

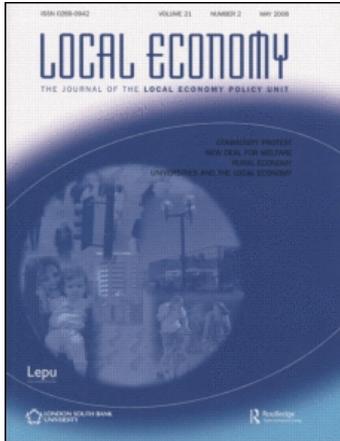
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Local Economy

Publication details, including instructions for authors and subscription information:

<http://www.informaworld.com/smpp/title~content=t713705644>

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To cite this Article McQuaid, Ronald W.(1993) 'Economic development and local authorities: The Scottish case', *Local Economy*, 8: 2, 100 – 116

To link to this Article: DOI: 10.1080/02690949308726180

URL: <http://dx.doi.org/10.1080/02690949308726180>

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ECONOMIC DEVELOPMENT AND LOCAL AUTHORITIES: THE SCOTTISH CASE

RONALD W. McQUAID

OUTLINE

The economic development activities of local authorities have expanded considerably over the last decade. This paper considers the range of such activities and presents an overview of the results of a survey of local authorities, taking Scotland as a case study. It discusses the differences between the institutional environment for supporting economic development, contrasting it with the rest of the UK. It then considers the reasons for involvement by the local authorities in economic development and their priorities. The results of the survey, with over 90 per cent of local authorities responding, show the range and level of economic development activities directly carried out by them to be considerable. Generally, the role of partnership with other public, private and third-sector bodies in the development and implementation of policies and initiatives was found to be significant. Finally, the level of resources devoted to economic development was substantial with expenditure of over £90 million per year.

INTRODUCTION

This paper considers the economic development priorities and activities of local authorities. The experience of Scotland is taken as a case study as, in common with many other areas experiencing persistently high unemployment, it has a long tradition of active local authority involvement in economic development. During the 1980s and early 1990s the level and range of activities increased greatly. However most relevant surveys are from the mid-1980s or do not take full account of the different framework for economic development in Scotland (see for example Chandler and Lawless, 1985; Mills and Young,

1986; Rowan-Robinson and Lloyd, 1987; and Sellgren, 1991). This paper discusses the reasons for local government involvement in economic development and their priorities, followed by the results of a survey on the scale and breadth of Scottish local authority policies and activities in the field of economic development. Subsequent sections consider the role of partnerships and networks in the implementation of activities and the resources used. To set the context, the next section briefly identifies some key differences in the economic development support environment within which local authorities operate in Scotland compared to the rest of the UK, and considers how this environment is changing.

THE INSTITUTIONAL FRAMEWORK

There are a number of differences in the institutional framework between Scotland and the rest of the UK, particularly England, that influence the way local government approaches economic development. First, the structure of local government is itself different in Scotland, with 12 Regional and Islands Councils broadly equivalent to Counties, although the three Island Councils are unitary authorities. Both these and the 53 District Councils have discretionary economic development powers, although only the former may promote the area for general inward investment (Stodart, 1981).

Second, since the mid-1970s two regional development agencies (the Scottish Development Agency and Highlands and Islands Development Board) have been in operation in Scotland. In April 1991 these agencies were replaced by Scottish Enterprise and Highlands and Islands Enterprise together with their Local Enterprise Companies (LECs), which were formed by combining the Training Agency with the Scottish Development Agency and Highlands and Islands Development Board respectively. These new agencies have considerably greater powers and resources than the Training and Enterprise Councils (TECs) in England and Wales as they cover economic and environmental development as well as training, although as with TECs their boards of directors are private-sector dominated (see Fairley, 1992; Danson et al, 1990). As is discussed later, the existence of such agencies has influenced the economic development strategies and operations of local authorities, as well as widening the relevant powers of the public sector overall.

A third difference compared to England is that in terms of administration most central government activities are operated through the Scottish Office, providing a more coordinated approach and easier access to central government departments for local authorities than in the English regions. There is also a

specific central government body, Locate in Scotland, which promotes inward investment from elsewhere in the UK and abroad.

