

Public Service Reform Board

Date	5 March 2020
Report title	Inclusive Growth & Social Economy – update and next steps
Portfolio Lead	Councillor Yvonne Davies, Portfolio Holder for Public Service Reform and Social Economy
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Recommendation(s) for action or decision:

The Public Service Reform Board is recommended to:

1. Note the activity that has taken place over the last six months.
2. Provide feedback on next steps for the Applied Inclusive Growth team, Inclusive Growth Unit, and other associated work.
3. Indicate any development areas for the team to work on.

1. Purpose

1.1 The purpose of this report is to update the PSR Board on the activities of WMCA (specifically the Applied Inclusive Growth team, supported by the Inclusive Growth Unit) since the last meeting of the Board in September 2019.

1.2 This is an opportunity for the Board to discuss how WMCA should build on this work across the region, including by adopting best practice from local authority partners. The workshop that will follow the formal papers will be an opportunity for the Board to explore this.

2. **Applied Inclusive Growth.** This part of the report covers three key areas of work that have been progressed since the last Public Service Reform Board:

- Inclusive Growth Corridors.
- WM2041.
- Social Economy Taskforce.

2.1 Inclusive growth corridors - summary: the Applied Inclusive Growth team¹ has been working with local authorities and other key partners on a voluntary basis to embed and apply WMCA's inclusive growth architecture² as they build and submit strategic plans and investment proposals. This aligns with WMCA's wider approach – to use a small team to support local authorities drawing from WMCA's investment programme to move from business as usual to inclusive growth, with a goal of sharing and building prosperity, and improving outcomes. In practice, this means creating the space to link public services and capital investment, to ensure that they are focused on the same social and environmental goals.

This service works by invitation, to ensure that local partners can draw on support from the WMCA in a way that fits their places, partnerships, and general approach. Since the approach was endorsed by WMCA Board in the summer of 2019, the team has been supporting the two local authority partners in the '*East Birmingham North Solihull*' (EBNS) Inclusive Growth corridor: the East Birmingham Board³ in its development of a draft Inclusive Growth Strategy⁴, and Solihull MBC as it works up its investment case for Kingshurst Village in the north of the borough.

2.2 East Birmingham Board – nature of support: several of the Applied Inclusive Growth team sit on the East Birmingham Board, alongside the Director of Skills & Productivity. To date, the team has produced

¹ A small team composed of the Acting Head of Inclusive Growth, a graduate from the Housing & Land team, and secondees from Public Health England West Midlands (including an analyst) and Solihull MBC.

² This includes the definition of inclusive growth, plus the Inclusive Growth Framework, Decision-Making Toolkit, and the four tests. See here for a full description: <https://governance.wmca.org.uk/documents/s2910/Report.pdf>

³ A partnership led by Birmingham City Council, which seeks to stimulate investment into the people and places of East Birmingham.

⁴ This was launched in February 2020, and is currently out for consultation until 11th May. See : <https://www.birminghambeheard.org.uk/economy/ebigs/>

an inclusive growth baseline for the East Birmingham and North Solihull sections of the corridor, which has subsequently been worked into the strategy document⁵.

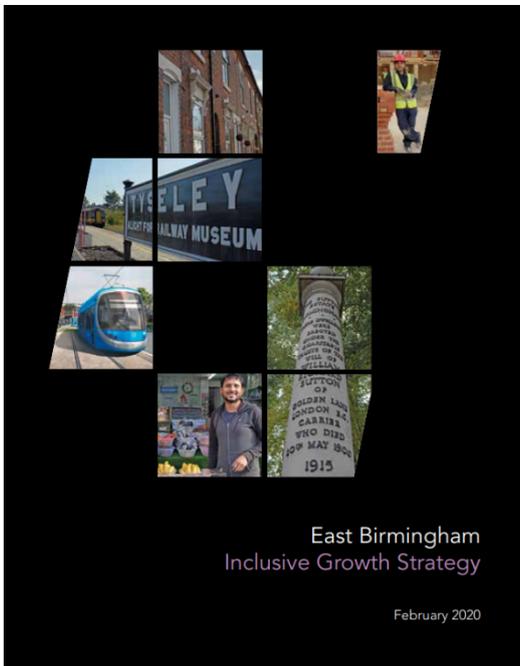


Figure 1 The front cover of the East Birmingham Inclusive Growth strategy, currently out to consultation

The strategy is currently out for consultation. In the meantime, the Applied Inclusive Growth team is preparing two papers for discussion at the next East Birmingham Board meeting, both focused on turning the vision and strategy into delivery. One will explore potential areas for collaboration between capital investment, public services, and local partners across East Birmingham, and the other will focus on ‘inclusive investment standards’.

