
Report to: Inclusive Growth and Public Policy Panel

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Subject: **Inclusive Growth Strategic Framework**

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1. Purpose of this report

- 1.1 To propose the development of a strategic framework in order to further embed an inclusive approach into regional growth activities.
- 1.2 To consider a draft skeleton framework included at Appendix 1.

2. Information

Thematic focus

- 2.1 One of the key challenges in the Leeds City Region is that not all residents have equal opportunities to contribute to and benefit from economic growth. For this very reason, the LEP and the West Yorkshire Combined Authority Board agreed that Inclusive Growth needs to be at the core of the City Region's strategies (not least its Local Inclusive Industrial Strategy (LIIS)), and establishing the formal Inclusive Growth and Public Policy Panel was a direct result of that.
- 2.2 The Government recently invited representatives from the City Region (including from Bradford and Leeds City Council, the Combined Authority and the Joseph Rowntree Foundation) as an exemplar of a City Region that has made good progress embedding Inclusive Growth across delivery programmes, as well as policies and strategies (particularly the emerging LIIS and the whole Policy Framework). It has long been established that no 'single big idea' could bring about more Inclusive Growth. Thus, only embedding Inclusive Growth in an integrated way will allow sustained interventions to bring about the structural economic change required to open up opportunities for deprived communities.

- 2.3 To help to ensure that Inclusive Growth features sufficiently in local and regional policies (including the LIIS and policy framework), and because the scope of the LIIS is expected to be partial, a broader, stand-alone, Strategic Inclusive Growth Framework is proposed to inform local and regional policies, plans and activities. A draft skeleton Inclusive Growth Framework is included for discussion in Appendix 1. This further aims to stimulate discussions with district partners, as well as other public and private sector partners to co-design the final Framework.
- 2.4 This Framework could be “owned” by the Inclusive Growth and Public Policy Panel and prepared by an officer support group.

What is meant by Inclusive Growth?

- 2.5 The Panel has previously raised the issue of not having a clear and consistent working definition of Inclusive Growth to guide their work. It is recommended that the Panel uses the definition from the RSA’s Commission into Inclusive Growth (2016). This Commission settled on “Inclusive Growth” as a key issue because it speaks to two related priorities in the post-financial crisis economy: economic inclusion and economic growth.
- 2.6 The Commission arrived at the following definition of Inclusive Growth:
- Enabling as many people as possible to contribute to, and benefit from, economic growth.
 - This ambition has two dimensions:
 - Social - benefitting people across the labour market spectrum, including groups that face particularly high barriers to high quality employment.
 - Place - addressing inequalities in opportunity within an economic geography.

Inclusive Growth Strategic Framework

- 2.7 The broad aim of the Inclusive Growth Strategic Framework is to provide a strategic and long-term framework for Inclusive Growth activities in the region that encourages a wide range of public sector, private and third sector partners to work together to reach agreed goals which will increase opportunities for those residents and communities that are currently excluded from economic growth.
- 2.8 The ‘skeleton’ Framework is therefore centred on the main inclusion challenges in the region and the effects of these inhibitors on different groups of residents. The enablers and possible interventions included in the draft framework illustrate which resident groups and places are most in need of specific enabling factors. This granular understanding of exclusion can in turn inform targeted inclusion policies and bold sub-regional solutions for City Region residents.
- 2.9 To ensure programmes are delivered in an inclusive way, the Framework could directly address some or all of the following:

- Re-state what is meant by Inclusive Growth – based on a bottom up as well as top down understanding.
- Establish a clear base line through the use of maps and data-visualisation (noting any limits in data sets).
- Identify and engage with the specific groups and areas that face the biggest barriers to accessing economic and learning opportunities (including community groups), work out what those barriers are, and what to do about removing them through additional investments and interventions.
- Fully recognise what the LEP and Combined Authority is already doing in terms of key Inclusive Growth investments and interventions, the contribution being made, and the consequences if we didn't do those things (e.g. the impact of cuts in bus service subsidies on the poorest in society).
- Identify what more others, including LAs, Government, business, communities and other partners should do.
- Identify and acknowledge any trade-offs, e.g. more inclusion for less growth/productivity, reducing emissions by penalising motorists, giving more space for cyclists vs cars/buses, more open data for less privacy.
- Assessment of resource and capacity implications to ensure delivery
- A robust impact framework (to enable the monitoring and evaluation e.g. of earnings growth in our most deprived areas, and drawing on more general SEP Good Growth indicators).

