

# CULTIVATING LOCAL INCLUSIVE GROWTH IN PRACTICE

Luca Tiratelli and Charlotte Morgan



New Local Government Network (NLGN) is an independent think tank that seeks to transform public services, revitalise local political leadership and empower local communities. NLGN is publishing this report as part of its programme of research and innovative policy projects, which we hope will be of use to policy makers and practitioners. The views expressed are however those of the authors and not necessarily those of NLGN.

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Any errors and omissions are our own.

**Luca Tiratelli and Charlotte Morgan**

February 2020

# FOREWORD

**The 2020s must be the decade of inclusive growth. A narrow focus on usual growth measures – GDP, productivity, employment figures – and an over-estimation of the real-world validity of ‘trickle-down’ economic theory have contributed to the creation of a deeply unbalanced economy. One where half of the total aggregate wealth in Great Britain (£7.3 trillion) is held by only 12 per cent of households.<sup>1</sup> In future, economic growth should only be seen as growth that is inclusive, growth that creates opportunities for everyone to prosper.**

Local authorities are eager to develop strategies and programmes that promote inclusive growth; indeed, many are already in the process of doing so. However, from speaking to local authorities up and down the country, it became swiftly apparent to us that there is confusion over what the term ‘inclusive growth’ stands for. This uncertainty is creating challenges for councillors and officers to start work on inclusive growth and obtain buy-in from colleagues. That is why our report takes a unique ‘practice-into-theory’ approach to inclusive growth. It presents a large number of case studies on various initiatives being led or co-led by local authorities in England to demonstrate practically what inclusive growth means, supported by a short overview section on the theory that underpins it.

The report does not provide a comprehensive list of all the activities local authorities can undertake to promote inclusive growth. Our aim with this report is to highlight the broad range of inclusive growth initiatives that local authorities can develop now with the policy and fiscal levers already at their disposal. This is illustrated by our Framework for Cultivating Local Inclusive Growth in Practice, a 4x4 grid that offers an insight into the variety of approaches that make up a local inclusive growth strategy.

I would like to thank Barrow Cadbury Trust for the support that made this project possible, as well as the local authority officers and inclusive growth

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<sup>1</sup> [Total wealth in Great Britain: April 2016 to March 2018](#), Office for National Statistics, (5 December 2019).

practitioners whose experience and advice have played a major role in shaping this report. Above all, I hope the report is useful to councillors and local authority officers who are designing and implementing inclusive growth in practice. Please do not hesitate to get in touch with NLGN if you would like to discuss our inclusive growth research further.

**Adam Lent**

Director, NLGN

# EXECUTIVE SUMMARY

**With median weekly earnings still 2 per cent below where they were in 2008, economic growth has manifestly failed to deliver for the vast majority since the Great Recession.<sup>2</sup> Unsurprisingly then, recent years have seen an increasing focus on finding new approaches to economic policymaking, with ‘inclusive growth’ becoming something of a buzzword in the local government sector.**

However, many council officers revealed to us, both before and during our research, that they are struggling to implement inclusive growth in practice as the theory offers no widely-accepted definition of what the term means. With these concerns in mind, and having surveyed and found the existing literature to be largely theoretical, what we offer here is a practical guide for local authorities seeking to promote local inclusive growth.

Ensuring that everyone can share in the proceeds of our economy is an urgent policy imperative, and as such, it is vitally important that we overcome the contested nature of inclusive growth and that local government gets moving. This can be achieved through taking a broad view of the term, seeing it simply as a concern with who benefits from growth, rather than just a concern about its pace.

Supplementing this broad view with a ‘practice-into-theory’ approach to identifying how to bring about change (an approach which starts by looking at how things are being interpreted by practitioners, rather than at conceptual understandings) reveals that there is much that councils can do, right now, to transform their economies. We have identified the following general principles that should underpin local inclusive growth strategies:









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<sup>2</sup> Cribb, J & Johnson, P. (2019). [Employees’ earnings since the Great Recession: the latest picture](#). *Institute for Fiscal Studies*.

- **CLARITY ON OUTCOMES:** Be clear about what change you want to create, and have a sense of how it can be measured.
- **BUY-IN FROM CITIZENS:** Go beyond simply seeking consent for inclusive growth plans from communities, and allow policies to be inclusive in both outcome and design.
- **LOCAL FOCUS:** Plans need to be tailored to take into account of local economic specificities.
- **COLLABORATION AND PEER LEARNING:** For plans to be successful, they will need to involve deep levels of collaboration with other key local economic actors, and to involve engagement with and learning from the wider local government sector.

We have then identified a range of 16 specific policy levers that councils can pull to promote local inclusive growth. A key insight from this research is that there is no silver bullet for ensuring that everyone in a community benefits from the economy, and that what is needed instead is a sustained campaign for change across multiple fronts. The specifics of which policy levers become central to strategies will depend on the individual contexts of local areas, but the following framework of levers offers a sense of the breadth of approach needed.

## A FRAMEWORK FOR CULTIVATING LOCAL INCLUSIVE GROWTH IN PRACTICE

	 REGULATE	 INCENTIVISE	 SHAPE	 FACILITATE
 EMPLOYERS	Leverage Contracts	Business Support	Employment Charters	Seek Input on Training and Education
 CITIZENS	Training Clauses	Graduate Retention Schemes	Reskilling Schemes	Communities Taking the Lead
 PARTNERS	Procurement Processes	Foster Inclusive Practice	Remodel Transport Systems	Bringing Stakeholders Together
 PLACES	Planning Policies	Environmental Sustainability	Reviving Spaces	Asset Transfer

With the seeming disassociation of growth from living standards showing no signs of reversing, inclusive growth as an agenda represents a vital reframing of local economic policymaking. Councils do not have access to the full range of policy and fiscal powers they would want to promote inclusive growth – for example, many powers in relation to employment and skills policy reside with national government. However, there is still a great deal that councils can be doing right now to transform their economies, so as to ensure that all residents can share in the proceeds of growth.

# INTRODUCTION

**Between 2010 and 2020, the UK experienced something unprecedented in recent history – a decade without a recession. Yet, somehow, this period also saw the lowest levels of wage growth for British workers for any ten-year period since the Napoleonic Wars.<sup>3</sup> The juxtaposition of these two facts paints a stark picture – and shows why so many feel the time has come for us to think differently about what constitutes economic success.**

Inclusive growth is a concept that has come out of this process of reimagining, and many reports have been published on the subject in recent years. What’s been missing, however, is a truly practical guide that outlines what local government can do, right now, to make inclusive growth happen.

This report aims to fill this gap by taking a ‘practice-into-theory’ approach to defining inclusive growth. In the pages that follow, we will look at how the concept is being interpreted by practitioners in the field and work backwards towards understanding, rather than attempting a new theoretical framing.

We will then offer a practical toolkit for local authorities. Through the prism of a Framework for Cultivating Local Inclusive Growth in Practice - which provides an overview of the variety of policy levers available for local authorities looking to promote inclusive growth – this report presents real world, practical examples of how people in the sector are changing their economic approaches.

Local government is diverse, with different authorities dealing with different challenges, working at different scales and having different political leaderships. Nonetheless, this report, through the breadth of examples and policy it covers, will offer councils at all stages of their inclusive growth thinking fresh ideas and the confidence to pursue them.

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<sup>3</sup> [Is wage growth at the same level as during the Napoleonic Wars? Full Fact](#), (2017).

# THE THEORY

## HOW GROWTH RAN OUT OF STEAM

**The idea that economic growth – particularly as measured by Gross Domestic Product (GDP) – offers an inadequate picture of people’s actual experiences of the economy is one that has been around for a long time.**

It was in the early 2000s that economists at institutions like the World Bank started to notice that GDP growth was not delivering expected improvements in living standards in the Global South.<sup>4</sup> In developed countries, it’s been over a decade since Kate Pickett and Richard Wilkinson, in their book *The Spirit Level*, used a quantitative approach to show how poorly economic growth relates to quality of life.<sup>5</sup> Instead, they found that societal equality is a much better predictor of positive outcomes in areas such as health, education, crime and social cohesion.

In Britain, our recovery from the 2008 financial crash has led to many asking questions about where the proceeds of growth are going. Despite a growing economy, median real earnings are still below pre-crash levels.<sup>6</sup> Furthermore, figures from the ONS show that whilst the economy grew as a whole in the financial year ending in 2018, the poorest 20 per cent of the population actually experienced a real terms decline in their incomes of 1.6 per cent.<sup>7</sup> Beyond these issues of economic sluggishness, there is also a problem around the geographical unevenness of growth in Britain, and the regional disparities that exist in terms of employment opportunities and connectivity.

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<sup>4</sup> Stott, J. (2017). [What is inclusive growth and why does it matter](#). Joseph Rowntree Foundation.

<sup>5</sup> Pickett, K & Wilkinson, R. (2009). *The Spirit Level: Why More Equal Societies Almost Always Do Better*. Allen Lane.

<sup>6</sup> Cribb, J & Johnson, P. (2018). [10 years on – have we recovered from the financial crisis?](#) Institute for Fiscal Studies.

<sup>7</sup> [Average household income. UK: Financial year ending 2018](#), Office for National Statistics, (26 February 2019).

These kinds of findings and statistics have, in no small part, been driven by Britain's poor productivity. Despite GDP growth, productivity per hour grew by an annual average of just 0.3 per cent between 2008 and 2018, in a period that has been dubbed a "lost decade".<sup>8 9</sup>

Employment is another area where, seemingly, traditional headline economic metrics are failing to tell the full story of the British economy. Research from the Resolution Foundation suggests that some two-thirds of the jobs created by Britain's much-heralded, post-recession jobs-boom have come in the form of 'atypical employment'.<sup>10</sup> This refers to practices like self-employment in the gig-economy and zero-hours contracted agency work. Such jobs have been associated with increasing precariousness in the UK labour market, and a decline in the quality of work for many. This has led to the situation that the country now finds itself in, where more than half of people in poverty nationwide live in a working household.<sup>11</sup>

Findings like these strengthen the case for those arguing that traditional economic focuses of growth and unemployment are no longer capturing the lived experiences of millions of workers. Combine these forces with other economic features of our age, such as the housing crisis and climate change, and the case for rethinking our economic approach becomes very clear cut.

