

Inclusive Growth Update

Date: 3rd April 2024

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 September 2023 we launched the new Inclusive Growth Strategy, which aims to ensure that the future of our city is more inclusive, healthier and greener and that everyone living in the Leeds can have the opportunity to flourish.
- The strategy sets out three themes of People, Place and Productivity and nine Big Ideas. Since launching the strategy, we have already made significant progress in delivering against these three themes, securing major investments in key projects that will support our ambitions. Work has also taken place to build awareness and support for the new strategy, including through our Inclusive Growth Partnership and the Inclusive Growth website.
- The current economic climate and mixed outlook reiterate the continued need to focus on inclusive growth, and we are measuring our progress in delivering this through our updated Social Progress Index as well as more traditional economic indicators.

Recommendations

- a) Members are asked to note progress made in delivering our collective ambitions set out in the Leeds Inclusive Growth Strategy and agree any appropriate Scrutiny Board actions that may arise from this report.
- b) Members are asked to note the updated Social Progress Index 2024 which is a tool used to monitor our progress on Inclusive Growth at a city and ward level.
- c) Members are asked to note that a One Year On report to Executive Board setting out progress on the delivery of Inclusive Growth will be published in the autumn, with the option to also provide an update to this Scrutiny Board.

What is this report about?

- 1 The [Inclusive Growth Strategy 2023 - 2030](#) was launched in September 2023, following approval from Executive Board. One of the Key Pillars of our Best City Ambition, the updated Inclusive Growth Strategy provides a framework for how best to deliver growth that benefits all our citizens and communities and enables us to raise our ambition even further.
- 2 An update to the Best City Ambition was formally agreed and adopted by Full Council in February 2024. Its purpose is to set out the vision for the future of Leeds, remaining focussed on tackling poverty and inequality and improving quality of life for everyone across the whole city, whilst aligning with the updated Inclusive Growth and Health and Wellbeing strategies.
- 3 The Best City Ambition sets out a strategic intent shared between the council and its partners to work together as Team Leeds, sharing ideas and learning, working in genuine partnership, being ambitious about our collective impact and sharing resources and assets as we work towards common goals. Delivering inclusive growth requires a collective effort from the public, private and third sectors in the city working together. Businesses can help us determine the future we want and play a role in supporting local communities. Meanwhile, the public sector needs to be more enterprising and efficient in delivering the services people need and creating places people feel proud of.
- 4 Partners in Leeds have demonstrated collaboration in response to Covid-19 and the cost-of-living crisis and have been further galvanised into action by the launch of the new Inclusive Growth Strategy and the Best City Ambition update. Providing a direction of travel around which partners in the city can convene to maximise their resources and impact remains key to navigating financial constraints and economic uncertainty.
- 5 Since the launch of the new Inclusive Growth Strategy, key developments and major new funding announcements have been enabling us to accelerate our approach to delivering projects highlighted in the strategy. This report will note the high-level progress made over this period, with an update on individual project-led activity to follow as part of the One Year On Executive Board report due in autumn.
- 6 Highlights include:
 - The council's Employment and Skills Service Adult Learning and Apprenticeship programmes achieving an Outstanding Ofsted judgement
 - The Leeds Apprenticeship Recruitment Fair attracting 11,000 visitors in February 2024
 - The Department for Levelling Up, Housing and Communities (DLUHC) publishing their joint vision with Leeds City Council and West Yorkshire Combined Authority which outlines proposals for a decade of growth and prosperity in Leeds
 - Plans for a regional Mass Transit system and bus reform taking a next step forward
 - The government's announcement of the West Yorkshire Investment Zone which is accelerating plans for the Innovation Arc
- 7 Work has taken place over the past six months to maximise our approach and build awareness of the Inclusive Growth Strategy, including growing the Inclusive Growth Partnership, our mechanism to engage about inclusive growth with a wide range of stakeholders. Work has also

taken place to refresh the [Inclusive Growth website](#) to promote increased engagement with the strategy and its related content.

