

**Report of the Director of City Development**

**Report to Executive Board**

**Date: 19<sup>th</sup> December, 2018**

**Subject: Leeds Inclusive Growth Strategy - Delivery**

Are specific electoral wards affected? If yes, name(s) of ward(s):	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Is the decision eligible for call-in?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, access to information procedure rule number: Appendix number:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

**Summary of main issues**

1. The Leeds Inclusive Growth Strategy supports the Best Council Plan and sets out how the city will deliver growth that is sustainable and inclusive. The Inclusive Growth Strategy, alongside the Health and Wellbeing Strategy, provides the key driver to realise our Best City ambition. Members will recall that the Leeds Inclusive Growth Strategy was adopted in June 2018 and approved for publication.
2. Delivering inclusive growth in Leeds will take a transformational approach to economic development. Building a strategy centred on inclusive growth means getting everyone to benefit from the economy to their full potential. It means raising our productivity, increasing skill levels, promoting more innovation and delivering better infrastructure. It will mean more money for public services, reduced unemployment and increased wages. Reducing inequality in our city will also boost our economic performance. It means a city where people and businesses grow.
3. Leeds has a strong economy that has enabled the city to recover well from the recession. We have a diverse talent pool, world class assets, innovative businesses and beautiful countryside. The council, universities, schools, innovators and entrepreneurs have all played their part in creating growth. There is much to be proud of in Leeds and we have a great story to tell.
4. However not everyone is benefitting from this economic success. Poverty and deprivation remain significant challenges. Despite very strong performance in job creation, low pay is an increasing problem, with people caught in a loop of low pay,

low skills and limited career progression. These challenges not only limit the opportunities for individuals, they hold back the economy. They affect productivity, cause skills shortages, and create additional costs for business and the public sector.

5. Low pay and low productivity are difficult challenges both nationally and in Leeds. The UK Core City and city regions deliver 26% of the UK's economic output and 20% of its trade and exports. But their productivity is low by international standards, creating a critical economic challenge for the UK.
6. It is estimated that over 60% of this productivity gap is due to factors like poor infrastructure and digital connections, skills in the labour market and joined-up support to grow business, R&D and commercialise innovation.
7. However, almost 40% of the gap is due to high levels of deprivation, and because too many people face barriers to the labour market. Therefore, low productivity cannot be solved by focusing on industry alone, and solutions to all these issues rely on high quality, sustainable public services working hand in hand with the private sector. We require a more joined-up approach where we not only focus on boosting the productivity of our business base, but work to tackle the barriers those at most disadvantage face in realising the full economic potential: their health and well-being; their connectivity; their education and skill levels.
8. Our growing economy should benefit all the people of Leeds helping them reach their full potential. Providing more housing of the right quality, affordability and in the right places, access to services through affordable and reliable public transport, connecting people to jobs and schools. Bringing employers and businesses together with education providers and supporting healthy, active lifestyles.

## **Partnership Structures**

9. Accordingly, in June 2018 members of Executive Board agreed that delivering the Inclusive Growth Strategy is an opportunity to bring about significant change. This can only be achieved if it is owned by the city, and stakeholders are brought together in a partnership focused on delivery. This will ensure that we build a strong economy within a compassionate city.
10. Members will recall that when the strategy was discussed in June there was a clear understanding that the Inclusive Growth Strategy is owned by the city as a whole, and the implementation must be taken forward in a collaborative way.
11. This paper builds on these previous discussions and agreements and sets out a proposed framework and underpinning partnership arrangements to rise to the challenge of delivering inclusive growth.
12. It was proposed in July that the Sustainable Economy and Culture Board would oversee this work and drive forward the delivery of the strategy. This Board has been consulted and has agreed in principle to being disbanded and to transition to a new overarching Inclusive Growth Delivery Partnership made up of a core and extended network. This represents a new approach to delivery, as the partnership aims to be fully collaborative with stakeholders.
13. In bringing together this core delivery partnership, we propose to create 12 Ambassadors, one for each big idea in the Inclusive Growth Strategy. We propose to start this process in December 2018 and complete in early 2019.
14. Following the establishment of the Inclusive Growth Delivery Partnership we will bring together other networks and groups to feed into the overall Delivery Partnership.

15. Within Leeds City Council, we will establish a delivery team comprising of a small number of Chief Officers. This team will drive delivery of the strategy.
16. A programme of work has already started to develop ideas for measuring inclusive growth in Leeds and to better understand what projects we have as a council that are currently delivering inclusive growth.

