

Inclusive Growth Update

Date: 1st March 2023

Report of: Chief Officer Culture and Economy

Report to: Scrutiny Board (Infrastructure, Investment and Inclusive Growth)

Will the decision be open for call in? Yes No

Does the report contain confidential or exempt information? Yes No

Brief summary

- In our previous update to Scrutiny Board in February 2022, it was noted that a refresh of the Inclusive Growth Strategy was due in 2023. This report will provide an update on the work to refresh the strategy.
- Our new Inclusive Growth Strategy will re-affirm our commitment to delivering Inclusive Growth in the city, building resilience and responding to the economic changes that have taken place since 2018, highlighting the successes we have had in delivering the previous themes over the past five years, and setting out an updated delivery framework.
- The new strategy will launch in July 2023, subject to Executive Board approval, and will run to 2030. It will align with the Best City Ambition and Health and Wellbeing Strategy.

Recommendations

- a) Members are asked to offer their views on the current direction of the refreshed Inclusive Growth Strategy and agree any specific Scrutiny actions that may be appropriate.
- b) Members are also asked to note that the Inclusive Growth Strategy is due to go to Executive Board for approval in July 2023.

What is this report about?

- 1 In 2018, we outlined our plan for Leeds to have a strong economy within a compassionate city. This aim remains the cornerstone of our new strategy as we deliver policies that are inclusive, enabling growth in our economy that benefits everyone. Our new strategy will reconfirm that this is our approach through continuing to focus on tackling inequality, supporting all sections of our society into better jobs, helping people to live healthy and active lives, tackling the climate emergency, raising skill levels and improving the health of the poorest the fastest.

- 2 Inclusive growth in Leeds is more important than it has ever been, with the pressing need to build resilience and respond to trends including making rapid progress towards addressing the Climate Emergency and the major economic, social and health challenges the city is facing. There has already been significant progress made across some areas that we need to reflect in our new strategy, which will allow us to raise our ambition for the future to deliver Inclusive Growth. Restating our commitment to Inclusive Growth now will also enable us to align with the new policies, strategies and structures that have emerged since 2018, including Devolution and leaving the EU.
- 3 Our Best City Ambition has set in motion a vision for Leeds which addresses these challenges, improving outcomes across inclusive growth, health and wellbeing, and zero carbon.

Building Resilience and Responding to Trends

Climate Emergency

- 4 In 2019, Leeds City Council declared a Climate Emergency, where we signed up to a carbon reduction target consistent with achieving the Paris agreement of no more than 1.5 °C global temperature increase. The city is already responding in relation to the impacts of climate change, so addressing the climate emergency requires preventative and protective action to promote climate resilience in addition to achieving net zero.
- 5 The council has been working with WYCA to conduct analysis into the current and future green jobs and skills needs in the region. According to research from 2022, in a central scenario there will be new c138,000 green jobs by 2030 in West Yorkshire, an increase on the 73,400 green jobs estimated in 2021. The research defines a green job as those jobs that facilitate meeting new zero and broader environmental goals.
- 6 A broad spectrum of occupations are represented in the green economy in West Yorkshire and many jobs are greening as the economy transitions, meaning that the trend is not solely focused on sectors. Industries in West Yorkshire that will be significantly affected going forwards include construction and manufacturing, green finance and retrofit.

Business Conditions

- 7 The economic situation over the past couple of years has been volatile, with the Covid-19 pandemic compounded by global and national events including and the War in Ukraine. The Council has supported the city throughout, including distributing over £300m worth of assistance to businesses and the charity sector during the pandemic. Rising prices because of economic volatility has led to inflation, causing the Consumer Prices Index to rise by 8.8% in the 12 months to January 2023, albeit continuing a downward trend in recent months. The October rate was one of the highest in over 40 years, with the annual rate for December equal to the rate recorded just over 30 years earlier. Inflation has impacts on consumer spending as well as costs for businesses.
- 8 More than two years on, businesses are still being impacted by the EU exit and adjusting to new trading conditions. A survey conducted by the British Chambers of Commerce in December 2022 found that out of 1,168 businesses (92% SMEs), more than three quarters of firms for which the Brexit deal is applicable said it is not helping them to increase sales or grow their business, and more than half of firms face difficulties in adapting to the new rules for trading goods. 44% of firms reported difficulties in obtaining visas for staff.
- 9 Data from the UK Purchasing Managers Index (PMI) highlighted a sustained downturn in UK private sector activity across both Services and Manufacturing in January 2023. Nonetheless,

despite falling output volumes and weak demand, optimism regarding the year ahead outlook for business activity picked up in January and was the strongest since May 2022. This improvement appeared to reflect hopes of a turnaround in global economic conditions and a further slowdown in cost pressures over the course of 2023.