- 8 We continue to measure and improve our understanding of the impact of the Inclusive Growth Strategy through the use of the Social Progress Index (SPI), with a new version [now available](#). The update includes five years' worth of data, providing a picture of social progress in the city over the period 2018-2022, as well as new visualisations and tools to help us generate a clearer view of our city and wards. Alongside the SPI, a new [economic dashboard](#) has also been delivered on the Inclusive Growth website, with more tools including a city centre dashboard about to be explored.

National economic context

- 9 The national economic picture continues to be challenged by the international geopolitical landscape. The UK fell into a technical recession in 2023 due to a minor fall in output from two consecutive quarters but is predicted to grow slightly this year following a 0.2% rise in January. Inflation is currently expected to fall below 2% in the first half of 2024 predominantly due to a fall in energy prices.
- 10 The outlook for the UK is mixed given the volatility in the UK and global markets. According to research from Begbies Traynor Group, levels of 'critical' financial distress amongst UK businesses jumped dramatically in Q4 2023, up 25.9% on the previous quarter, leaving more than 47,000 businesses near collapse at the start of 2024. Despite this, the Office for National Statistics has reported that business investment in the UK increased by 1.5% in Q4 2023 and is 3.7% above where it was in the same quarter of the previous year. Annual UK business investment increased by 6.1% in 2023.
- 11 The UK labour market outlook is deteriorating slightly, the employment growth seen through 2022 has stalled, while economic inactivity is edging up. There are nearly 700,000 more people out of work than before the pandemic began, with this now almost entirely explained by more people outside of the labour force due to long-term ill health. This picture is set within low UK unemployment (3.8%) and 930,000 job vacancies showing demand in the labour market remains strong, but it is not being met with labour supply. The data reiterates the need for a far greater focus on reaching, engaging with and supporting people who are not yet looking for work but would want to work with the right support.
- 12 For young people, one in seven are now outside full-time education or employment, the highest rate in nearly a decade. More young people out of work with long-term health conditions, and weaker growth in education participation among young men, appear to be driving recent growth. The Resolution Foundation has found that 79% of 18-24-year-olds who are workless due to ill health only have qualifications at GCSE level or below. This demonstrates the importance of training and skills programmes together with helping people into work.
- 13 Culture & Economy, Children's Services, Public Health, and Health Partnerships are currently collaborating around Work and Health, with the goal of supporting people to thrive through

access to good work. The group is mapping out customer journeys to evaluate customer journeys in Leeds, identifying gaps and highlighting unmet needs. The work will align with the Regional Work & Health Partnership group.

Regional economic context

- 14 According to a recent economic assessment conducted by the West Yorkshire Combined Authority, since the financial crisis in 2008 West Yorkshire has experienced weaker productivity growth than the national average. Projections suggest the gap will widen slightly in the next two decades and closing the gap by 2043 would mean productivity growing at 1.7% a year instead of the 1.0% projected. This would result in an extra economy £13 billion added to the regional economy.
- 15 The WYCA assessment finds that low levels of investment in the region, including Research and Development and Foreign Direct Investment, and a relatively low level of qualifications are driving the productivity gap. Investment could be hindered by factors such as attraction of talent, connectivity, housing affordability and space for new businesses. These findings add further evidence to the need for an approach to grow the economy which addresses these factors. Regarding Leeds, the assessment finds that despite Leeds continuing to contribute the most to the West Yorkshire economy and performing better than the region when it comes to productivity per hour, the city increasingly lags behind the national average in terms of growth.
- 16 Research by EY is less pessimistic, their Regional Economic Forecast also shows Leeds performing better than the regional economy as a whole, but additionally that the city is expected to keep pace with the national rate of growth. The forecast suggests that by 2027, GVA in the Leeds economy is expected to be more than £1.8bn larger than in 2023.
- 17 In their latest Quarterly Economic Report, the West & North Yorkshire Chamber of Commerce conclude that after encouraging signs in previous months, activity in Q4 2023 around sales, hiring intent and investment has stalled and, in some cases, gone backwards. The report shows that 38% of manufacturing firms and 30% of service sector businesses saw their domestic sales decline in the quarter. Additionally, the growth in overseas sales and orders that Yorkshire experienced over the course of 2023 fell into sharp decline during the final quarter, with 40% of service sector companies seeing their international sales decline.
- 18 In terms of employment, after a marked improvement in Q3 2023, the Chamber found that the manufacturing sector saw a 7% decline in hiring intent. Despite the recovery of employment in the service sector stalling, services are still more likely to be taking on staff than letting them go. Progress on capital investment has also stalled across services and manufacturing, with the level of manufacturers seeking to invest in plant and machinery declining by 12% in Q4 2023. The cost of doing business continues to grow for many firms, with 41% of manufacturers and service sector businesses seeing prices increase during the final quarter of 2023. Nonetheless, in the service sector, firms are 24% more confident on seeing an increase in profits rather than a decrease.

