

From: **[REDACTED]**
Social Security Directorate
15 June 2017

Minister for Social Security
Cabinet Secretary for Communities, Social Security and Equalities

LOCATION ANALYSIS – REVISED PHASE 1 APPROACH AND RESULTS

Purpose

1. To update you on the proposed approach being taken to appraise options for the location of the new Social Security Agency's central office(s) following discussion on the submission sent on 8 May 2017.

Priority

2. Urgent.

Background

3. In the Minister's statement to Parliament on 27 April, it was announced that the same multi-criteria framework used for the wider options appraisal would be used in assessing options for main agency location and that a decision on this would be announced in the autumn. A submission setting out a proposed approach was sent on 8 May 2017.
4. The issue will be examined in a number of phases and the content of Phase 1 has been amended following discussion of the original submission.

Changes made

5. Following Cabinet Secretary's and Minister's comments on the material contained in the Submission of 8 May 2017 on Location Analysis Appraisal Criteria, colleagues in Communities Analysis further refined the location analysis model for Phase 1 of the process. **[REDACTED]**

6. [REDACTED]

7. These changes have significantly enhanced the analytical strength of the analysis and increased the transparency of the work. More detail on the revised outcomes from Phase 1 is included in Annex A. The original methodology and results for Phase 1 that were submitted to you on 8th May are provided in Annex B for ease of reference.

8. [REDACTED]

9. [REDACTED]

10. [REDACTED]

Next Steps

11. Subject to your approval of the approach and work undertaken to date we would propose to move to Phase 2 of the appraisal exercise and undertake detailed analysis of the shortlisted 15 Local Authorities.
12. To help focus the next phase of analysis I would be grateful if [REDACTED] could meet with the Minister to discuss commercial work that needs to be done in parallel with the appraisal work in advance of an announcement on location in the Autumn.
13. A further update will be provided at the completion of Phase 2 where in-depth analysis is undertaken on shortlisted Local Authorities, including considerations around the availability of suitable office space.

Recommendations

14. You are both invited to note the contents of this submission and the supporting Annexes and:
 - Confirm that you are content with our revised methodology for the process of determining the Social Security Agency location as set out in Annex A
 - Meet with officials as noted in para 12.

[REDACTED]

Social Security Directorate

Ext. [REDACTED]

15 June 2017

[REDACTED]

ANNEX A – Revised Phase 1 results

- Phase 1 analysis has allowed us to rank the 32 Scottish Authorities in the order of suitability for locating the Social Security agency.
- We would recommend that 15 highest scoring local authorities are considered at Phase 2. It should be noted that Phase 2 analysis will be more complicated due to the consideration of the inter-dependency **[REDACTED]**
- Glasgow ranks highest out of all local authority areas on 4 of the 5 criteria. This is driven by its size and the high levels of deprivation which present opportunities for regeneration. Because of this, the overall score for Glasgow is significantly better than any other area.
- The other three largest Scottish cities will also be examined further at Phase 2. This is because they allow access to a large labour force that is required for recruiting staff for the agency.
- In addition, a number of areas around the central belt will also be considered at the next stage due to population concentrations in those areas, access to labour in cities and also because a number of them have concentrations of areas that could benefit from regeneration. North Lanarkshire and North Ayrshire are found to be in the top 5 most suitable locations at this initial stage of analysis.
- **[REDACTED]**
- The rankings among the top 15 may change during Phase 2, as the areas are examined closer.
- The areas that will not be considered at the next stage are the ones that were found to be too small and too remote to allow the agency to recruit and/or have limited need for regeneration relative to other areas.
- **[REDACTED]**
- The full results of the updated analysis are provided in Table 1 below.

[REDACTED]

- **[REDACTED]**

[REDACTED]

Table 2 – 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)	<i>Travel time from closest town by train during peak hours between:</i>
	<i>number of people</i>	<i>minutes</i>	<i>number of people</i>			
Aberdeen City	121,800	na	2,245	8%	3.3	
Aberdeenshire	138,300	25	1,592	2%	3	<i>Inverurie - Aberdeen</i>
Angus	56,500	15	833	7%	-3.5	<i>Arbroath - Dundee</i>
Argyll and Bute	40,600	40	515	9%	-2.1	<i>Helensburgh - Glasgow</i>
Clackmannanshire	23,500	55	463	24%	3.6	<i>Alloa - Glasgow</i>
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	<i>Kilmarnock - Glasgow</i>
East Dunbartonshire	51,800	15	506	5%	-1	<i>Kirkintilloch - Glasgow</i>
East Lothian	48,700	35	803	5%	-0.4	<i>North Berwick - Edinburgh</i>
East Renfrewshire	45,900	15	439	7%	-0.9	<i>Giffnock - Glasgow</i>
Edinburgh, City of	253,400	na	2,881	14%	-1.3	
Falkirk	79,500	20	889	15%	-1.9	<i>Falkirk - Glasgow</i>
Fife	174,400	40	2,801	19%	-3.1	<i>Kirkcaldy - Edinburgh</i>
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	<i>Greenock - Glasgow</i>
Midlothian	42,800	20	1,001	11%	-1.2	<i>Eskbank (Dalkeith) - Edinburgh</i>
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	<i>Kilwinning - Glasgow</i>
North Lanarkshire	169,900	15	2,882	32%	-4.1	<i>Croy - Glasgow</i>
Orkney Islands	11,500	na	77	0%	0	
Perth and Kinross	71,700	20	744	6%	-0.9	<i>Perth - Dundee</i>
Renfrewshire	86,700	10	1,523	27%	-0.8	<i>Paisley - Glasgow</i>
Scottish Borders	52,800	55	637	6%	1.4	<i>Galashiels - Edinburgh</i>
Shetland Islands	12,900	na	78	0%	0	
South Ayrshire	50,700	45	888	18%	-1.1	<i>Ayr - Glasgow</i>
South Lanarkshire	156,800	30	2,330	21%	0.3	<i>Hamilton - Glasgow</i>
Stirling	42,800	30	493	12%	-0.7	<i>Stirling - Glasgow</i>
West Dunbartonshire	42,700	30	966	40%	-1.4	<i>Dunbarton - Glasgow</i>
West Lothian	89,700	20	1,232	16%	-2.8	<i>Livingstone - Edinburgh</i>

Source:

1. Labour Force Survey
 2. Train travel times - GIS analysis
 3. JobCentre Plus
 4. Scottish Index of Multiple Deprivation
 5. Labour Force Survey

[REDACTED]