

## **INCLUSIVE GROWTH AND PUBLIC POLICY PANEL**

**MEETING TO BE HELD AT 2.00 PM ON TUESDAY, 4 SEPTEMBER  
2018 IN COMMITTEE ROOM A - WELLINGTON HOUSE, LEEDS**

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### **A G E N D A**

- 1. APOLOGIES FOR ABSENCE**
- 2. DECLARATIONS OF DISCLOSABLE PECUNIARY INTERESTS**
- 3. POSSIBLE EXCLUSION OF THE PRESS AND PUBLIC**
- 4. GOVERNANCE ARRANGEMENTS**  
(Pages 1 - 6)
- 5. ACHIEVEMENTS OF THE INCLUSIVE GROWTH PROJECT**  
(Pages 7 - 12)
- 6. EMBEDDING INCLUSIVE GROWTH ACROSS THE CITY  
REGION**  
(Pages 13 - 28)
- 7. BUSINESS AND INCLUSIVE EMPLOYMENT**  
(Pages 29 - 32)
- 8. FORWARD PLAN**  
(Pages 33 - 34)
- 9. DATE OF THE NEXT MEETING - 4 DECEMBER 2018**

**Signed:**



**Managing Director  
West Yorkshire Combined Authority**

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**Report to:** Inclusive Growth and Public Policy Panel

**Date:** 4 September 2018

**Subject:** **Governance arrangements**

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**Director(s):** Angela Taylor, Director of Resources

**Author(s):** Caroline Allen

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## 1. Purpose of this report

1.1 To note the governance arrangements for the Inclusive Growth and Public Policy Panel.

## 2. Information

2.1 At its annual meeting on 28 June 2018, the Combined Authority resolved to appoint the Inclusive Growth and Public Policy Panel as an **advisory committee** to the Combined Authority which **also reports to the LEP Board**, on the **terms of reference** attached as **Appendix 1** to this report.

2.2 The Combined Authority has appointed a co-opted member from each West Yorkshire council onto each advisory panel appointed by the Combined Authority, including the new Inclusive Growth and Public Policy Panel. The Combined Authority also resolved at its 2 August 2018 meeting to appoint a co-opted member from City of York Council.

2.3 The current membership of the Inclusive Growth and Public Policy Panel is, however, still considered provisional in terms of non-West Yorkshire local authority, private sector and non-voting advisory representation.

2.4 The Inclusive Growth and Public Policy Panel is asked to review the current membership of the Panel, with a view to advising the Combined Authority as to any additional members to be appointed at a future meeting of the Combined Authority. A list of current members is attached at **Appendix 2**.

2.3 The **quorum** for the Inclusive Growth and Public Policy Panel is 4 voting members, to include 1 member of the Combined Authority or other local authority member.

2.4 The Combined Authority appointed Councillor Shabir Pandor as Chair of the Panel.

2.5 The Combined Authority agreed dates for meetings of the Inclusive Growth and Public Policy Panel, as follows:

- 4 September 2018
- 4 December 2018
- 1 March 2019
- 9 May 2019

### **3. Financial Implications**

3.1 There are no financial implications directly arising from this report.

### **4. Legal Implications**

4.1 There are no legal implications directly arising from this report.

### **5. Staffing Implications**

5.1 There are no staffing implications directly arising from this report.

### **6. External Consultees**

6.1 No external consultations have been undertaken.

### **7. Recommendations**

7.1 That the governance arrangements for the Inclusive Growth and Public Policy Panel approved by the Combined Authority at its annual meeting on 28 June 2018 be noted.

7.2 That the Inclusive Growth and Public Policy Panel reviews the current membership of the Panel, with a view to advising the Combined Authority as to any additional members to be appointed at a future meeting of the Combined Authority.

### **8. Background Documents**

None.

### **9. Appendices**

Appendix 1 – Terms of Reference

Appendix 2 – Membership

## Terms of Reference

### Inclusive Growth and Public Policy Panel<sup>1</sup>

The Inclusive Growth and Public Policy Panel is authorised to advise the Combined Authority and the Leeds City Region Enterprise Partnership in support of their ambition to secure inclusive growth, in relation to:

- a) overseeing and monitoring the realisation of inclusive growth;
- b) promoting collaboration and joint working on public services between partner councils, and
- c) developing public policy in so far as this relates to any function of the Combined Authority which is not specifically within the terms of reference of any other advisory committee or panel appointed by the Combined Authority.

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<sup>1</sup> The Inclusive Growth and Public Policy Panel is an advisory committee to the Combined Authority, appointed under S102(4) Local Government Act 1972.

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## Membership of Inclusive Growth & Public Policy Panel

<b>Name</b>	<b>Role</b>	<b>Representing</b>
Cllr Shabir Pandor ( <b>Chair</b> )	Combined Authority member	Combined Authority
Cllr Debra Coupar	Local Authority co-optee	Leeds
Cllr Barry Collins	Local Authority co-optee	Calderdale
Cllr Denise Jeffrey	Local Authority co-optee	Wakefield
Cllr Cathy Scott	Local Authority co-optee	Kirklees
<b><i>To be confirmed</i></b>	Local Authority co-optee	Bradford
<b><i>To be confirmed</i></b>	Local Authority co-optee	York
Nicola Greenan	Private sector representative	Creative/Arts sector
Mike Hawking	Advisory representative	Joseph Rowntree Foundation
Dr Peter O'Brien	Advisory representative	Yorkshire Universities
Prof Liz Towns-Andrews	Advisory representative	Leeds City Region Universities
Rob Webster	Advisory representative	West Yorkshire and Harrogate Sustainability and Transformation Partnership (STP)

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**Report to:** Inclusive Growth and Public Policy Panel

**Date:** 4 September 2018

**Subject:** **Achievements of the Inclusive Growth project**

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**Director(s):** Liz Hunter, Interim Director of Policy and Strategy

**Author(s):** Britta Berger-Voigt

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## 1. Purpose of this report

- 1.1 To provide the Panel with a summary of achievements of the inclusive growth project.

