

Public Service Reform Board

Date	1 st March 2022
Report title	Inclusive Growth Framework update
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Report has been considered by	Public Service Reform Board

Recommendation(s) for action or decision:

- (1) To consider and pressure test the draft updated version of the Inclusive Growth Framework.
- (2) To discuss ways in which the draft updated version of Inclusive Growth Framework could be used and applied.
- (3) To consider whether the board would like to receive annual reporting on the framework.

1. Purpose

- 1.1 To consider the amendments made to the Inclusive Growth Framework, which captures ‘*what good looks like*’ for inclusive growth in the WMCA area, as well as how each of the eight ‘fundamentals’ of inclusive growth relate to one another. The framework has been amended with specific considerations in mind, and the Public Service Reform Board is well positioned to consider whether these considerations have been addressed ahead of the framework being finalised.
- 1.2 To ensure that the updated framework is a useful tool to unlock inclusive growth in practice – in effect, this can happen every time there is a transfer of resources, or an intention expressed to do so. The Applied Inclusive Growth team has worked methodically to create opportunities and ‘hooks’ for this to happen, and would welcome further steer on how to take this further.

2. Background

2.1 Inclusive growth is defined by the WMCA as:

A more deliberate and socially purposeful model of growth, measured not only by how fast or aggressive it is; but also, by how well it is created and shared across the whole population and place, and by the social and environmental outcomes it realises for our people.

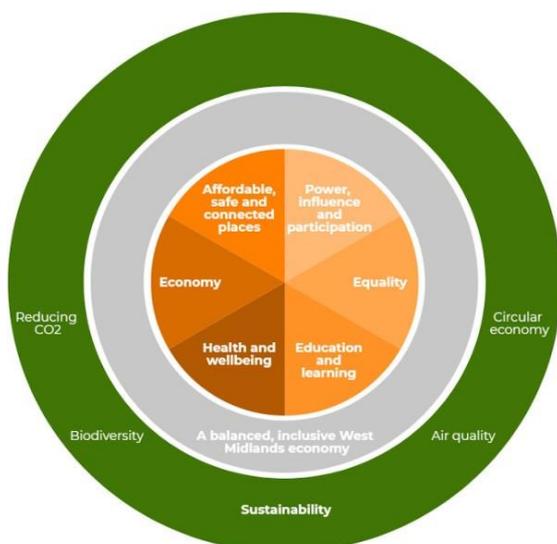


Figure 1 The original visualisation of the Inclusive Growth Framework

This definition was built in collaboration with civil society in the WMCA area, notably with key groups who focus on economic justice and alleviation of poverty. This was important, as it had to mean something to those intermediaries, all of which understand, instinctively, that both public services **and** economic activity are supposed to work towards the same social and environmental outcomes.

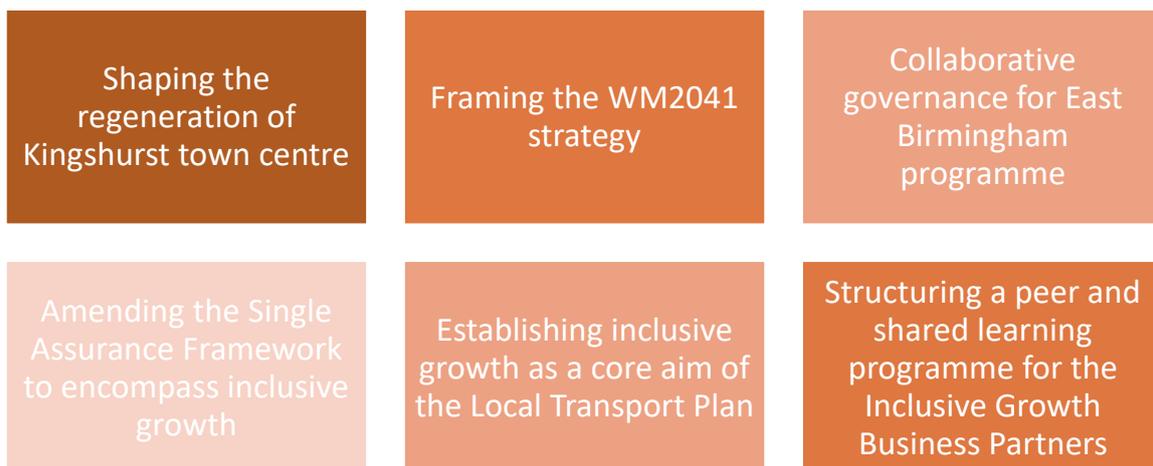
2.2 The Inclusive Growth Framework (‘*what good looks like*’) was created concurrently, capturing key elements of discussions and reflections from those stakeholders, and from the wider partnership that comprises the WMCA. It blends political and strategic intent (as expressed by local and regional political leadership, representing the citizens of the WMCA

