



Leeds
CITY COUNCIL

scrutiny



Infrastructure, Investment and Inclusive Growth

Scrutiny Inquiry into
The Leeds Inclusive
Growth Strategy

Draft Version 4



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Draft



Desired Outcomes and Recommendation Summary

Desired Outcome – Shaping a framework for inclusive growth delivery that aims to be inclusive by prioritising initial target areas.

Recommendation 1 – That the Director of City Development aims to prioritise work streams, in this initial phase of the strategy, that support:

- a) Big idea 4, 'Working Together to Create Better Jobs, Tackling Low Pay and Boosting Productivity', particularly in poorly paid sectors
- b) 'Strengthening transport links to enable people to access jobs' (Big idea 7), to align with aspirations in the Leeds Public Transport Investment Programme (LPTIP)
- c) The influence of the Council as a commissioner of goods and services to support inclusive growth.

Desired Outcome – To include Bus Operator representatives in the delivery of inclusive growth priorities due the importance of connecting people to employment.

Recommendation 2 – That the Director of City Development secures representation from the major bus operators in Leeds on the Core Delivery Partnership or, where that is not possible the Extended Delivery Partnership.

Desired Outcome – To ensure that social and environmental impacts are considered with economic growth.

Recommendation 3 – That the Director of City Development ensures that sustainability is built into performance measurement and focus, and that the mechanisms for reporting this are communicated to the Scrutiny Board in July 2019.

Desired Outcome – To support the delivery of the strategic priorities outlined in the Inclusive Growth Strategy, to maintain momentum, promote cross council and external support, and to reduce barriers where possible.

Recommendation 4 – To support ongoing accountability, transparency and challenge through formal governance processes, the Director of City Development is requested:

- a) to provide the annual inclusive growth update report in July 2019 and thereafter as determined by the Scrutiny Board.
- b) to present inclusive growth performance information to the Scrutiny Board as determined by the Scrutiny Boards work programme.
- c) to provide data which identifies employment opportunities delivered for Leeds residents arising from IG projects

The Board requests oversight of the tangible outcomes and impact that the IGS is providing to the stakeholders of Leeds once identified, and the (national or local) challenges that have subsequently been identified that create a risk of further disadvantage.



Desired Outcomes and Recommendation Summary

Desired Outcome – To promote a culture of policy development, decision making and service delivery across the Council which supports inclusive growth objectives.

Recommendation 5 – That the Director of Resources and Housing reviews corporate reporting and decision making templates, including key delegated decision templates, and makes necessary adaptations to ensure that there is consideration of inclusive growth across all Leeds City Council services, which is clearly communicated to decision makers and (through already established publication processes) Leeds stakeholders.

Desired Outcome – To support the delivery of the strategic priorities outlined in the Inclusive Growth Strategy and developing Leeds City Council Procurement Strategy, to maintain momentum and to establish procurement practice that better supports Leeds businesses to successfully contract with Anchor Institutions.

Recommendation 6 – That the Director of City Development provides an update on the intelligence gained from the CLES analysis of procurement expenditure and presents an overview of planned action and support, in response to the analysis outcomes. The update to be provided at the meeting of Scrutiny Board in July 2019, with further updates as directed by the Scrutiny Board.

Desired Outcome – To support the delivery of the strategic priorities outlined in the Inclusive Growth Strategy and developing Leeds City Council Procurement Strategy, to maintain momentum and to establish procurement practice that better supports Leeds businesses to successfully contract with Leeds City Council.

Recommendation 7 – That the Director of City Development works in collaboration with the Director of Resources and Housing to review the procurement policies and systems of Leeds City Council and to identify where they can be adapted, within legal frameworks, to:

- a) Deliver social value to support inclusive growth priorities.
- b) Better support Leeds SMEs to identify and tender for local authority contracts

The Scrutiny Board request an overview of the changes implemented, progress and impact in January 2020.

Desired Outcome – To assist Anchor Institutions to support inclusive growth priorities through the development of jobs and skills support and operations they provide.

Recommendation 8 – There is clear alignment between Leeds City Council employment and skills inclusive growth priorities and the ambition of LTHT therefore the Director of City Development is recommended to assist LTHT, and any other Anchor Institution who would benefit from Council support, in ‘curating’ investment and focus on this agenda.

An update outlining the support provided to be communicated at the meeting of Scrutiny Board in January 2020.



Desired Outcomes and Recommendation Summary

Desired Outcome – To take jobs and people out of poverty by promoting the payment of Real Living Wage.

Recommendation 9 – That the Director of City Development works in collaboration with the Director of Resources and Housing to explore how the Council can utilise its influence with supply chain organisations to promote the adoption of Real Living Wage for their employees.

An update to be provided at the meeting of Scrutiny Board in January 2020.

Desired Outcome – To identify good employment practice in other organisations which can be utilised for benchmarking and improvement.

Recommendation 10 – That the Director of City Development provides an update on the good practice information gained from other Anchor Institutions which relates to employment practice, and outlines how this can be developed and applied by the Council. The update to be provided at the meeting of Scrutiny Board in January 2020.

Desired Outcome – To utilise technology and social media to improve access to information and communication.

Recommendation 11 – That the Director of City Development works in collaboration with the Director of Resources and Housing to investigate how technology and social media can be used innovatively to provide a coherent package of information for front line staff and to connect with those who are furthest from the job market. A progress report is to be provided to the Scrutiny Board in January 2020.

Desired Outcome – To support the delivery of the strategic priorities outlined in the Inclusive Growth Strategy through cross council partnerships, supporting those who are in greatest need and those who reside in our most disadvantaged communities.

Recommendation 12 – That the Director of City Development works in collaboration with the Director of Resources and Housing to provide a progress update report in January 2020 which outlines the extent to which officers from Housing Services, Active Leeds and Employment and Skills Services are successfully providing a joined up service, to support those furthest away from the labour market and in the greatest need of employment and skills support, and those in our most disadvantaged communities.



Introduction and Scope

Introduction

- 1 Leeds City Council has an ambition to be the best city in the UK: one that is compassionate and caring with a strong economy, which tackles poverty and reduces inequalities. It wants Leeds to be a city that is fair and sustainable, ambitious, creative and fun for all, with a council that its residents can be proud of: the best council in the country.
- 2 The Best Council Plan 2018/19 – 2020/21 states that not everyone in Leeds is benefiting fully from the City's economic success. The Plan highlights that overall the prospects for economic growth in Leeds remain robust, supported by the city's skilled workforce, the growth and innovation of its firms and universities, and the progress being made with infrastructure. The Leeds Inclusive Growth Strategy sets out 'how Leeds City Council, the private sector, universities, colleges and schools, and social enterprises in the city will work together to grow the Leeds economy, ensuring that everyone in the city contributes to, and benefits from, growth to their full potential.'
- 3 At our meeting on the 20 of June 2018, we discussed how Scrutiny could influence and shape the implementation of the Leeds Inclusive Growth Strategy. We focused on changes in the labour market and how the strategy could support interventions to address skills, pay and progression to benefit those resident in our most deprived areas.