2.10 The Framework will inform delivery programmes with a focus on the most prominent exclusion challenges and by building on existing strengths to inform targeted local solutions. Depending on the Panel's recommendations on how to allocate funding currently available to drive Inclusive Growth in the City Region (see Item 11 for more details), programmes could include access to:

- In-work progression, fair pay and secure work.
- Equality, diversity and inclusion in the workplace.
- Healthy workplaces – employers encouraging physical activity;
- Skills and training that are beneficial to the individual and the local labour market.
- Housing that is affordable and of high quality.
- Transport connections that connect deprived communities better to economic opportunities.
- A greater awareness of local employment opportunities.

2.11 When considering the Framework, the following should be taken into consideration:

- Although the analysis of the problem has been thorough (e.g. OECD, RSA Commission into Inclusive Growth, World Bank, CLES, etc.), the policy prescriptions proposed have been much less well articulated, especially at the local level, which has made the development of a coherent Leeds City Region programme - and with it a robust monitoring framework - challenging.
- Deprivation takes many different forms and requires tailored measures which address the specific needs of a community. Best evidence shows that those

approaches that work the best are co-designed with the communities themselves and thus have their buy-in, rather than top-down with little local consultation.

- It is equally important that the LEP and district partners collaborate effectively to co-ordinate our related efforts to best effect, based on shared objectives, and respecting the principle of subsidiarity.
- The resources needed locally to deliver Inclusive Growth interventions at scale have been denied by the Government's policy responses to the financial crisis:
 - Centre for Cities reported that austerity cuts have fallen hardest on deprived communities in the north of England, which are enduring the highest poverty rates and weakest economies.
 - Cuts in local spend on prevention (e.g. Early Years such as Sure Start) have also been as a result of increases in dealing with symptoms rather than causes, e.g. rising children's social care costs.
 - In comparison, the devolved nations have been able to better protect their public services - compared with English spend on Local Government and schools, Scotland and Wales have maintained an additional annual spend of approximately £800-£900 per capita (per capita spending in England is £1,423, in Scotland it is about £2,230 and in Wales just over £2,300).
 - Leeds City Region is also disadvantaged compared parts of England that have Mayoral devolution deals in place, with significant capital and revenue investment funds devolved.
- A more 'inclusive' and consistent form of language that can be used with internal and external audiences which would position Inclusive Growth as doing things together with communities rather than to them is a central communications and engagement challenge.

2.12 Delivering Inclusive Growth means tackling the barriers that most constrain people from contributing to and benefitting from growth, ranging from poor skills, ill health (including those caused by environmental factors such as pollution), inadequate local transport, gender and ethnic inequalities/ discrimination, and childhood deprivation. Examples of relevant types of sub regional interventions therefore include:

- Targeted investment in **physical infrastructure** – such as more affordable, better insulated housing, improved transport connectivity for everyone, flood prevention, broadband. An example could be Inclusive Growth Corridors.
- Boosting **social infrastructure** – e.g. public health, early years support, careers and enterprise advice in schools, skills/apprenticeships and employment services, business support. An example could be digital skills training for low income families and individuals.
- **'Blended' investments and interventions** – note that because of its statutory functions and remit, Leeds City Region is well placed to deliver and co-ordinate integrated interventions. An example could include 'Healthy Streets' (i.e. combining public health, place making/regeneration and transport).

2.13 Also, looking forward in terms of a possible future 'West Yorkshire and North Yorkshire's Local Inclusive Industrial Strategy', we must keep in view that a broader-based definition of 'inclusive' might emerge, factoring in specific wider rural and coastal inclusion issues within North Yorkshire.

2.14 Next steps to co-design the Framework could include setting up a regional working group, including district partners, as well as other public sector, private and third sector partners.

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 There is currently no requirement for external consultations to be undertaken.

7. Recommendations

7.1 To adopt the RSA definition of Inclusive Growth set out above.

7.2 To decide whether the Panel should take a leading role in implementing a more strategic approach of Inclusive Growth across the City Region.

7.3 To inform and directly shape the development of the Strategic Inclusive Growth Framework.

8. Background Documents

8.1 None

9. Appendices

9.1 'Skeleton' Inclusive Growth Framework