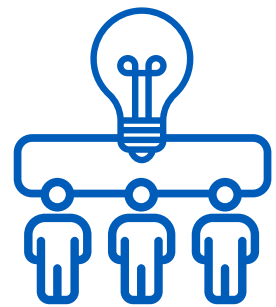








Wellbeing Economy Toolkit

Supporting place-based economic strategy
and policy development



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Executive Summary

The Scottish Government is taking a broader view of what it means to be a successful economy, society and country and putting people and planet at the heart. To realise our vision for a wellbeing economy, we are working in partnership across the public, private and third sectors, as well as with individuals and communities.

Informed by the Wellbeing Economy Pilot project in Clackmannanshire, this toolkit is intended to provide a resource for those involved in developing economic strategy and place-based economic development policy. This practical guide sets out 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.

To provide an illustration of this toolkit in practice, a case study from our Wellbeing Economy Pilot project with Clackmannanshire Council has been included. Clackmannanshire is making significant progress in its transition to a wellbeing economy, including delivering their Community Wealth Building Action Plan, establishing a Wellbeing Economy Anchor Partnership and reviewing and updating its Local Outcomes Improvement Plan to focus on the wellbeing economy transition.

To support this process, the Local Wellbeing Economy Monitor provides a set of indicators of various aspects of wellbeing for each of Scotland's local authority areas. These metrics are based on the National Outcomes and indicators in the National Performance Framework and are intended as a resource to help form a high-level picture of collective wellbeing within a local area.

The development of this toolkit and its accompanying monitor has been informed by engagement with key stakeholders, and we continue to welcome feedback to further refine these resources.

Introduction

The Scottish Government's economic vision for Scotland is to transition to a wellbeing economy, delivering prosperity, wellbeing and resilience for all Scotland's people and places, within safe environmental limits.

This transition requires involvement and action from all spheres – public, private and third sectors and local communities. As such, this guide is applicable to a wide range of policy areas across government, agencies and other public bodies, and third sector and community organisations.

Informed by the Wellbeing Economy Pilot project in Clackmannanshire, this toolkit is intended to provide a resource for those involved in local and regional economic development, particularly local authorities and Regional Economic Partnerships (REPS) across Scotland to support local and regional economies to transition to a wellbeing economy. At a regional level, the priorities identified through this diagnostic process could be brought together to inform the strategic decisions via REPS.

The toolkit is rooted in the **National Performance Framework** (NPF) – Scotland's Wellbeing Framework – and it incorporates, builds on and progresses our sustainable, inclusive growth approach to economic development. The intention of this toolkit is to provide a holistic view of economic strategy, policy and delivery by helping to join up a range of existing policies and approaches under one broad umbrella.

It encourages place-based policy makers to regard the economy as a system embedded within society and the natural environment, and as something that can drive both positive and negative outcomes for people, place and planet. This toolkit aims to guide users, informed by evidence and supported by community participation and system analysis, in identifying the most significant drivers of wellbeing outcomes in a local area and in prioritising interventions designed to have the greatest impact on improving wellbeing outcomes.

What is a wellbeing economy?

Wellbeing can be defined as ‘living well’ and is about ‘how we’re doing’ as individuals, communities and as a nation – and how sustainable that is for the future.

While definitions vary, a wellbeing economy can be described as an economic system operating within safe environmental limits, that serves the collective wellbeing of current and future generations first and foremost.

It is a system that empowers communities to take a greater stake in the economy, with more wealth generated, circulated and retained within local communities, while protecting and investing in the natural environment for generations to come. It provides opportunities for everyone to access fair, meaningful work, and values and supports responsible, purposeful businesses to thrive and innovate.

The approach recognises that reducing inequality and improving the lives of citizens through a human rights-based, social justice approach can also make the economy more resilient. It supports the transformations in our economy and society needed to thrive within the planet’s sustainable limits and capitalises on the opportunities this creates for improving people’s mental and physical health and wellbeing, tackling inequalities and supporting green jobs and businesses.

How does a wellbeing economy relate to inclusive growth and community wealth building?

The **OECD** highlights the importance of moving away from an attitude of “grow first, redistribute and clean up later” towards a more equitable, sustainable economic model with people at the centre. (OECD, 2019). The wellbeing economy approach emphasises that economic growth should not only be sustainable and inclusive but should also serve as a means to an end – that of collective wellbeing of people and planet – rather than be considered an end in itself. It seeks to reorient and rewire the economy to embed equality, inclusion and environmental sustainability from the outset.

It also views the economy through a broader lens, as a system which includes unpaid work (such as care, domestic labour and volunteering), public services and infrastructure (including social, digital and natural). It challenges us to reflect on how we value different aspects of our economy; something that was brought into sharp focus during the pandemic, with the foundational role of ‘key workers’, and our critical infrastructure, sectors and services coming to the fore.

In order to build economic, social and environmental resilience to future shocks, this approach emphasises the importance of safeguarding, maintaining and investing in our ‘four capitals’ (natural, human, social and produced/financial), which are described further in **Annex A**.

The wellbeing economy approach recognises that the economy is everybody’s business – from health and care to education, and from housing and energy to food and agriculture – requiring a joined-up focus across government at all levels, across all sectors of the economy and all parts of society.

A useful **explanation of the wellbeing economy concept**, and how it relates to the concepts and policies of an ‘inclusive economy’ and ‘inclusive growth’, has been produced collectively by Public Health Scotland, the Improvement Service, COSLA and the Wellbeing Economy Alliance (WEAll) Scotland.

The **Community Wealth Building** (CWB) approach is a key practical means of delivering on wellbeing economy objectives within the sphere of local and regional economic development. CWB is designed to harness the economic leverage of local anchor organisations to tackle long-standing systematic challenges and structural inequalities within our communities. It seeks to transform our local and regional economic systems to enable more local communities and people to own, have a stake in, access and benefit from the wealth our economy generates.

CWB can deliver more and better jobs, business growth, community-owned assets and shorter supply chains, creating greater resilience and supporting net zero ambitions. It acts as a framework for activity across five interlinked pillars: spending, workforce, land and property, inclusive ownership, and finance. More information on CWB is available via the Further Resources section in **Annex E**.

How do we transition to a wellbeing economy?

The Scottish Government is working to make the transition to a wellbeing economy that is based on four principles: **prosperity, equality, sustainability** and **resilience**. Models and frameworks for building a wellbeing economy vary, though they share some key aspects and goals. Features of the approach that the Scottish Government is working to apply across our strategies and policies include:

- Taking an open, transparent, **participatory** approach to developing strategy and policy, involving those impacted by the policy, empowering citizens and diverse communities
- Setting a clear **purpose** and vision for economic policy and activity, focused on collective wellbeing
- Establishing clear **outcomes and metrics** for measuring if and how our economy is delivering wellbeing for people, place and planet (see **Annex A** on Scotland's national-level Wellbeing Economy Monitor)
- Taking an **evidence-based** (qualitative and quantitative), **whole-systems** view to understand the key drivers of wellbeing outcomes, how they interrelate, and which have the greatest impact
- Adopting a **preventative** approach by focusing interventions on upstream parts of the system to avoid negative impacts on outcomes downstream and building long-term resilience
- Embedding **inclusion, equality and fairness** into economic policy from the outset, working with and empowering communities and citizens to gain a greater stake in the economy and removing barriers to participation
- **Monitoring, evaluating** and encouraging **continuous learning**, being open to innovative and experimental approaches
- Being guided by our **values**, set out in the NPF, to treat people with kindness, dignity and compassion, to respect the rule of law, and to act in an open, transparent way.

