
Report to: Inclusive Growth and Public Policy Panel

Date: 4 September 2018

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

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

Author(s): Britta Berger-Voigt

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**.

Collectively, via the West Yorkshire Combined Authority	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)
Bradford	a) Health and Social Care 'One Workforce' (£1,000,000)
Calderdale	b) Delivering inclusive growth in Calderdale (£1,000,000)
Kirklees	c) Stalled housing brokerage service (£350,000) and Kirklees investment programme (£350,000)
Leeds	d) Expansion of digital engagement (£1,200,000)
Wakefield	e) Inclusive Growth as part of the 'Waterfront' bid
York	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