2.3 Kingshurst Village regeneration – nature of support:

Solihull MBC has been developing a business case for the regeneration of the centre of Kingshurst, a local centre in the north of the borough. North Solihull has been a strategic priority for Solihull for over 15 years, with the North Solihull Partnership acting as the coordinator of the investment programme until it was wound up in July 2019.

The Applied Inclusive Growth team has provided support to Solihull MBC since September 2019, to assist in its development of an Outline Business Case (OBC) to the WMCA Investment Board, including by producing an ‘art of the possible’ paper and by running a workshop based on the Inclusive Growth Decision-Making Toolkit. The concept masterplan and OBC was considered by Solihull’s Cabinet in December 2019, and is continuing to be developed.

2.4 Next steps: the examples from both Birmingham and Solihull illustrate that the same inclusive growth tools can be used to complement different approaches, with local authority partners leading and WMCA supporting. The team plans to expand this activity over the coming months, across other parts of the region:

- Continuing to support Birmingham and Solihull via the East Birmingham North Solihull Inclusive Growth Corridor.
- Meeting with Coventry City Council and Walsall MBC, to discuss opportunities for collaboration and support in line with local priorities.
- Joseph Rowntree Foundation (JRF) – a partner on the Inclusive Growth Unit – has funded an additional post for the team for 18 months, which will add capacity for this work, as well as building a stronger link between WMCA and JRF.
- Working up a proposal with Barrow Cadbury Trust and other partners relating to ‘structured conversation’ with citizens, to ensure that they are able to own changes in their communities. Any work will be preceded by discussions with local authority partners, to ensure it complements existing engagement activity.

⁵ See p4, p26-27.

2.5 #WM2041⁶: an inclusive response to the climate emergency – summary: responding to pressure from citizens and the UK’s obligations under the Paris Agreement, WMCA has created the WM2041 climate emergency response for the region, which takes an inclusive approach to meeting the challenges of climate breakdown and resource depletion. The report, written by the Applied Inclusive Growth team, and currently out for consultation, sets out five outcomes, around which an investment plan will be shaped:

<p>We will change our economy without leaving anyone behind</p>	<p>By 2041, the West Midlands economy needs to shift to one which is zero carbon and abides by circular economy principles, while enabling the people of the region to build and enjoy their prosperity. That is not where we are at the beginning of 2020. The choices we make now will determine whether the region can deliver on its obligations, and the extent to which we can do so in a way which alleviates poverty, deeper inequality, and disenfranchisement.</p>
<p>We will boost our resilience to climate change</p>	<p>Some changes to the climate are inevitable – either because they have already happened, or will already happen. This means that the people, places and infrastructure that comprise the West Midlands will need investment in order to withstand impacts like increased rainfall and extreme temperatures. This will require us to think differently about nature-based solutions to climate change, as well as how we build homes and communities.</p>
<p>We will use our industrial past to create a new future</p>	<p>The West Midlands has a proud industrial past, and our strengths in sectors like automotive are deeply embedded in our psyche. Cars are not just how many people get around: they are part of who we are. We need to take this part of our identity forward without locking the region into congestion, polluted air and climate breakdown. This means we need to prioritise mobility solutions that support public health and social outcomes.</p>
<p>We will build more places and more connectivity between places</p>	<p>In the West Midlands, we need to build 215,000 homes by 2031 to house an additional 500,000 people. Those people will need more than a home to live in: schools, shops, GP surgeries, bus routes, broadband connections, leisure facilities, places to send their household waste, and more. All while investing into the quality and connectivity of existing places. Our region needs to grow while our emissions shrink.</p>
<p>We will save energy and resources without reducing prosperity</p>	<p>We want people in this region to become more prosperous, together – but we will need to do this while reducing demand for energy, resources, and recalibrating our demands on the land and natural environment more broadly. Moving away from single-</p>

⁶ The #WM2041 report is currently out for consultation until 12th March 2020. See: <https://beta.wmca.org.uk/the-mayor/climate-public-engagement/>

use plastics is an active shift that we can learn from, but there will need to be a lot of these types of shifts happening simultaneously across sectors.

The new Head of Environment is working to ensure that any investment on the back of this plan adds value to plans at local authority level and below.