Local economic context

- 19 In partnership with Open Innovations, an economic dashboard has been developed for the Inclusive Growth website enabling the monitoring of the Leeds economic environment alongside the Leeds Social Progress Index. The dashboard provides up-to-date open data that is easy to navigate at a local level, as well as enabling comparisons to other Core Cities and geographies.
- 20 The most recent data available on the dashboard reflects a similar picture to the national trends. Although economic inactivity in Leeds is down from a previous peak of 23% at the beginning of 2022, the latest data for mid-2023 shows rates remained unchanged at 20.4%. Local unemployment remains low at 2.9% despite a slight uptick in the latest quarters. The claimant count has also been steadily increasing since November 2023.

City Centre

- 21 According to the most recent Deloitte [Leeds Crane Survey](#) which showcases major developments during 2023, Leeds has seen a rebalancing of construction activity following record-breaking development in 2021 and 2022. Despite this, 2023 has been a strong year for Leeds across a number of sectors. The residential sector remains strong, boosted by the council's strategic regeneration in areas such as the South Bank and Mabgate. The student residential sector continued to deliver record-breaking development. Demand for office space (particularly grade A) remains high and 2023 saw a record-breaking delivery of office floorspace following post-pandemic construction activity in the past two years. Looking forward, as businesses navigate new ways of working, the market is seeking more flexibility with 72% of landlords anticipating that tenants will move to flexible lease terms.
- 22 For retail 2023 marked the first year since the opening of Victoria Gate in 2016 that substantial investment in the retail core has progressed, with two schemes under construction on Briggate: Flannels on the old Debenhams site and 'The Storehouse' on the old House of Fraser site which will comprise of retail units and student accommodation.
- 23 Comparing footfall in Leeds City Centre between 2023 and 2019, levels were down at a number of locations including Briggate (-18.9%) and Kirkgate Market (-15%). Footfall was also down at Leeds Train Station (-19.5%) over this period. However, footfall for the whole of 2023 was up 2.6% on 2022. In line with other major cities, fewer people are coming into the centre during the week due to a shift in work patterns, but weekends are still busy suggesting stronger demand for a mix of retail, leisure, culture and the night-time economy.
- 24 For Victoria Leeds, footfall is currently up across the centre and seven new openings are in the pipeline. In terms of basket spend, sales are exceeding footfall, with John Lewis having its best ever year in 2023. Food, beverage and leisure have been performing very strongly, and jewellery, health and beauty retailers have also been performing strongly. Clothing retailers have shown a mixed performance dependent on brands.
- 25 According to the latest city centre vacancy rate survey, in March 2024 the number of empty units across the pedestrianised retail core as a whole has improved slightly on the previous survey taken in August 2023 and is now at 16.3%. This is the lowest vacancy rate recorded since a pre-covid level of 12% in February 2020. The number of empty units in the 'high street'

(Briggate, Commercial Street, Kirkgate etc.) has stayed the same as recorded during the last survey at 15.5%.

