



## **Wellbeing Economy Toolkit: Supporting place-based economic strategy and policy development (Scottish Government)**

To: All Chief Executives, Main Contacts and APSE Contacts in Scotland. For information only to England, Northern Ireland and Wales

### **Key Issues:**

The Wellbeing Economy Toolkit was developed by Scottish Government and informed by a pilot project by Clackmannanshire Council. The toolkit is intended to provide a resource for those involved in developing economic strategy and place-based economic development policy. It is a stage-by-stage diagnostic process designed to aid decision-making and prioritisation of economic interventions to facilitate the transition to local and regional wellbeing economies. This briefing provides background on the toolkit and the Clackmannanshire Council pilot.

Link to the Toolkit: <https://www.gov.scot/publications/wellbeing-economy-toolkit-supporting-place-based-economic-strategy-policy-development/>

### **1.0 Background**

The Wellbeing Economy Toolkit was released on 22 November 2022 by Scottish Government following a pilot project by Clackmannanshire Council. It was announced at the Wealth of Nations 2.0 conference at the University of Glasgow by Constitution Secretary Angus Robertson. The Toolkit is a guide that provides local authorities with a stage-by-stage diagnostic process to aid decision making on local wellbeing metrics and prioritising of different place-based economic interventions; this includes topics such as

health, child poverty, fair work, greenhouse gas emissions. The guide is designed to facilitate the transition to local and regional wellbeing economies through the identification and prioritisation of the most significant drivers of wellbeing outcomes in a local area through system analysis and community participation. The toolkit incorporates Scotland's wellbeing framework (the National Performance Framework), and provides a holistic view of economic strategy, policy and delivery.

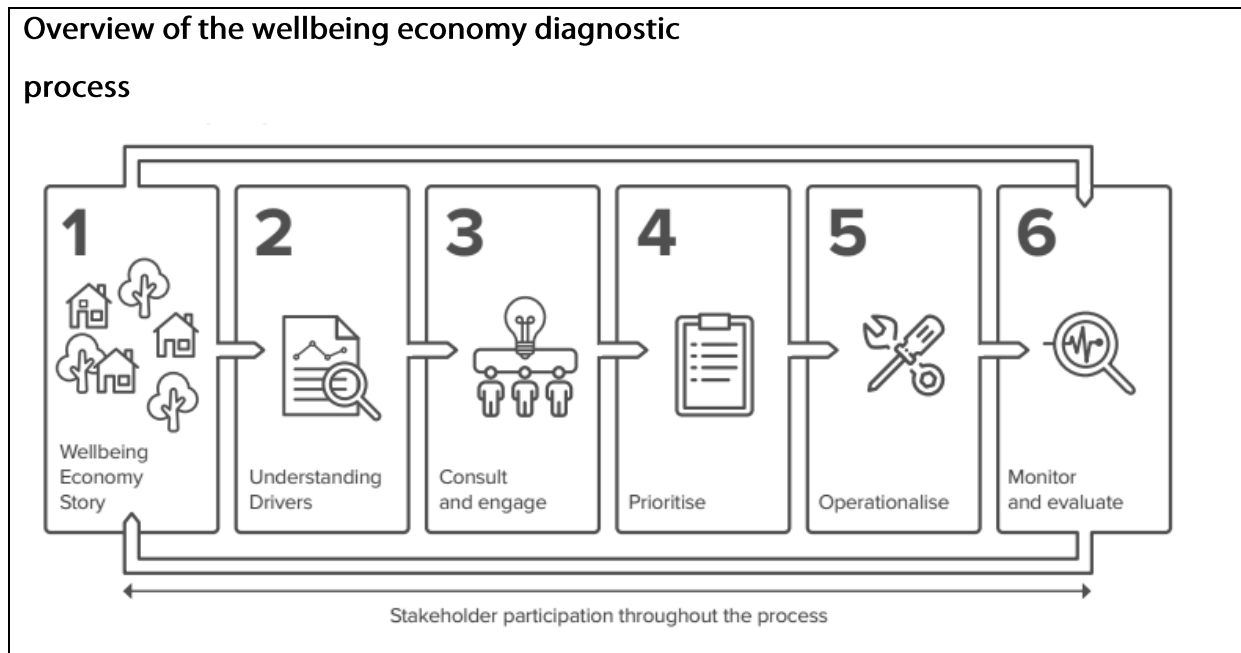
Wellbeing is broadly defined as 'living well' and is about how we are doing as individuals, communities and as a nation, as well as how sustainable that is for the future; a wellbeing economy is an economy that operates within the confines of environmental limits, and prioritises collective wellbeing. A wellbeing economy empowers communities with more wealth generated and retained within local communities, and moves away from economic growth that is not sustainable or inclusive. The Scottish Government is making progress towards becoming a wellbeing economy based on the principles of prosperity, equality, sustainability and resilience. While traditional measures such as Gross Domestic Product (GDP) and Gross Value Added (GVA) will remain important indicators of the economy, they do not provide an overall picture of the whole economy since they exclude things like unpaid work and do not distinguish between positive and negative impacts on wellbeing.

