

# Inclusion Plan Evidence Base

May 2023



# Inclusion Plan Evidence Base

**Author(s):**

Tina Beatty

Richard Crisp

Ed Ferrari

Tony Gore

Joe McMullan

May 2023

DOI: 10.7190/cresr.2023.9411194730

# Contents

<b>Executive Summary</b> .....	<b>i</b>
<b>1. Introduction</b> .....	<b>1</b>
1.1. A more socially and economically inclusive South Yorkshire .....	1
<b>2. Inclusion challenges in South Yorkshire</b> .....	<b>2</b>
2.1. UK inclusion challenges .....	2
2.2. Inclusion challenges in South Yorkshire.....	4
<b>3. Defining inclusion</b> .....	<b>7</b>
3.1. Looking beyond GDP .....	7
3.2. New frameworks for supporting inclusion.....	7
3.3. An inclusion definition for South Yorkshire.....	9
<b>4. Tackling inclusion challenges</b> .....	<b>10</b>
4.1. Drivers of inclusion .....	10
4.2. Developing an inclusion plan: levers for change .....	12
4.3. Options for promoting inclusion.....	13
4.4. Appraisal toolkits .....	18
<b>Appendix 1: The Doughnut Economics model</b> .....	<b>22</b>
<b>References</b> .....	<b>23</b>

# Executive Summary

- The South Yorkshire Mayoral Combined Authority (SYMCA) commissioned the Centre for Regional, Economic and Social Research (CRESR) at Sheffield Hallam University to provide an evidence base on economic and social inclusion challenges facing the region.
- This report summarises data analysis on inclusion challenges, provides a definition and model of inclusion, and reviews policy options for promoting inclusion. Separate outputs provide data analysis of 21 key inclusion indicators (as a full dataset and slide deck summary); a gap analysis of inclusion policy interventions that compares SYMCA and six other combined and local authorities; and a detailed policy options appraisal (summarised in this report).

## Key findings

### *UK inclusion challenges*

- The UK experienced significant improvements in labour market conditions in the wake of the pandemic, with a steady rise in vacancies following the lifting of COVID-19 restrictions.
- However, UK labour market conditions are now expected to deteriorate alongside a series of other economic, social and environmental challenges that are likely to negatively impact low income households including:
  - A two year recession and rising unemployment.
  - A cost of living crisis generated by rising inflation, falling real wages and changes to the benefit system.
  - Growth in economic inactivity in the UK particularly among older workers and the long-term sick.
  - Rising levels of child poverty, in-work poverty and fuel poverty.
  - Poor progress on improving the energy efficiency of homes to reduce heating bills and meet decarbonisation targets.

### *South Yorkshire inclusion challenges*

- Analysis of key inclusion indicators for South Yorkshire shows **positive changes** around:
  - **Small increases in weekly earnings** for the lowest paid with some local authority areas narrowing the gap with the national average.
  - **Falling claimant unemployment** in line with national trends.
- However, there remain significant challenges:
  - Employment rates among people from ethnic minority backgrounds and people with disabilities are significantly below the national average.
  - The proportion of households experiencing **fuel poverty** is six percentage points higher in South Yorkshire than in England as a whole.
  - High and rising **child poverty rates** in South Yorkshire over the last six years.

- **Significant rises in in-work poverty** as measured by the number of in-work Universal Credit (UC) claimants.
- **Rates of economic activity among the over 50s** in South Yorkshire that are higher than the national average.

### *Defining inclusion*

- Careful consideration of existing approaches to tackling inclusion and consultation with stakeholders produced a definition of inclusion and underpinning principles as follows:

***“Inclusion means creating the conditions for everyone to meet their economic and social needs within environmentally sustainable boundaries”***

CORE PRINCIPLES	
1.	Inclusion is a <b>mission that requires action across all policy</b> areas to address enduring social and spatial inequalities.
2.	Inclusion priorities must be <b>developed with local communities</b> so they can shape the values that guide policymaking.
3.	Inclusion policies should <b>account for the consequences of current interventions on future generations</b> .
4.	Inclusion means <b>valuing and supporting all parts of the economy</b> from unpaid work and foundational sectors through to high-skill, high-wage activities.
5.	Inclusion requires <b>supporting the diverse needs and capabilities of all groups and communities</b> to engage in economic and social life.
6.	Inclusion means <b>generating and retaining income and wealth for the benefit of local communities</b> .

### *Policy options for promoting inclusion*

- Data analysis of inclusion challenges undertaken for this project as well as discussion with policy officers identified a number of potential interventions that SYMCA could make to address inclusion challenges:
  - **Skills:** creating a culture of lifelong learning.
  - **Employment:** increasing the labour market participation of disadvantaged groups.
  - **Business support:** promoting inclusive business practices and growing the social economy.
  - **Transport:** creating a safe, accessible, affordable and well connected public transport system.
  - **Energy and environment:** tackling fuel poverty and increasing energy efficiency.
  - **Child poverty:** alleviating the hardship faced by low income households.
  - **Inclusive innovation:** diffusing the benefits of innovation.
  - **Democratic participation:** bringing residents into the heart of decision making.
  - **Health:** reducing health inequalities and creating a healthy workforce.

# Introduction

## 1.1. A more socially and economically inclusive South Yorkshire

The South Yorkshire Mayoral Combined Authority (SYMCA) commissioned the Centre for Regional, Economic and Social Research (CRESR) at Sheffield Hallam University to provide an evidence base on economic and social inclusion challenges facing the region. The evidence base will support the development of an Inclusion Plan to address entrenched inequalities within South Yorkshire and enable residents to contribute to and benefit from regional growth. This Inclusion Plan will complement the **Strategic Economic Plan (SEP)**<sup>1</sup> which outlines a vision for a **stronger, greener and fairer economy that creates prosperity and opportunity for all**.

This report summarises work undertaken by CRESR to date to develop an evidence base which includes:

- **In depth analysis of secondary and administrative datasets to identify inclusion challenges.** The full analysis based on 21 measures. A summary of key findings is provided in this report (Section 2).
- **A definition of inclusion and underpinning principles** to inform SYMCA's strategic work (Section 3).
- **A model of the drivers of inclusion and a review of inclusion strategies and appraisal frameworks** developed by other combined authorities and local authorities to understand the scope for action in South Yorkshire and gaps in existing strategic work (Section 4).

The project has benefitted from exploring and testing ideas in four workshops undertaken with SYMCA officers and the Mayor of South Yorkshire.

