



Glasgow City Council

**Neighbourhoods, Housing and Public Realm
City Policy Committee**

Item 3

12th March 2019

Report by Executive Director of Regeneration and the Economy

Contact: Mike McNally Ext: 76014

GLASGOW CITY INCLUSIVE GROWTH DIAGNOSTIC UPDATE

Purpose of Report:

To update members on the progress being made with the Glasgow City Inclusive Growth Diagnostic.

Recommendations:

Committee are asked to note the content of the report.

Ward No(s):

Citywide: ✓

Local member(s) advised: Yes No consulted: Yes No

1. Introduction

1.1 The inclusive growth diagnostic has revealed the following priorities:

1. Costs and benefits of fair work practices (e.g. Living Wage)
2. Advanced digital skills (local population)
3. Entry level skills / work readiness
4. Access to flexible, affordable and good quality childcare (0-16yrs)
5. Transport (people to jobs)
6. Health and Wellbeing including mental health
7. Basic digital skills / literacy

1.2 The report provides an update on the process undertaken to arrive at the priorities and the next steps planned.

2. Background

2.1 On 30 January 2018 a report was presented to the Neighbourhoods, Housing and Public Realm Committee updating members on progress with undertaking an Inclusive Growth Diagnostic for Glasgow City by the Economic Development Division of Development and Regeneration Services.

2.2 That report set out the context of and rationale for the diagnostic and presented early findings from the first stage: Developing Glasgow's Inclusive Growth Story.

2.3 Key points were as follows:

- The Glasgow Economic Strategy 2016-2023 (GES) provided the context for undertaking the Inclusive Growth Diagnostic. It outlines a vision of building an economy that works for all of its citizens and puts tackling poverty and inequality at the heart of economic growth.
- The GES made a commitment to *poverty proof* all economic development policies and initiatives for the purpose of ensuring that the benefits of growth positively impact on poverty and inequality in the city.
- In this context, the Inclusive Growth Diagnostic provided a clearer lens through which to analyse the interaction between the city's economic growth and inclusion challenges. An inclusive approach to economic growth requires that these spheres of activity are viewed as equally essential to achieving the city's growth ambitions and should be implemented within the same strategic framework.
- Lastly the report set out, in practical terms, the key stages of the diagnostic and presented a snapshot of early findings from the first stage: Developing Glasgow's Inclusive Growth Story.

3. Overview of the Inclusive Growth Diagnostic

- 3.1 Inclusive Growth Diagnostics are used by organisations such as the World Bank and the United States Agency for International Development as part of their planning and strategy processes. Whilst they can take different forms, an Inclusive Growth Diagnostic allows the application of a systematic and evidence based approach to identifying inclusive growth drivers / constraints, in order to identify areas for action.
- 3.2 Developed by the Office of the Chief Economic Adviser and successfully piloted in North Ayrshire, the Scottish Government published its Inclusive Growth Diagnostic model for use nationally and locally. The Scottish Government has supported Development and Regeneration Services to undertake this diagnostic for Glasgow City.
- 3.3 A small, cross divisional working group based within the Economic Development Division has taken forward the development. This team was comprised of the Assistant Head of Economic Development, Group Managers for Employability and Business Support, the Economic Development Manager for Adult Employment, two Development Officers and the Division's Economic Analyst.
- 3.4 The diagnostic process is made up of six stages set out in Table 1.

Table 1: The 6 stages of the Inclusive Growth Diagnostic

Stage	Description
Stage 1: Developing the Inclusive Growth Story	<ul style="list-style-type: none"> • Identification of the high level inclusive growth challenges across the five inclusive growth domains: economic performance; labour market access; people; place; fair work
Stage 2: Analysing inclusive growth pathways	<ul style="list-style-type: none"> • Analysing the underlying drivers and developing a long list of opportunities for prioritisation.
Stage 3: Identifying Priorities for action	<ul style="list-style-type: none"> • Assessing evidence and impact and from there, prioritising a long list of potential opportunities to a short list that will achieve maximum impact.
Stage 4: Application	<ul style="list-style-type: none"> • Identifying policies / actions and strategies for delivering on priorities • Aligning agreed actions against strategies.
Stage 5: Delivery	<ul style="list-style-type: none"> • Integrating actions into policy and programme management
Stage 6: Outcomes	<ul style="list-style-type: none"> • Developing a performance, measurement and accountability framework across the

	five inclusive growth domains and/or building into existing frameworks
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4. Glasgow City Inclusive Growth Diagnostic: Stages 1 to 3

4.1 The following provides a brief summary of the process and key outcomes from Stages 1 to 3.

4.2 Stage 1: Developing Glasgow’s Inclusive Growth Story

Process:

- Using the 5 inclusive growth domains, a set of indicators was compiled using the Scottish Government’s framework and with input from the Joseph Rowntree Foundation and the Glasgow Centre for Population Health.
- These indicators were then benchmarked against comparator areas.
- It was decided to expand comparators beyond Scotland and the UK and include two UK core cities, Liverpool and Manchester, chosen due to their similar socio-economic history and size to Glasgow. This was a diversion from the Scottish Government approach, but was deemed appropriate given Glasgow’s status as Scotland’s largest city.