- 10 Looking at the regional picture, recent research by the West Yorkshire Combined Authority (WYCA) suggests 71% of West Yorkshire businesses are concerned about their survival and 37% of businesses are not expecting to increase wages this year (2023). The latest annual State of the Region report shows that the relative position of West Yorkshire on productivity has not improved in recent years.

Health and Deprivation

- 11 The combination of the rising costs of fuel, food and other essentials is putting many households at greater risk of immediate hardship as well as reducing opportunity and wellbeing. There are still people in Leeds experiencing significant, deep rooted poverty and inequality, c200,000 (c25%) Leeds residents live in neighbourhoods in the lowest decile of national deprivation (according to the Index of Multiple Deprivation 2019). Additionally, wage stagnation and real-terms cuts to benefits are severely impacting households' ability to afford essential costs. A national cost-of-living dashboard published by Citizens Advice shows that by the end of December, they have already seen more people unable to afford to top up their pre-payment meter than for the entirety of the previous 10 years combined.
- 12 The data is increasingly establishing the link between health and deprivation. For example, there is a stubborn gap in life expectancy between our most deprived and least deprived communities, with female life expectancy in deprived areas of Leeds compared to the city average widening in the decade up to 2019. During the Covid-19 pandemic, health inequalities were magnified for certain groups, such as for people living in disadvantaged areas and those from Black, Asian and Ethnic Minority communities who experienced higher mortality rates. The health-wealth gap risks becoming wider in the wake of pandemic, as well as the Cost-of-Living Crisis, with people's health affected by their financial and employment circumstances.

Labour Market

- 13 The labour market has experienced rapid changes in line with this period of volatility. We have experienced a tight labour market where lots of people have left work after the pandemic, creating high numbers of vacancies which we have struggled to fill. In November 2022, 13.3% of businesses surveyed by the ONS reported experiencing a shortage of workers with the sectors most affected being accommodation, food and construction. In addition for West Yorkshire the Information Technology sector is experiencing high numbers of vacancies.
- 14 On a national scale, there are more recent signs that more people are returning to the labour market, with economic inactivity due to long-term ill health, early retirement and for students falling slightly in January 2023. However, long-term ill health remains well above its pre-pandemic levels.
- 15 In terms of the regional labour market, employment levels have continued to increase, but the number of young people claiming unemployment benefits increased by 8% between June and October 2022. Since October 2022, the claimant count in Leeds has been increasing, standing at 22,620 in December 2022. This represents a 25% increase on the pre-pandemic levels in March 2020, but is an 11% decrease on the previous year in December 2021.

16 We have much to be proud of in Leeds, and the new Inclusive Growth Strategy will reflect the progress we have made as well as addressing the challenges. It will tell the Leeds story and enable us to build on the good work that has taken place, raising our ambition even further.

17 Yorkshire has the fastest growing digital economy in the UK centred on the city. We have the largest base of finance and professional services outside London. We make things, with twice as many advanced-manufacturing companies than the national average. We are leaders in health, home to a number of government health headquarters including the Department for Health and Social Care and NHS England. We are pioneers in sustainable and green finance and home to the new centre for the UK Green Finance and Investment. We have got a skilled workforce and six universities, and we are leaders on culture and creative industries, with Channel 4 choosing Leeds as its home, LEEDS 2023 and a legacy that includes a future new National Poetry Centre and British Library North.

