

# The Leeds Social Progress Index: Measuring Inclusive Growth

Date: 17<sup>th</sup> December 2022 (Draft)

Report of: Director of City Development

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

Will the decision be open for call in?  Yes  No

Does the report contain confidential or exempt information?  Yes  No

## What is this report about?

### Including how it contributes to the city's and council's ambitions

- This report aims to inform the Scrutiny board about the purpose of the Social Progress Index for Leeds and how it can be used to measure the impact of delivering Inclusive Growth in the city.
- The Scrutiny (Infrastructure, Investment and Inclusive Growth) Board has previously expressed a strong interest and need for a credible and robust measure of inclusive growth for the city.
- There isn't one single measure you can point to that will tell us if we're growing the economy and leaving people behind. There isn't one way agreed way of measuring inclusive growth. There is a growing awareness that we must go beyond Gross Domestic Product (GDP) and economic statistics to get a fuller understanding of how society is doing. City strategies and rankings systems have typically measured economic success in terms of standard economic metrics such as output growth (Gross Value Added), employment and business start-up rates. These indicators are inadequate if we are interested in inclusive growth because they give no indication of the distribution of the monetary and non-monetary benefits of economic activity.
- Where you live has an impact on your quality of life, and in return, your contribution to making your community a better place. Comparable measures of regional well-being offer a new way to gauge what policies work and can empower a community to act to achieve higher well-being for its citizens – and as such 'quality of life' measures should be the focus of how we measure inclusive growth.
- In this report we will present the Social Progress Index for Leeds and the initial findings from the first iteration of the Leeds Social Progress Index (SPI) model. We want to understand the difference we are making for people, in places as we deliver the Inclusive Growth Strategy and the City Ambition

- This report also explains some on the potential use and future position of the Leeds SPI model. Developing inclusive growth measures will help us to articulate our ambitions, and to build shared knowledge around what needs to change and how that might be achieved. The measures adopted by us will provide an indication of our policy priorities and can influence strategic and policy decisions. Leeds will struggle to develop more inclusive economies if we only place value on the measure of the volume of productivity and employment.
- Place matters and this helps us to understand our impact in places in Leeds. The future of our place settings is paramount to how we recover from the Covid-19 crisis economically and socially in a truly inclusive way. This is directly linked to our ambition to deliver Inclusive Growth across the city, whilst striving to be the best city for health and wellbeing and tackle the Climate Emergency. Our places play a major role in delivering quality of life and integrating Covid-19 economic recovery with both health and wellbeing and climate action will ensure our economy and our places are supported as much as possible

## Recommendations

- a) To note the narrative on the potential uses of the Leeds SPI model to support key decisions and projects and to consider if the Board wishes to undertake further scrutiny work to support improvement work in this area.

## Why is the proposal being put forward?

- 1 The Social Progress Index is a “comprehensive measure of **real quality of life**, independent of economic indicators” and is “designed to complement, rather than replace, economic measures such as GDP”.
- 2 The Social Progress Index (SPI) is a measurement framework model that was designed by the Social Progress Imperative, a global non-profit organisation based in Washington DC. Since it first launched in 2014, the SPI has been embraced by innovative leaders from across the world, and now have over 70 partners in 45 countries. The Social Progress Imperative produce an annual global index based on social and environmental progress at a national level, but also deliver more focussed data driven index models such as the Youth Progress Index for global nations and the London’s’ Urban Health Index – which is the world's first health focused Social Progress Index. Only one other local authority in England (Barking and Dagenham) has completed a SPI and this has been received very well by the local government sector
- 3 The Social Progress Index was introduced and presented as a credible way of measuring inclusive growth as part of the Massachusetts Institute of Technology Regional Entrepreneurship Acceleration Program (MIT REAP) which Leeds participated in between October 2018 and October 2020. The SPI is a practical tool that will help us to identify and implement policies and programmes that will drive faster social progress. The SPI enables us to build understanding of what's happening at the ward level, so we can have conversations with communities about what is making a difference to people's lives.
- 4 Research by the Economic Policy team in consultation with Corporate Intelligence Unit and other internal data analysis experts across the Council, as well as with Higher Education partners identified the Social Progress Index as the best recognised model used internationally both at the national level and by a range of other cities across the world.

