



Report to Scrutiny Board Infrastructure, Investment and Inclusive Growth

Date: 31 October 2018

Subject: Supporting Local Anchor Institutions to contribute to Inclusive Growth

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 type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

Summary of main issues

1. As part of its inquiry into the implementation of the Leeds Inclusive Growth Strategy, the Board requested further information on the work-stream on Anchor institutions. This report provides background information to a presentation to be made at the meeting by James Goodyear, Associate Director of Policy and Partnerships at Leeds Teaching Hospitals NHS Trust.
2. Anchor institutions make a significant contribution to the local economy through the services they provide, the large amount of money they spend and the number of local people they employ. Work is underway to develop and promote a collaborative and systematic approach to engaging with anchors on an innovative new framework. This will support action on employment, low pay, procurement and supply chain management which has the potential to make a significant contribution to the delivery of the Leeds Inclusive Growth Strategy.
3. The programme will contribute directly to our ambitions to enable all of our residents to benefit from a strong economy in a compassionate city, and in particular, to the Best Council Plan outcome for everyone in Leeds to earn enough to support themselves and their families. It aligns with the principles of the Commission on the Future of Local Government of civic enterprise and place based leadership and provides the delivery framework for actions under Big Idea 4 of the Inclusive Growth Strategy to work together to create better jobs, tackle low pay and boost productivity and the Health and Wellbeing Strategy actions to enable people to live full, active and independent lives.
4. The Council will play a leadership role in enabling the delivery of this place based collaborative programme and has established an anchor network to deliver the programme and sustain activity over the longer term.

Recommendations

Scrutiny Board is asked to note the background information on the Leeds Anchors Programme.

1 Purpose of this report

- 1.1 This report sets out the background to the development of a programme to support Anchor Institutions in the city to become more inclusive organisations and contribute to the delivery of the city's Leeds Inclusive Growth Strategy and the Health and Wellbeing Strategy.
- 1.2 The report sets out the ambition and the work undertaken to date. It identifies the potential contributors and the progression framework we are currently using with partners to shape a shared programme of work to maximise the contribution Anchors can make to delivering shared city strategies.

2 Background information

- 2.1 Anchor institutions are the large organisations that exist and play a pivotal role in any given locality and have a vested interest in the success of their places. They cut across public, private and third sectors and include for example local authorities, universities and colleges, hospitals, housing associations, major sporting clubs and large businesses. They are firmly rooted in their places, often being the biggest recruiters of local workers, the biggest customers of local business, and forming a very visible part of the fabric and built environment of each place.
- 2.2 The More Jobs, Better Jobs partnership, a partnership between the Council, the Joseph Rowntree Foundation and Leeds City Region Enterprise Partnership, commissioned a study on Anchor Institutions. This sought to identify the beneficial impact they can have on the local economy and reducing poverty, through their procurement, recruitment and employment practices. The study¹ identified that the 10 participating anchors collectively spend about £1.4bn procuring goods and services in a given year spending at least £735m in the city region but that nearly 50p in every pound leaks out of the local economy. The study concluded that if these 10 anchors could shift 10% of their total spending to suppliers in the city region this could be worth up to £168-£196m each year when multipliers are factored in to reflect the circulation of money in the local economy.
- 2.3 It is estimated that in the city region, anchor institutions collectively employ more than 200,000 people and control annual budgets in excess of £11 billion. It is clear that these institutions individually have a significant role to play in the local economy and evidence tells us that when these organisations work together, there is scope for much greater impact – on providing good quality jobs, creating opportunities for local suppliers, on leveraging community benefits through procurement and ultimately on delivering the aspiration for good, inclusive growth for the local economy. However, a more collaborative and systematic approach is required to realise these benefits.
- 2.4 The Council, supported by external consultants, and the Joseph Rowntree Foundation has led the work to date to promote the concept, build engagement and put in place a progression framework to guide future action.
- 2.5 The Council is well placed to take a leadership role in taking this work forward within the local authority area and to act as an exemplar to other organisations in Leeds and across the city region. Following the launch of the Leeds Inclusive Growth Strategy in June, work has commenced on developing a Leeds placed-based collaborative and co-ordinated programme to realise the potential

¹ [Maximising the local impact of anchor institutions: a case study of Leeds City Region](#)

transformational impact as well as offering local institutions practical ways in which they can address current and future challenges that will contribute to the achievement of the Inclusive Growth Strategy.