The Leeds Social Progress Index 2024

- 26 The Social Progress Index (SPI) is a tool being pioneered in Leeds which is used to measure how well the city is doing in terms of inclusive growth. It was designed by the Social Progress Imperative, an international NGO who produce global, country and city level SPIs. The Leeds SPI is built on three themes: Basic Human Needs; Foundations of Wellbeing; and Opportunity.
- 27 The SPI supports us in understanding our progress towards the Best City Ambition and the Inclusive Growth Strategy, with the update to the Ambition providing a clearer articulation of how we measure success. This includes a new Best City Ambition scorecard which will draw on the Leeds SPI alongside other intelligence tools and products. The SPI helps us to understand progress at a ward level, make better decisions, and maximise the use of our resources towards the priorities for Inclusive Growth. As well as this, the SPI has been used in many of the council's core strategies including Communities and Local Neighbourhood Plans.
- 28 The SPI has recently been updated to the [Leeds Social Progress Index 2024](#), which now references data from 2018 – 2022 at ward level and above. For this second iteration of the Leeds SPI, the Office for Data Analytics – a specialist team who are part of the Integrated Digital Services (IDS) - were involved in the design and production of the data model and visualisations. This resulted in better functionality and greater automation.
- 29 The SPI 2024 has many more visualisations and tools to help us generate a clear view of our City and Wards. It shows how Leeds has changed over time providing an overall score for the three dimensions over the period 2018-2022. This gives us a quick picture of Social Progress in the City. Other functions include heatmaps, visualisations and easy ward comparisons using a variety of indicators across the dimensions. For example:
- Marmot Pre-sets, this tool allows a selection of SPI indicators related to the Housing and Children themes to be compared to other health related indicators – supporting the Marmot City approach.
 - Deprivation – this visual allows comparison and interrogation of SPI indicators against levels of deprivation for each ward.
 - Correlation - this tool allows the user to investigate if there is a correlation pattern between indicators, components or dimensions.
- 30 Initial findings from the Leeds SPI 2024 show a reduction of the overall score (all the indicators) between 2019 – 2022. This is not unexpected and shows us that the pandemic has had tangible social and economic consequences at a local level within Leeds. The figure, set out of 100, tells us that we were making progress before Covid-19 but are still feeling the effects up to 2023. There are some green shoots as one of the three dimensions, Foundation of Wellbeing did see a rise in 2022 compared to 2021. Please see Appendix 1 for the list of all indicators.

SPI scores over time

Social Progress Index Indicators / Dimension	2018	2019	2020	2021	2022
Overall SPI score	56.4	59.0	58.5	58.2	55.1

Social Progress Index Indicators / Dimension	2018	2022
Basic Human Need	63.3	62.4
Foundation of Wellbeing	52.8	54.4
Opportunity	53.3	48.6

31 Looking at how wards in the city have fared since the pandemic, most wards have experienced a drop in terms of overall SPI score with this felt most significantly in more disadvantaged and inner-city areas. Only two wards showed an improvement in overall SPI score based in the outer city, these were Rothwell and Morley South but these were only small improvements compared with the rate of decline of other areas. For further information please see Appendix 2. The results broadly evidence the approach of the Inclusive Growth Strategy in focussing on inner-city areas and priority neighbourhoods that require the most support.

32 A Social Progress Index for the UK is currently being developed by Impera Analytics and will enable further useful comparisons once it is live.

Inclusive Growth Strategy Delivery Update

33 In September 2023, the Leeds Inclusive Growth Strategy 2023-2030 was approved by Executive Board. The strategy was updated to reflect the changed economic, political, social and environmental context whilst maintaining a focus on economic growth that benefits everyone. It forms a key pillar of the Best City Ambition, setting out how we will tackle poverty and inequality through inclusive growth and galvanise city partners as part of our Team Leeds approach.

34 The strategy refreshes the big ideas within the three themes of People, Place and Productivity and presents an updated framework for delivering inclusive growth. An annual review of the progress achieved since launching the new strategy will be published in the Autumn of 2024. Some headlines include:

People

- Scrutiny Board members received an update on [Future Talent Plan](#) in September 2023, which is a key component in the delivery of the People strand of the Inclusive Growth Strategy. Work continues at pace to enable people and businesses to thrive in a rapidly changing labour market, and ensure that nobody is left behind. For example:
 - Following an Ofsted inspection in December 2023, the council's Employment and Skills Service Adult Learning and Employer Provider Apprenticeship programmes became the first local authority to achieve an Outstanding judgement since the new Education Inspection Framework commenced in September 2019.