## **Recommendations**

Executive Board is recommended to:

- a) Approve the delivery approach for the Inclusive Growth Strategy.
- b) Approve the proposals for an Inclusive Growth Delivery Partnership to drive the delivery of inclusive growth in Leeds.
- c) Agree that the creation of the Inclusive Growth Delivery Partnership be delegated to the Director of City Development.
- d) Agree the proposed approach for the appointment of Ambassadors.

## **1. Purpose of this report**

- 1.1 Delivering the Leeds Inclusive Growth Strategy will provide us with the opportunity to deliver major transformational change for the people of Leeds and alongside the Health and Wellbeing Strategy is the driver in working towards our Best City ambition for a strong economy and compassionate city.
- 1.2 This paper sets out the proposed framework and underpinning partnership arrangements for the delivery of the Inclusive Growth Strategy and seeks the support of Executive Board for the proposed approach.

## **2. Background information**

- 2.1 Leeds has a strong economy that has enabled the city to recover well from the recession. We have a diverse talent pool, world class assets, innovative businesses and beautiful countryside. During the recession Leeds fared better than many of its neighbours, with workplace-based employment in the city now estimated to have recovered to pre-recession levels. The council, universities, schools, innovators and entrepreneurs have all played their part in creating growth. There is much to be proud of in Leeds and we have a great story to tell.
- 2.2 Delivering our Inclusive Growth Strategy is about making sure that everyone benefits from the economy. This is about making sure that we grow our economy in a way to connect people and provide opportunities for people and places. To do this effectively, it is as important for us to focus on our challenges as it is our strengths if we are to grow our economy in an inclusive way. These challenges include addressing inequality, deprivation, low pay and in-work deprivation.
- 2.3 The Leeds economy has experienced strong employment growth since 2010 and this continues into 2018 where growth in our employment rate outperforms the other core cities. However, in-work poverty is still an issue both nationally and for Leeds.
- 2.4 Leeds is rightly proud of its strengths in financial services, health innovation and technology, digital and data analytics, cultural and creative sectors and innovative manufacturing. We have the largest city concentration of financial and professional services and digital jobs in the UK outside London.
- 2.5 Businesses are looking to invest in Leeds and growth is strong in our key sectors. For example Channel 4 has announced its new national HQ will be based in Leeds; Reed Smith Global Solutions has chosen Leeds as its initial base; Burberry has moved its Middle Eastern and Europe operation to the city centre; Dahua Technology has opened an office at White Rose to complement their global HQ in China located in Hangzhou, a city that has been twinned with Leeds since 1988. Elsewhere, Legal & General has committed over £600 million to invest at Thorpe Park and Leeds Bradford Airport has announced a £12m terminal expansion which will help their plan to double the amount of passengers to 7 million by 2030.
- 2.6 Our growth strategy puts the people of Leeds at its heart. Building a strong economy within a compassionate city means helping all our citizens reach their full potential enabling our communities to thrive, providing more housing of the right quality, affordability and in the right places, access to services through affordable and reliable public transport, connecting people to jobs and schools, bringing employers and businesses together with education providers and supporting healthy, active lifestyles.

- 2.7 Growth needs to be carefully managed to prevent unwanted implications including increasing inequality which would cause the gap between rich and poor to widen. If we seek to tackle poverty and inequality separately to supporting growth there is a risk that we will only mitigate the consequences of deprivation, not tackle its causes.
- 2.8 There is more to do to address poverty. The strategy recognises the importance that low wage sectors have in our economy for people who rely on them. Some sectors may not experience high levels of growth but they provide jobs and incomes and deliver critical services. These sectors have high job replacement requirements and support essential public services such as social care.
- 2.9 Low pay and low productivity are difficult challenges both nationally and in Leeds. The UK's ten Core Cities are already centres of global trade. The Core City and city regions deliver 26% of the UK's economic output and 20% of its trade and exports. But their productivity is low by international standards, creating a critical economic challenge for the UK.
- 2.10 It is estimated that over 60% of this productivity gap is due to in-work factors like poor infrastructure and digital connections, skills in the labour market and joined-up support to grow business, R&D and commercialise innovation. However, almost 40% of that gap is due to high levels of deprivation, and because too many people face barriers to the labour market. Therefore, low productivity cannot be solved by focusing on industry alone, and solutions to all these issues rely on high quality, sustainable public services working hand in hand with the private sector.
- 2.11 We want to raise Core Cities' and city regions' productivity beyond the UK average to match that of similar groups of cities across the globe. This will add £100billion to our economy – an amount roughly the size of the UK motor vehicle industry or the UK education budget.
- 2.11.1 There is increasing national interest in the concept of inclusive growth as it involves a rejection of 'trickle down' theories in favour of approaches to stimulating growth that promote inclusivity, focus on skills and training, address distributional issues, reduce inequality and prioritise people's health and wellbeing. Leeds is predicted to outperform the national economy over the next 20 years and will be a key driver in the Northern Powerhouse. The government's industrial strategy supports city regions to develop their own Local Industrial Strategies, focussing on local strengths to deliver economic growth and our Growth Strategy sets out our ambitions.
- 2.12 The Inclusive Growth Strategy, which covers the period 2018-2023 is a proactive approach which will ensure growth doesn't simply pass many people and places by. Central to this strategy are 12 big ideas based around people, place and productivity which act as an action plan to encourage inclusive growth in Leeds. These are shown in Annex A.
- 2.13 The Inclusive Growth Strategy complements the aims in the Best Council Plan to encourage growth that is sustainable and inclusive. If we are to deliver this transformational change in Leeds, we now need to approach how we organise our delivery, engagement and collaboration with partners across the city.