Fourth, the legislative foundation for economic development is different in Scotland. There the activity is still discretionary as the statutory basis set out in the Local Government and Housing Act (1989) applies only to England and Wales. However, the future economic development activities of Scottish local authorities and their legislative basis are likely to be profoundly affected by proposals, contained in the Government's Consultation Paper on the reform of local government in Scotland (Scottish Office, 1992), for a system of single-tier local government. The Consultation Paper discusses industrial development and lists the main types of local authority activities as: the provision of land and buildings; overseas trade promotion; financial aid to companies, including equity, loans, grants, support for training and employment subsidies; advice to companies; and support for other economic development agencies. Hence most current activities of local authorities may be permitted, and further activities relating to urban regeneration and planning are also recognised in the proposals. The consultation document asks if there should be a clearer definition of powers in this area and if the powers should remain discretionary or become statutory as in England and Wales. Decisions on these and on the geographic size of local government units will have a significant impact on the way economic development is practised in the future (McQuaid, 1993a). Interestingly, the proposals are very different from those of the government's first Consultation Paper a year earlier (Scottish Office, 1991) which argued that economic development should be left to the LECs and removed from local authorities, as their positive contribution now appears to be recognised (for wider discussions on the impacts of reform on economic development see McQuaid, 1993b; Hayton, 1993).

LOCAL AUTHORITIES' ECONOMIC DEVELOPMENT PRIORITIES

The present paper provides results from a 1992 survey of all Scottish local authorities commissioned by the Convention of Scottish Local Authorities (COSLA) in order to provide information upon the scale and breadth of the existing role of local authorities in economic development (McQuaid, 1992). All Regional and Island Authorities and 50 of the 53 District Councils replied. The data below exclude eight small rural Districts who returned the questionnaire incomplete as they did little in the field of economic development, leaving such activity largely to the Regional Council. The three non-respondents were all later found to be active in economic development.

Economic development was found to be a major priority for all of the Regional and Islands Councils and 81 per cent of District Councils. Their main specific economic priority (identified in 89 per cent of cases as being a "very important" priority – see Table 1) was to create employment, although redistribution of employment opportunities was also significant. Given the high levels of unemployment over the last 15 years it is perhaps not surprising that increasing the number of jobs was seen as being relatively more of a priority than the distribution and quality of jobs, although these latter points were by no means considered unimportant.

Table 1 Local Authority Economic Priorities

	<i>Percentage of Councils Stating Very Important (Number of Responses)</i>		
	<i>Regions/Islands</i>	<i>Districts</i>	<i>Total</i>
Create employment	92 (11)	88 (37)	89 (48)
Reduce unemployment in priority areas	75 (9)	57 (24)	61 (33)
Increase incomes in priority areas	8 (1)	17 (7)	15 (8)
Increase female participation rates	17 (2)	12 (5)	13 (7)
Raise skill base	67 (8)	31 (13)	39 (21)
Attract inward investment	75 (9)	48 (20)	54 (29)
Encourage new starts	83 (10)	55 (23)	61 (33)
Encourage indigenous company growth	92 (11)	79 (33)	81 (44)
Reduce effects of company closures	42 (5)	26 (11)	30 (16)
Reduce out-migration	17 (2)	14 (6)	15 (8)
Raise incomes	25 (3)	5 (2)	9 (5)
Increase rateable values	8 (1)	5 (2)	6 (3)
Encourage private sector investment	75 (9)	50 (21)	56 (30)
Make the area a better place to live	100 (12)	55 (23)	65 (35)
Number of responses	12	42	54

The emphasis on expanding the number of jobs was also reflected in the other major priorities, particularly encouraging indigenous company growth (81 per cent), support for new firm starts (61 per cent), inward investment (54 per cent), and

encouraging private sector investment (56 per cent). The emphasis upon indigenous companies may reflect a general view on likely sources of new jobs and where local authorities would have greatest impact. Authorities did not concentrate solely upon private firms, as half the Regional Councils and 40 per cent of District Councils supported specialist agencies assisting community businesses and 50 per cent and 10 per cent respectively also supported specialist agencies aiding co-operatives.