Scope of the Inquiry

- 4 On the 25 July 2018 we considered the Leeds Inclusive Growth Strategy 2018 – 2023, which was adopted by Executive Board on the 27 June 2018. This set out a framework for growth delivery that aims to be inclusive, and will benefit all citizens and communities.
- 5 Terms of Reference for this inquiry were agreed at our Board meeting 5 September 2018, when we concluded that we would consider
 - a) Progress being made in the overall mapping, assessment and planning of the framework to deliver the strategic priorities in the Inclusive Growth Strategy. The Board will provide support and challenge to help:
 - shape the prioritisation of work streams,
 - shape reporting mechanisms,
 - maintain momentum, promote cross council and external support, and to reduce barriers where possible.
 - b) Focus on 'Working together to create better jobs, tackling low pay and boosting productivity'. (Big Idea 4) This will include looking at the Anchor Institution¹ Programme and other initiatives to evaluate the council's progress in supporting this big idea, the contribution being made by partner organisations, and how this can be built on to address disadvantage and inequalities in our poorest neighbourhoods.

¹ Anchor institutions are big local organisations such as councils, universities and hospitals



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- c) The cross-council focus on the Inclusive Growth Strategy.
- 6 We also concluded that the purpose of the inquiry would be to make an assessment of and, where appropriate, make recommendations on the following areas:
- Reassurance that the aspirations and principles defined in the Inclusive Growth Strategy are being implemented and demonstrated in service delivery and, where there is an identified deficit, that a framework is established to rectify this.
 - Reassurance that the strategy will establish tangible beneficial outcomes for Leeds residents and Leeds communities.
 - Establishing that inequality is being proactively tackled through targeted employment and skills support to residents and supporting activity by employers, to address the social and economic challenges of low pay and in work poverty.
 - Confidence that all people and communities can contribute towards and benefit from economic prosperity, and reassurance that Leeds residents from disadvantaged priority neighbourhoods are supported to access employment or better jobs.
 - Establishing if there is anything further that can be done at a local level to remove the barriers that prevent residents from benefitting from economic growth.
 - Establishing if there is further beneficial advice and guidance from external agencies and networks such as those that participated in the 'More Jobs, Better Jobs' Partnership Research Programme.
- 7 The inquiry was conducted over four evidence gathering sessions which took place between September 2018 and January 2019 when we received a range of evidence both written and verbal.
- 8 Evidence was provided by a number of experts. A full list of those who participated is detailed at the end of this report. We would like to thank everyone who contributed their time and expertise to support this inquiry.
- ## Desired Outcomes, Added Value and Anticipated Service Impact
- 9 In conducting the Inquiry we reflected on the role and organisational responsibilities of Leeds City Council, Anchor Institutions in Leeds and HMRC. The Scrutiny Board aimed to establish the mechanisms to put high impact operational practices into place, which would fully support the aspirations defined in the Inclusive Growth Strategy. The Scrutiny Board gathered intelligence and were informed through the collective knowledge and experience of all those who contributed to the inquiry. We hope that our findings provide a clear summary of areas that require focus and action.
- 10 Our recommendations outline our expectations regarding a number of improvement measures which will require greater focus on the mechanisms for implementing inclusive growth principles and practice. We are determined that there should be tangible and beneficial outcomes for all Leeds



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residents arising from the Inclusive Growth Strategy, including support from Leeds Anchor Institutions to promote better jobs and employment progression. We hope that the strategy will underpin ethical actions and decision making that is embedded across all Council services and that leaders will support a culture that embeds this focus across all services.

- 11 We now have an opportunity to identify and adopt different innovative approaches in our procurement systems to reduce the level of Anchor investment 'leaking out' of the Leeds area. In addition we would like to ensure that innovative collaborative working is developed further in order to provide employment and skills support to those Leeds residents that are the hardest to reach in our communities.
- 12 Ongoing monitoring of the progress of outcomes and recommendations will be undertaken by the Scrutiny Board (Infrastructure, Investment and Inclusive Growth) or successor board with the authority to discharge the relevant scrutiny functions relating to infrastructure, development or growth.

Inquiry. Where a Scrutiny Board has made recommendations and these are agreed, the individual, organisation or group responsible for implementation or delivery should give due regard to equality and diversity, and where appropriate an equality impact assessment should be carried out.

- 15 Joseph Rowntree Foundation advised that "Inclusive Growth is about enabling more people and places to both contribute to and benefit from economic success. More specifically, it is about how poverty can be reduced through the creation of better jobs and better access to those jobs for people in or at risk of poverty." Due to the direct focus on poverty, and economic inequalities in our communities this inquiry is supportive of the Council's ambitions to promote equality and diversity of opportunity, remove the barriers that prevent our residents from accessing employment, and to support residents to improve their skills and progress in their employment.

Equality and Diversity

- 13 The Equality Improvement Priorities 2016 – 2020 have been developed to ensure that the council meets its legal duties under the Equality Act 2010. The priorities will help the council to identify work and activities that help to reduce disadvantage, discrimination and inequalities of opportunity to achieve its ambition to be the best city in the UK.
- 14 Equality and diversity issues have been considered throughout this Scrutiny



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Background

- 16 In 2015 the Organisation for Economic Co-operation and Development defined inclusive growth as “Economic growth that creates opportunities for all segments of the population and distributes the dividends of increased prosperity, both in monetary and non-monetary terms, fairly across society”
- 17 It is however recognised that the benefits of prosperity and growth is not being experienced by all our communities in Leeds. Over 160,000² people in Leeds live in neighbourhoods that are amongst the 10% most deprived neighbourhoods in England. Low pay is an increasing problem with limited opportunity for career progression and a concerning number of residents are in employment and also in poverty. Unemployment in Leeds is reducing, however, it is recognised that in some parts of the city it is still too high.
- 18 The Council responded to these concerns by developing a city wide Inclusive Growth Strategy (IGS) for Leeds. This strategy, adopted by the Executive Board in June 2018, is described as a “route map of how best to deliver growth that is inclusive and draws on the talents of, and benefits all our citizens and communities.” It sets out how everyone can contribute to the city’s growth through twelve big ideas (appendix 1) that focus on people, place and productivity. The strategy recognises that the education and skills system in Leeds “does not work for everyone” and that further progress is required so that young people are

equipped with the education, attributes and awareness of opportunities they will need to succeed in work.

