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| Subject: | Inclusive Growth Update |
| Date: | 7 th December 2018 |
| Reporting Officer: | John Tully, Director of City & Organisational Strategy |
| Contact Officer: | Christine Robinson, Strategy, Policy & Partnerships Manager Geoff Dickson, Policy Analyst |

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| Restricted Reports | |
| Is this report restricted? | Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> |
| If Yes, when will the report become unrestricted? | |
| After Committee Decision | <input type="checkbox"/> |
| After Council Decision | <input type="checkbox"/> |
| Some time in the future | <input type="checkbox"/> |
| Never | <input type="checkbox"/> |

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|---------------------------------------|---|
| Call-in | |
| Is the decision eligible for Call-in? | Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> |

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| 1.0 | Purpose of Report or Summary of Main Issues |
| 1.1 | Members have expressed their desire to embed inclusive growth within the decision-making process of Council. As a result, the draft Corporate Plan 2017-21 includes a commitment to work to drive inclusive growth through the development and adoption of an inclusive growth decision making framework for the council. |
| 1.2 | This report provides Committee with a draft framework for discussion and outlines the next steps in refining and implementing the framework into the Council's decision making processes. |

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| 2.0 | Recommendations |
| 2.1 | <p>Strategic Policy & Resources Committee are asked to:</p> <ul style="list-style-type: none"> • Note the working draft Inclusive Growth Decision Making Framework; • Agree that in the first instance that the ongoing development of the framework will focus on the four inclusive growth cohorts outlined in para 3.13; and • Note the next steps in developing the framework. |
| 3.0 | Main Report |
| 3.1 | <p>Agreed steps to developing a framework</p> <p>At SP&R Committee on 20th April 2018, members agreed to a five step approach in developing an inclusive growth framework for the city:</p> <ol style="list-style-type: none"> 1. Defining inclusive growth for Belfast. It is vital that that there is an agreed, and Belfast specific, definition of inclusive growth. To do this we must use data and evidence to determine challenges facing the city, and its population, and collectively develop a common narrative about the vision for change. Doing this will ensure a common framework is in place for all policy and decision makers. 2. Developing and adopting a Belfast City Council bespoke framework. Following the agreement of a specific definition of inclusive growth for Belfast, we will develop an inclusive growth framework to ensure that inclusive growth is placed at the heart of policy, capital and programme decisions. This will ensure that the Council has a practical and simple framework to use in future decision making to quantify the inclusive growth benefits of investments and interventions. 3. Assessing current interventions. This step will involve an assessment of whether the Council's and the actions of other agencies / partners are sufficient, along with the development of a plan to address deficiencies or build on strengths. 4. Measuring our progress. Members will be aware the Community Planning and Smart Cities teams are currently working with Community Planning Partners to pilot a City Dashboard; it is proposed that the agreed measurements of inclusive growth form part of this dashboard. This will enable Members to assess progress. 5. Ensuring Delivery. The Director of City and Organisational Strategy, via the Council's newly established Strategic Hub, will oversee the successful implementation and delivery of the Council's inclusive growth framework. <p>3.2 Metro Dynamics were appointed to assist with steps one and two. Following a series of one to one interviews with Party Group Leaders, Committee Chairs, Chief Officers and an</p> |

all member workshop, as well as a detailed analysis of the data available in Belfast, a definition has been drafted and noted at SP&R Committee on 17th August (see Appendix One). Since August, Officers from the Strategic Hub and Metro Dynamics have been developing the decision making framework (see Appendix Two)

The Framework

3.3

The framework is a tool to support Members and officers in decision making. It provides a consistent set of questions which start to look at the 'how' and 'who' will benefit from economic growth investments. There are many different models for project appraisal and for how places develop strategy and policy. This framework aims to bridge this gap with other models and embed inclusive growth in both policy appraisals and strategy and policy development.

3.4

The aim of the framework is to have a practical tool that will help budget holders determine if their decisions to invest or intervene will have a positive effect on predefined inclusive growth cohorts (ie those who do not currently benefit from economic growth).