- The Leeds Apprenticeship Recruitment Fair, the largest apprenticeship recruitment fair in the north of England, attracted 11,000 visitors in February 2024, which is nearly as many as the number of people who engaged with all our recruitment fairs in 2022. Over 100 exhibitors attended the event offering information, advice, guidance and live vacancies.
- An extended, year-round programme of events for Leeds' seventh Manufacturing Festival launched in February 2024, highlighting career opportunities for young people in the region's manufacturing sector. A launch event at Leeds City College included keynote speeches from Boeing Defence UK and Make UK's national apprenticeship training academy.
- Leeds City Council has collaborated with the Centre for Local Economic Strategies (CLES) to explore how women can be better prioritised in local economic strategies, with a report called Women's Work launched at an event in March 2024. The report highlights best practice from Leeds and other places, and provides an agenda for change with recommendations for local and national government. The recommendations explore how women can be supported to participate in the economy and achieve their full potential, and how some of the key barriers can be tackled.

Place

- Alongside the government's 2024 Budget, the Department for Levelling Up, Housing and Communities (DLUHC) published 'A vision for Leeds: a decade of city centre growth and wider prosperity', with Leeds City Council and West Yorkshire Combined Authority. The document includes plans for:
 - Transformational regeneration across 6 key city centre neighbourhoods: Mabgate, Eastside & Hunslet Riverside, South Bank, Holbeck, West End Riverside and the Innovation Arc
 - A new Leeds Transformational Regeneration Partnership, bringing together national, regional and local government to deliver the vision and unlock the delivery of up to 20,000 new homes in the city centre.
 - £10m funding allocated to support the next stage of the development of the British Library North, and £5m funding for the National Poetry Centre, setting out the importance of cultural anchor institutions for regeneration and growth.
 - Exploring the potential for expansion of the Royal Armouries Museum to become a premier conferencing destination and bringing economic and social benefits to the wider Eastside and Hunslet Riverside area.
- As part of our Connecting Leeds Transport Strategy, we are improving transport and connectivity to create a city where you don't need a car, bringing jobs and opportunities closer to people. This includes working closely with colleagues from the West Yorkshire Combined Authority to develop the business case for a regional Mass Transit system. Investment in our transport infrastructure to unlock productivity, including Mass Transit and Northern Powerhouse Rail, remains critical in light of the cancellation of northern arm of HS2 in 2023. At a recent meeting of West Yorkshire's leaders, plans for Mass Transit and proposals for bus reform involving a franchising scheme were approved.
- Work is continuing to reduce our emissions, cut energy bills and increase the city's resilience to the impacts of climate change, helping us to achieve a greener and more inclusive future. For example:

- A £25m energy efficiency scheme has been completed across six tower blocks in Leeds, with the average annual energy costs for each flat expected to halve and the amount of CO2 produced by the average property predicted to drop by around a third.
- Furthermore, Leeds PIPES continues to expand, with three council tower blocks in the city centre now set up to receive heat from the district heating network, and an option for some private leaseholders to also connect to the system. Meanwhile, Leeds Conservatoire (formerly Leeds College of Music) has become the thirteenth non-residential customer to have signed a contract to connect.
- In February 2024, the council completed its £22.5 million LED street lighting scheme to improve energy efficiency around the city, expected to bring annual savings of £3.4 million in electricity costs.

Productivity

- As mentioned above, the Innovation Arc is one of the 6 key city centre neighbourhoods named in DLUHC's Vision for Leeds. The announcement of England's third Investment Zone in West Yorkshire will drive innovation and growth of HealthTech and digital in the region, drawing on existing strengths in the life sciences sector. The investment in the Old Medical School through the West Yorkshire Investment Zone will deliver an initial phase of interventions to accelerate development of the Innovation Village at Leeds Teaching Hospitals NHS Trust and across the Innovation Arc.
- Members of this Scrutiny Board also received an update about the [Council's support to businesses](#) in December 2023, which forms a key component within the Productivity theme of the Inclusive Growth Strategy. Headlines include that over a three-year delivery period (2019-22), the Business Growth Service was estimated to deliver a net addition to GVA of £38.6m, with the AD:Venture programme delivering 1,678 new jobs across the City Region (2016-23) and the Digital Enterprise programme delivering 665 new jobs across the City Region (2019-23).
- Our Visitor Economy team continues to promote Leeds as a global destination, supporting our retail, hospitality and leisure sectors and driving up productivity. We welcomed nearly 30 million visitors to Leeds in 2022 adding £2.20bn to the local economy, with day visitors spending on average £57.95 and overnight visitors spending £355.81. Hotel occupancy averaged 75% in the same year and there are 21 hotel developments in the pipeline. Leeds also welcomed nearly 2.5 million delegates in 2022, and the UK Real Estate Investment & Infrastructure Forum (UKREiIF) is being hosted in Leeds for the third consecutive year in 2024.
- Leeds remains a leading UK city for inward investment with DLA Piper's new £100m office at City Square House being one of the most prominent locations in the city centre and both ARUP and Lloyds Banking Group expanding into one of the UK's most sustainable new developments at Wellington House. This continued momentum suggests confidence in our city, and we are working to make sure that investment creates jobs and opportunities for local people and communities.
- We are continuing to grow culture through our new Cultural Investment Programme, which launched in October 2023 has five funding streams to enable creative and cultural activity in Leeds to flourish.
 - The arts@leeds programme for cultural organisations, which has now closed and been replaced with the new investment programme, funded a total of 48 organisations in 2023/2024 with a budget of £1,611,720. This included organisations