- 19 The Leeds Talent and Skills Plan 2018-2023 supports the aims of the IGS. This plan “sets out how as a city we can collectively improve the supply of skills that our residents need to play a full and more productive part in the labour market, and that our businesses need to thrive, helping to create a more inclusive economy in a compassionate city. It draws on much existing good practice both within the council and the city, including our ‘More Jobs, Better Jobs’ breakthrough project.”
- 20 The plan also explains that the skills levels of the Leeds workforce are not adequate to meet the higher level requirements of employers, and more could be done to address this. Mid-skilled jobs are in decline and low and high- skilled jobs are increasing, which is described as a hollowing out in the labour market. (see recommendations 8 and 10)

Leeds IGS – Work Streams, Reporting and Governance

- 21 As the IGS had only recently been adopted, part of our focus was to provide the necessary support and challenge, to help shape the prioritisation of work streams and required reporting mechanisms. We also wanted to establish the collaborative engagement arrangements with other organisations in Leeds to ensure that

² IGS p29



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there is a framework that will drive progress, complemented by appropriate governance.

- 22 Throughout the inquiry we received regular updates on the mapping and prioritising of the work streams that support the IGS. In November 2018 we were presented with a more comprehensive overview of some of the projects currently in place that have been mapped to the IGS framework.
- These are broadly defined as:
- a) Council led – that are funded directly
 - b) Partner led but council sponsored (with finance or time from officers). For example, Waterfront at South Bank (Chamber led) or Leeds Digital Festival
 - c) External. Where the Council may have influence, but not always.
- 23 The projects are focused on People, Place and Productivity, supporting the 12 big ideas and include examples such as the Inclusive Anchors Programme, HS2 and the Leeds Innovation District.
- 24 We were advised that the mapping work would be published online to facilitate others adding projects of their own, so that a more comprehensive city picture could be established.
- 25 In terms of delivery structures, it was proposed that a Core Delivery Partnership is established to meet three times a year. Membership would consist of 12 external representatives, each representing a 'big idea', cross party elected members (2 Labour, 1 Conservative and 1 Liberal Democrat), and officer members being the Chief Executive of Leeds City Council, The Director of City Development and the
- Chief Officer for Economic Development.
- 26 Supporting the Core Delivery Partnership would be an open Extended Delivery Partnership with those people who have made pledges being prioritised as members. The Extended Delivery Partnerships would attend three workshops per year, each themed on People, Place and Productivity. Elected members will also be invited to participate. In addition, council officers will regularly review projects and initiatives of type [a] and [b] in relation to progress and delivery (paragraph 22). It was highlighted that a quarterly update report would also be presented to Leeds City Council's Corporate Leadership Team and Extended Delivery Partnerships.
- 27 During our inquiry we paid particular attention to the value of Inclusive Anchors, Employment and Skills, and Procurement, which we consider should remain a priority within the identified work streams. We also focused significantly on transport and its importance to economic growth and employment. This is explored in further detail later in this report. We consider that this should also be a work stream priority. As such, with regard to the Core and Extended Delivery Partnerships we determined that it would be beneficial if there is representation from the major Bus Operators.



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Recommendation 1 – That the Director of City Development aims to prioritise work streams, in this initial phase of the strategy, that support:

- a) Big idea 4, ‘Working Together to Create Better Jobs, Tackling Low Pay and Boosting Productivity’, particularly in poorly paid sectors
- b) ‘Strengthening transport links to enable people to access jobs’ (Big idea 7), to align with aspirations in the Leeds Public Transport Investment Programme (LPTIP)
- c) The influence of the Council as a commissioner of goods and services to support inclusive growth.

Recommendation 2 – That the Director of City Development secures representation from the major bus operators in Leeds on the Core Delivery Partnership or, where that is not possible the Extended Delivery Partnership.

28 We were presented with a draft governance and reporting timetable which reflected the proposed meetings of the Core Delivery Partnership. We were advised that in June 2019 a full report would be produced, this being the 1st anniversary since the launch of the IGS. In order to ensure accountability and transparency through formal constituted governance processes we anticipate programmed updates and performance information to this Scrutiny Board, and the scheduling of reports to Executive Board (currently half yearly).

29 Through the ongoing scrutiny process we will continue to seek reassurance that the strategy is establishing tangible beneficial outcomes and impact for Leeds residents and Leeds communities.

30 To facilitate this going forward, we sought clarity about how the outcomes and impacts of inclusive growth projects will be measured. During our inquiry Mike Hawking from Joseph Rowntree Foundation (JRF)³ stressed the importance of being clear and specific within each of the 12 big ideas about the impact they are having on reducing poverty, and having performance measures in place to support the identification of this. He emphasised that the creation of more and better jobs needs to be the golden thread running through all the 12 big ideas.

31 We also highlighted that sustainability must be at the forefront of inclusive growth priorities, referencing our inquiry into Sustainable Development in 2017/18. It is important that social and environmental impacts are considered with economic growth. We were advised that this feedback had also been provided from other sources.

Recommendation 3 – That the Director of City Development ensures that Sustainability is built into performance measurement and focus, and that the mechanisms for reporting this are communicated to the Scrutiny Board in July 2019.

32 We were advised that the Chief Officer for Economic Development is working

³ Independent social change organisation working to solve UK poverty.



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with the Intelligence and Policy Service at Leeds City Council to establish the approach for IGS performance reporting. In addition, we were advised that there is an opportunity to work with Leeds University and the Open Data Institute to establish how performance could be measured. It was confirmed that there should be a baseline position by March 19, with subsequent quarterly reporting to supplement the existing reporting framework on Best Council Plan Key Performance Indicators. The quarterly reports will also identify projects contributing to inclusive growth.

Recommendation 4 – To support ongoing accountability, transparency and challenge through formal governance processes, the Director of City Development is requested:

- a) to provide the annual inclusive growth update report in July 2019 and thereafter as determined by the Scrutiny Board.
- b) to present inclusive growth performance information to the Scrutiny Board as determined by the Scrutiny Boards work programme.
- c) to provide data which identifies employment opportunities delivered for Leeds residents arising from IG projects

The Board requests oversight of the tangible outcomes and impact that the IGS is providing to the stakeholders of Leeds once identified, and the (national or local) challenges that have subsequently been identified that create a risk of further disadvantage.

33 Since the launch of the IGS we have reflected on how the aspirations and

principles defined have been reflected in the wider information presented to this Board, and if there is evidence of these being acknowledged in service delivery. It was clear to us through our work, that there are services and service leaders who are fully engaged in the achievement of inclusive growth, these being Economic Development, Employment and Skills and Digital Inclusion, other areas less so, and some did not connect their service areas to inclusive growth at all. We consider it important to embed focus on the IGS in all service areas. Similar to the council values, the IGS should ethically underpin our motivation and actions from strategic decision making to service delivery on the front line. We acknowledge that a culture shift does not happen quickly, however, ensuring inclusive growth is a consistent consideration in policy development and decision making could be supported with a relatively straight forward change that can be quickly adopted.

Recommendation 5 – That the Director of Resources and Housing reviews corporate reporting and decision making templates, including key delegated decision templates, and makes necessary adaptations to ensure that there is consideration of inclusive growth across all Leeds City Council services, which is clearly communicated to decision makers and (through already established publication processes) Leeds stakeholders.

34 As part of its ongoing commitment to supporting the IGS this Scrutiny Board will continue to focus on inclusive growth across all areas scheduled into the annual work programme for 2019/20



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and beyond. We expect this to be a clear consideration through the scrutiny process by officers, elected members and partners.

