



Report to: Leeds City Region Enterprise Partnership Board (LEP Board)

Date: 24 February 2021

Subject: **Inclusive Growth**

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1. Purpose of this report

1.1 Further to views expressed at the Board meeting in January:

- Provide an update on the Inclusive Growth Framework's Indicator Set; and
- Seek in principle endorsement of a short list of Inclusive Growth interventions, noting that funding decisions rest with the Combined Authority.

2. Information

2.1 The January meeting of the LEP Board endorsed the Inclusive Growth Framework for adoption as part of the wider Strategic Economic Framework.

2.2 It was reported to the Board that the Framework had been developed to address the region's socio-economic inequalities by promoting well-being, the acquisition of relevant and transferable skills, inclusive digital and transport connectivity, and good work for everyone, within an overall ambition of delivering an inclusive economic recovery.

2.3 Members discussed various issues and opportunities in relation to delivering the Framework, including:

- The need for Inclusive Growth to be fully embedded into the region's assurance framework to ensure all funded interventions drive inclusive outcomes, and thereby improved equality.
- Recognition of the important partnership role of the third sector, working with the public and private sectors, in ensuring an inclusive economic recovery.
- Support for the working indicator set, with proposals to include healthy years of life as a key measure of progress, consider an "early years"

- wellbeing measure, and compare the proposed indicators against World Happiness Report indicators.
- Within each headline indicator, there is also a need to understand the disproportionate impact of the pandemic on specific affected groups, eg youth unemployment.
 - The need to embed inclusive growth ambitions in all of the LEP's and CA activity, and therefore the addition of an "Inclusive Growth Implications" section to all panel reports.
 - There was strong support expressed for the pipeline of proposed interventions, with a shared view that ambition should be further increased, including in terms of:
 - Additional support for specific proposed interventions, such as to promote digital inclusion;
 - Prioritising 'early win' interventions, in order to maximise impact, and identify and address any barriers, eg to regional third sector engagement;
 - Ensuring that there is sufficient LEP capacity in place to translate the high-level proposals into delivery;
 - Building on what is already being done locally and to communicate this effectively; and
 - Ensuring that the Inclusive Growth agenda is also strongly integrated within the other LEP agendas that can have a significant positive impact on achieving an inclusive economic recovery, including Business, Innovation & Skills, Green Economy, Housing & Place, and Employment & Skills.

2.4 The remainder of this report provides an update in relation to a revised indicator dashboard, and suggested prioritisation for 'early win' Inclusive Growth interventions.

Indicator Set

2.5 A working draft dashboard of Inclusive Growth indicators was considered at the January Board meeting, and this has been aligned with the Strategic Economic Framework indicators. The dashboard will continue to be updated and revised based on the practical usefulness of the indicators on tracking the delivery of inclusive growth. Appendix 1 includes an updated data set which quantifies some of the issues, inequalities and gaps facing the region, and includes additional measures proposed by Board members at 2.3 in relation to:

- Years of Healthy Life - West Yorkshire underperforms against the national average on healthy life expectancy.
- Early Years - there is a 20-point gap between children in West Yorkshire on free school meals and other early years pupils in terms of the proposition achieving a good level of development.
- Happiness – all personal wellbeing ratings, i.e., of life satisfaction, happiness, and anxiety - both in West Yorkshire and nationally - deteriorated in 2019/20 for the first time since 2011, when ONS first started measuring them. The ratings are overall averages for April

2019 to March 2020, so include the build up to the national lockdown on 23rd March 2020, but it appears the changes for some indicators started before the final quarter. For example, although we have seen at the national level a significant reduction in average life satisfaction in the first quarter of 2020, this continued a gradual decline in life satisfaction observed over the previous year.