## 2. Information

### Background

- 2.2 The LEP Board (23 November 2016) and West Yorkshire Combined Authority (1 December 2016) endorsed a project to spearhead inclusive growth and make it a key cross cutting policy for Leeds City Region. The project was established following compelling work by the World Economic Forum<sup>1</sup> and Organisation for Economic Cooperation and Development (OECD)<sup>2</sup>, who demonstrated the ‘recovery’ from the global financial crisis of 07/08 had seen unbalanced growth that has exacerbated inequality. In light of the EU referendum result, Members also concurred with the Royal Society of Arts’ (RSA)<sup>3</sup> analysis that driving inclusive growth is vital to address the concerns of the electorate – particularly those people feeling economically insecure, who feel they haven’t benefitted from globalisation and are most vulnerable to further public sector austerity.
- 2.2 In some ways the UK and Leeds City Region economies have seen strong growth (output growing by almost 20% from 2010 to 2016, employment levels the lowest since 1975, and halving the rate of young people not in education,

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<sup>1</sup> [http://www3.weforum.org/docs/WEF\\_Forum\\_IncGrwth.pdf](http://www3.weforum.org/docs/WEF_Forum_IncGrwth.pdf)

<sup>2</sup> <https://www.oecd.org/els/soc/cope-divide-europe-2017-background-report.pdf>

<sup>3</sup> [https://www.thersa.org/globalassets/pdfs/reports/rsa\\_inclusive-growth-commission-final-report-march-2017.pdf](https://www.thersa.org/globalassets/pdfs/reports/rsa_inclusive-growth-commission-final-report-march-2017.pdf)

employment or training). For many in the City Region however, this has not resulted in better living standards:

- 147,000 children (22%) live in poverty
- Of 1,325 care leavers in West Yorkshire (aged 17-21yrs) only 670 (51%) are in work, education or training
- 25% of jobs in the City Region pay less than the real living wage of £8.75
- The employment rate of Bangladeshi and Pakistani women is half that of white women (72% versus 32%)
- 27% of the adult population are qualified below level 2 or have no qualifications; Leeds City Region is ranked 33 out of 38 LEPs for this measure
- The employment rate for disabled people is only 52% compared with 79% for people without a disability
- When in work, one in five families (165,000) rely on in-work tax credits to top up their income. The cost of working and child tax credits for West Yorkshire is £1.3 billion
- 16% of households (159,000) have no-one in work, with 177,000 people (9% of adults) in receipt of out-of-work benefits
- Of 122,000 people claiming Employment and Support Allowance in the City Region, half have mental illness or a behavioural condition

2.3 Inclusive growth cannot be delivered individually by any organisation or sector. Many public, private and community organisations across the City Region have inclusive growth at the heart of their activity – whether that’s providing good work or training opportunities, to those helping people overcome physical or mental ill health. Local authorities play a vital role in identifying local challenges and opportunities to act – including the prevention, mitigation and alleviation of poverty.

### **Inclusive growth project**

2.4 Given the consensus across the City Region that inclusive growth needed championing and promoting, a Project Director for Inclusive Growth was appointed last year to lead the inclusive growth project. Achievements are set out in **Appendix 1**.

2.5 The project has also identified some specific projects that partner councils are delivering to drive inclusive growth. Learning from these projects should be considered across partners, with best practice being shared.

<b>Bradford</b>	<ul style="list-style-type: none"> <li>• Poverty and Ethnicity – a JRF-funded project that works with local employers and Pakistani and Bangladeshi women to seek to overcome barriers and provide access to a wider, more inclusive workforce.</li> </ul>
<b>Calderdale</b>	<ul style="list-style-type: none"> <li>• People with mental health issues – alongside the clinical commissioning group and local voluntary organisations, extend a pilot on the mental health impacts of social isolation and loneliness, predominately amongst the over-50s. This included impacts on employability.</li> </ul>

<b>Kirklees</b>	<ul style="list-style-type: none"> <li>• Work Better – a £5.75m European Social Fund funded programme to help people who face significant barriers into work, along with personal support for the first six months employment.</li> </ul>
<b>Leeds</b>	<ul style="list-style-type: none"> <li>• Providing supported internships (courses offered by colleges and post-16 providers) to help young people with learning difficulties and disabilities achieve paid employment by giving them the skills and experience they need through learning in the workplace.</li> </ul>
<b>Wakefield</b>	<ul style="list-style-type: none"> <li>• A programme for children leaving local authority care to improve their offer for housing and employment, including through priority support to achieve apprenticeships and into suitable accommodation.</li> </ul>
<b>York</b>	<ul style="list-style-type: none"> <li>• Supporting financial resilience and inclusion for people in those areas of the city ranked amongst the most deprived nationally. It will reduce the number of people using unlicensed/unregulated money lenders and high cost loans, in rent arrears or experiencing fuel poverty.</li> </ul>
<b>West Yorkshire Combined Authority</b>	<ul style="list-style-type: none"> <li>• Delivering recommendations from the inclusive growth audit, undertaken in conjunction with the Joseph Rowntree Foundation, to target all projects and working practices to better deliver inclusive growth.</li> </ul>

### **3. Financial Implications**

3.1 There are no financial implications directly arising from this report.

### **4. Legal Implications**

4.1 There are no legal implications directly arising from this report.

### **5. Staffing Implications**

5.1 There are no staffing implications directly arising from this report.

### **6. External Consultees**

6.1 No external consultations have been undertaken.

### **7. Recommendations**

7.1 That Panel Members note the achievements of the inclusive growth project and within each partner authority / the Combined Authority.