## WHAT IS INCLUSIVE GROWTH?

Inclusive growth is a concept born out of these emerging observations. At its heart, it recognises that the economy, as currently constructed and conceived of, is not delivering for millions of people, even when it is increasing in value.

Specifically, inclusive growth is a vision for an economic strategy that is concerned with "both the pace and pattern of growth".<sup>12</sup> In other words,

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<sup>8</sup> [UK productivity continues lost decade](#). *BBC News*, (5 April 2019).

<sup>9</sup> Giles, C. (23 December 2019). [Poor productivity growth of just 0.3% is 'statistic of the decade'](#). *Financial Times*.

<sup>10</sup> Clarke, S & Cominetti, N. (2019). [Setting the record straight: How record employment has changed the UK](#). *Resolution Foundation*.

<sup>11</sup> Bourquin et al. (2019). [Why has in-work poverty risen in Britain?](#) *Institute for Fiscal Studies*, p.11.

<sup>12</sup> [What is Inclusive Growth?](#) *World Bank*, (2009).

inclusivity is a lens through which to look at economic growth, one that focuses our attention on a very basic question – who is it benefiting? Such a broad conception of the term allows all sorts of other ideas to sit within it, from things like community wealth building, to issues such as the need to ensure that growth is environmentally sustainable so that it is ‘inclusive’ of future generations.

## CRITIQUE

However, the breadth of the term, and the breadth of potential inquiry that it creates, has led to criticism from many. It’s been argued that the “fuzziness” that surrounds precisely defining inclusive growth creates space for confusion and, therefore, inaction.<sup>13</sup>

Another critique is aimed at the lack of an agreed geographical scale within the concept of inclusive growth – at times it seems to be concerned with inequalities within places, whilst at other times, with inequalities between them.<sup>14</sup>

These criticisms were often reflected in interviews conducted for this research (see the appendix for a full description of methods). Practitioners working on inclusive growth in the local government sector lamented a poor understanding of the concept, which led to it being ignored by senior managers, or, at best, viewed as something to tip a rhetorical hat to, and to bolt onto other, more traditional economic policy measures.

A separate strand of concerns surrounding the concept of inclusive growth questions whether it is a sufficiently radical idea. The argument here is that by accepting the basic premise of the desirability of growth, inclusive growth remains wedded to the very forms of capitalism that it is, in theory, critiquing, with inclusivity serving merely as an attachment. This school of thought also questions what inclusive growth has to offer economies that are stagnant or in recession. Arguments like this conclude that we need to go further, and think not about inclusive growth, but to envision what an *inclusive economy* would look like.<sup>15</sup>

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<sup>13</sup> Lee, N. (2017). [Inclusive Growth in cities: a sympathetic Critique](#). *Regional Studies*, 53(3), 424-434.

<sup>14</sup> Ibid.

<sup>15</sup> Burch, D & McInroy, N. (2018). [We need an Inclusive Economy not Inclusive Growth](#). *Centre for Local Economic Strategies*.

## INCLUSIVE GROWTH IN PRACTICE

However - despite these concerns about the lack of a clear definition of inclusive growth, and the lack of consensus about how transformative an agenda it should be – it remains the case that questions about the concept have come to coalesce around a relatively discrete set of concerns. The scope of these will inform the kinds of case studies explored later on in this report.

Indeed, it seems more practical to focus on defining inclusive growth in terms of what it has come to mean for economic policy, rather than through an elegant piece of phraseology or grand mission statement.

With this ‘practice-into-theory’ approach in mind, the four key areas of policy focus that have emerged for inclusive growth are:

- **PRODUCTIVITY:** The UK’s relatively poor productivity, particularly in certain regions, has been identified as something that will need addressing in order to make growth more inclusive. Indeed, it is weakness in this area that has been the driving force behind British workers’ stagnant wages over the last decade.<sup>16</sup> It has also been argued that differences in productivity between regions are the key factor that drives regional inequality in the extent to which places benefit from national economic growth.<sup>17</sup> This, of course, relates to the ways in which the economy is regionally imbalanced in terms of sectors of employment, as the UK has an economy made up of a long tail of low productivity firms, compared to a small vanguard of high productivity trailblazers. In short, there is no way of meaningfully making growth, or the economy more broadly, more inclusive that does not start by addressing Britain’s ‘productivity puzzle’.
- **SKILLS:** Britain has a huge number of workers stuck in low paid positions, with almost no chance of progression.<sup>18</sup> In many ways, this is the crux of the issue of inclusive growth. There is recognition in much

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<sup>16</sup> Lopresto, M & Kara, A. (2018). [Weakness in wage growth: what is driving it?](#) *National Institute of Economic and Social Research*.

<sup>17</sup> Hawking, M. (2019). [How Local Industrial Strategies can deliver inclusive growth](#). *Joseph Rowntree Foundation*.

<sup>18</sup> Alldritt, C et al. (2018). [Skills for inclusive growth](#). *Centre for Progressive Policy*.

of the discourse that surrounds the concept that what prevents a lot of people from benefiting from economic growth is that they lack the skills to access parts of the economy where growth is being produced. This is seen as all the more pressing an issue due to the likelihood of automation and AI meaning that, in a few decades time, many people will cease to have a role in the economy as it is currently constructed. Thus, ensuring that people have the skills to access decently paying jobs, and are future-proofed against coming changes in the labour market, are seen as crucial for cultivating inclusive growth going forward.

- **EMPLOYMENT PRACTICES:** Critiques of the precariousness of many modern jobs, and the lack of opportunities for progression within them, are often cited as major barriers to inclusive growth. Zero-hours contracts, low pay and low stability have been cited as factors in creating a new 'precarariat' class of workers, who find their bargaining position in the labour market so weak that they are forced to accept whatever work they are offered regardless of conditions. This systematically prevents growth from ever being inclusive of these workers, as they have such a limited opportunity to demand their share of the proceeds. Consequently, much inclusive growth activity is focussed on working with employers to change the way they treat employees, and on strengthening workers' legal protections.
  
- **'LEFT-BEHIND' PLACES:** In the aftermath of the 2016 Brexit referendum, there has been a focus on certain communities and certain parts of the country where the economy has been largely stagnant, and a large proportion of people voted in favour of leaving the European Union. This school of thought, building on the work of certain academics in the aftermath of the referendum, sees Brexit as an expression of a discontent with the political and economic status quo in the UK, which exists in some, largely post-industrial, parts of the country.<sup>19</sup> Consequently, ensuring that the economy becomes more inclusive and starts to deliver for all communities is seen by some as part of

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<sup>19</sup> Clarke, H et al. (2017). *Brexit: Why Britain voted to leave the European Union*. Cambridge University Press.

honouring the 2016 vote.<sup>20</sup> Of course, this kind of thinking is, in many ways, a topical reframing of concerns about regional inequalities in the UK that have been a focus of British economic thinking for decades.

## MEASURING INCLUSIVE GROWTH

Another important area to consider in terms of defining inclusive growth - beyond looking at which areas of policy it demands focus on - is to consider how it might be measured.

In recent years, numerous organisations have put forward ideas for new metrics that combine growth indicators with measures on equality, social value and community well-being. These include:

- **THE LSE GROWTH COMMISSION**, which advocated looking at GDP growth alongside changes to median household income.<sup>21</sup>
- **THE WORLD BANK**, whose Shared Prosperity indicator measures the changes in income among the poorest 40 per cent of the population.<sup>22</sup>

These attempts at broadening out measures of economic growth have been built on specifically to conceptualise inclusive growth in the UK by the Joseph Rowntree Foundation (JRF) and the Inclusive Growth Analysis Unit at the University of Manchester.<sup>23</sup> Their metric is built on a combination of 18 indicators, divided to sit between two broad themes, identified as 'Inclusion' and 'Prosperity'. Indicators for inclusion include earnings, welfare levels, housing affordability and unemployment, while indicators for prosperity capture output, education level and skills. The metric operates at a regional level.

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<sup>20</sup> Hawking, M. (2019). [How Local Industrial Strategies can deliver inclusive growth](#). Joseph Rowntree Foundation.

<sup>21</sup> Aghion, P et al. (2013). [Investing for Prosperity](#). LSE Growth Commission.

<sup>22</sup> [Inequality and Shared Prosperity](#), The World Bank, (2019).

<sup>23</sup> Beatty, C et al. (2016). [An inclusive growth monitor for measuring the relationship between poverty and growth](#). Joseph Rowntree Foundation.

## CONCLUSION

If we combine these strands – the areas of policy focus of inclusive growth with a metric that allows us to measure it – then we are in a good position to avoid the pitfalls that can be created by not having a clear definition of the term.

It may well be that the metric created by JRF and the Inclusive Growth Analysis Unit requires adapting in the future, or that another area of policy comes to be seen as crucial to pursuing inclusive growth. If we take what's been described above as a starting point, we can create strategies that ensure as many people as possible benefit from the proceeds of a growing economy.

# GENERAL PRINCIPLES

During our review of councils' inclusive growth strategies – and in the conversations we had during interviews and in our workshops – a number of key general principles for effective inclusive growth strategies emerged. These principles are not so much practical steps as they are a set of basic pre-requisites that, in sum, form an ethos whose adoption ensures the best chance of success.

These general principles include:

- **CLARITY ON OUTCOMES:** As discussed in the previous section, one of the best ways in which minds can be focussed on inclusive growth is to think about how it might be measured. This allows for the creation of quantifiable goals for inclusive growth, and for progress to be measured and performance evaluated.

Thinking more broadly, however, a focus on specific targets does not necessarily mean an overt focus on the kinds of metrics that have been developed by organisations such as Manchester University's Inclusive Growth Analysis Unit and the JRF.

Councils can instead think about improving outcomes in key areas. The devolved government in Scotland has proposed that inclusive growth outcomes are considered through a range of metrics across 5 key domains.<sup>24</sup> These domains are labelled: Productivity, People, Place, Population and Participation. Creating such an outcomes framework can be an alternative way for councils to set clear goals and monitor progress.