The Scottish Government's strategic priorities provide clear direction for economic policy. These include tackling child poverty and addressing the twin nature crises of climate change and biodiversity loss. Scotland's targets and legislation designed to drive progress towards these priorities and the National Outcomes, supported by a wide range of strategies, policies and regulations, can be considered important building blocks of a wellbeing economy. Within the local and regional economic development context, the Scottish Government has adopted the internationally recognised **Community Wealth Building** (CWB) approach as a key practical means by which we can achieve our wellbeing economy objectives.

A balanced, holistic approach should be taken to address the wellbeing of both people and planet. A broad range of environmental sustainability issues should be considered, including opportunities for protecting and restoring natural assets, reducing greenhouse gas emissions and transitioning to a circular economy – also recognising the range of wider benefits this can create for improving health and wellbeing, tackling inequalities and supporting green jobs and businesses. The **Environment Strategy for Scotland** provides an overview of the range of environmental sustainability issues that can be considered.

While the principles of a wellbeing economy are relevant across the country, different localities and regions within Scotland face different opportunities and challenges. Each area has unique geographical features – which can impact on transport links or natural assets – varying types and sizes of both economic and social institutions, and diverse populations with unique demographic and skill profiles.

Clackmannanshire Local Wellbeing Economy Pilot

The Scottish Government and Clackmannanshire Council worked together during 2020-2022 to co-create a vision for a local wellbeing economy that is tailored to the specific needs and circumstances of Clackmannanshire. Guided by the NPF, Scotland's Wellbeing Framework, and building on and progressing our sustainable, inclusive growth approach, a diagnostic process was developed. This focused on wellbeing outcomes and aimed to identify the key drivers and priority interventions that are needed to support Clackmannanshire's transition to a local wellbeing economy. The aims and outcomes of the pilot are summarised as follows:

Project aims:

- Test how the wellbeing economy diagnostic process can be used to identify, design, prioritise and facilitate the delivery of sustainable interventions to transform the local economic system in order to improve both local and national wellbeing outcomes.
- Take a system-wide approach to consider the key factors that drive local wellbeing outcomes, and the interaction between these factors.
- Identify ways to prioritise and target interventions in the economy to deliver and optimise improvements across a range of wellbeing outcomes.
- Develop tools to support decision-making consistent with the transition to a wellbeing economy.

Project outcomes:

- The project has helped Clackmannanshire to develop a clear set of wellbeing priorities tailored to their local area. To set the collective wellbeing economy vision for their delivery partners, Clackmannanshire has committed to developing a Local Outcomes Improvement Plan focused on the wellbeing economy. Its Community Wealth Building Action Plan is one of the practical ways that Clackmannanshire is taking action to improve its wellbeing outcomes, including the establishment of a Wellbeing Economy Anchor Partnership and the development of a Clackmannanshire Good Employment Charter to address quality of employment and earnings.
- Lessons learned in this pilot have helped to refine the Scottish Government's approach to understanding the wellbeing economy at a local level and informed the development of this Wellbeing Economy Toolkit to support more local authorities in taking an evidence-based, system-wide approach to policy making and facilitate the transition to a local wellbeing economy.

Throughout the stages of this toolkit, examples from the Clackmannanshire pilot case study are highlighted to help illustrate how the steps can be applied in practice. However, policy makers are encouraged to consider the particular circumstances in their own area in tailoring the approach.

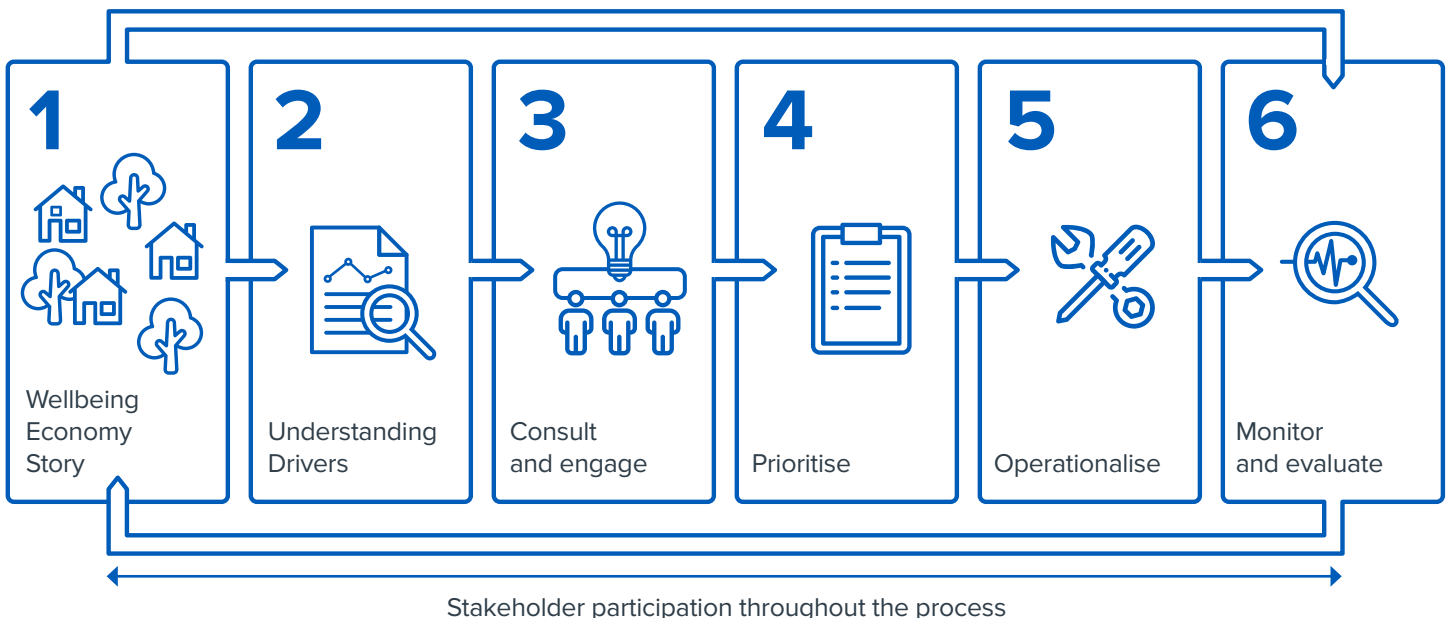
Wellbeing Economy Toolkit

Informed by the Clackmannanshire pilot, the Wellbeing Economy Toolkit has been developed by the Scottish Government and refined through engagement with a range of key stakeholders. These include SLAED, the Improvement Service, SIPHER, Public Health Scotland and local councils. This diagnostic toolkit is designed to aid decision-making and prioritisation of economic interventions for facilitating the transition to a wellbeing economy, taking account of particular place (local and/or regional) characteristics. It builds on the inclusive growth approach to economic development by incorporating stronger measures of, and approaches to, improving environmental sustainability, and sets the role of the economy in context as being in service to the wellbeing of people, place and planet.

Rooted in the NPF and the international UN Sustainable Development Goals (SDGs) that are embedded in the NPF, the process begins by building understanding of wellbeing outcomes in a local area, considering both short-term and long-term outcomes. Taking a broad view of the economy, it asks how the economic system and economic activity can serve to improve these outcomes and avoid negatively impacting them. It does this by firstly following a participative, evidenced, systems-based approach to identify drivers of those outcomes, the strength of those connections, and how they interrelate. It moves on to prioritising these drivers, identifying existing and proposed economy-wide policies, investments and interventions that would have the greatest impact across wellbeing outcomes, within the context of available levers and deliverability.