## **8 Background Documents**

LEP Board report (23 November 2016)

West Yorkshire Combined Authority report (1 December 2016)

West Yorkshire Combined Authority report (3 August 2017)

LEP Board report (29 November 2017)

West Yorkshire Combined Authority report (14 December 2017)

LEP Board report (16 January 2018)

West Yorkshire Combined Authority report (1 February 2018)

## **9 Appendices**

Appendix 1 – Summary of achievements of the inclusive growth project

## **Achievements of the inclusive growth project**

Under the leadership of the project director, partners from across the City Region have come together to put inclusive growth at the heart of the collective agenda and share information and learning about where there is chance to go further.

The main report describes how the expanded policy framework and local inclusive industrial strategy drive better living standards, particularly in the most deprived communities. In addition to this, the inclusive growth project has resulted in some major changes for the City Region:

### **1. To harness the power of anchor institutions we have:**

- Secured commitment from 20 major anchor institutions across West Yorkshire and York to examine how they can become inclusive organisations.
- Shared good practice on No Silver Bullet across the network Impact on over 100,000 workers, stretching take home pay of the lowest paid by the adoption of inclusive employment and pay policy and practice.
- Prompted the Combined Authority and local authorities to understand how public procurement can deliver more social value.

### **2. To share learning about how partners can best address poverty and put communities at the heart of inclusive growth, we have:**

- Drawn out lessons from previous anti-poverty work and initiatives across the region, including the Single Regeneration Budget, New Deal for Communities and Neighbourhood Renewal Fund.
- Run workshops for stakeholders to develop potential standards for authorities to consider implementing, including maximizing take-up of benefits to which families are entitled.
- Organised and held mini-conference with voluntary and community service organisations across West Yorkshire and also Locality, exploring barriers to community enterprise and engagement.

### **3. To understand the potential for good work to improve productivity we have:**

- Commissioned 'Timewise' to evaluate flexible working in the City Region - '*Making good jobs flexible and flexible jobs good*' and share learning about good practice.
- Added stretching and proportionate inclusive growth criteria to the Business Grants Programme, including a more stretching threshold for higher paying jobs.

### **4. To ensure low paid workers in councils are supported we have:**

- Prompted local authorities to agree to treat low pay as if it were a protected characteristic.
- Supported councils to meet the living wage foundation benchmark for the lowest paid staff – currently 8,000+ employees, including apprentices and agency workers.

- Launched discount programmes to help provide savings for the same cohort which stretch take home pay by more than £900pa.
- Prompted efforts to increase the take-up of pension membership amongst low paid staff.

**5. To challenge the Combined Authority to be as ambitious as it might be we have:**

- Asked the Joseph Rowntree Foundation and project director to review the Strategic Economic Plan and associated projects and programmes and advise about they might be refocused to drive inclusive growth outcomes. This has consisted of:
  - Operational changes that have been or are being made;
  - Policy changes that require a decision but where there is consensus about what is required – such as to grants conditions, procurement, ticketing or socio-economic policy;
  - Ideas that are more complex and need further consideration/policy development. This includes, for example, incorporating the living wage into all contracts, incentivising employers to offer opportunities to people with ill health (esp. mental health problems) and targeting disadvantaged groups in our engagement and consultations.
- Explore how the devolution of powers and funding might be pursued in a way that drives inclusive growth.

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**Report to:** Inclusive Growth and Public Policy Panel

**Date:** 4 September 2018

**Subject:** **Embedding Inclusive Growth across the City Region**

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**Director(s):** Liz Hunter, Interim Director of Policy and Strategy

**Author(s):** Britta Berger-Voigt

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## 1. Purpose of this report

- 1.1 To describe how inclusive growth is being embedded across the City Region's emerging Policy Framework.
- 1.2 To shape the Panel's future focus, building on the achievements of the previous inclusive growth project.

## 2. Information

### **Inclusive growth across a broad, agile Policy Framework**

- 2.1 Through the inclusive growth project, partners are clear delivering an economy where everyone is able to contribute to, and benefit from, growth requires a comprehensive, strategic outlook. In this spirit, the LEP Board (November 2017 and January 2018) and Combined Authority (February 2018) agreed to broaden the city region's policy range by working towards the development of a new, agile, long-term strategic framework, with inclusive growth at its heart. This is attached as **Appendix 1**.
- 2.2 The key priorities of the emerging Leeds City Region Policy Framework– in the shape of four key challenges - were identified at the LEP Board's September 2017 away day. Inclusive growth has been identified as an underlying driver across these challenges, which are:
  - 1. The City Region's productivity gap with national and international peers is too large and growing. A more productive economy, where value is created and shared fairly across society, was identified as the single most significant driver of inclusive growth.
  - 2. Investment is too low – particularly research and development investment by the private sector.

3. Half a century of continuously improving living standards in the City Region have stalled recently.
4. Stubborn deprivation persists, with the poorest communities staying the same over decades.