# Inclusion challenges in South Yorkshire

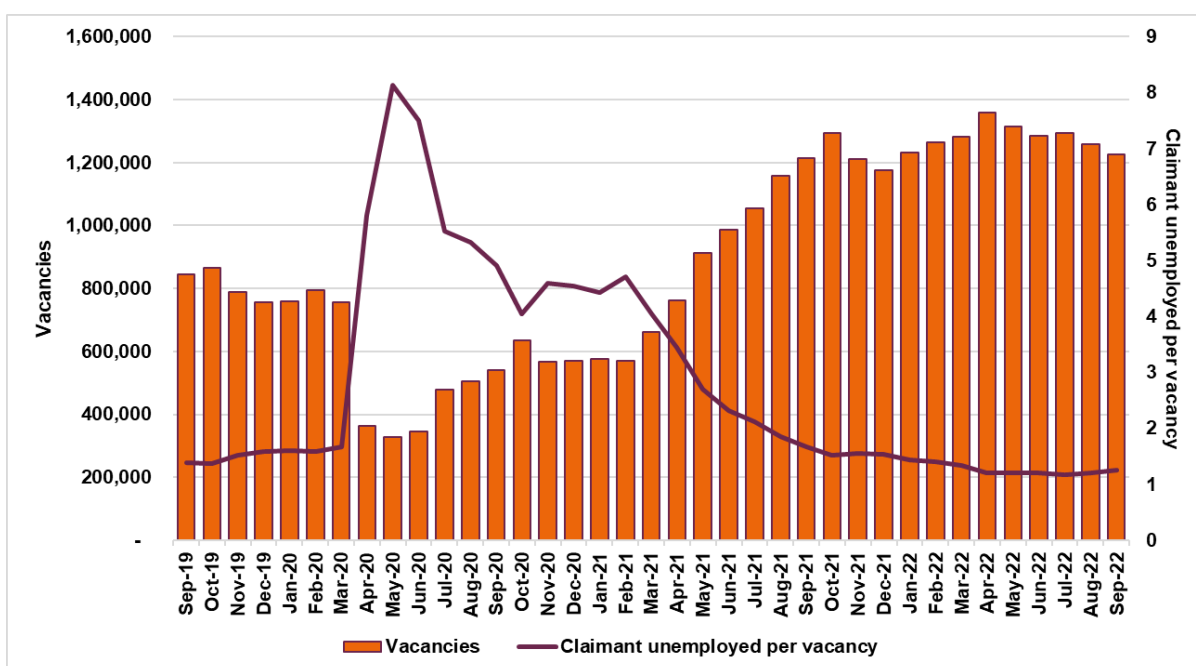
# 2

## 2.1. UK inclusion challenges

The UK experienced **significant improvements in labour market conditions in the wake of the pandemic**, with a steady rise in vacancies following the lifting of COVID-19 restrictions. This improvement reflects the post-COVID recovery of the economy, higher turnover of jobs since the economy restarted, and post-Brexit labour movement restrictions impacting on the supply of labour.

By September 2022 there were 1.3 claimant unemployed per vacancy, similar to pre-pandemic levels of 1.4 claimants per vacancy in September 2019 (Figure 1).

**Figure 1: Number of claimant unemployed per vacancy in the UK, 2019-2022**



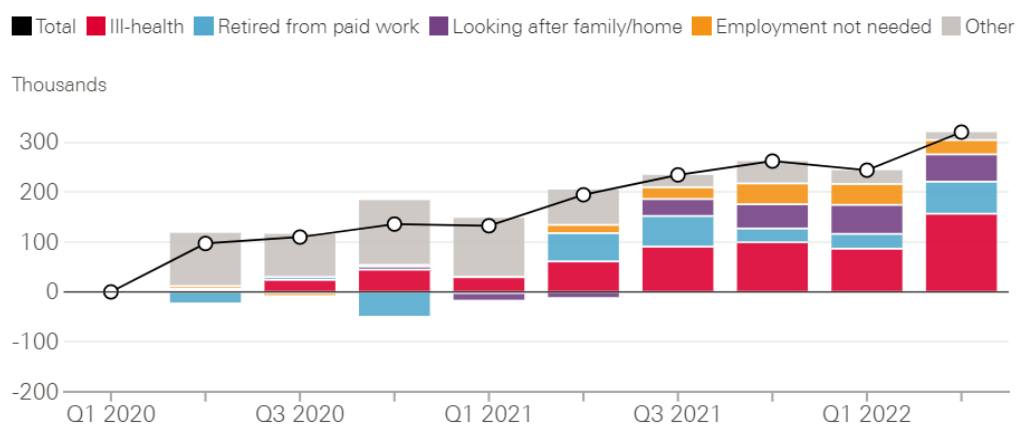
However, this does not mean there is a job for everyone who wants one. The ‘match’ depends on a range of factors including: the location and accessibility of jobs; levels of skill and experience required; the nature and quality of jobs (e.g. hours, rates of pay, job security, and contractual flexibility); the availability of appropriate and affordable transport and childcare; and employer recruitment preferences (e.g. preferences for younger or healthier workers).

Moreover, UK labour market conditions are now expected to deteriorate which, alongside a series of other **economic, social and environmental challenges**, is likely to negatively impact low income households:

- The Bank of England have forecast a two year **recession** (Q3 2022 to Q2 2024) and LFS **unemployment to rise** from 3.7 percent (Q4, 2022) to 6.4 per cent (Q4, 2025).<sup>2</sup>
- A cost of living crisis generated by rising inflation, falling real wages and changes to the benefit system:
  - Consumer Price Index (CPI) inflation stood at 10.1 per cent in the 12 months to September 2022, driven by increases in food, energy, transport and fuel.<sup>3</sup> The poorest will be hit hardest due to increase in food and essentials.<sup>4</sup>
  - It is estimated that average real pay will be nine per cent lower in Q2 2023 than two years earlier.<sup>5</sup>
  - Changes to the benefit system have seen £25bn per annum cut from working-age benefits system compared to 2010, with families with dependent children hit the hardest.<sup>6</sup> The recent removal of the temporary £20 Universal Credit uplift and the failure of benefits uprating in 2022-23 (3.1 per cent) to keep pace with inflation creates further financial pressures for low income households.
- Growth in economic inactivity in the UK particularly among older workers and the long-term sick:
  - Economic inactivity among working-age people (16–64 years) increased by over half a million people (540,000) between Q1 2020 and Q2 2022.<sup>7</sup>
  - Long-term sickness is an increasingly common reason for economic inactivity, making up 28 per cent of all those out of the labour market in June to August 2022, compared with 25 per cent at the beginning of the COVID-19 pandemic.<sup>8</sup>
  - Long COVID and long waiting lists may account for some of the recent rise in people economic inactivity due to poor health, exacerbating a pre-pandemic trend of the increasing prevalence of poor health, and of poor health as a reason for inactivity.<sup>9</sup>
  - Older working-age people (50-64) account for three fifths (61 per cent) of this rise in inactivity (329,000 people). Nearly half of this group (48 per cent or 157,000 people) reported they are inactive due to ill health (Figure 2 below).<sup>10</sup>



**Figure 2: Change in number (1,000s) of 50–64 year olds who are inactive by reason for inactivity: UK, Q1 2020 to Q2 2022**



**The Health Foundation**  
© 2022

Source: Health Foundation analysis of the Labour Force Survey, Office for National Statistics, 2022 • Ill-health is defined as temporarily sick or injured or long-term sick and disabled.

- **Rising levels of child, in-work poverty and fuel poverty:**
  - One in four children were living in poverty in 2020/21, of whom two thirds (65 per cent) lived in households with a person in work.<sup>11</sup>
  - In 2019/20 over two thirds (68 per cent) of working-age adults in poverty lived in a working household – the highest figure since records began in 1996/97.<sup>12</sup>
  - Estimates suggest that a quarter (seven million) of households in the UK are currently in fuel poverty.<sup>13</sup> This could rise to over a third (40 per cent – 10.7 million households) once the Energy Bill Support Scheme (i.e., £400 for each household) runs out by early March 2023.
- **Poor progress on improving the energy efficiency of homes** to reduce heating bills and meet decarbonisation targets:
  - 16 million homes require further insulation to achieve a C rating on the EPC scale – the level the Government has set as a target for all homes to achieve by 2035.<sup>14</sup>

## 2.2. Inclusion challenges in South Yorkshire

Data analysis on 21 key measures of inclusion was undertaken to provide a picture of social and economic circumstances in South Yorkshire. It covers a range of themes including labour markets (employment, unemployment, inactivity and earnings); protected characteristics such as ethnicity and disability; housing affordability; education and skills; health; and place-based deprivation.