area) with quantitative and qualitative insight to show areas of need, opportunity and tension across eight themes (*'fundamentals'*) of inclusive growth. The WMCA Board first approved the Inclusive Growth Framework in September 2018, and developed it further in May 2019.

2.3 The structure of the framework is based on the model in Kate Raworth's *'Doughnut Economics'*, which recognises that planetary boundaries are the limit on meeting human needs and aspirations. This made it a good fit for WMCA, which had expressed the intention to bring both social and environmental considerations into an economic frame as it developed as an institution.

2.4 Whilst having the definition, framework and a set of enabling tools is important, how these are used by the WMCA and its partners to create change is where the Applied Inclusive Growth team has focused its capacity. This is particularly true when it comes to how the framework is used to drive collaboration between departments and institutions. Inherent to the design of the Inclusive Growth Framework is the interconnectedness of different outcomes (e.g., the fact that the region's poorest people are also those who use the least carbon). As such, it is impossible to do inclusive growth in practice without bringing together those partners with the capacity, capability and responsibility to unlock different outcomes.

2.5 Public Service Reform Board is aware of the ways that the Inclusive Growth Framework has been applied to date through the updates on the inclusive growth programme, but a snapshot to show some of the variety is as follows:



2.6 As the framework has been applied to these and other shared challengers, the Applied Inclusive Growth team has identified areas which need to be revisited and updated, and the remainder of the paper captures the substance of how this has occurred.

3. Adapting the Inclusive Growth Framework

3.1 The key driver for the changes arose out of a question: if this is what good looks like, then how are we doing? The Inclusive Growth Framework has been used to shape vision, strategy (including through providing data baselines), policy and investment – but it has not been used to shape how the WMCA should hold itself accountable as part of a wider region, or to reflect on the region’s trajectory on those key outcomes.

3.2 This is not entirely straightforward: the outcomes in the framework are substantial and complex, and WMCA is one of many institutions and shapers of place and economy that brings influence to bear on their trajectory. Nonetheless, there is value in keeping those outcomes in sight, as it can inform how WMCA and other partners prioritise how resources are used, or in which resources they seek to attract.

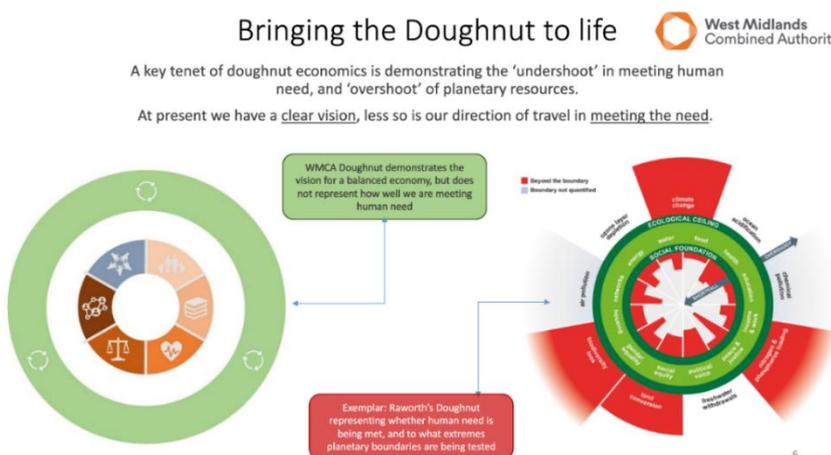


Figure 2: Comparison of the WMCA ‘doughnut’ and the original from Raworth’s Doughnut Economics.

