C – Multi-Criteria Analysis Guidance

Different methods can be employed to compare options to aid decision-making and provide an audit trail and transparency about decisions at each stage of the process. The most commonly used ones (as set out in HM Treasury Green Book guidance) are Cost-Benefit Analysis (CBA), Cost Effectiveness Analysis (CEA) and Multi-Criteria Analysis (MCA). MCA refers to a set of techniques for comparing options where assigning monetary values to costs and benefits is impractical. Figure C1 shows where MCAs fit in a standard appraisal process and more detail is provided in Green Book guidance.[13]

Figure C1 - Standard option appraisal process with Multi-Criteria Analysis as a decision-making tool



A key feature of a MCA is a **performance matrix** which plots the performance of options against set criteria. A basic matrix may only contain qualitative information whilst more sophisticated analysis can convert these into numerical values.

Setting the criteria in a Multi-Criteria Analysis process – key steps

Establishing the decision context - It is common practice to identify **high-level objectives** for which there will usually be **sub-objectives**.

[13] Green Book supplementary guidance: multi-criteria decision analysis, HM Treasury https://www.gov.uk/government/publications/green-book-supplementary-guidance-multi-criteria-decision-analysis

Identifying options – to keep the list to a manageable number, **shortlisting** may be done prior to formal MCA being undertaken.

Identifying criteria and sub-criteria - Criteria can be **grouped into sets** that relate to separate components of the overall objective. Criteria need to possess certain qualities, e.g. be **operational** (it should be possible for performance against them to be differentiated between options) and **complete** (capture all or most aspects of the objectives).

Assessment of options against criteria in a Multi-Criteria Analysis process

MCA analyses fall into two broad categories - those without scoring and those with scoring.

MCA without scores is appropriate when information does not translate easily into scores or if scores take away the detail and make the analysis less rather than more robust.

MCA using scores can be done using a variety of techniques. **Direct scoring** involves simply assigning values to criteria based on evidence or expert advice. **Value functions** define the relationship between the actual values of a criterion (e.g. jobs, distance) and a scale that allows a score to be attached (e.g. 0 to 100). **Pairwise comparisons** involve comparing two options at a time against each criterion.

Ranking options in a Multi-Criteria Analysis process with scores

To aid decision making, rankings can be derived based on aggregate scores and individual criteria. If information is available on the relative importance or preference between different criteria, **specific weighting** can be assigned to each criterion which can influence the ranking. Information on weights may be implicit in the objectives. The weights should reflect the range of difference between the options and the importance of the difference.

Because of uncertainty of judgement around weighting, **sensitivity analysis** is often performed which involves shifting weights to examine any changes in the ranking of options.

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