A considerable number of local authorities (61 per cent) also answered that the redistribution of job opportunities through reducing unemployment in priority areas was "very important" (although the figure is around 90 per cent if respondents citing this as "important" are added). Initiatives to assist other disadvantaged groups were often seen as involving a range of issues besides economic development and were primarily the responsibility of departments other than those dealing with economic development. Exceptions were the larger cities with, for example, large ethnic minorities and these are discussed below.

For each priority a higher proportion of Regional than District Councils considered the issue to be "very important", reflecting their greater operational, resource and geographical scale (for instance, all mainland Regions cover urban aid areas of multiple deprivation) and also the limited level of activity of many smaller authorities lowering the average District Council figure. Issues such as reducing outmigration, raising incomes, or ratable values were not generally considered as being very important priorities by either tier of local government. Raising the skill base was seen as being "very important" by only 39 per cent of authorities, although as only Regions have an education responsibility, relatively few District Councils are involved in such training. The 31 per cent response rate to this question from Districts largely reflects participation in national schemes, such as Youth Training and Employment Action, as well as in some cases company employee training and European Social Fund financed initiatives.

There are a number of reasons why local authorities are involved in economic development. These include: their responsibilities, as democratically elected bodies, for the social and economic well-being of the whole of their community; their relevant powers and resources; and their knowledge of local needs and opportunities (Johnstone, 1986). Also local authorities are major employers with many services unavoidably having a direct or indirect impact upon the local economy, and in their turn the demand for and effectiveness of many services is influenced by the condition of the local economy (for example, social services). Involvement in economic development by local

authorities brings a number of possible advantages for the local economy and other actors in the field of economic development by altering both internal and external relationships and activities. In addition to those mentioned above, these advantages include:

- a greater likelihood of utilising their unique powers to assist economic development projects,
- more choice in sources and forms of support for individuals, businesses and disadvantaged groups,
- more joint working between other agencies, the private sector and local authorities,
- a broadening of agendas as the wider concerns of the local authorities and local communities are included (for example, social, equity or environmental issues),
- the representation of local residents, and in many cases seeking to empower them to participate more fully in the economic development process,
- a focal point within the local authority to promote joint working with other agencies, making the operations of each more effective and efficient,
- greater integration between physical infrastructure, training and education and business support,
- less danger of regulatory roles (such as planning) being carried out without fully appreciating the effects upon the local economy,
- a longer term perspective, especially compared to the private sector or LECs with their time limited contracts,
- a significant level of resources from local authorities being put into the economic development support infrastructure, and an ability to spread risks of individual projects over a wide base, and
- more open and transparent public accountability for public expenditure, which may be contrasted with the more secretive behaviour of some other agencies.

WHAT LOCAL AUTHORITIES DO: ECONOMIC DEVELOPMENT POLICIES AND SERVICES

The full range of economic development policies carried out by local authorities and activities to implement them is extremely diverse. While most policies will have elements overlapping more than one activity, for clarity they have been separated into seven main groupings involving: local authorities' strategic and initiative development roles; business support; physical infrastructure; support for people and training; initiatives aimed at the disadvantaged; attracting external resources; and other local authority functions.

Strategic and Initiative Development Roles

Scottish Authorities are currently not required to produce an economic development strategy for consultation, as is the position in England and Wales under Section 35 of the Local Government and Housing Act 1989 (see Newman, 1991, for a discussion of Harlow's experience). Similar requirements for strategies in Scotland are, though, a possible outcome of the reform of local government. Currently however, 83 per cent of Regional Councils and 57 per cent of responding Districts have a formal economic development strategy or statement, in most cases developed after considerable local research and consultation with others such as government agencies, voluntary organisations, unions and the private sector, as well as local residents. Developing specific economic development projects and initiatives (either directly or as a catalyst) was an important activity in most local authorities with all Regions and three-quarters of District Councils citing it as a very important function.

