

**Name of meeting:** Economy and Neighbourhoods Scrutiny Panel  
**Date:** 10 October 2018  
**Title of report:** Update on Social Value / Local Wealth Building / Inclusive Growth

**Purpose of report:**

To update the panel on the work being undertaken on social value and local wealth building, and links to inclusive growth, in line with the refresh of the Kirklees Economic Strategy.

|  |                                  |
|--|----------------------------------|
| Key Decision - Is it likely to result in spending or saving £250k or more, or to have a significant effect on two or more electoral wards? | N/A                              |
| Key Decision - Is it in the <a href="#">Council's Forward Plan (key decisions and private reports?)</a>                                    | N/A                              |
| The Decision - Is it eligible for call in by Scrutiny?   | N/A                              |
| Date signed off by <u>Director</u> & name  | Rachel Spencer-Henshall 17.09.18 |
| Is it also signed off by the Assistant Director for Financial Management, IT, Risk and Performance?  | N/A                              |
| Is it also signed off by the Service Director (Legal Governance and Commissioning)?  | Julie Muscroft 25.09.2018        |
| Cabinet member <a href="#">portfolio</a>   | Councillor Shabir Pandor         |

**Electoral wards affected:** N/A

**Ward councillors consulted:** N/A

**Public or private:** public

## 1. Summary

The Panel will be aware that the Kirklees Economic Strategy (KES) is being refreshed and will support the achievement of the Council's corporate plan outcome that "Kirklees has sustainable economic growth and provides good employment for and with communities and businesses".

An important element of the revision of the KES is the work on Social Value and Local Wealth Building supported by the Centre for Local Economic Strategies (CLES). There is also an alignment to inclusive growth with the city region work being led through the Inclusive Growth and Public Policy Panel of the Local Enterprise Partnership (chaired by Councillor Pandor).

## 2. Outline of work being undertaken

### Within Kirklees:

The Social Value Policy and Procurement Strategy have been identified as review priorities and Cabinet asked that the next Social Value Policy take a partnership approach to delivering social value outcomes. Cabinet also asked that social value outcomes be better delivered and evidenced in the Council's procurement, commissioning, and asset transfer and use decisions.

Cabinet emphasised local spend as an important means to delivering social value outcomes locally but specified that any future local spend efforts must be based on local research and data. Cabinet voiced approval for the work of the CLES in Preston and other local authorities, especially with respect to local spend and its partnership building (via local anchor institutions).

CLES have been commissioned so far undertake Phase 1 of the local wealth building programme to:

1. **Undertake supply chain analysis for financial year 2017/18** Exploring the extent to which spend is within our defined geographical boundaries – city-region, local authority, ward, and area of deprivation; the extent to which spend is with organisations in specific industrial sectors e.g. construction or manufacturing or financial services; and the extent to which spend is with particular types of suppliers e.g. SMEs or voluntary and community sector organisations
2. **Undertake gap analysis and identification of 'influencable' spend.** Identifying procurement spend which is leaking out of the Kirklees economy and identify areas that could be potentially 'influencable' e.g. potentially delivered by local organisations.
3. **Explore the wider local economic impact through the supply chain.** Exploring supply chain asking about the extent to which they spend themselves within local economies upon suppliers and direct employees of their own to enable a baseline position to be derived as to the extent to which the supply chain re-spends within the Kirklees boundary;
4. **Identify and convene local anchor institutions** (the largest asset-owners, employers, and spenders in the District) and undertake strategic interviews with up to six anchors to assess their activities and their appetite for a partnership approach that draws on our collective resources to maximise local impact and instigate cultural change across the District
  - On the 11<sup>th</sup> July 2018 a workshop was held with local anchors to look at local wealth building and commissioning for place-based social value (supported by CLES, the Department for Digital, Culture, Media, and Sport, and the Cabinet Office)
5. **Produce a report on their findings with recommendations on further activities.**

The procurement, supply-chain, and anchor work will provide us with a new methodology for collecting the data and intelligence on the local spend of the biggest spenders, employers, and asset-owners in the District and provide the local spend baseline as well as identifying opportunities to influence local spend based on CLES's experience with over 50 other local authorities. Through their work with Preston, CLES helped Preston's anchors increase spend within Preston from 5% of total spend to 18.2% and within Lancashire from 39% to 79.2% (2012/13-2016/17). This approach to local spend is accountable and based on intelligence and data. It also meets Cabinet's requirement that the new approach will be partnership-focussed through the anchor partnership.

The Policy and Strategy Team have set up a project team with colleagues from across the Council to ensure early input and buy-in from across the Council and for teams across the Council to already identify opportunities to deliver and evidence social value outcomes, especially through local spend and anchor partnership work.

Detailed results of supply chain analysis and gap analysis are anticipated in September / October 2018.

Phase 2 of this work on local wealth building will be determined by the outcomes of the Phase 1 elements outlined above. Recommendations are yet to be agreed, however it could include developing a Social Value Framework that will help social value outcomes be delivered across Kirklees through the anchor partnerships. Other areas are to be determined, however continued links with anchor institutions will be important and the possibility of looking at how to grow capacities in the business, voluntary and community sector (for example supporting the growth of coops, community businesses etc. could be looked into).