### **3. Main issues**

#### **Establishing a Growth Delivery Partnership**

- 3.1 The consultation and launch of the Inclusive Growth Strategy provided a strong framework for engagement across the city in relation to Inclusive Growth. It is important that we maintain that energy if we want to deliver real, lasting change.
- 3.2 The proposal is to do that through an 'Inclusive Growth Delivery Partnership'. A core partnership group would include cross-party representation from Elected Members, Core Officers and up to 12 external members, one for each big idea in the strategy. Our expectation is that these members will become an ambassador for that big idea.
- 3.3 The core network would meet three times a year and will be responsible for driving this agenda, challenging and driving delivery of inclusive growth. They will work together to maintain focus between core network meetings through an additional three workshops proposed on 'People, Place and Productivity'. These workshops will involve an extended delivery partnership which will be open to all elected Members, and any organisation that has made a pledge to support the delivery of the Inclusive Growth Strategy. This will mean a total commitment of six meetings a year for the core network.
- 3.4 We have thought through the process for identifying Ambassadors and propose the following:
- 3.5 The creation of 12 Ambassadors is an opportunity to bring external expertise and experience to deliver inclusive growth in Leeds across all 12 of the Big Ideas. Attracting the best and most committed champions is key to delivering this vision for the city, this will be subject to member approval and reflect the city's diversity and inclusion.
- 3.6 This process will start following approval by Executive Board beginning with seeking expressions of interest advertised through council networks and publishing a call for expressions of interest through the council website. Partners and stakeholders will be made aware of this in advance.
- 3.7 Ambassadors will be identified in consultation with members during the early part of 2019. Once the ambassadors have been selected this will lead to the formation of the Inclusive Growth Delivery Partnership proposed for March 2019.
- 3.8 To deliver transformation, Ambassadors will work alongside Elected Members from all parties and key officers as part of the core partnership.
- 3.9 Ambassadors will be the champions of inclusive growth both within Leeds, in the region and beyond. We see the role of the Ambassador as one where the partnership is challenged so we pursue ambitious objectives and maximise opportunities to deliver on these.
- 3.10 The role of Ambassadors is to represent and champion the aims of their big idea, listen and respond to the needs of the city and region. We will work with each Ambassador, issuing clear guidance to ensure expectations are clear. We envisage Ambassadors will also bring forward projects to deliver inclusive growth.
- 3.11 These roles will be unpaid however it is proposed that the council offer to pay expenses when appropriate.
- 3.12 As part of these proposals it is proposed that the Sustainable Economy and Culture Board will cease. Some members of the Sustainable Economy and Culture Board

will become part of the new partnership. Members of the Sustainable Economy and Culture Board have been advised and consulted on this and have approved the proposal in principle.