18 The Leeds Inclusive Anchors Network has been one of our biggest achievements as a city, bringing together 14 large employers in the city, these are:

- Leeds Teaching Hospitals NHS Trust
- Leeds Beckett University
- Leeds City College
- Leeds and York Partnership Foundation NHS Trust
- University of Leeds
- Leeds College of Building
- Leeds Community Healthcare NHS Trust
- Leeds Trinity University
- Leeds City Council
- Northern Powergrid
- Yorkshire Water
- British Library
- Northern Gas Networks

19 The anchors collectively employ about 60,000 people in the city and more than half of their discretionary spend, over £1bn, is retained in Leeds. Examples of recent work include:

- Leeds College of Building is developing a new approach to delivering adult learning provision, working with community organisations to identify local skills needs and delivering tailored courses within community settings. This approach is currently being piloted with one community organisation, which is going well, and the college have ambitions to roll out this approach out further, with a particular focus on opening up the college and its opportunities to a broader range of communities.
- Northern Gas Networks have trained their frontline workforce in the 'making every contact count' approach to enable staff to support vulnerable customers and signpost to further support, particularly around the cost of living. This has recently been recognised in the company being awarded the Inclusive Service Kitemark.
- Through targeted work on its supply chains, Leeds Beckett University increased the proportion of its discretionary spend that is retained in Leeds from around a quarter to almost 60%, of which 70% is with SMEs and 20% is spent in the most disadvantaged areas of the city.

- Leeds Beckett University are also working with the council through the Good Jobs, Better Health, Fairer Futures project to understand and address barriers to people accessing their employment opportunities, with a focus on hearing from people and communities that are underrepresented in their workforce.

- 20 All Anchors complete the Progression Framework to self-assess their progress across the themes of employment, procurement, assets/environment, service delivery and civic behaviour. The Progression Framework assessments are benchmarked across the Network, and going forwards, will provide insight into good practice in terms of delivering the Inclusive Growth Strategy, and areas that need more focus. A Business Progression Framework is also currently under development. Based on the Anchor Progression Framework, we are expecting to launch this tool at the same time as the refreshed inclusive growth strategy.
- 21 Funding received through the Health Foundation is being used to build relationships between Leeds Inclusive Anchors and the most disadvantaged communities in the city, specifically through building relationships between large Anchor organisations and the Leeds Community Anchor Network. This programme of work aims to increase the positive economic impact of Anchors on communities in Leeds experiencing economic and health inequalities.
- 22 Our LEEDS 2023 Year of Culture is opening up possibilities for anyone in Leeds in to create and experience culture during the year and beyond. With a focus on cultural inclusion, it is tackling the barriers that people may face in participating in culture, engaging with the city's communities, and addressing gaps regarding cultural provision. LEEDS2023 is securing a long-lasting impact for people through investment in cultural education, skills and training.
- 23 LEEDS 2023 will also act as a catalyst to accelerate our recovery from recent economic shocks. The LEEDS 2023 economic impact study undertaken by Leeds Culture Trust in January 2021 indicates that indicative impacts include: 1,310 new jobs in the visitor economy, rising to 1,620 by 2030; 10% growth in the Leeds visitor economy in 2023 and 4% growth thereafter; £114m extra direct and indirect revenue to the Leeds visitor economy; 1,000 freelance opportunities; 2,000 trained volunteers; 150 internships/work placements for students and young people; 100 apprenticeships/accredited training opportunities; 50 entry-level opportunities for young people via education programmes and partnerships; and an expected 6 to 1 return on investment for Leeds.
- 24 We are helping our communities that have older lower rental market terraced stock, the council has invested in innovative energy efficiency works and refurbishment of empty homes with over £10m in two priority areas. Works have reduced household bills by at least a third, improved over 420 private rented sector properties, with landlords providing at least 10% of the cost.
- 25 Leeds' flagship 100% Digital Leeds programme has made a national mark in digital inclusion and is being used as a model for others to develop their own initiatives through funding by the Local Government Association's Digital Pathfinders Programme. The team works with over 200 organisations, teams, settings and services, and has brought over £2million into the city, increasing the capacity of third sector organisations and building the digital inclusion ecosystem across Leeds.
- 26 The Leeds Flood Alleviation Scheme Phase 1 launched five years ago to protect jobs, homes and businesses from devastation caused by flooding. The main innovations of the scheme is now protecting 3,000 residential properties, 500 businesses and 22,000 jobs from flooding and ensuring climate resilience up to 2069. The work to protect Leeds from flooding continues with phase 2 of the scheme, which is projected to complete in 2023.