This analysis shows **positive changes** around:

- **Small increases in weekly earnings** for the lowest paid with some local authority areas narrowing the gap with the national average. Overall, the difference between South Yorkshire and the national average has narrowed from eight percentage points in 2015 to 6 percentage points in 2021.
- **Falling claimant unemployment** in line with national trends. There has been a steady decrease since the third lockdown in early 2021, although all areas except Barnsley currently have rates above the England average.
- However, there remain significant challenges:

- Employment rates among people from ethnic minority backgrounds and people with disabilities are significantly below the national average:
  - **Minority ethnic employment rates** were eleven percentage points lower in South Yorkshire (57 per cent) compared with the national figure of 68 per cent. The rate is significantly lower in Barnsley (52 per cent) and Doncaster (48 per cent).<sup>15</sup>
  - Barnsley, Rotherham and Doncaster have **disability employment rates** between 12 and nine percentage points lower than the national average (57 per cent). The rate in Barnsley has fallen by more than five percentage points to 45 per cent since 2019.
- The **proportion of households experiencing fuel poverty** is six percentage points higher in South Yorkshire than in England as a whole (19 per cent compared with 13 per cent). This equates to 114,000 households in South Yorkshire living in fuel poverty in 2019. Clearly, this number is likely to have risen significantly given more increases in energy costs.
- High and rising **child poverty rates** in South Yorkshire over the last six years:
  - All four districts in South Yorkshire have seen rises in child poverty of at least five percentage points between 2014/15 and 2020/21. This contrasts with England which has seen a rise of 1 percentage point over the same period to 29 per cent.
  - The gap between South Yorkshire and the national average increased from four to six percentage points between 2019/2020 and 2020/2021. Nationally, rates fell one percentage point during this period due to the £20 uplift to Universal Credit introduced during the pandemic (since removed)
- **Significant rises in in-work poverty** as measured by the number of in-work Universal Credit (UC) claimants. South Yorkshire experienced a rise of 122 per cent between Feb 2020 and Aug 2022 to 51,000 UC claimants in employment.
- **The proportion of residents with no qualifications** is higher than the national average in some areas. Rates in Doncaster (nine per cent) and Barnsley (nine per cent) are above those for England (seven per cent).
- **Rates of economic inactivity among the over 50s** that are three percentage points higher in South Yorkshire (29 per cent) than the national average (26 per cent). Rates in some local areas are higher still and have risen since the pandemic: Barnsley has the highest rate within South Yorkshire (36 per cent compared to 30 per cent pre-pandemic).

Feedback from the call for evidence and stakeholder workshops also highlighted a series of further inclusion challenges facing residents in South Yorkshire including:

- Unequal access to remote or hybrid working opportunities across different occupational groups.
- **Widening health inequalities** including the long-term health impacts of long COVID.
- **Digital exclusion** including a forecast lack of access to gigabit broadband for 25 per cent of all households by 2025.
- **Challenges in engaging with the skills system**, particularly among adult learners whose experience of school age education has not equipped or motivated them to engage in opportunities for lifelong learning. Employees of small and medium-size enterprises (SMEs) may not always receive the time and support they need from their employer to take up training opportunities.

- **A perceived lack of safety in accessing public transport**, particularly among certain groups including younger people, older people, ethnic minority groups and women.
- The relatively inaccessibility of public transport and other key services for some communities in South Yorkshire.

These trends underline a need for an inclusion strategy that:

- **Improves labour market participation**, particularly among ethnic minority and disabled groups.
- **Reduces or mitigate poverty** such as by raising household incomes (e.g. through facilitating access to good work), reducing costs such as energy bills (e.g. through a retrofitting programme) and providing access to affordable housing.
- **Addresses health inequalities.**
- **Improves access to transport and key services.**

# Defining inclusion

## 3.1. Looking beyond GDP

It is well-recognised that measuring the strength of local economies in terms of conventional measures such as output (Gross Value Added (GVA)), productivity or employment alone is insufficient for a number of reasons including:

- **An inability to reflect the distribution of benefits from growth** which are often unevenly shared across different groups and areas. Studies in the UK show, for example, that growth in GVA does not necessarily lead to reductions in poverty or increases in employment rates for low-skilled workers<sup>16</sup>.
- **A lack of accounting for negative environmental or social ‘externalities’** such as CO<sub>2</sub> emissions, the destruction of biodiversity or the harmful impacts on health of pollution that are not priced into the costs faced by producers.
- Promoting a narrow view of the economy that:
  - Prioritises tradeable (‘basic’) sectors that generate export income while neglecting ‘foundational’ sectors that often constitute a key source of local employment and wellbeing such as health and social care, education, essential retail (e.g., food suppliers) and utilities.
  - Fails to capture the way in which the economy is embedded in wider society. The COVID-19 pandemic starkly illustrated, for example, how workers’ economic activity is often dependent on paid and unpaid relationships of care for children or sick and disabled family members. This made work difficult for many during lockdowns once schools, nurseries and day care centres were closed and informal visits to other households to undertake care was no longer possible.
- **Providing overly economic measures of ‘value’** that do capture wider, and sometimes subjective, dimensions of the ‘good life’ such as health, wellbeing, life satisfaction and belonging.

## 3.2. New frameworks for supporting inclusion

A number of frameworks have been developed in recent years in the UK and overseas to support new approaches to local economic development that go **‘beyond GDP’**. Five of these frameworks are outlined in Table 1 below. They all differ in focus and content but share a common concern to identify a wider set of social and economic priorities beyond growth to guide economic development. They are reviewed here as the basis for developing a definition of inclusion and underpinning priorities for South Yorkshire.

**Table 1: Five alternative frameworks for more inclusive economic development**

Framework	Core principles	Adopters
Inclusive Growth	Seeks an economic system which enables the greatest number or range of people to participate in economic activity and to benefit from economic success. One version emphasises growth maximisation but enabling a wider and fairer distribution of resulting opportunities. Other 'inclusive economy' versions propose a more fundamental re-think of models of ownership and economic organisation, and also challenge the idea that growth is always essential or desirable.	Leeds City Region
Community Wealth Building	Promotes reorganisation of local economy with local control so that wealth is not extracted but broadly held, generative, and recirculated locally. Five foundational principles have been identified <sup>17</sup> : <ol style="list-style-type: none"> <li>1. Progressive procurement of goods and services</li> <li>2. Fair employment and just labour markets</li> <li>3. Making financial power work for local places</li> <li>4. Socially productive use of land and assets</li> <li>5. Plural ownership of the economy (e.g., co-operatives, mutually owned businesses, SMEs).</li> </ol>	Preston City Council, North Ayrshire
Foundational Economy	Emphasises need to shift policy focus away from tradeable export sectors to invest in 'foundational' locally rooted sectors (e.g., retail, personal services), providential services (e.g., health and social care) and material infrastructures (utilities) which make everyday life possible and safe. Encourages local action and experimentation but also advocates key national reforms in terms of progressive taxation of wealth and property as well as stronger regulation of companies to limit the extraction of wealth through financial engineering or levered power.	Welsh Government
Doughnut Economics	Advocates highlight need to create an ecologically safe and socially just space (the Doughnut) in which humanity can thrive, ringed by twelve social foundations and nine planetary boundaries which form the environmental ceiling (see Appendix 1). Proposes transformational shift towards realising social needs (as embodied in the Sustainable Development Goals) without overshooting planetary boundaries as goal of economic policy. Seeks to redesign economies to be distributive and regenerative by design.	Cornwall Council
Wellbeing Economy	Advocates reengineering economic models towards enabling a 'good life' based on multiple dimensions of subjective wellbeing (e.g., 'quality of life' or 'life satisfaction') and objective wellbeing (e.g., life expectancy or educational attainment). Economies should promote ecological sustainability, intergenerational equity, wellbeing and happiness, and a fair distribution and efficient use of resources. Some versions incorporate the capabilities approach which suggests the need to complement subjective or self-reported wellbeing with a notion of capabilities understood as: <i>"the extent of [individuals'] opportunity set and of their freedom to choose among this set, the life they value"</i> <sup>18</sup> .	North of Tyne Combined Authority

### 3.3. An inclusion definition for South Yorkshire

The five alternative frameworks outlined above were drawn on to develop a draft definition of inclusion and a related longlist of underpinning principles. Local stakeholders were consulted on both definition and principles, initially through a call for evidence and then via a series of workshops with SYMCA officers. This generated refinements to the core definition and a final list of six principles as follows:

***“Inclusion means creating the conditions for everyone to meet their economic and social needs within environmentally sustainable boundaries”***

CORE PRINCIPLES	
1.	Inclusion is <b>a mission that requires action across all policy</b> areas to address enduring social and spatial inequalities.
2.	Inclusion priorities must be <b>developed with local communities</b> so they can shape the values that guide policymaking.
3.	Inclusion policies should <b>account for the consequences of current interventions on future generations.</b>
4.	Inclusion means <b>valuing and supporting all parts of the economy</b> from unpaid work and foundational sectors through to high-skill, high-wage activities.
5.	Inclusion requires <b>supporting the diverse needs and capabilities of all groups and communities</b> to engage in economic and social life.
6.	Inclusion means <b>generating and retaining income and wealth for the benefit of local communities.</b>

# Tackling inclusion challenges

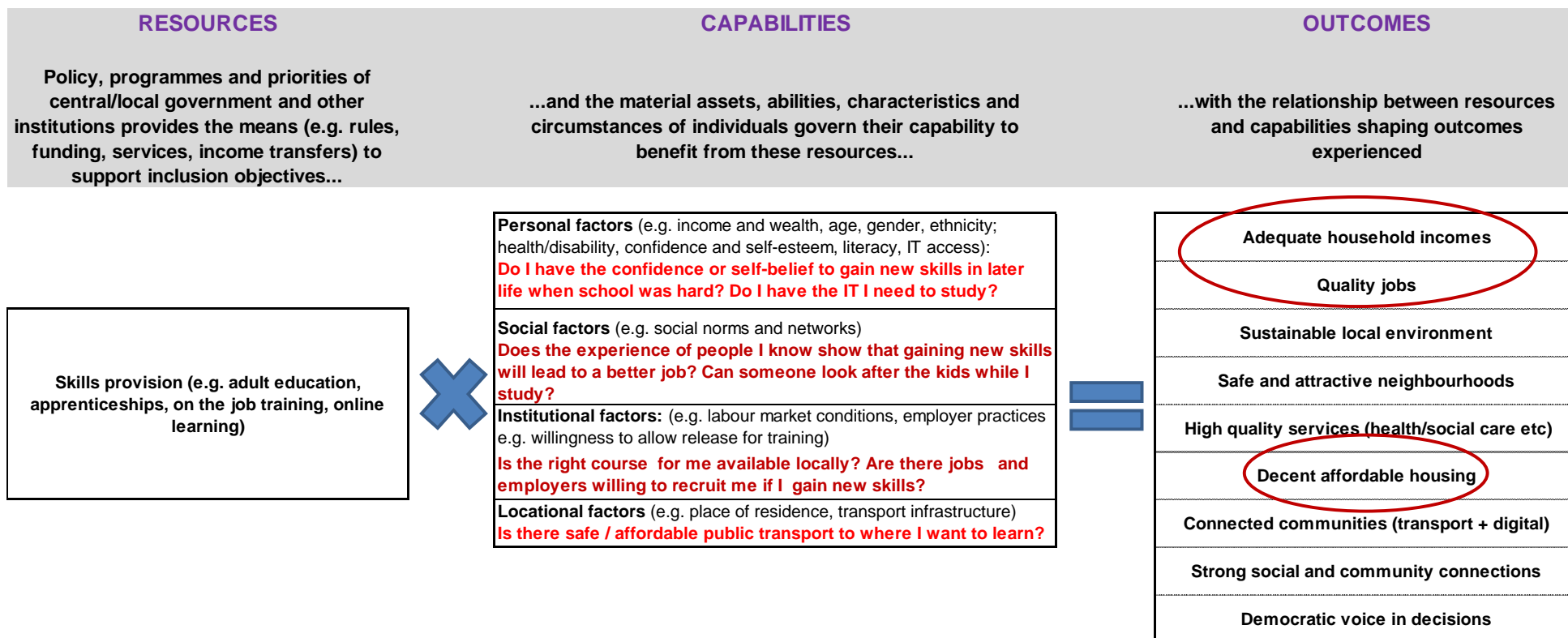
## 4.1. Drivers of inclusion

Promoting inclusion in South Yorkshire requires an understanding of the outcomes that inclusion policies should support and how these might be achieved. It also requires some understanding of the levers that SYMCA has to shape outcomes and the different kinds of interventions it might implement. Figure 1 below presents a **model of inclusion**. It adapts the notion of capabilities developed by the economist Amartya Sen. The value of this approach is that it recognises that **outcomes** depend both on the provision put in place through policy interventions (**'resources'**) and the ability of individuals to take up opportunities and make choices (**'capabilities'**) given their situations and circumstances. In other words, it recognises that resources (e.g. a programme or service) alone may not be enough. Further support around capabilities could also be needed for individuals to realise opportunities.

The model identifies a set of economic, social and environmental outcomes which might be seen as constituent parts of inclusion. These are illustrative - a definite list would require further evidence gathering and consultation beyond the scope of this study. It then uses the example of skills provision to illustrate the relationship between resources and capabilities. This example was chosen as feedback from workshops indicated that ensuring that skills provision is in place may not be sufficient if lower-skilled residents have poor experiences of school-age education (e.g., due to low attainment and lack of enrichment activities), as this often translates into low confidence or aspirations to engage in adult learning. The outcomes circled in red indicate those that skills interventions might hope to target.

Though not always explicit, three further assumptions underpin the model. First, it sees individuals as **active rather than passive agents of change** with the role of public policy being to strengthen and safeguard human capabilities.<sup>19</sup> Second, while some desired outcomes relate directly to environmental benefits (e.g. a sustainable local environment), all activities to achieve any of the outcomes will have environmental impacts. This should be assessed to ensure that interventions are consistent with both the broad definition of inclusion as **meeting needs within environmentally sustainable boundaries**, as well as SYMCA's **strategic environmental objectives** (e.g. around net zero). Third, the presence or absence of resources and capabilities, and the relationship between the two, is **highly place-dependent**. For example, residents living in more peripheral rural areas poorly served by public transport may find centralised resources less accessible (e.g. skills provision, healthcare, employment) and have fewer capabilities to travel (e.g. due to inability to afford public transport or health issues that limit mobility).

Figure 1. A capabilities model of inclusion with example application to skills interventions





## 4.2. Developing an inclusion plan: levers for change

Before designing specific interventions an inclusion plan for South Yorkshire needs to take account of the **levers for change** that the SYMCA has as well **the policy intervention types** it might want to pursue. This is consistent with the capabilities model outlined in the previous section.

The **scale and nature of levers of change** that the SYMCA can use to support inclusion will depend on:

- **Access to finance e.g.:**
  - Capital or revenue.
  - Private or public.
  - Source (e.g., direct grant, competitive bidding, borrowing, inward investment, tax raising, income generation ('entrepreneurial state'), leveraging (planning and procurement agreements)).
- **Powers and responsibilities:**
  - Formal legislative powers and provisions.
  - Devolution agreements.
  - 'Soft power' including political capital, influence and access to Whitehall.
- **Institutional knowledge, capabilities, capacity, experience and ways of working:**
  - Cross-directorate and multi-thematic ways of working to join up policy domains as part of a whole systems or 'mission' approach (e.g., making connections between work and health).
  - Effective capacity to lead on and deliver programmes of policy development and implementation.
- **Partnership and convening powers:**
  - Working with a range of stakeholders including Local Authorities, the LEP, businesses, anchor institutions, the Voluntary, Community and Social Enterprise (VCSE) sector, trade unions and communities.