Leeds Anchor Institutions

- 35 We were particularly interested in the developing Anchor Institution Programme, currently supported by the Council. We wanted to understand how Anchor Institutions in Leeds can contribute to inclusive growth and if anything further can be done at a local level to enable Leeds stakeholders to benefit from economic growth.
- 36 We considered a report which set out the background of a Council supported programme to help Anchor Institutions in the city to become more inclusive organisations. The report also outlined the Anchors Progression Framework which is being utilised with partners to shape a shared programme of work, with the aim of maximising the contribution Anchors can make to inclusive growth.
- 37 The framework which defines Anchor institutions, why they matter and how they can make a difference, is included in this report as appendix 2.
- 38 City region anchor institutions collectively employ more than 200,000 people and control annual budgets in excess of £11 billion. 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 took place between 2014 – 2016 and sought to identify the beneficial impact they can have on the local economy and reducing poverty, through their procurement, recruitment and employment practices. We were informed that the study⁴ identified that the 10 participating anchor institutions 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 the 10 anchor institutions 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.
- 39 We were advised 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 on delivering inclusive growth for the local economy. We were also advised that work is underway to develop and promote a collaborative and systematic approach to support action on employment, low pay, procurement and supply chain management.
- 40 It was highlighted that a number of local Anchor Institutions in Leeds have signed up to the programme in addition to Leeds City Council. These are, Leeds City College, Leeds College of Building, the University of Leeds, Leeds Beckett University, Leeds Trinity University,

⁴ [Maximising the local impact of anchor institutions: a case study of Leeds City Region \(January 2017\)](#)



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Leeds Teaching Hospitals NHS Trust, Leeds and York NHS Foundation Trust and Leeds Community Healthcare NHS Trust. These organisations will look at how they can align with the IGS, and have utilised the 'Anchor Institution Progression Framework' to assess their priorities.

- 41 We were advised that the first Leeds Anchors Network meeting was held on 9 November 2018, when the 5 work streams in the progression framework were considered by each organisation. It was felt that the two work streams, where the greatest impact could be achieved initially, are employment and procurement.
- 42 We sought to clarify if private sector organisations will be engaged in the Anchor Institution programme at any point in time. We were advised that informal conversations are taking place to explore how to take this forward, so that inclusive growth principles can be transferred into corporate social responsibility. Three large organisations have already shown interest.
- 43 We welcomed the insight into the experience of Leeds Teaching Hospital Trust (LTHT) as a partner Anchor participating in the programme. We were advised that the organisation spends £1.3 bil per year and is the 2nd largest employer in Leeds. LTHT's representative, James Goodyear, explained that the IGS is important because of the factors that support people's health and wellbeing, such as access to employment, transport and green space. Data was provided which demonstrated that people's health statuses are directly aligned to their economic status. This highlighted the

importance of understanding the causes that create poor health outcomes, and how people in different parts of Leeds access services to obtain the outcomes they need. He added that there is a fit between what the City is trying to achieve and what LTHT can contribute in a civil society.

- 44 We consider it appropriate to stress the importance of sustained support for the inclusive anchors programme, due to the overall identified benefits. We acknowledge that considerable social value that can be delivered through this collaboration. (See recommendation 1)

Procurement

- 45 The Anchors Progression Framework states that decisions about procurement can make a big difference to local areas. "Buying more from local businesses (or social enterprises) will help them to survive, grow, employ more people and pay better wages. Over years, this recirculation of money in the local economy can amount to many millions of pounds and help meet local goals on jobs, apprenticeships, incomes and community wellbeing".
- 46 As previously stated, procurement was identified by the majority of anchor institutions as a priority for action. We were advised that work has already commenced on the analysis of procurement expenditure and supply chains, in order to look at how investment can create further social value.
- 47 It was highlighted to us that the council currently procures in excess of £800mil of goods and services each year. Fifty percent of that business is provided by



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local Small and Medium Enterprises (SMEs), so that money is invested locally in businesses and jobs, but a good percentage of investment 'leaks out' of the Leeds area.

- 48 To overcome this the Council and partner Anchor Institutions will be reflecting on procurement practices including how monies flow through the supply chain. The Centre for Local Economic Strategies (CLES) has developed a methodology for analysing procurement expenditure and supply chains to build an evidence base for change. During our inquiry the Anchor Institutions were actively working with CLES to gather information so that their procurement spend could be analysed further. Although consideration of the outcome of this work was scheduled at the latter end of our inquiry, it was not available when our evidence gathering concluded. We acknowledge that CLES will be reporting their findings to the Anchor Institutions and that this will be discussed further at the Anchors meeting in April 2019, when all areas for action will receive focus.
- 49 We recognise that in December 2018 Executive Board considered proposed key areas which will underpin the formulation of a new Council Procurement Strategy. The report stated that "Social Value from procurement is a key element of the Council's wider aspirations for inclusive growth in conjunction with local communities and businesses." We welcome the stated intention to improve economic, social and environmental wellbeing through procurement to promote added social value, and we expect that the findings of CLES will be considered and factored into the new Procurement Strategy

2019-2024, where appropriate, when it is due to be considered again by Executive Board in June 2019.

- 50 We advocate that the Council takes a robust and extensive approach to delivering social value through procurement and therefore we intend to look at the intelligence that has been gained from the CLES exercise in the next municipal year, including what further action needs to be taken to support inclusive growth objectives.

Recommendation 6 – That the Director of City Development provides an update on the intelligence gained from the CLES analysis of procurement expenditure and presents an overview of planned action and support, in response to the analysis outcomes. The update to be provided at the meeting of Scrutiny Board in July 2019, with further updates as directed by the Scrutiny Board.

- 51 We recognise that there are opportunities for Anchor Institutions to use the procurement process to secure employment and skills opportunities. Leeds City Council is already well positioned as it utilises procurement and planning in order to secure employment opportunities, as supported by the Scrutiny Inquiry 'Maximising Powers to Promote, Influence and Create Local Employment and Skills Opportunities' in May 2012. The Council has a policy of attaching jobs and skills obligations to suitable contracts, currently over £100k in value. A similar obligation is required under S106 planning criteria for developments over a certain size.
- 52 We were informed that LTHT have significant plans to develop Leeds General Infirmary and St James



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Hospital, and this is an opportunity to work with local suppliers and create local job opportunities, evolving their social value framework and ensuring that the development work provides opportunities to local people through sub-contracting arrangements. We were also advised that the development of these sites should support staff recruitment and retention as people will hopefully want to work in conducive environments that have received considerable investment.