- **BUY-IN FROM CITIZENS:** Like any area of local government policy, success in promoting inclusive growth depends, to a large extent, on buy-in from local people. For some local inclusive growth plans, this goes beyond simply seeking consent from communities, and instead

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<sup>24</sup> [Inclusive Growth Outcomes Framework](#), Scotland's Centre for Regional Inclusive Growth, (2019).

adopts a more radical idea advocating that, for local people to be the beneficiaries of inclusive growth, they also have to be its architects.

An example of a local inclusive growth plan that has put this idea at the heart of what it's doing comes from Liverpool, whose plan explicitly states that part of its vision for change involves shifting from a paternalistic working model to something more collaborative.<sup>25</sup>

- **LOCAL FOCUS:** A major theme that came out of our interviews was that inclusive growth plans need to be specifically tailored to the area they are trying to transform.

Dwelling too much on the theoretical understandings of inclusive growth means councils risk missing local nuance. Every area's economy is different, and this should be reflected in local inclusive growth plans. Local specifics should never be overlooked just because they don't fit into general theoretical visions.

- **COLLABORATION AND PEER LEARNING:** As Doncaster's inclusive growth strategy puts it, making sure that everyone is able to benefit from economic growth is "everybody's business".<sup>26</sup> Councils' planning for inclusive growth should involve careful consideration of employers, partners and voluntary sector groups that will need to be brought along in the process if positive outcomes are going to be achieved.

As well as collaborating with other local actors, however, councils may also wish to think about how they work with their peers in the sector, and how they can learn from one another. Finding out what has worked for others, as well as learning lessons from failure as a sector, will be vital for success.

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<sup>25</sup> [Inclusive Growth Plan](#), Liverpool City Council, (2018).

<sup>26</sup> [Doncaster Inclusive Growth Strategy 2018-2021](#), Doncaster Council, (2018).

# THE FRAMEWORK

## PURSUING INCLUSIVE GROWTH

**Keeping these general principles in mind – how, then, can local authorities best promote inclusive growth in their areas?**

From our discussions with people working in the field, and from our detailed analysis of the inclusive growth strategies published by councils, we have identified four policy approaches that local government can utilise. These approaches will often overlap, but in general terms, councils can seek to:



**REGULATE:** This category covers the hardest policy levers at a council's disposal, including their ability to set rules and regulations to promote inclusive growth.



**INCENTIVISE:** Councils can also take a softer approach, where they offer incentives, financial or otherwise, for key actors to behave in a way that is conducive to promoting inclusive growth.



**SHAPE:** This refers to a council's ability to reshape their area to promote inclusive growth, either literally, through things like redevelopment, or in more subtle ways, through efforts to mould economic actors to be more inclusive growth orientated.



**FACILITATE:** Councils can promote inclusive growth in a more back-seat role, by creating the partnerships, institutions and frameworks to enable others to take the lead. This section also builds on previous NLGN work on 'The Community Paradigm' and explores how local people can shape policy.<sup>27</sup>

<sup>27</sup> Lent, A & Studdert, J. (2019). [The Community Paradigm](#). *New Local Government Network*.

We have identified four potential groups councils can work with to deliver inclusive growth:



**EMPLOYERS:** These include private, public and third sector organisations of all sizes.



**CITIZENS:** These are the people who live and/or work in a local authority area.



**PARTNERS:** These are the organisations that work with councils to deliver public services and other projects.











**PLACES:** The physical space, built infrastructure and assets of an area.

Through bringing together the policy approaches and the groups listed above, we can construct an intervention framework. The framework is populated with examples of policy levers local authorities can use to promote inclusive growth. In practice, some levers could straddle multiple boxes (for example, training clauses could be in the employers row as well as the citizens row). The positioning of the levers in the framework reflects our objective to present a wide variety of council-led inclusive growth projects, and is not an attempt to pigeonhole projects into fixed categories.

Similarly, the levers we feature in each part of the framework are by no means the only type of levers that can fit there – charters are not the only mechanism available to councils to shape good employer practice. However, we believe that a simple 4x4 grid is a useful starting point to highlight the broad range of interventions that councils are undertaking and should consider undertaking in order to cultivate inclusive growth in their area.

# A FRAMEWORK FOR CULTIVATING LOCAL INCLUSIVE GROWTH IN PRACTICE

	 REGULATE	 INCENTIVISE	 SHAPE	 FACILITATE
 EMPLOYERS	Leverage Contracts	Business Support	Employment Charters	Seek Input on Training and Education
 CITIZENS	Training Clauses	Graduate Retention Schemes	Reskilling Schemes	Communities Taking the Lead
 PARTNERS	Procurement Processes	Foster Inclusive Practice	Remodel Transport Systems	Bringing Stakeholders Together
 PLACES	Planning Policies	Environmental Sustainability	Reviving Spaces	Asset Transfer

# THE PRACTICE









**In this section, each box in the framework will be examined in turn and illuminated with case studies.**

The vast majority of these come from local authorities, but a few are predominantly led by partner organisations such as Local Enterprise Partnerships (LEPs). These case studies particularly serve to demonstrate what can be possible through strong local partnership working. It should also be noted that most of the case studies are examples of projects being delivered at the local level and not necessarily unique to the council we specifically highlight.

Many of the case studies are still in progress, and the ones that are not are only very recently finished. Accordingly, proper evaluations of these interventions have largely not yet been produced. We believe that they remain valuable, however, as examples of what is possible, as evidence of the extent to which the impacts of inclusive growth projects align with their original objectives, set out in the design phase, and as inspiration for further policy development.

The structure will follow the rows of the framework overleaf, going through each of the groups that councils have to engage with to promote inclusive growth in turn.

## EMPLOYERS

	 REGULATE	 INCENTIVISE	 SHAPE	 FACILITATE
 EMPLOYERS	Leverage Contracts	Business Support	Employment Charters	Seek Input on Training and Education
 CITIZENS	Training Clauses	Graduate Retention Schemes	Reskilling Schemes	Communities Taking the Lead
 PARTNERS	Procurement Processes	Foster Inclusive Practice	Remodel Transport Systems	Bringing Stakeholders Together
 PLACES	Planning Policies	Environmental Sustainability	Reviving Spaces	Asset Transfer

## LEVERAGE CONTRACTS

Who councils choose to do business with, and on what terms, can have a major impact on the local economy. This is a basic assumption that underpins more than one of the levers in this framework.

In order to leverage this power to promote inclusive growth, one thing councils can choose to do is to only sign contracts with businesses which meet certain benchmarks of inclusive growth-friendly practice. The criteria used to determine this may vary, but are likely to include stipulations around how businesses treat their employees in terms of pay and conditions and what chances there are for progression. Alternatively, criteria may encompass wider concerns around inclusivity, for example sustainable business practice.

Through using contracts in this manner, councils have the ability to change how partners, suppliers and local businesses more generally act. Leveraging contracts creates a new set of expectations around acceptable business practice, and this enables councils to mould the local economy to be more inclusive.

## IN PRACTICE:

- **SOCIAL VALUE:** Many councils are leveraging social value scoring in contracts to try and pursue inclusive growth goals.<sup>28</sup> Indeed, some have trialled ambitious initiatives such as scoring social value at 30 per cent during the procurement process.<sup>29</sup> However, there is a recognition that this approach is only being utilised due to the lack of an agreed method for scoring bids based on inclusive growth alone, and that social value is, whilst related, a separate concept.
- **SPECIFICALLY FOCUSING ON INCLUSIVE GROWTH:** The **New Anglia Local Enterprise Partnership** uses a decision making framework for the procurement process which encourages decision makers to think about whether procurement is supporting inclusive growth. They consider a series of questions, including whether a procurement decision is likely to increase people's access to training, increase levels of sustainable employment, or reduce numbers on zero hours contracts. They also consider environmental factors, such as whether a decision to hand out a certain contract is likely to lead to increased traffic or local pollution levels.<sup>30</sup> Councils are also putting in even clearer baselines on what they expect from suppliers. **Birmingham** City Council is clear in its living wage policy that "any supplier/contractor not willing to apply the Real Living Wage will be deselected during the procurement process".<sup>31</sup>

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<sup>28</sup> For example, see [Front and Centre: Putting Social Value at the heart of Inclusive Growth](#). Social Enterprise UK, (2019).

<sup>29</sup> As disclosed by a participant at one of our workshops.

<sup>30</sup> [Norfolk and Suffolk – Inclusive Growth](#), *New Anglia Local Enterprise Partnership for Norfolk and Suffolk*, (2018).

<sup>31</sup> [Birmingham City Council's Living Wage Policy](#), *Birmingham City Council*, (2017).

## BUSINESS SUPPORT

Business support – both in the form of financial incentives around business rates, or as a softer offer around advice and technical support – can be designed to promote both strong economic growth and inclusive employment practices.

One idea that is at play with this policy lever, in the context of inclusive growth, is the concept of ‘economic gardening’.<sup>32</sup> This means councils focussing on small, established companies, and helping them grow as part of a conscious effort to mould the local economy to promote greater inclusivity as well as productivity. Economic gardening is about looking internally to build the local economy, and can in that sense be seen in a similar light to economic approaches such as community wealth building.

It forms a stark contrast to economic strategies aimed at attracting larger companies, through tax or regulatory arrangements, which can often lead to the kind of race-to-the-bottom in standards that is the antithesis of an ethos of inclusive growth.

### IN PRACTICE:

- **DISCOUNTED BUSINESS RATES:** The Localism Act (2011) gives local authorities in England more flexibility to grant relief for businesses in their area.<sup>33</sup> Some councils, such as **Leicester** City Council, have established a local discount discretionary business rates grant scheme which looks for evidence that businesses will increase employment within the local area. Leicester's panel will also have regard to the ‘employment impact’ of the business, considering an application more favourably if the business commits to creating quality jobs and apprenticeships and is likely to enable job creation in the supply chain.<sup>34</sup> **Hastings** Borough Council places inclusivity at the heart of its policy for awarding discretionary rate relief to charitable and non-profit organisations. The council emphasises that applicants should set out

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<sup>32</sup> Shatfique, A. (2019). [Four ways we can build a more inclusive economy](#). RSA.