The nature of **policy interventions options** to support inclusion goals will vary according to number of factors including:

- The point at which intervention occurs (upstream or downstream).
- Anticipated timescales and the extent to which the intervention is intended to support more immediate benefits (e.g., reduced fuel bills through retrofitting) or facilitate longer-term outcomes (e.g., training as a pathway to better jobs).
- The relative focus on process (e.g., democratic participation) versus outcomes.
- The extent to which the intervention is intended to produce direct impacts or influence the actions of wider partners.

Depending on the configuration of these factors **six broad types of policy intervention can be identified:**

- **Ameliorating or improving material living standards** through raising household incomes or reducing living costs in the shorter-term (e.g., through debt/welfare advice or increasing the energy efficiency of housing).
- **Providing opportunities** for individual and households over the longer term to enhance wellbeing (e.g., through raising all age educational attainment and skills to improve employment prospects).
- **Preventing inclusion challenges** from developing through upstream intervention (e.g., public health measures to prevent obesity, promote exercise etc).
- **Improving quality of place and social infrastructure** to enhance social capital, community enterprise, sense of belonging, pride in place (e.g., through enhancing local services and amenities).
- **Creating participatory opportunities, for individuals and communities** to have a meaningful say in decision making, their working environment, and opportunities to own, manage or run local assets.
- **Influencing or convening partners** to take action to support inclusion objectives (e.g., by creating a poverty commission or action group).

One implication of this range of policy types is that **some inclusion outcomes may be more immediate and easier to achieve than others**. For example, and setting aside the issue of funding, it may be easier to create safe and attractive neighbourhoods (e.g., through increasing or enhancing green space and other public areas) than to promote access to good jobs through skills development. A lack of capabilities to access to green space such as issues with proximity and personal mobility could exclude some. However, there is still likely to be fewer or less complex barriers around access to green space than those linked to skills development as a pathway to good jobs.

### 4.3. Options for promoting inclusion

Table 2 summarises options for promoting inclusion.

**Table 2: Policy options for SYMCA inclusion activities**

Policy area	Inclusion challenge	What further interventions could SYMCA explore?	How would this support inclusion
<b>Skills - Creating a culture of lifelong learning</b>	Adults lack capabilities to engage with skills provision	<p>Support development of activities to promote learning at all stages of life course e.g.:</p> <ul style="list-style-type: none"> <li>• School readiness programmes.</li> <li>• Enrichment activities for older children.</li> <li>• Interventions around children that engage adults (family learning).</li> </ul>	<ul style="list-style-type: none"> <li>• Increasing educational and employment opportunities.</li> <li>• Raising household incomes.</li> <li>• Supporting health and wellbeing.</li> </ul>
<b>Employment - increasing the labour market participation of disadvantaged groups</b>	Low levels of labour market participation or entrepreneurship among some groups (disabled, ethnic minority and older workers).	<ul style="list-style-type: none"> <li>• Target disadvantaged groups through existing and future apprenticeships, skills and employment programmes.</li> <li>• Establish equalities taskforce.</li> <li>• Work through existing equalities groups/panels to better understand and address barriers to employment and challenge stakeholders to improve support.</li> <li>• Review SYMCA's equalities and recruitment policies.</li> <li>• Work with LAs and other anchor institutions to tackle inequalities.</li> <li>• Use Growth Hub and Skills Bank to support greater representation of disadvantaged groups as business owners or employees.</li> <li>• Use 'good work' activities to promote recruitment of, and equal pay for, disadvantaged groups.</li> <li>• Collect evidence on the need for targeted provision.</li> </ul>	<ul style="list-style-type: none"> <li>• Increase labour market participation among groups with below average rates of employment.</li> <li>• Raise household incomes.</li> <li>• Improve health and wellbeing through good employment.</li> </ul>
<b>Business support - promoting inclusive business practices</b>	Businesses have limited capacity to engage with inclusion agendas or poor understanding of its value	<ul style="list-style-type: none"> <li>• Establish an inclusive economy working group or network.</li> <li>• Communicate and evidence benefits of commitments to inclusive business practices as part of standard offer to businesses.</li> <li>• Consult SMEs to understand support needs.</li> <li>• Review evidence base of effectiveness of 'good work' activities.</li> <li>• Develop dedicated inclusion/social value business engagement team.</li> <li>• Use procurement of public goods, services and contracts to encourage inclusive practices.</li> </ul>	<ul style="list-style-type: none"> <li>• Support recruitment and retention of disadvantaged groups.</li> <li>• Improve pay, conditions, health and wellbeing and working environment for low paid workers.</li> <li>• Generate wider social and environmental benefits for low income communities in which businesses operate.</li> </ul>

Policy area	Inclusion challenge	What further interventions could SYMCA explore?	How would this support inclusion
<b>Business support - growing the social economy</b>	Immature employee owned sector	<p>Further promote alternative ownership models and their benefits through:</p> <ul style="list-style-type: none"> <li>• Creating a pre-start fund to provide small grants, enterprise coaching and wraparound support to encourage formation of more worker co-operatives, by a more diverse group of people.</li> <li>• Free/low cost business valuation and support for planning succession strategies.</li> <li>• Financial, legal and cultural advice on transitioning businesses.</li> <li>• Providing education and raise awareness around alternative business models both in communities and with employers.</li> <li>• Promoting the Ownership Hub in all engagements with business.</li> <li>• Identify SYMCA investment opportunities that could support the development of the social economy.</li> </ul>	<ul style="list-style-type: none"> <li>• Encourage underrepresented groups to set up employee-owned businesses.</li> <li>• Improve the quality of employment in foundational sectors.</li> <li>• Grow the ethical supplier base for anchor institutions.</li> <li>• Support the retention of wealth locally and provide goods and services that deliver social and environmental benefits for residents in low income communities.</li> </ul>
<b>Transport - creating safe and accessible public transport system</b>	Inclusion activity around transport tends to focus on affordability and availability with less attention to accessibility and safety concerns more likely to be experienced by particular groups (young, old, ethnic minorities and the disabled)	<ul style="list-style-type: none"> <li>• Work with South Yorkshire Police on transport specialist officers and services (e.g. similar to Sheffield North West team which focuses on pedestrian and cyclist safety).</li> <li>• Ensure partnerships with operators are based on strict SLAs around vehicle accessibility and safety.</li> <li>• Better promotion and public awareness of transport reliability, accessibility and safety.</li> </ul>	<ul style="list-style-type: none"> <li>• Overcome disconnection and barriers to employment, education and training.</li> <li>• Support greater use of public transport among disadvantaged groups.</li> </ul>
<b>Transport - creating an affordable and well connected public transport system</b>	Poor affordability of public transport and issues with routes, frequencies and reliability	<ul style="list-style-type: none"> <li>• Alternative ownership models.</li> <li>• Alternative funding models e.g. crowdfunding or social impact bonds.</li> <li>• Lobby for stronger transit-oriented development models within local plans.</li> <li>• Better exploration of technology-supported solutions (Mobility as a Service, data use, demand responsive transport, integration of private hire and e-cycle schemes).</li> </ul>	<ul style="list-style-type: none"> <li>• Overcome disconnection and barriers to employment, education and training.</li> <li>• Support greater use of public transport among disadvantaged groups.</li> </ul>

