

Report of the Director of City Development

Report to Executive Board

Date: 17th July, 2017

Subject: Leeds Inclusive Growth Strategy – Consultation Draft

Are specific electoral Wards affected? If relevant, name(s) of Ward(s):	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Is the decision eligible for Call-In?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, Access to Information Procedure Rule number: Appendix number:	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

Summary of main issues

1. This paper provides an update to the “Growing the Leeds Economy” Executive Board report published in November, 2016, specifically the progress of the new Leeds Inclusive Growth Strategy, a draft of which is ready to be published for consultation over the summer (see Annex 1). This complements the aims in the Best Council Plan to encourage growth that is sustainable and inclusive.
2. The new Leeds Inclusive Growth Strategy will cover the period 2017 – 2023 and provides a framework for how best to deliver growth that is inclusive and benefits all of our citizens and communities. It sets out a series of ideas and actions for growth, as well as broad themes of the Leeds economy and targeted sectors.
3. Leeds has a broad based economy that has enabled the city to recover strongly from the recession creating a vibrant, successful city full of innovation and enterprise. Traditionally we have not always got this message across, although this is beginning to change. This strategy will help tell our story better in order to attract and retain talent, business, investment and visitors.
4. Data shows that Leeds is in the top two core cities for producing start-ups, scale-up companies and we have seen a step change in inward investment. The city also has the second highest productivity levels (GVA per hour) of the core cities after Bristol. Wages are up with average earnings increasing 6%, and Leeds enjoyed the highest private sector jobs growth of any UK city in 2015 (the latest statistics available).

5. The opening of Victorian Gate has moved Leeds up the retail rankings, and office development completions are now at the highest level since 2007. Business tourism is worth £500 million and Leeds is the fifth most popular conference destination in the UK. Strong growth sectors include Financial and Professional Services, Digital and Health and these contribute to our strong knowledge economy.
6. Building a strategy centred on inclusive growth means providing everyday jobs in everyday places. It will mean more money for public services, reduced unemployment and increased wages. Reducing inequality in our city will also boost our economic performance.
7. The people of Leeds will be at the heart of the Growth Strategy, from equipping our young people with the right skills and careers advice, to enabling in-work progression, retraining and lifelong learning in our ever changing labour market.
8. There is a need to do more on inclusive growth to ensure everyone in the city contributes to and benefits from the economy to their full potential. There is a need to do more to tackle poverty. Low pay and low productivity are big issues both nationally and in Leeds, and the strategy recognises the importance that low wage sectors have in our economy. Some sectors may not experience high levels of growth but they still provide jobs and incomes, and many have high job replacement requirements and support essential public services such as social care.
9. The summer consultation will run from 18th July until October 9th and provides an opportunity for business and stakeholders to comment on the latest draft, but additionally we are looking to secure specific commitments from each that will help strengthen the Leeds economy. Responses to the consultation period will help us to work up detailed and costed delivery proposals.
10. A final draft of the Leeds Inclusive Growth Strategy will be launched in the autumn.

Recommendations

11. Executive Board is recommended to:
 - a) Approve the publication of the Leeds Inclusive Growth Strategy draft for consultation.
 - b) Support the approach proposed by officers to engage with business and stakeholders, seeking specific commitments for the strategy.
 - c) Agree that a final draft will be published in the autumn.
 - d) Agree that the Chief Officer Economy and Regeneration will continue to lead on the Leeds Inclusive Growth Strategy throughout the remaining consultation period and publication.

1 Purpose of this report

- 1.1 This paper sets out the recent work to review and replace the Leeds Inclusive Growth Strategy for 2017 – 2023. It outlines the work done so far in preparation of the draft, the summer consultation and approach to publication in the autumn.
- 1.2 The Leeds Inclusive Growth Strategy – Consultation Draft is available as appendix 1.