- 3.13 Where we need to focus on specific themes in the Inclusive Growth Strategy, we will tap into existing Boards and networks and / or evolve them to support the overall delivery partnership. For example, the digital summit which took place earlier this month helped inform how we take our Digital Board forwards to support the delivery of our big idea 'Leeds as a Digital City'. The new Leeds Anchors Network will also be a key network.
- 3.14 **Measuring Success**
- 3.15 We are building our understanding of how to measure inclusive growth and we will work with the growth partnership to determine clear priority outcomes. We propose to adopt the Outcome Based Accountability model in our work with the network (core and extended) and test key measures for success. We will initially agree outcomes for People, Place and Productivity.
- 3.16 To understand how we are making a difference, we will develop a framework for measuring inclusive growth. The first version of these measures for inclusive growth will be in place by end of March 2019, with further iterations to follow over the coming months.
- 3.17 There is no one accepted approach or good practice model of measurement. This offers us an opportunity to develop a framework that really works for Leeds. We are working with partners including ODI Leeds and universities to understand how we can measure inclusive growth. A number of models for measuring inclusive growth have now been reviewed, including those from Joseph Roundtree Foundation, Price Waterhouse Coopers (PwC) and Organisation for Economic Co-operation and Development (OECD).
- 3.18 We will have an initial approach and baseline for measuring inclusive growth in place by March 2019. We will test this with the Growth Partnership and experts in data and measurement. We will then iterate and develop this further to include additional measures during 2019. Measures will include traditional economic measures such as Employment and GVA alongside open data and more innovative measures. We will work with colleagues measuring health and wellbeing in Leeds to ensure that we join up approaches where possible. We will deliver quarterly reports and monthly exception reports to officers. We are exploring the use of data visualisation tools to present this information.

### **Implementation Progress and Delivery within Leeds City Council**

- 3.19 In addition to the Growth Delivery Partnership it is important that officers of the council are able to support the delivery of the strategy. Accordingly it is proposed to set up an internal team to focus on the delivery of the strategy within Leeds City Council. This will be a delivery focused group made up of Chief Officers with a remit for one of more area of the Inclusive Growth Strategy big ideas. This will be supported by a team of officers within City Development who will oversee the implementation programme and drive delivery.
- 3.20 Significant work is already underway to deliver the strategy and more pledges are being made by partners across the city on a regular basis as part of our ongoing engagement with the public and private sector in relation to the strategy.

- 3.21 We are mapping projects and initiatives already underway to the big ideas and expect to complete an initial mapping by the end of December 2018. Mapping will help us to focus and plan how we engage with partners into 2019 with the intention of running three workshops in 2019 on 'People, Place and Productivity'.
- 3.22 There are broadly three types of projects and initiatives that are contributing to delivery:
- 3.23 [i] **Council led** – where we have direct control and can maximise the impact on delivery of inclusive growth.
- 3.24 Examples include:
- Leeds Inclusive Anchors Network, where LCC is leading the way in terms of self-assessment against an Anchor assessment framework we have developed, setting up the Anchors Network and supporting them to assess their own position and create action plans.
  - Child Friendly Leeds, Over 750 businesses, organisations and individuals have joined our campaign to make Leeds a child friendly city and signed up to be a child friendly Leeds ambassador.
  - Digital Inclusion. There are about 90,000 adults in Leeds who are offline and/or lack basic digital skills. The council has developed numerous initiatives to improve digital inclusion for Leeds citizens, through a targeted engagement and marketing campaign, and the provision of skills training and access to hardware and broadband as required.
  - Leeds Town & District Centre Programme, £5M available to improve and promote enterprise in our town centres and link people to jobs within them. First wave of projects already underway.
- 3.25 [ii] **Partner led but council sponsored** (with finance or time of our officers).
- 3.26 Examples include:
- Waterfront at South Bank – Led by Leeds Chamber of Commerce.
  - Leeds Manufacturing Festival and Leeds Digital Careers Fair which, amongst other things, promote the opportunities available to young people in these fields.
  - Ambition: Leeds, a new centre for Retail and Hospitality training in the heart of Leeds delivered in partnership with Leeds BID and others. Launched autumn 2018.
- 3.27 [iii] **External. Leeds City Council influence** in these kinds of projects may be more limited than through either of the other two types of projects.
- 3.28 Examples include:
- BT Openreach has made it clear that they share the Council's ambition to make full fibre broadband available to as many homes and businesses across the city as possible. Working with the Council they have committed to explore how our Fibre City programme can support the goal to improve connectivity options for tenants within the social housing portfolio.
  - Leeds Rhinos and Leeds Rhinos Foundation have committed to use the club brand to drive the national and international brand of Leeds as a sporting city in its broadest sense.



- University of Leeds has committed to support every element of the strategy and is already delivering a range of projects which contribute including the delivery of the Nexus Innovation Centre, due to open early 2019 and their Into University centres in Beeston and Harehills.