<sup>33</sup> Explanatory notes to the Localism Act 2011, [para 159](#).

<sup>34</sup> [Discretionary Business Rates Grant Scheme](#), *Leicester City Council*, (2015).

how the services they provide help people who have low incomes, live in areas of disadvantage and/or face barriers that prevent them from participating fully in the workplace.<sup>35</sup>

- **LINKING BUSINESS HUBS TO SKILLS STRATEGIES:** Wakefield council is one of the partners involved in the creation of a new business hub at Wakefield College.<sup>36</sup> Like all business hubs, the major aim here is to support growing business, and create growth through facilitating entrepreneurialism. They offer access to business support training, and networking events. However, this business hub also has a broader set of objectives. By linking the business hub to an educational institution, they are hoping to incentivise businesses to recruit local graduates. Businesses at the hub will, through formalised relationships with the university and the college, have access to student talent, and through placements and graduate jobs, students will then in turn have access to excellent opportunities. The creation of new graduate-level jobs in Wakefield will also benefit other workers. As graduates move into jobs that are a better match for their qualifications and skills, more capacity will be created in the local labour market for people in lower-skilled employment to take on the jobs they leave behind and climb the career ladder.

## EMPLOYMENT CHARTERS

Employment charters are voluntary agreements, proposed by councils and signed up to by employers, setting out good employment practices which employers then agree to adopt. These charters can include stipulations on everything from workers' rights and pay, to environmental targets and pledges on leadership and governance. In so doing, they aim to raise living standards for workers, and to benefit the local area more widely.

Employment charters are voluntary arrangements, and should not be considered as quick fixes to long term economic issues. However, they remain valuable in many ways. For example, they are a good way of starting conversations with local businesses, and getting them to think about the social impacts of their practices. Furthermore, they can be used as a

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<sup>35</sup> [What are business rates?](#), *Hastings Borough Council*, (no date).

<sup>36</sup> Casci, M. (10 January 2018). [Business hub to bring inclusive growth to Wakefield](#). *Yorkshire Post*.

way to place pressure on employers, who may fear the bad PR of being seen not to comply. On the other hand, they stand to generate positive PR for organisations that sign up, allowing them to display official 'charter signatory' accreditation on their website and marketing materials as proof they are meeting corporate social responsibility commitments.

The process of putting together an employment charter may also cause councils to reflect on their own practices, and their role as an anchor institution in their communities – which may constitute another positive effect from an inclusive growth perspective.

## IN PRACTICE:

- **PLEDGES FOR WORKERS:** In **Croydon**, the focus of their employment charter concerns workers' conditions. They ask employers to sign up to pay the living wage, and have an equalities policy to ensure that all of the borough's diverse population are represented locally.<sup>37</sup> Similarly, in **Birmingham**, the city's charter signs employers up to recognise trade unions, make commitments to monitoring and looking after the health and wellbeing of employees, and avoid zero-hours contracts.<sup>38</sup> **Greater Manchester** has a charter that works across seven domains of good employment practice: security of work, flexibility of work, payment of a real living wage, people management, productivity and health of workplace, recruitment practice and progression, workplace engagement and workers having a voice.<sup>39</sup>
- **WIDER PLEDGES:** Beyond these specific pledges on workers' conditions, many charters also require businesses to make wider commitments to their communities. The **Birmingham** Business Charter for Social Responsibility requires signatories to meet certain environmental commitments, such as recycling more and reducing carbon footprint.<sup>40</sup> Some have encouraged signatories to donate to local charities

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<sup>37</sup> [The Croydon Good Employer Charter](#), Croydon Council, (2019).

<sup>38</sup> Hurrell, D et al. (2017). [Local Employment Charters: Case studies from the UK](#). University of Manchester.

<sup>39</sup> [Greater Manchester Good Employment Charter](#), Greater Manchester Combined Authority, (no date).

<sup>40</sup> [Birmingham Business Charter for Social Responsibility](#), Birmingham City Council, (no date).

or get their employees volunteering.<sup>41</sup> **Croydon** asks businesses to commit to buying locally where possible, reinforcing a community wealth building ethos that goes beyond the confines of the public sector.<sup>42</sup>

- **INCREMENTALISM:** As employment charters are voluntary arrangements aimed at starting dialogue and subtly influencing practices, rather than regulating them, some councils have taken the step of introducing a degree of flexibility into their agreements. For example, in **Salford**, employers can become 'charter supporters', whereby they select which pledges they are going to take action on, and outline a clear plan to deliver on them.<sup>43</sup> Such employers will not receive full accreditation, but will still be recognised for their commitment.

## SEEK INPUT ON TRAINING AND EDUCATION

Ensuring people have the skills needed to access well-paid jobs and progression opportunities is crucial to any local inclusive growth strategy. However, establishing what exactly these skills are can sometimes be difficult for both local government and for citizens.

This can be overcome by collaborating with the kinds of employers that are supportive of inclusive growth when it comes to training and education, so that they can provide input on the skills they are looking for in the local workforce. Whilst these employers may also have an imperfect ability to predict future skills needs, local authorities stand the best chance of creating effective programmes if they consult widely.

This is a particularly important process when it comes to advising young people when they are making decisions about their education and the early stages of their careers. Whilst education is about more than just preparation for employment, often young people can struggle with a lack of knowledge about what skills will be most useful to them when looking for work in their local area. Ensuring that the correct information is communicated from employers to young people is an important means of counteracting this.

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<sup>41</sup> Hughes, C et al. (2017). [Good jobs in Greater Manchester: the role of employment charters](#). *Inclusive Growth Analysis Unit*.

<sup>42</sup> [The Croydon Good Employer Charter](#), Croydon Council, (2019).

<sup>43</sup> [City Mayor's Employment Charter](#), Salford City Council, (2013).

Consequently, collaboration with employers on skills can mean fostering relationships between schools and businesses, as well as relationships between councils and businesses.

## IN PRACTICE:

- **WORK WITH SCHOOLS:** One of the key objectives of **Leeds's** Inclusive Growth Strategy is to put employers “at the centre of the education and skills system”.<sup>44</sup> This means encouraging more collaborative work between schools and businesses, and encouraging input from employers as they look to devise strategies to reskill the unemployed. Leeds City Council have also listened to businesses in the area that are concerned about the lack of digital skills in the city, and so are trying to develop better awareness among skilled graduates of the city's university about the digital opportunities in Leeds, as well as among skilled former residents who have moved away. Similar work is going on in **Cheshire and Warrington**, where there was a major concern about young people not knowing what skills would be most useful in the local economy.<sup>45</sup> In **Warwickshire**, their ‘Skills for Employment Programme’ provides teachers with fact sheets to help them advise parents and pupils about employment opportunities. They also run an annual conference which allows employers and educators to come together to discuss ways forward.<sup>46</sup>
- **CREATE NETWORKS:** Another way to seek input on training and education is to create formal structures where different voices can be heard. In **Lancaster**, their ‘Responsible Business Network’, to be launched in early 2020, will look to provide a link between the business world and schools and colleges.<sup>47</sup> The Network's ambitions are to support disadvantaged young people into work, provide information about opportunities and to tackle skills shortages. In **Bradford**, the ‘get Bradford working’ project has created a collaborative network of local actors who are coming together to design and implement targeted training programmes.<sup>48</sup>

<sup>44</sup> [Leeds Inclusive Growth Strategy](#), Leeds City Council, (2018).

<sup>45</sup> [A prospectus for inclusive growth](#), Cheshire and Warrington Local Enterprise Partnership, (2018).

<sup>46</sup> [Skills Conference will reveal skills forecast for Warwickshire](#), Warwickshire County Council, (2019).









<sup>47</sup> [Business news and useful information](#), Lancaster City Council, (2019).

<sup>48</sup> [SkillsHouse and Get Bradford Working case study](#), Local Government Association, (2018).

## EMPLOYERS: KEY TAKEAWAYS

While major employers in an area may be well intentioned, their interests, almost by definition, are unlikely to align exactly with those of a local authority pursuing an inclusive growth agenda. Accordingly, when seeking to work with employers to achieve inclusive growth goals, councils will do well to be fairly narrow in their focus, and have a clarity of vision over the specifics of what they want to achieve. Whether trying to leverage the power of contracts, or through more nurturing levers such as business hubs or employment charters, councils are most likely to be successful when they have very particular, quantifiable outcomes in mind, as otherwise, real progress risks being lost to the negotiation between potentially non-aligned interests.

## CITIZENS

	 REGULATE	 INCENTIVISE	 SHAPE	 FACILITATE
 EMPLOYERS	Leverage Contracts	Business Support	Employment Charters	Seek Input on Training and Education
 CITIZENS	Training Clauses	Graduate Retention Schemes	Reskilling Schemes	Communities Taking the Lead
 PARTNERS	Procurement Processes	Foster Inclusive Practice	Remodel Transport Systems	Bringing Stakeholders Together
 PLACES	Planning Policies	Environmental Sustainability	Reviving Spaces	Asset Transfer

## TRAINING CLAUSES

Training clauses can be used to ensure that labour for council funded projects, for example redevelopment efforts, comes from particular groups. These groups can be specified by councils in contracts, and may be as broad as ‘local people’ or more specific, such as the long-term unemployed, or people from particular areas. By using these clauses, councils can change the skills profile of their population, and thus promote inclusive growth.

With the looming challenge that automation poses to the UK labour market, such measures may be integral to ensuring that displaced workers obtain the employment and skills support they need to find secure and decently paid jobs in sectors of high importance to the local economy. This is critical for the long-term prospects of inclusive growth in an area, as technological

advances have the potential to create a class of people whose skills have been made redundant.

They can also provide a renewed impetus for councils to grapple with the difficult and growing challenge of matching workforce skills with the demands of the local labour market.