Cabinet were clear that equality is a primary focus of the Social Value Policy and one of the population indicators we seek to influence is the local index of multiple deprivation. (By this measure, Preston had the joint second-biggest improvement in England between 2010 and 2015.) The approach is progressive in driving innovation: encouraging decision-makers in the Council and partners to think about the wider impact of their spend, including whether money spent with local suppliers delivers better well-being outcomes (e.g. because of better connections with particular people and neighbourhoods in Kirklees or upskilling local people). It shows leadership in taking an anchor partnership approach, working together with anchors to maximise the impact of our outcome-focussed efforts.

The local wealth building element in the KES, particularly working with anchors, will also impact on other key agendas such as tackling poverty, improving wellbeing, utilising Corporate Social Responsibility (CSR) and improved employment practices.

There are clear linkages to the inclusive growth agenda which forms a clear driver for the progression for the KES. The Council is about to establish its own Inclusive Growth group to be chaired by Councillor Pandor which will provide advice and guidance to the Council and partners in pursuit of an inclusive growth agenda for the district.

The attached “Social Value & Local Wealth Building Project Overview” gives a summary of the key component parts of the programme of work.

#### In the Region:

Kirklees has the opportunity to align with and to positively shape the inclusive growth agenda at a Regional level, especially with the council’s leadership of the new Inclusive Growth and Public Policy Panel (IGPPP) established to advise the LEP and Combined Authority chaired by Cllr Pandor.

The following elements of future work are to be developed and refined into a work programme in the next IGPPP meeting:

- Getting everyone online – Ensuring all residents are able to use online services, including increasingly digitised public services, online banking in times of bank closures and booking medical appointments online.

- Good employers – A common framework for public sector employers, including good business leadership, poverty standards, living wage pay, elements of the low pay charter and CSR commitments (particularly around offering specialist skills through volunteering).
- Inclusive growth through healthy residents – Economic growth and living standards are intrinsically linked to peoples' health. Preventing ill-health with the help of employers and public health partners is thus seen as a crucial element of inclusive growth.

### 3. **Information required to take a decision**

Report for information purposes only.

### 4. **Implications for the Council**

#### **Early Intervention and Prevention (EIP)**

This programme of work strengthens the link between the KES and the Kirklees Joint Health and Wellbeing Strategy reinforce one another. Good health allows people to enjoy life to the full and make a productive economic contribution. Meanwhile a strong and sustainable economy can have a positive influence on determinants of health such as learning, work and skills and incomes. Increasing the health and wealth of all Kirklees residents, not just existing service-users, is a key way to help people help themselves and to reduce, delay, or prevent them coming to need Council support.

#### **Economic Resilience (ER)**

Economic resilience is at the heart of this work, whether that be of individuals, communities, businesses or the District's and region's economies as a whole. Local wealth building is partly about working more closely with anchor institutions, which are local institutions from the public, private, and third sector that are less likely to withdraw investment in the event of economic difficulties.

#### **Improving Outcomes for Children**

This work contributes to the KES aim that Kirklees is a district combining great quality of life and a strong and sustainable economy leading to thriving communities, growing businesses, high prosperity and low inequality and where people enjoy better health throughout their lives, including children.

#### **Reducing demand of services**

The KES, supported by social value / local wealth building / inclusive growth, sets the priorities by which growth and productivity in the district can be pursued and Kirklees can become a more resilient local economy. This work helps to reinforce the connection of the KES with the Joint Health and Wellbeing Strategy so that the health and well-being of Kirklees residents is at the heart of the Council and partners' concerns. Keeping this connection in view, will keep people living independently and as well as possible for as long as possible.

#### **Other (e.g. Legal/Financial or Human Resources)**

None.

5. **Consultees and their opinions**

This report has incorporated the views of those involved in revising the KES. A high-level of the work outlined in this report has already been to Corporate scrutiny as part of an update on the Transformation Procurement Project.

6. **Next steps**

To present the findings and recommendations of the CLES report to the Councils Leadership Management Team.

7 **Officer recommendations and reasons**

- For Scrutiny members to note the progress being made on social value and local wealth building in support of the KES
- To receive comments and feedback from Scrutiny members on the approach being taken to social value and local wealth building (as part of the Kirklees inclusive growth agenda); with a particular focus on the outcomes and outputs outlined in the attached project overview.

8 **Cabinet portfolio holder's recommendations**

Cllr Pandor has been briefed on the report and is content with the officer recommendations and reasons

9 **Contact officer**

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10 **Background Papers and History of Decisions**

[Economy and Neighbourhoods Scrutiny Panel, 05 September 2018](#), – Kirklees Economic Strategy

[Corporate Scrutiny Panel, 31 August 2018](#) - Transformation Procurement Project.

11. **Service Director responsible**

Rachel Spencer- Henshall, Strategic Director - Corporate Strategy and Public Health