5 There were many alternatives for measuring inclusive growth explored and considered prior to selecting the SPI as a preferred method. In example, some of these were;

- **Joseph Rowntree Foundation** (*Inclusive Growth Monitor*) – Their modelling tool uses 18 different indicators factoring in income, living costs, labour market exclusion, output growth, employment and human capital and benchmarking over time and comparator areas.
- **Royal Society for Arts, Manufacturing and Commerce (RSA)** (*Proposals for City Metrics*)– use GVA per Capita as an indication of the economic performance of a whole place. Not great in areas of high commute and a low resident population (such as central London), or in areas that have a low dependent population.
- **Metro Dynamics** (*Inclusive Growth Toolkit*)– must be multidimensional, focus on inequality, must consider change over time, be policy oriented, bespoke, concrete and accurate.
- **PriceWaterhouseCoopers (PWC)** (*Good Growth Index*)– use a weighted indexing system across areas such as jobs, income, health, work-life balance, new businesses, housing transport, skills, environment and income distribution. Each of the indices can have several indicators.
- **Grant Thornton** (*Vibrant Economy Index*)– Benchmarking against other cities and a national average and a standard deviation is used on several indicators that create a position index of growth.
- **Organisation for Economic Co-operation and Development (OECD)** (*Regional Well Being Tool*) – an indexed and weighted score for education, jobs, income, safety, health, environment, civic engagement, accessibility to services, housing, community and life satisfaction.

Others included The Institute for Public Policy Research (Measuring Growth); Oxfam (Humankind); The Centre for Progressive Policy (Good Life); Ruckerfella Foundation (Inclusive Economy); New Economics Foundation (Beyond GDP: Progress) – as well as a bespoke model based on the big ideas of the Inclusive Growth Strategy. We explored the feasibility, advantages and disadvantages of each of these models before the SPI was presented to us.

Joseph Rowntree Foundation's Inclusive Growth Monitor was perhaps the most popular and considered tool. Initially developed by Sheffield Hallam for JRF in 2016, the aim is to measure the relationship between prosperity and economic inclusion (as a proxy for poverty).

The Monitor is particularly concerned with the economic dimensions of inclusion, including participation in employment and earnings levels, rather than wider social outcomes such as good health, and environmental indicators. Areas which score highly on prosperity also tend to score highly on economic inclusion. Unsurprisingly areas which have a greater share of national prosperity have high living standards, and lower poverty levels. They are also high-value residential areas where wealthier people and those with higher human and economic capital can afford to live. However, increases in prosperity do not necessarily lead to increases in inclusion.

6 The Monitor is first and foremost a resource targeted at Local Enterprise Partnerships rather than at city level, and has more of a focus on economic inclusion and economic growth than the social progress of people and the quality of life they live. Whilst the economic position is very important, the quality of the real lived experience represented in the SPI aligns better with our purpose for Inclusive Growth in Leeds.

- 7 The Social Progress Index is a composite index which represents the first comprehensive framework for measuring social progress that is independent of traditional economic indicators, but complementary to them. The Index focuses on what matters to societies and people by giving them the tools to better understand and seize opportunities and building blocks to enhance and sustain the quality of their lives, as well as create the conditions to reach their full potential.
- 8 Developed in collaboration with a team of scholars led by Professor Michael E. Porter of Harvard Business School, the Index is being used by national and city leaders across Latin America, and the European Commission's Directorate General for Regional and Urban Policy for agenda setting, policymaking, prioritizing resource mobilization and measuring impact.
- 9 The Index presents a granular, actionable picture of what matters most to people regardless of their wealth. It creates a common understanding of how well a community performs on the things that matter to all societies, rich or poor. As a complement to traditional measures of economic performance, such as income, the Social Progress Index provides better understanding of the bi-directional relationship between economic gain and social progress. Its unique framework offers a systematic, empirical foundation for governments, businesses, civil society and communities to prioritise social and environmental issues, and benchmark performance against other countries, regions, cities and communities to inform and drive public policies, investments, and business and community decisions.
- 10 Guided by a group of academic and policy experts, the Social Progress Index follows a conceptual framework that defines social progress as well as its key elements. In this context, social progress is defined as the "capacity of a society to meet the basic human needs of its citizens, establish the building blocks that allow citizens and communities to enhance and sustain the quality of their lives, and create the conditions for all individuals to reach their full potential."
- 11 The Social Progress Index is built around a framework that comprises three architectural elements: **dimensions**, *components*, and indicators.