The following sections set out a stage-by-stage guide to this process, illustrated in **Figure 1**, including a description of each stage, actions, links to further resources (**Annex E**) and a closer look at how these stages were carried out in the Clackmannanshire pilot.

Figure 1. Overview of the wellbeing economy diagnostic process



Stage 1: Developing your local Wellbeing Economy Story

This stage focuses on defining what collective wellbeing looks like within the specific geographical area and seeks to articulate that with a set of wellbeing outcomes that encompass the collective wellbeing of people, including current and future generations, and the planet. These are the end goals that the economic system should be designed to serve and should be based on the National Performance Framework (see [Annex C](#)) and tailored to the particular characteristics of the local area.

The NPF embeds ‘improved wellbeing’ within Scotland’s core purpose. To help achieve this purpose, the framework sets out 11 National Outcomes. These are population-level end results we want to be experienced by the people of Scotland. The Community Empowerment (Scotland) Act 2015 places a duty on public authorities to have regard to the National Outcomes in carrying out their functions. It belongs to the whole of Scotland, not just the Scottish Government and COSLA. The NPF has undergone extensive public participation in its development.

While stages one and two focus on gathering data to inform the evidence base, policy makers are encouraged to build in public and stakeholder participation from an early stage and throughout the process. More detail on participation and engagement is set out in stage three, with links to helpful resources in [Annex E](#).

The forthcoming Local Wellbeing Economy Monitor, due for publication in December 2022, can be used to create a benchmark for a chosen local authority area on a range of indicators of wellbeing. This process will help to build a ‘wellbeing economy story,’ or a picture of the chosen area’s relative wellbeing across social, environmental, and economic dimensions that reflects local circumstances (see [Box A](#)).

These indicators should be viewed as a starting point, with users encouraged to supplement the Monitor with other sources of evidence relevant to local circumstances and priorities, for example from other available data and gathered through engagement with both internal and external stakeholders. Consideration should also be given to longer term wellbeing and resilience, taking account of evidence indicating stocks of natural, human, social and produced capital (see [Annex A](#)), such as different types of infrastructure (physical, digital, social, natural, etc).

In following the wellbeing economy approach, and contributing to the NPF National Outcomes, it is important to ensure local wellbeing outcomes take a broad view across key dimensions of wellbeing, as illustrated by the full range of National Outcomes and UN SDGs, including both short and long term outcomes.

This stage is intended to look above and beyond traditional economic metrics like Gross Domestic Product (GDP), productivity and employment statistics, to start by benchmarking the outcomes that a wellbeing economy seeks to achieve. The following stages look more deeply at how such economic drivers are impacting those outcomes.



Box A: Local Wellbeing Economy Monitor

The Local Wellbeing Economy Monitor draws together data for a set of indicators of wellbeing for each of Scotland's 32 local authorities. These indicators can be used as a benchmark for local authorities to see how their area compares with other local authority areas in Scotland, as well as the Scottish average, with respect to wellbeing outcomes.

This enables users to generate an initial, high-level picture of wellbeing across a range of factors, helping to see at a glance where there may be strengths that should be maintained, and where there may be challenges and opportunities to improve wellbeing outcomes.

The indicators are largely drawn from the wider set of national level indicators used in the National Performance Framework, with some modifications due to the availability of data at the more granular local authority level. They have been selected to give a broad-brush sense of progress towards the National Outcomes, and as such are best seen as one important source of evidence. The NPF **'Measuring Progress'** page gives further information and guidance on developing a fuller understanding of progress, including through the Equality Evidence Finder to explore differences and gaps between groups.

Clackmannanshire Stage 1 Case Study



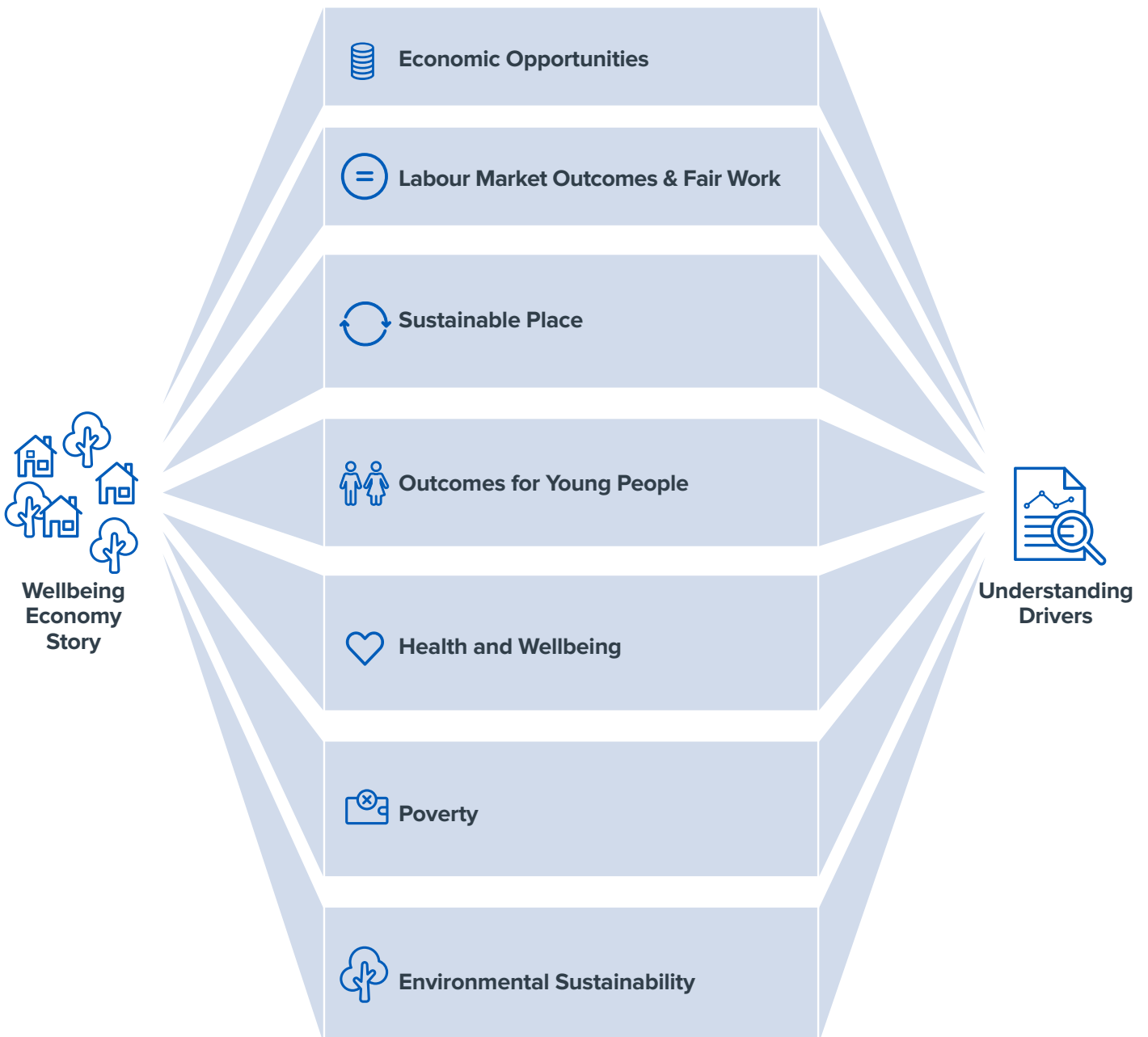
Clackmannanshire was benchmarked across a range of wellbeing indicators alongside neighbouring local authority areas (Stirling and Falkirk) and the Scottish average to build a picture of the local area's wellbeing economy story.