3 Main issues

3.1 Developing the programme approach

- 3.1.1 Discussions with local institutions in Leeds to date has resulted in the sign up in principle to working individually and collectively on an anchors programme by:- Leeds City College, Leeds College of Building, the University of Leeds, Leeds Beckett University, Leeds Trinity University, Leeds Teaching Hospitals NHS Trust and Leeds and York NHS Foundation Trust.
- 3.1.2 Baseline activity has been taken place with each institution to understand the current position, the appetite to engage and potential areas for action. This has informed the development of the progression framework alongside input from practitioners and experts in specific fields.
- 3.1.3 The progression framework at Appendix 1 provides a summary of the potential different roles or dimensions of an inclusive anchor organisation e.g. as an employer or procurer, the associated key themes or work streams. It is a tool for organisations to assess where they are now, where they want to be and how to get there and establish their individual programme of action. It is hoped that the framework will be used by leadership teams to support self-assessment and prioritising areas for action. It recognises that not all potential participating organisations will have the same starting point, priorities for action or ambition around these.
- 3.1.4 The self-assessment undertaken by the Council shows that we already have many of the essential building blocks in place with many examples of good practice. However the good practice is not always systematically applied and therefore we do not always deliver consistently and sustain this to achieve our ambitions. The assessment indicated that the key areas to prioritise are the employment and procurement dimensions with a particular focus on staff training and development under employment and social value and supply chain management under procurement.
- 3.1.5 Procurement was identified by the majority of institutions as a priority for action and work has already commenced on the analysis of procurement expenditure and supply chains. The Centre for Local Economic Studies (CLES) has developed a methodology for analysing procurement expenditure and supply chains to baseline activity and build the evidence base for change. The Council has contracted with CLES to undertake this work over the next 3 months across the Leeds anchors. This will establish common metrics and provide training to enable all to continue to measure and report outputs and impact locally and collectively.

3.2 Forward Plan.

- 3.2.1 On 9 November 2018, representatives from the Leeds Anchors will meet to develop and agree a programme of work to guide the individual and collective actions of participating organisations. These will aim to achieve a long term commitment to being an inclusive anchor, with organisations looking at how they operate, deliver services, buy goods and interact with other local organisations

and the community to significantly add to local employment opportunities, business growth, skills, incomes, health and wellbeing.

3.2.2 The programme will seek to :-

- Build on and deepen momentum established in Leeds to date with anchors already engaged;
- Extend engagement to a wider set of city anchors, with scope to draw in business and the third sector;
- Embed the use of the core tools developed in phase one as a foundation for anchor participation and a baseline for designing and developing a placed-based change programme led by the Council and delivered through the actions of local anchor organisations;
- Develop a set of activities on which anchors can act individually and align collaboratively based on the principles of being an inclusive anchor and linked to the Leeds agenda; and,
- Communicate to spread and embed action and focus on building ownership to ensure sustainability of action.

3.2.3 Initial work will begin by setting up a sustainable network, sharing good practice and providing a flexible prompt and provide service for anchor institutions to assist them put in place policies and practice to address their priority issues. This could potentially include issues of low paid workers, maximising benefits from supply chain management through procurement and to work up inclusive routes into apprenticeships.

3.2.4 To support this partner organisations will identify a day to day contact to provide an effective entry point with multi-functional reach across the anchor organisations and the experience to guide the overall programme development. This will cover deliverables, local infrastructure and support programmes, metrics, communications and governance.

3.2.5 Plans will be developed to extend the programme beyond the largely publicly funded anchors to private sector businesses and the development of an inclusive business charter for SME businesses. Further work will be undertaken to work on how we can leverage the connections with community anchor organisations often in the third or social business sector to extend the programmes reach into communities.