2.3 The City Region's existing strategies are being aligned and reviewed under the new policy framework. Inclusive growth is one of the core principles of the new framework which ensures all strategies have a clear focus on tackling the above challenges, which feeds through into inclusive growth outcomes. These outcomes are being drawn together using what exists in current policies, plus new ambitions. **Appendix 2** provides an early draft of the City Region's emerging impact framework, which we hope to develop to include a more refined understanding of the impact felt by the most disadvantaged groups. This outcomes model will also be used to inform programme and project level appraisal and evaluation frameworks.

2.4 This broader framework also provides opportunities for partners to consider new and ambitious positions on topics that directly and indirectly affect inclusive growth. The Combined Authority's policy and strategy team will, therefore, work with a range of partners to explore options on issues like tax, wages, welfare, labour market inclusion and the impact of automation on job roles. These policy positions will be overseen by the appropriate Panel and coordinated by the LEP Board and Combined Authority.

### **Flexing Combined Authority projects and services**

- 2.5 The Combined Authority has undertaken an audit of all of its activity to understand how it can best drive inclusive growth. This has led to several changes, such as:
- The Growth Service's grant support for small and medium sized enterprises (SMEs) to incentivise more inclusive growth commitments, such as undertaking training or helping improve progression amongst staff. **Appendix 3** provides more details.
  - Targeting the enterprise advisor offer to schools in the most deprived areas, providing a rich experience of opportunities in different industries.
  - Incorporate social value in procurement and certain minimum standards that suppliers must meet.
  - Remove the photo requirement for young people to access subsidised bus travel, removing a barrier for some who require public transport to get to a place of education, training or work.

### **Delivering inclusive growth projects through the Business Rates Pool**

2.6 More broadly, inclusive growth is also being delivered across partner authorities. For example, the seven local authorities that are members of the Leeds City Region Business Rates Pool agreed to seek projects that are



specifically aimed at driving inclusive growth across West Yorkshire, Harrogate and York.

2.7 These projects are summarised below, with more detail included in **Appendix 4**.

<b>Collectively, via the West Yorkshire Combined Authority</b>	a) Skills, (£1.800 million), covering 1) Apprenticeships & Employment Hubs; 2) Raising poverty of aspiration, and 3) Poverty proofing the school day. b) Digital infrastructure (£200,000) c) Inclusive growth external challenge (£70,000)
<b>Bradford</b>	a) Health and Social Care 'One Workforce' (£1,000,000)
<b>Calderdale</b>	b) Delivering inclusive growth in Calderdale (£1,000,000)
<b>Kirklees</b>	c) Stalled housing brokerage service (£350,000) and Kirklees investment programme (£350,000)
<b>Leeds</b>	d) Expansion of digital engagement (£1,200,000)
<b>Wakefield</b>	e) Inclusive Growth as part of the 'Waterfront' bid
<b>York</b>	f) York City Brand

### **Future work focus of the Panel**

2.8 It is proposed that the Panel focus on a number of discrete activities as future areas of work. These could be:

- Social Value as a standard element of procurement to enable anchor institutions to influence contractors to support inclusive growth.
- Ensuring private sector advocates who champion the City Region's potential and improve productivity have inclusive growth at the heart of their work.
- Monitoring the effectiveness of West Yorkshire Delivery Agreements with Colleges for impacts for disadvantaged groups.
- Encouraging businesses to take the right approach through changes to business grant conditions of the Business Growth Programme. See **Appendix 3** for further details.

2.9 The Panel is asked to comment on the above areas of work and the subsequent focus of the Panel, agreeing which to take forward.

### **3. Financial Implications**

3.1 Staff time will be allocated from existing teams and budgets.

### **4. Legal Implications**

4.1 There are no legal implications directly arising from this report.

### **5. Staffing Implications**

5.1 Staff time will be allocated from existing teams and budgets implications involve the re-prioritisation of existing staff time.

## **6. External Consultees**

6.1 An external consultation of how inclusive growth is embedded and delivered across the City Region and district partners is anticipated to take place between October 2018 and March 2019.

## **7. Recommendations**

7.1 That the Panel notes the summary of how inclusive growth is embedded across the emerging Policy Framework and the projects that will drive inclusive growth.

7.2 That the Panel discusses and decides the discrete areas of work to be the focus of the Panel.

## **8. Background Documents**

LEP Board report (23 November 2016)

West Yorkshire Combined Authority report (1 December 2016)

West Yorkshire Combined Authority report (3 August 2017)

LEP Board report (29 November 2017)

West Yorkshire Combined Authority report (14 December 2017)

LEP Board report (16 January 2018)

West Yorkshire Combined Authority report (1 February 2018)

## **9. Appendices**

Appendix 1 – City Region Policy Framework

Appendix 2 – Draft Ambitions and Outcomes Framework

Appendix 3 – Business Growth Programme Grant Conditionality

Appendix 4 – Inclusive Growth projects funded through the Business Rates Pool 2018

# VISION

TO BE A GLOBALLY RECOGNISED ECONOMY WHERE GOOD GROWTH DELIVERS HIGH LEVELS OF PROSPERITY, JOBS AND QUALITY OF LIFE FOR EVERYONE

*[range of expressions of this vision will be developed so that it speaks to our different audience in a language and format they understand]*

**BOOSTING PRODUCTIVITY & EARNING POWER  
&  
INCREASING LEVELS OF INNOVATION & R&D**

**TACKLING STUBBORN DEPRIVATION  
&  
IMPROVING LIVING STANDARDS**

**INTEGRATED POLICY FRAMEWORK TO ADDRESS THESE PRIORITIES  
(COVERING POWERS & FUNDING)**

## BUSINESS & WORKFORCE

## INDUSTRIAL STRATEGY

## PLACE & CONNECTIVITY

### GROWING & PRODUCTIVE ECONOMY

(Science & innovation, R&D, enterprise, digital, trade and investment)