Measuring the wellbeing indicators over a period of three years, a Red-Amber-Green (RAG) system was used to highlight Clackmannanshire's relative position on each indicator compared to the Scottish average.

Using the evidence contained in this dashboard, seven key outcomes were identified to guide the next stages of the process. These headline outcomes, along with the key challenges underpinning them, are illustrated in **Figure 2**. These outcomes were mapped against the **NPF**, **Clackmannanshire's Local Outcomes Improvement Plan**, **Be the Future Corporate Plan**, **Child Poverty Action Plan** and **Community Wealth Building Action Plan** to see how they aligned with Clackmannanshire's local plans and priorities. A contribution wheel diagram showing how the Clackmannanshire local wellbeing outcomes map onto the NPF National Outcomes and UN SDGs is shown in **Annex B**.



Figure 2.
Clackmannanshire key
wellbeing outcomes and challenges



Stage 1 Actions



1. Create a dashboard to provide an initial high-level picture of wellbeing outcomes in your local area using the Local Wellbeing Economy Monitor and other available data sources of relevance.
 - A list of data and evidence resources is available in **ANNEX D**, which includes suggestions for sourcing additional data to build on the simple overview provided by the Local Wellbeing Economy Monitor.
2. Benchmark your local authority area with the Scottish average. You may also want to compare these metrics against neighbouring local authorities or other local authorities with similar characteristics to your own.
3. Identify relative strengths and weaknesses and where there are challenges and opportunities to improve wellbeing outcomes within your area. This will provide an indication of the priority issues to be addressed through the rest of the diagnostic process. When selecting key wellbeing outcomes, a balanced, holistic approach should be taken to improving the wellbeing of both people and planet, for current and future generations.
4. Consider how these wellbeing outcomes align to local, regional and national priorities by comparing with relevant strategies, policies and projects as well as the NPF and Scottish Government targets.
5. In order to ensure the public and other key stakeholders can participate in the process effectively, assess your capacity and capability to undertake engagement throughout the process. Both internal and external stakeholders should be consulted to supplement this information with additional evidence, taking into consideration both quantitative and qualitative data.



Stage 2: Understanding drivers

Wellbeing outcomes can have multiple causes, effects and dependencies. Investigating this complexity enables national, regional and local actors to focus on the main drivers of wellbeing outcomes and develop upstream, preventative interventions to improve outcomes and build long-term resilience into local economies.

Starting with the priority wellbeing outcomes identified during stage one, stage two concentrates on gathering further evidence and data to understand the key drivers of those outcomes.

Where possible gaps in the data are identified, further sources of evidence should be sought to strengthen understanding. Particular attention should be paid to identifying under-represented, disadvantaged and marginalised groups.



Clackmannanshire Stage 2 Case Study



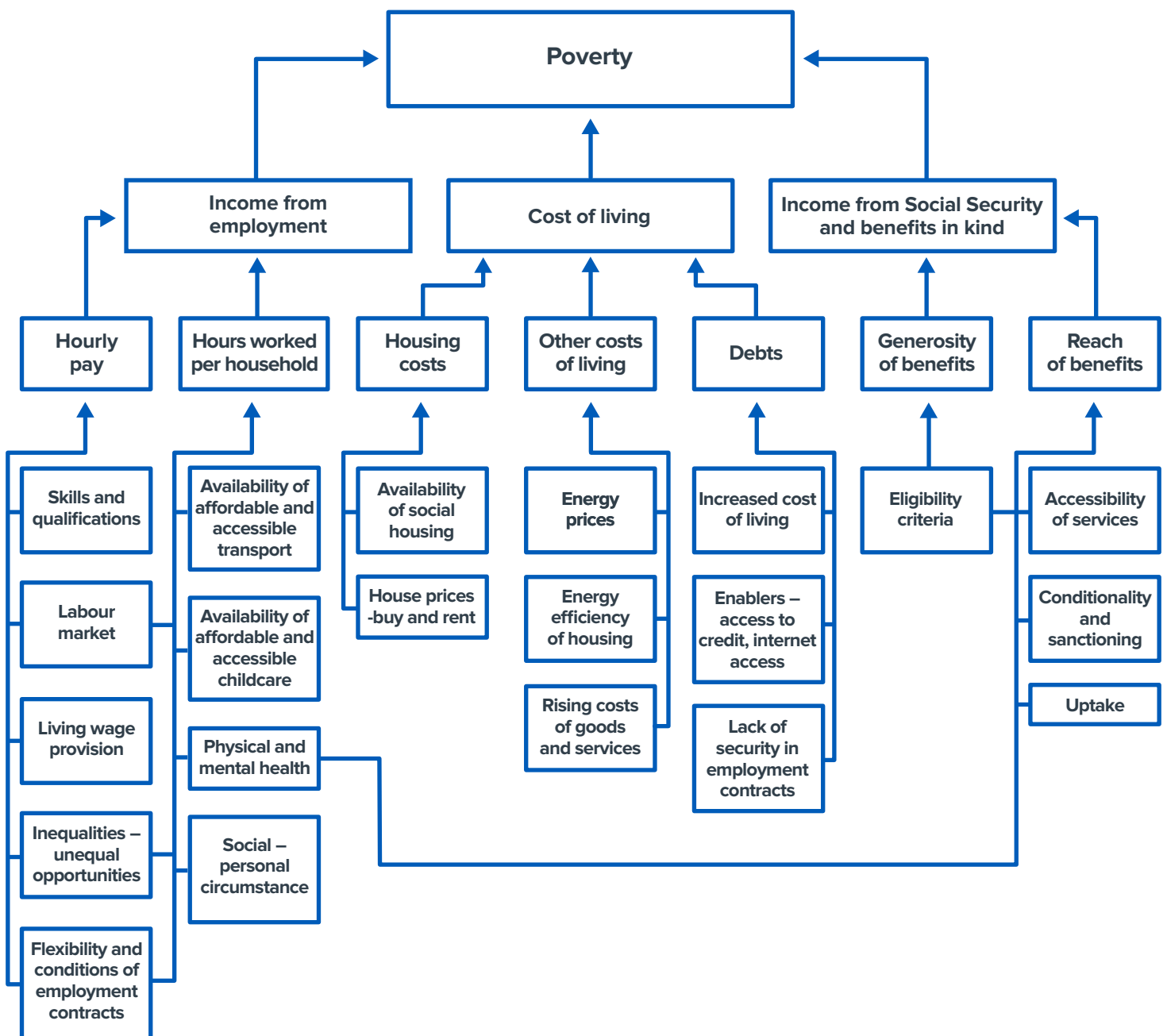
In Clackmannanshire, a systems mapping exercise was carried out in partnership with the academic consortium, **SIPHER**. The resulting systems maps highlighted the connections, and strength of connections, within the local system, and provided further data for use in the process of identifying priorities and interventions.

Using a simplified systems-based approach, driver diagrams like the one shown in **Figure 3** were developed for each of the seven key wellbeing outcomes to visually represent the systemic factors that were influencing those outcomes. These driver diagrams reflected both the quantitative and qualitative evidence base and connections across the wider system.