The Dimensions represent the broad conceptual categories that define social progress:

- a) **Basic Human Needs** dimension considers citizens' ability to survive with adequate nourishment and basic medical care, clean water, sanitation, adequate shelter, and personal safety. These needs are still not met in many disparate countries and are often incomplete in more prosperous countries.
- b) **Foundations of Wellbeing** captures whether a society offers building blocks for citizens to improve their lives, such as gaining a basic education, obtaining information, and access communications, benefiting from a modern healthcare system and live in a healthy environment.
- c) **Opportunity** captures whether citizens have the freedom and opportunity to make their own choices. Personal rights, personal freedom and choice, tolerance and inclusion, and access to advanced education all contribute to the level of opportunity within a given society.

Each dimension comprises four components - distinct but related concepts that together make up the Social Progress Index Framework (Figure 1).

Figure 1: Social Progress Index Framework

Basic Human Needs	Foundations of Wellbeing	Opportunity
Nutrition and Basic Medical Care	Access to Basic Knowledge	Personal Rights
Water and Sanitation	Access to Information and Communications	Personal Freedom and Choice
Shelter	Health and Wellness	Inclusiveness
Personal safety	Environmental Quality	Access to Advanced Education

Source: Social Progress Imperative (2019)

Each component is composed of indicators that measure as many valid aspects of the component as possible.

Together, this interrelated set of factors represents the primary elements that combine to produce a given level of Social Progress Index. The methodology allows measurement of each component and each dimension, and yields an overall score and ranking. The three dimensions and twelve components of the Social Progress Framework provide the backbone of the Social Progress Index. The twelve component structure provides the guidelines, while the questions below provide a first guide for interpreting each component and help to identify locally relevant data to define it. To help guide this process, the following guiding questions (Figure 2) were used for selecting contextually appropriate indicators for each of the twelve components.

Figure 2: Social Progress Index Guiding Questions

Basic Human Needs	Foundations of Wellbeing	Opportunity
<p><b>Nutrition &amp; Basic Medical Care</b></p> <p><i>Do people have enough food to eat and are they receiving basic medical care?</i></p> 	<p><b>Access to Basic Knowledge</b></p> <p><i>Do people have access to an educational foundation?</i></p> 	<p><b>Personal Rights</b></p> <p><i>Are people's rights as individuals protected?</i></p> 
<p><b>Water &amp; Sanitation</b></p> <p><i>Can people drink water and keep themselves clean without getting sick?</i></p> 	<p><b>Access to Information &amp; Communications</b></p> <p><i>Can people freely access ideas and information from anywhere in the world?</i></p> 	<p><b>Personal Freedom &amp; Choice</b></p> <p><i>Are people free to make their own life choices?</i></p> 
<p><b>Shelter</b></p> <p><i>Do people have adequate housing with basic utilities?</i></p> 	<p><b>Health &amp; Wellness</b></p> <p><i>Do people live long and healthy lives?</i></p> 	<p><b>Inclusiveness</b></p> <p><i>Is no one excluded from the opportunity to be a contributing member of society?</i></p> 
<p><b>Personal Safety</b></p> <p><i>Do people feel safe?</i></p> 	<p><b>Environmental Quality</b></p> <p><i>Is this society using its resources so they will be available to future generations?</i></p> 	<p><b>Access to Advanced Education</b></p> <p><i>Do people have the opportunity to access the world's most advanced knowledge?</i></p> 

Source: Social Progress Imperative (2019)

The Index applies a set of unique design principles that allow an exclusive analysis of social progress and help the Index stand out from other indices:

- a. **Social and environmental indicators only:** While economic development is generally beneficial for social progress, it is not sufficient to fully capture the wellbeing of societies, and certain kinds of economic development can reduce social progress. The relationship is complex: social progress can drive as well as be driven by economic progress. Consequently, social progress needs to be measured directly, without combining economic performance. Measuring social progress exclusively and directly, rather than utilizing economic proxies is therefore the key principle of any Social Progress Index.
  - b. **Outcomes, not inputs:** There are two broad categories of conceptually coherent methodologies for index construction: input indices and outcome indices. Both can help authorities to benchmark their progress, but in very different ways. Input indices measure an authority's policy choices or investments believed or known to lead to an important outcome. Outcome indices directly measure the outcomes of investments. The Social Progress Index has been designed as an outcome index. The Index measures the lived experience of real people, regardless of effort spent or the capacity to impart change. The Social Progress Index has been designed to aggregate and synthesize multiple outcome measures in a conceptually consistent and transparent way that will also be salient to benchmarking progress for decision-makers.
  - c. **Holistic and relevant to all communities:** A multidimensional measure of social progress that encompasses the many inter-related aspects of thriving societies everywhere. The Social Progress Index aims to be a practical tool for decision makers in any given area regardless of its level of development. At the national level, the Social Progress Index fulfils this value proposition by deepening our understanding on the relationship between social progress and economic growth and by designing a very relevant tool to highlight strength and weakness at the component and indicator levels, using GDP comparator groups.
  - d. **Actionable:** The Index aims to be a practical tool with sufficient specificity to help leaders and practitioners in government, business, and civil society to benchmark performance and implement policies and programs that will drive faster social progress. Every component supposes an essential area for human wellbeing. And every indicator implies a potential "entry-point" and an "explicit target" for public policy. A practical tool that will help leaders and decision-makers in government, business and civil society to implement policies and programs that will drive faster social progress.
- 12 As part of the research into both the methodology and the indicators used in measuring inclusive economic growth, consideration was given to all of the headline strategies and policies of Leeds City Council, including the Best Council Plan, Health and Well Being Strategy, Children and Young People, Air Quality, Leeds Culture Strategy and many others. Additionally, for each associated big idea the main consultancy and think tank reports, such as work from the Centre for Cities on skills and workforce, KPMG, Ernst & Young (EY), New Economics Foundation, NHS England around health, Office for National Statistics (ONS), the Government's Industrial strategy and many more were considered.
- 13 Based on the above principles and criteria set by the Social Progress Imperative, a cross council data team (SPI data team) in conjunction with data leads from the Social Progress Imperative narrowed an initial 310 possible indicators down to 73 through a series of reasoned workshops. Indicator data had to be available over a 3 year period (2018-2020) and at the highest geographic level of ward. Data for these 73 indicators was then collated and processed

within the Leeds SPI data model – several were rejected based on not being suitable or not collating mathematically within the data framework. We were left with 48 usable indicators for the Leeds SPI model positioned against their relevant dimension and component. These will be presented at the Scrutiny Board meeting on 19<sup>th</sup> January 2022.

- 14 The Leeds SPI model will complement and sit alongside more traditional economic and demographic data such as Gross Value Added, Employment, Start Ups, Unemployment Rate, and Claimant Count, Universal Credit and Benefits . Such key Labour market Information (LMI) provides us with a clear narrative on the labour market position but does not offer any insight into the quality of people’s lives. By running some comparative and spatial analysis between the key economic data and Social Progress Index findings, a comprehensive picture of the ward areas can be unpacked and visualised that will support our decision making.
- 15 Additionally, data on Cultural impact based on a Cultural Impact Survey will be included within later versions of the SPI for Leeds to provide a more holistic view of the impact of Inclusive Growth in Leeds.
- 16 A cross – directorate officer working group / data team, which was established at the start of this work in Spring 2021, have been trained to construct the SPI model for Leeds and have committed to continue working on the SPI, ensuring the ability to interrogate and change future iterations of the model. This group will continue to meet as we look to investigate the findings of the work and what it means for our city.
- 17 We are also working closely with colleagues within the Council’s Communications team to establish a Communications and Engagement Plan to assist us in driving this work forward once further findings are known. Part of this work will confirm our commitment to ongoing engagement with Elected Members, partners and stakeholders.