### **3.29 Reviewing Projects**

- 3.30 Officers will regularly review projects and initiatives of type [i] and [ii] in relation to progress in delivering against the big ideas for major projects and initiatives through a delivery group.
- 3.31 An Annual Review of progress taking into account projects of type [i], [ii] and [iii] and involving city partners will be delivered in June 2019 and each June after that.
- 3.32 Officers are conducting an initial mapping exercise so we understand what is already happening to support the 12 big ideas in the Inclusive Growth Strategy. This work will be completed by Christmas. We are working with the programme management office to capture information regarding major projects that are delivering inclusive growth. This will minimise the ask to project managers and capture the information in a proportionate manner
- 3.33 We are exploring how we can publish this information online and enable others to add their projects to our own.
- 3.34 *The review arrangements outlined will complement the council's specific programme and project review mechanisms in place through programme and project boards and the corporate risk register. The annual Inclusive Growth Strategy progress review will also inform the Best Council Plan Annual Performance Report considered by this Board each autumn and future refreshes of the Best Council Plan.*

### **3.35 Reporting Progress to Executive Board**

- 3.36 We propose to update Executive Board twice a year. This update will cover progress on delivering inclusive growth, highlights of key projects and pledges and a view from the growth partnership.

## **4. Corporate considerations**

### **4.1 Consultation and engagement**

- 4.1.1 The development of the Inclusive Growth Strategy was subject to wide consultation. The proposals for delivery of the Inclusive Growth Strategy set out above have been discussed at the Sustainable Economy and Culture Board.

### **4.2 Equality and diversity / cohesion and integration**

- 4.2.1 Our vision is for Leeds to be the best city in the UK, one that is compassionate and caring, with a strong economy. This helps frame the Leeds Inclusive Growth Strategy which will be a complementary addition to the council plan. An Equality, Diversity, Cohesion and Integration Screening has been undertaken and is attached as an Appendix.

### **4.3 Council policies and best council plan**

- 4.3.1 The Inclusive Growth Strategy is a core strategy underpinning Leeds City Council policies.
- 4.3.2 Inclusive Growth is also a specific priority within the recently updated Best Council Plan for 2018/19 – 2020/21 in alignment with the new Inclusive Growth Strategy.

### **4.4 Resources and value for money**

- 4.4.1 There are no specific resource requirements as a consequence of the recommendations in this report. However, this paper highlights the expectation that we will need to align resources and be mindful of the need to deliver inclusive growth when making decisions in other council business.
- 4.4.2 Costs and expenses generated by the Inclusive Growth Delivery Partnership will be met by the Economic Services revenue budget.

### **4.5 Legal implications, access to information, and call-in**

- 4.5.1 There are no specific legal issues relating to the recommendations in this report.
- 4.5.2 This report is eligible for call-in

### **4.6 Risk management**

- 4.6.1 We are currently reviewing our risks within economic development so we can reflect new risks that will emerge from the implementation of the Inclusive Growth Strategy. Risk monitoring will form part of the programme management function outlined in this report.

## **5. Conclusions**

- 5.1 The Leeds economy is performing well and the Inclusive Growth strategy sets out our ambitions to drive this further. There is much to be proud of in Leeds and we have a great story to tell. However, challenges still remain including addressing inequality, deprivation, low pay and in-work poverty.
- 5.2 We need new ways of working if we are to deliver inclusive growth and the Inclusive Growth Delivery Partnership will help achieve this, working in partnership across the city to deliver the aims set out in our 12 Big Ideas.

## **6. Recommendations**

Executive Board is recommended to:

- a) Approve the delivery approach for the Inclusive Growth Strategy.
- b) Approve the proposals for an Inclusive Growth Delivery Partnership to drive the delivery of inclusive growth in Leeds.
- c) Agree that the creation of the Inclusive Growth Delivery Partnership be delegated to the Director of City Development.
- d) Agree the proposed approach for the appointment of Ambassadors.

## **7. Background documents<sup>1</sup>**

7.1 None.

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<sup>1</sup> The background documents listed in this section are available to download from the Council's website, unless they contain confidential or exempt information. The list of background documents does not include published works.

Annex A – Twelve Big Ideas supporting People, Place and Productivity



Annex B – Project Diagram

- Projects and initiatives associated with the strategy will be:
  - [i] Council led
  - [ii] Partner led but council sponsored (with finance or time of our officers). For example, Waterfront at South Bank - Chamber led
  - [iii] External. Our influence may be limited for these type of projects.
- Officers will regularly review projects and initiatives of type [i] and [ii] in relation to progress in delivering against the big ideas for major projects and initiatives through a Delivery Group.
- An Annual Review of progress taking into account projects of type [i], [ii] and [iii] and involving city partners will be delivered in June 2019 and each June after that.