Business Support Infrastructure

A wide range of business support services aimed at helping business growth and investment were provided particularly by Regions and larger District Councils. In many cases such services were also provided by third party organisations with local authority funding (for instance, Enterprise Trusts, Co-op or Community Business support agencies, area initiatives). The major company-orientated services that were directly provided by the local authorities are outlined in Table 2, with the range of services including:

- counselling and advice to existing small firms (up to 50 employees) provided by 43 per cent of authorities (92 per cent of Regions and a third of Districts), with avoidance of duplication with other agencies through formal mechanisms by over 74 per cent of authorities or through informal mechanisms by 91 per cent of authorities,
- working with other agencies such as the government's Locate in Scotland and LECs to attract inward investment (although it should be noted that District Councils are only permitted to engage directly in inward investment promotion with Regional Council support), and providing sites, specified training packages, etc.,
- supporting trade development, for example through funding trade development centres, or organising trade missions, particularly in the case of Regional Councils as Districts are subject to restrictions on acting outside their area,
- supporting quality improvement schemes for firms which were provided by 42 per cent of Regions,
- aiding the introduction of new technology in products or

Table 2 Business Development Activities or Services Directly Provided

	<i>Percentage of Regions/Islands Directly Providing</i>	<i>Percentage of Districts Directly Providing</i>
1. Counselling/advice:		
– New starts	58	31
– Existing firms 0–50 employees	92	33
– Existing firms 50+ employees	83	24
2. Referral service for firms	75	45
3. Assisting technology transfer		
– Production process improvement	67	7
– New product development	58	5
4. Company quality improvement initiatives	42	7
5. Trade development		
– Trade missions: UK	92	12
– Trade missions: Abroad	92	12
– Organising local trade fairs	50	26
– Trade directory	100	58
6. Assisting firms regarding the Single European Market		
– General SEM awareness	83	36
– Advice on SEM to targeted firms	67	17
– Language training/assistance	58	0
– Public procurement information	75	29
– Networking between local and continental companies	67	33
– Advice on EC funding sources	100	50
7. Training of company staff		
– Management	58	10
– Employees	58	14
None of above activities/services directly provided	0	19
Number of responses	12	42

production processes through training or capital grants or aid for technology or innovation centres (with 58 per cent and 67 per cent of Regions providing related support schemes for new products and processes respectively),

- filling gaps in the availability of finance for firms with £4.5

million grants, loans, loan guarantees and some equity provided to 4,461 firms in 1990–91,

- providing over £1.1 million for company training, often as part of a wider business development package linked to a company's development plans, and £3.8 million in wage subsidies for the young- and long-term unemployed,
- collaborating in sector initiatives at local level, for example in tourism, fishing, the defence industry, or at the national/regional (ie Scottish) level, such as the Scottish Apparel Centre based in Glasgow, or the Scottish Screen Locations for the film industry in Edinburgh.

Physical Infrastructure

Considerable expenditure is devoted to improving the physical environment and meeting the infrastructure needs (such as roads, sewerage and property) not only of manufacturing industry, but also of business services and the tourism industry. In some cases town centres or other retail locations are improved in order to attract or retain expenditure in the area.

Nearly 90 per cent of all the authorities provided industrial or commercial property. This was generally of a size and in locations unattractive to private developers, with over three-quarters of units under 200sq metres in size. In terms of area of workspace, a relatively high share (34 per cent of larger units, over 1000sq metres) were provided in joint partnerships with others. As 95 per cent of smaller units were provided solely by the local authority, the total share of all floorspace provided as part of joint ventures was 14.7 per cent.

Also provided by local authorities were nearly a thousand hectares of industrial land; 732 commercial units (again mostly small, with a similar share provided jointly with others (13.8 per cent) as for industrial units); and 2,751 retail units, often linked to council housing estates or town centres. These provide a significant source of income to the local authorities (over £32 million), as well as being seen to help to support local employment and retain purchasing power within the local economy.

Local authorities were active in carrying out environmental improvements linked to economic development, spending over £8.4 million, often in partnership with other agencies or the private sector, including: £1.9 million for industrial area improvements, over half with other agencies and the private sector; over £1.3 million on land reclamation; £2.9 million on town centre improvements with 20 per cent being on joint projects with the private sector; and £1.8 million on improvements to tourism areas. These figures under-estimate the full local authority contribution by excluding the cost of long term maintenance.