## IN PRACTICE:

- **COMMUNITY BENEFIT:** Sandwell Council have used ‘community benefit’ clauses during procurement to enable “the Council to optimise employment and training opportunities from the significant investments” in regeneration that have occurred in the area.<sup>49</sup> Beyond simply trying to create jobs for specific groups, Sandwell have created a framework to ensure training and retention for their citizens. At one major development project, they created a minimum of 20 positions where people will be offered training, and required the contractor to “pay a retention fee of £100 per trainee per week to ensure a full commitment to the training programme”.
- **REDEVELOPMENT:** A scheme in Leeds, called Canopy Housing (working in partnership with the council), renovates empty and derelict houses to create homes for the homeless. They do this using volunteers from disadvantaged backgrounds, who gain experience, confidence and improve their employment prospects through the process.<sup>50</sup>

## GRADUATE RETENTION SCHEMES

Graduate retention schemes are about incentivising graduates to stay in the place where they studied. This can be done directly, by appealing to graduates themselves, or indirectly, by incentivising businesses to hire from local universities and colleges, thus creating a more targeted offer for graduates, and perhaps changing their views about what opportunities a place can offer them.

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<sup>49</sup> Richards, K. (no date). [Community Benefits Clause In Public Sector Planning, Economic and Regeneration Commitments to Tackle Worklessness](#). *Think Local*.

<sup>50</sup> [Leeds Community Homes: Promoting Community-Led Housing](#), *Real-Improvement*, (2018).

Such strategies' role within inclusive growth agendas is a somewhat contested one. There is a possibility that plans become focused on creating growth through attracting people from outside an area, which could be at odds with efforts to ensure that local people benefit from growth.

However, if people have spent years studying somewhere, are they then not a part of that local area? Even if they are not, can their economic activity not create growth that benefits an area more widely?

Councils will have to wrestle with these questions themselves based on their particular circumstances, but the fact remains that at present, more than 50 per cent of graduates leave the place they study immediately after graduation, taking their economic potential with them.<sup>51</sup> This significantly affects the strength of an area's economy.<sup>52</sup> Reversing this dynamic is key to ensuring that a range of skills remain in local economies, preventing places from being 'left-behind' by economic shifts, which, as already established, is one of the key concerns underpinning inclusive growth thinking.

## IN PRACTICE:

- **INCENTIVISE GRADUATES:** In **Nottinghamshire**, a partnership body has been formed between the county council, Nottingham City Council and the universities in the area. One of their main tasks is to increase the perception among students of Nottinghamshire as a destination for graduates.<sup>53</sup> **Leicester** City Council offers undergraduates and recent graduates of Leicestershire universities a wide range of placement opportunities with the council to encourage them to stay in the city. All placements are paid and include taster training in leadership and management.<sup>54</sup>

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<sup>51</sup> Swinney, P & Williams, M. (2016). [The Great British Brain Drain: Where graduates move and why](#). Centre for Cities.

<sup>52</sup> Piazza, G. (2017). [How can cities appeal to both students and graduates?](#) Centre for Cities.

<sup>53</sup> [Graduate Retention in Nottingham and Nottinghamshire](#), Nottinghamshire County Council, (2017).

<sup>54</sup> [Graduate recruitment](#), Leicester City Council, (no date).

- **INCENTIVISE BUSINESSES:** Local economies that are dominated by SMEs (as opposed to large corporations) face a particular challenge when it comes to graduate retention. SMEs have a tendency to see graduates as expensive hires who are unlikely to be around in the long term.<sup>55</sup> Even if this is overcome, they then face the problem of lacking the resources to compete with larger companies' graduate recruitment operations. To combat this, **Nottinghamshire** County Council have worked with an organisation called 'GradCore', who provide a service to SMEs free of charge, helping them to match talented graduates from local universities to vacancies, helping level the recruitment playing field between small and large companies.<sup>56</sup>

## RESKILLING SCHEMES

At a time when the labour market is rapidly changing, it is vitally important that people have access to training throughout their career. As discussed in the 'training clauses' section, automation and AI are an emerging and future challenge that risk the inclusivity of growth everywhere. Investing in reskilling schemes is one way in which councils can ensure that it does not lead to large swathes of their citizens being left behind economically. Those starting their careers today will be most affected by these forces, and, as such, are likely to work in multiple sectors and professions through the course of their working lives. Providing them with the chance to reskill throughout their careers ensures that they will continue to have access to productive areas of the economy.

Investing in reskilling schemes is also vital for businesses. Many employers in key sectors currently report skills shortages, with research from the British Chambers of Commerce and Indeed suggesting that half of UK businesses are taking longer to fill vacancies for skilled roles compared with five years ago.<sup>57</sup>

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<sup>55</sup> [SMEs and Graduates](#), Graduate Recruitment Bureau, (no date).

<sup>56</sup> [Graduate Retention in Nottingham and Nottinghamshire](#), Nottinghamshire County Council, (2017).

<sup>57</sup> [Remove blockers in the skills system to alleviate recruitment struggles, says BCC and Indeed](#), British Chambers of Commerce, (25 June 2019).

## IN PRACTICE:

- **MACRO INTERVENTIONS:** Some councils have focused their reskilling efforts on particular sectors. **Manchester** City Council, for example, has worked with an organisation called NorthCoders which trains people to code in just 12 weeks, in order to get people with few skills into one of the most modern and dynamic parts of the economy.<sup>58</sup>
- **TAILORED INTERVENTIONS:** One of the challenges when it comes to reskilling communities is that, often, those most in need will be the hardest for councils to reach. Recognising this, some councils have partnered with third sector and community organisations to create tailored interventions aimed at reaching specific groups in need of increased confidence or skills in the labour market. In **Kirklees**, the council has launched a programme called 'Community Learning Works', where the council provides community groups grants for grassroots projects, sometimes for as little as £50, just so that they can hire a venue to get a dozen or so people together and offer support or training.<sup>59</sup> The advantage of this approach is that it is more targeted and more flexible than a programme that a council could deliver on its own. Once people have been helped to find new employment, the council then follows up by offering a six-month work support package for people transitioning into new jobs and careers. This involves employment support officers regularly checking up with, supporting and giving advice to people in their first six months in post.<sup>60</sup>

## COMMUNITIES TAKING THE LEAD

As the name suggests, inclusive growth is about including people in the economy. Inclusion tends to suggest bottom-up rather than top-down processes, and so there is a clear logic that, in order for councils to cultivate inclusive growth, communities must have a key role in shaping policy.

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<sup>58</sup> As disclosed in one of our workshops.

<sup>59</sup> As disclosed in one of our workshops.

<sup>60</sup> As disclosed in one of our workshops.

There are numerous ways of achieving this, and councils vary in how ambitious they are being. Most councils have adopted models which allow communities to offer feedback on proposals to some extent. However, space certainly remains for more radical approaches, informed by the ethos NLGN laid out in our 'Community Paradigm' report (2019). 'Communities taking the lead' in this sense would see them shaping policies in an unconditional way, and would involve community ownership of the entire process.

## IN PRACTICE:

- **COMMUNITY RESEARCHERS:** In **Birmingham**, the council has partnered with the University of Birmingham, **Sandwell** Council, the NHS and local third sector organisations to deliver an innovative project aimed at creating new ways for local people to feed back on council proposals in areas such as inclusive growth. Part-funded by the ERDF, the USE IT! project trains local people to be social researchers, who can then work in deprived areas of Birmingham, gathering information and making recommendations on policy initiatives.<sup>61</sup> Such a process of targeted evidence gathering in the most deprived communities can ensure that economic policy is made as inclusive of these groups as possible.
- **TARGETING SPECIFIC GROUPS:** Poverty Truth Commissions provide a safe space in which relationships are built between individuals with lived experience of poverty and individuals who are considered to have influence and 'power' in a geographical area.<sup>62</sup> Normally operating at city level, Poverty Truth Commissions provide an opportunity for both groups of individuals to listen to each other's experiences with no pre-set agenda. Over the course of the process (usually a year), shared priorities for action are agreed and worked on together by those with lived experience and those with some ability to influence structures and services. Examples include improved and more sensitive treatment of individuals using job centres by advisors, and a city-wide campaign to break down the stigma of disclosing mental health problems in the workplace. Commissions have been trialled in places including

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<sup>61</sup> [USE IT! Social Entrepreneurs Programme Launched](#), iSE, (no date).

<sup>62</sup> Campbell, S. (2018). [Are people with lived experience of poverty finally being heard?](#) Joseph Rowntree Foundation.

**Cheshire, Salford, Birmingham and Leeds.** Other examples of projects aimed at trying to get feedback on policy from specific groups include The **West Midlands** 'Young Combined Authority', which is a 30-seat board made up of young people aged 16-25 who advise and challenge the West Midlands Combined Authority on its priorities.<sup>63</sup>

## CITIZENS: KEY TAKEAWAYS









Local authorities developing strategies to work with citizens on inclusive growth tend to focus on skills: making sure that opportunities are available and accessible to help residents acquire the skills they need to obtain fulfilling, secure and well-paid jobs in the area. However, too narrow a focus on skills development will only go so far to support people into good employment. Councils also need to consider how their inclusive growth strategies can 'nudge' people into behavioural change: encouraging them to lead healthy lifestyles, develop a lifelong appetite for learning, and consider the merits of apprenticeships and other forms of work and training that might not be seen as the 'norm' among family and friends.

In order to enable inclusive outcomes for citizens, responsible practice for councils is to ensure inclusivity in process. This does not just mean consulting and informing via the usual communication channels, but also involving, listening to and co-producing inclusive growth initiatives with the communities whom they support.

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<sup>63</sup> [West Midlands Young Combined Authority](#).

## PARTNERS

	 REGULATE	 INCENTIVISE	 SHAPE	 FACILITATE
 EMPLOYERS	Leverage Contracts	Business Support	Employment Charters	Seek Input on Training and Education
 CITIZENS	Training Clauses	Graduate Retention Schemes	Reskilling Schemes	Communities Taking the Lead
 PARTNERS	Procurement Processes	Foster Inclusive Practice	Remodel Transport Systems	Bringing Stakeholders Together
 PLACES	Planning Policies	Environmental Sustainability	Reviving Spaces	Asset Transfer

## PROCUREMENT PROCESSES

One of the most common ways in which councils are currently promoting inclusive growth in their area is through procurement processes and the expenditure of public money in general. Unlike 'Leveraging Contracts', which is about attaching stipulations to local authority spend, this lever is about councils deliberately targeting their spending on certain types of institutions and in certain geographies in order to reshape the local economy.