3.5

Not only does the framework determine that there will be a positive impact, it also quantifies what this impact will be i.e., which cohorts will benefit and how many individuals, enabling corporate monitoring and reporting of inclusive growth impact.

3.6

Furthermore, if the framework does not identify any positive contribution, it provides the opportunity for the proposal to be re-scoped to make it beneficial to inclusive growth cohorts.

3.7

There are two tools to be considered within the framework:

- **Strategic Case Tool** to determine whether the intervention or investment (Iol) supports inclusive growth.
- **Operational Considerations** to apply to all projects. This means that even if a project is not designed to deliver economic growth, officers can start to think about inclusive growth benefits.

3.8

The **Strategic Case Tool** poses a set of waterfall questions to help assess whether an Iol will directly and substantively improve the economic well-being of underserved and/or low-earning populations. It is based on a qualitative assessment with a sliding scale in the

worksheet, designed to create a dialogue with the applicant as opposed to a yes/no finite assessment.

3.9 The **Operational Considerations** provides a series of questions to apply to projects to challenge whether they can be managed in a way that ensures inclusive growth principles are supported. An example of a project type which could be assessed through this lens include community investments to address health inequalities.

3.10 If the assessment tool indicates that an investment, as currently constituted, does not support inclusive growth, further consideration may be given to restructuring the project to ensure the benefits of the project are shared more widely, or by the identified target groups.

3.11 It should be noted that this framework is not a replacement for the decision making processes that currently exist. It is an additional tool that complements the existing decision making processes and should be used alongside existing assessment frameworks.

Inclusive growth cohorts

3.12 Our inclusive growth targets are focused on the narrative of the tale of two cities within Belfast's economy, and have been determined based on a review of the evidence and the consultation carried out with Members. They also align with the Belfast Agenda ambitions and priorities to ensure that these are complementary.

3.13 It is recommended that the following four cohorts are the target inclusive growth groups for Belfast City Council, in the first instance:

1. Workless residents
2. Residents with low skill levels
3. In work, low earning individuals
4. Young people not in education, employment or training (NEET)

3.14 The following table summarises the number of people in the recommended inclusive growth target groups in Belfast. Some residents will fall into one or more groups – this is important to consider as to avoid double counting.

| Target group/sub-groups | | No. in Belfast | Proportion in: | | |
|---|---|----------------|----------------|------------------|-------------------|
| | | | Belfast | Northern Ireland | UK |
| Workless residents | Unemployed residents | 8,070 | 3.6% | 2.7% | 1.2% |
| | Economically inactive residents | 57,378 | 26.2% | 26.0% | 22.3% |
| Residents with low skill levels | Working age residents with qualifications below NVQ Level 2 | 71,175 | 32.5% | 29.0% | 25.8% |
| In work, low earning residents | Residents earning below the Living Wage | 42,000 | 18.1% | 26.6% | 22.7% |
| Young people not in education employment or training | Young people not in education, employment or training | 230 | 6.7% | 4.0% | 6.0% ¹ |

Setting targets and report on our performance

3.15

As we move forward and embed inclusive growth, there are a number of ways in which we can sustain and promote our endeavours. This includes creating clear inclusive growth targets, publishing yearly impact statements and ensuring that the City Dashboard incorporates inclusive growth measures.

Next steps

3.16

Should SP&R agree to the continued development of the Framework, in order to operationalise it the following steps are recommended:

- **December 2018 - February 2019** - Staff engagement to share the framework and to work through the practical considerations as to how it could successfully be implemented;
- **February 2019** - Refine IG Framework and develop implementation plan based on feedback from staff engagement.
- **March 2019** – Bring revised framework to SP&R Committee for approval
- **April 2019** – Commence public consultation period
- **June 2019** – Bring final framework to new SP&R Committee for approval
- **August 2019** – Operationalise framework in pilot area(s) for one year.

¹ This figure is for England, not the UK.