spanning arts, dance, festivals, literature, music, theatre and more, and investment was spread across the city with most activity taking place in our disadvantaged and priority neighbourhoods.

- The Leeds Inspired programme for cultural projects, which has also now closed, funded 56 projects in 2023/2024. A main grant round provided up to £10,000 for ambitious, creative ideas to 12 projects, alongside 5 small grant rounds for grants up to £1,200. A variety of organisations were funded including including Leeds Chinese Community School, Saudha Society of Poetry and Indian Music, Leeds Jewish Housing Association, Armley Action Team, LS-10 and Leeds Palestinian Festival.

Inclusive Growth Partnership

35 The Inclusive Growth Partnership brings together stakeholders from the public, private and third sectors in Leeds to showcase activities that deliver inclusive growth, share ideas and enable people to build new connections. It gives us the opportunity to engage people in the delivery of the Inclusive Growth Strategy, exploring topics from opportunities in health and care innovation to barriers facing female entrepreneurs. The three events held per year follow the strategy's themes of People, Place and Productivity. Scrutiny Board Members are welcome to attend these events.

36 Through targeted work to identify new stakeholders and regular communication with partnership members, the partnership has grown from 900 members in 2022 to over 1,300 members in 2024.

37 The latest Inclusive Growth Partnership event was held on 26th January 2024 at the Royal Armouries Museum, focused on Productivity. During the event, it was reaffirmed that despite Leeds facing challenging times, the city's resilience, investment pipeline and upcoming opportunities around innovation (with the announcement of the West Yorkshire Investment Zone) indicate that 2024 is a year for transition with more stability to come.

38 The Inclusive Growth Strategy is instrumental in creating confidence against a backdrop of uncertainty. It sets out how we can support businesses and organisations to be stronger, more resilient and productive, and how we can build the profile of Leeds to leverage investment that will benefit our residents, communities and businesses, the wider region and the rest of the country.

39 Our next event will take place in Summer 2024 with theme of 'Place' and will focus on our aim to improve transport and connectivity to create a city where you don't need a car, bringing jobs and opportunities closer to people, including an update on Mass Transit. It will also provide attendees with an opportunity to find out more about the Leeds Vision and Transformational Regeneration Partnership as referenced above.

Inclusive Growth website

40 The Inclusive Growth website has been refreshed to improve user experience and showcase the new strategy. The new website content, which is regularly updated, informs the audience about different aspects of inclusive growth in Leeds such as the Leeds Anchors Network, the Future Talent Plan and our Innovation Vision. It enables people to keep in touch with progress in delivering inclusive growth through regular publishing of news and events. The website also

features the Social Progress Index as well as an economic dashboard to enable the monitoring of trends and comparisons within and outside of the city showing how well Leeds is doing in terms of inclusive growth.