2.6 #WM2041 - potential for prevention and public service reform: Achieving these outcomes will be challenging, but is fundamental to ensuring that people from all backgrounds are able to shape the changes that their lives and places will be subject to over the next 20 years, in a way which resonates with their values and identities. However, the shift to a regenerative, circular, net-zero economy is one that will also create opportunities: for new types of work, warmer homes, and healthier lives.

It is also a potential lever for improving public service outcomes. Examples *could* include:

- **Alleviation of poverty and ill health:** as part of the delivery mechanism for a regional home retrofit scheme, referral pathways for replacement boilers, home insulation and microgeneration could be introduced and strengthened through primary care networks, home care services and JobCentrePlus. This would ensure that people with the greatest need are invested into first. Retrofitting will reduce the carbon emissions from existing homes across the region, but will also alleviate poverty through lower fuel bills and improve the thermal comfort of homes. This would improve respiratory and circulatory health, mental health, and would alleviate the burden that poverty places on people, leaving them freer to do more.



Figure 2 A visualisation of the '20 minute neighbourhood' as pioneered in the US city of Portland, Oregon

- **Reducing demand for travel:** this creates the right conditions for creating '20 minute neighbourhoods⁷', where the majority of everyday needs can be met within a 20 minute journey on foot, bicycle or public transport. This would support the reintroduction of place-focused services such as Sure Start centres, which meet the needs of children and families under one roof, as well as boosting the region's efforts to improve town centres.

- **Smart grid, smart care:** using the enhanced insight from smart energy systems to enable independent living. By deploying smart metering, 5G and machine learning – subject to permission

from the person needing support – the person's energy behaviours can be learnt, leading to faster response times if someone falls or becomes unwell.

⁷ See: <https://www.youtube.com/watch?v=1oYvbrDVjcY>

2.7 Growing the Social Economy – summary: WMCA Board established the independent, sector-led Social Economy Taskforce in 2018 to understand the contribution that the social economy sector could make to the region’s commitment to inclusive growth. The social economy is inclusive growth in practice: businesses and community organisations collaborating around shared social and environmental goals, led by diverse citizens, the people who most need these enterprises to succeed.

This is backed by research by Social Enterprise UK: social enterprises are more likely (when compared to other businesses) to be led by and to employ women, people from BAME backgrounds, and to be based and focused on areas of multiple deprivation. It is a core component of the ‘community wealth building’ approach: anchor institutions should invest into the enterprises that they then commission and procure products and services from. To boost the social economy is to deliver inclusive growth.

The recommendations⁸ from the Social Economy Taskforce were launched in January 2020, at a well-attended event⁹ in the social enterprise cluster of Balsall Heath. The overall goal is to double the size of the social economy in ten years, from an estimated £3.5bn to £7bn.

2.8 Growing the Social Economy – next steps: WMCA is going out to tender for a social economy organisation to write a ten year business plan to support the headline goal, with investment to come from a blend of social finance, central Government and local partners. Black Country LEP has already put together an initial paper to explore its contributions to that business plan, and this is being worked into the tender.

3. Financial Implications

3.1 There are no financial implications associated with approving this report – any spending is in line with the current budget settlement, or will be taken to WMCA Board as and when new programmes are designed.

4. Legal Implications

4.1 There are no legal implications associated with approving this report.

4. Equalities Implications

4.1 The inclusive growth architecture is designed to create policies and investments which benefit people with protected characteristics, as it judges the quality of those policies and investments by how it works for them. Efforts to refine their application and improve the tools will enable this to improve.

⁸ See Appendix 1.

⁹ See: <https://www.wmca.org.uk/news/mayor-calls-on-businesses-to-boost-social-enterprises/>

5. Inclusive Growth Implications

5.1 All of the work detailed above is inclusive growth in practice, encompassing all four inclusive growth tests – locking in wealth, universal design, future generations, and sharing power. However, given the focused nature of most of the pieces above, there is more work to do to ensure that this approach to building policy and investment cases becomes business as usual, both in WMCA and in partner organisations.

6. Geographical Area of Report's Implications

6.1 There is some targeted work that focuses on Birmingham and Solihull in the Inclusive Growth Corridors workstream, and this needs to expand to ensure that more local authority areas can benefit from the support. Both WM2041 and the Social Economy Taskforce are focused on the 3-LEP areas.

7. Other Implications

7.1 There are no other implications.

8. Schedule of Background Papers

8.1 Appendix 1 – the six recommendations from the Social Economy Taskforce.