- 53 We were advised by JRF of a further approach that has been adopted by Anchor Institutions in Cleveland, who have supported the establishments of co-operatives owned by residents from deprived neighbourhoods. Those Anchors now procure services from those co-operatives and are therefore spending money locally and directly generating economic benefit in their local communities.
- 54 We expressed our concern that local small businesses would find it difficult to compete with large organisations, who have the scale, capacity and expertise to put competitive bids together. We emphasised that a more innovative approach to our procurement practices may be required particularly in areas that require low level, low risk expenditure. It was explained that whilst the Council has been historically good at engaging with SMEs the impact of austerity has brought about efficiencies that are provided through economies of scale. The Anchor Institutions recognise that growth in the economy will largely come from smaller organisations and will aim to focus supportive interventions to maximise this. It was further explained that the process of gathering intelligence around procurement is in its

infancy however the new strategy will articulate how procurement could be undertaken differently.

- 55 We recognise that larger businesses operate with local smaller business supply chains, therefore it is essential as an organisation that we understand how our networks operate, as SMEs are still indirectly engaged. We therefore need to have a broader consideration of the organisations we commission, and who provides our goods and services. We need to balance the need for short term fiscal economies against the wider benefits of spending locally and the potential indirect impacts that provide social value, particularly if later down the line this results in our citizens being less reliant on council services.
- 56 The Anchors Progression Framework outlines that “Doing all of this involves some technical work on policies, specifications, tender scoring systems, monitoring processes, etc. It takes time and there are some rules and limitations to stay within. But it is wholly possible and has succeeded elsewhere. Get the detail right and there are big dividends that can be reaped.” We acknowledge the intention, as outlined in the ‘New Procurement Strategy’ report to Executive Board, (December 2018) to consider tender documentation, terms and conditions to encourage SMEs to tender for work (where appropriate), and to be more proactive in meeting with small SMEs and ensure that they fully understand the process of tendering for Council business, and are fully able to do so.



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Recommendation 7 – That the Director of City Development works in collaboration with the Director of Resources and Housing to review the procurement policies and systems of Leeds City Council and to identify where they can be adapted, within legal frameworks, to:

- a) Deliver social value to support inclusive growth priorities.
- b) Better support Leeds SMEs to identify and tender for local authority contracts

The Scrutiny Board request an overview of the changes implemented, progress and impact in January 2020.

Creating Better Jobs, Tackling Low Pay & Boosting Productivity

- 57 During our inquiry we focused extensively on Big Idea 4 'Working together to create better jobs, tackling low pay and boosting productivity'.
- 58 This included looking at how the Anchors Programme and other initiatives could support this big idea and how this can be built on to address disadvantage and inequalities in our poorest neighbourhoods. We wanted to understand how the 'More Jobs, Better Jobs' Partnership Research Programme has made an impact and how we utilise that research to move ahead.
- 59 Mike Hawking (JRF) advised us that the 'More Jobs, Better Jobs project provided something practical to galvanise people.' As a Scrutiny Board we consider that this research programme is significant, and provides an excellent foundation for the Anchors programme in Leeds, due to the numbers of people that Anchors Institutions employ.
- 60 The Anchors Progression Framework outlines that " 'Good' jobs are defined by decent income, fair terms and appropriate flexibility and security; where effort is recognised and rewarded, and where people have the opportunity to learn, contribute, progress and work in a safe and healthy environment."
- 61 To support this aspiration the Executive Board approved the Leeds Talent and Skills Plan (TSP) in April 2018, which aligns with the Leeds Inclusive Growth Plan.
- 62 We were advised that the labour market in Leeds statistically mirrors the UK. Leeds has recovered well from the recession and there has been job growth of 6.1%, which is the highest of the Core Cities, therefore Leeds appears to be doing well.
- 63 We were further informed that between 2013 and 2020 Leeds will attract around 34,300 additional jobs. Also, over the next 10 years over 7 million people will come out of the education system ready to go into the labour market, but over 12 million are set to retire, plus there is still over 1 million vacancies being reported.
- 64 Inequality and social mobility continues to be an ongoing concern with too many disconnects and gaps in the education and training system. This disadvantages those who find themselves trapped in low skilled, low paid, and insecure employment.



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65 We were advised that Leeds City Council is proactively working with WYCA to enable people of all ages to access employment information, advice and guidance (IAG), so that they can see their potential progression pathways and move beyond low skilled, low paid employment. We were further advised that the Department for Education has launched a pilot career learning programme, which is enabling conversations to be had with employers in Leeds about services, skills training and subsidised adult learning loans to upskill their existing force.

66 Leeds has an evolving labour market, where a 'hollowing-out' of the skilled and semi-skilled workforce has occurred. It was highlighted that this mostly affects administrative and secretarial occupations, the skilled trades, and sales and customer services. This has been accompanied with growth in both high skilled/high value jobs and lower skilled/lower income, 'flexible' jobs.

Transport

67 During our inquiry we consistently explored the important link between transport systems and access to employment. We recognise that this presents a challenge currently in Leeds, following our inquiry into 'Advancing Bus Service Provision' published May 2017. We also raised our concern about the cost of bus travel particularly for those who are earning minimum wage. The lack of suitable, affordable bus services can reinforce significant barriers such as social and economic exclusion. Improvement in bus services can promote better access to both employment and education. This was raised again with the Chief Officer for

Highways and Transportation, the Head of Transportation and the Chair of the Leeds Transport Expert Advisory Panel, in September 2018, and with the city's main Bus Operators in December 2018.

68 We asked Mike Hawking (JRF) for his views regarding transport and the connectivity between people and employment. He advised us that he recognised that there are connectivity issues for certain places and also connectivity issues for new housing developments. He said that he is still surprised (in general) how there is little discussion when considering new housing developments and the links to employment sites. He added however that Leeds City Council should also be thinking about how to create jobs and jobs growth in local areas, not just in the city centre, and that there is an argument for both better transport and also for local growth.

69 As a Scrutiny Board we will continue to provide significant challenge in this regard as we maintain our overview during 2019/20 of the Leeds Transport Strategy and Leeds Public Transport Investment Programme, and will continue to track progress on recommendations made at the conclusion of our inquiry into Advancing Bus Service Provision. (see also recommendation 1)

70 We explored how the benefits of HS2 could be harnessed in terms of employment opportunities in Leeds, in response we were advised about the station development in Birmingham when jobs were created during the development and post development (shops and offices) phases. A proportion of employment opportunities were made



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available to Birmingham's residents. The Victoria Gate development in Leeds was also provided as a similar example.

71 We were informed that student numbers for academic degrees have continued to rise in Leeds, but there are technical skills shortages. Employers are stating that there is a lack of candidates with the right skills, education, and experience to meet their organisational requirements, indicating that there is still a gap between education and employment. We recognise that some of the workforce that will work on HS2 are currently attending primary school. We therefore sought clarification regarding how children and young people will be supported into sector related employment considering the current gap between education and employment.

72 We were advised that the disconnect between school and employment is something that the Employment and Skills Service, working with Children's Services, has focused on. A range of measures to improve careers education and guidance through the introduction of the IAG Charter are being brought forward along with externally funded programmes to support preventative and remedial measures for those that did not transition successfully from education to work. An example provided was an ESIF⁵ programme which will provide £4mil of investment in Leeds over the next 3 years to be focused on young people aged between 16 – 25.