In terms of the planning process, planning-related delays or

lack of available land are sometimes cited as inhibiting economic development. While before the recession the development pressure in Scotland was considerably less than in the more prosperous areas of the UK, some 42 per cent of District Councils (generally the development control authorities) gave priority to the processing of industrial and commercial planning applications. In addition 90 per cent of all local authorities gave priority to allocating and safeguarding such land in Local and Structural Plans.

Support for People

In addition to support for training within firms, many local authorities were found to play an active and innovative role in supporting people entering the labour market or seeking new or better jobs through improved training and access to employment (see McQuaid, 1992 for some examples). Many of the training schemes were linked to the development needs of local businesses and hence permanent job opportunities (for example in the introduction of new technology or in area initiatives such as Wester Hailes in Edinburgh), while others involved developing European Social Fund initiatives or running government training schemes, such as Youth Training. All Regions and 60 per cent of Districts participated in Youth Training, while only half of the Regions and 21 per cent of Districts participated in Employment Training, which many authorities felt suffered the stigma of payments linked to benefit levels.

The survey showed that responding local authorities also provided over 5,000 places for people with numeracy and literacy problems specifically to help them gain improved access to employment or employment related training. Roughly 150,000 young people and adults were given careers guidance outside of the schools and Further Education colleges services, while 14 compacts involving groups of schools and local employers covered nearly 5,000 pupils, although school and adult compacts are expanding rapidly. The transfer of control of Further Education Colleges from local authorities has weakened their role as direct training providers but it is likely that many joint initiatives with Colleges will continue or be developed.

Initiatives Aimed at the Disadvantaged

A leading role is played by local authorities in many initiatives in urban and rural disadvantaged areas. This is a major area of activity with 58 per cent of Regions and 45 per cent of Districts involved in developing economic initiatives in Urban Programme eligible areas, and 83 per cent of Regions and 36 per cent of Districts involved in developing economic initiatives in other disadvantaged rural and urban areas.

Experience has shown the need to intra- and inter-organis-

ational cooperation and the genuine involvement of local people to deal with the full range of problems and issues in a comprehensive, effective and efficient way rather than in an *ad hoc* ineffectual manner. For instance, in some urban regeneration initiatives housing, health, environmental and other problems were being tackled concurrently with policies seeking to raise incomes through training, employment, benefits advice etc. and those seeking to reduce living costs and improve living standards for residents through schemes to improve energy efficiency, transport, shopping etc. Often the urban regeneration or community economic development initiatives are directly aided by the specialist agencies funded by local authorities such as area specific organisations or the Community Business and Cooperative support agencies referred to earlier. The partnership aspects are further discussed in the next section.

Additionally most Regional and many District authorities have specific employment related programmes to aid disadvantaged groups such as the disabled (67 per cent of Regions and 14 per cent of Districts), young unemployed (67 per cent and 36 per cent respectively), long-term unemployed (58 per cent and 48 per cent), women (58 per cent and 36 per cent), with fewer involved in initiatives for ethnic minorities (8 per cent and 14 per cent) and those needing childcare (42 per cent and 26 per cent). The higher figures for Regions in some of these cases may be explained in terms of their responsibilities for related areas such as social work, career services and education, and to their wider geographical catchments.

Attracting External Resources to Support the Local Economy

Attracting resources from external bodies to fund economic development initiatives or to increase support for the local economy was a very important function for over half the authorities (58 per cent of Regions and 55 per cent of Districts). For example Strathclyde Region with support from the Scottish Office and other partners, attracted £275 million of European Commission grants over 1988–92 as part of their Integrated Development Operation, and many other areas have also gained considerable European regional or other assistance.

Other sources of external resources include the Urban Programme, Scottish National Heritage, and a range of private or public bodies. Both District (52 per cent) and Regional Councils (58 per cent) played an active role in developing initiatives for areas of opportunity, often linked to attracting external resources to assist indigenous or inward investment.

