



# Belfast Inclusive Growth Decision Making Framework

For public sector practitioners to assess whether interventions  
and investments will support inclusive growth

**DRAFT**

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**Metro — Dynamics**

# Overview

This toolkit is designed to assess if an intervention or investment (Iol) will make a positive contribution to inclusive growth. It does this by focusing on identifying how the economic growth will be generated and on the number of beneficiaries likely to benefit from an Iol from amongst the target groups.

If the assessment tool indicates that an Iol, 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.

If a project cannot be identified as directly supporting economic or inclusive growth, that does not mean that it cannot produce a wider inclusive growth benefit. In order to do this, a clear focus from the outset as to the potential to procure and manage the project in a way that will create those benefits is critical.

Belfast City Council has an existing Corporate Procurement Strategy. This can be used to manage and maximise the potential of the Council's procurement spend to support the local economy and environment. As part of this it can look to maximise the community benefits of a contract and provide ways of calculating the potential of a procurement contract to create, for example, direct employment and training opportunities.

Once the potential of an Iol to be procured in ways that will bring wider benefit to the community has been identified, it is important that the project is then managed and regularly monitored effectively to ensure that the benefits are being delivered.

# Components of the Inclusive Growth Decision Making Framework

The Inclusive Growth Decision Making Framework has two tools:

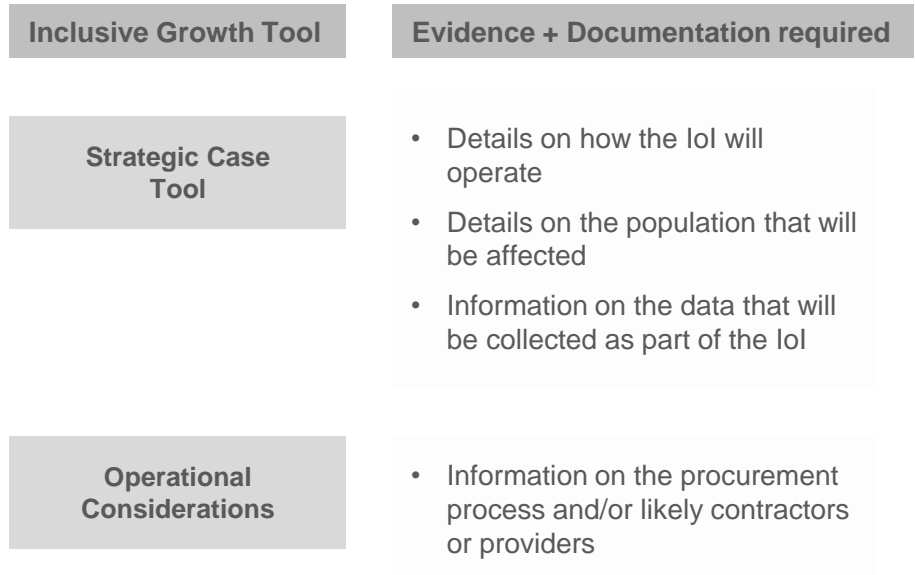
- **Strategic Case Tool** to determine whether the lol supports Inclusive Growth
- **Operational Considerations** to apply to non-inclusive growth specific projects

The Strategic Case Tool poses a set of waterfall questions to help assess whether an lol will directly and substantively improve the economic well-being of the target groups.

Question one determines which areas are considered in Question two. The tools are structured as a flow diagram and instructions on how to complete are contained within this document. There is also a worksheet at the end that can be used.

The Operational Considerations section provides a series of questions to apply to projects that are not deemed inclusive growth projects, to challenge whether they can be managed in a way that ensures inclusive growth principles are supported. Examples of projects which could be assessed through this lens include Cultural and Community Investments.