3 BIG IDEAS TO BOOST  
PRODUCTIVITY & EARNING POWER

### TRANSPORT, CONNECTIVITY & MOBILITY

(21<sup>st</sup> century transport)

### STRATEGIC HOUSING & EMPLOYMENT SITES

(Affordable housing,  
stronger communities)

### LIFELONG LEARNING

(Skills, opportunity,  
progression, young  
people, education)

### HEALTHY & INCLUSIVE WORKFORCE

(Good work, welfare, health &  
Wellbeing)

1. PRODUCTIVITY REVOLUTION
2. THE DIGITAL TECH REGION
3. INCLUSIVE GROWTH CORRIDORS

**ENERGY, CLEAN GROWTH  
& THE ENVIRONMENT**  
(Green & sustainable city  
region)

**QUALITY OF LIFE**  
(High quality culture and  
citizen experience)

## PARTNER PLANS & STRATEGIES

INCLUSIVE GROWTH

IMPROVING PRODUCTIVITY

PLACE LEADERSHIP

INTEGRATED INVESTMENT

GROWTH & PRODUCTIVITY

GOOD JOBS & EARNINGS

SKILLS UPLIFT

IMPROVING CONNECTIVITY

REDUCING DEPRIVATION

ENVIRONMENTAL SUSTAINABILITY

DIFFERENCE FOR WHOM (COHORTS/SEGMENTATION)

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# VISION

OBALLY RECOGNISED ECONOMY WHERE GOOD GROWTH DELIVERS HIGH LEVELS OF PROSPERITY, JOBS AND QUALITY OF LIFE FOR EVERY

## AMBITION.....BY 2036....

- To have a £100bn plus economy, becoming a positive, above average contributor to the UK economy;
- To close the productivity gap with x (appropriate exemplar);
- To reduce the proportion of jobs that pay less than the real living wage by x
- To hit the 2.3% for private sector investment in innovation;
- To reduce the employment rate gap for all disadvantaged groups by x (including all disabled groups);
- To deliver 10,000 to 13,000 new homes per annum of which x will be affordable

### BUSINESS & WORKFORCE

### PLACE

### TRANSPORT & CONNECTIVITY

IMPACT AREA	METRIC
<b>GROWTH &amp; PRODUCTIVITY</b>	<ul style="list-style-type: none"> <li>• Economic output (£ billion per year)</li> <li>• Output per head (£ per hour worked)</li> <li>• Business birth, death and net rates</li> <li>• Exports as a % of GVA</li> </ul>
<b>INNOVATION</b>	<ul style="list-style-type: none"> <li>• R&amp;D expenditure (public/private)</li> <li>• Investments by British private sector equity &amp; venture capital association members</li> <li>• % of firms engaged in product &amp; process innovation (UK Innovation Survey)</li> </ul>
<b>GOOD JOBS AND EARNINGS</b>	<ul style="list-style-type: none"> <li>• Employment rate (% of working population)</li> <li>• Economic inactivity rates (% of working age population)</li> <li>• 20% earn less than (£ per week) / real living wage</li> <li>• Weekly median wages (£)</li> </ul>
<b>SKILLS &amp; TALENT</b>	<ul style="list-style-type: none"> <li>• % of working age population with NVQ Level 4 qualification</li> <li>• % of working age population with no qualifications</li> </ul>

IMPACT AREA	METRIC
<b>COMMUNITIES</b>	<ul style="list-style-type: none"> <li>• Absolute low income – children living in households with income below 60% of medium income</li> <li>• Residents satisfaction with their local area - % of people either satisfied/dissatisfied with their neighbourhood</li> <li>• Quality of life/place – Halifax quality of life survey</li> </ul>
<b>ENERGY &amp; ENVIRONMENTAL SUSTAINABILITY</b>	<ul style="list-style-type: none"> <li>• CO2 emissions per capita</li> <li>• Air quality (% deaths attributed to air pollution)</li> <li>• % of households in fuel poverty</li> <li>• Area of land experiencing a reduction in flooding likelihood (hectares – EA stats)</li> </ul>
<b>SITE DEVELOPMENT</b>	<ul style="list-style-type: none"> <li>• Area of developed land (hectares)</li> <li>• Housing units completed by tenure/affordability</li> <li>• House price/land value/rental effects</li> <li>• Commercial floor space constructed/refurbished</li> </ul>

IMPACT AREA	METRIC
<b>TRANSPORT</b>	<ul style="list-style-type: none"> <li>• Satisfaction with transport infrastructure National Highways &amp; Transport 3</li> <li>• Satisfaction with public transport customer survey)</li> <li>• Widening labour markets (deprived communities) – access to urban centres/employment within 20/40 minutes using public transport/cycling, etc</li> <li>• Mode share (Key route network speeds/Traffic volumes, Km of new facilities)</li> <li>• % of smartcard/m-ticket transactions</li> </ul>
<b>BROADBAND</b>	<ul style="list-style-type: none"> <li>• Business premises with superfast broadband service made available</li> <li>• Households with superfast broadband service made available</li> <li>• Download speeds</li> <li>• Take-up</li> </ul>

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## Proposed new criteria for the Business Growth Programme

All grant recipients of the Business Growth Programme (BGP) will be expected to meet the core criteria outlined below, which it is proposed are implemented in a phased approach from July 2018.