Councils may choose to prioritise spending on local businesses, supporting them and ensuring that as much of their budget stays inside the local economy as possible, circulating between local people and businesses in a virtuous cycle.

Such approaches involve councils reflecting on their role as anchor institutions, rooted in their communities and with a unique power to shape them. Councils may also work together with other local anchor institutions to embed an inclusive growth ethos into the procurement practices of as many key local economic actors as possible, multiplying the effect and further promoting economic transformation.

## IN PRACTICE:

- **COUNCILS' OWN SPENDING:** Thinking about the council's role as an anchor institution has been a major part of **Preston's** much-lauded repurposing of the US concept of 'community wealth building' for the British context. A basic principle of this approach is to focus on "wealth that's there" – meaning that rather than relying on inward investment, they aim to improve the local economy through harnessing the power of anchor institutions like the council.<sup>64</sup> Through localising as much of their spending as possible, they are able to provide a much-needed injection of capital into local businesses and into their supply chains. This begins a virtuous cycle in Preston's economy. **Adopting a community wealth building model has delivered measurable positive outcomes for Preston.** £112.3 million has been retained in the local economy, some 4,000 extra employees in the city now earn the Real Living Wage,<sup>65</sup> and Preston was named the "Most improved City in the United Kingdom" by the Good Growth for Cities guide in 2018.<sup>66</sup> This approach is also being explored and/or being implemented in other areas, including **Birmingham, Oldham, Islington, Kirklees, Calderdale and Southampton.**<sup>67</sup>
- **CREATING A NETWORK:** As well as thinking about their own role as an anchor institution, **Doncaster** Council has been proactive in creating a wider network of influential local actors, who can come together and deliver positive outcomes. 'Team Doncaster' is made up of the eight

<sup>64</sup> [What is Community Wealth Building?](#), Preston City Council, (no date).

<sup>65</sup> [How we built community wealth in Preston](#), Preston City Council & Centre for Local Economic Strategies, (2019).

<sup>66</sup> McInroy, N. (2019). [Celebrating eight years of community wealth building in Preston](#), Centre for Local Economic Strategies.

<sup>67</sup> McInroy, N. (2018). [Wealth for all: Building new local economies](#). Local Economy.

organisations in Doncaster's Local Strategic Partnership, and they now take shared responsibility for delivering the local inclusive growth strategy.<sup>68</sup>

## FOSTER INCLUSIVE PRACTICE

Councils can create 'nudges' to change the behaviour of key economic actors in their areas. Some of these nudges can be very soft levers. The goal here is to create an environment within a local area where partner organisations are naturally incentivised to act in ways that promote inclusive growth. Other nudges can utilise harder levers, for example making funding contingent on certain practices.

Changing the behaviour of others, however, starts with changing your own behaviour. Accordingly, fostering inclusive practice means councils reflecting on their own interactions with partners, and working out how they can alter them in order to incentivise the sorts of behaviours they want to see.

### IN PRACTICE:

- **CREATE FAVOURABLE CONDITIONS:** If councils want partners to behave in a certain way, they need to ensure that they do everything in their power to create an environment which incentivises it. One way in which councils can do this is to think about how they can use the contracts they award to create stable conditions for partners. One team at **Wakefield** Council are currently procuring a service for the longest contract term they've awarded of up to ten years. This will enable the provider to operate on a more stable footing, with a regular income stream, meaning that they can plan for the long term and give their staff a greater sense of job security.<sup>69</sup>
- **FOCUS ON CREATING CHANGE:** One concern that local authorities grapple with when setting up incentives of any kind, is ensuring that they are incentivising people to do something new, rather than simply

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<sup>68</sup> [Doncaster Inclusive Growth Strategy](#), Team Doncaster, (2018).

<sup>69</sup> As disclosed in interviews.

patting those on the head who already exhibit good behaviour. In an inclusive growth context, this means that financial incentives offered to partners don't just become a revenue stream for existing responsible employers, but actually create new ones. **Manchester** City Council has taken an interesting approach to this when it comes to its attempts to create apprenticeships. Their apprenticeship grants are only available to companies which haven't offered apprenticeships in the last two years, meaning they are only incentivising the creation of new positions.<sup>70</sup>

## REMODEL TRANSPORT SYSTEMS

The relationship between transport and inclusive growth is a complex one. Some have expressed concern that, if the way councils try to help deprived areas is by making them more connected to wealthier ones, they actually make it harder for businesses in those poorer areas to thrive.<sup>71</sup>

This is a question that councils need to grapple with. However, they also need to consider the fact that without a well-designed transport system, certain communities are likely to become excluded from certain parts of the labour market purely as an accident of geography. The first step to aligning inclusive growth and transport strategies is recognising that transport systems are built on partnerships. From bus and construction companies to passenger and business groups and neighbouring local authorities, there are many stakeholders with whom councils need to work closely to make their local transport system more accessible and a better enabler of inclusive growth.

On top of this, there are further potential inclusive growth benefits from transport investment. For one thing, ensuring good connectivity has the power to create a local area in which people can live and work across, thus lowering the likelihood of segregation of different communities. For another, transport infrastructure can help improve productivity, itself a major component of the inclusive growth puzzle. This is all without mentioning the potential of remodelling transport systems to make a local economy greener, and thus more sustainable and inclusive in the long term.

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<sup>70</sup> [Apprenticeship grants](#), *Manchester Community Central*, (26 April 2019).

<sup>71</sup> Boyle, D. (2016). [Is transport enough to build inclusive growth?](#) *RSA*.

## IN PRACTICE:

- **GENERAL:** Many inclusive growth strategies recognise that a major barrier they face is poor connectivity, meaning certain communities can't access certain types of jobs. **Central London Forward**, a strategic group covering twelve local authorities in London, has argued that for inclusive growth to be delivered in their area, further investment needs to be made in expanding and upgrading infrastructure, particularly in South London.<sup>72 73</sup> Similarly, **Bristol** has identified 'public transport deficits' as a major challenge that they face in terms of delivering inclusive growth. Consequently, their inclusive growth plan recommends the city creates a new transport strategy with the needs of the poorest at its heart, and for measures such as subsidising travel for the unemployed to be considered.<sup>74</sup> This new transport strategy was launched in the summer of 2019.<sup>75</sup>
- **TARGETED:** Some councils have implemented highly targeted initiatives aimed at using transport infrastructure to unlock inclusive growth. A good example of this comes from **North Warwickshire**, which worked with StageCoach to create new bus routes specifically designed to take rural workers to jobs in previously poorly connected business/industrial centres in the area.<sup>76</sup>

## BRINGING STAKEHOLDERS TOGETHER

Creating a revived economy that is inclusive of the entire community is not something that a council has the power to enact on its own. Indeed, even many of the smaller steps identified here that need to be taken on this journey require local government to work proactively with other stakeholders and form partnerships.

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<sup>72</sup> [Central London Forward](#).

<sup>73</sup> [Inclusive Growth Strategy](#), *Central London Forward*, (2019).

<sup>74</sup> [Inclusive and Sustainable Economic Growth Strategy](#), *Bristol City Council*, (2018).

<sup>75</sup> [Bristol Transport Strategy](#), *Bristol City Council*, (2019).

<sup>76</sup> As disclosed in one of our workshops

Strategies tend to have the strongest impact when they are designed with the input and buy-in of all partners whose support will be needed for successful implementation. The complexity of inclusive growth interventions often requires the backing and resource (time and money) of a large number of cross-sector partners and communities. The convening power of councils, to bring together stakeholders from a variety of sectors and backgrounds to drive coordinated action, is a crucial enabler of place-based inclusive growth. Some councils have already created formal structures, such as steering groups, forums or partnership boards, to facilitate the close working of the key players in all aspects of inclusive growth. No matter how their convening power is employed, councils must ensure that it brings a genuinely representative group of voices to the table and unites them around a shared commitment to inclusive growth.

## IN PRACTICE:

- **INCLUSIVE GROWTH UNIT:** The **West Midlands** Combined Authority (WMCA) launched its Inclusive Growth Unit in 2018 to “help ensure inclusive growth is hard-wired into mainstream West Midlands investment, economic growth and local industrial strategy.”<sup>77</sup> The Unit brings together local and national partners representing a range of sectors to provide research, analysis, advice and citizen engagement to support the WMCA in its inclusive growth strategic planning and decision-making. Analyses commissioned by the Inclusive Growth Unit so far include: a consultation with communities in the West Midlands on what inclusive growth looks like; <sup>78</sup> and a data-driven report on the different experiences faced by men and women using public services in the West Midlands and the under-representation of women in WMCA’s decision-making structure.<sup>79</sup>
  
- **COMMISSIONS:** In **Luton**, a dedicated Inclusive Growth Commission was established in September 2018 to provide recommendations to

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<sup>77</sup> [Linking cranes with communities – WMCA launches Inclusive Growth Unit](#), *West Midlands Combined Authority*, (Friday 25 May 2018).

<sup>78</sup> [Connecting Cranes with Communities: How the WMCA can create inclusive growth](#), *Localise West Midlands*, (February 2019).

<sup>79</sup> [Making Devolution Work for Women: West Midlands Data Report](#), Fawcett Society et al, (July 2018).

the council on how the £1.5 billion Luton Investment Framework could benefit all residents. The Commission was made up of nine independent ‘expert’ figures from the business, education, housing, infrastructure, health, community and welfare sectors.<sup>80</sup> The Commission oversaw an “extensive engagement and consultation programme”, which included public meetings and events and a roundtable discussion with young people, so that residents could play an active role in shaping proposals for inclusive growth in the borough.<sup>81</sup> Recommendations to Luton Council in the Commission’s final report include: “a new deal with the voluntary sector and communities to tackle major challenges around skills, health and economic activity” and support anchor institutions to develop “a collaborative approach to funding an inclusive economy.”<sup>82</sup> Luton Council’s response outlined how the report’s recommendations will be taken forward by the council and partners through the ‘Luton 2040: No-one in Poverty’ vision.<sup>83</sup>

- **INTER-COUNCIL PARTNERSHIP:** Established in 2014, the **Borderlands** Partnership comprises five councils (Carlisle City Council, Cumbria County Council, Dumfries and Galloway Council, Northumberland County Council and Scottish Borders Council) situated along the Scotland-England border.<sup>84</sup> In 2017, the Partnership published *The Borderlands Inclusive Growth Proposition*, a vision for economic growth in the Borderlands that combined plans to boost productivity and business development with commitments to create more well-paid jobs and in-work progression opportunities for local people.<sup>85</sup> The UK Government, Scottish Government and Borderlands Partnership agreed a £394.5 million deal to implement the Proposition in 2019, which is expected to create an additional 5,500 jobs and bring over £1 billion to the region’s economy.<sup>86</sup>

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<sup>80</sup> [Commission set up to ensure residents benefit from town’s growth](#), Luton Council, (2018).