73 We were also advised that big idea 3 of the IGS puts employers and people at the centre of the education and skills systems and there is a strategic aim to bring employers and education

providers together to develop and commission education and training to meet employers' needs and economic priorities. This big idea also aims to tackle the skills gap at all levels. We acknowledge that some education providers in Leeds, including at primary level are very proactive in introducing children to the world of work, but also raised our concern about the change in job numbers in manufacturing and engineering sectors, and that insufficient numbers of young people are currently taking STEM⁶ subjects. In response we were reassured that work has started, to generate skilled engineers for the future, including working with certain industries and sectors to myth bust pre-conceptions, for example that engineering is "a grubby old fashioned industry".

Poverty

74 We sought to confirm the extent to which inequality is being proactively tackled through employment and skills support to residents, to address the social and economic challenges generated as a result of low pay and in work poverty.

75 We were informed that while employment levels have increased, there has been a growth in low skilled jobs, resulting in a growth of in-work poverty, with 70% of Leeds families claiming tax credits also working.

76 Mike Hawking (JRF) reinforced the importance of inclusive growth to reduce the impact of poverty on society, advising that there is significant focus on high growth sectors and there needs to be more focus on poor paid sectors.

⁵ European Structural and Investment Funds

⁶ Science, Technology, Engineering and Maths



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(See recommendation 1). It was also highlighted that generally more is known about getting people into work rather than progression in work. It was explained that DWP have conducted a study working with 30, 000 people who were mainly in receipt of universal credit. It was found that the more support they were given the better they progressed in work. This demonstrates that employers could help their employees out of poverty by enhancing skills through in work support. This would need to be enhanced by investment to improve management capacity to support the enhancement of skill sets in the workforce. Both aspects we hope Anchor institutions (as large employers) will continue to focus on.

- 77 The representative from LTHT reassured us that most of the Anchors Institutions will want to focus on employment. LTHT employs 18k staff, some with entry level skills to very highly skilled. The national employment terms and conditions have been re-negotiated to ensure that they are a national living wage employer. In terms of in work development, they advised us that they have comprehensive development opportunities within the organisation. There are also plans to develop a Health and Care Academy in Leeds, working with partners including the Council. In addition they implement schools outreach, which they admit could be better targeted to the more deprived, priority areas of Leeds. LTHT believes that inclusive growth can be created through the jobs and skills agenda, however “this needs to be

curated otherwise it probably won’t happen”.

Recommendation 8 – There is clear alignment between Leeds City Council employment and skills inclusive growth priorities and the ambition of LTHT therefore the Director of City Development is recommended to assist LTHT, and any other Anchor Institution who would benefit from Council support, in ‘curating’ investment and focus on this agenda.

An update outlining the support provided to be communicated at the meeting of Scrutiny Board in January 2020.

Apprenticeships

- 78 We sought to identify how apprenticeships are being utilised to address skills gaps and lift workers out of the low paid employment and universal credit. We were informed that the Post 16 Skills Plan⁷ published in July 2016 includes the introduction of a framework of technical routes to skilled employment, covering classroom-based training programmes (T levels) and work-based programmes (Apprenticeships).
- 79 Apprenticeships are a route for enabling employees across Leeds to progress in-work by encouraging employer investment in skills development. As jobs change (for example due to developments in technology) employees can reskill to keep up with those changes. However, since the introduction of apprenticeships there are

⁷ <https://www.gov.uk/government/publications/post-16-skills-plan-and-independent-report-on-technical-education>



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many employers who have had levy imposed on them, but in turn are not utilising the funds available. This initiative has not created the anticipated radical increase in the number of apprentices nationally. We understand that this may be because some employers want to offer their own bespoke package of training, which currently does not attract apprenticeship funding. We were reassured that work is being proactively undertaken with employers in Leeds to communicate the benefits of apprenticeships and to help them understand how the apprenticeship levy can be utilised to benefit their employees and their businesses.

- 80 The LTHT representative advised us that they advocate apprenticeships, as the largest employer of apprentices within the NHS, they utilise this route as a way to address skills gaps and develop their own people.
- 81 Expanding the health and social care debate, we sought to clarify what efforts were being made to mitigate areas of low pay and high staff turnover, particularly as this is recognised as a growing and substantial area of employment in Leeds. We were advised that Leeds City Council has a vested interest in this area, as a commissioner of services and in its quality assurance role. Social Care does have a supply chain which has a problem recruiting and retaining employees. The proposal to take forward a Health and Care Academy will help to mitigate this. In addition the utilisation of the apprenticeship levy is being explored in further detail, working with the universities and Leeds City College to take that forward.
- 82 The Scrutiny Board (Strategy and Resources) has been maintaining a watching brief of how the apprenticeship levy is being utilised by Leeds City Council. The Board's most recent review was undertaken in December 2018, when it sought clarity regarding the level of uptake and the measures in place to maximise this in the future, particularly in those areas where the recruitment of skilled employees is difficult.
- 83 We were further reassured that £5mil of apprenticeship levy has been committed at Leeds City Council, which is ahead of other councils. Leadership and management programmes are now secured, which were previously ad hoc, and investment is being made to upskill the lowest skilled in the workforce.
- 84 We sought to establish the mechanisms for accessing management apprenticeships and what support is in place for council employees who aspire to secure management posts. We asked if employees from minority groups are being encouraged to engage in the apprenticeship process. We were advised that apprenticeships have been open to all staff, with suggested grade band suitability for each educational level, the application of the band however has been flexible. We were provided with reassurance that information regarding Leeds City Council apprenticeships would be communicated again through staff networks.

National Minimum/Living Wage, Real Living Wage & Zero Hours Contracts

- 85 The National Minimum Wage (NMW) is the minimum pay per hour most workers in the UK are entitled to by law. The rate



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varies depending on age and is different if the person is an apprentice. Most workers who are 25 or older must be paid at least the National Living Wage (NLW), which is the highest rate of the National Minimum Wage. The National Living Wage (statutory) is different to the Real Living wage, which is voluntary. The Real Living Wage is set by the Living Wage Foundation and is based on the cost of living. Employers do not have to pay the Real Living Wage, but some choose to do so, including Leeds City Council.

- 86 We wanted to clarify how jobs are lifted out of poverty, rather than just moving workers on, to be replaced by new workers in low paid employment. We were advised that as a Local Authority we can try and influence employers to pay the real living wage and hopefully create an environment in Leeds where that becomes the norm.
- 87 As the Council is a real living wage employer we support any initiative that would influence other employers in Leeds to voluntarily follow suit, particularly other Anchor Institutions within the current partnership arrangements.
- 88 We sought to determine if the use of procurement contract clauses through our supply chains could be utilised to incorporate the payment of real living wage in contractor obligations. It was reaffirmed that the scheme is voluntary and the Council aims to work with contractors to influence the payment of real living wage, as far as is equitable, without bringing about unintended negative consequences.