- 27 A record amount of work has been completed under the banner of the Connecting Leeds transport strategy in the year since it was approved by councillors, providing access to jobs and improving people's health and wellbeing. Connecting Leeds includes the construction of welcoming gateways across the city to make areas such as the Corn Exchange more appealing for visitors and residents, new and expanded park and ride facilities including a national award winning Stourton park and ride site, and improvements along two key corridors on the A61 south and A647 to reduce bus journey times and improve service reliability. Alongside this, £270 million of investment has been undertaken in the transport network, with an ongoing city-wide engagement with the public and local businesses on our ambitious plans to transform travel across Leeds, placing priority on Active Travel, Public Transport and high-quality public realm.
- 28 Last year saw the opening of the £140m East Leeds Orbital Route, a 7.5km multi mode transport corridor, from concept to completion in eight years. This targeted transport investment has created a major strategic growth area for the city. It will unlock 5,000 new homes (including some affordable housing), all due for planning approval this year, it allows better connectivity with Leeds City Centre and other destinations such as employment at Thorpe Park as well as options to extend local bus services. This is the biggest infrastructure project undertaken by Leeds City Council for fifty years, since the completion of the Leeds Inner Ring Road.
- 29 In 2020, a programme was launched to bring full fibre connectivity to council and NHS buildings across Leeds, as part of a £20.3m partnership between Leeds City Council and BT. The Full Fibre Programme is using these sites, including schools, NHS buildings and council housing, to accelerate the wider roll out of faster, more reliable broadband to nearby residential and commercial properties, making the largest gigabit and 5G capable city outside of London.
- 30 The South Bank regeneration programme is well on the way to fulfilling one of our big ideas set out in the Inclusive Growth Strategy to double the size and economic impact of the city centre. This will deliver 35,000 new jobs and 8,000 new homes through a people first approach to place. The project includes the construction of the largest new city centre green space in the UK, as well as connecting deprived neighbourhoods adjoining South Bank in the City Centre fringe. In South Bank's 12-hectare Temple District, proposals are at an advanced stage for the British Library North at the historic Grade 1 listed Temple Works, supported by £25m devolution funding including unlocking and accelerating 20 acres of surrounding land for mixed use development. The site will provide a major anchor in the network of innovation assets across the city, supporting businesses and individuals to access knowledge and research.
- 31 The Leeds Innovation Partnership has brought together organisations including the Leeds Teaching Hospital Trust, the University of Leeds (and Nexus), Leeds Beckett University and the Council. Innovation is thriving in Leeds, from the grassroots community led organisations like Leeds Digital Festival – the largest tech festival in the UK, to world leading R&D, health innovators and tech unicorns. We are committed to supporting our diverse and talented entrepreneurs and have benchmarked ourselves internationally through working with Massachusetts Institute of Technology on their Regional Entrepreneurship Acceleration Program (MIT REAP).
- 32 Innovation@Leeds is a recent programme which aims to strengthen the foundations of the Leeds innovation ecosystem, to stimulate and support tech clusters, drive collaboration with diverse communities and catalyse progress towards our Innovation vision. A dozen successful bids have been announced, with grants ranging from £5,000 to £25,000 being used to fund initiatives such as No Code Lab, LegalTech in Leeds and Fund Her Leeds. Running over the

next few months, these events and programmes will give people access to the kind of know-how, training and networking opportunities that can improve their personal investability, while also strengthening Leeds’s reputation as a place with a thriving innovation ecosystem.