### Revised Core Criteria

- Applicants must be based in the Leeds City Region, which includes the local authority areas of Barnsley, Bradford, Calderdale, Craven, Harrogate, Kirklees, Leeds, Selby, Wakefield and York
- Investment projects must create permanent new jobs in the Leeds City Region
- Applicants will be incentivised to employ staff on or above £8.75 per hour, by allocating more grant per new job for those paying that rate
- All new jobs funded by the LEP grant must be paid at least the National Living Wage or Minimum Wage (£7.83 per hour from age 25+ as of April 2018)
- Apprenticeship jobs are permissible but applicants are expected to pay the apprentice at least the National Minimum Wage appropriate for the age of the apprentice (rather than the lower national apprenticeship wage)
- For each new job created, the following maximum amounts will be available to the applicants: -

<b>Pay Rates for New Jobs Created with LEP Grant</b>	<b>Maximum Amount per new job</b>
Pay £8.75 per hour (Real Living Wage)	£12,500
Pay £7.83 per hour (National Living Wage / Minimum Wage)	£7,500

- Applicants must have private finance available: either of their own, from a bank, or other commercial finance to invest alongside the grant
- For every £1 of LEP funding sought, applicants must be able to provide at least £4 of private sector investment
- The minimum grant level is £10,000 and total project cost must be at least £50,000 - therefore applicants must have at least £40,000 of private sector finance to invest for every £10,000 of grant

- Applicants must be established for at least 12 months and must operate from commercial premises
- Applicants must generate the majority of their turnover by trading with other businesses, or applications must demonstrate how the grant-supported project will lead to this
- Projects must support the City Region's key growth sectors and/or their direct supply chains: specifically health and life sciences, digital and creative industries, low carbon and environmental industries, manufacturing, financial and professional services or business to business services
- Refurbishment or renovation projects will only be supported where the applicant will be the sole occupier within the refurbished or renovated property
- Businesses engaged in retailing or providing localised business to consumer services are not eligible for grant support. However, applications from businesses who derive their turnover exclusively from e-commerce/internet sales will be considered on a case by case basis

### **Additional Inclusive Growth Commitments**

Businesses receiving grants of over £50,000 will be expected to offer additional "inclusive growth" commitments as outlined below.

- Inspire the next generation by working with schools and/or colleges
- Develop a Skills Plan including Apprenticeships
- Offer training to low paid staff to help them progress
- Offer work opportunities to local people with disabilities or health issues
- Offer more sustainable 'green travel' options to employees
- Undertake an energy audit to identify ways to reduce energy consumption
- Undertake a supply chain audit to identify opportunities to buy more from local suppliers
- Pay small business suppliers in accordance with the Prompt Payment Code - <http://www.promptpaymentcode.org.uk/> - including a commitment to pay all suppliers within 60 days and to commit to 30 days as the norm.
- Commit to paying staff the Real Living Wage within an agreed timescale.



The LEP / Combined Authority, and its partners, can support applicants to directly access a number of products and services associated with the above commitments. Initial guidance and advice with the commitments is available to businesses via the LEP Growth Service on 0113 3481818 ([businessgrowth@the-lep.com](mailto:businessgrowth@the-lep.com) / [www.the-lep.com/business](http://www.the-lep.com/business) )

The expected commitment will vary depending on the level of grant awarded:

- For grants from £50,000 - £99,000, the applicant is expected to agree to **two or more** of the additional commitments.
- For grants from £100,000 -£249,000, the applicant is expected to agree to **three or more** of the additional commitments.
- For grants over £250,000, the applicant is expected to agree to **four or more** of the additional commitments, one of which must be paying staff the Real Living Wage.

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## Successful Business Rate Pool bids related to Inclusive Growth

Through the 2018/19 Business Rate Pool, funding has recently been approved for projects which specifically aimed at driving inclusive growth across West Yorkshire and York. One potential focus of the Panel's work could be to identify how best support these projects and potentially evaluate their outcomes.

These projects, of which some will be delivered across the City Region and some within specific districts, include:

**West Yorkshire wide Inclusive Growth bids** have been awarded a total of £2,070,000 and include:

- a) A **skills** related application which covers three areas: **1) Apprenticeships/ Employment Hubs**; **2) Raising poverty of aspiration** and **3) Poverty proofing the school day**.
- **1) The Apprenticeships / Employment Hubs (£1,350,000)** project will strengthen links between schools and businesses and promote apprenticeships in schools targeted at disadvantaged groups.
  - **2) Raising poverty of aspirations (£400,000)**: This project will complement the ongoing work of the enterprise coordinators. A pilot will be conducted at schools with high numbers of disadvantaged pupils. Funding will be used to employ a consultant to develop a funding pot which will support an increase in activity to raise aspirations amongst disadvantaged pupils by strengthening engagement with employers, widening pupils experiences of jobs beyond their home communities and engagement with young role models working in priority sectors, apprenticeships etc. Schools in disadvantaged areas will be able to apply for funding (from Sept 2018), with criteria of how schools can apply being developed by the initial phase of the project.
  - **3) Poverty proofing the school day (£50,000)** – The project aims to pilot approaches to poverty proof the school day by supporting schools to identify and overcome the barriers to learning that children and young people from families with less financial resources face. This work will link in with the work that Wakefield Council is already doing and is anticipated to go above and beyond what districts are already doing to date. There is a need to identify how the project will fit with academy schools and their sometimes different approach to take-in and attainment and how the Core Group will be able to support schools locally with applications and to ensure their buy-in.
- b) **Digital infrastructure (£200,000)** – providing full fibre infrastructure to locations and residents that are hardest to reach, unlikely to receive superfast broadband via commercial investment in the future and thus at greater risk of digital exclusion.
- c) **Inclusive growth External Challenge (£70,000)** – This project aims to establish a consultant role to support the Combined Authority / the LEP and local partner councils by providing independent advice and expertise around the City Region's

approach to informing and embedding inclusive growth across local strategies, policies and programmes.