## What you need to complete evaluation





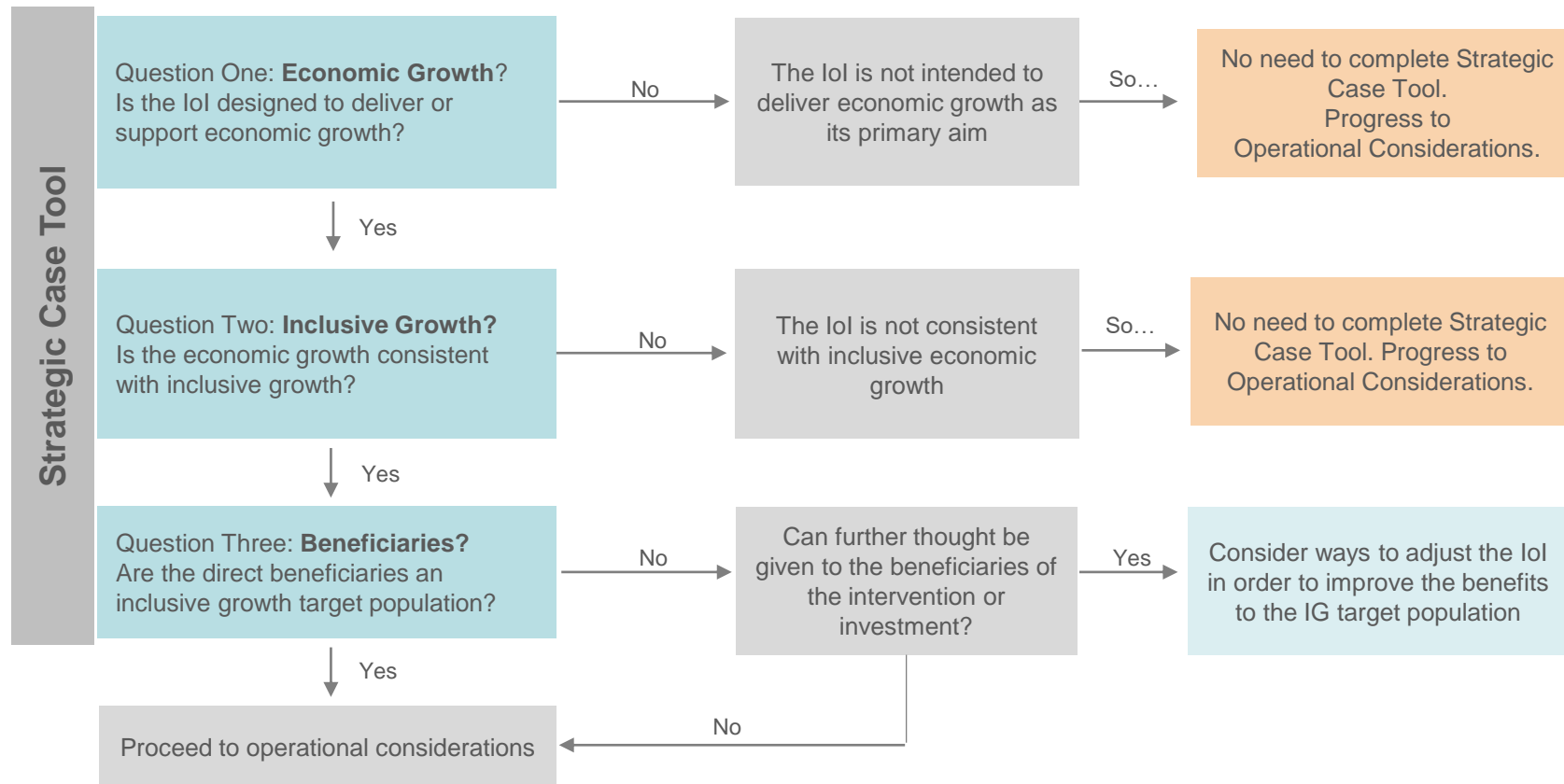
# Tool 1: Strategic Case

Will the Iol support inclusive growth?

# Strategic Case Assessment Tool

The first tool in the Inclusive Growth Decision Making Framework helps determine whether an lol will directly and substantively support Inclusive Growth. There are three steps to completing this assessment, and they should be followed in sequence.

Please answer the questions with respect to your project and follow the guidance to determine whether the lol will impact directly on Inclusive Growth.





# Question One: Economic Growth?

Many different types of jobs contribute to economic growth. However, our focus is on areas that have a primary focus on, and are traditionally associated with, economic growth.

So, the first question that needs to be answered is: Is the primary purpose of the project to deliver economic growth; that is, to increase the volume of goods and services produced per capita over a period of time? If so, it is important to work through both questions one and two in order

to assess the project.

Please review the list of objectives below and mark those to be delivered directly by the project. You should consider how the project will deliver positive outcomes.

A worksheet is provided as the final page where you can record the information for each section.

 **Will this intervention deliver economic growth by:**

**Jobs**

Creation of net additional jobs

**Business Growth**

Grants, guarantees or loans to businesses

**Digital**

Investment in new or existing broadband infrastructure

**Training & Skills**

Provision of stand-alone skills programme, skills up-skilling, in-work training, apprenticeships or adult further education

**Planning & Regeneration**

Investment in regeneration or new buildings and public realm

# Question Two: Inclusive Growth?



Through Question One, it has been established that the lol’s primary aim is to drive economic growth. In the following two questions you should only go through those areas which you checked as yes in Question One.

Through Questions Two and Three we will establish whether that economic growth is likely to be inclusive, that is, whether it will benefit those who are on the lower end of the income distribution, or who face specific economic barriers.

It is not possible to assume that the outcomes of economic growth will benefit these groups or individuals automatically. Through Question Two we seek to probe the nature and quality of those outcomes by reviewing operational plans in order to determine the mechanics of how the lol will work.