3.2.6 Winning hearts and minds and maintaining the buy-in of leaders of the local anchors will be essential to the successful delivery of this place based programme. It will be vital that this is sustained by effective relationship management and high quality communications that gives profile to the programme ambition, changes realised and the reporting of outputs benefitting local communities. Future activity will be focused on developing a communications and marketing plan that gives the programme profile and communicates its aims and ambitions in a quick and simple way. The plan will need to speak to the participating organisations, those engaged in the work streams and the wider business community and citizens.

4 Corporate Considerations

4.1 Consultation and Engagement

- 4.1.1 The research commissioned by the Joseph Rowntree Foundation on behalf of the More Jobs, Better Jobs partnership examined the implementation of similar approaches to engaging and harnessing the spending power of local anchor institutions elsewhere and applied these approaches to local anchors to assess the potential to support inclusive growth locally. This has enabled a dialogue with a number of anchors that have indicated a willingness to take forward elements of the proposed programme. Potential participating organisations will have different starting points and drivers and a consultative approach will be adopted.
- 4.1.2 The Executive Member, Employment, Skills and Opportunity has been consulted on the proposed programme along with members of the More Jobs, Better Jobs Partnership including the Chamber of Commerce and third sector representatives and individual anchor organisations.

4.2 Equality and Diversity / Cohesion and Integration

- 4.2.1 The proposed programme aims are supportive of the Council's ambitions to promote equality and diversity of opportunity, improved cohesion and integration and addressing the social determinants of health to support improved health and wellbeing. This is particularly relevant to programme activity which will support addressing low pay and progression for those in work and developing inclusive routes into apprenticeships and creating healthy workplaces in the anchor institutions. The programme design and the proposed delivery activity will be subject to an equality and diversity screening and an action plan if required.

4.3 Council Policies and City Priorities

- 4.3.1 The proposed programme will contribute directly to our ambitions to enable all of our residents to benefit from a strong economy in a compassionate city, and in particular, to the Best Council Plan outcome for everyone in Leeds to earn enough to support themselves and their families and the Best Council Plan priorities around providing employment support and supporting economic growth and access to economic opportunities. The planned activity will also contribute to the achievement of the city's ambitions set out in the Inclusive Growth Strategy and the Health and Wellbeing Strategy.
- 4.3.2 The Commission on the Future of Local Government led by the City Council five years ago has provided a framework for leadership and civic enterprise. This work is now being reviewed and aims to build on our innovative and inclusive approaches and place based leadership. The anchors programme provides an opportunity to demonstrate and quantify the positive impact of the civic enterprise approach in practice. The review process provides a platform to promote and engage leading businesses in the anchors programme.

4.4 Resources and Value for Money

- 4.4.1 The support provided by consultants to establish, co-ordinate and promote the programme to local anchors is considered value for money against the potential transformational change that could result in activity which will deliver benefits in excess of £150m to the local economy. This work is funded from the Employment and Skills service budget.

4.4.2 The programme will also require anchor institutions and the private sector and other partners to invest in delivering their business differently, incurring both in-kind support and financial expenditure. This will demonstrate not only the value of the work being delivered, but the strength of the city's commitment to the principle of civic enterprise.

4.5 Legal Implications, Access to Information and Call In

4.5.1 There is no decision required by the Board. This report is provided as background information to the Board.

4.6 Risk Management

4.6.1 A detailed project plan will be developed along with a risk management plan to address any identified financial and or reputational risks to delivery across the activities described in this report.

5 Conclusions

5.1 Anchor institutions make a significant contribution to the local economy through the services they provide, the large amount of money they spend and the number of local people they employ. Research has shown that relatively small changes in policy and operation for example in procurement and supply chain management could support increased economic growth with both direct and indirect benefits to local residents and businesses. A collective and focused approach across a number of anchors provides an opportunity to realise these changes at scale.

5.2 An Inclusive Anchors Programme and network will provide the collaborative and systematic approach to engaging local anchors utilising the progression framework to guide and support action on employment, low pay, procurement and supply chain management. The Council will enable the further development of this action-led facilitated programme to embed an anchor network to sustain activity over the longer term and make a significant contribution to the city's Inclusive Growth Strategy.

6 Recommendations

Scrutiny Board is asked note the background information on the Leeds Anchors programme.