- 33 Despite the challenges of the pandemic, Leeds City Centre has seen a sustained high level of investor confidence and development momentum since 2018. The 2023 Deloitte Crane Survey shows that there were strong levels of construction in 2022, on a par with 2021 and the second highest since records began in 2007. Although it can be assumed that some of this high activity should be attributed to a lag in delivery following the slowdown during the peak of the pandemic, retained activity is viewed positively when considering the uncertainties facing the market. Around 1million sq. ft. of education floorspace has been added in the city centre over the last 3 years at our 6 universities. The city centre is set to gain two new educational facilities in the coming years, through two large-scale developments, a new city centre site for Leeds Trinity University and a new Leeds Mathematics School that will provide a specialist post-16, A-level based, curriculum with an emphasis on Further Mathematics.
- 34 The city centre is continuing to recover following the impact of covid. Footfall for the whole of 2022 was 34.1% up on 2021. This is still 16% down on the whole of 2019 (pre covid) and we are not expecting these levels to return as flexible working patterns have reduced footfall on weekdays. However, weekends have recovered with some 2022 weekends outperforming their 2019 equivalents reflecting a strong leisure / discretionary visit profile. Leeds has seen one of the strongest Tourism and Hotel Occupancy recoveries in the UK after the Covid pandemic, currently standing at 76.9%. Take-up in Leeds’ office market has remained strong in the third quarter of 2022 despite pressures in the economy, according to the Leeds Office Agents’ Forum.
- 35 Vacancy rates in the second half of 2022/23 have showed the first decrease in empty city centre units since 2019. We have seen traffic flows down by an average 14% compared to 2019, but Briggate saw its busiest day since 2019 on 10th November 2022, with 49,000 people recorded over the day. Currently 17% of ‘High Street’ shop units are empty in the city centre. This is a slight improvement on the 20% figure recorded in February 2021, and there are plans afoot for all of the large empty units in the city centre indicating real confidence in the resilience and repositioning of the traditional mainly retail core.
- 36 Whilst operating during the pandemic, the Employment and Skills Service has supported 9,125 people into work (including apprenticeships) since April 2020, with 2,239 supported into work since April 2022. Also since April 2022, 10,623 people have accessed our services, and 2,948 people have improved their skills.

Employment and Skills Service Performance	April 2020 - March 2021	April 2021 - March 2022	April - December 2022
People Accessing Services	10,071	11,818	10,623
People into Work (including Apprenticeships)	3,413	3,473	2,239
People with Improved Skills	4,857	2,485	2,948

- 37 During the pandemic, the council distributed £22.9m worth of Additional Restrictions Grant funding allocated by the government to support businesses to deal with the impact of lockdown, along with a further £1.29m worth of Additional Restrictions Grant funding that was made available as a result of the Omicron emergence. The council supported over 4,400 businesses with this funding, and when taken along with non-Additional Restrictions Grant funding initiatives such as restart grants, means that just over £300m was distributed to businesses and charities in the city since the start of the pandemic.
- 38 All business support funding related to Covid-19 has now ended, but the council launched its own Discretionary Relief from Business Rates Scheme in October 2022. This allows SMEs to get up to 50% off their business rates bill, capped by £15,000 per annum.
- 39 Our AD:VENTURE programme for the region's start-ups and young businesses has helped over 3,558 businesses and 2,100 individuals since its launch. More than 950 events and workshops have been delivered. The Princes Trust has supported 1323 young people to explore self-employment. We have paid over £2.84 million in grants. This support has led to an additional 705 full time jobs being created in the region.
- 40 Our Digital Enterprise programme continues to work hard supporting our regions SMEs to develop their digital capabilities and improve connectivity. Since the launch of DE 2.0 in 2019, as of end of Q4 2022, the programme has supported 1,387 businesses. We have paid over £5.8 million in grants to 1,200 businesses and attracted £6.4 million in private investment. 59 businesses have been able to go to market with a new product or service as a consequence of receiving our support, and an additional 106 new jobs have been created in the region.
- 41 We are pleased to be able to continue both of these business support programmes with successor funding having been formally approved by the West Yorkshire Combined Authority.

Aligning with New Policies, Strategies and Structures

- 42 As well as responding to trends and building resilience, the new Inclusive Growth Strategy will also address and align with a macro and micro policy landscape that has been changing since 2018. In addition to leaving the EU as has been discussed above, and new global trading relationships, there are also opportunities for Leeds from new national funding streams such as the Shared Prosperity Fund.
- 43 We are closely aligned with the West Yorkshire Mayoral Combined Authority and have common goals for Inclusive Growth, Productivity and Net Zero. The shared planning and delivery of Mass Transit over the next decade will underpin the achievement of these. As we look forwards to 2030, the region is embarking on transformation in response to devolution, driven by the new mayoral model. The West Yorkshire Combined Authority along with the Leeds City Region Enterprise Partnership are working together to make West Yorkshire a place that is globally recognised with a strong successful economy.
- 44 At a local level, the new Inclusive Growth Strategy will align with the relevant policies and strategies that have recently been developed across Leeds City Council and demonstrate the shared impacts of these challenges throughout the organisation and motivation for long-term thinking.
- 45 Our Economic Recovery Framework of 2020 set in motion a range of work to reset and renew our economic growth ambitions. This work has now progressed and will inform the new Inclusive Growth Strategy:

Future Talent

- 46 Our new Talent and Skills Plan for Leeds was launched in September 2022 at futuretalentleeds.com, setting out how as a city we can collectively improve the supply of skills that our residents need in order to play a full and more productive part in the labour market, and that our businesses need to thrive, helping to create an inclusive economy in a compassionate city.
- 47 A range of partners from across the city have pledged their support against the Future Talent Plan and are working to create good local jobs or improve education and skills delivery. For example, the West Yorkshire Green Jobs Taskforce which is overseeing the delivery of the skills and jobs needed in the region to address the Climate Emergency, have created an action plan identifying the employment and skills needs linked to the green economy, creating 1,000 well-paid skilled jobs for young people, and utilising devolved funding to connect employers with talent.
- 48 To develop talent in key areas of the economy, Luminate Education Group which includes Leeds City College has committed to building and strengthening their relationships with employers, communities, third sector organisations and other important stakeholders to ensure that education and training provided by the college better meets the needs of communities and the wider city. They are also developing curriculum pathways that will equip learners with the skills needed for a carbon neutral economy.
- 49 Other examples of activities that have happened as a result of the plan being in place include a Digital Careers Festival in September 2022 to attract a diverse range of people to learn more about digital opportunities within Leeds, as well as a Creative Skills Festival. Both of these included a weeklong roadshow of activities culminating in a showcase event at the Leeds Arena. Also taking place at the Arena was Leeds' first SEND (Special Educational Needs and Disabilities) Next Choices event, providing information about jobs, apprenticeships and training and skills opportunities including FE courses, volunteering and leisure activities. Along with our annual Leeds Apprenticeship Recruitment Fair, all of these events together attracted over 12,000 visitors in 2022.
- 50 As a result of the Future Talent Plan, a Green Skills Plan has been developed by the Employment and Skills Service to drive forward a range of actions to promote green jobs and skills. For example, it seeks to inspire and develop talent through facilitating green skills activities, enable easy access to green skills through developing targeted initiatives to support those furthest away from the labour market, and collaborate with businesses and partners to bridge skills gaps through mapping green skills need to skills provision. We have already made progress against the plan including recruiting a green skills lead to drive the work forward, mapping existing and future needs with the sector to identify gaps, and working with partners such as WYCA to develop Gainshare funded programmes as highlighted above to support unemployed people into green jobs.

Future of our city and local centres work

- 51 In July 2021, a report was brought to Scrutiny Board in July 2021 outlining work looking at the future of our city and local centres, followed by a [report](#) to Executive Board in September 2021. The Inclusive Growth Strategy will drive this work forward, building on the priority to strengthen the role of city and local centres.
- 52 As part of this work we undertook several workstreams, including a public survey/city conversation and work with ARUP, to consider what the future of our centres may look like. The work confirms that in many cases we are doing the right things, but we need to ensure we

remain committed to them, whilst also needing to take the opportunities that are presented through new sources of funding to address the trends we are seeing, as well as influencing the new City Ambition that is under development and what we can do as a Council already without any additional funding.

53 A number of areas of focus have been agreed, with the resources we have available and the potential for additional resources through successful Government funding bids, including:

- Continue to identify and deliver transformational projects across the city, linked to external funding streams;
- Explore how we can facilitate flexible workspaces and co-working spaces in areas outside of the city centre;
- Work to capitalise on the role of Culture for the future of our centres, including the opportunities presented through Leeds2023; and
- Explore how we can create a long-term, sustainable way of collecting local data and intelligence for each of our centres.

Innovation

54 A new vision for Innovation in Leeds was launched in May 2022 with a vision to 'Stimulate innovation which drives and delivers measurable impact towards a healthier, greener and inclusive future for Leeds and the world'. Between now and 2030, Leeds will be home for diverse entrepreneurs, have two new state of the art hospitals, the Innovation Arc will attract new businesses and talent, university support for start-ups and scale-ups will double, and the British Library North will be at the heart of the city.