Recommendation 9 – That the Director of City Development works in collaboration with the Director of Resources and Housing to explore how the Council can utilise its influence with supply chain organisations to promote the adoption of Real Living Wage for their employees.

An update to be provided at the meeting of Scrutiny Board in January 2020.

- 89 It was also clarified that there is no requirement to specify clauses for the payment of national minimum or national living wages as this is a legal requirement. We were advised that whilst operationally there are robust contract management process in place in the Council, HMRC are responsible for ensuring that employers are compliant with the NMW and NLW, and for taking the appropriate enforcement action where this is not the case.
- 90 In January 2019 we considered a performance report, and were most concerned by estimates⁸ which suggested that 9.8% or 32,206 full time equivalent working residents in Leeds earned less than the government's NLW or NMW. We therefore resolved to write to Sir David Metcalf, Director of Labour Market Enforcement to express our concern and request that he provides some reassurance to the Scrutiny Board by outlining what action is being undertaken in Leeds by HMRC to ensure that all employers are in compliance with the National Minimum and National Living Wage requirements.(see appendix 3)

⁸ ASHE survey 2018



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91 On a number of occasions we expressed our continued concern regarding the use of zero hour's contracts. We acknowledge that many businesses support the use of these contract types to provide a flexible labour market that can respond to fluctuating and seasonal demands. It was also explained that zero hours contracts can suit some people who want occasional earnings and are able to be entirely flexible about their work. However, concerns remain about worker exploitation, the degree to which workers can assert their employment rights, and a lack of financial stability and security.

92 We were advised that nationally the number of people employed on zero-hours contracts during October to December 2017 was 901,000, representing 2.8% of all people in employment. In addition, people on zero-hours contracts are more likely to be young, part-time, women or in full-time education when compared with other people in employment. On average, someone on a zero-hours contract usually works 25.2 hours a week. These are usually used for lower skilled roles plus nurses, teachers and tutors. 23% of employers use zero hour's contracts, and surprisingly these are more prevalent in public and voluntary sectors. We acknowledge that the use of zero hours contracts is a legitimate and popular business model however we do not consider that this type of employment practice promotes advantage or provides protection in our low paid sectors, nor does it promote fairness for our young, part-time or female working population. We would therefore be concerned about the use of zero hours contracts within Leeds City

Council or Anchors Institutions in the partnership unless this is generated from genuine employee choice or there is a strong and necessary business case that supports this practice.

93 We very much welcome the endeavours of the Anchors Institutions within the partnership to review and improve the broad landscape of employment and skills, and look forward to further understanding what opportunities have been identified though sharing good practice.

Recommendation 10 – That the Director of City Development provides an update on the good practice information gained from other Anchor Institutions which relates to employment practice, and outlines how this can be developed and applied by the Council. The update to be provided at the meeting of Scrutiny Board in January 2020.

Targeted Employment and Skills Support

94 At the latter end of our inquiry we sought reassurance that Leeds residents specifically from our disadvantaged priority neighbourhoods are directly benefiting from the strategic approach, and are being supported into employment or better jobs. In response a comprehensive overview of the Employment and Skills targeted service provision was provided, including the approach to supporting disadvantaged communities and those furthest away from the labour market.

95 We were advised that the Council's Employment and Skills service is a non-statutory service directly delivering and



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commissioning skills training and employability support services to support adults into work. The service also supports businesses to meet their skills needs. In addition significant partnership work is undertaken, as the Council is not the only provider of this type of service in Leeds. We were advised of the work done with DWP so that they can better connect with residents in priority neighbourhoods. A number of people in those neighbourhoods have been supported and encouraged to apply for NHS jobs and also supported to improve their skills.

96 It was explained that the city now reflects a high employment rate, and information and data was provided which demonstrated how services are targeted to support those furthest from the labour market with particular focus on support for ESA claimants, and those in priority neighbourhoods. It was highlighted that in 2017/18, the Employment and Skills Service supported 5,624 local residents into employment and 7,200 local residents to improve or acquire new skills. In the first two quarters of the current financial year, the service has supported 3,135 local residents into work and 4,823 local residents to improve their skills.

97 The data provided demonstrated that 79% of residents securing jobs and 75% of residents benefitting from a skills programme come from the 20% most deprived LSOAs⁹. This shows the extent of targeted delivery that exists which is generating results. It was also explained that equality information collated by the service shows that 41% of customers

self-identified as BAME¹⁰ and 20% as disabled.

98 It was clarified that some of the residents the Employment and Skills Service aims to work with are withdrawn, isolated, hard to reach and may have been out of the labour market for a number of years. The service has looked at the customers in common with housing services, and those engaged in local authority provided activity. It was found that there is a correlation in customer base. We were advised that initial work has been undertaken to bring service managers together from Employment and Skills, Housing and Active Leeds to scope outreach activity, identify what engages people and consider how the front line workforce at a neighbourhood level can engage with those that do not currently benefit from employment and skills support. We were advised how physical activity can enhance physical and mental wellbeing, which then helps prepare people for employment.

99 We welcomed this highly innovative approach to connect with those who are harder to reach, and wanted to establish what systems are in place to support the dedicated front line officers, who would be expected to provide an extensive range of beneficial information. We were advised that a portable diary of services is provided to enable signposting to services. The development of apps. and a calendar of events is also being considered that can be downloaded by residents. We also discussed how social media could be further utilised to specifically target and reach parts of the community at optimal times. We suggested that the services may want to

⁹ Lower super output areas

¹⁰ Black Asian Minority Ethnic



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look at some of the selective social media marketing techniques employed by large private sector organisations.

100 Service representatives acknowledged that how social media is utilised could be improved, and that this would be explored further. It was also acknowledged that there is a need to bring together different elements of information to provide a linked coherent package of intelligence for front line staff that may ultimately be provided to residents so that they can 'self-serve'.

Recommendation 11 – That the Director of City Development works in collaboration with the Director of Resources and Housing to investigate how technology and social media can be used innovatively to provide a coherent package of information for front line staff and to connect with those who are furthest from the job market. A progress report is to be provided to the Scrutiny Board in January 2020.

Recommendation 12 – That the Director of City Development works in collaboration with the Director of Resources and Housing to provide a progress update report in January 2020 which outlines the extent to which officers from Housing Services, Active Leeds and Employment and Skills Services are successfully providing a joined up service, to support those furthest away from the labour market and in the greatest need of employment and skills support, and those in our most disadvantaged communities.

101 We will continue to maintain a dedicated interest in how the joint approach between Housing Services, Active Leeds and the Employment and Skills Service is evolving and the social value impact provided through this partnership, for those furthest away from the labour market and for those who reside in our priority neighbourhoods.



Evidence

Monitoring arrangements

Standard arrangements for monitoring the outcome of the Board's recommendations will apply.

The decision-makers to whom the recommendations are addressed will be asked to submit a formal response to the recommendations, including an action plan and timetable, normally within two months.