- **District related Inclusive Growth bids that are funded through the pool:**

- a) Bradford – Health and Social Care ‘One Workforce’ (£1m) will address issues in the health and social care workforce in Bradford District by:
- Co-ordinated recruitment under the brand Bradford Health/Bradford Social Care
  - Inclusive community recruitment, readiness for and entry into work
  - Development of a Health and Care Academy providing in-work career progression programmes
- b) Calderdale – ‘Delivering Inclusive Growth in Calderdale’ (£1m) to enable anchor institutions to re-evaluate their local spend and to aim spending at a very defined area of deprivation.
- c) Kirklees – All Kirklees bids were successful, including:
- ‘Investment Programme’ (£350,000) to allow people to be in the right place to take up employment – This project to pursue work across a number of areas in Business and Skills including:
    - Inward Investment - selling the ‘story of Kirklees’ to businesses and individuals, providing a coherent self-service and targeted support offer for start-ups, scale-ups and high growth businesses and the reasons why Kirklees is the place to work, live and play.
    - Good Growth through Planning, Procurement and Supply Chains/Collaboration Networks, working to develop the model and approach to signposting and monitoring good growth and the Kirklees £ to maximise the reach of investment in the District to those who most need it most.
    - Skills Accelerator Pilot –stimulate demand for skills associated with increasing productivity in firms, automations and succession planning linked to the ageing workforce and removal of the default retirement age.
    - Digital Inclusion -undertake a needs assessment which builds upon the Tech Partnership Study. This highlighted that Kirklees is rated as ‘High’ for likelihood of Digital Exclusion.
- d) Leeds ‘Expansion of digital engagement’ - This project will look to build on the work already carried out by Leeds City Council on improving digital skills and access to technology. It will expand the council’s 100% DIGITAL LEEDS and free Wi-Fi programmes and provide new access to digital screens in the city centre. It primarily supports the Inclusive Growth theme which has a strong digital element.
- e) Wakefield – Inclusive Growth is part of the ‘Waterfront’ bid which has been granted funding which sets out to deliver new events and exhibition space at Wakefield Waterfront as part of the Yorkshire.

- f) York: 'York City Brand' - This project will develop a shared narrative and brand for York, our economic aspirations and York's relationship with LCR, supported with 3D visualisations of key developments and a strategic study to identify potential inward investment locations based on changes to land-use as the retail economy continues to adapt to online channels. The three outcomes will be:
- A shared brand and approach with significant buy in from York stakeholders,
  - An immersive technology model of key sites including Castle Gateway, York Central and the city centre, and
  - A study considering the longer term impacts of changes in retailing, looking at out-of-town retail parks and their long term use as a potential source of inward investment sites.

The full list of approved bids can be found on the following link (see page 15 and 16 for more details):

[https://www.leeds.gov.uk/docs/Business%20Rates%20Joint%20Committee%20-%202013%20July%202018%20\(Public%20Pack\).pdf](https://www.leeds.gov.uk/docs/Business%20Rates%20Joint%20Committee%20-%202013%20July%202018%20(Public%20Pack).pdf)

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**Report to:** Inclusive Growth and Public Policy Panel

**Date:** 4 September 2018

**Subject:** **Business and Inclusive Employment**

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**Director(s):** Liz Hunter, Interim Director of Policy and Strategy

**Author(s):** Jonathan Skinner

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## **1. Purpose of this report**

- 1.1 To outline existing work programmes and academic research into how businesses drive inclusive growth and seek the Panel's view; in particular on the potential for improving the health of the workforce as a route to improving productivity and delivering inclusive growth outcomes.

## **2. Information**

### **Importance of business and inclusive growth**

- 2.1 Inclusive growth means everyone contributing to, and benefitting from, growth. As the principal driver of wealth creation, businesses have a vital role to play in ensuring people have a fair opportunity to creating and sharing wealth.
- 2.2 The following sections of this report cover:
- How the City Region's strategic aims and focus on productivity relate to inclusive growth
  - The importance of high-profile business leadership to promote inclusive growth, and opportunities for localities to share their work on harnessing the power of private sector leadership
  - How workforce health affects business and inclusive growth, which could be an issue for potential further work and investigation by the panel.

### **Productivity and inclusive growth**

- 2.3 Item 6 of this agenda – Embedding inclusive growth – describes in more detail how the City Region's focus is addressing its structural economic challenges,

centred on productivity. Productivity is essential for boosting the value created for each hour worked, and for improving living standards, but it needs to be done in a fair way, giving everyone the opportunity to contribute to and benefit from a stronger economy.

- 2.4 In particular, productivity growth has a strong effect on income. Low UK productivity growth since 2007 has accompanied a sustained period of real income stagnation and living standards not improving. Improving business productivity can positively impact in-work poverty. According to the Bank of England's Chief Economist, Andy Haldane "Labour productivity can explain around 60% of the variation in average pay across firms. On average, firms with 1% higher productivity reward employees with 0.2% higher pay."
- 2.5 The Business, Innovation and Growth (BIG) Panel is leading work to examine how to address the barriers to the City Region economy being more productive, including through the local inclusive industrial strategy, but could benefit from learning from local work and making links to other areas of public policy which the panel might want to reflect on.