Outcome:

- The process enabled the team to identify where Glasgow City is underperforming against its comparators across each of the five domains.
- The process also highlighted the many positive aspects of Glasgow’s performance across all domains, affirming Glasgow’s key role in Scotland’s economy, but as the GES describes, it is still a *tale of two cities*.
- The results reiterated the narrative in the GES
- Key areas of underperformance include (See Appendix 1):
 - Business Start-up and 3 year survival rate
 - Working age population with no qualifications / employment in low skilled occupations.
 - Poorest performing in relation to health indicators
 - High levels of poverty particularly, family / child poverty

4.3 Stage 2: Analysing the underlying causes

Process:

- A key stage of the diagnostic involved ‘unpicking’ the underlying causes of the areas of underperformance.
- To make this manageable, the indicators were grouped into four high level themes: Productivity, Skills, Health and Poverty.
- A decision tree matrix was then applied to analyse each of these areas in order to identify the underlying causes.

Outcome

- This stage enabled the team to develop a long list of areas for potential action (See Appendix 2). Whilst these are ‘challenges’ for the city, holding back growth, they are described as ‘opportunities’ for the remainder of this report in line with the terminology used in the diagnostic.

4.4 Stage 3: Identifying priorities for action

4.4.1 This stage involved two distinct scoring activities: Impact Scoring and Deliverability Scoring. These are described separately below.

4.4.2 Impact Scoring:

Process

- Each of the opportunities was assessed and scored on its impact on three areas: Inclusion, Growth and Sustainability.
- The evaluation criteria and scoring methodology was developed by the Scottish Government and used in the national level diagnostic.
- Each opportunity was further scored by the strength of available evidence of impact (quantitative and qualitative).
- The initial scoring by the project team was reviewed by policy experts from within the division across business and employability and Glasgow Community Planning Partnership, utilising the connection to citizens.
- The impact and evidence scores were then placed in the Scottish Government’s Inclusive Growth Diagnostic methodology to produce the final scores.

Outcome

- The impact scoring enabled the team to prioritise the long list of opportunities based on their assessed impact on inclusion, growth and sustainability.
- This initial prioritisation exercise resulted in the majority of ‘inclusion’ opportunities being prioritised above traditional ‘growth’ opportunities. *The costs and benefits of fair work* scored the highest and *internationalisation amongst the city’s business base* the lowest (see Appendix 3).

4.4.3 Deliverability Scoring:

Process:

- Up to this stage, the diagnostic is primarily data driven in nature. The deliverability scoring factors in the ‘care about’ dimension and the views of stakeholders.
- Specifically, this stage involved assessing the deliverability of each opportunity in relation to three areas:
 - **The preference of key groups:** the local community; businesses and policy / decision makers
 - **Time:** the length of time for the opportunity to be implemented and benefit to be felt
 - **Funding:** the level of funding required to implement the opportunity.

- The deliverability scoring was undertaken by a panel of internal experts. This factored in consultation already undertaken by Glasgow Community Planning Partnership with local communities
- Scoring on deliverability is important alongside impact. There may be strong evidence of impact of actions but they may be largely undeliverable in terms of cost and time. The final scores allow this interaction to be reflected.

Outcome

- The deliverability scoring resulted in the long list of opportunities being assigned another set of scores.
- Appendix 3 shows the deliverability scores alongside the impact scores.

5 Glasgow City Inclusive Growth Opportunities / Priorities

- 5.1 The outcome of this scoring and the impact scoring was plotted onto a quadrant graph to illustrate the interaction between the two scores.
- 5.2 Opportunities that appear in the top right quadrant are considered to have the highest impact and be the most deliverable.
- 5.3 Five inclusive growth opportunities were initially identified on the basis of both impact and deliverability scores. These are as follows:
1. Costs and benefits of fair work practices
 2. Advanced digital skills
 3. Entry level skills / work readiness
 4. Access to flexible, affordable and good quality childcare (0-16yrs)
 5. Transport (people to jobs)
- 5.4 Appendix 4 shows the placing on the matrix and the outcome scores.
- 5.5 In normal circumstances all priorities are weighted equally. For example the 50 Early Actions within the GES are all viewed as equal and do not carry any specific weighting. The diagnostic enables priorities to be weighted. Equally, it should be noted the priority list does not mean that all work ceases on the others. The process allows an evidenced based approach to allocating resource and / or strengthening actions.