Following this the Scrutiny Board will determine any further detailed monitoring, over and above the standard quarterly monitoring of all scrutiny recommendations.

Reports and Publications Submitted/Considered

- The report of the Head of Governance and Scrutiny Support, Session 1, 5 September 2018
- Presentation – Eve Roodhouse, Mapping and Framework Position of the Inclusive Growth Strategy, 5 September 2018
- Presentation – Sue Wynne, Leeds Talent and Skills Plan and Anchor Institutions, 5 September 2018
- New Skills for the New Economy – The Leeds Talent and Skills Plan 2018-23, 5 September 2018
- The report of the Head of Governance and Scrutiny Support, Session 2, 31 October 2018
- Inclusive Growth and the More Jobs, Better Jobs Partnership – Joseph Rowntree Foundation Briefing Note, 31 October 2018
- Report of the Chief Officer, Employment and Skills – Supporting Local Anchor Institutions to Contribute to Local Growth, 31 October 2018
- Toolkit -Harnessing the power of Anchor Institutions – a Progressive Framework
- Presentation Mike Hawking Joseph Rowntree Foundation 31 October 2018
- Presentation James Goodyear Leeds Teaching Hospital Trust 31 October 2018
- Presentation – Eve Roodhouse, Proposed implementation framework, 29 November 2018
- Report of the Chief Officer, Employment and Skills, Connecting our disadvantaged communities to opportunity through access to employment and skills, 29 November 2018
- Employment and Skills Summary Programme Offer (Appendix 1) , 29 November 2018
- Employment and Skills, Headline Performance Data(Appendix 2) , 29 November 2018
- Targeted Support and Achievement 2018/19 (April 2018 – September 2018) (Appendix 3), 29 November 2018
- Working Group supporting information, terms of reference and emerging outline recommendations , 29 January 2019
- Maximising the local impact of anchor institutions: a case study of Leeds City Region, January 2017, Joseph Rowntree Foundation



Evidence

Witnesses Heard

- Mike Hawking – Policy and Research Manager, Joseph Rowntree Foundation
- James Goodyear – Associate Director of Policy and Partnerships at LTHT
- Eve Roodhouse – Chief Officer, Economic Development
- Sue Wynne – Chief Officer, Employment and Skills
- Cllr Jonathan Pryor – Executive Board Member
- Mark Allman – Head of Active Leeds
- Ian Montgomery – Service Manager, Tenant and Community Involvement Team
- Fiona Bolam – Head of Economic Policy
- Elizabeth Lawrence – Communities and Partnerships Manager
- Gerard Tinsdale – Head of Housing Management, South and Inner East

Dates of Scrutiny

25 July 2018 - Scoping

5 September 2018 – Session 1

31 October 2018 – Session 2

29 November 2018 – Session 3 (working group)

29 January 2019 – Session 4 (working group)



Appendix 1



12

LEEDS INCLUSIVE GROWTH STRATEGY 2018 - 2023



Appendix 2



What is an anchor institution?

Anchor institutions are big and locally rooted organisations like councils, FE colleges, universities, hospitals and big businesses with local HQs. Because they employ many people, spend substantial amounts of money, own and manage land and assets and often deliver crucial services, they have a weighty impact on local communities and economies. And as they have a long history in their places and are unlikely to move, they are intrinsically connected to them and are pivotal to their success and wellbeing.

In addition, smaller community organisations, often in disadvantaged neighbourhoods, can act as 'community anchors' in their own areas. These have a positive and lasting local presence, support local communities and connect their residents to opportunities.

Why do they matter and what can they achieve?

Because of their size, anchor institutions make a positive contribution to a local area by just being there. But the decisions they take about how they operate can make that contribution a far bigger one, and one which can support growth and inclusion hand in hand. The way in which anchors run their businesses, deliver services, buy goods and interact with other local organisations and the community can add significantly to local employment, business growth, skills, incomes, health and wellbeing. It can help places to thrive and become places where people want to live and businesses want to invest, setting them on a path to long term success and shared prosperity.

How can anchor institutions make a difference?

There are lots of ways in which anchor institutions can act. These will vary in emphasis and over time for different organisations. However, there are five areas of activity where all anchors can make a difference:

- As an **employer** – policies on recruitment, pay & conditions, progression and health can support inclusion goals and lower paid workers – and help organisations to recruit and retain staff and fully tap the talents of their workforce
- Through **procurement** of goods and services – which can be designed to support local business opportunities, recirculate wealth and bring community benefits – while still getting buyers the right price and quality, and often improved supplier responsiveness and relationships
- Through **bricks and mortar** – the way buildings, land and other assets are designed, procured and managed can support local communities, build connections with them, provide new employment and skills opportunities and create better places
- Through products and **service delivery** – public sector and community anchors can deliver services in ways designed to help those facing poverty and disadvantage
- Through **corporate and civic behaviours** – organisations can embed 'anchors thinking' across their own ethos, planning and actions, and work with other anchors to systematically share good practice, help each other succeed, and deliver enhanced positive impacts for their people and places.

Joseph Rowntree Foundation

www.jrf.org.uk





Appendix 3



Councillor Paul Truswell

Chair, Scrutiny Board
(Infrastructure, Investment and Inclusive Growth)
3rd Floor (East)
Civic Hall
LEEDS LS1 1UR

Sir David Metcalf
Director of Labour Market Enforcement
1 Victoria Street
London
SW1H 0ET

E-Mail address paul.truswell@leeds.gov.uk
Civic Hall tel 0113 3788891

Your ref
Our ref
Date
PT/SP
20 February 2019

Dear Sir Metcalf

Re: Leeds City Council Scrutiny Inquiry into Inclusive Growth – Enforcement of National Minimum Wage and National Living Wage

The Scrutiny Board (Infrastructure, Investment and Inclusive Growth) at Leeds City Council is currently conducting an inquiry into inclusive growth in our city. As a Council we are very aware of the fiscal divide that exists with a significant number of areas in Leeds that are in the 10% most deprived super output areas on the Index of Multiple Deprivation. As a Local Authority our strategy is to target Employment and Skills Services to create better quality employment and to support residents into better jobs.

We are very concerned however that estimates¹¹ are suggesting that 9.8% or 32,206 full time equivalent working residents in Leeds earned less than the government's National Living Wage of £7.50 per hour in 2018. This is a significant amount of the Leeds population, who need to be supported out of poverty locally and nationally.

The Scrutiny Board consider it essential that action is taken with those employers who are not complying with National Minimum Wage or National Living Wage legislation in order to support the efforts being taken in Leeds to close the pay gap and reduce poverty.

I would be grateful if you could provide some reassurance by outlining what action is being undertaken in Leeds by HMRC to ensure that all employers are paying the National Minimum and National Living Wage. I will then share this with the Scrutiny Board.

Yours Sincerely

Councillor Paul Truswell - Scrutiny Board Chair (Infrastructure, Investment and Inclusive Growth)

¹¹ ASHE survey 2018