## **Next Steps**

- 18 The initial findings and first visualisations returned from the Social Progress Imperative in the ‘beta’ version of the Leeds SPI model will be presented at the Scrutiny Board meeting. These will be explained in detail and any questions arising from the findings can be answered.
- 19 We want to ensure that we fully digest and understand all of the work looking at our city and wards. This will involve looking at the “so what” angle and considering what the findings mean for Leeds and its ward areas. We will need to consider what actions could be taken as a result of what we have found out, but also what can be done in reality – therefore looking at both the opportunities and constraints presented and highlighted by this work.
- 20 Supporting decision making ‘to inform and drive public policies, investment, and business and community decisions’ is the desired outcome of the Leeds SPI model, where insightful analysis and well informed data driven decision making leads to focussed action to improve the lived experience for all in our city. Whilst we are early on this journey, the London Borough of Barking and Dagenham (LBBD) are now on their third iteration of their SPI model and have fully integrated it into their decision making processes, and can provide some exemplar material of good practice saving resource;
  - i. Their LBBD SPI model highlighted reducing air quality and increasing number of households in fuel poverty from their shelter and environmental quality components across several adjoining wards. With can *Action Changes Things* approach based on data, they launched their green energy company ‘Beam Energy’ - a council owned not-

for-profit version of a district based energy scheme to provide residents with an affordable energy solution whilst reducing multiple source air pollution. This analysis of data across a multiple of components is a key strength of the Social Progress Index and in many alternatives was not possible or considerable.

- ii. Reduced homelessness across all wards except Heath. LBBD used SPI data to identify high levels of need (low income and high unemployment) and used and underutilised Children's centre to co-locate homes, money advice services and other rotating satellite services. In the first 6 months 50 families served and sustained tenancy and avoided over £300K costs into statutory services.
- iii. They used quality of housing data (decent homes / sustainability data) to target the regeneration of housing stock. Data had not been collated by Ward previously and they realised they were often missing allocated funding opportunities that could have been better prioritised at this level.

21 The Leeds SPI model can also aid in gaining insights into other social and economic models in the near future. Indeed, the SPI is already available to be mapped to United Nation 2030 Agenda for Sustainable Development with many congruent Sustainable Development Goals clearly aligned with the SPI – with a full open platform the support the work. The Doughnut Economics visual framework of social foundations and ecological boundaries could also be considered in the light of the SPI model in the near future.

22 To validate the Leeds SPI model and determine how we best communicate and position the findings and analysis from the model, policy leads will work with a small number of cross-party members from across the city.

23 To facilitate further versions of the Leeds SPI model, there is a need for us to explore how we can achieve better data adequacy and more efficient data collection.

### What impact will this proposal have?

**Wards affected:**

Have ward members been consulted?       Yes       No

24 In the next update to Scrutiny on the Inclusive Growth Strategy in February and July 2022 we will consider findings and analysis from the Leeds SPI model. Any work to inform review the Inclusive Growth Strategy and update this in 2023 will also consider the Leeds SPI so we can inform the city's requirements.

25 The Best City Ambition will use the Leeds SPI model as a key part of future analysis to monitor the impact of our interventions and enable us to better understand the differing strengths and challenges of the city's communities.

26 This proposal will allow policy leads to support Key Decisions and Projects based on a conglomerate of data in a way not previously realised or visualised – with dimensions and components not previously explored.

27 As part of the Communications and Engagement Plan that will be established, we will also consider how we feedback the findings of our work to the city. We will also consider the feasibility of the next version of the Leeds SPI model.