Leeds Anchors

- 41 The Leeds Anchor Network brings together the city's largest public sector organisations and utilities to increase their collective contribution to the city through employment and procurement practices, environmental impact, service delivery and relationships with city partners and communities. The Anchors provide an important platform to come together as Team Leeds and agree and focus on collective goals, providing a focal point for discussion and action while remaining more inclusive than traditional city partnership structures.
- 42 Now in its sixth year, the network is implementing a partnership subscription model that will secure the longer term sustainability of the network and accelerate its capacity to deliver through funding a programme team and an operating budget, which will be hosted by the Council. Financial contributions from Anchors will be made at the start of the financial year, with the new operating model expected to be fully in place by the third quarter.
- 43 Priorities for the network for 2024 include undertaking a supply chain analysis and taking steps to improve access to Anchor contracts for smaller and local suppliers; implementing a cross-network leadership and development offer; and formalising the network's commitment to Age Friendly pledges and the West Yorkshire Fair Work Charter. Communication officers from across the network work together to elevate the profile of the network and share news and impact.
- 44 The council is receiving funding through Health Foundation's Economies for Healthier Lives programme to explore how Anchors can increase their contribution towards addressing health and economic inequalities in the city. The Good Jobs, Better Health, Fairer Futures project (2021-2024) is working to increase connections between Anchors and local communities, particularly through Leeds Community Anchor Network, deliver new project activity that connects Anchors to communities facing disadvantage, and generate evidence and learning through evaluation.
- 45 A community listening exercise was completed in three areas of the city to understand local priorities around employment and skills, and to connect community members to Anchor organisations to co-develop solutions. The interim report of this process is available [here](#). One of the key recommendations gathered from this process included that employers, including Leeds Anchor Network, could work with community-based organisations to design and deliver local recruitment activities (i.e. job fairs) within locally trusted and accessible spaces. We are working with the third sector to deliver the next stage of the listening exercise.
- 46 Also supported through Health Foundation funding, the Leeds Anchor Playbook is being developed to document the development of Anchor working in Leeds and demonstrate its impact, using interactive multimedia content including video, testimonials, infographics, and case studies. This has now been published on the [Inclusive Growth website](#) and is being shared through national networks.

- 47 In September 2023 the [Leeds Business Anchors network](#) was launched, bringing the established Leeds Anchor model to large private sector businesses with a sizeable base or headquarters in Leeds. The network brings together larger businesses that are committed to increasing their contribution to Leeds and have the scale and influence to make a significant impact, through their employment and procurement practices, their environmental contribution and use of their buildings, and through their relationships with local communities. The nine founding members of the network are Addleshaw Goddard, Arup, BJSS, CEG, Cognizant, DLA Piper, Jacobs, Mott MacDonald, and Leeds Building Society.
- 48 All members have completed the [Business Anchors Progression Framework](#) to self-assess their contribution to inclusive growth and identify their individual priorities for further action. Coming together as a network, the businesses are exploring areas where they can make a collective impact, with emerging themes including apprenticeships and work experience; supporting local suppliers; and workforce health and wellbeing.
- 49 Case studies showcasing the good work of our Business Anchors can be found on the [Inclusive Growth website](#). An example is Leeds Building Society, who have used the Progression Framework to sense check their Responsible Business Strategy and have made progress through reducing their carbon emissions and achieving diversity targets at senior leadership level. They are also exploring how they can tackle barriers to home ownership facing disadvantaged groups and how they can support the financial independence of vulnerable young people.
- 50 A meeting in March 2023 brought the Business Anchors together with the city's public sector Anchors for the first time to jointly explore how the two networks can maximise their impact for the city's economy and communities through collective action.

What impact will this proposal have?

- 51 The Inclusive Growth Strategy provides the city with an economic framework up to 2030, delivering impact across People, Place and Productivity. Through work undertaken to build engagement with the strategy across the city, as well as a renewed focus on delivery through a wide range of projects, programmes and partnerships, we are maximising our ability to create growth in our economy that works for everyone. This means tackling inequality, ensuring we have the right infrastructure to enable our ambition, tackling the climate emergency, supporting all sections of our society into better jobs, raising skill levels and improving the health of the poorest the fastest while helping people to live healthy and active lives.

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

Health and Wellbeing

Inclusive Growth

Zero Carbon

- 52 The Inclusive Growth Strategy builds on the Best City Ambition as one of the three pillars.

Health and Wellbeing

- 53 The Inclusive Growth Strategy was updated in alignment with the new Health and Wellbeing Strategy, which recognises that breaking the cycle of poverty and poor health is more important than it has ever been. Good health leads to wealth across communities. Raising people's living

standards, their start in life, access to education and skills, quality of jobs and homes available are some of the key ingredients to improving people's health.