3.3 In order to make this change in collaboration with a wider cohort of partners, the Applied Inclusive Growth team embarked a ‘*design sprint*’¹. Participants consisted of officials from WMCA, Solihull Metropolitan Borough Council and the Black County Consortium, covering policy, data and insight. The project group set the following aims for the exercise:

- 1. Reduce the number of indicators:** The Inclusive Growth Framework is not a performance dashboard. It is supposed to use ‘*bellwether*’ indicators to show trajectory, opportunities and tension, but contained too many data points to do that effectively. This needed to be addressed in a way which struck the right balance.
- 2. To build a supply of metrics that work at different spatial levels:** The Applied Inclusive Growth team had worked effectively with Solihull MBC to create a version of the

¹ A design sprint is a method to solve big challenges within a defined time scale, and is effective for challenges like this, which have clear objectives and boundaries.

framework for the Kingshurst development, and this is likely to be something that other local partners might want to explore.

3. To create a version of the framework that can show direction and impact: In Doughnut Economics, demonstrating the ‘undershoot’ in meeting human need and ‘overshoot’ of planetary resources is fundamental to the model (see Figure 2).

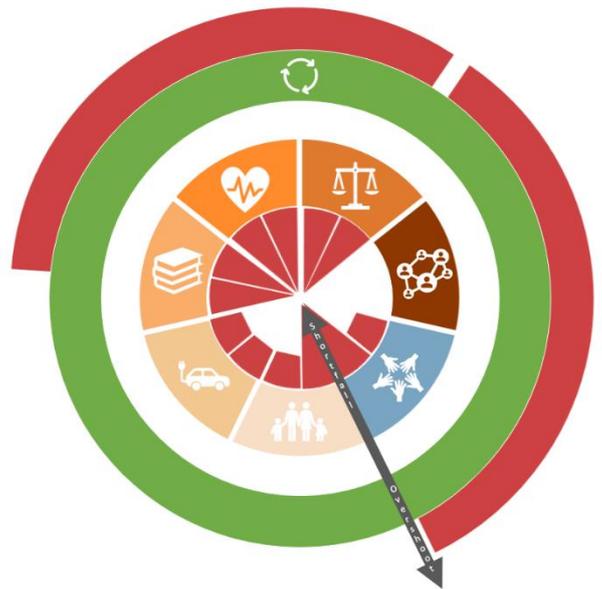


Figure 3 An example of how the WMCA Inclusive Growth Framework could be visualised.

3.4 As a result of the work undertaken in the sprint, several amendments have been made to the framework. The infographic below (Figure 4) shows each fundamental of inclusive growth that comprises it, for ease of reference:

 CLIMATE RESILIENCE	 AFFORDABLE AND SAFE PLACES	 CONNECTED COMMUNITIES	 EDUCATION AND LEARNING	 HEALTH AND WELLBEING	 EQUALITY	 INCLUSIVE ECONOMY	 POWER, INFLUENCE AND PARTICIPATION
Reducing CO ₂	Designing out homelessness	Accessibility of resources and opportunities	Increased skills levels	Reduced health inequalities	Reduced employment inequalities	Increased household income	Citizen perception of their influence and agency

Figure 4: The Inclusive Growth Framework demonstrated here as the ‘Fundamentals’ and their desired outcomes.

The amendments to the Inclusive Growth Framework are as follows:

Creating an eighth fundamental

The Affordable, Safe and Connected Places fundamental has been separated into two:

- *Affordable and Safe Places*
- *Connected Communities*

This was a way to ensure that one of the bellwether outcomes could relate to mobility without displacing ‘designing out homelessness’, the aim which sits at the heart of the work of the Homelessness Taskforce.