#### Strong business leadership

- 2.6 Research by academics and business leaders has demonstrated that inclusive growth makes good business sense. For example:
- Sir Charlie Mayfield, executive chairman of John Lewis, led a group of business leaders to report to Government on business productivity<sup>1</sup>. It points to research showing that businesses where employees are engaged in what they are doing perform better: with businesses in the top quartile for engagement have 18 percent higher productivity than businesses in the bottom quartile.
  - Academic Zeynep Ton explained how retail companies such as Spanish supermarket Mercadona saw extended growth during the recession as other supermarkets struggled. Not restricted just to retail, the common thread of the research showed that those operating an 'Invest in People' model perform better than their market competitors, in particular by empowering their staff, cross-training and operating with slack that allows employees to engage with customers and innovate.
  - Several successful business 'kitemarks' (e.g. Times Top 100, Investor in People, Social Mobility Employer Index, Living Wage Foundation, etc.) are also predicated on the principle that good, inclusive organisations are good for business, in that they attract highly skilled workers, help develop and retain employees, and ensure people are able to contribute their full talents.
- 2.7 Strategies and programmes in a number of the city region's local authorities also demonstrate that businesses themselves see inclusive growth as an

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<sup>1</sup> 'How Good is Your Business Really?' <https://www.bethebusiness.com/wp-content/uploads/2018/04/how-good-is-your-business-really.pdf>



important consideration, and that they are positive about contributing to local aims. The Panel may wish to explore and share learning from these programmes insofar they drive inclusive growth:

- Bradford is exploring a business covenant that will recognise the positive impact that businesses make to their employees and community.
- Leeds, in launching its Inclusive Growth Strategy has secured pledges from up to 50 local businesses and community organisations about how they will help deliver the city's vision.
- Outside of the City Region, some metro mayors are using their convening power to implement an employer charter<sup>2</sup>.

2.8 At a city region level, the LEP, working in partnership with the Combined Authority, is developing a programme for a flexible pool of business advocates from different sectors that would be willing to provide some of their expertise and experience to support the promotion of the city region for investment at a national and international level. These 'business heroes' could draw on their own experiences of improving productivity to challenge and demonstrate what other businesses might do, and it will be important that there is a clear emphasis on the importance of inclusive growth to businesses in the region in these messages.

#### Inclusive growth through a healthy workforce

2.9 Health, and in particular mental health, is increasingly being recognised as an important consideration, not just for individuals but also for businesses. There are a number of challenges at both a national and local level:

- According to PwC research, 83% of workers feel that their wellbeing influences their productivity.<sup>3</sup>
- In monetary terms, it is also estimated that mental health issues alone cost employers in the UK £84bn a year.<sup>4</sup>
- 410,000 households in Leeds City Region having at least one person with a long-term health problem or disability
- Only half of disabled people of working age in the region are in a job.
- Of those claiming out-of-work benefits, around 70% are on Employment and Support Allowance (ESA) / incapacity benefits, demonstrating the strong link between health issues and joblessness<sup>5</sup>

2.10 These challenges are significant for inclusive growth. Whilst some are dependent on changes to national welfare policy, there is potentially a lot that could be done at the local level and the level of individual businesses. The panel might wish to reflect on whether this is something they want to consider in more detail at some stage.

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<sup>2</sup> See [www.greatermanchester-ca.gov.uk/employercharter](http://www.greatermanchester-ca.gov.uk/employercharter)

<sup>3</sup> <https://www.pwc.co.uk/services/human-resource-services/work-well-programme.html>

<sup>4</sup> [http://pwc.blogs.com/the\\_people\\_agenda/2017/05/is-wellbeing-the-bridge-to-span-the-productivity-gap.html](http://pwc.blogs.com/the_people_agenda/2017/05/is-wellbeing-the-bridge-to-span-the-productivity-gap.html)

<sup>5</sup> Local statistics are taken from the [Leeds City Region Labour Market Information](#) 2017/18 report

### **3. Financial Implications**

3.1 There are no financial implications arising directly from this report.

### **4. Legal Implications**

4.1 There are no legal implications arising directly from this report.

### **5. Staffing Implications**

5.1 There are no staffing implications arising directly from this report.

### **6. External Consultees**

6.1 No external consultations have been undertaken.

### **7. Recommendations**

7.1 That the panel consider the information presented in the paper and discuss the following questions:

- i) How do the City Region's strategic aims and focus on productivity relate to inclusive growth? And is there learning from work at the local authority level?
- ii) What is the role of business leadership in promoting inclusive growth, and is there any best practice at the local authority level on how to engage businesses in this area?
- iii) How does the Panel see the challenges of workforce health in relation to inclusive growth? And would there be interest in further exploration of these issues as part of the panel's forward work programme?

### **8. Background Documents**

None.

### **9. Appendices**

None.

## Inclusive Growth and Public Policy Panel (Forward Agenda Plan) 2018/19

Committee date: 4 September 2018		
Item	Notes	Responsible Officer
Governance arrangements	Incl. discussion of membership	L Davenport / C Allen
Lessons from the Inclusive Growth Programme		B Berger-Voigt / J Skinner
Embedding Inclusive Growth across City Region activity		B Berger-Voigt / J Skinner
Business and Inclusive Employment		B Berger-Voigt / J Skinner
Forward Plan		L Hunter

Committee date: 4 December 2018		
Item	Notes	Responsible Officer
'Great Jobs'	TUC to be invited	K McNicholas (Kirklees)

Committee date: 1 March 2019		
Item	Notes	Responsible Officer

Committee date: 9 May 2019		
Item	Notes	Responsible Officer

General agenda item suggestions for future meetings		
Item	Notes	Responsible Officer

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