Possible ‘early win’ interventions

- 2.6 Members are also requested to consider potential ‘early win’ interventions from the pipeline considered in January. Possible opportunities, identified through partner consultation and engagement, were considered by the Board in January, with a range of views expressed as outlined above. The pipeline includes a mixture of building on mainstream/existing activity (eg business support) and entirely fresh regional approaches (for West Yorkshire), eg support for community hubs and broader support for the third sector.
- 2.7 An initial sifting exercise has been undertaken by officers, taking the following factors into account:
- **Investment readiness**, noting some of the proposals are still at an early stage of development, and will require additional capacity to become fully developed as investible propositions, including establishing value for money / return on investment, such as the economic impact and fiscal benefits per any £ invested, and wider social benefits
 - Potential for early delivery and **making an early impact** in terms of addressing socio-economic inequalities, including those exacerbated during the pandemic, such as digital exclusion.
 - **Strategic alignment** with the region’s wider economic recovery priorities, such as emerging entrepreneurship/ business support and agreed skills propositions.
 - Ensuring a **balanced programme** of early wins as far as possible against the Framework’s thematic goals
- 2.8 On the basis of the above criteria, and subject to the views of the Board, the following interventions have been sifted from the pipeline considered in January and are listed in the table below as potential ‘early wins’. Logic models for each proposed ‘early win’ intervention are included at Appendix 2 containing:
- Intervention/Investment proposed (Top Left Corner)
 - Rationale and Inclusive Growth Goals
 - Outcomes/Impact

Proposed Intervention	Inclusive Growth Framework Goals addressed
Community Hubs	All/ Cross - cutting
Digital Inclusion ¹	All/ Cross - cutting
Good Work Standard/ Charter	Good Work
VCSE Sector Support ²	Good Work
Social Prescribing	Wellbeing
Inclusive Skills	Relevant and Transferable Skills

2.9 It is recognised that each intervention/package would be subject to a rigorous value for money appraisal and considered alongside other proposals, and further development of costs. Without prejudice to a rigorous appraisal of benefits in relation to cost, the following are potential examples of the types of benefits, namely to: disadvantaged individuals to bridge the inclusivity gap; to the region's economy; and to the public purse - which might be anticipated.

- In terms of support for third sector organisations delivering programmes of support to communities, including through community hubs, and inclusive skills and business support interventions, there is a gain to the individual and wider community ('economic spillover') associated with increased economic activity, and a gain to the public purse ('fiscal spillover') associated with lower spending in areas like

¹ Officers are also currently developing a clearer picture of current Gigabit capable (up to one Gigabit per second) broadband coverage of West Yorkshire. This work will outline where public sector support for commercial delivery is currently happening and where it could go in the future. This information will be discussed at a future LEP Board meeting. The enhanced understanding of gigabit capable broadband coverage and take-up of services will provide part of the evidence base for future digital inclusion projects.

² Includes the following components:

- Co-ordination and advocacy
- Capacity Building
- Sector support, including Social Enterprise Start-ups/ spin outs – which would be complementary to the proposals contained in the Economic Recovery Plan ambitions around Entrepreneurship discussed elsewhere on the agenda.

- health, benefits and criminal justice. For example, work by Pro Bono Economics suggests that every £1 invested in such programmes generates somewhere in the region of £6 in wider gains.
- By addressing physical and mental health conditions and thereby inequalities eg through a non-medical social prescribing route, fiscal benefits accrue from reduced healthcare spend and benefits payments.
 - The successful implementation of a regional Good Work Standard has the potential to increase the proportion of the region's workforce being paid the real living wage. As an illustrative example, if a quarter of the 302,000 workers in LCR who currently earn below the real living wage benefited from this uplift, it would derive an estimated local economic benefit of £54m p.a., and benefit public finances by c.£33m p.a.

3. Tackling the Climate Emergency Implications

- 3.1 It is anticipated that the Inclusive Growth Framework will directly influence and shape an inclusive approach to delivering a net zero economy.

4. Inclusive Growth Implications

- 4.1 The report seeks to further develop measures for tracking progress, and to identify early interventions, in relation to the delivery of inclusive growth.

5. Financial Implications

- 5.1 The report sets out a potential programme of inclusive growth 'early wins' to which could form part of the Single Investment Fund. The scale of any funding ask would need to be established and authorised by the Combined Authority, subject to satisfying value for money requirements.

6. Legal Implications

- 6.1 None arising directly as a result of this report.

7. Staffing Implications

- 7.1 None arising directly as a result of this report.

8. External Consultees

- 8.1 None undertaken in relation to the development of this report.

9. Recommendations

- 9.1 Board members are requested to:

- Comment on and agree the addition to the Inclusive Growth Dashboard of the indicators shown at Section 2.5.

- Discuss and endorse in principle the proposed ‘early win’ Inclusive Growth interventions set out at Section 2.8, noting that any funding decisions rest with the Combined Authority.

10. Background Documents

10.1 None

11. Appendices

11.1 Appendix 1 - Updated Inclusive Growth Indicators

11.2 Appendix 2 – Potential ‘early win’ Inclusive Growth interventions