Policy area	Inclusion challenge	What further interventions could SYMCA explore?	How would this support inclusion
<b>Energy and environment - tackling fuel poverty and increasing energy efficiency</b>	Above average levels of energy and fuel poverty	<ul style="list-style-type: none"> <li>• Develop links between retrofit and skills and business support/growth agendas (e.g. regional focus on retrofit will support skilled jobs and new start-ups/scaled-up firms).</li> <li>• Create skills and training pathways e.g. work with FE colleges to create retrofit assessor/installer training, and ensure school students aware of career choices in sector.</li> <li>• Lobby central government for greater funding for retrofit programmes.</li> </ul>	<ul style="list-style-type: none"> <li>• Reduction in energy bills and fuel poverty.</li> <li>• (Re)training and job opportunities in the retrofit sector.</li> <li>• Improved air quality (reduced use of gas boilers lowers NOx emissions).</li> <li>• Reductions in health inequalities through better heated homes and reduced mental health impacts of lower fuel poverty.</li> </ul>
<b>Child poverty - alleviating the hardship faced by low income households</b>	Rising and high levels of child poverty in South Yorkshire	<ul style="list-style-type: none"> <li>• Create a multi-stakeholder Poverty Action Group tasked with understanding the scale and causes of poverty and scope for local action to alleviate or reduce poverty.</li> <li>• Use convening powers of MCA to identify and share good practice across boroughs e.g. Sheffield's Tackling Poverty Framework – 2020-2030.</li> <li>• Look to secure crossover benefits around child poverty through other MCA programmes (e.g. retrofit, education and skills initiatives, 'good work' agenda etc).</li> <li>• Consider implementing a duty to promote socioeconomic equality (Section 1 of the Equalities Act).</li> </ul>	<ul style="list-style-type: none"> <li>• Creates a framework and convenes partnerships for developing anti-poverty strategies and actions.</li> </ul>
<b>Inclusive innovation - diffusing the benefits of innovation</b>	<p>Innovation can drive growth but benefits in terms of jobs and outcomes may be unevenly distributed</p> <p>Low representation of some groups within sectors driving innovation (as entrepreneurs and employees)</p>	<ul style="list-style-type: none"> <li>• Scale up existing programmes to support tech entrepreneurship across communities in South Yorkshire.</li> <li>• Undertake review of potential scope of inclusive innovation within South Yorkshire beyond tech entrepreneurship.</li> <li>• Appraise inclusion benefits (e.g. jobs, participation of underrepresented communities) of all SYMCA investments in innovation.</li> <li>• Engage residents in inclusive innovation agenda e.g. through co-design of strategies and decision making in allocation of innovation challenge funding.</li> <li>• Develop Inclusive Innovation strategy and action plan.</li> </ul>	<ul style="list-style-type: none"> <li>• Create jobs and enterprises that employ or benefit underrepresented groups.</li> <li>• Innovation in products, processes or services benefit disadvantaged groups.</li> <li>• Enhancing quality of life for residents in low income neighbourhoods positively impacted by innovation.</li> </ul>

Policy area	Inclusion challenge	What further interventions could SYMCA explore?	How would this support inclusion
<b>Democratic participation - bringing residents into the heart of decision making</b>	Lack of resident understanding of, and involvement in, decision making processes of the MCA	<ul style="list-style-type: none"> <li>• Map existing structures for involvement and participation in South Yorkshire to identify gaps and opportunities for collaboration.</li> <li>• Establish a working group or taskforce to explore options (e.g. citizens' assemblies, citizens' juries, participatory budgets, panels of under-represented groups) for engaging and involving citizens in the work of SYMCA.</li> </ul>	<ul style="list-style-type: none"> <li>• Broaden the scope for democratic participation and decision-making of low income groups in the policy making process.</li> </ul>
<b>Health - reducing health inequalities and creating a healthy workforce</b>	<p>Entrenched health inequalities across South Yorkshire</p> <p>Lack of alignment across policy areas that impact on health (housing, transport and energy and environment)</p>	<ul style="list-style-type: none"> <li>• Develop an <i>accessible</i> good work agenda to support those with health conditions and disabilities to secure employment e.g.: <ul style="list-style-type: none"> <li>– Embed tackling health inequalities within good work strategies and initiatives e.g. progressive procurement policies, Ownership Hub, business challenge/employment charter.</li> <li>– Create a healthy workplace agenda that links employee health and wellbeing with business productivity, building on existing local work (e.g. the Yorkshire and Humber Public Health Network's <i>Workplace Health and Wellbeing Network</i> or projects from elsewhere such as those have used accreditation to improve practices (e.g. <i>Thrive in Work</i> <a href="https://www.wmca.org.uk/what-we-do/wellbeing/thrive-at-work/">https://www.wmca.org.uk/what-we-do/wellbeing/thrive-at-work/</a>)</li> <li>– Review recruitment processes for SYMCA and other public sector/anchor institutions to ensure they accommodate applicants with health conditions or disabilities.</li> </ul> </li> <li>• Create a strong narrative around the importance of addressing the social determinants of health through systems change (e.g. tackling poor housing, not just addressing 'bad' choices' around diet and lifestyle).</li> <li>• Make links to other policy agendas that shape the social determinants of health e.g. creating more energy efficient homes, providing accessible and affordable transport.</li> <li>• Ensure requirements to consider health inequalities are built into SYMCA investments and key frameworks (e.g. commissioning or assurance frameworks and business case templates).</li> </ul>	<ul style="list-style-type: none"> <li>• Support increased take up of employment (as both a source of income and determinant of health).</li> <li>• Address other social determinants of health /wellbeing</li> <li>• Embed health inequalities as an agenda across all aspects of MCA and partnership working.</li> </ul>

In addition to the policy options presented above SYMCA could examine the potential value of other types of strategies and interventions developed elsewhere. The gap analysis undertaken indicates that SYMCA is active in addressing many inclusion challenges in common with other combined authorities and local authorities. At the same time, it may wish to explore options for work around other aspects of inclusion where it is currently less active:

- Developing strategies for supporting and improving the quality of work in **foundational sectors** including opportunities for **in-work progression**, particularly for those in low wage jobs. At the same time, developing pathways to make entry into higher-skilled **frontier sectors** more accessible (e.g. through ‘qualification blind’ application processes or sector-based recruitment strategies) could facilitate employment for those with lower levels of skill.
- Establishing a Land Commission to explore ways in which SYMCA and partners could identify and bring sites into use for an array of purposes to support social inclusion objectives. The Liverpool City Region Land Commission<sup>20</sup> discusses the potential, for example, to use vacant, brownfield or stalled sites to support goals around inclusive economic activity, addressing inequalities, supporting wellbeing or mitigating against climate breakdown. This could include developing sites for innovation; renewable energy; housing or commercial units; growing spaces and city farms meeting the demand for allotments; and “meanwhile” creative spaces.

These are just two examples and the extent to which these are priorities for, or could be transferred readily to the South Yorkshire context, cannot be assumed. The gap analysis is intended to review the breadth of inclusion activities taking place as a catalyst for discussion around options for South Yorkshire, rather than being a simple ‘read off’ of gaps in existing SYMCA policies that should be addressed by replicating interventions from elsewhere.

#### 4.4. Appraisal toolkits

A number of institutions have developed **guidance or toolkits** to appraise the inclusion benefits of potential investments. Four are summarised below:

- The **Greater Manchester Combined Authority** have developed a **Decision Support Tool**<sup>21</sup> to allow users to self-assess the impact of proposed policies, initiatives, or services against GMCA policy frameworks in terms of whether they are positive or negative and have short or long term impacts. Users self-assess against nine impact areas (equalities, health, resilience and adaptation, housing, economy, mobility and connectivity, carbon, nature and environment, consumption and production, and the 2038 Carbon Neutral target). A number of the questions posed within each impact area are directly relevant to inclusion agendas, with the assessment generating a RAG rating reflecting the balance of positive and negative impacts.
- **Liverpool City Region Combined Authority** have produced guidance<sup>22</sup> to appraise applications to their **Strategic Investment Fund (SIF)** qualitatively in terms of contribution to ‘**good growth**’ defined as “*economic growth which supports our ambitions for a globally competitive, environmentally responsible and socially inclusive City Region*”. Specific social and environmental criteria used to appraise bids are outlined in Box 1 below.