Once complete, the driver diagrams for each of the key themes were compared to identify where drivers were impacting on multiple outcomes, and to identify gaps in the evidence base where further research was required to understand the relationships between key drivers across the wider system.



Figure 3.
Clackmannanshire deep dive diagram
showing drivers of the poverty outcome



Stage 2 Actions



1. Focusing on the wellbeing outcomes identified as priorities during stage one, look for additional evidence to understand what is driving those outcomes.
 - The Data and evidence resources in **Annex D** signposts to available data and evidence, but locally gathered evidence could also be included.
2. Using this evidence base as a guide, identify the drivers of the wellbeing outcomes selected for further investigation.
 - Drivers may be identified at both a local and national level. Driver diagrams can be used to visually represent the links between key drivers and where they are impacting across the wider economic system.
 - Systems mapping and logic models may help with this process – see **Annex E** for resources on methodologies for understanding systems, drivers and interconnections.
3. Compare the driver connections for each of the wellbeing outcomes to identify where drivers are impacting multiple outcomes.

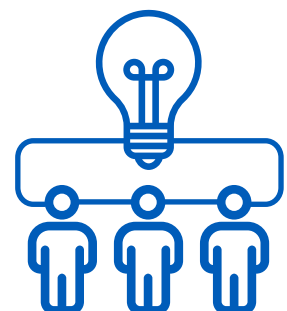


Stage 3: Community participation

Participation and co-creation are key to the wellbeing economy approach, with a focus on reaching out and involving and empowering citizens, communities, local enterprises and anchor organisations to take an active role in the development of local economic policy and strategy.

This consultation and engagement stage is an opportunity to test the evidence and analysis gathered during stages one and two, and to more fully understand the relationships between issues as experienced by those who live and work in the area. This process should help to identify any gaps in evidence base and provide more qualitative and quantitative evidence to deepen understanding of wellbeing outcomes and the drivers of outcomes.

Stakeholder engagement is also an opportunity to explore the policies and practices that are detrimental to wellbeing outcomes, as well as identifying priority areas for action and places in the local system where interventions would have the greatest impact on wellbeing outcomes.



Clackmannanshire Stage 3 Case Study

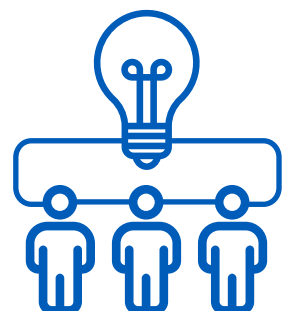


In Clackmannanshire, workshops based on the seven priority wellbeing outcomes were held with stakeholders from across the local authority area, including members of the Clackmannanshire Alliance (representing the boards of NHS Forth Valley, Clackmannanshire Third Sector Interface, Police Scotland, Scottish Fire and Rescue Service, Scottish Enterprise, Clackmannanshire Business and Clackmannanshire Council) as well as Scottish Government officials.

Workshops were designed to allow participants to explore causes, effects and dependencies between outcomes and drivers, and to identify the policies and practices that would have most impact on improving outcomes. The workshops also provided an interactive way of engaging with stakeholders and benefiting from the expertise of a wide range of individuals with an interest in improving outcomes in the local area.

To capture additional issues that were emerging from COVID-19 pandemic impacts, a qualitative impact survey was carried out with local businesses and communities. Evidence from this survey suggested that the impacts of the pandemic acted to exacerbate existing inequalities, but the medium- to long-term impacts of pandemic restrictions and response activities remained uncertain.

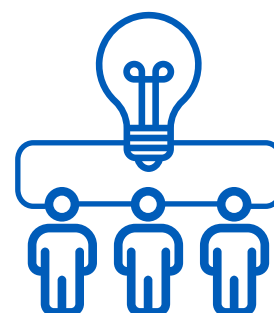
The qualitative evidence captured in these consultation and engagement exercises was used by SIPHER to inform the development of a systems map highlighting the connections within the local system and provided further evidence to integrate into the driver diagrams developed in stage two of the process.



Stage 3 Actions



1. Identify stakeholders for engagement. Stakeholders can be identified on the basis of connection to the key outcomes, but should include representatives from the local community, including public, private and third sector organisations as appropriate. A balance of stakeholder interests should be represented addressing wellbeing outcomes of both people and planet, and the key drivers of outcomes identified.
2. Undertake engagement that seeks to understand the perspectives of a diverse range of stakeholders and what matters to different groups in delivering a wellbeing economy. Consultation and engagement could take a variety of forms, including workshops, focus groups, community meetings or surveys. This stage is an opportunity to:
 - Understand issues specific to the local area (for example, this may include differences between urban, rural and island localities) and the relative importance of these to stakeholders.
 - Identify strengths and opportunities in the local area.
 - Explore the relationships between drivers and outcomes and test the evidence gathered in stage two with those with first-hand experience or expertise. It is important that this is a transparent and open process to ensure genuine collaboration and the evidence and data gathered in the earlier stages of the process should be shared with participants.
 - Consider the points in the local economic system where intervention would have most impact, and where the powers or levers of change lie.
3. Reflect on the evidence gathered during the course of your consultation and engagement and, if appropriate, revisit driver maps/diagrams and wellbeing outcomes to add in any additional evidence.



Stage 4: Prioritisation

Prioritising areas for action is critical to focusing efforts, improving outcomes and delivering value for money. To assess the impact that targeted interventions could have on wellbeing outcomes and delivering transformational change in the local area, a systematic approach should be adopted. Opportunities for action can be identified through a prioritisation process that reflects the evidence base, including stakeholder views to rank the drivers of wellbeing outcomes as identified in stages two and three.

Where drivers have been identified as impacting on more than one outcome, this would indicate that it is having a broader impact on overall wellbeing outcomes in the local area. A scoring system can be used to reflect the strength of impact that interventions targeted at these drivers could have across wellbeing outcomes, the strength of the evidence supporting this judgement, and the deliverability of such interventions. The process should take into account an assessment of the synergies, trade-offs and impact such interventions could have on key excluded groups.



Clackmannanshire Stage 4 Case Study



Clackmannanshire Council worked with the Scottish Government to carry out an assessment of the impact of each driver on wellbeing outcomes and deliverability of interventions to address the driver. This process involved considering the views of policy makers, local communities and the private sector, as well as estimates of the funding requirements of interventions and the time it would take for the benefits to get realised. Potential interventions were also scored according to their estimated impact on the wellbeing economy principles of prosperity, equality, environmental sustainability and resilience.

This process was underpinned by an objective scoring system with each driver scored according to its impact and deliverability. Opportunities for intervention that were considered to be both the most feasible to deliver and to have the biggest impact on wellbeing (of people and planet) outcomes for Clackmannanshire were quality of employment, transport and local connectivity, entry level skills, earnings, mental and physical health, and influence of local anchor organisations. As part of this process, digital skills and lack of industrial space were also identified as key drivers of wellbeing outcomes that Clackmannanshire were keen to investigate further.