6. Stage 4: Application

- 6.1 The next stage identifies policies / actions and strategies for delivery and aligning agreed opportunities against strategies.
- 6.2 Within this, the process allows for further examination of the overall scores alongside those strategic priorities. To do this, presentations were delivered between December 2018 to March 2019 to Development and Regeneration

Services Senior Management Team, the Corporate Management Team and the Leader of the Council to share the findings and clarify next steps.

6.3 As a result of this consultation and the further examination of scoring on impact and deliverability, two more opportunities were added:

6. Health and Wellbeing including mental health
7. Basic digital skills / literacy

6.4 While these two opportunities did not appear in the right hand quadrant of the matrix, their strategic importance, current resource commitment and potential long term impact were viewed as critical in achieving the city's inclusive growth aspirations.

6.5 The final list of inclusive growth priorities is:

1. Costs and benefits of fair work practices (e.g. Living Wage)
2. Advanced digital skills (local population)
3. Entry level skills / work readiness
4. Access to flexible, affordable and good quality childcare (0-16yrs)
5. Transport (people to jobs)
6. Health and Wellbeing including mental health
7. Basic digital skills / literacy

7. Glasgow City Inclusive Growth Diagnostic: Stages 5 (Delivery) and 6 (Outcomes)

7.1 Currently, the working group is developing a tool to allow services to assess their current contribution to the priorities and identify where their activity could be strengthened. To test this approach DRS Economic Development have assessed the Adult Employment Team Workplan and the Inward Investment Strategy using this tool and the inclusive growth priorities have been reflected in the decisions on funding within the division and key messaging for attracting investors to the city as a result.

7.2 The current Equality Impact Assessment (EQIA) approach has been embedded across the council. It is proposed the inclusive growth assessment tool could be adopted in the same manner. This will enable inclusive growth actions to be embedded into all policy and programme management. It can be used both at an operational and strategic level.

7.3 This would also provide a framework to progress the application of the city's inclusive growth priorities beyond Glasgow City Council services and be integrated into external planning structures such as the Glasgow Community Planning Partnership and the Glasgow Partnership for Economic Growth.

7.4 Another example of how the results of the diagnostic are being utilised can be seen in the recent Council budget allocation for 2019/20. The new Inclusive

Growth Fund has been resourced to take forward a specific programme of work to support the inclusive growth agenda in the city.

- 7.4 The final stage of the diagnostic process – developing a measurement framework, through which progress on inclusive growth can be monitored and evaluated, remains to be completed. The Scottish Government is currently refining its measurement tool and once this is available, it will be applied to the Glasgow methodology and be used to monitor and evaluate the delivery of the GES following its current refresh.
- 7.5 Further to consideration by Neighbourhoods, Housing and Public Realm Committee, the Inclusive Growth Diagnostic will be presented to the City Administration Committee for approval.

8 Policy and Resource Implications

Resource Implications:

<i>Financial:</i>	Covered by agreed budgets currently
<i>Legal:</i>	None identified currently
<i>Personnel:</i>	No direct personnel implications currently
<i>Procurement:</i>	None currently

Council Strategic Plan:

Specify which theme(s) and outcome(s) the proposal supports

- Economic Growth
- A Vibrant City
- A Sustainable City
- A City That Looks After Its Vulnerable People
- A Learning City
- Making Best Use of Our Resources

Equality Impacts:

Does the proposal support the Council's Equality Outcomes 2017-22

Improve Economic Outcomes for People with Protected Characteristics

- An increased proportion of people with protected characteristics are supported to enter employment or training.

Increase People's Knowledge about Equality and Fairness

- The Council Family has developed and delivered a consistent, and where necessary mandatory, approach to raising awareness about equality and diversity.

What are the potential equality impacts as a result of this report?

Overall intention is to embed and align inclusive growth and equality impact assessments

Sustainability Impacts:

Environmental:

None identified – consideration of transport actions on new/emerging services policies will consider environmental impact

Social:

Access to economic growth is maximised

Economic:

The delivery of inclusive growth actions to lead to economic growth and the realisation of the GES goals

Privacy and Data Protection impacts:

No data protection impacts identified currently

9 Recommendations

9.1 Committee are asked to note the content of the report.