## Box 1: Appraisal criteria to the Liverpool City Region Strategic Investment Fund

### Socially inclusive means the:

- Creation of stable jobs at real living wage.
- Movement from unemployment or unstable employment to stable employment.
- Seeking targeted interventions to increase employment and progression opportunities for underrepresented racial groups.
- Assistance to move disadvantaged and vulnerable groups into stable employment.
- Development of professional skills and opportunities, leading to career progression.
- Recognition of workplace representation and trade unions.
- Linking of people to jobs and opportunity, physically and digitally.
- Coverage and the cost of local public transportation.
- Improving the economic and social sustainability of key places like our town centres.
- Empowering communities to generate jobs and growth for themselves.
- Maximise social value through procurement practices.

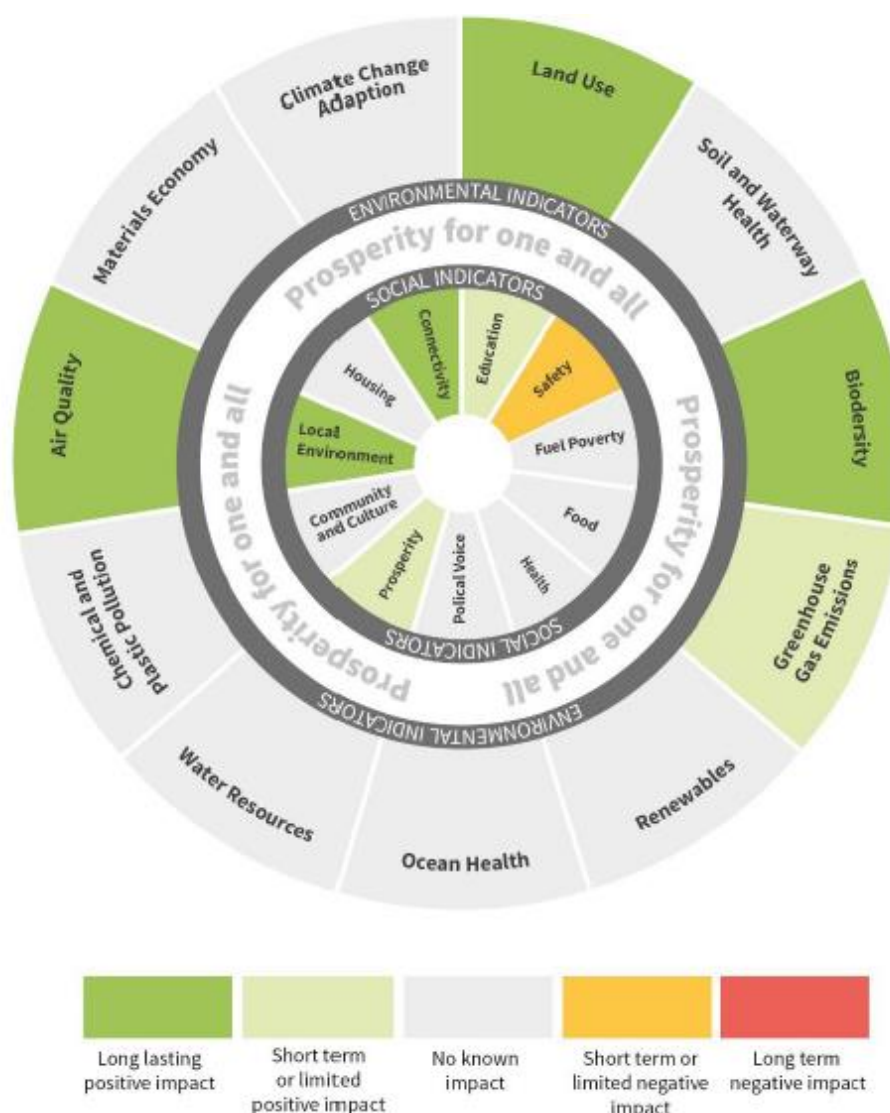
### Environmentally responsible means the:

- Generation and distribution of sustainable, replicable low carbon energy.
- Generation of carbon savings and, for SIF investment, realisation of associated financial value.
- Building of housing and premises to high energy efficiency standards (to meet EPC Band B or above).
- Supporting the transition to low carbon business models across our economy.
- Building transport networks and services with net carbon avoidance and pollution reduction as a primary driver.
- Embedding green spaces into our major residential and commercial developments and town centre regeneration.

- **Cornwall Council use the Doughnut Economics framework<sup>23</sup>** to appraise the social, economic and environmental impacts of potential projects or activities as part of cabinet decision-making, budget setting and sustainable commissioning processes. The DE framework has been used to create the **Cornwall Decision-making Wheel** (see Figure 2 below) which scores impacts against 22 environmental, social, economic and cultural criteria. The initial version of the tool relied on qualitative assessment but a second version in development will automatically generate scores for each area based on input into an online app. It will be integrated with the Council's existing Comprehensive Impact Assessment tool for new projects and policies to create a single project planning and impact assessment tool.



Figure 2: Example of completed Cornwall Decision-making wheel for the Saints Trail walking and cycling routes project



Source: Cornwall Council (undated) *Cornwall Decision-making Wheel*

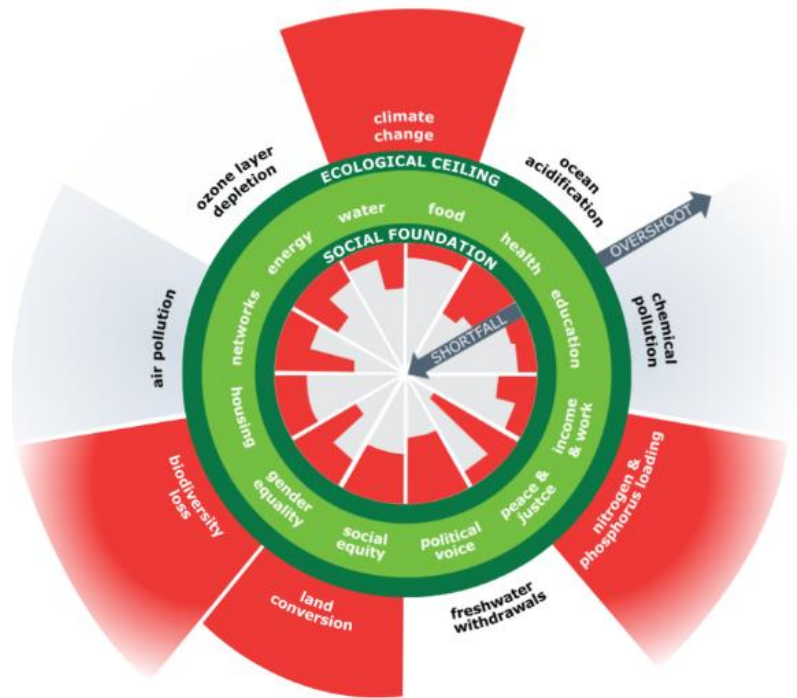
- The **West Midlands Combined Authority** have developed an **Inclusive Growth Decision-making Tool** <sup>24</sup> for public sector practitioners to assess whether projects and interventions will support inclusive growth. It uses a series of qualitative criteria to decide if a project is likely to make a positive contribution to inclusive growth based around four key themes:
  - **Stage 1 Strategic Fit:** Determine whether the project targets the identified strategic priorities for WMCA and the region.
  - **Stage 2 Evaluation of Priorities:** Assess the extent to which the project contributes to inclusive growth in the West Midlands across each of the priorities it targets.
  - **Stage 3 Who Will Benefit:** Assess the direct impact of the project on specific inclusive growth target groups, and promote wider benefits through procurement.
  - **Stage 4 Good Work:** The capacity of a project to promote Good Work should be assessed even for projects that do not directly target inclusive growth target groups or West Midlands priorities.