Zero Carbon

54 The Inclusive Growth Strategy sets out the importance of addressing the climate emergency. Embedded throughout the strategy is a focus on achieving net zero, through investing in decarbonisation measures and ensuring the transition to the green economy whilst capitalising on emerging opportunities. As well as this, there is a focus on improving the resilience of our places and businesses against the impacts of climate change.

What consultation and engagement has taken place?

Wards affected:

Have ward members been consulted? Yes No

55 The Inclusive Growth Strategy was developed following extensive public consultation. A shift in the local policy landscape over the past few years has led to a significant amount of consultation with the public being undertaken, for example, consultations via the development of the Future Talent Plan, Innovation Arc, Local Plan Update and Connecting Leeds Transport Strategy. The feedback from these consultations and resulting pieces of work were fed into the development of the Inclusive Growth Strategy.

56 An engagement event brought together the Inclusive Growth Partnership, which took place on the 23rd January 2023. This allowed cross-sectoral representatives to input into the development of our Big Ideas. As set out above, we continue to engage with the Partnership through our regular events.

57 In addition to this, targeted stakeholder engagement was carried out between November 2022 and May 2023. For example:

- Anchors Executive Group
- Health and Wellbeing Board
- Culture Consortium
- Manufacturing Alliance Steering Group
- Third Sector Partnership and many others

Social Progress Index stakeholder engagement

58 The first iteration of the Leeds Social Progress Index was presented to Scrutiny Board (Infrastructure, Investment and Inclusive Growth) on the 17th of December 2022, outlining the reasoning and justification for selecting of the SPI model as a measurement tool for Inclusive Growth, the framework for production, initial findings and potential use cases for the SPI.

59 A broad range of stakeholder engagement was undertaken presenting the first iteration of the Leeds SPI model, for example:

- Corporate Leadership Team
- Cabinet
- Public Health Team

- Executive Members
- CEAC

What are the resource implications?

- 60 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 UK Shared Prosperity Fund, and local policy.
- 61 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?

- 62 Local authorities continue to face financial challenges as a consequence of inflation amongst other factors. Without additional government funding to bridge this gap, there is a risk that along with other Core Cities, our city's growth potential will be undermined and efforts to deliver inclusive growth will be hampered. In the context of working with limited resources, the council and city will have to be agile and responsive to opportunities to secure capital and investment, as not all of our ambitions currently have funding.
- 63 The Inclusive Growth Strategy forms part of the council's Corporate Risk Register which is monitored and updated quarterly.
- 64 Regarding the delivery of the Inclusive Growth Strategy, a lack of focus on implementation could lead to the strategy not being used by our partners, 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 our strong focus on engagement with the city this risk is being mitigated.
- 65 In terms of the Social Progress Index 2024, there are several risks and challenges still existing with the production of the Leeds SPI model including data collection and data adequacy and transparency, which we will mitigate through continued work between teams to ensure the SPI functions well.

What are the legal implications?

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

Options, timescales and measuring success

What other options were considered?

- 67 Not applicable

How will success be measured?

68 As discussed above, we are measuring our success in delivering the Inclusive Growth Strategy via the Social Progress Index and the economic dashboard which sit on the Inclusive Growth website [‘Measuring Success’](#) page, as well as developing new monitoring tools.

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

69 The next Inclusive Growth Partnership event will take place in July 2024, as part of the schedule of three events per year.

70 The One Year On Executive Board report reviewing progress since publishing the Leeds Inclusive Growth Strategy 2023 – 2030 will be published in the autumn.

71 We will continue to undertake targeted stakeholder engagement over the next 6-9 months to build awareness of the Inclusive Growth Strategy, particularly amongst internal groups and teams at Leeds City Council to ensure organisational alignment and so that the positive benefits of the strategy are realised across the organisation.

72 Over the next year, we will seek to encourage a widening use case for The Leeds SPI 2024 model and also partake in a deep dive analysis.

Appendices

- Appendix 1 – SPI list of all indicators
- Appendix 2 – SPI Change (2020 – 2022)

Background papers

- Not applicable