Other Local Authority Functions

Many local authority functions, while not specifically aimed at economic development, can have a significant impact upon the

local economy. Some examples are initiatives involving trading standards, the protection services (including specialist fire services for industrial complexes and the North Sea), environmental health, libraries with services for businesses or the unemployed etc, recycling and building control. One small example is Clackmannan District which helped to set up and facilitate the operation of a recycling community business, so helping create employment as well as carrying out their environmental health statutory duty. Overall these activities are of indirect economic benefit, and half of the Economic Development Units in Regions and 27 per cent of those in Districts saw ensuring that other departments took account of their (positive or negative) impacts upon businesses as a very important function. In addition a number of authorities are involved in various forms of municipal enterprises, ranging from a savings bank (inherited at the last local government reform), to several factories making windows for their own housing departments but also supplying other local authorities.

PARTNERSHIPS AND NETWORKS

How local authorities go about economic development was found to vary considerably, with most having long histories of working in partnership with other agencies, local communities and the private sector. Different forms of partnership, ranging from joint strategies to "one-off" projects or common funding of specialist agencies, play significant roles in generating resources and seeking to raise efficiency and effectiveness of policies and avoid duplication of effort.

The study findings agree with those of Fairley (1992), that local authorities have adopted a pragmatic approach with the new Local Enterprise Companies. Good working relationships had been quickly established with them and all Regional Councils and 88 per cent of Districts cite relationships as positive or very positive. Local authorities generally suggested higher levels of consensus with the LECs on the problems facing their local economies and necessary solutions, compared with their predecessors, the SDA or HIDB, in the period before LECs came into operation. There was a high level of cooperation on local projects and strategies, particularly on environmental projects (with over three-quarters of local authorities involved in joint projects with LECs), business development projects (involving 75 per cent of Regional and 55 per cent of District Councils respectively), property development (50 per cent and 63 per cent respectively), and training (75 per cent and 33 per cent).

Elsewhere local authorities often make important "in-kind", expertise and cash contributions to a variety of partnerships. For example, joint strategies are often developed with area

tourist boards, with local authorities also contributing over £6 million in grants to them in 1990–91, as well as running events and developing and operating attractions. In the case of Enterprise Trusts, in addition to close joint working and “in-kind” support in many places, local authorities provided them with £1.6 million in grants (a higher cash contribution than the private sector although with a lower “in-kind” contribution).

There is generally a strong tradition of partnership working in Scotland, partly due to the existence of the regional development agencies offering the incentive to partnerships of their funding and their experience of good practice elsewhere, together with a single Central Government “Department” (the Scottish Office), a strong national identity, distinct legal and education systems and a relatively small scale (5 million people) helping to create effective networks based upon common interests. For example, the government’s major initiative for peripheral estates, New Life for Urban Scotland, explicitly recognises the key role of local authorities, which is in marked contrast to the experience with Urban Development Corporations in England. Numerous area-based and other initiatives throughout the country have commonly involved other agencies and the local communities as well as local authorities.

While there have been arguments put forward that partnerships, particularly with the private sector, mean compromising redistributive objectives with profit requirements (Colenutt, 1990), for authorities in areas of persistently high unemployment trying to increase the size of the local economy and total number of jobs, pragmatism has usually taken precedence, although other issues such as quality and distribution of jobs do remain on the agenda for most local authorities. Partnerships are also often a recognition that supporting the development of the local economy requires resources, expertise and responsibilities additional to those of local authorities themselves.