The objective behind Question Two is to interrogate the logic chain behind the intended economic growth objective and the mechanics of how that growth will be delivered in a way which promotes inclusive growth. We have set out a set of evaluation criteria for each of the major inclusive growth objectives to provide suggested outcomes. It is important that different impacts on the same beneficiaries are not double counted.

Each of the five objectives should be assessed on whether it contributes to inclusive growth using a qualitative score - requires improvement, satisfactory, good – based on a set of evaluation criteria outlined in pages 7 to 11. The evaluation process should be carried out filling in the worksheet at the end of this document, together with a short note justifying the score for each objective.

<b>Jobs</b>	Page 7
<b>Training &amp; Skills</b>	Page 8
<b>Business</b>	Page 9
<b>Planning &amp; Regeneration</b>	Page 10
<b>Digital</b>	Page 11



# Jobs

Employment is an important contributor to inclusive growth. However, not all employment opportunities will have the same impact. Employment that pays a decent income and offers the potential for training and growth, in short, a quality job, will help drive economic growth at the macro level whilst also helping to improve the lives of individuals and households. But not all jobs will necessarily deliver inclusive growth – the creation of highly skilled opportunities is unlikely to target those in need.

To assess whether the jobs created through your Iol could be considered sustainable, quality jobs, further diligence may be required to check the nature of the jobs (type/length of contract, pay rates, etc.) and the likely employers. It will also be important to identify the net additional jobs. This will help to determine whether the final jobs are likely to support inclusive growth paying the real living wage and providing training, or contribute to cycles of precarious work with people moving between low-pay work and being out of work.

## Inclusive growth objectives for ‘good’, sustainable jobs:

Jobs that pay the real living wage or higher

Jobs with employers that provide career ladders

Employment that is accessible to young people as their first full time job

An apprenticeship





# Training & Skills

The provision of skills is an important measure to deliver inclusive growth. Training opportunities, whether in-work, or through a dedicated programme supporting people to transition into better quality work at better wages, also improve productivity at the macroeconomic level.

Some economic growth projects are dedicated skills projects, for instance, sector-based training. Infrastructure developments can consider access to up-skilling opportunities as part of their delivery plans.

**Therefore we encourage all Iols be assessed against the skills assessment, even when skills provision is not the primary aim.**

There is a distinction between inclusive growth objectives for those individuals who are in-work and those who are out-of-work.

## Inclusive growth objectives:

### In-work

Increase the number of people receiving on-going, 'on-the-job' (informal) or formal training in the work place

Increase the number of people in-work with vocational qualifications

### Out-of-work

Increase the number of unemployed people undertaking formal and soft skills training which meet the needs of local employers and lead to employment opportunities

Increase the number of people with vocational qualifications in sustainable employment

Reduce the number of NEETs through formal and soft skills training which meet the needs of local employers and lead to employment opportunities



# Business Growth

There are a number of mechanisms whereby grants or loans can be made to small businesses to support growth. Often the case for funding is based on whether there is a market failure or opportunity for business growth, and/or innovation can be accelerated through public finance, in lieu of private sector finance, which is often not available.

These tools can also be assessed to determine whether they support inclusive growth. This should include factors such as whether the SME will provide goods or services for those at the lower end of the income scale; whether the SME will employ additional people from the lower end of the income scale as a direct result of the investment; or, whether the investment will provide additional capacity to train or upskill people.

## Inclusive growth objectives:

Enable the business to provide goods or services to a wider customer base, including those at the lower end of the income scale.

Enable the business to create net additional jobs, which will target those at the lower end of the income scale.

Encourage alternative business models, such as social enterprises and co-operatives



# Planning & Regeneration

Much locally available funding is focussed on developing and improving places. While it is clear that the aim of regeneration projects is to increase economic growth by changing the population and economic dynamics of a place, it is also possible to achieve these aims whilst also ensuring that the net additional growth created is shared throughout a community.

This can be achieved in two ways. First, through the actual physical construction and regeneration of a place, by ensuring large capital projects are opened up to local labour and by providing upskilling and training.

The second is by ensuring the regenerated environment is designed for all in the community, and not just those with the largest disposable income.

It is important not to double count the impact. Accordingly, if, for example, jobs have already been counted in the jobs assessment, they should not be counted here.

## Inclusive growth objectives:

Provide employment opportunities (including upskilling) for unskilled/low income people through the construction, including Apprenticeships

Provide space for retailers and employers that provide jobs and hire locally

Provide housing (if mixed development) that will be available at all income levels

Involve the local community in planning physical developments including capital projects, the use of public space, etc.

Ensure regeneration projects do not lead to displacement of local residents



# Digital

World class digital infrastructure and innovation, together with smart utilisation of data, are increasingly ambitions for leading cities.