<sup>81</sup> Ibid.

<sup>82</sup> [Growing Luton Together: The Final Report of the Luton Inclusive Growth Commission](#), Luton Inclusive Growth Commission, (October 2019).

<sup>83</sup> [Luton Council Response to the Final Report of the Inclusive Growth Commission](#), Luton Council, (2019).

<sup>84</sup> [The Story So Far](#), Borderlands Inclusive Growth Deal, (no date).

<sup>85</sup> Ibid.

<sup>86</sup> [Transformational £394.5m Borderlands Inclusive Growth Deal signed off](#), Scottish Borders Council, (01 July 2019).

- **PLACE LEADERSHIP:** In **Bolton**, a longstanding partnership that brings together the council and senior leaders from the private, voluntary, community, faith, health, emergency services and education sectors leads the area's strategic planning for inclusive growth. The Bolton Vision Partnership launched its long-term vision for the borough, 'Bolton 2030', in 2017 and lists 'driving inclusive growth and prosperity for all' as one of its three core principles.<sup>87</sup> This will be achieved through a renewed focus on attracting high-growth companies to Bolton; training local people in the skills needed to take highly-skilled, well-paid and secure jobs in high-growth companies; and involving communities in making decisions and delivering services.<sup>88</sup> **Oldham's** ambition to be 'Greater Manchester's Inclusive Economy capital' is being achieved through an 'Inclusive Economy' work programme, to which existing partnerships and boards are designated work streams in a clearly presented table.<sup>89</sup> For example, the Oldham Leadership Board, which includes Oldham Council political leaders, senior public services chief executives and business, education, housing and VCSE representatives in its membership, has co-responsibility for the work stream to "challenge the orthodox investment model". The Board is achieving this by bringing anchor institutions together to develop local wealth-building and support joint initiatives such as Fair Employment.<sup>90</sup> The **Birmingham** Anchor Institution Network is (at the time of writing) recruiting for a full-time Co-ordinator to support members of the network to turn organisational commitments to build a more inclusive economy in Birmingham into practical actions.<sup>91</sup>
- **PARTNERSHIPS TO FINANCE PROJECTS:** **Bristol** City Council is part of the strategic partnership behind City Funds, which was launched in Autumn 2019 and brings Bristol-based public sector bodies, businesses, communities and funders together to raise money for projects aligned with the priorities of the 'One City Plan'.<sup>92 93</sup> This includes projects that

<sup>87</sup> [Bolton Vision](#).

<sup>88</sup> [Bolton 2030: A Vision for Bolton's Future](#), *Bolton Vision Partnership*, (2017).

<sup>89</sup> [Inclusive Economy in Oldham](#), *Oldham Partnership*, (no date).

<sup>90</sup> [Oldham Leadership Board](#), *Oldham Partnership*, (no date).

<sup>91</sup> [CLES is recruiting... in Birmingham](#), *Centre for Local Economic Strategies*, (10 January 2020).

<sup>92</sup> [Bristol City Funds](#).

<sup>93</sup> [Britain's newest investment fund secures over £10 million to address citywide inequality](#), *Power to Change*, (09 October 2019).

help communities in Bristol to access employment, education and skills development.<sup>94</sup> The council has committed £5 million into City Funds.<sup>95</sup> However, it has no contractual responsibility or rights with regard to the fund in order to give investors confidence that changes in political leadership will not lead to changes in the management of the fund.<sup>96</sup> The main role of the council and its Mayor is to champion and promote investment into the initiative.

## PARTNERS: KEY TAKEAWAYS

It is impossible for one organisation to deliver inclusive growth alone. Meaningful and lasting change can only come through networked action, and that is why collaboration with partners is so important for councils pursuing inclusive growth outcomes. Taking the time at the start of the process to bring anchor institutions and cross-sector partners together and work closely with them to develop a shared inclusive growth strategy for the area will reap rewards in the long run.









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<sup>94</sup> [Economic Inclusion](#), *Bristol City Funds*, (no date).

<sup>95</sup> Baker, H. (09 October 2019). [Millions of pounds to be spent tackling inequality and deprivation in Bristol](#). *Bristol Live*.

<sup>96</sup> Clayton, N. et al. (December 2017). [Funding and financing inclusive growth in cities](#). *Centre for Cities*. p.31.

## PLACES

	 REGULATE	 INCENTIVISE	 SHAPE	 FACILITATE
 EMPLOYERS	Leverage Contracts	Business Support	Employment Charters	Seek Input on Training and Education
 CITIZENS	Training Clauses	Graduate Retention Schemes	Reskilling Schemes	Communities Taking the Lead
 PARTNERS	Procurement Processes	Foster Inclusive Practice	Remodel Transport Systems	Bringing Stakeholders Together
 PLACES	Planning Policies	Environmental Sustainability	Reviving Spaces	Asset Transfer

## PLANNING POLICIES

Planning conditions are stipulations that councils can attach to permissions for development. These are typically used, in the context of inclusive growth agendas, to increase the supply of affordable housing in an area, but can also be used to create or maintain commercial space or community infrastructure.

Planning conditions can promote local inclusive growth in a variety of ways. For example, affordable housing is valuable as a stable living environment and therefore beneficial for the well-being of workers, their families and wider communities. Policies that make living costs more affordable enable

people to spend more of their disposable income in the local economy and/or on courses to learn new skills. Local authority planning policies are major contributors to the development of affordable housing – 45 per cent of affordable homes supplied in England between 2015/16 and 2017/18 were at least part-funded by Section 106 agreements between councils and developers.<sup>97</sup> Affordable commercial space is also key to enabling a thriving local economy that supports SMEs to start up and grow.

Furthermore, planning policy can be used to prevent displacement – a process which pushes certain communities out of places, and is in that sense, totally antithetical to the idea of inclusive growth. Accordingly, planning policy can form part of a place-shaping agenda, as well as an inclusive growth agenda, and help councils strengthen the resilience of the communities they serve.

## IN PRACTICE:

- **COMMUNITY INFRASTRUCTURE LEVY (CIL) AND SECTION 106 SPENDING:** Local authorities use the CIL and Section 106 financial contributions to mitigate the impacts of large developments by funding projects that promote community well-being. Between April and December 2018, **Camden** Council allocated nearly £500,000 of CIL funds to such projects. The council also used Section 106 contributions to help pay for redevelopments in the borough's West End and services to support people with profound and multiple learning disabilities to live independently.<sup>98</sup>
- **HARNESSING REDEVELOPMENT PROJECTS:** **Leeds's** inclusive growth plan includes a programme for extensive redevelopment of the city centre. Attached to this, are plans to enable more affordable housing, particularly around the new city enterprise zone, as well as the redevelopment of 2,500 unused properties close to the city centre.<sup>99</sup>

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<sup>97</sup> Garton Grimwood, G. and Barton, C. (2019). [Briefing Paper: Planning Obligations \(Section 106 Agreements\) in England](#). *House of Commons Library*. No. 7200. p8.

<sup>98</sup> [Infrastructure and Growth Newsletter: January 2019](#), *Camden Council*. (2019).

<sup>99</sup> [Leeds Inclusive Growth Strategy](#), *Leeds City Council*, (2018).

- **INTERVENTIONIST APPROACHES:** Some councils are taking an even more proactive approach to change the housing picture in their area. **Barking and Dagenham** has created a special purpose company, called 'Be First', which aims to provide quality affordable housing to residents.<sup>100</sup> They also plan to use housing associations to influence the market further to provide good quality, affordable homes.
- **AFFORDABLE WORKSPACES:** **Havering** has taken steps to ensure that redevelopment does not lead to the loss of affordable commercial space. They require any developers to replace any such space that is lost to redevelopment, and to maintain its design, services, and crucially, rent prices.<sup>101</sup>

## ENVIRONMENTAL SUSTAINABILITY

For growth to be sustainable, and for it to be inclusive in the sense of providing economic opportunities in the long term, addressing environmental issues as part of a local inclusive growth strategy is an imperative.

Dealing with climate change will lead to significant changes in the UK economy. From an inclusive growth perspective, this, in the long term, means ensuring that growth is being created in industries that are likely to remain relevant in a future decarbonised economy.

In the short term, this means councils using their powers to incentivise the greening of their local economy, changing the behaviours of both local residents and businesses.

However, it is worth noting that as of yet, thinking on inclusive growth has not really engaged with environmental issues in a serious way. Much more needs to be done, both in terms of developing ideas, and trialling interventions. The following case studies offer only a glimpse of the embryonic phase of this process.

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<sup>100</sup> [No-one left behind](#), *Barking and Dagenham Council*, (2018).

<sup>101</sup> [Havering Local Plan](#), *Havering Council*, (2016).

## IN PRACTICE:

- **GREEN HOMES:** In **Norwich**, an award-winning new council housing development has been built to a high standard of sustainable design. As a result, residents will save huge amounts on heating bills, which could be as low as £150 a year.<sup>102</sup>
- **OFFSETTING:** In **Southwark**, the council uses planning policies to enforce certain environmental standards in new-build homes.<sup>103</sup> However, in instances where properties cannot meet requirements for a regulated carbon dioxide emissions saving, the council has created a 'carbon offset fund' into which the developers can contribute. This allows the developers to meet their emissions saving requirements "off site" and enables the council to spend money on carbon offsetting projects around the borough.