RESOURCES AND EVALUATION

The level of resources devoted by local authorities in Scotland solely or primarily for purposes of economic development was over £90 million in 1990–91 (Table 3). This excluded much expenditure on roads, sewers, harbours etc, and on staffing other than that primarily involved in economic development. Of this, £54 million was spent by Regional Councils and £37 million by District Councils. The capital figures show the gross expenditure, although as much of the expenditure was eligible for European Commission aid the net cost to the authorities was lower. The old question of additionality arguably means that such European Commission aid only reduces the cost of projects, but does not increase the total expenditure on economic

Table 3 Gross Expenditure Solely/Primarily Devoted to Economic Development in 1990-91

	Regions/ Islands	Districts	Total
	£,000s		
Revenue			
1. Staff (including superannuation)	5905	4159	10,064
2. Other admin (including charges of other departments)	4171	1500	5671
3. Business support/market and trade development	2669	942	3611
4. Grants/loans to companies	6420	1258	7678
5. Promotion	1624	2969	4593
6. Training projects	2968	3644	6612
7. Grants/loans to local enterprise agencies	1892	1124	3016
8. Area/special initiatives	1883	2134	4017
9. Property management	6025	1755	7780
10. Other	4676	2696	7372
Capital			
1. Property (comm./ind.)	15,190	10,237	25,427
2. Other	380	4440	4820
Total	53,881	36,858	90,661
Number of responses	11	31	42

development. Rather the aid is substituted for local authority and central government spending that would have happened anyway, as the aid is counted in the local government capital expenditure limits set by government, and these limits do not appear to have risen to fully take the aid into account.

Capital expenditure made up a third of the total expenditure (£30 million). Of the £60 million revenue expenditure, staffing (including business counsellors etc.) and administration comprised 26 per cent, property management comprised nearly 13 per cent, grants/loans to companies and business support 19 per cent, promotion 8 per cent, while 11 per cent was spent of training and 12 per cent on local enterprise agencies and area or special initiatives. By contrast the total expenditure of the Scottish Development Agency in 1989-90 was £127 million, including £55 million on land reclamation and environmental improvements (SDA, 1990). The sums involved are therefore significant even when compared to those of the SDA or Government regional assistance to industry (£159 million in

1990–91). As it is currently discretionary much of this expenditure may be diverted to other local authority uses if they were no longer permitted to carry-out economic development, as was originally suggested in the government's first Consultative Paper in 1991 on Local Government Reform.

While a number of case-studies discussed elsewhere illustrate very high effectiveness and value for money, particularly in terms of financial leverage and cost-per-job (McQuaid, 1992), the low level of evaluation carried out by authorities means that it is difficult to estimate the overall impact of most policies, and to compare them between areas and under different circumstances. This is certainly an area requiring much greater attention by practitioners in the future.

CONCLUSION

This paper has given a broad overview of economic development activities by local authorities, using Scotland as a case study. It has not been possible within the space constraints to discuss in detail the many individual policies and approaches within each area of activity and between different types of Council. Economic development has been shown to be a major priority of local government, with most authorities actively involved in implementing a variety of related policies. The paper provides new information upon the scale and breadth of the economic development activities of local authorities in Scotland. When considered with other evidence cited, their role is shown to be significant in terms of overall scale, variety, and adaptability to local opportunities and problems.

The results show that policies and services vary considerably by location and size of the authorities, with Regional Councils (and larger Districts) providing the most comprehensive services. However, this is partly due to smaller authorities being able to rely upon the higher tier of local government to provide the relevant economic development services. As this would no longer be possible if government proposals for unitary local government come about, smaller authorities could increase their direct involvement, or conversely there could be a decline in resources, expertise and overall local authority economic development activity. Also of importance is the general emphasis upon operating in close partnerships with other agencies and the private sector from the strategic level to that of individual projects. Partnership arrangements and working relations with other organisations, such as LECs, are generally positive and considerable effort is made to avoid duplication of services while ensuring that the objectives of the local authority are, at least partly, incorporated in joint projects. Overall, local authorities have an important role to play and have made a significant

contribution to assisting the development of their local economies.

NOTE

Dr Ronald McQuaid is in the Business School, Napier University, Edinburgh.

I would like to thank a number of people working in economic development without whose help this research would not have been possible, including Jon Harris, Steven Inch, Ron Haworth and Gary Le Seur. The work was funded by a grant from the Convention of Scottish Local Authorities. Responsibility for all views are, or course, my own.

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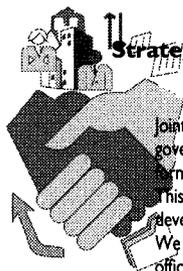
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