Figure 3 below gives an example of the suggested criteria to appraise grants or loans made to small businesses to support growth and productivity improvements to see if they also support inclusive growth objectives. This Business competitiveness and productivity theme is one of the seven priorities identified at Stage 2 (the others comprise: Employment, Skills, Accessibility - connectivity and mobility, Housing, Land and Environment, and Health)

**Figure 3: Criteria for assessing inclusive growth benefits of grants or loans to small businesses**



## Appendix 1: The Doughnut Economics model



Source: <https://www.kateraworth.com/doughnut/>

# References

- 
- <sup>1</sup> South Yorkshire Mayoral Combined Authority (2021) *Our Strategic Economic Plan 2021-2041*. [https://southyorkshire-ca.gov.uk/explore\\_strategic-economic-plan](https://southyorkshire-ca.gov.uk/explore_strategic-economic-plan)
- <sup>2</sup> Bank of England (2022) *Bank of England Monetary Policy Report, Monetary Policy Committee, November 2022*. <https://www.bankofengland.co.uk/-/media/boe/files/monetary-policy-report/2022/november/monetary-policy-report-november-2022.pdf>
- <sup>3</sup> ONS Office for National Statistics (2022) *Consumer price inflation, UK: September 2022*. <https://www.ons.gov.uk/economy/inflationandpriceindices/bulletins/consumerpriceinflation/september2022>
- <sup>4</sup> Resolution Foundation (2022) *Cost-of-living gap between rich and poor hits fresh high, as effective inflation rate for low-income households hits 12.5 per cent*, 16 November 2022. [www.resolutionfoundation.org/press-releases/cost-of-living-gap-between-rich-and-poor-hits-fresh-high-as-effective-inflation-rate-for-low-income-house...](http://www.resolutionfoundation.org/press-releases/cost-of-living-gap-between-rich-and-poor-hits-fresh-high-as-effective-inflation-rate-for-low-income-house...); House of Commons Library (2023) *Rising Cost of Living in the UK*. <https://commonslibrary.parliament.uk/research-briefings/cbp-9428/>
- <sup>5</sup> Resolution Foundation (2022) *In at the deep end: The living standards crisis facing the new Prime Minister The Living Standards Outlook 2022 – Summer Update*. <https://www.resolutionfoundation.org/app/uploads/2022/09/In-at-the-deep-end.pdf>
- <sup>6</sup> Beatty, C., Bennett, C. and Hawkins, A. (2021) Food bank use by low-income women workers in a changing welfare regime, *Social Policy and Administration*, 55(5). <https://doi.org/10.1111/spol.12707>
- <sup>7</sup> The Health Foundation (2022) *Is poor health driving a rise in economic inactivity?* <https://www.health.org.uk/news-and-comment/charts-and-infographics/is-poor-health-driving-a-rise-in-economic-inactivity#:~:text=Economic%20inactivity%20in%20context,570%2C000%20compared%20with%20Q4%202019.>
- <sup>8</sup> ONS (2022) *Half a million more people are out of the labour force because of long-term sickness*, 10 November 2022. <https://www.ons.gov.uk/employmentandlabourmarket/peoplenotinwork/economicinactivity/articles/halfamillionmorepeopleareoutofthelabourforcebecauseoflongtermsickness/2022-11-10>
- <sup>9</sup> The Health Foundation (2022) op cit.
- <sup>10</sup> The Health Foundation (2022) op cit.
- <sup>11</sup> Loughborough University (2022) *1-in-4 children living in poverty set to worsen during cost of living crisis*, 12 July 2022. <https://www.lboro.ac.uk/news-events/news/2022/july/1-in-4-children-living-in-poverty-cost-of-living/>
- <sup>12</sup> Joseph Rowntree Foundation (2022) *UK Poverty 2022: The essential guide to understanding poverty in the UK*. [file:///C:/Users/dsrc2/Downloads/uk\\_poverty\\_2022.pdf](file:///C:/Users/dsrc2/Downloads/uk_poverty_2022.pdf)

- 
- <sup>13</sup> End Fuel Poverty Coalition (2022) *Coalition reacts to Energy Price Guarantee announcement*. <https://www.endfuelpoverty.org.uk/coalition-reacts-to-energy-price-guarantee-announcement/>
- <sup>14</sup> Corlett, A. and Marshall, J. (2022) *Shrinking footprints: The impacts of the net zero transition on households and consumption*. <https://economy2030.resolutionfoundation.org/wp-content/uploads/2022/03/Shrinking-footprints.pdf>
- <sup>15</sup> Local authority level data needs to be treated with some caution as underpinning sample sizes for BAME populations can be quite small leading to data volatility.
- <sup>16</sup> See for example: Lee, N., Sissons, P., Hughes, C., Green, A., Atfield, G., Adam, D. and Rodriguez-Pose, A. (2014) *Cities, growth and poverty: A review of the evidence*. <https://www.jrf.org.uk/report/cities-growth-and-poverty-evidence-review>; Lee, N. and Sissons, P. (2016) Inclusive growth? The relationship between economic growth and poverty in British cities. *Environment and Planning A: Economy and Space*, 48 (11), pp. 2317–2339. <https://doi.org/10.1177/0308518X16656000>;
- <sup>17</sup> CLES (2022) *Own the future: A guide for new local economies*. <https://cles.org.uk/wp-content/uploads/2020/07/Own-the-future-revised-mutuals-copy.pdf>
- <sup>18</sup> Stiglitz J.E., Sen, A. and Fitoussi, J-P. (2009) *Report by the Commission on the Measurement of Economic Performance and Social Progress*. Report, Commission on the Measurement of Economic Performance and Social Progress, France, Paris. <https://ec.europa.eu/eurostat/documents/8131721/8131772/Stiglitz-Sen-Fitoussi-Commission-report.pdf>
- <sup>19</sup> Kimhur, B. (2020) How to Apply the Capability Approach to Housing Policy? Concepts, Theories and Challenges, *Housing, Theory and Society*, 37 (3). <https://doi.org/10.1080/14036096.2019.1706630>
- <sup>20</sup> CLES (2021) *Our Land: The final report of the Liverpool City Region Land Commission*. <https://cles.org.uk/publications/our-land/>
- <sup>21</sup> The Decision Support Tool is available at <https://www.greatermanchester-ca.gov.uk/what-we-do/greater-manchester-strategy/>
- <sup>22</sup> Liverpool City Region Combined Authority (2020) *Strategic Investment Fund Investment Strategy*. <https://www.liverpoolcityregion-ca.gov.uk/wp-content/uploads/LCRCA-SIF-Investment-Strategy.pdf>
- <sup>23</sup> Information taken from Cornwall Council (n.d.) *Cornwall Decision-making Wheel* <https://www.cornwall.gov.uk/media/43hpmphv/decision-making-wheel-flier.pdf>; Local Government Association (2022) *Cornwall Council: Doughnut economics in council decision making – revisiting, 04 November, 2022*. <https://www.local.gov.uk/case-studies/cornwall-council-doughnut-economics>; Ashden (2022) *Doughnut Economics help Cornwall Council make climate decisions*, 11 April, 2022. <https://ashden.org/news/doughnut-economics-help-cornwall-council-make-climate-decisions/>
- <sup>24</sup> Source: West Midlands Combined Authority (2019) *Inclusive Growth Decision-making Tool: For public sector practitioners to assess whether projects and interventions will support inclusive growth*. <https://governance.wmca.org.uk/documents/s2911/Appendix.pdf>

# Sheffield Hallam University

## *Inclusion Plan Evidence Base*

BEATTY, Christina <<http://orcid.org/0000-0003-0943-9979>>, CRISP, Richard <<http://orcid.org/0000-0002-3097-8769>>, FERRARI, Edward <<http://orcid.org/0000-0002-5506-7670>>, GORE, Tony <<http://orcid.org/0000-0002-0997-7198>> and MCMULLAN, Joseph

Available from the Sheffield Hallam University Research Archive (SHURA) at:

<http://shura.shu.ac.uk/32527/>

## **Copyright and re-use policy**

Please visit <http://shura.shu.ac.uk/32527/> and <http://shura.shu.ac.uk/information.html> for further details about copyright and re-use permissions.