55 Work has progressed in developing the Innovation Arc. This is 150 hectares of the city centre which will stitch together and curate some of the most significant innovation assets and global institutions in the north of England, connecting these to one of the busiest transport interchange in the north of England and through a potential new mass transit line. A series of innovation neighbourhoods will support start-ups, growing enterprises and major occupiers, together with shared spaces which foster collaboration. The Arc is currently home to some of the city's largest employers and 49,000 workers and we have ambitious plans for growth. There will be over 3000 new homes in and around the Arc, over 1million sqft of new innovation space, as well as the opportunity to create 1million sqft of refurbished space in nationally significant historic buildings.

Green Economy

56 As set out above, the research conducted by WYCA will feed into the new Inclusive Growth Strategy. We are also currently exploring other ways we can obtain data around the green economy that will inform our policy response.

Cross-Council

57 Other organisational strategies that the Inclusive Growth Strategy will weave together include the Culture Strategy and Delivery Framework, the Connecting Leeds Transport Strategy, the Digital Strategy and the Destination Marketing and International Relations Plan.

Aims of the New Inclusive Growth Strategy

58 Our new Inclusive Growth Strategy 2023-2030 will re-commit to Inclusive Growth, re-stating the case for Inclusive Growth and aligning with key strategies including the Best City Ambition, the Health and Wellbeing Strategy and addressing the Climate Emergency. It will highlight our successes, and set out our updated delivery framework. The strategy will also make clear how

we will work with others to learn and share best practice, for example, taking on board the Peer Review feedback.

59 The product will be a document setting out the above, which will also link across to our new Inclusive Growth website inclusivegrowthleeds.com. The website will enable us to maintain a strong focus on the delivery of the strategy, with information about key projects, initiatives and partners, as well as performance indicators and data.

What impact will this proposal have?

60 We are refreshing our approach to delivering Inclusive Growth so that we can tackle the challenges that we face and build resilience. This is so that the people who bear the brunt of the impacts are supported and that the living standards, health and labour market outcomes of all communities in the city are improved. It will make our places work better for people as we respond to Climate Change. It will also help our people and businesses thrive in the face of change, by raising skills in more productive and emerging sectors, and encouraging innovation.

61 We will update our delivery framework, keeping the three themes of 'People, Place and Productivity' but refreshing the big ideas underneath them. Our current version of the ideas are as follows, but they are not finalised:

People

- Improving people's lives by tackling poverty and inequality
- Supporting people and businesses in a rapidly changing labour market
- Making sure education and training meets local needs

Place

- Investing in our places and transport to create a sustainable economy and greener future
- Connecting and strengthening our communities
- Maximising the potential of our city centre and local high streets

Productivity

- Stimulating innovation which drives and delivers measurable impact towards a healthier, greener and inclusive future
- Promoting Leeds as a global destination for people to visit, live, work, study, and invest in
- Helping businesses and organisations to become more productive and thrive in the face of change

62 The updated Inclusive Growth Strategy will highlight the transformational projects which will help deliver these ideas.

How does this proposal impact the three pillars of the Best City Ambition?

- Health and Wellbeing Inclusive Growth Zero Carbon

63 As previously stated, the Inclusive Growth Strategy will align with the Best City Ambition, supporting skills, innovation, sustainability and a strong Leeds identity as set out in the ambition. The strategy will embed the mission to tackle poverty and inequality at its core, not only as a specific aim, but underpinning all of the aims. For example, it will promote investment in those furthest away from the labour market, as well as the development and regeneration of communities.

Health and Wellbeing

- 64 The Inclusive Growth Strategy is being refreshed along the same timescales as the Health and Wellbeing Strategy refresh, with regular co-ordination and joint engagement. Health and Wellbeing is a fundamental aspect of Inclusive Growth, in terms of reducing health inequalities, helping people to live healthier lives, and improving the health of the poorest the fastest as we grow our economy.
- 65 Policies which address Health and Wellbeing will be embedded throughout the new Inclusive Growth Strategy. These will include tackling poverty and inequality to reduce health inequalities, supporting people with health conditions who are economically inactive, creating better jobs and healthier workplaces, improving health through housing, developing neighbourhoods with a focus on health and wellbeing, and developing our city's specialisms in Health Research, Innovation and Technology.