## REVIVE SPACES

Physical redevelopment works in multiple ways as part of an inclusive growth strategy, and is a particular focus for many at a time when town centres are under threat from low footfall and online shopping. Firstly, the construction associated with the development itself can create new, skilled employment and inject capital into the local economy. From there, the new revived spaces can create new economic dynamism through the creation of spaces for businesses, retail or education. These new spaces are also useful for attracting the investment of further capital, making areas seem more viable for businesses and employers.

Redevelopment also represents an opportunity to reshape the public space of an area, and, therefore, to make it more inclusive. Environments can be created that are open and accessible to all, creating a sense of community and removing barriers in terms of transport, cost or poor design that limits accessibility.

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<sup>102</sup> Perraudin, F. (11 October 2019). '[Spacious and green: inside Norwich's award winning new council houses](#)'. *The Guardian*.

<sup>103</sup> [Zero carbon homes and the carbon offsetting fund](#). *Southwark Council*, (last updated 27 June 2019).

## IN PRACTICE:

- **REPURPOSING:** In many instances, reviving spaces has meant repurposing them – changing their usage so that they become more likely to facilitate inclusive growth. Some councils are taking a targeted approach to repurposing, and have started to consider how their assets could be better utilised from an inclusive growth perspective. A good example of this comes from **Manchester**, where the council, in partnership with other stakeholders, was able to take a grade II listed school building, which had recently become unoccupied, and turn it into a space that now houses studios for nearly 100 artists.<sup>104</sup> By doing this, they have taken something that was disused and harnessed it to support creative professionals develop cultural projects for the local community to enjoy.
- **INTERVENTIONISM:** For some councils, reviving spaces has meant taking an interventionist approach to development in their city. The goal in these instances is to secure the future of key local industries, thus creating conditions more conducive to inclusive growth. One such example comes from **Blackpool**. Tourism is a massive industry for the town, but by its nature, it is a sector that is dominated by SMEs, rather than by the sort of large companies that can own major assets. Accordingly the council has taken measure to step in and secure certain assets for the industry – using money from the North West Development Fund and the Homes and Communities Agency, they have purchased the Blackpool Tower, the Winter Gardens, the Golden Mile Centre and the Louis Tussauds Buildings.<sup>105</sup> They have then leased the management of these buildings to large companies, and in so doing, have secured a range of tourist attractions for the city, enabling the local tourism industry to continue to flourish.
- **ACCESSIBLE SPACES:** The **City of London** employs an Access Team to provide professional advice to developers to ensure that new buildings and public spaces are designed to meet the access needs of

<sup>104</sup> Palmer, S. (2017). [New home for Manchester's Rogue Artists' Studios provides "long term security". a-n.](#)

<sup>105</sup> [Plan to 'give new life' to Blackpool Tower](#), *BBC News*, (1 August 2010).

all members of the community, including people with disabilities. The Access Team is supported by an Access Group of volunteers, most of whom have disabilities and live and work in the City. The Group meets bi-monthly to provide personal input to the Access Team on national and local access issues.<sup>106</sup>

## ASSET TRANSFER

This lever looks at how local government might be able to facilitate inclusive growth through releasing assets.

Asset transfer is the process of the hand-over of ownership of public land or buildings by councils to the community, often organised in the form of a development trust, a community land trust or a social enterprise. The idea, in an inclusive growth context, is that the community can use their local expertise and knowledge to turn these spaces into economic hubs that benefit them.

Alternatively, asset transfer can be used to facilitate the creation of affordable housing in a local area. As discussed elsewhere in this report, housing is a key concern of inclusive growth agendas, and ensuring that it is affordable is crucial for making sure that economic growth does not simply lead to the displacement of poorer communities from prosperous areas.

### IN PRACTICE:

- **COMMUNITY LAND TRUSTS:** The Granby Four Streets community land trust in **Liverpool** came about after the council earmarked an area of the city for demolition and redevelopment following riots in the 1980s.<sup>107</sup> In the face of these plans, a group of residents resisted, and worked to maintain their neighbourhood and keep it functional. In the end, they were allowed to take ownership of ten derelict properties, through the creation of a community land trust. Since then, they have

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<sup>106</sup> [Access Team](#), *City of London*, (page last modified on 16 July 2019).

<sup>107</sup> [Granby Four Streets CLT](#).

used their spaces to create a market, 50 new jobs in construction, art and community organising, and created spaces for local creative industries. In **Leeds**, a community land trust has been established to lead local community developments.<sup>108</sup> Through a community share offer, they raised over £300k in 2017, which they used to create 16 ‘people powered homes’ near the city centre, nine of which are community rented.

- **COMMERCIAL ASSET TRANSFER:** In **Brighton**, ownership of the Brighton Open Market has been transferred from the council to the local Market Traders Association.<sup>109</sup> This was an effort to reinvigorate the market after a period of decline, allowing it to be an engine for growth once more. The market has now seen major redevelopments, and the introduction of new kinds of traders, providing products that fit with the changing tastes of the city. This has helped attract new customers to the market and change its reputation in the city.

## PLACES: KEY TAKEAWAYS

Vibrant and well-kept places are key enablers of inclusive growth, but if neglected, they risk becoming major barriers. These are not just physical barriers regarding housing supply, connectivity and design of public spaces, but also ‘less visible’ psychological barriers linked to culture and identity among groups who face exclusion. For example, some people might feel that a certain area or a brand new shiny university or town hall building ‘isn’t for them’, even if access in practice is not a problem, and might seek to avoid going to appointments or events in such places.<sup>110</sup> An inclusive growth approach must seek to understand both physical and psychological barriers, so that plans to revive spaces are calibrated to make them welcoming and accessible to as many people as possible.

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<sup>108</sup> ‘*Leeds Community Homes: Promoting Community-Led Housing*’, Real-Improvement, (2018).

<sup>109</sup> Gilbert. A. (2016). *A common interest: The role of asset transfer in developing the community business market*. *Power to Change*.

<sup>110</sup> This sentence summarises a discussion that took place at the NLGN Innovation Exchange on Inclusive Growth in Autumn 2018, attended by officers at NLGN member councils.

Inclusive growth strategies must also outline how growth will be environmentally sustainable. Inclusive growth can only be truly inclusive if it takes into account the needs of future generations through responsible environmental stewardship and non-exploitation of finite resources.

# CONCLUSION

In this report, we have taken a broad view of inclusive growth. Seeing it as a lens through which to look at the *pattern*, as well as the pace, of growth,<sup>111</sup> we have chosen to think about the concept through its association with a range of economic issues, including:

- Productivity
- Skills
- Employment practices
- Left-behind places

Such a conception of inclusive growth allows it, to a certain extent, to be as radical an idea as any individual organisation chooses. With this in mind, we have presented a framework outlining 16 potential policy levers that councils can use right now – using existing powers – regardless of how far advanced they are in their thinking, and regardless of what is going on at the national level.

Embraced to its fullest potential, inclusive growth offers a framework for transforming local economies. If councils can be innovative, creative, and forge relationships with public, private and voluntary and community sector partners, then this agenda will allow them to refresh public services, to create fairer communities, and to unleash the economic potential of their areas.

A raft of evidence shows that the relationship between GDP growth and improvements in living standards has broken down for millions across the country. Being in work is no longer enough to ensure staying above the poverty line. Productivity has flatlined.

Through embracing the approaches outlined in this report, councils have the ability to fundamentally reshape their economies to improve the lives of those living and working in them. It is essential that local government steps up to the challenge.

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<sup>111</sup> Lee, N. (2017). [Inclusive Growth in cities: a sympathetic Critique](#). *Regional Studies*, 53(3), 424-434.

# APPENDIX: METHODS

This report's methodological approach consisted of three major strands. These included:

- **A SERIES OF THREE WORKSHOPS ON 'DELIVERING LOCAL INCLUSIVE GROWTH IN PRACTICE':** We held three workshops for people working on inclusive growth in the local government sector: one in London, one in Birmingham and one in Manchester. These events served as peer learning exercises for attendees, but also as part of our research process. We used them to get feedback on emerging ideas, and to find out about initiatives that councils were enacting across the country. During group discussions, we asked attendees to offer case studies from their own work, and to reflect on what has and has not worked for them. These ideas were then recorded and included, where appropriate, in this report. Workshops were conducted under the Chatham House Rule.
- **INTERVIEWS WITH PRACTITIONERS:** Another strand of our research consisted of 'expert interviews' with people with an interest in inclusive growth, be they from an academic, think tank or governmental background. These were used largely during the early stages of the process to further our understanding of the theoretical debates that surround inclusive growth, and the problems that people are experiencing when trying to take theory and turn it into positive outcomes.
- **A REVIEW OF INCLUSIVE GROWTH STRATEGIES PUBLISHED BY COUNCILS:** We reviewed a large range of published plans to better understand how councils were interpreting the idea of inclusive growth, and what they were doing to try and promote this. This served as a source of both individual case studies, and for general principles that seem to be underpinning action across the sector.

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Barrow Cadbury Trust is an independent, charitable foundation committed to bringing about a more just and equal society. Building on its Quaker heritage it seeks long-term solutions by looking at root causes of inequality. The problems it addresses are complex so it frequently works in partnership with others; grant-holders, other trusts and foundations, local and national government, to identify solutions. It focuses on a small number of distinct policy areas and seeks to influence them by building an evidence base, advocating for change, and ensuring the voices of people affected by social injustices are heard in the debate. Much of its work is directed towards change at the national level: where it works locally this is almost always in Birmingham and the surrounding area.

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**Between 2010 and 2020, the UK experienced something unprecedented in recent history – a decade without a recession. Yet, somehow, this period also saw the lowest levels of wage growth for British workers for any ten-year period since the Napoleonic Wars. The juxtaposition of these two facts paints a stark picture – and shows why so many feel the time has come for us to think differently about what constitutes economic success.**

Inclusive growth is a concept that has come out of this process of reimagining, and many reports have been published on the subject in recent years. What's been missing, however, is a truly practical guide that outlines what local government can do, right now, to make inclusive growth happen.

NLGN aims to fill this gap by taking a 'practice-into-theory' approach to defining inclusive growth. In this report, we look at how the concept is being interpreted by practitioners in the field and work backwards towards understanding, rather than attempting a new theoretical framing.

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