Stage 4 Actions



1. Employ an evidence-based methodology for ranking drivers that takes account of estimated impact across a range of wellbeing (of people and planet) outcomes. A multi-criteria analysis underpinned by objective scoring criteria was employed for the Clackmannanshire pilot. Considerations could include:
 - Breadth of impact: e.g., number of outcomes each driver impacts; effect of driver and intervention opportunity on key elements of a wellbeing economy (e.g., equality, environmental sustainability, resilience, prosperity).
 - Strength of driver-outcome connections.
 - Future generations: estimated impact of driver and intervention opportunity on long-term resilience of people, communities, the economy and environment. Give particular focus to prevention and preventative spend opportunities to impact wellbeing outcomes in the longer term.
 - Strength of evidence: quality and quantity of evidence (considering both quantitative and qualitative data)
 - Deliverability: time frame to deliver intervention, time frame for desired impact to be felt, funding/resource requirements, and available levers to deliver interventions.
2. Give particular focus to prevention and preventative spend opportunities to impact wellbeing outcomes in the longer term and reduce the effect of 'failure demand', whereby drivers lead to negative outcomes requiring expenditure to address those impacts. For more information on the concept of failure demand, see the WEAll and Christie Commission reports referenced in **Annex E**.
3. Consider the views and preferences of key stakeholders, including policy makers and experts, local communities, those directly impacted and the wider public, private and third sectors when carrying out this scoring process. Workshops bringing together diverse groups can allow discussion and reflection on the methodology and results.
4. Rank the results based on the scoring system to identify priority areas for intervention.
5. Where the levers for intervention fall partly or fully out with the powers of the local or regional authority or local stakeholders, identify where the powers/levers lie and capture these to communicate the feedback for sharing with relevant bodies (e.g. Scottish or UK Government, national agencies, industry etc.).
6. Using the results of this exercise, agree a shortlist of areas for focusing interventions in the short, medium and long term.



Stage 5: Operationalising Results

Based on the priorities identified through this evidence-based, system-wide process, policies and interventions that have the potential to most effectively 'shift the dial' on multiple outcomes can be developed, coordinated or targeted to drive the transition towards a place-based wellbeing economy.

The key wellbeing outcomes, drivers and intervention opportunities identified through the earlier stages offer an overarching framework and vision for local and regional strategies and programmes. Work already underway across the local area or region can be linked up and coordinated to maximise the opportunities for improving wellbeing outcomes across the local system.

Working in partnership across the local authority or region with communities as well as the public, private and third sectors will help to take a system-wide approach and offer the greatest opportunity to successfully deliver these policies and interventions.

Focusing on wellbeing outcomes as the primary goal of local economies will also help local authorities, in partnership with stakeholders, to tackle poverty (particularly child poverty), reduce inequality, build economic resilience and contribute to Scotland's just transition to a net zero, nature-positive, circular economy with fair work at its heart.



Clackmannanshire Stage 5 Case Study



Clackmannanshire Council has used the results of its prioritisation process to map out the policies, projects and practices already in place that will contribute to improving key outcomes. This process has also helped to identify where there may be opportunities to build on this work and maximise the wellbeing outcomes for individuals, communities and businesses in both the short and long term.

To ensure wellbeing outcomes are at the heart of work happening across the local area, Clackmannanshire has committed to developing a refreshed Local Outcomes Improvement Plan which will focus on transitioning to a wellbeing economy. This aims to embed the agreed wellbeing economy priorities in the local authority's long term strategic plans and set the collective vision for its delivery partners.

Community wealth building (CWB) is one of the key practical ways that Clackmannanshire is already taking action to address the long-standing systemic challenges facing the local economy and to realise its vision for a local wellbeing economy. Clackmannanshire is one of the Scottish Government's CWB pilot areas, and it has developed a **Community Wealth Building Action Plan**. At a regional level CWB was built into projects in the Stirling and Clackmannanshire City Region Deal.

Linked to this, Clackmannanshire is also establishing a Wellbeing Economy Anchor Partnership, which will bring together local anchor institutions including representatives from the council, educational institutions, housing associations, NHS health board and large local private sector employers. Delivery groups will be established to focus on delivering interventions targeted at the priority outcomes. A Clackmannanshire Good Employment Charter is also being developed to address quality of employment and earnings, and ways to roll this out through the Wellbeing Economy Anchor Partnership are being investigated.



Stage 5 Actions



1. Map out the policies, projects and programmes underway at a local and national level that are already contributing to improving the key wellbeing outcomes identified and assess, where possible, the current or expected effectiveness of these interventions.
2. Using this map, identify where there are opportunities to build on work already underway, or gaps where further interventions will be required.
3. Embed the key wellbeing outcomes within the strategic outcomes for the local area, ensuring these all remain aligned and rooted in the NPF.
4. Make connections with key delivery partners and stakeholders across the local area to ensure that interventions are coordinated and delivered efficiently.
 - Establishing an anchor partnership and working groups could help with this process and join up activity for maximum effectiveness.
5. Consider how the key wellbeing outcomes can be embedded into decision-making processes, including budgeting processes.
 - This will help to ensure that policies and investments are directed towards improving wellbeing outcomes holistically and consistently across the local area.



Stage 6: Monitoring and Evaluation

Monitoring, evaluation, and continuous learning is a crucial element of the wellbeing economy approach. Policy makers are advised to consider how best to monitor the process and evaluate the impact of interventions against the key wellbeing outcomes identified at the start of the process, using the indicators and stakeholder evidence gathered throughout. To maintain a genuinely participative approach, policy makers should also consider how to involve stakeholders in future evaluation and review processes to ensure that future iterations of plans and policies are fit for purpose and are supported by all parts of the council, key partners and those who live and work across the local area.



Clackmannanshire Stage 6 Case Study



Progress in Clackmannanshire will be monitored against the key wellbeing outcomes through the Local Outcomes Improvement Plan progress report. If required, the diagnostic process can be repeated to assess if there have been any changes in the wellbeing indicators that may warrant reprioritisation of drivers or a change in the policy approach. This can also be done if there are significant changes in local circumstances or the available evidence base.



Stage 6 Actions



1. Through an inclusive, participative approach, consider and decide how the wellbeing economy outcomes will be monitored, and how the impact of interventions will be evaluated. The transition to a wellbeing economy is a long-term endeavour and outcomes should be monitored and evaluated on an on-going basis to ensure continuous improvement.
2. Use the key wellbeing outcomes and indicators identified in Stage one to establish a baseline from which to measure ongoing progress and impact of the interventions. This should include a plan for collecting the key data and evidence required.
3. Keep the outcomes and indicators under regular review, ensuring that the process is rooted in the NPF and takes account of any updates arising from its statutory review cycle (every five years).



ANNEX A

Wellbeing Economy Monitor – national level

Traditional economic metrics such as Gross Domestic Product (GDP), Gross Value Added (GVA), productivity and headline employment rates continue to be important indicators of how our economy is functioning and contributing to economic objectives. They will continue to feature prominently in Scotland's economic monitoring and reporting.

However, it has long been widely acknowledged that these metrics do not provide a full picture of the whole economy, as they do not recognise unpaid work, and do not distinguish between economic activity which contributes positively to the health and wellbeing of people and the natural environment, and that which has negative impacts on wellbeing outcomes.

To look beyond such traditional metrics, the Scottish Government published a national-level **Wellbeing Economy Monitor** in June 2022. Based on the National Outcomes within the NPF, and complementing traditional economic metrics, the Monitor provides a basket of indicators (for example, child poverty, greenhouse gas emissions, the gender pay gap and community ownership) against which to track and assess Scotland's economic success in delivering a broader range of outcomes that more holistically demonstrate collective wellbeing.