<p>Refining the indicators</p>	<p>The indicators which measure the progress of each fundamental have been reorganised into the following categories, with strict limits on each:</p> <ul style="list-style-type: none"> • 1x <i>Headline Outcome</i> • 1x <i>Headline Indicator</i> • 4x <i>Backing Indicators</i> • <i>Qualitative Indicators (from a combination of surveys and community research)</i> <p>In order to show direction of travel, data from the three years preceding the current year is used. This ensures that both progression and regression can be seen.</p> <p>Figure 5 shows a worked example.</p>
<p>Community research</p>	<p>This work will be undertaken at three-year intervals by community researchers and will be paired with the quantitative data to provide a check and balance, and to amplify the voices of people who most need to benefit from inclusive growth. This has been scoped, but not yet commissioned.</p>
<p>Updated infographics to show direction and impact</p>	<p>The new infographics for the framework will be able to show ‘undershoot’ and ‘overshoot’, as in the original Raworth model.</p>

3.5 An example of how this looks for the ‘Climate Resilience’ fundamental is as follows – note that there is a clear rationale for the headline outcome, and by extension, the headline indicator:

Fundamental X	Example: Climate Resilience
<p>Headline outcome: the ‘bellwether’, an outcome that is politically and socially salient, and tells us more about the fundamental than a single issue alone.</p>	<p><i>Reducing CO2:</i> this is a bellwether outcome because being able to meet our carbon budget tells us that our society and economy has adapted to the climate change challenge.</p>
<p>Headline indicator: this is a metric connected to the headline outcome. The framework captures both the metric as it is, how it has been in the last three recordings, and as the region would like it to be.</p>	<p><i>Headline indicator:</i> Alignment to the WMCA carbon budget, MtCO2 per annum (target / reality): 6.8 / 11.1</p>
<p>Backing indicators: three to four further metrics that tell us other important things about the fundamental.</p>	<ol style="list-style-type: none"> 1. Gap between best and worst green space per person and between population indices (target / reality): 8.289 / 12 2. Household recycling rate, % (target / reality): 45 / 32

	3. Contribution of recycled materials to raw materials demand: <i>metric associated with Circular Economy Routemap, yet to be collected</i>
	4. Fuel Poverty, % (target / reality): 0 / 19.8
Qualitative indicators: community research in key neighbourhoods / with excluded groups, to sense check the quantitative data.	Example question: “How do you use your local green spaces?”

Figure 5: Worked example of the structure of the Fundamentals

3.6 The discussion accompanying this paper will be focused on the following questions for the Public Service Reform Board:

- How would the board like the framework data and insight to be reported to them?
- Does the framework need to be reflected in other mechanisms of accountability – e.g. as part of an internal audit of the Single Assurance Framework.
- How would you use the framework in your locality, or area of public service?
- To what extent does the framework capture what good looks like for inclusive growth / levelling up?

3.7 The Inclusive Growth Framework is also being used as part of the basis – alongside the annual ‘State of the Region’ report – to develop a levelling up self assessment, which will support WMCA and its partners in making the case for further powers and resources as part of the Trailblazing Devolution Deal.

4. Financial Implications

4.1 There are no new financial implications arising from this work as it draws on staff time and the core budget of the Public Service Reform directorate.

5. Legal Implications

5.1 None.

6. Equalities Implications

6.1 Equality is one of the eight fundamentals of inclusive growth. As such, this work is actively seeking to improve how it is embedded and addressed through the work of the WMCA.

7. Inclusive Growth Implications

7.1 The Inclusive Growth Framework update was undertaken to refine and improve the application of inclusive growth principles across the organisation and the wider region. Initial feedback from the Inclusive Growth Business Partners network and other colleagues suggests that these changes were needed and welcome.

8. Geographical Area of Report's Implications

8.1 The framework data covers the seven metropolitan authorities, but the Applied Inclusive Growth team is open to working with non-constituent authorities on adapting it for their areas, on request.

9. Other Implications

9.1 None.

10. Schedule of Background Papers

10.1 Inclusive Growth Framework (WMCA Board, September 2018):
<https://governance.wmca.org.uk/documents/s2060/Report.pdf>

10.2 Inclusive Growth: Update and Next Steps (WMCA Board, May 2019):
<https://governance.wmca.org.uk/documents/s2910/Report.pdf>