2 Background information

- 2.1 The Executive Board Paper “Growing the Leeds Economy” published in November, 2016 included a Leeds Growth Strategy – Issues Paper setting out the challenges and opportunities for Leeds.
- 2.2 A Growth Strategy Summit was held at KPMG in January, 2017 with 100 guests attending from business, universities, social enterprise, and communities. The discussions were centred on people, productivity and place and the need for inclusive growth. There was an acknowledgement that Leeds is performing well, with some real successes to build on but that we need to talk up the city more.
- 2.3 Following the summit further engagement has taken place including with internal council departments, business, the chamber, universities, economists, social enterprise groups and third sector partners. These discussions have fed into the latest draft.
- 2.4 The strategy forms part of a wider series of strategies for inclusive growth across the council, including the Leeds Culture Strategy, the HS2 Growth Strategy, the Leeds Transport Strategy and upcoming Leeds Skills Strategy. It also reflects the aims set out in the Core Strategy and Site Allocations Plan.
- 2.5 It also aligns with the Community Led Local Development (CLLD) strategies, which aim to raise aspiration locally, and support strong and cohesive communities. Three areas in Leeds have been identified as potentially suitable for CLLD: broadly representing the areas of Inner East, Inner South and Inner West. The applications are currently in appraisal and the outcome will be known during the summer.
- 2.6 The Council has formed a unique partnership with the Joseph Rowntree Foundation and Leeds City Region Enterprise Partnership to create the “More Jobs, Better Jobs” research programme, to identify the action needed to create more and better jobs that help lift people and places out of poverty. Work undertaken for this breakthrough project helps inform the Inclusive Growth Strategy.

3 Main Issues

Draft for consultation

- 3.1 The strategy presents 12 big ideas that act as an action plan to encourage inclusive growth in the city. These are set out below:

1. Putting children at the heart of the growth strategy

- a) Strengthening the role of schools developing students to contribute to the economy to their full potential, including getting them ready for the world of work, raising educational attainment, improving careers advice and business engagement in schools
- b) Extending Early Years provision, linking this to getting people into jobs / better jobs and more supporting more women to get into work

2. Employers and people at the centre of the education and skills system - our ambition is to create a skills and education system focussed on good secure jobs that enable in-work progression. We will do this by:

- a) Bringing employers and education providers together to develop and commission education and training to meet employers needs and economic priorities
- b) Supporting our current and future workforce to be resilient to economic change
- c) Tackling skills gap at all levels

3. Better jobs – tackling low pay and boosting productivity – in low wage sectors up to increasing graduate retention, with a focus on:

- a) Initiatives to support firms and people to improve their skills and progress into better jobs
- b) Continued investment in small scale productivity gains in SMEs

4. Institutions embedded in and working for communities and the local economy – asking business to support this strategy and the wider economic ambitions for Leeds:

- a) Developing a strategic approach to corporate responsibility
- b) Securing better outcomes for the Leeds economy in terms of jobs, skills and supply chains from procurement by the public and private sectors, and through major develop and infrastructure projects
- c) Securing specific commitments from organisations within the city to support inclusive growth and promote the city

5. Supporting places and communities to respond to economic change – giving more support to communities throughout the city through:

- a) Targeting investment and intervention in priority neighbourhoods
- b) Improving housing and quality of place in priority neighbourhoods
- c) Building more homes
- d) Transforming the role of town centres as economic and service hubs

e) Making assets work to support growth and communities

6. Doubling the size of the city centre – focussing on the physical regeneration and economic impact of the heart of the city region through:

- a) Delivering new jobs, homes, a new city park and a revitalised waterfront in the South Bank, as one of the most significant regeneration projects in Europe
- b) Creating an Innovation District around the universities and hospital
- c) Rebuilding Leeds Station, the busiest transport hub in the north, including HS2 and Northern Powerhouse Rail

7. Building a federal economy creating jobs close to communities – the city centre is the most important hub in the region, but other employment areas in the city need to be supported as these perform important commercial and community functions. Major growth locations include Thorpe Park, Thorp Arch, White Rose, Capitol Park, Kirkstall Forge and the Airport.

8. 21st century infrastructure – this is an increasingly important part of the modern economy and offers opportunities including transport, smart cities, low carbon energy - electricity, hydrogen and water networks, flood protection and green infrastructure.

9. Leeds as a digital city – responding to the increasing importance of tech in the economy, and adapting our workforce to this change by:

- a) Promoting and growing the digital sector
- b) Making every business a digital business
- c) Developing a workforce that can thrive and be resilient in the context of technological change
- d) Strengthening digital and data infrastructure (including 5G), promoting Leeds as a smart city and using data to help address challenges

10. Backing innovators and entrepreneurs in business and social enterprise – support could include new incubation space, cheap office accommodation, finding employees with the right skills, building leadership capability, accessing new customers and markets, capital, finance and regulation in order to:

- a) Support start-ups and scale-ups
- b) Boost innovation throughout the economy, including commercialising knowledge from universities and government, and supporting firms of all sizes in all sectors to improve their products, processes and capabilities

11. Promoting Leeds and Yorkshire – telling our story better, getting our message across and promoting our successes will benefit:

- a) Inward investment, including strengthening links with London
- b) Tourism

- c) Attracting and retaining talented people

12. Maximising the economic benefits of culture - Leeds has a great story to tell we have already seen a significant increase in self-confidence in the cultural sector through the Capital of Culture bidding process, building on this means:

- a) Supporting the city's ambitions to become European Capital of Culture 2023
- b) Increasing visitors and enhancing the image of Leeds through major cultural and sporting events and attractions
- c) Growing the cultural and creative sector as well as boosting creativity across the wider economy, education system and communities

Next steps

- 3.2 The consultation period will run from 18th July until October 9th. This will allow for adequate time to further bolster the actions in the strategy through firm commitments from business.
- 3.3 As well as publication of the draft online and through direct email distribution a consultation strategy will be undertaken which targets individual high profile businesses in the city, identified through knowledge within the Economic Development department within the Council. Our intention is to seek further pledges from business and stakeholders to support the city and actions within the strategy. Private sector buy-in is essential in realising the ambition for Leeds to build a strong economy within a compassionate city.
- 3.4 The strategy is not designed to be a standard economic plan, instead having a clear focus on inclusive growth, promoting the city and working with business. This period of consultation is necessary to gain buy-in from business offering them the chance to directly support the aims of the city, working up detailed commitments.

4 Corporate Considerations

4.1 Consultation and Engagement

- 4.1.1 Consultation for the growth strategy has included an Executive Board paper in November, 2016, a call for evidence conducted at the end of 2016 and a Growth Strategy Summit held on 25th January, with more targeted individual consultation throughout the process.
- 4.1.2 We will take an inclusive approach to this consultation as reflected in the values of the Council and our Inclusive Growth Strategy. It is important to reach all sections of society. The latest draft once agreed by Executive Board will be made available through:
 - the Leeds Growth Strategy Website;

- a targeted mailing list of businesses and stakeholders; and
- targeted consultation with small and medium sized businesses, third sector and learning institutions
- one to one consultations with specific businesses and stakeholders in order to encourage bespoke commitments to the strategy and our inclusive growth agenda

4.2 Equality and Diversity / Cohesion and Integration

- 4.2.1 Themes running through this report have an impact on equality and diversity. The Council aims to improve the lives of all its citizens and foster good relations between different groups in the community. The Growth Strategy encourages inclusive growth, aiming to ensure that the benefits of a prosperous economy impact on all Leeds citizens, this includes supporting young people, people with disabilities and those suffering from mental health issues
- 4.2.2 An Equality Diversity, Cohesion and Integration screening has been undertaken to assess the impact of this report on equality and diversity and is attached as an appendix.

4.3 Council Policies and Best Council Plan

- 4.3.1 The vision from the Best Council Plan is for Leeds to be a compassionate, caring city that helps all its residents benefit from the effects of the city's economic growth. These values frame the Leeds Growth Strategy which will be a complementary addition to the council plan.

4.4 Resources and value for money

- 4.4.1 The measures in this report do not have a direct impact on funding, nor does it set out a budget.

4.5 Legal Implications, Access to Information and Call In

- 4.5.1 There are no significant legal issues relating to the recommendations in this report.
- 4.5.2 This report is eligible for Call-In.

4.6 Risk Management

- 4.6.1 There is always a risk to the Leeds economy through both policies and external pressures. The Council recognises that growing the economy has positive benefits to the city.
- 4.6.2 Specific financial risks, including fraud, and risks in relation to safeguarding, business continuity and information governance are not considered to be impacted by the recommendations in this report.

5 Conclusions

- 5.1 This paper updates Executive Board on the Leeds Inclusive Growth Strategy and includes the latest draft for consultation.
- 5.2 A period of consultation will take place over the summer with a view to publication of a final document in the autumn.
- 5.3 As well as a wide circulation of the draft it is proposed to undertake targeted consultation with business and stakeholders with a view to increasing the specific pledges made by business to add to the strategy.

6 Recommendations

- 6.1 Executive Board is recommended to:
 - a) Approve the publication of the Leeds Inclusive Growth Strategy draft for consultation.
 - b) Support the approach proposed by officers to engage with business and stakeholders, seeking specific commitments for the strategy.
 - c) Agree that a final draft will be published in the autumn.
 - d) Agree that the Chief Officer Economy and Regeneration will continue to lead on the Leeds Inclusive Growth Strategy throughout the remaining consultation period and publication.

7. Background documents¹

- 7.1 None.

¹ The background documents listed in this section are available to download from the Council's website, unless they contain confidential or exempt information. The list of background documents does not include published works.