In order to build economic, social and environmental resilience to future shocks, the wellbeing economy approach emphasises the importance of investing in the protection, restoration and maintenance of our 'four capitals' (natural, social, human and produced/financial). These can be described as the assets or resources upon which our future wellbeing depends, all of which are interlinked and embedded within the natural environment. That means investing in nature (e.g. soils, forests, water, air, etc), people (e.g., health, capacity, skills), communities (e.g., civic and cultural engagement, personal relationships, support networks, trust) and in the physical, intellectual and financial assets used to provide a flow of goods and services (e.g., buildings, infrastructure, research and development).

The four capitals provide a useful framework for taking a broad view of the economy and its relationship to resilience and wellbeing. For this reason, the indicators in the Wellbeing Economy Monitor are grouped in this way. (Further information on the four capitals approach is available in this **Scottish Government report**.)

ANNEX B

Illustrative example of local wellbeing outcomes' contribution to National Outcomes

Taking the Clackmannanshire pilot example for illustration purposes, this **diagram** helps show the relationship between the UN Sustainable Development Goals (outer ring), through the **NPF National Outcomes** (middle ring) to the key wellbeing outcomes identified for a local area. It places the wellbeing economy vision, represented in the NPF

by the **Economy national outcome**, at the centre of the wheel. By following the process in the Wellbeing Economy Toolkit, policy makers can identify priority interventions for making progress towards the local wellbeing outcomes and thus contribute positively to all or most of the National Outcomes, while avoiding negative impacts on any outcomes.

Figure 4:

Example of key wellbeing outcomes identified in Clackmannanshire and their contribution to National Outcomes and UN Sustainable Development Goals



ANNEX C

The National Performance Framework – Scotland’s Wellbeing Framework

Scotland was one of the first countries to sign up to achieving the United Nations Sustainable Development Goals (SDGs) by 2030. This demonstrates Scotland’s commitment to playing our part in achieving these Goals, both here in Scotland and globally.

By signing up, the Scottish Government is required to demonstrate how we will work to achieve these targets by 2030. Many of the goals align with what we are already doing to tackle climate change, poverty and inequality, both domestically and internationally.

Scotland’s internationally recognised National Performance Framework (NPF) includes a set of National Outcomes for Scotland – our main vehicle to deliver and localise the SDGs.

There is a statutory requirement to review them every five years. These National Outcomes and the 81 national indicators that underpin them form the basis of the Wellbeing Economy Monitor, both at the national and local levels.

Resources on how to interpret and use the NPF, National Outcomes and indicators, and how to translate it into strategy and action at the local level, are available on the **NPF website**, including a **guide to outcomes focused policy making**.

Policy makers may wish to conduct deeper dives into specific National Outcomes as part of the evidence gathering process (stages one and two of the toolkit). The Further Resources annex of this toolkit (**Annex E**) highlights examples of outcomes-focused analyses conducted by the Scottish Government.

The National Performance Framework website **Resources page** details other examples from around Scotland showing how organisations are aligning their strategies and plans to the National Outcomes.

ANNEX D

Data and evidence resources

Useful sources of data and evidence that could help policy makers further explore evidence of place-based wellbeing outcomes, drivers, and the indicators in the local-level Wellbeing Economy Monitor. They span a wide range of data relating to Scotland's National Outcomes, and are grouped into broad categories relating to various aspects of wellbeing (including people, environment, place, participation, equality and other).

General

The Office for National Statistics (ONS) provides a wide range of data at the local level.

Office for National Statistics Local Statistics

Office for National Statistics Subnational indicators explorer

The [statistics.gov.scot website](https://statistics.gov.scot) hosts 293 linked datasets and six downloadable files and weblinks which you can browse and download in multiple formats. Many of these datasets include local authority level data.

Understanding Scottish Places (USP) brings together a range of data about towns in Scotland. The platform offers a mechanism for understanding the similarity of places across Scotland. Deliberately designed to avoid a simplistic ranking of places as better or worse, USP focuses on the shared characteristics of towns.

People

The **Scottish Public Health Observatory (ScotPHO)** Profiles present a range of indicators to give an overview of health and its wider determinants at a local level. The profiles give a snapshot of health for each area and highlight variation through a variety of different visualisations. The ScotPHO website also includes an **overview** of the key data sources used within the website, including Scottish national data schemes, surveys (cross-sectional and longitudinal) and international data sources.

National Records of Scotland (NRS) provide data on local population, life expectancy, births, deaths, migration and dwellings. This data can be viewed in their **local authority profiles**.

The **Population Programme Dashboard** supports the Population Taskforce to understand the demographic challenges in Scotland. It presents demographic data, including enabling comparisons between local authority areas.

The Scottish Government provides a directory of **statistical publications** relating to Scotland's national and local child poverty, including a dashboard that can be used to monitor local child poverty drivers.

Environment

NatureScot data services provide links to a range of data and information sources covering topics such as Protected Areas, Natural Spaces, Standing Waters and other environmental issues.

Zero Waste Scotland provide research and evidence on waste and the circular economy.

Air Quality Scotland provide data on air pollution in local authorities. They use a 1-10 index, divided into four bands, to provide detail on air pollution levels in a simple way – **Daily Air Quality Index (DAQI)**

The UK Department for Transport monitor the shift towards greener transport and travel by publishing statistics on the number of **lower emission vehicles** and the availability of **electric vehicle charging devices in local authorities**. Also, the Scottish Government publish statistics on the total amount of **petrol and diesel consumed in local authorities**.

Place

The Scottish Government provide a **directory of statistical publications** relating to Scotland's national and local housing, including affordable housing, new housing supply, rents in the private sector and social housing.

The Scottish Government provide a collection of documents relating to the **Scottish Index of Multiple Deprivation (SIMD)** including statistics/rankings for datazone areas on: income, employment, education, health, access to services, crime and housing. The **SIMD 'local and national share calculator'** identifies the share of datazones in the 20% most deprived datazones in Scotland in local authorities, parliamentary constituencies and multi-member wards.

Ofcom report on the percentage of homes in local authorities with access to broadband and mobile networks in their annual 'Connected Nations' report.

The Scottish Government provide a summary of statistics for Scotland broken down into remote rural, accessible rural and the rest of Scotland. The publication, **'Rural Scotland: Key Facts'** is a compendium publication comparing and contrasting statistics on key policy topics such as people and communities, services and lifestyle, economy and enterprise.

Participation

NOMIS is a service provided by the Office for National Statistics (ONS). On the **NOMIS website statistics** are published relating to population, education, society, income and the labour market, at national and local levels. These include data from current and previous censuses, the Annual Population Survey, the Annual Survey of Hours and Earnings, and the Business Register and Employment Survey. The NOMIS website can also produce **Labour Market profiles** at local authority level.

The Scottish Government's annual publication '**Scotland's Labour Market: People, Places and Regions**' uses data from the Annual Population Survey to provide national and local statistics related to employment by equalities, work patterns, types of work, underemployment, industry/occupation/sector work, education, skills and training.

The ONS frequently publish **local disposable household income** data.

Equality

The **Equality Evidence Finder** brings together the latest statistics and research for Scotland (nationally and locally) across different themes for age, disability, ethnicity, gender, religion, sexual orientation, socio-economic status and transgender status. The Equality Evidence Finder is updated monthly with a summary of the key official statistics, social research and National Performance Framework equality analysis. Links to further datasets, statistics and research are provided to help find the full range of available equality evidence for Scotland.

The Scottish Government maintains a collection of statistics and analysis relating to **poverty, household income and income inequality**.