Zero Carbon

- 66 As set out previously, climate change has cascading impacts which affect the economy, meaning that addressing the climate emergency is a fundamental part of our new strategy. The Inclusive Growth Strategy will support our aim to make our economy green in terms of stimulating the demand for skills, by growing green industries in the city, as well as developing the skills supply side. It will also support people and businesses to have a just transition to net zero, with a focus on reskilling.
- 67 The Inclusive Growth Strategy will set out the proactive actions that will be taken to address the research around the green economy. Beyond the green economy, the Inclusive Growth Strategy will set out the action that will be taken to invest in infrastructure and transport that achieves net zero and climate resilience, as well as supporting businesses to deal with the transition. For example, ensuring supply chain resilience to prevent any climate-related shocks. On a wider level, reducing poverty and protecting the poorest by focusing climate initiatives on them will increase the resilience of the people who are most vulnerable to the impacts.

What consultation and engagement has taken place?

Wards affected:

Have ward members been consulted? Yes No

- 68 Several relevant public consultations from across Leeds City Council recently undertaken are being incorporated into the development of the Inclusive Growth Strategy, including the Future Talent Consultation, the Innovation Arc Consultation, the Local Plan Update Consultation, and the Transport Strategy Consultation. Due to the wide array of information available through these means, the decision was taken to focus engagement on one event with our Inclusive Growth Partnership, which took place on the 23rd January 2023, as well as targeted engagement with important partnerships across the city. For example, the Anchors Executive Group, as well as sector-specific engagement such as with the Innovation Partnership, Manufacturing Alliance Steering Group and the Digital Forum Steering Group.

What are the resource implications?

- 69 The Inclusive Growth Strategy does not have direct resource implications but is helping to influence and shape the direction of various funding streams, such as our employment support programmes, the allocation of the Shared Prosperity Fund, and local policy.
- 70 It also allows the city to better collaborate and plan resources to target limited funding to gain the maximum benefit for the people of Leeds. As we have committed to in the Best City

Ambition, in order to achieve our ambitions we will practice and encourage the sharing of ideas, resources and assets, working in genuine partnership and being ambitious about our collective impact.

What are the key risks and how are they being managed?

71 Regarding the delivery of the Inclusive Growth Strategy, a lack of focus on implementation could lead to the plan not being used by partners in the city, with the ability of businesses and other organisations including the council potentially unable to fully commit to the actions in the current economic climate. However, through strong stakeholder engagement, co-production and monitoring this risk will be mitigated.

What are the legal implications?

72 There are no significant legal issues relating to the recommendations in this report

Options, timescales and measuring success

What other options were considered?

73 Not applicable

How will success be measured?

74 The Social Progress Index (SPI) is a tool which is now being used at inclusivegrowthleeds.com/leeds-social-progress-index to measure how well Leeds is doing in terms of Inclusive Growth, alongside our more traditional measures such as GVA. As the new Inclusive Growth Strategy is being delivered, the SPI will be used to compare how different wards in Leeds are doing across three areas, basic human needs, foundations of wellbeing, and opportunity, identifying which areas are doing well and which need improvement.

75 In addition to the Social Progress Index, we track progress against key economic indicators, such as GVA, employment and unemployment and business start-up data. We will also undertake comparisons with other Core and European cities, as well as monitoring smaller-scale inward-facing data relating to people and businesses in Leeds. Our new Inclusive Growth website will enable us to regularly publish and update data.

76 We will review and refresh how we monitor the delivery of Inclusive Growth in the city, creating a steering group to sit alongside our existing Inclusive Growth Delivery Partnership.

What is the timetable and who will be responsible for implementation?

77 Timetable outline:

Stakeholder engagement – November 2022 – April 2023

Drafting – January – June 2023

Executive Board and launch event (tbc) - July 2023

Launch new Economic Partnership – October 2023

Updating website content – July 2023

Social Progress update (tbc) – Autumn 2023

Appendices

- Not applicable

Background papers

- Not applicable