For this to be inclusive it is important that all residents both have access to, and the ability, to benefit from investment in digital infrastructure. This means a focus both on where the infrastructure is laid and on accessibility to kit and digital literacy.

This may include considering the ease of access to computers for those in target groups (for example in libraries), or it may include improving digital skills through targeted training.

## Inclusive growth objectives:

Link underserved areas on low incomes with new and upgraded broadband

Provide space for free access to computers to those on low incomes

Deliver digital skills training courses to improve digital literacy



## Question Three: Who will benefit?

At this stage it has now been established that the lol should:

- Deliver economic growth (Question One)
- Deliver outcomes that are not inconsistent with inclusive growth (Question Two)

It is now necessary to assess whether the lol is targeted at groups who are not as likely to benefit from macroeconomic growth.

We have identified four priority groups for Belfast at this point. These are:

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)

For more detailed analysis on the impact of an lol on different segments of the population a full distributional analysis, following the Green Book, could be undertaken.

# Identifying who will benefit



We suggest that you assess each lol by:

- i) Identifying the groups who may benefit; and,
- ii) estimating the number of people who will benefit.

This information may be available in sources including:

- lol project documentation.
- As part of work undertaken for existing appraisal frameworks, such as the Treasury’s Green Book.

If it is unclear from the project documentation who would benefit, you may need to consider the type of lol and assume who is likely to benefit. For example, an investment focused on high skilled/high growth activities that will require highly skilled staff is unlikely to target people in the lowest income quintile.

This may also be an opportunity to consider how an lol could be shaped to support inclusive growth. For example, would a retail academy that supports unemployed people to gain the skills needed to access jobs in a new retail development help increase the inclusive growth dimension? If so, how can this be put in place?

In the longer-term, you may want to consider ensuring project documentation contains the types of information needed to assess whether an lol has an inclusive growth dimension.

*Beneficiaries should not be double counted.*

Even if there are multiple impacts (such as jobs that pay above minimum wage *and* are with an employer that provide career ladders *or* jobs that pay above minimum wage *and* are accessed through improved transport links) the number of beneficiaries identified should be the total number of individuals who will be positively affected.

## Intervention A

Worklessness	100
Low / no skilled	200
Low earnings in work	300
NEETS	400
<b>Total Beneficiaries</b>	<b>1000</b>



# Tool 2: Operational Considerations

How can the procurement process be used for inclusive growth?

# Using procurement to support the community

If a project cannot be identified as directly supporting inclusive growth, that does not mean that it cannot produce a wider benefit to the community. In order to do this, a clear focus from the outset as to the potential to procure and manage the project in a way that will create those benefits is critical.

As part of this framework there are a number of operational considerations which can be considered to enhance the inclusive growth potential of procurement. If grants can be used to fund staff costs, this leads to questions such as who is being employed there and are the jobs paying the living wage or higher?

The following section contains five questions which can be asked of all IOLs. The questions are designed to help aid the identification of how the IOL could have a secondary positive effect on inclusive growth. They are not conclusive. Indeed, it is possible to include a range of potential other benefits with both short and long-term positive consequences.

There is already a wide-range of material available on how to use procurement in this way. What is critical is this is considered at the very start of the process, not after it has commenced. *It will also require active contractual management and effective reporting, and monitoring, to ensure that the project's benefits are being delivered.*

The number of beneficiaries in the inclusive growth target groups can be quantified using Strategic Case Tool Question 3.



## Can this IOL be managed so that:

There is an increase in the number of people in the local area who receive sustainable employment opportunities?

Any staff members funded are paid at the living wage or higher?

There is an increase in the number of people who receive work placements, training or apprenticeships?

Zero-hours contracts are precluded?

There is a stipulated proportion of the total contract costs awarded to local SMEs?



A stylized teal map of a city with a white street grid. The map is centered on a light gray background. A large teal arrow points from the left towards the right, partially overlapping the map. The word "Worksheet" is written in bold black text on the arrow.

# Worksheet

# Worksheet Strategic Tool

**Question One: Is the lol designed to deliver or support economic growth? If yes, it will be through (tick all areas where direct economic growth objectives will be achieved as a result of the lol):**

	Yes	No
Jobs		
Training & Skills		
Business Growth		
Planning & Regeneration		
Digital		

**Question Two: Is the economic growth consistent with inclusive growth?**

You should refer back and identify if, and how, there will be inclusive growth benefits under these headings. Indicate those areas where objectives consistent with inclusive growth can be identified.

	Requires improvement	Satisfactory	Good
Jobs			
Training & Skills			
Business Growth			
Planning & Regeneration			
Digital			

**Question Three: Will it target beneficiaries in the priority groups?**

Identify the number of beneficiaries:

Beneficiary Group (jobs)	
Beneficiary Group (skills)	
Beneficiary Group (other)	
<b>Total Beneficiaries</b>	

# Metro — Dynamics

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