Other

The **Scottish Household Survey (SHS)** is an **annual survey** that provides robust evidence on the composition, characteristics, attitudes and behaviour of private households and individuals as well as evidence on the physical condition of Scotland's homes. Its large sample size allows analysis of all Scotland's local authorities. The topics covered in the survey include demographics, housing, neighbourhoods, economic activity, finance, internet, physical activity, local services, environment, volunteering, culture, and childcare.

The **What Works Centre for Wellbeing** provides links and advice on data and evidence relating particularly to subjective wellbeing.

Co-operatives UK monitor a range of data sources to provide the most comprehensive intelligence available on the co-operative sector. They provide a continually updated dataset on all registered co-ops broken down by local authority area.

The Scottish Government publish a **'Community Ownership in Scotland'** dataset annually. This dataset details the extent of community ownership in local authorities, including the number of assets owned by community groups.

The Scottish Government's **'Growth sectors statistics'** database provides statistics on local growth rates and jobs in the local Arts and Culture sector. Currently, the Creative Industries sector is a temporary source for the Arts and Culture sector in the database. Work is underway to better develop indicators for the Cultural Economy in order to improve the measurement approach.

The Scottish Government provide a directory of **statistical publications** relating to Scotland's economy organised by subject.

The ONS provide productivity (**GVA per hour worked**) and **total economic output (GVA) data by local authority**.

The Scottish Government produces a **sub-Scotland economic statistics database**. This database provides economic, business, labour market and population data for Scotland, and for areas within Scotland. Data are provided for a range of geographical areas within Scotland, including local authority areas, travel to work areas and areas around the River Clyde.

The Scottish Government also provide a directory of statistical publications relating to local business and innovation. This includes **'Businesses in Scotland'** which provides statistics on the number of local businesses relative to population, and also 'Business enterprise research and development (BERD)' which provides statistics on local BERD (total, per head or as a share of GDP).

The ONS publish a **'Business demography'** dataset, which they update annually, which provides data on births, deaths and survival rates of businesses by local authority.

The UK Department for Business, Energy and Industrial Strategy, through their **UK Innovation Survey**, collect and publish ITL2 level data on the percentage of businesses that are innovative, performing R&D and collaborating with other business.

The Scottish Futures Trust has published research (**Measuring and Valuing the Inclusive Growth Impact from Infrastructure Investment**) which aims to enhance and improve the evidence base of how investment in infrastructure supports and helps deliver inclusive growth, including by recommending a suite of indicators and metrics that can be used for appraising and prioritising resources.

ANNEX E

Further Resources

Stage 1: Developing the local wellbeing economy story

[National Performance Framework – Scotland’s Wellbeing Framework](#)

[Wellbeing Economy Monitor](#)

[The 17 Goals – Sustainable Development](#)

[WEAll Policy Design Guide](#)

[What Works Wellbeing](#)

[The SDGs Wedding Cake – Stockholm Resilience Centre](#)

[Thriving Places Index – Centre for Thriving Places](#)

[Resources | National Performance Framework](#)

[Improvement Service Local Child Poverty Action Reports](#)

[Scottish Government Improving Public Services](#)

[Scottish Government Community Empowerment \(Scotland\) Act](#)

Examples of Scottish Government outcomes and outcome frameworks relating to strategic priorities:

- Environment:
 - [The Environment Strategy for Scotland: vision and outcomes](#)
 - [Environment Strategy Scotland outcomes – contribution to NPF 2020](#)
- Public health:
 - [Scotland’s public health priorities](#)
 - [Scotland’s Public Health Priorities – Our areas of work](#)
- Children, Young People and Families:
 - [Wellbeing \(SHANARRI\) – Getting it right for every child \(GIRFEC\)](#)
 - [Improving Outcomes for Children, Young People and Families: Review of Children’s Services Plans \(2020-2023\) and Strategic Engagement Activity](#)

- Older people:
 - [A Fairer Scotland for Older People: framework for action](#)

Stage 2: Understanding drivers

[Scotland's Hub for Regional Economic Development \(SHRED\)](#)- formerly Scotland's Centre for Regional Inclusive Growth (SCRIG)

[SLAED – Indicators Framework | SLAED](#)

Outcomes Frameworks and Systems Mapping:

- [Scottish Government – Child Poverty Systems Map](#)
- [Public Health Scotland – Prioritise Child Poverty: a data and systems approach](#)
- [HM Government Cabinet Office – Systems Thinking](#)
- [Barbrook-Johnson, P and Penn, Alexandra S. \(2022\), Systems Mapping: How to build and use causal models of systems, Palgrave Macmillan](#)
- [SIPHER – Systems Science in Public Health and Health Economics Research](#) and [SIPHER Reports](#)

Stage 3: Engagement and participation

[SCDC National Standards for Community Engagement](#)

[OECD Guidelines for Citizen Participation Processes](#)

[OECD Innovative Citizen Participation](#)

[Involve.org.uk – Knowledge Base](#)

[Participedia – participedia.net](#)

[Nesta – Advancing democratic innovations toolkit](#)

[RSA – Citizens Economic Council – Building a Public Culture of Economics – rsa.org](#)

Stage 4: Prioritisation

[European Commission Better Regulation Toolbox – Multilevel Criteria Analysis](#)

[HM Treasury – Green Book Supplementary Guidance: multi-criteria decision analysis](#)

[DEFRA – Evidence and Analysis Series – Social Impacts and Wellbeing: multi-criteria analysis techniques for integrating non-monetary evidence in valuation and appraisal](#)

Stage 5: Operationalisation

[Scottish Government Community wealth building – Cities and regions](#)

[North Ayrshire Council Community Wealth Building](#)

[CLEES What is Community Wealth Building?](#)

[Land Commission – good practice in Community Wealth Building](#)

[Scottish Government Scotland’s National Strategy for Economic Transformation](#)

[Scottish Government The Environment Strategy for Scotland: vision and outcomes](#)

[Improvement Service: Wellbeing Economy Briefing](#)

[Improvement Service Wellbeing Economy Resources](#)

[Improvement Service Community Wealth Building Elected Members Brief](#)

[Carnegie UK Embedding Wellbeing Frameworks](#)

[WEAll Being Bold: Building Budgets for Children’s Wellbeing](#)

[WEAll Love Letham Project](#)

Stage 6: Monitoring and evaluation

[HM Treasury The Magenta Book](#)

[WEAll Policy Guide](#)

[WEAll Integrating Wellbeing into Policy Evaluations](#)

General

[Wellbeing Economy Governments \(WEGo\)](#)

[OECD Centre on Well-being, Inclusion, Sustainability and Equal Opportunity \(WISE\)](#)

[OECD The Economy of Well-being](#)

[First Minister Nicola Sturgeon ‘Why governments should prioritise wellbeing’ \(Video\)](#)

[Wellbeing Economy Alliance: Katherine Trebeck ‘Why the Future Economy has to be a Wellbeing Economy’ \(Video\)](#)

[WEAll Failure Demand Report](#)

[Carnegie UK Gross Domestic Wellbeing Programme](#)

University of Cambridge Institute for Sustainability Leadership Rewiring the Economy Report

The Economic Development Association Scotland (EDAS)

Business Purpose Commission report – purpose-led recovery and growth – SCDI 2022

Fairer Scotland Duty | Improvement Service

Scottish Government Christie Commission on the future delivery of public services

COSLA Christie Commission – 10th Anniversary

Scottish Government Covid Recovery Strategy: for a fairer future

Scottish Government Infrastructure Investment Plan



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