## **2.0 The Toolkit**

The toolkit is designed to aid decision making and prioritising economic interventions that facilitate the transition to a wellbeing economy while taking into consideration of local and regional characteristics. The approach is rooted in the National Performance Framework and the United Nations Sustainable Development Goals, and builds understanding of wellbeing outcomes in the local area in both the short and long-term. This is achieved through a participative, evidence led approach to identify the drivers that would have the greatest positive impact on wellbeing outcomes. The wellbeing economy diagnostic process is shown in the graphic below in 6 stages with stakeholder participation being present at every stage:

1. wellbeing economy story
2. understanding drivers
3. consult and engage

4. prioritise
5. operationalise
6. monitor and evaluate



### Stage 1 – Developing your local Wellbeing Economy Story

Stage 1 involves creating a picture of wellbeing outcomes in the local area using the Local Wellbeing Economy Monitor and other data sources; benchmarking should take place against the Scottish average as well as any neighbouring authorities or others that share similar characteristics. Strengths and weaknesses should be identified where there are challenges and opportunities to improve wellbeing outcomes in the area of people and the planet, for both current and future generations. It should be considered how wellbeing outcomes align to local, regional and national priorities.

### Stage 2 – Understanding drivers

Stage 2 focuses on the wellbeing outcomes identified during stage 1 and looks to see whether additional evidence can be found to understand what is driving wellbeing outcomes; this evidence base should be used as a guide to identify drivers at a local and national level that will be subject to further investigation. Drivers may affect multiple outcomes. Systems mapping and logic models may be used to assist with this process.

### Stage 3 – Community participation

Stage 3 involves identifying stakeholders for engagement and should include representatives from the local community. Engagement should be undertaken to understand the perspectives of different stakeholder groups and to understand what matters to them in delivering a wellbeing economy. This engagement process can take many different forms from community meetings to focus groups to surveys. The evidence gathered during stage 2 of this process should be tested with those stakeholders with first-hand experience or expertise in this area. This process should be as transparent and open as possible to ensure that the collaboration is genuine, and that participants are fully involved in the process. Evidence gathered during this process of engagement should be reflected upon and any changes should be made as appropriate to wellbeing outcomes and drivers.

#### **Stage 4 – Prioritisation**

Stage 4 should use an evidence-based methodology for ranking drivers that takes account of the estimated impact across a range of wellbeing outcomes; the Clackmannanshire Council pilot used an objective scoring criteria. The results should be used to identify the priority areas for intervention. Focus should be given to prevention and preventative spend opportunities. Where the ability for intervention falls outside of the boundary of the local authority, feedback should be captured and shared with relevant bodies. Following this exercise, a shortlist of areas for focusing interventions should be agreed for the short, medium and long term.

#### **Stage 5 – Operationalising Results**

Stage 5 maps out policies, projects and programmes that are already contributing to improving wellbeing outcomes at a local and national level, and their effectiveness should be assessed and any opportunities to build on their work should be considered. Connections should be made with key delivery partners to ensure interventions are coordinated and delivered efficiently. It should also be considered how wellbeing outcomes can be embedded into the local authority's decision-making processes.

#### **Stage 6 – Monitoring and Evaluation**

Stage 6 is the final stage, and involves considering how wellbeing economy outcomes will

be monitored and how their impact will be evaluated. Baselines should be established as well as a plan for collecting the data and evidence, and outcomes and indicators should be kept under regular review ensuring the process is rooted in the National Performance Framework.