## **What consultation and engagement has taken place?**

- 28 This is an information report and as such does not need to be consulted on with the public. It is noted that whilst there is intention to make this available to the public on the Leeds Inclusive Growth Strategy website, the underlying data will remain hidden and only an index score will be visible from the website.
- 29 Policy leads and data practitioners from across the council have been consulted and included in the selection of indicators, and included in training on how to produce the SPI model for further interrogation and iterations.
- 30 The initial Leeds Social Progress Index model has been presented to the following groups:
- a) Economic Development Senior Management Team on Friday 19<sup>th</sup> November 2021;
  - b) Leader Management Team Wednesday 24<sup>th</sup> November 2021;
  - c) Cllr Pryor (Deputy Leader of Council and Executive Member for Economy, Culture and Education) – Monday 22<sup>nd</sup> November 2021;
  - d) Corporate Leadership Team - Tuesday 30<sup>th</sup> November 2021;
  - e) Inclusive Growth Core Delivery Partnership – Thursday 9<sup>th</sup> December 2021
  - f) Cabinet - 17<sup>th</sup> January 2022
  - g) Scrutiny Board ((Infrastructure, Investment and Inclusive Growth Board), Wednesday 19<sup>th</sup> January 2022

## **What are the resource implications?**

- 31 A contract was awarded to the Social Progress Imperative (DN521370) for the provision of the Social Progress Index for Leeds to the total value of £45,328 on 21<sup>st</sup> January 2021. No additional resource other than Officer time will be required to fulfil and maintain the Leeds Social Progress Index model.

## **What are the legal implications?**

- 32 This report is an information update providing Scrutiny with a summary of the Leeds SPI model. The data that has been used to produce the index scores of the calculated model have been controlled and processed in accordance with the GDPR guidelines and Information Governance Procedures internally. The publication of the Leeds SPI model will be subject to [privacy notice](#) and the [Data Protection Act 2018 and General Data Protection Regulation \(GDPR\)](#) we adhere to.

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

- 33 There are no significant risks in the production of the Leeds SPI model. Decisions made based on the findings and analysis based on the Leeds SPI model should be taken in consideration of data driven decisions, and interrogated and justified accordingly with effective scrutiny and reporting.
- 34 There is a comprehensive risk management process in the Council to monitor and manage key risks. The Council's most significant risks are available and can be accessed via the Council's website.

## **Does this proposal support the council's three Key Pillars?**

Inclusive Growth

Health and Wellbeing

Climate Emergency

35 The SPI Leeds model has drawn ideas and indicators from all 3 pillar strategies directly.

- a) The Inclusive Growth Strategy aligns deeply with a heavy presence of inclusive and human centred indicators that are represented in nearly all of the component as the SPI model is intrinsically focussed on the social development of people at its core, and hence has strong congruence with inclusive growth.
- b) The Health and Wellbeing Strategy aligns with indicators in the Nutrition & Basic Medical Care and Health & Wellness components - and has congruence with the societal benefits of good health. It is appreciated that there is already an enormous amount of focussed project work happening in this area, it is hoped that findings from the Leeds SPI model and the way they are aggregated as component and dimension can enhance the decision making for any future decision making in this area.
- c) The Climate Emergency is supported with related indicators in the Shelter and Environmental Quality components. These provide additional insights in support of the shared ambition to achieve net zero carbon by 2030 and can endorse and support ongoing work to achieve this.

## **Options, timescales and measuring success**

### **What other options were considered?**

36 There were several other options considered to measure the impact of inclusive growth in Leeds, as previously discussed earlier in this report.

37 To not deploy any specific human centred, social or environmental specific measure for the impact of our work towards the Inclusive Growth Strategy would mean relying on traditional economic indicators with which we would miss real insight and opportunity how to make lives and the lived experience of our residents more progressive.

### **How will success be measured?**

38 Successful adoption of the SPI Leeds model will enable decision making - and reference to the findings of the index would be great evidence within decision making reporting. Additionally, an improving index score would justify many of the designated works related to inclusive growth.

### **What is the timetable for implementation?**

39 The first iteration of the Leeds Social Progress Index model will be available to Leeds City Council from the 1<sup>st</sup> December 2021, and it is expected to be updated annually by a trained LCC team. Detailed visualisations and web-based mapping produced by the Social Progress Imperative will be available from 1<sup>st</sup> March 2022 and sited on the Leeds Inclusive Growth Strategy website.

## **Appendices**

40 Nil

## **Background papers**

41 Nil