### **3.0 Clackmannanshire Council pilot**

Clackmannanshire Council and the Scottish Government worked together during 2020 to 2022 and co-created a vision for the local wellbeing economy specific to the Clackmannanshire area. They identified seven key outcomes to guide the process. These outcomes were mapped against the National Performance Framework as well as Clackmannanshire's Local Outcomes Improvement Plan, Be The Future Corporate Plan, Child Poverty Action Plan and Community Wealth Building Action Plan. The outcomes are:

1. Economic Opportunities
2. Labour Market Outcomes & Fair Work
3. Sustainable Place
4. Outcomes for Young People
5. Health and Wellbeing
6. Poverty
7. Environmental Sustainability

The aims of the project were to test how the wellbeing economy diagnostic process can be used to transform the local economic system and improve local and national wellbeing outcomes, to take a system-wide approach to consider the key factors that drive local wellbeing outcomes and how these interact, to identify ways to prioritise and target interventions to deliver across a range of wellbeing outcomes, and to develop tools to support decision-making.

The project was successful in helping Clackmannanshire Council to develop their local wellbeing priorities. The Council has committed to producing a Local Outcomes

Improvement Plan focused on wellbeing, a Community Wealth Building Action Plan, the establishment of a Wellbeing Economy Anchor Partnership and the development of a Clackmannanshire Good Employment Charter to address employment quality and earnings. Clackmannanshire's journey is outlined in the 6 stages below.

### **Stage 1 – Developing your local Wellbeing Economy Story**

In stage 1, a Red-Amber-Green system was used to identify Clackmannanshire's relative position on each of the wellbeing indicators compared to the Scottish average; the aforementioned 7 outcomes were identified to guide the process.

### **Stage 2 – Understanding drivers**

In stage 2, Clackmannanshire carried out a systems mapping exercise with an academic consortium called SIPHER. The systems map highlighted the connections and their strength within the local system and provided further data for use in identifying priorities and interventions.

### **Stage 3 – Community participation**

Workshops based on the 7 priority wellbeing outcomes were held with local stakeholders including representatives of NHS Forth Valley, Clackmannanshire Third Sector Interface, Police Scotland, Scottish Fire and Rescue Service, Scottish Enterprise, Clackmannanshire Business, Clackmannanshire Council and Scottish Government. These workshops were designed for participants to explore the causes, effects and dependencies between outcomes and drivers and to identify the policies and practices that would have the most impact on improving outcomes, and provided an interactive way of engaging with stakeholders and utilising their expertise. Qualitative impact surveys were also carried out with local businesses and communities. The evidence captured during these exercises were used by SIPHER to inform the development of a systems map.

### **Stage 4 – Prioritisation**

During stage 4, Clackmannanshire worked with the Scottish Government to carry out assessment impacts of the drivers and the deliverability of interventions with estimates of the time and funding required to realise these benefits. Potential interventions were

scored according to their estimated impact on the wellbeing economy principles of prosperity, equality, environmental sustainability and resilience.

The intervention opportunities that were considered to be the most feasible to deliver and have the biggest impact on Clackmannanshire were:

- Quality of employment
- Transport and local connectivity
- Entry level skills
- Earnings
- Mental and physical health
- Influence of local anchor organisations

Digital skills and lack of industrial space were also identified as areas worthy of further investigation.

### **Stage 5 – Operationalising Results**

Stage 5 used the results of the prioritisation process to map out policies, projects and practices that were already in place that contribute to improving key outcomes, and where there may be opportunities to build on this work in the short and long term. The Council has committed to developing a Local Outcomes Improvement Plan in order to embed the agreed wellbeing economy priorities in the local authority's long term strategic plans. Clackmannanshire are taking action to realise their vision for a local wellbeing economy through community wealth building.

### **Stage 6 – Monitoring and Evaluation**

Progress against the key wellbeing outcomes will be monitored in Clackmannanshire through their Local Outcomes Improvement Plan progress report with recognition that this diagnostic process can be repeated to assess if there have been changes in wellbeing indicators that may warrant changes in the policy approach.

## **4.0 APSE Comment**

APSE commends Clackmannanshire Council and Scottish Government for the development and testing of the Wellbeing Economy Toolkit and encourages our Scottish

member authorities to engage with the tool if appropriate for use in their own local economies and corporate plans. The outcomes for the Council have led to a lot of positive progress towards a local wellbeing economy with an engaged local community and framework in place for monitoring progress towards this.

APSE encourages our members in Scotland to attend our advisory group meetings which are free for members. [Click here](#) for more information.

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